

# **SOUTHERN BORDER VIOLENCE—2009**

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## **HEARINGS**

BEFORE THE

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

OF THE

**ONE HUNDRED ELEVENTH CONGRESS**

**FIRST SESSION**

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**MARCH 25, 2009**

**SOUTHERN BORDER VIOLENCE: HOMELAND SECURITY THREATS,  
VULNERABILITIES, AND RESPONSIBILITIES**

**AND**

**APRIL 20, 2009**

**SOUTHERN BORDER VIOLENCE: STATE AND LOCAL PERSPECTIVES  
FIELD HEARING IN PHOENIX, ARIZONA**

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**SOUTHERN BORDER VIOLENCE: HOMELAND  
SECURITY THREATS, VULNERABILITIES,  
AND RESPONSIBILITIES**

WEDNESDAY, MARCH 25, 2009

U.S. SENATE,  
COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 9:31 a.m., in room SD-342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Akaka, Carper, Pryor, Tester, Burris, Bennet, McCain, and Graham.

**OPENING STATEMENT OF CHAIRMAN LIEBERMAN**

Chairman LIEBERMAN. Good morning and welcome to this hearing. This morning, we are going to focus in on the ruthless drug violence in Mexico, the implications of this violence for the homeland security of the United States, and most important, what our government is doing and should be doing about both.

This is the first of two hearings the Committee has planned on this problem for now. The second hearing will take place on April 20, 2009, in Phoenix, Arizona.

Today, we are privileged to have as witnesses top officials from the three Federal agencies here in Washington that are at the center of our Nation's response to this crisis. This is their first congressional appearance since yesterday when they released the Administration's new initiative to contain and respond to Mexican drug violence, and I thank Secretary Napolitano, Assistant Secretary Steinberg, and Deputy Attorney General Ogden for being with us this morning.

The facts of this matter are now pretty well documented and appalling. More than 6,000 Mexicans have been killed in drug-related violence in the past year. Most of the dead appear to be associated in some way with the drug trade, but not all of them. Ten percent of the fatalities are actually government officials and police. The police chief of Juarez, Mexico, just across the border from El Paso, Texas, was forced to resign when drug cartels threatened to kill one of his officers every 48 hours unless he stepped down. The mayor of Juarez actually lives in El Paso temporarily with his family and commutes to work every day for reasons of safety.

(1)

The U.S. Justice Department said in December that the Mexican drug cartels are “the biggest organized crime threat in the United States” and are present in 230 American cities.

This morning, Secretary Napolitano will tell us in her testimony that Mexican drug cartel violence is “a homeland security issue in which all Americans have a stake.” The danger here is clear and present. It threatens to get worse. It also follows some puzzling and unpredictable patterns. For instance, El Paso has been ranked as the third safest city in America, but Juarez, literally a stone’s throw away, is the epicenter of the carnage with more than 1,500 murders last year.

Drug-related crime has increased in several American border jurisdictions and beyond. Phoenix now ranks first in America and second in the world in kidnappings with more than 700 kidnappings in the last 2 years. Most of the kidnappers and their victims are drug smugglers, but innocent victims are always at risk of being caught in the cross-fire and, in fact, have been caught in the cross-fire.

The Mexican drug cartels are engaging in brutal and inhumane tactics, the kinds that we, on this Committee, and the Secretary and the American people have come to expect from terrorists, and that is exactly what they have become—attacking police stations and other government facilities, kidnapping and killing family members or innocent associates of people involved in the drug trade, posting the names of officials and law enforcers marked for execution, then kidnapping or killing many of those officials and informers, and in a gruesome mirror image of what we have seen from terrorism, decapitating their targets.

The drug cartels tunnel beneath border fences and use their blood money to corrupt officials, mostly in Mexico but sometimes here in the United States. They are high-tech criminals and killers using satellite phones, encrypted radios, and Internet voice technology to shield their communications from the law. According to the Office of National Drug Control Policy, the Mexican drug cartels, as I mentioned, are operating in 230 American cities, from Appalachia to Alaska.

The bottom line is this: We must do everything within our power to help the Mexican government disable the cartels and prevent them from exporting their drugs and destruction any further to America.

Our good neighbor to the south, Mexico, is a strong country with a courageous national administration. President Felipe Calderon has taken on the cartels, and the Obama Administration is clearly intent on supporting him. Secretary of State Clinton is in Mexico City today. Secretary Napolitano and Attorney General Holder will be there next week. And President Obama will travel to Mexico in mid-April.

In yesterday’s announcement, the Administration directed the re-deployment of Department of Justice (DOJ) and Department of Homeland Security (DHS) resources to the border to strengthen the prevention and investigation of drug, gun, and bulk cash smuggling and to increase southbound vehicle inspections.

Over the last 2 years, Congress has also appropriated \$700 billion for Mexico under the Merida Initiative to better train and

equip Mexican law enforcement, military, and border personnel to root out corruption and help reform the Mexican judicial system. I look forward to asking Deputy Secretary Steinberg about what the hopes of the State Department are now for the Merida Initiative as we go forward.

I would say that the Obama Administration's response yesterday to the Southwest Border violence represents a significant step forward, but I do not think it is enough. In a letter that I, in my capacity as Chairman of this Committee, sent to the Budget Committee of the Senate regarding the budget for the Department of Homeland Security, I recommended an increase of \$250 million in fiscal year 2010 to hire an additional 1,600 Customs and Border Protection (CBP) officers at the ports of entry and exit. I also requested \$50 million for Customs and Border Protection to establish and enhance fusion centers along our Southwest Border and \$50 million more for Immigration and Customs Enforcement (ICE) to hire more agents to work on gun investigations and also for fusions centers; and, finally, an additional \$35 million for the Human Smuggling and Trafficking Center at the Department of Homeland Security.

I think there are also legislative steps that we can take to strengthen this fight. If Congress, for instance, closed the gun show loophole that allows purchasers to circumvent background checks that occur at gun stores, our government's work would be a lot easier and more effective. There is an unusual additional problem that we, I think, will want to legislate on: Cash earned from American drug sales, which are the lifeblood of these Mexican drug cartels, is increasingly being smuggled back to Mexico in stored value cards. A single card can hold thousands of dollars. It is far less conspicuous, of course, than bundled cash and does not have to be, as a matter of law, declared at the border. Unfortunately, these cards are not considered legal monetary instruments, and border officials, therefore, have little authority to police them. That needs to be changed by a new law if we are going to make it harder for the cartels to launder their illicit profits.

In sum, President Felipe Calderon's gutsy leadership in the fight against the drug cartels has provided the United States with an unprecedented opportunity to collaborate with him and the Mexican government to defeat the drug cartels that threaten the people of both of our countries. In our interest and theirs, we must together seize this opportunity.

Senator McCain.

#### **OPENING STATEMENT OF SENATOR MCCAIN**

Senator MCCAIN. Thank you, Mr. Chairman, for holding this important hearing, and I look forward to this Committee coming to Phoenix, Arizona, on April, 20, so we can get a lot of firsthand testimony as to the enormity and the significance of this challenge to our States and our communities all over the Southwest, as well as all across America.

I want to thank our head of Homeland Security, the former Governor of the State of Arizona, who has a very in-depth knowledge on this issue. She has been heavily involved in it as governor of our State, and I appreciate the fact that you would come today and

share not only your background but also plans as to how we can address this issue in the future. And it is a compelling issue.

Many Americans believe that the escalating violence in Mexico is remote. It is not. According to a Justice Department report in December, Mexican cartels and their affiliates “maintain drug distribution networks or supply drugs to distributors in 230 cities across the United States.”

The city of Phoenix is now the kidnapping capital of the United States, second only to Mexico City, for the most kidnappings in any city in the world. Just last month, 755 criminals living in the United States who are allegedly tied to a major Mexican drug-trafficking organization were arrested.

Few border cities have experienced the level of fear that the citizens of Nogales, Arizona, have felt from the rising violence of Mexican drug cartels. The city of Nogales straddles the border of Sonora, Mexico, and the State of Arizona. Its residents have seen several gun battles break out in broad daylight between Mexican police and the drug cartels. In August, just one block away from the U.S. consulate, three men wearing ski masks emerged from a car with AK-47 assault weapons and opened fire, killing several men. On October 10, 2008, 10 men were killed during a deadly shootout and chase between heavily armed members of drug cartels and Mexican law enforcement as they sped through the city streets just a couple of miles from the border during the early morning hours while many Mexicans and Americans were commuting to work.

The Intelligence Bureau commander for the Arizona Department of Public Safety said, “It was such a heavy firefight that Mexican police were actually calling for reinforcements and asking for ammunition from the American side.”

This increase in violence led the State Department to issue an alert advising Americans traveling to Mexico to use caution because, “Large firefights have taken place in many towns and cities across Mexico. . . . During some of these incidents, U.S. citizens have been trapped and temporarily prevented from leaving the area. . . . Criminals have followed and harassed U.S. citizens traveling in their vehicles in border areas.” It is a sad state of affairs and a dramatic change from just a short time ago.

The United States obviously must do all it can to assist President Calderon in his efforts against these violent drug cartels. The prosperity and success of Mexico is essential to the prosperity and the success of our own country. We share a border, our economies are intertwined, and we are major trading partners with each other.

I commend the Administration for its announcement yesterday that there would be additional personnel deployed to the Southwest Border, increased intelligence capability, and better coordination with State, local, and Mexican law enforcement authorities, but I am convinced we must do much more. Instead, we have reduced the funding to the Mexican government for equipment, training, and assistance promised as part of the Merida Initiative, and, of course, in the United States, perhaps our dirty little secret is that between \$10 and \$16 billion are spent by Americans to pay for these illegal drugs, creating a demand. And I look forward to Secretary Napolitano’s comments about that side of this equation as to how possibly we can reinvigorate our efforts to try to cut down

on what is clearly drawing these drugs to the United States and a major factor in this terrible violence that is taking place.

I think it is time for the United States to show its support for our neighbor to the south and support the Mexican people and the Calderon administration.

Mr. Chairman, could I just make a couple of points?

One, obviously we are creating the demand, and it is, as I have mentioned, between a \$11 billion and a \$16 billion-a-year business. President Calderon is under real assault. Some high-ranking members of his administration and law enforcement officials all over Mexico have been assassinated, showing that corruption penetrates to literally the highest levels of government, a problem that he is wrestling with. But the reason why we are having this showdown is that President Calderon is not averting his vision from this issue and is willing to take it on.

Finally, I would like to point out—and I am sure that Secretary Napolitano will agree with me—this is an existential threat to the government of Mexico, and if the Mexican government fails and is taken over by the drug cartels, or large parts of Mexico are taken over, it not only has profound consequences for Mexico, but it certainly has most profound consequences for the United States of America. This is a serious issue.

I thank you, Mr. Chairman, for having this hearing.

Chairman LIEBERMAN. Thank you, Senator McCain.

Senator McCain joined the Committee this year. He has been instrumental in urging me and Senator Collins to move forward with these hearings today and in Phoenix on April 20, and I appreciate what you said just now, Senator McCain.

I want to indicate for the record that Senator Collins, almost always here, had a conflict with another hearing. It happens to be on Alzheimer's treatments and cures, and she is the co-chair of the Senate caucus on that disease. So she wanted to extend her regrets to you, Madam Secretary, and to the other witnesses, and obviously will be with us as we go through this investigation.

I want to welcome you today. I thank you for appearing here this morning. Thank you for all the experience, firsthand, that you bring to this challenge as part of your new responsibilities, and I would invite your testimony now.

**STATEMENT OF HON. JANET A. NAPOLITANO,<sup>1</sup> SECRETARY,  
U.S. DEPARTMENT OF HOMELAND SECURITY**

Secretary NAPOLITANO. Thank you, Chairman Lieberman and Senator McCain, for the opportunity to testify and to inform you what we are doing now in response to the drug war that is going on in Mexico that does have, as Senator McCain said, profound effects on the American homeland.

We have seen the violence in Mexico spike. We have seen it spike because of the efforts of the Calderon government to take on these cartels, and we have seen it spike because we are increasingly trying to shut down the avenues by which the drug trade can move drugs into the United States and, therefore, the cartels are fighting each other for turf and for precedence.

<sup>1</sup>The prepared statement of Secretary Napolitano appears in the Appendix on page 102.

We are seeing some increases in cartel-related crime in the United States. As has been mentioned, kidnappings in Phoenix, for example, are related to the drug cartels, and as the Department of Justice has itself noted, the cartels are now distributing drugs in at least 230 American cities. So the effort to minimize this issue as a "border issue" or to suggest that the American people, as a whole, do not have a stake in this would be misleading.

There has always been, I must say, based on my own experience, a certain amount of violence and crime associated with drug and human trafficking along the border. And I say that as the former U.S. Attorney for Arizona, Attorney General of Arizona, and Governor of Arizona, a border State. But what we are seeing now is of a level and kind very different than what we have seen in the past.

The 6,000 homicides already noted in the northern states of Mexico is a huge number. But the fact that over 550 of them were assassinations of law enforcement and public official personnel is itself chilling. And that indicates itself the seriousness with which this battle must be waged.

Let me turn to what we are doing at the Department of Homeland Security.

First, we know that the weaponry used in this war in Mexico comes primarily, although not exclusively, through the United States. Just a few weeks ago, March 7 through 13, 2009, we seized 997 firearms going into Mexico. That was accompanied by \$4.5 million in cash and 45 criminal arrests. But we need to strengthen that.

So we are doubling our Border Enforcement Security Teams (BEST). These are teams that are combining DOJ with DHS, State, and local officials. They also involve Mexican law enforcement officials. To date, they have literally made thousands of arrests, seized tons of drugs, hundreds of weapons, and millions in cash. We will double our commitment to those teams along the Southwest Border and increase the number of teams. For example, New Mexico has not had a BEST team. It will now have a BEST team.

We will triple the number of Homeland Security intelligence analysts along the Southwest Border because we need to get away from the serendipity of a lucky search. We need to make sure to increase the yield from searches, and you do that by having better intelligence. We are tripling the number of analysts there.

We are increasing by 50 percent the ICE attache personnel in Mexico City. These personnel are primarily working with Department of Treasury officials there and in the United States to combat the money laundering that is going on. We call it "Operation Firewall," but this is an area where I think we can achieve even more success than we have to stop that flow of cash into Mexico, into these drug cartels.

We will double the number of Violent Criminal Alien Sections along the border. These are designed to prosecute recidivist violent aliens that we find. Many of them are working for the cartels.

We will quadruple the number of border liaison officers. These are officers who work to coordinate between American law enforcement personnel and Mexican law enforcement personnel to share information and intelligence.

We will increase the technology and resources employed at the border, particularly by moving significant biometric identification equipment down to the border so that we can trace the fingerprints of anyone who is picked up and make sure that they are run through ICE databases and the other databases we have before anyone would ever be released.

Previous to this initiative, we had done virtually no screening of southbound rail traffic, so we do not really know what was being transported into Mexico by rail. There are eight rail lines that go into Mexico. We are now screening those rail lines.

We will move nine Z-Backscatter mobile x-ray units to the border. That is to help identify anomalies in passenger vehicles. For example, on southbound cars, what the Backscatter can do is identify whether this car weighs more than it should even loaded with passengers, and if it does, it could be referred over to secondary inspection to see if that weight is attributable either to loads of cash or arms going into the cartels.

We are deploying 100 more Border Patrol agents to the ports of entry, also to help with southbound inspections. We are moving 12 teams of cross-trained canines to the ports of entry going south. These are cross-trained because they are trained to detect both money and guns.

We are moving three mobile response teams of 25 agents each. These are mobile response teams of Border Patrol agents that are designed to be mobile, to go where issues are occurring and to provide immediate response. We are moving three more of those teams right down to the border, and we are moving more license plate readers to the ports of entry.

In addition to what we are doing at the Federal level, we understand that State and local law enforcement in the border areas is heavily affected by the increase in violence and the associated crime committed by these cartels and their members. We are, therefore, revising Operation Stonegarden grant funding to increase the types of missions that those monies can be used for, to pay additional law enforcement personnel, overtime, travel and lodging expenses for deployment of local law enforcement to the border cities. We anticipate an additional \$59 million will be accessible to border law enforcement by expanding the guidance for those Stonegarden funds.

In addition, we are reaching out to local border communities. I have sent some individuals down there now to personally stay in touch so we know on a real-time basis what is happening, and I myself am scheduling bi-monthly conference calls with border chiefs of police and sheriffs.

These actions so far are designed to be budget neutral. What I have done is identify other activities that are less urgent fund balances to be able to move these resources where I think they are needed most. We may need some minor reprogramming, Mr. Chairman, but I believe that staff members are already apprised of that or are being apprised of that. But for the time being, we anticipate all of these actions by the Department to be within the budget that we have been given by the Congress.

Senator McCain asked about demand. This is a supply issue. It is indeed also a demand issue. I will be delighted to work with the

new drug czar, if he is confirmed, but I was also pleased to see that there was almost \$70 million included in the stimulus bill for drug courts at the State and local level. Those have been very helpful in identifying non-violent drug offenders and getting them into treatment as opposed to the prison system, and that does help on the demand side. But undoubtedly there is much more we ought to be doing as a country where these illegal narcotics are concerned.

We are working very closely with the Department—

Senator MCCAIN. Ma'am, could you say a couple of words about the programs in Arizona?

Secretary NAPOLITANO. Yes. In Maricopa County and in Pima County, the two urban counties of Arizona, there is a very extensive drug court program, and it works exactly as I just described. It is used primarily for first-time, non-violent offenders. They tend to be younger, and with their one experience with the criminal justice system, they do have an incentive not to experience it again. And they receive basically very intensive follow-up through the drug court system to keep them out of the prison system.

Senator MCCAIN. And it has been successful?

Secretary NAPOLITANO. It has been successful, yes, sir.

With that, Mr. Chairman, I will conclude my remarks and, again, thank you for holding this hearing, the hearing that you are going to have on April 20, and for the Committee's interest in this very important issue.

Chairman LIEBERMAN. Thanks very much, Madam Secretary. We will do 7-minute rounds to start out with.

As you know, there are some people who have suggested that while the Mexican drug cartels have obviously been involved and caused a wave of terrible violence in Mexico, some of us here, including people in public office and the media, are kind of overstating the impact of that on the United States. Am I correct from your statement in reaching the conclusion that, as Secretary of Homeland Security, you believe that Mexican drug cartel violence is a real threat to the homeland security of the United States?

Secretary NAPOLITANO. I agree, and it takes several forms. It does take the form of some increased violence now in the United States. It also takes the form of a threat that spillover violence of a significant nature will occur. And I believe as Secretary of Homeland Security, one of the duties I have is to identify threats and try to prevent those threats from actualizing in the homeland.

And, third, these cartels have fingertips that reach throughout the United States, and they are responsible for a large amount of so-called street crime in our neighborhoods, on our streets, in our communities. And that in and of itself lends to a feeling of insecurity in different areas of the United States.

So for all of those reasons, Homeland Security needs to be involved.

Chairman LIEBERMAN. You mentioned the danger of spillover of the violence. Obviously some has occurred already, but more broadly, the previous Administration left a contingency plan in place, I gather, should violence begin to spill over. I know that you have said that you are currently reviewing this plan and that you were

concerned that it did not include State and local law enforcement as much as it should have.

I wonder if you could indicate to us where you are in the review of the plan and when you hope to have it ready.

Secretary NAPOLITANO. Yes, Senator. We actually have a position, Assistant Secretary for State and Local Law Enforcement. I deployed him to go to the border to personally sit down with police chiefs, sheriffs, and so forth and to review the plan, give us their input.

I would anticipate that we would incorporate that and have a working document that we would be using within the next several weeks.

Chairman LIEBERMAN. Will you try to state in the document what the trigger is here, what the threshold is? In other words, when you, as Secretary, decide that the spillover of the violence has reached a point where you want to implement contingency plans in the interest of the homeland security of the United States?

Secretary NAPOLITANO. I do not believe, Mr. Chairman, that it will be expressed numerically. That is too difficult to ascertain.

Chairman LIEBERMAN. Right.

Secretary NAPOLITANO. But I think it will be expressed in terms of what are the factors that would lead me, as the Secretary, to determine that plan needs to be deployed.

Chairman LIEBERMAN. Good enough. We look forward to that plan as it comes along.

I thought that yesterday's announcement, which you have documented again today, of what the Administration intends to do was significant. It is particularly a significant redeployment of investigators and agents to the border to focus on interdicting the cartels' drug, gun, and bulk cash smuggling. But I will tell you that I am concerned that transferring these resources from other parts of the country is not sustainable in the long term and probably does not allow you to do everything we want to equip you to do on the border without increasing the overall resources available to the Department. And that is why I made the recommendations I did to the Budget Committee and why I intend to fight for more resources for the Department, particularly for Customs and Border Protection and Immigration and Customs Enforcement.

Do you want to give a reaction to that? I am sure if we gave you the money, you would be happy to take it and use it well. But let me ask it this way: Are you considering modifying your fiscal year 2010 budget request to enable you to continue the presence of all these additional personnel—350 it looks to be, from yesterday's announcement—at the border without compromising your mission elsewhere in the country?

Secretary NAPOLITANO. Mr. Chairman, I believe that the fiscal year 2010 numbers are still being finalized. Right now, my belief is that I can sustain what I have described to you through fiscal year 2010. But obviously budgets and threat environments are always changing, and so we will obviously keep you apprised of that situation.

Chairman LIEBERMAN. So we may have a friendly disagreement. I may try to get you more resources that you are asking for. But I would rather— [Laughter.]

Which is unusual.

Secretary NAPOLITANO. I do not have Office of Management and Budget Director Peter Orszag sitting next to me, but I can feel his presence behind me.

Chairman LIEBERMAN. But you and I have a longstanding separate relationship, and we can build on that.

Seriously, I think you are going to need more resources to get this job done, and also, this is a kind of war, and part of this is deterrence. And the increase of personnel at the border and the kind of sophisticated equipment you have talked about and intelligence resources are going to be critical to making life miserable for the drug cartels. And when life is miserable for them, it is obviously better for us.

I think I saw in the media that you are seeing Governor Perry of Texas today. You know that he has asked, as I believe the Governor of Arizona has, for some deployment of National Guard to the Southwest Border. What is your current position on that?

Secretary NAPOLITANO. Mr. Chairman, I will actually be in Texas tomorrow, and I will be spending some time with Governor Perry, and I want to—he basically said, “I want a thousand National Guard.”

Chairman LIEBERMAN. Right.

Secretary NAPOLITANO. It was a fair request—but without specificity. And so I want to talk with him specifically about why 1,000. Is that a magic number? How was it derived? And where would they go, what would their mission be? And the issue of National Guard performing some capacity to support civilian law enforcement at the border is still under consideration by the Administration.

Chairman LIEBERMAN. Thank you. My time is up. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

So you are undecided about the issue of National Guard troops to the border? And if so, in what capacity?

Secretary NAPOLITANO. Senator, it is still under consideration.

Senator MCCAIN. You mentioned that you are redeploying forces to the border from other areas. Where are they coming from?

Secretary NAPOLITANO. We can give you detail on that. There are literally a few from here, a few from there, a few from here. We have not redeployed from the Northern Border. I think that is important to say. We have delayed purchases of equipment to help support the movement of agents. We have also delayed some other initiatives in order to fund this, and then we are using unexpended fund balances from fiscal year 2006 and 2008.

Senator MCCAIN. Well, I would appreciate it if you would for the record give us the areas where you are taking these resources from. I understand the decision, and we would be interested where they are moved to.

Today's *Wall Street Journal*, March 25, 2009, says, “U.S. to Send More Agents to Curb Border Violence.” And then it says, “However, competing agencies have refused to work together on the task forces that the Administration is bolstering to target the drugs, guns, and cash that are fueling fighting among Mexico's drug lords, according to the agency officials.”

“And adding to the problem, the agencies are operating under rules that are up to three decades old, said former senior agency officials and members of Congress involved in the oversight.”

And then it goes on to say that the problem of “the Bureau of Alcohol, Tobacco, Firearms and Explosives was refusing to allow some of its agents to participate in several of the special task force groups established by the Department of Homeland Security to coordinate border efforts to crack down on guns and drug proceeds headed to Mexico, said bureau and Homeland Security officials.

“While bureau agents work on these task forces in Texas, regional leaders have refused to join the same effort in Arizona, officials from both agencies acknowledged.”

Do you have a response to that *Wall Street Journal* statement and, obviously, those comments from officials in the Department of Justice, Bureau of Alcohol, Tobacco, and Firearms and Explosives (ATF), and the Department of Homeland Security?

Secretary NAPOLITANO. Yes, Senator, I read that article from unnamed officials, and I am glad that the Deputy Attorney General is here, but he and I and the Attorney General are united in this effort. And we understand that it requires the Department of Justice and the Department of Homeland Security agents and employees to work together to maximize the deployment of resources at the border. And when it comes to our attention that there is some competition or non-cooperation going on, we are going to repair that.

Senator MCCAIN. Well, is it true that your agents working on task forces in Texas have refused to join the same effort in Arizona? Is that true or not true?

Secretary NAPOLITANO. I do not know the answer to that question, and I am going to find out. But if it is true, it is going to be fixed.

Senator MCCAIN. Thank you. I would be interested in, again, for the record, if you would supply a response to that. I think it is an important question.

On the issue of funding, the *Washington Post* today said, “U.S. Stepping Up Response to Mexican Drug Violence,” it goes on to say, “But some experts said the tools deployed represent a tiny first step toward what is needed.

“Retired Army Gen. Barry McCaffrey, the Nation’s drug czar during the Clinton Administration, said that adding ‘a handful of platoon-sized units’ will not check the problem and that the amount committed is minuscule compared with the \$2.5 billion the U.S. military spends in Afghanistan each month and the \$12 billion going to Iraq.

“It’s commendable they’re paying attention,’ McCaffrey said. But, he added, ‘where’s our sense of priorities?’”

Do you have a response to General McCaffrey’s comments?

Secretary NAPOLITANO. Well, on the one hand, I would disagree. It is interesting, Senator Lieberman in his comments began with the fact that there have been decreasing violent crime statistics in the United States so why are we doing this. That is one press attack. And then the other one is, well, we are not doing enough.

Here is what we have done. What we have done is analyze what is going on, including the efforts of State and local law enforcement

along the border and what is happening in Mexico. We have done an analysis of what the Department of Homeland Security can contribute to that that would have the most effect, both in manpower and technology. And then we have worked with the Department of Justice in terms of what they will contribute to the effort. And then, of course, there is the Merida Initiative that you are going to be hearing about later.

Our goal is to obviously address this in the most serious way possible. If we need to scale up, that will be something that we will bring to you. If we can scale back over time, obviously that is something as well. But for this time and train, these are the actions that immediately will be undertaken to make sure that the threat of spillover violence is contained and that we are assisting President Calderon in his efforts.

Senator MCCAIN. Besides the drug courts that you mentioned in Maricopa County and Pima County in Arizona, what other programs have you observed in your time as U.S. Attorney, Attorney General, and Governor that have been successful in trying to address the demand side of this issue?

Secretary NAPOLITANO. Senator, I would like to be able to respond at greater length about that to you and think about it. I will tell you that, in general, the characteristics of a successful drug prevention strategy require an education side, a public media side, and then an immediate intervention and treatment side. It is really a three-legged stool. And if you only fund one leg or two legs, you do not really get the effect on drug demand reduction.

I will also share with you that in certain drugs—for example, methamphetamine—I am not sure that we yet have, once someone is addicted, a good treatment regime. But I would be pleased to supply you with a list specifically of certain programs around the United States that I think have been more effective than others.

Senator MCCAIN. Are you generally in agreement with my comment that this struggle that Calderon and the Mexican government are engaged in with the drug cartels is an existential threat to the very fabric of the government of Mexico? Do you agree with that statement?

Secretary NAPOLITANO. Yes.

Senator MCCAIN. I thank you. Thank you very much for being here today, and we look forward to chatting with you after your trip down to Mexico, and thanks for your good work.

Secretary NAPOLITANO. Thank you.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator McCain. Senator Graham, good morning.

#### OPENING STATEMENT OF SENATOR GRAHAM

Senator GRAHAM. Good morning, Mr. Chairman. Thank you.

Madam Secretary, is there any laws that need to be changed to combat this threat in the United States that you can think of in terms of guns, money, or wire transfers?

Secretary NAPOLITANO. Senator Lieberman mentioned the issue of the service cards that are being used in lieu of cash. That may be something to be looked at. The initiative that we are embarked on, however, Senator, does not require any change of laws.

Senator GRAHAM. Is it fair to say you are comfortable with the laws that we have in place to deal with the problems of Mexico?

Secretary NAPOLITANO. I am comfortable that the laws we have in place are the laws we are going to enforce and will allow us to take on the initiatives that I have described to the Committee.

Senator GRAHAM. When it comes to budgeting, what you might need in the future and having to defer some purchases, do you think a supplemental request would be appropriate here?

Secretary NAPOLITANO. Senator, right now in light of the other demands on the budget and the economic exigencies of the situation, I viewed it as my responsibility to find a way to pay for this with the money that Congress has appropriated.

Senator GRAHAM. Well, that gets us to a point—we are spending money very quickly on some things that are very controversial, and there is a lot of pushback. I doubt that there would be a lot of pushback—I cannot think of anything more important right now, really. You are at war in Iraq and Afghanistan. Our neighbor to the south is under siege. The government is being threatened. Its very existence in Mexico has been threatened. I cannot think of a better use of the Congress' time and efforts to come together and come up with a game plan to deal with our consumption back here at home, to beef up resources to your agency and the Department of Justice, to really go after consumption at home, create a very robust national drug court system that deals with this head on. I cannot think of a better use of our time and public dollars than to come up with a more robust presence on the border, whether it be military or other agencies involved. And I do not think you should have to put off purchases.

I think we are missing the boat here. I think this is an opportunity to get the Congress and the White House together and really go after this problem. So it is, quite frankly, not appropriate, in my opinion, to say that we have budget problems when it comes to this. We have a lot of conflict about the budget, but this is one area where I think most Americans would cheer us if we spent some money wisely.

What do you think about that?

Secretary NAPOLITANO. Senator, I think that I agree with you about the seriousness of the situation. I agree with you that reducing drug demand in this country is something that would have a beneficial effect in all kinds of ways, not just in terms of Federal dollars but State and local dollars that have to be spent because of the plague of drug abuse and drug usage in our communities.

But for this day and train on this initiative, I am not requesting a supplemental.

Senator GRAHAM. Well, you are the Secretary of Homeland Security, and Senator McCain asked you what programs have worked and what programs have promise, and you gave a very thoughtful answer: "Let me think about it." Well, I would encourage you not only to think about it, but come back to us and say, "Help me fund it."

When it comes to the idea of how to use the military, if you think there is a need for it, let us get all in. I guess my point is let us be all in. What I see happening is encouraging, but I do not think this country is all in, in this fight. And I cannot think of a more

dire consequence to the United States really in many ways than to have Mexico just collapse.

So I would urge you, when it comes to budget matters, programs that need funding, to be more aggressive, lean forward.

Secretary NAPOLITANO. Senator, I appreciate that thought. I think I will have a better sense after my meetings in Mexico next week, and I would be happy to report back to the Committee on what we have learned there.

I believe this will be an ongoing issue; in other words, I do not believe what we announced yesterday, what I have informed the Committee of today, is the last word that is going to be said on this subject. This is going to be something that is going to require efforts over time.

Senator GRAHAM. Well, if you need somebody to help you up here, I would be glad to call him and say, "Peter, there is a lot of bipartisan support for some spending here that would make some sense."

So thank you very much. I know you understand these issues well, having lived in Arizona, and just let us get all in and win this thing.

Thank you very much.

Secretary NAPOLITANO. Thank you, Senator.

Chairman LIEBERMAN. Thanks very much, Senator Graham. You have expressed, I think, what the feeling on the Committee is, and I would guess in the Senate generally. I think we will make an opportunity to introduce an amendment to the budget resolution to increase support to your Department and perhaps to the State and Justice Departments as well for this fight. And if there is a supplemental, we will probably try to do the same, just to make sure that you have—it is up to you then to determine how to use that, but I do not want you to feel or to be underresourced in deterring this violence from coming over the border and in aiding our allies in Mexico in defeating it.

Senator BURRIS, thanks for being here. Good morning.

Senator BURRIS. Good morning, Mr. Chairman. Thank you very much. And congratulations to you, Madam Secretary. You have had a stellar career. Among us, all have been Attorneys General, and you are looking at two of us, so we certainly appreciate your extended service to not only the great State of Arizona but to America.

Secretary NAPOLITANO. Thank you.

#### **OPENING STATEMENT OF SENATOR BURRIS**

Senator BURRIS. And by way of a statement, it is clear that solving the border violence will require local and Federal agencies to coordinate their plans and their information. This violence is a terrible consequence of our continued fight against illegal drugs and those that promote them. A victory in this fight is a victory for our shared security benefits, not only on our borders, but also throughout America, which I am going to get to in a moment. However, we must realize that this problem is systemic and that we must utilize all the tactics that we have to review today in order to dismantle these criminal cartels effectively. Creating a successful deterrent to the trafficking of illegal arms and drugs is fundamental. But in

order to decrease crime, we must also disrupt the network that funds it. And I hope that we can support President Calderon's brave effort to secure our border and destroy the roots of this ever-growing problem before they do any more damage.

Now, as I mentioned, Madam Secretary, Operation Xcellerator and Project Reckoning were both multinational victories. Can we replicate these successes to weaken other cartels? And how can we use the lessons we learned from our earlier operations to make border enforcement more effective?

Secretary NAPOLITANO. Senator, there are a combination of things that need to occur, and it is really at several levels. One is we cannot fight the cartels in the United States. In other words, they are based in Mexico. The leaders of the cartels are in Mexico. Their power base is in Mexico. That is why we want to be working with the Calderon government so closely in their efforts to dismantle these cartels, which have grown ever more stronger over the last 10 or 15 years.

Second, we have to make our border presence more robust, not just in terms of northbound interdiction but in terms of southbound interdiction, particularly where arms and cash are involved.

And then, third, we have to do a better job at disrupting the drug distribution networks that find their way into our neighborhoods and communities, and that goes to the demand side in part that Senator McCain was talking about.

Senator BURRIS. That is what I also want to discuss. If we deal with the demand side and we cut down on the demand through treatment and various—what do you call it, the three-legged stool where you have the education, the treatment—and whatever the third leg is on that.

Secretary NAPOLITANO. The media, the public part of it, where you have constant media messages.

Senator BURRIS. Yes, because if there is no demand, there will be no supply, and this is what we always maintain. In some kind of way, we have to get to our communities to deal with those individuals who are selling and those who are using. If we cut down on the users—are we looking at any—because you have the drug czar or some other type of program, are they a part of the overall efforts with Homeland Security on our side to try to deal with the demand problem?

Secretary NAPOLITANO. Senator, assuming that the nominee is confirmed—and I personally do not know the timing on that—I am going to actually reach out with the Office of National Drug Control Policy (ONDCP) to make sure they are incorporated in our efforts.

Senator BURRIS. Another question, too, in terms of this jurisdictional situation where you have all these agencies together, are these agencies going to be able to function together with all these questions up in the air? Do you have turf problems appearing as you now try to pull Justice and Homeland Security and your other agencies together? Are you going to be able to work out all your turf problems?

Secretary NAPOLITANO. Well, Senator, following up, again, on an earlier question in a *Wall Street Journal* article today, I believe that the Attorney General and I—we have worked together for

many years on issues, and our common goal is if some of those residual turf issues are being played out in the field and they are interfering with our goal of strengthening the border and getting at these cartels, we are going to fix that.

Senator BURRIS. I know that you and Attorney General Eric Holder, you all have worked together, but getting it down through the ranks is where the problem occurs. And with your experience in government, I am sure you are familiar with how you can bring something down from the top, but getting it to be operating amongst the operators, it is not always easy.

Secretary NAPOLITANO. Again, if there really is a situation that has developed, we will get it resolved. Let me be very clear. I think law enforcement in the field understands the risk of these cartels, the danger that they pose, and the strength that they have. So we will work through some of those issues if they are indeed interfering with our ability to disrupt the cartel action in the United States.

Senator BURRIS. And having been the governor of Arizona, the prosecutor, the Attorney General right on that border, I am pretty sure you have a pretty good insight into what is taking place. Is that not correct, Madam Secretary?

Secretary NAPOLITANO. I would like to believe I do, yes, Senator.

Senator BURRIS. Well, we are hoping that you are in the right place at the right time to do the job for the American people and the Mexican people to do what we can. But my position is, Madam Secretary, we have to do something about the demand at home. We have to stop the users and the ability for individuals to acquire those drugs and start treating those people who are drug addicted rather than locking them up and putting them in prison, which is also raising our costs.

Secretary NAPOLITANO. Yes, Senator.

Senator BURRIS. Thank you very much, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Burriss.

I just have one more question. If either of my colleagues have one more, they are welcome to ask as well.

I just want to ask you to speak a little bit more—I am going to ask the Department of Justice witness as well—about what you can do through DHS to cut the flow of weapons from the United States to Mexico. Obviously, in the normal course of things—and you correct me if I am wrong, but my impression is that exit inspections do not happen very often. In other words, when people are leaving the United States, there are random inspections, but not very rigorous. So one obvious thing to do is to have more rigorous inspections at least at the Southern Border, as people are leaving the country. I just wanted to give you a moment to comment, Madam Secretary, on what specific actions additionally you are thinking about taking to clamp down on the southern flow of illegal firearms. Do you need any additional legal authority to do that? And, of course, that is one of the reasons why I know you have redeployed and why I think you should have more personnel to carry out that particular function.

Secretary NAPOLITANO. Yes, Senator, a great deal of the actions I described earlier are designed to give us a southbound presence; in other words, our history has been focusing on goods and people

coming north. What we are trying to do now is, in addition to that, interrupt the flow of guns and cash going south. That is why we are going to be inspecting on southbound lanes. That is why we are deploying technology down there that allows us to scan vehicles and to weigh vehicles.

One of the areas of coordination with Mexican law enforcement that we will be discussing next week is, given the number of lanes that go south into Mexico from the United States, Mexico has customs as well; they can also do southbound inspections.

Chairman LIEBERMAN. Right.

Secretary NAPOLITANO. And so dividing it up—we will do some, they will do some others—that is where the coordination aspect comes in.

And then as I suggested before, we need to get beyond getting lucky at a lane inspection. That is why we need more intelligence and intelligence gathering about what vehicles are likely to be carrying these guns and this cash. And so that is why more intelligence analysts are being used at the border and deployed there as well.

Chairman LIEBERMAN. Senator McCain, do you have another question?

Senator MCCAIN. No. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Let me just go back, and forgive me. Senator Burris, do you have one?

Senator BURRIS. No, Mr. Chairman.

Chairman LIEBERMAN. I will just follow up quickly. How about a reaction to the concern about sales at gun shows? In other words, the Brady law creates a check on a person before they can buy a gun at a licensed gun store. At a gun show, the fact is that they do not have to go through that minimal check about criminal record, for instance.

Would that help, do you think, to close the so-called gun show loophole?

Secretary NAPOLITANO. We may have a better sense of that as we increase seizures.

Chairman LIEBERMAN. Right.

Secretary NAPOLITANO. But, anecdotally, a number have been purchased at gun shows. The issue for me as the Homeland Security Secretary, Senator, is that we need to act now, and as you know, that sort of a statute would take awhile to wend its way through.

So my view is I have to play the hand of cards I have, and the hand of cards I have allows me to do southbound seizures, and the hand of cards I have allows me to increase intelligence gathering, and the hand of cards I have allows me to coordinate better with Mexican law enforcement. So that is what I am going to do.

Chairman LIEBERMAN. Good enough. And I think the question of that law is obviously more in our court than in yours. I thank you very much for your testimony. To say the obvious that you know well from all your experience, we did not get to this point of crisis overnight, and we are not going to get out of it overnight. But we certainly appreciate the steps you have taken, and we want to work with you in the time ahead to both strengthen and protect our allies to the south and to protect ourselves as well.

Thank you very much for being here.  
Secretary NAPOLITANO. Thank you, Mr. Chairman. Thank you, Senator.

Chairman LIEBERMAN. Thank you.

We will now call the second panel: Deputy Secretary of State Jim Steinberg and Deputy Attorney General David Ogden.

Good morning, gentlemen. Thanks very much for being here. Deputy Secretary Steinberg, I appreciate your presence. I know that the Secretary herself is actually in Mexico today, so we thank you for being here, and we would welcome your testimony at this time.

**STATEMENT OF HON. JAMES B. STEINBERG,<sup>1</sup> DEPUTY  
SECRETARY, U.S. DEPARTMENT OF STATE**

Mr. STEINBERG. Well, thank you very much, Mr. Chairman. It is a great pleasure to be here with you, Senator McCain, Senator Burris, to talk about the issues that you have raised this morning about violence, organized crime, and the threat that drug trafficking poses to the United States and to Mexico and our common efforts to address the challenges that we face along our shared border. And I am particularly delighted to be here with my colleagues from the Justice Department and Secretary Napolitano. I think it is important that we are all here together to represent the common effort that we are all engage in, in partnership with Mexico, to address this challenge.

I have a more extensive statement for the record, but I would just like to summarize a few points for you this morning. And as you noted, we are appearing at an important moment, as the Secretary is just on her way at this very moment down to Mexico City to meet with her Mexican counterparts and President Calderon to talk about the shared challenge.

Her trip as well as President Obama's upcoming trip in April and the trips of the Secretary of DHS and the Attorney General highlight the importance that the Obama Administration places on the issue before us and the great opportunity that we have to build a stronger relationship with Mexico—one that can advance a wide range of shared interests and better position both of our societies for lasting success. It is important as we address the specific issue today that we do not lose sight of the bigger and bolder promise in the relationship between the United States and Mexico that will allow us to work together to address the global economic crisis, energy and environmental issues, and regional cooperation. But I do want to focus my remarks today on the urgent challenges we face in addressing the threat of drug trafficking and violence.

As you yourself noted, Mr. Chairman, President Calderon has taken courageous and decisive actions against transnational criminal organizations by conducting counter-narcotics operations throughout his country and initiating large-scale police and judicial reform. The Mexican government's offensive and inter- and intra-cartel feuds over access to prime trafficking routes to the United States have driven the number of drug-related assassinations and kidnappings to unprecedented levels. The cartels have become in-

<sup>1</sup>The prepared statement of Mr. Steinberg appears in the Appendix on page 121.

creasingly brazen, targeting police, the military, and other security personnel, as well as journalists.

It is against this backdrop that our two governments jointly developed the Merida Initiative, a strategic approach that recognizes the nature and magnitude of our shared challenge and expands our cooperation and work together in an unprecedented and collaborative fashion. I think it is appropriate to express our appreciation to you and the Congress for the strong bipartisan support for the Merida Initiative. Congress appropriated \$465 million for the first phase of the initiative in the fiscal year 2008 supplemental allocating \$400 million for Mexico and \$65 million for Central America and the Caribbean. An additional \$410 million was recently appropriated in the Omnibus Appropriation Act, with approximately \$300 million for Mexico and \$105 million for Central America.

The State Department has been charged with overseeing the largest portion of Merida funding through implementing these foreign assistance funds in a collaborative and interagency effort. The State Department is working closely with the U.S. Agency for International Development (USAID), the Departments of Defense, Homeland Security, Justice, and Treasury both in Washington and at our embassies in the region, as well as with our host nation's partners. And as we enter the phase of concrete collaboration and implementation, our collaboration will accelerate.

There are two critical areas in which the Merida Initiative will make an important difference: Interdiction and border security and judicial reform.

Interdiction and border security funding, including support for the Mexican counterparts of our Federal law enforcement agency, focuses on support for enhanced information systems; purchasing special investigative equipment, vehicles, and computers for the new Mexican Federal Police Corps; and assessing security and installing equipment at Mexico's largest seaports.

We are also providing inspection equipment and associated training to support the inspection capabilities of police, customs and immigration; and facilitating the real-time exchange of information related to potential targets. An expansion of eTrace, a weapons tracing program, will enable increased arms-trafficking investigations and prosecutions. Additional transport and light aircraft will improve interoperability and give security agencies the capability to rapidly reinforce law enforcement operations nationwide.

Judicial reform efforts are equally critical. Merida includes efforts to improve crime prevention, modernize Mexican police forces, and strengthen institution building and the rule of law. Through case management software, technical assistance programs, and equipment, we will support Mexico's judicial and police reforms by enhancing their ability to investigate, convict, sentence, and securely detain those who commit crimes. Training programs will support the development of offices of professional responsibility and new institutions to receive and act on citizen complaints.

Initial projects under the initiative have begun to roll out, including a bilateral workshop on strategies on prevention and prosecution of arms trafficking; the implementation of an anti-trafficking-in-persons system for the Attorney General's Office this month, the opening of three immigration control sites along the Mexico-Guate-

mala border that will issue biometric credentials to frequent Guatemalan border crossers, and a train-the-trainer program for Mexican Secretary of Public Security's corrections officers.

We are also working with the Defense Department to accelerate the procurement and delivery of much-needed helicopters. This effort requires that we act swiftly and closely with our Mexican and interagency partners to respond to urgent needs.

To conclude, I want to emphasize that every party in the Merida Initiative recognizes that we share common objectives and responsibilities and that a true partnership is required to provide our citizens the safety and security they deserve. The government of Mexico has clearly demonstrated a willingness to take strong and decisive action.

While the Merida Initiative was born out of crisis, this provides us with a strategic opportunity to reshape our cooperation and expand dialogue with our partners both in Mexico and throughout the hemisphere on critical security and law enforcement issues.

Thank you and I look forward to your questions.

Chairman LIEBERMAN. Thanks very much, Deputy Secretary Steinberg, for an excellent statement.

Senator Burris and I are former Attorneys General at the State level, and we agree that one thing that we miss coming to the Senate is being called "General." [Laughter.]

I do not know whether as Deputy Attorney General you get that title, too, but anyway, Deputy Attorney General Ogden, thanks for being here.

**STATEMENT OF HON. DAVID W. OGDEN,<sup>1</sup> DEPUTY ATTORNEY GENERAL, U.S. DEPARTMENT OF JUSTICE**

Mr. OGDEN. Thank you very much, Chairman Lieberman, Senator McCain, and Senator Burris. I suppose maybe I am "Deputy General." I do not know.

I appreciate very much the opportunity to appear before you today to discuss the Justice Department's role in addressing the alarming rise of violence perpetrated in Mexico by warring Mexican drug-trafficking organizations and the effects of that violence on the United States, particularly along our Southwest Border. I want to share with you our strategy systematically to dismantle the cartels, which currently threaten the national security of our Mexican neighbors, pose an organized crime threat to the United States, as has been discussed, and are responsible for the scourge of illicit drugs and accompanying violence in both countries.

Although the drug-related violence in Mexico has existed over the years, as Secretary Napolitano indicated, the bloodshed has escalated in recent months to unprecedented levels as the cartels try to use violence as a tool to undermine public support for the government's vigorous counter-drug efforts.

A significant portion of this increase in violence actually reflects progress, counterintuitively, by the governments of Mexico and the United States in disrupting the activities of these drug cartels since President Felipe Calderon and Attorney General Eduardo Medina Mora took office in 2006. As the Justice Department and

<sup>1</sup>The prepared statement of Mr. Ogden appears in the Appendix on page 132.

our Federal agency partners have worked with the Mexican authorities to disrupt and dismantle successive iterations of the leadership of these cartels, their successors have escalated the fighting among themselves for control of the lucrative smuggling corridors along the Southwest Border.

This explosion of violence along the Southwest Border is caused by a limited number of large, sophisticated, and vicious criminal organizations, not by individual drug traffickers in isolation. Indeed, the Justice Department's National Drug Intelligence Center has identified the Mexican drug cartels, as has been mentioned this morning, as the greatest organized crime threat facing the United States today. That insight drives our response.

There is much to do and much to improve. But the Department's strategy means to confront the Mexican cartels as criminal organizations rather than simply responding to individual criminal acts. For more than a quarter century, the principal law enforcement agencies in this country have recognized that the best way to fight the most sophisticated and powerful criminal organizations is through intelligence-based, prosecutor-led task forces that leverage the strength, resources, and expertise of the full spectrum of Federal, State, local, and international investigative and prosecutorial agencies. It was this approach, for example, that fueled the groundbreaking Mafia prosecutions in the United States and Italy in the late 1980s and 1990s that really brought down La Cosa Nostra. The Department is applying these same intelligence-driven tactics that broke the back of the Mob to fighting the Mexican drug cartels.

Our strategy to identify, disrupt, and dismantle the cartels has five key elements.

First, it employs extensive and coordinated intelligence capabilities. We pool information generated by our law enforcement agencies and Federal, State, and local government partners, and our Mexican and our foreign counterparts, and then use that product systematically to direct operations in the United States and to support the efforts of the Mexican authorities to attack the cartels and the corruption that facilitates their operations. I want to entirely endorse Secretary Napolitano's comments in response to the questions from the panel concerning the issue of coordination. It is essential that we have full and complete cooperation between our departments. I know the Attorney General and I have a long working relationship with the Secretary, the highest regard mutually between us, and we will solve any problems that exist there because it is essential to our success that there be full and complete operation among all of the elements of both departments.

The second element is that, led by experienced prosecutors, the Department focuses its efforts on investigation, extradition, prosecution, and punishment of key cartel leaders. As the Department has demonstrated in attacking other major criminal enterprises, destroying the leadership and the financial assets of the cartels will undermine the entire organizations.

Third, the Department pursues investigations and prosecutions related to the smuggling of guns, cash, and contraband for drug-making facilities from the United States into Mexico. This is the southbound element that the Chairman was discussing. The vio-

lence and corruption in Mexico are fueled by these resources that come from our side of the border.

Fourth, the Department uses traditional law enforcement approaches to address spillover effects into the United States of cartel operations in Mexico, and that, of course, includes spillover violence. It also includes attacking drug violations in the United States.

And fifth, in that regard the Department prosecutes criminals responsible for the smuggling, kidnapping, and violence in Federal court. The ultimate goals of these operations are to neutralize the cartels and bring the criminals to justice.

Attorney General Holder and I are committed to taking advantage of all resources in this fight. Last month, the Attorney General announced the arrest of more than 750 individuals on narcotics-related charges under Operation Xcellerator, which Senator Burris mentioned. That was a multi-agency, multi-national effort that began in May 2007 and targeted the Mexican drug-trafficking organization known as the Sinaloa cartel. Through Operation Xcellerator, Federal law enforcement agencies—along with law enforcement officials from the governments of Mexico and Canada and State and local authorities in the United States—delivered a significant blow to the Sinaloa cartel by seizing over \$59 million in U.S. currency, more than 12,000 kilograms of cocaine, more than 1,200 pounds of methamphetamine, approximately 1.3 million Ecstasy pills, other illegal drugs, and weapons, aircraft, and vessels.

An equally sweeping initiative against the Gulf cartel, announced in September 2008 called Project Reckoning produced similar dramatic results.

Now, Operation Xcellerator and Project Reckoning were tremendous successes in the battle and show the strengths of the approach. But there is much more work to do. The cartels remain extremely powerful. Drugs are coming into the United States; guns and cash are moving south. So the Attorney General is taking the following steps in conjunction with the Administration's overall initiative.

DOJ's Drug Enforcement Administration (DEA), which already has the largest U.S. drug enforcement presence in Mexico, with 11 offices there, is placing 16 new positions in its Southwest Border field divisions specifically to attack Mexican trafficking operations and violence.

DEA is also deploying four new mobile enforcement teams with 32 new personnel to specifically target Mexican methamphetamine distribution in organizations along the border and in Atlanta and Chicago, which are key distribution nodes.

DOJ's Bureau of Alcohol, Tobacco, Firearms and Explosives is re-deploying 100 employees, including 72 agents, under its Project Gunrunner. That is a major plus-up effort, really a surge, effectively, of new personnel into the Southwest Border constituting essentially a 67-percent augmentation of the team there. The fiscal year 2009 budget and the Recovery Act include critical new funding for Project Gunrunner as well, which will be used to hire 37 additional employees to open, staff, and equip new teams. And we will be assigning new personnel to consulates in Juarez and Tijuana to

provide direct support to Mexican officials on firearms-trafficking issues.

Our Organized Crime Drug Enforcement Task Forces program is expanding to create new Strike Forces along the border. And the Federal Bureau of Investigation (FBI) is creating a Southwest Intelligence Group, which will serve as a clearinghouse of all FBI activities concerning Mexico and increase the focus on these key problems—extortion, corruption, kidnapping—that we are seeing and integrate that effort with the overall effort of the other law enforcement agencies working the border. We have also increased the presence of the Marshals Service in the border area. And our Office of Justice Programs is investing \$30 million in stimulus dollars to support State and local law enforcement to combat narcotics activity along the border, and State and local law enforcement may also apply for their share of the \$3 billion in Community Oriented Policing Services (COPS) grants and Byrne Justice Assistance Grants provided for those programs.

All of this will be added to our effort to dismantle the cartels, and I do want to conclude with a brief mention of the Merida Initiative that Deputy Secretary Steinberg so ably described.

The Department strongly supports that initiative, which provides an unprecedented opportunity for a highly coordinated, effective bilateral response to criminal activity. We are actively involved in the planning and implementation of the initiative both interagency and with the Mexican government. One of the first programs in Mexico is a ministerial level Strategy Session on Arms Trafficking, funded by the government of Mexico and the State Department, and developed by the Justice Department with DHS and the U.S. Embassy. It is going to be held April 1 and 2, 2009, and that is the program that the Attorney General and the Secretary will be attending on the second day. It will provide important support for our joint efforts with Mexico, which have rightly focused on the development of intelligence-based targeting and prosecutor-led multi-agency task forces.

Thank you for your interest in this important issue. I think working together we can rise to this challenge, and I would be happy to answer your questions. Thank you.

Chairman LIEBERMAN. Thanks, Mr. Ogden. I want to start with you, and I want to highlight something. I quoted from the previous Administration statement of the Justice Department in December, and you have repeated it here today, which is that the Mexican drug cartels are the No. 1 organized crime threat in the United States today. People have focused on the Mexican drug cartels primarily in terms of the actual and greater potential for spillover of violence into the United States. But you have said something else that is really as broad as the country is, and I just wanted to ask you if you want to back that up a bit, that this is quite significant. This is the No. 1 organized crime threat in America today.

Mr. OGDEN. Yes, Chairman Lieberman, it is. And I think to understand the dimension of it, first you have to recognize the centrality of these drug cartels and the distribution of illegal drugs in the United States—cocaine, marijuana, and methamphetamine. A substantial majority of the drug trafficking in those drugs is controlled by the Mexican drug cartels. As has been described, they

have operations in over 250 jurisdictions in the United States. We have estimated that between \$17 and \$38 billion worth of drug proceeds are controlled annually by the cartels, and they move south.

Chairman LIEBERMAN. That is the Department estimate, between \$17 and \$38 billion a year?

Mr. OGDEN. That is correct.

Chairman LIEBERMAN. To say the least, these people have the money to buy very sophisticated weaponry and also, of course, to compromise law enforcement, if they are so inclined.

Let me ask you if you could just explain a little bit more for the record about what it means to say that the Mexican drug cartels are operating in as many as 250 cities or metropolitan areas in the United States today. What kind of presence do they have there?

Mr. OGDEN. Well, they have distribution networks in which they have essentially distributors and in certain communities enforcers essentially that distribute the drug product, that collect the revenues, and that enforce the payment obligations.

Chairman LIEBERMAN. Are these people that they have sent in from Mexico, or are these people who are essentially soldiers in their organized crime families that are American?

Mr. OGDEN. My understanding is that it is a combination of the two. We have a presence of individuals from Mexico, but there are also U.S. persons who are involved in the operations.

Chairman LIEBERMAN. Do you have any evidence that you want to share with the Committee at this point about the American arms of the Mexican drug cartels compromising law enforcement in this country?

Mr. OGDEN. Well, it is certainly the case that a large percentage of the weapons in the hands of the drug cartels have a U.S.-based origin. And our Mexican counterparts deal with that, and it is a major challenge for them. And, obviously, spillover violence is supported by that as well.

Chairman LIEBERMAN. Let me ask you a couple of questions about that. Some of the numbers here are really quite startling. This Project Gunrunner, which is the ATF strategy for disrupting the flow of firearms to Mexico from the United States, has referred for prosecution—these are numbers from fiscal year 2004 to February 17 of this year—795 cases involved 1,658 defendants, 382 firearms-trafficking cases of those, including 1,035 defendants.

In the last 2 years alone, the Mexican government has seized more than 33,000 firearms from the drug cartels and estimates that hundreds of thousands of firearms enter Mexico from the United States each year.

I have seen the number, and I want to ask you to comment on it. We have a category called “Federal Firearms Licensees.” Those are people who are licensed to sell guns under the Federal law. I have read that ATF estimates that approximately 6,700 of those Federal firearms licensees are located along the Southwest Border. Are you familiar with that number? And if you are, just try to develop it a little bit. Are they really along the border? Or is it within 25 or 50 miles from the Mexican border?

Mr. OGDEN. I cannot speak to the specific number. That number sounds familiar. It has been described to me. And I believe that

what we are talking about are basically the Federal districts along the border. But I can get the specifics for you, Mr. Chairman.

Chairman LIEBERMAN. Why don't you do that for the record.

I have heard recent reports that ATF is sending over 200 agents, redeploying to the border to work on firearm-trafficking investigations. I want to ask you the same question I asked Secretary Napolitano, and I did not make a recommendation on behalf of this Committee to the Budget Committee because only DHS is under our jurisdiction. We are concerned that the redeployment of the Department of Justice personnel to the border may compromise law enforcement in other parts of the country and wonder whether you are planning to submit a modification, or the Department is, of the fiscal year 2010 budget to beef up your activities, both these and prosecutorial activities, the whole range of activities that you describe to combat the Mexican drug cartels as an organized crime threat to the United States.

Mr. OGDEN. Two parts to the response.

First, we do not believe that we are compromising law enforcement in the short term. We have taken agents we believe that we can move. In the hundred that are being moved, it is at the moment a 3 to 6-month deployment for a surge to really try to make an impact.

Chairman LIEBERMAN. Right.

Mr. OGDEN. Thirty-seven additional are new that are being hired and brought in through stimulus. We will assess the situation and see at the end of that short-term period how to respond.

As to the longer-term picture, we are looking at the fiscal year 2010 budget and considering this issue quite centrally in our thinking about what the needs are.

Chairman LIEBERMAN. I appreciate that. We would like to work with you on that. You have used a word that resonates with Senator McCain and me. We have an inherent tendency to want to support "surges," particularly when we think they protect the security of the United States.

Mr. OGDEN. That was not tactical on my part. [Laughter.]

Chairman LIEBERMAN. Thank you. Senator McCain.

Senator MCCAIN. Mr. Ogden, you stated that it was between \$16 and \$30 billion in proceeds from drug trafficking. How do they get that money back to the suppliers of the drugs and the transporters? I would imagine it goes all the way back to Colombia. How does that kind of money move from the consumer in the United States of America all the way through the layers of the pipeline that comes to the United States of America?

Mr. OGDEN. Senator McCain, the number is actually—the estimate is slightly larger than that. It is \$17 to \$38 billion, the estimate that I have seen. And how it moves is in a number of different ways. Bulk cash movements are a big part of this. Literally, large quantities of cash are put together and smuggled across the border south. There are various ways in which this is accomplished, and we are quite focused on identifying those cash flows through intelligence, trying to identify the vehicles that are moving it, and trying to interdict them, working together with the DHS. But it is a major challenge.

There are other ways. There are these stored value cards that are used, and there are likely other ways. But bulk cash is a big—

Senator MCCAIN. What about wire transfers?

Mr. OGDEN. There may be some of that, although I think it is less typical than these cash transfers, which are harder to trace.

Senator MCCAIN. Well, whenever, obviously, we have gone after crime, we follow the money. And, obviously, it has been true with the Mafia, etc. So are we doing enough to go after the money?

Mr. OGDEN. Senator, I think that is an extremely important question at which we are looking very hard. We are adding to each of our organized crime strike force teams at the border a financial analyst. That is one of the steps that we are taking with this specific initiative, adding financial analysts to each of our strike force teams to be looking at those aspects of the fight in a very focused way. And as I say, we are working hard with the Treasury Department and with the other agencies on the bulk cash issue.

Senator MCCAIN. I think you can also see manifestations of this money in the lifestyle that some people enjoy: Large mansions on both sides of the border, ostentatious displays of wealth. Are there ways of tracking that as well?

Mr. OGDEN. It may be that is an element that people look at, unexplained concentrations of wealth. I do not know specifically. I will get back and see what we are doing about that particular aspect and report back to you, Senator.

Senator MCCAIN. Well, I have seen some of it myself, and so I would hope that sometime we can at least identify the inhabitants and the people that are flying private jets, etc., and try to devise ways of going after it in that fashion.

Are you seeing some of these activities still being run from prisons in Mexico as well? We see drug cartels sometimes run from prisons in Mexico. Are you seeing that in the United States as well?

Mr. OGDEN. I am not aware of that specifically, Senator, but, again, I will inquire and see if there is information that we can share about that.

Senator MCCAIN. We all know that there are prison gangs that have Central American and Mexican connections.

Mr. OGDEN. That is correct.

Senator MCCAIN. So it would seem to me that drug trafficking might be part of that. But I guess I am trying to—we need to sit down and game this situation and try to think outside of the box. If it is up to \$38 billion, we ought to try attacking this issue from some new directions, and some of that may require legislation, as it did when we took on corruption as far as the Mafia is concerned.

Secretary Steinberg, how concerned are you about corruption at the highest levels in Mexico?

Mr. STEINBERG. Senator McCain, it is a very important issue, and I think one of the marks of President Calderon's seriousness in this is the efforts he has made against corruption. The Mexican government has instituted a program, Operation Clean House, which has identified a number of very senior officials associated with law enforcement with significant corruption problems. And I think the fact that he has taken this on and been willing to take

the risks associated with exposing those individuals and trying to bring them to justice reflects the determination that he has.

As you said, once you have the magnitude of money involved here, the potential for corruption is enormous, and it is a true challenge to the State to be able to combat that kind of money which is being liberally used by the cartels to try to corrupt government officials, law enforcement officials, and the like.

So we have seen a really vigorous effort on the part of the Mexican government, the Attorney General's Office, and others to take this on, but it is going to be an ongoing challenge.

Senator MCCAIN. It seems to me, Deputy Attorney General Ogden, we have illegal immigration, the coyotes, drug smuggling, and kidnapping all mixed up together now. Do you agree?

Mr. STEINBERG. I do, Senator, and I think that is a critical insight here—these are organized criminal enterprises. They are committing crimes in both directions and in our communities and in Mexico. That is why it requires a coordinated attack that attacks them as organizations in the way that we are going about it. We have much to do to improve on it, but we have a strategy, and I think we are working hard on it.

Senator MCCAIN. In the now kidnapping capital of America, the same people that are smuggling illegal immigrants are the same people that are smuggling the drugs, the same people that are having the illegal immigrants call up their relatives and pay ransom.

Mr. OGDEN. I think that is likely true. Certainly, the enforcement side that we see with the home invasions and the kidnappings is entirely related to the drug trade in the way that you have described. And that is why what we are trying to do and I think what we are effectively doing and trying to improve upon is to bring together all the law enforcement agencies, Federal—both at our Department and the Department of Homeland Security—the State and local law enforcement, tribal law enforcement, and working with our courageous counterparts in Mexico, to bring this intelligence together, look at this thing as an overall organization, and attack it as an organization.

Senator MCCAIN. Well, I would like you also to continue to look at the use of unmanned aerial vehicles (UAVs). There are areas along our border that are basically trackless, and it takes a long time once someone gets across the border to get into any kind of populated area if they are on foot, or even sometimes in vehicles. And I really believe the technology—and we have had a number of cases of failed technology along the border, as you know. But I think it is pretty clear that the UAVs can be very effective, particularly given the state of technology today. If you agree we are in a “war” on drugs—we use that term too loosely. But the fact is if we are in a struggle that poses an existential threat to the country of Mexico, then I think we ought to look at the technological aspects of warfare to increase our ability to surveil and interdict. So I hope you will be looking at that.

I thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator McCain. Your last line of questioning reminds me that a short time ago, General Renuart, who is the head of our Northern Command, which is responsible for the Pentagon's role in homeland defense, testified

briefly about what his command is beginning to do with regard to the spillover of violence from Mexico and to be a support to the Mexican military as well. And he might be a good witness to bring before us at a future hearing on this subject, because we are really beginning to mobilize our resources here, including defense.

Senator Burris.

Senator BURRIS. Thank you, Mr. Chairman.

Deputy Secretary Steinberg, in your testimony you were saying the coordination between Justice and State was to the point of assisting the Mexican law enforcement and the Mexican judges. Could you explain that again, how you are working with the judges and the Mexican law enforcement along with Justice and coordinating those efforts?

Mr. STEINBERG. Certainly, Senator. As I said, one of the most important parts of President Calderon's effort is to deal with the justice system. He has, along with the Mexican legislature, adopted a very ambitious set of legal reforms to really transform the legal system in Mexico to be more like our own system of oral advocacy and away from the judicial inquiry mode that they had before. So there is a very broad-ranging set of reforms that they are now engaged in, as well as efforts to deal with corruption in the judicial system, to provide training for prosecutors and judicial personnel, to reform the corrections system and corrections facilities, and to train corrections officers there. So it is really a systematic effort really to get at the whole system from all of its aspects, from prosecutions through corrections, to make the system more responsive, more insulated from corruption and the impact of cartels, and to prove that the State really is on top of these things.

Here, although we have a responsibility for coordinating the assistance, we draw on the capabilities and strengths of all the different parts of our government, USAID and Justice in particular, on these reform efforts.

Senator BURRIS. Thank you. And, Deputy Attorney General Ogden, I raised a question with Secretary Napolitano about the local use of drugs. How are you all coordinating with local law enforcement? Because it is my fervent belief that if there is no demand, there can be no supply. And especially in inner-city Chicago, where I come from, the major industry is drug usage and turf battles and turf spraying with AK-47s.

I know that there is a drug czar and you have these joint efforts, but are we looking forward to putting more resources, too, into local law enforcement and into treatment to stop the demand of these individuals who may find themselves being addicted to drugs so that we can cut down on the flow of the dollars going into this drug trade, which then is shipped out to Mexico, which is used to build these big cartels? It is coming from the \$10 and \$15 that is given right on the street. So if we cut that out, wouldn't that cut the head of the snake off?

Mr. OGDEN. Senator, that is true. Clearly, the violence and the entire industry is fueled largely with dollars that flow south from the United States in exactly the fashion that you describe. And the effort of the Office of National Drug Control Policy (ONDCP), I believe there is a renewed commitment to addressing the demand problem there; certainly the drug courts that Secretary Napolitano

spoke about, which are funded through programs of the Department of Justice's Office of Justice Programs to increase those important elements in the fight; and then, as you say, coordination with State and local law enforcement.

The new stimulus package has \$3 billion worth of Byrne Justice Assistance Grants and grants under the COPS program to help and support State and local law enforcement, and we plan to work very closely together with them on these initiatives.

In addition, State and local law enforcement, as I mentioned, are integrated into the enforcement, intelligence sharing, and prosecution teams that I was discussing earlier.

Senator BURRIS. Is anyone dealing with the educational piece of it, the treatment piece to treat those individuals who are addicted to drugs so that we can cut down on the demand? I know that does not fall in the Justice bailiwick. It is probably in some other department. But in this coordinated effort that we are talking about here, Mr. Chairman, I do not know whether or not we have funds that we can some kind of way find where we can get down to that ultimate user that is putting that \$5, \$10, \$15, and \$20 that really ends up going back to Mexico in these big bundles that fuel these cartels. And we must get at the source of it, and that is in my community and all the small towns across America. These drugs have inundated our youth. They are in small communities where law enforcement do not have the resources to go after them. And they end up eventually in the criminal justice system or in the health care system in a way that even brings a whole drain on our economy.

We must get at the root cause, and that is, the user of the drugs, and education and treatment are the sources that I keep saying that we must do.

Can you comment on that, gentlemen? Do you agree with me?

Mr. OGDEN. We certainly agree with you that education and treatment are critically important. I think our drug courts try to incorporate treatment. But there is a lot that needs to be done.

Mr. STEINBERG. If I could just add, Senator, one of the aspects of our program that does not get as much attention is we are also working on demand reduction in Mexico as well. That is another piece of this. Just as we need to deal with the demand side here, we need to help Mexico deal with its demand side because they have their own drug problem which also feeds the cartels.

Senator BURRIS. Thank you very much, Mr. Chairman. Thank you.

Chairman LIEBERMAN. Thanks, Senator Burris.

Senator Pryor, we now have three former State Attorneys General.

Senator PRYOR. That is right, three against one.

Chairman LIEBERMAN. We are a tight group. [Laughter.]

Not to suggest that you are a law breaker, Senator Tester.

Senator TESTER. Just here to offer a level of common sense, Mr. Chairman. [Laughter.]

Senator PRYOR. I love that.

Chairman LIEBERMAN. As usual, he gets to that.

**OPENING STATEMENT OF SENATOR PRYOR**

Senator PRYOR. Mr. Ogden, let me start with you, if I may. In December, the Department of Justice Drug Intelligence Center released a report that identified 230 cities in the United States, three of those being in Arkansas, with a Mexican drug-trafficking organization or presence in the city. How is the Federal Government reaching out to those cities and those States and local law enforcement, governors, fusion centers, whatever the case may be? How are you reaching out in trying to work with different levels of government to try to make that situation better?

Mr. OGDEN. It is critically important, Senator, exactly as you say, to have both coordination and mutual support with State and local law enforcement in dealing with this problem. These are enormous organizations that their tentacles reach into our communities across the country. And so through our intelligence-sharing facilities that are essentially chaired by the Drug Enforcement Administration, they bring in all Federal law enforcement, State and local law enforcement, and to a significant degree, our foreign counterparts, to share that information. The information is shared with our State and local counterparts and partners. There is an effort at the prosecutorial level to coordinate enforcement of drug offenses, and so both with the DEA's outreach to individual communities that have particular problems with the mobile enforcement teams, with our Organized Crime Drug Enforcement Task Force (OCDETF) that incorporates State and local law enforcement, and with the coordination as I described at the DEA intelligence-sharing facilities, there is really a concerted effort to work together with State and local authorities on this problem.

Senator PRYOR. And you have been talking mostly about information sharing, but are you also targeting tools and resources to those cities and those areas?

Mr. OGDEN. We are, and thank you for reminding me to address that part of it. There are \$30 million in the stimulus that are specifically going to the border State and local law enforcement to support border issues. Beyond that, there are \$3 billion of grants under the Byrne Justice Assistance program and the COPS program, which are available for State and local law enforcement to apply for support from the Justice Department and to work with us on developing the most effective programs for law enforcement generally, but obviously this problem is a central and important one that would receive priority.

Senator PRYOR. And no portion of those money pots that you are talking about are designated specifically for this, but you are saying they are available generally, and I guess they are somehow prioritized within DOJ?

Mr. OGDEN. Well, certainly there is an effort to have those programs address the urgent law enforcement needs that exist across the country, and so those monies are to provide that kind of support, and then we have the coordination operations that I was describing on the operational side to make sure people are working together.

Senator PRYOR. With the report that came out in December, it said 230 cities in the United States. Is that number about the same today?

Mr. OGDEN. I believe so. That is, I think, the most current intelligence that we have on that question.

Senator PRYOR. And when it says a Mexican drug-trafficking organization presence in a city, does that mean it is usually done with Mexican nationals?

Mr. OGDEN. I will get back with whatever detail that we can provide more specifically. But it is, I think, a combination of Mexican nationals and U.S. persons who are involved in that.

Senator PRYOR. Let me ask, if I may, Mr. Steinberg, a question about—is it pronounced the Merida Initiative?

Mr. STEINBERG. Merida, sir.

Senator PRYOR. Merida. Could you tell the Committee what that is and how that is going?

Mr. STEINBERG. Yes, sir. The Merida Initiative was started last year. It was a multi-year initiative that began with funding in the fiscal year 2008 appropriations bill. We have now had—between the fiscal year 2008 appropriations of about \$400 million and now \$300 million in the omnibus, it is a comprehensive effort that involves a number of Federal agencies as well as our counterparts in Mexico to address a full range of the issues involved in helping Mexico strengthen its efforts against the cartels and against narcotics and violence. It focuses on efforts like providing the Mexican government with non-intrusive inspection equipment so that it can detect flows of firearms and funds going south. It provides support for judicial reform, support for corrections reform, support for training officials, support for additional mobility and intelligence and information sharing among law enforcement officials at the Federal and local level in Mexico and with their counterparts.

So it is really quite a comprehensive effort dealing with the full range of issues that allows the Mexican government to take on this very strong challenge, and it will require a multi-year effort working together and involving a broad range of agencies in the United States, the State Department, Justice Department, DHS, Treasury, USAID, and others working with their Mexican counterparts to address this problem.

Senator PRYOR. Can you tell yet if it is going to be successful or if it is headed in the right direction?

Mr. STEINBERG. We are in the early days. As I say, the first tranche of funding just became available at the end of last year. We have already begun to implement a number of programs, particularly with a focus on some of the training programs that Deputy Attorney General Ogden and I have mentioned, but also in getting this equipment to them that they need, this non-intrusive inspection equipment, which is a very high early priority, as well as some of these training programs.

In addition, there are things that are sort of the big-ticket items. It is increasing our ability to exchange information and ideas on tactics and operations, and a very high priority is getting them the mobility they need to be able to respond quickly when we have information and to support their own efforts as they try to strengthen particularly the Federal police as a key element of their effort against the cartels.

Senator PRYOR. And we did this last year. Is it your impression that this Administration will continue to prioritize this and continue to seek this type of funding and continue the program?

Mr. STEINBERG. Senator, as you know, we have not yet finalized the 2010 budget yet, but we see this as a multi-year commitment, and I am confident that, without discussing specific amounts yet, this is a priority we intend to continue.

Senator PRYOR. Thank you. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, Senator Pryor, for your questions.

Next we go to Christopher Carper's father, Senator Tom Carper. We are honored to have both the Senator and his offspring here this morning.

#### OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thank you. Thank you, Mr. Chairman. We will let the audience look at the folks behind me and figure out which one of them might be my son, Christopher.

Thanks very much. Our thanks to each of you for being with us today. I apologize for being late. One of the responsibilities of this Committee is not just to be concerned about the security of our borders and the security of our homeland, but also a responsibility is to make sure that we count every 10 years how many people live in this country in the census, and that starts in about a year. And we had a big session today with a lot of Latino organizations that are anxious to make sure we count the folks that are here, hopefully legal, but some may be some who are not. So I apologize for being delayed and having missed your testimony and that of my former governor colleague, Janet Napolitano. But we really appreciate your presence and appreciate your work.

I caught just a little bit of Senator Burriss' comments when I was coming in and out, and I asked my staff about this. Is this the right picture? Do I have this right? In this country, we consume enormous amounts of illegal drugs, and a lot of those come out of Mexico, and as a country, we pay a lot of money for those illegal drugs, and a lot of that money ends up down in Mexico, and the folks down in Mexico use a portion of that money to come back into the United States and buy weapons from us, and they send people who do not have a criminal record into gun stores to buy a number of weapons legally. They send people into gun shows where they can buy weapons legally. And they can buy assault weapons legally now because the ban on that has dropped.

I am a guy who believes in the right to bear arms, but I also have some concerns about the way this seems to be working to me. We took the train down here this morning from Delaware, and I read in the local paper this initiative that has just been launched by the Administration. I said it sounds good. I understand that Governor Napolitano discussed it today. But if the two of you could just take a couple of minutes and talk to us about how this new initiative reduces some of the demand for illegal drugs in our country. And, second, how this initiative will reduce the ability of folks to come into this country and to buy weapons here that will go back and be used as a part of the violence, not just on the border

but into this country and certainly well into Mexico. If you all could take a shot at that, I would be grateful.

Mr. OGDEN. Certainly, Senator. Well, I think the basic picture that you paint of large criminal organizations which are selling drugs in the United States for large amounts of money, buying weapons in the United States, taking the money and the weapons back to Mexico and using them to further the criminal enterprise—

Senator CARPER. I mean, we are all about a strong economy, and we are trying to stimulate our economy and pass stimulus bills and so forth. It seems like this part of the economy is going too well, and we need to figure out how to deflate this bubble.

Mr. OGDEN. Certainly, it is a very insidious economy, and it is one that has these terrible ramifications for our border communities and for our partners and friends in Mexico. And it is something that we are very serious about attacking.

We think that it is critically important to attack these organized criminal enterprises as organizations and to take them on through prosecutor-led task forces, intelligence sharing among the relevant law enforcement agencies working with State and local governments, and most important, partnering with the Mexican government, which is so courageously taking on this problem on their side of the border. And what we are trying to do with these new resources is to support that centrally driven prosecutor-led strategy to bring these people to justice and dismantle these organizations.

On the demand side, we have talked today, I think that it is a very important thing to do. We need to address the distribution here. We need to do everything we can to address addiction and the problems that bring that about. Fundamentally, this problem of the cartels we need to address the way we took on the Mafia in the 1980s and 1990s and try to take them down that way.

Senator CARPER. All right.

Mr. STEINBERG. If I could just add, Senator, obviously this is a priority for the Mexican government. It is of deep concern to them that it is feeling the violence on the other side of the border. And we are talking not just about small firearms, but in many cases actually things that are approaching heavy weaponry. So this is not just a question, although we are concerned about individual weapons, but we are starting to see the kinds of weapons that are really used in military warfare.

So this is a very serious problem, and it is contributing to this remarkable violence on the Mexican side.

Senator CARPER. But the folks that are using those weapons, Mr. Steinberg, where are they buying those, the heavier weapons?

Mr. STEINBERG. I think there are a variety of sources, and one of the things that we are working with the Justice Department is to understand better where they are including efforts not only to detect them going across the border through non-intrusive inspection equipment, but also through the eTrace program, which tries to identify the sources of them and look back to the sources, and then working with Treasury and Justice to identify where they may be coming from.

Senator CARPER. All right. I understand that a fair amount of this hearing today has focused on the Southern Border, and I want

to take just a minute—I do not know if anyone has discussed the Northern Border with you or not. The Northern Border is pretty big, and it is worth a little bit of attention.

I would ask—and this is probably more for Deputy Secretary Steinberg. But how long do you think it will take to fully implement the State Department's Merida Initiative? And do you feel the money that the Congress appropriated was enough to provide concrete improvements to the Mexican government's counter-narcotic and anti-cartel efforts?

Mr. STEINBERG. Well, Senator, this is a multi-year effort, and we are off to a good start. As I indicated, the Congress has now provided about \$700 million to Mexico, and one thing that we have not talked as much about this morning, but I just do want to emphasize, is that some of the funding has gone to Central America and to Haiti and the Dominican Republic because we have to see this in a regional context. And it is very important and the Mexican government is very concerned as well about its Southern Border, so seeing this regional effort is quite important.

That is a significant start on a program that will take several years, and clearly, again, without specifying what we will be looking for in the 2010 budget precisely, we are going to need continued funding. This is going to be a multi-year effort.

The good news is we really now have the framework underway. We have the letters of agreement with the government of Mexico. We have the interagency understandings mostly in place at this point that allow us to be effective. I think we are going to see an acceleration of the program as we go forward. So sustaining that going forward is going to be quite important, and obviously we will be talking to you about that as the 2010 budget comes up.

Senator CARPER. Good. Now we will go back to the Northern Border. The kind of concerns that we have seen, that we see every day along the border of Mexico are riveting, and they demand our attention. When you look at the Northern Border, can you all describe for us any current or future efforts to bolster security along the Canadian border? Have you seen suspicious illegal immigration activities or trends that our intelligence folks or law enforcement people feel can pose a national security risk?

Mr. STEINBERG. Senator, we work very closely with our Canadian counterparts as well. It is a very strong relationship that we have with the security officials, with the RCMP in Canada, to have a joint effort and to coordinate our effort there—

Senator CARPER. RCMP stands for the Royal Canadian Mounted Police?

Mr. STEINBERG. The Royal Canadian Mounted Police, yes, sir.

Senator CARPER. Yes.

Mr. STEINBERG. Still there, and doing a very fine job.

Senator CARPER. After all these years.

Mr. STEINBERG. But the President was just in Canada visiting with his counterparts, and we had a chance to talk about this. The border there is critically important to our economic well-being, the ability to both, on the one hand, make sure that people, commerce, and goods can move expeditiously to have the kind of just-in-time integrated economy that is so critical to our well-being, and we depend so closely on working with Canada on those things, but at the

same time to deal with security and to see this as a shared space so that it is not just the border as how we deal with security problems, which not just involve illegal immigration but, obviously, concerns about potential terrorist threats and the like. And that is something that we have seen increased collaboration and cooperation between our two countries. We need to continue to build the infrastructure around the Northern Border as well to address these concerns.

Senator CARPER. All right. Thanks very much.

Mr. Chairman, thanks very much. Timely hearing. This is really timely.

Chairman LIEBERMAN. Thanks, Senator Carper. Thanks for being here. It has been a very productive hearing so far.

Senator Tester, thank you.

#### OPENING STATEMENT OF SENATOR TESTER

Senator TESTER. Yes, thank you, Mr. Chairman, and I apologize for not being in on the first panel, and I apologize for not hearing your testimony. But, nonetheless, I think this is a very important hearing, and I want to thank you, Mr. Ogden and Mr. Steinberg, for being here today.

I come from a border State, as Senator Carper talked about. It is a Northern Border State. We have different issues, as you pointed out, Mr. Steinberg, but it certainly has its challenges, and I look forward to working with you in the future on meeting those challenges. But whether it is the Northern Border or the Southern Border, porous borders mean that the potential for drugs flowing into communities all over the country is real, and it is everybody's problem.

We do need, as Senator Burris pointed out when I first came in, to acknowledge that there is a clear demand problem here in the United States. I think that is critically important that we get a handle on that. And I want to be clear about one other thing. Some have used this latest outbreak in Mexico to argue for tighter gun control restrictions in the United States. I do not agree that is the right answer either. I think that the right answer is really cooperation, which I am hearing at all levels of government, and smarter intelligence, more eyes and ears on the border, getting tougher on criminals that are smuggling the weapons and drugs, and as I said earlier, demand here at home.

One other thing that I would throw in, and that is, trade policies at work in Mexico as well as here in this country. I think anytime you get a situation where people are struggling to make a living, they are willing to almost do anything to feed their family.

Mr. Ogden, I want to make sure that you have the resources to address gun crimes, and rather than ask for new gun laws, I am glad to see Project Gunrunner is being discussed; I am glad to see that you are working to find folks that smuggle weapons. I think that is critically important.

I am a firm believer in getting the biggest value for the buck that we spend when it comes to taxpayer dollars, but I think there are a lot of folks in my State that think that is money well spent to go get the bad guys.

Mr. OGDEN. Thank you, Senator. We certainly agree with aggressive enforcement of the gun laws that are on the books, getting at this smuggling through the eTrace system, which is the ATF system for identifying a gun that has been used illegally, a gun that is in Mexico that is seized, how it was sold, and tracking down that process to try to find the gun smugglers, the gun runners, is critically important.

Senator TESTER. I appreciate that. I appreciate that a lot for a lot of different reasons.

I think it was you, Mr. Ogden, who said that there is \$30 million in the jobs recovery, stimulus bill, whatever you want to call it, that go directly to the border.

Mr. OGDEN. Senator, there are \$30 million in the stimulus for the Office of Justice programs to provide grants to State and local law enforcement directly connected with the border and the critical communities that are suffering from drug—

Senator TESTER. Is that the Southern Border only, or is that both borders?

Mr. OGDEN. It is focused on the Southern Border and the communities that are directly affected by that problem. The larger package in the stimulus, there are \$3 billion worth of grants under Byrne Justice Assistance Grants and COPS that are available nationwide.

Senator TESTER. Do you know how much of that is going to the Northern Border? I know this is the Southern Border hearing, but—

Mr. OGDEN. I think that essentially remains to be seen. We are open for business to receive applications, and I think we will try to process them according to appropriate criteria.

Senator TESTER. And the \$30 million you talked about is used to develop relationships with local entities on the border.

Mr. OGDEN. To support them and support our relationship, that is right.

Senator TESTER. And how is that going? Is that money getting out? When do you anticipate that money to get out? When do you anticipate those relationships to be developed so you can send that money out?

Mr. OGDEN. Well, the relationships exist, and we are working hard on them every day. We work side by side with State and local law enforcement in this battle. The money is—as you can appreciate, there are processes. People need to apply. We are ready to receive those applications and to move that money out as soon as possible. A precise timeline I think depends on the applications and how fast we can move them.

Senator TESTER. I would just say from my perspective, I appreciate those efforts, working with local law enforcement, working with, in the Northern Border's case—and I am much more familiar with that than the Southern Border—people who own land, who farm and ranch along that border. I think you can get a lot of bang for the buck, and I think that those relationships really need to be developed if we are going to get a firm grip on tightening up the border.

I speak mainly from a Northern Border perspective, but if it applies to the Southern Border, then so be it and so do it. And so I thank you for those efforts.

You had mentioned that you feel it is important to attack the cartels, treat them as an organization, attack the organization. Part of being able to do that is communication between not only those local entities that are on the American side of the border with Homeland Security, but also the Mexican side of things. And I did not hear your statement, and you may have addressed this already. But what kind of communication do you have—because timeliness is critically important here. What kind of communication do you have with local agencies, local law enforcement, and Mexican law enforcement at all levels?

Mr. OGDEN. It is a critically important question, and there is no way to understand this problem and how we are going to solve it without understanding what you have just said, which is that we need to have the most productive partnership with our Mexican counterparts that we possibly can have. And we have a very strong and good relationship. The Merida Initiative, in which we are side by side, our prosecutorial and investigative experts working with theirs to build infrastructure, to build bridges, and to make ourselves more coordinated, is a critical piece of this, the work that the State Department, the Attorney General, and Secretary Napolitano are doing, to build those bridges.

We are sharing information to a very significant degree. We are working to build vetted units within the Mexican law enforcement structure of agents who have been vetted by the DEA and by the United States as being people who are not corrupt and who can be trusted with our intelligence. And all of this effort which is underway, has been underway, which we are trying to accelerate. As the Deputy Secretary said, it is critically important to winning this fight.

Senator TESTER. If there is one area that needs to be addressed—I will not call it the “weakness,” but if there is one area that you would say we really need to focus on to really be able to secure the border, stop the gun running, stop illegal drugs coming the other direction, what would it be?

Mr. OGDEN. I think the critical thing is to have the strengthening of our working relationship with the Mexican government, strengthening the institutions on both sides, and the coordination on both sides.

Senator TESTER. Thank you very much, and I appreciate you both being here.

Chairman LIEBERMAN. Thanks, Senator Tester. Thanks for those questions. Senator Akaka, welcome. Thanks for being here.

#### **OPENING STATEMENT OF SENATOR AKAKA**

Senator AKAKA. Thank you very much, Mr. Chairman. Good to be here. Let me apologize for being late to this hearing, but I was conducting another hearing before this.

I am very interested in what is happening there on the Southern Border, as well as the Northern Border, and would like to direct this question to Deputy Secretary Steinberg, and bring in the Merida Initiative, which is an assistance package to Mexico and

Central America to combat drug trafficking and organized crime with an objective to maximize the effectiveness of efforts against drug, human, and weapons trafficking.

The Merida Initiative provides also funding to support a variety of programs in Mexico. The large amount of funding and broad scope of the initiative makes oversight particularly challenging. I would like you to address how you are monitoring progress on this. What performance metrics do you have in place to measure the progress of the Merida Initiative in meetings its goals?

Mr. STEINBERG. Well, thank you, Senator. I think you have raised a very important point because, obviously, the test of the program in the long term is going to be how effectiveness we are in partnership with Mexico in helping the government of Mexico to get control of its streets to deal with this very serious organized threat to the very public security of its own citizens. And so we have a set of short-term measures that we are going to be focusing on as we go forward, looking at issues like increased arrests of drug traffickers and gang members, the dismantling of organized crime syndicates, increased interdiction of illegal drugs and weapons, improved effectiveness of the national judicial systems, reduction of criminal case backlogs, reduction in the average length of trials, increased public confidence in the courts, improved law enforcement cooperation both between us and the Mexicans and between the Federal level in Mexico and the local authorities, and the ability to deal with the cross-border issues not just between the United States and Mexico, but also into Central America.

So there are a number of things that we are going to be working on there over the long term to see a reduction in violence, to see a reduction in these flows of the drugs north and the money and the arms to the south. These are early days, but I think we have already seen the very fact of this increased violence to some extent is a reflection of the determination on the part of the Mexican government to take this on. And the cartels are fighting back. They are seeing their existing routes be disrupted. They are fighting over territory.

So we are seeing in some respects a kind of intensity of fighting reflecting the determination of both sides, the United States and Mexico, to take this one. But we are going to need to stay at this for a while. The cartels are well organized and well funded. They are fighting for their lives, and the Mexican government is going to be doing what it needs to get that done.

So we will have to stay on top of this. Oversight is very important. These are significant resources. We have mechanisms in place. These are largely situations where we are not transferring funds to Mexico so much as providing technical assistance, training, and equipment that we are working on together so we have a good ability to make sure that it is being used for the purposes that Congress intended.

Senator AKAKA. You mentioned training. In particular and specifically, how is the training going? I can recall that training was to begin April 2008, and since then—then my question would be: How is the training program? And what kind of metrics are you using to check on that?

Mr. STEINBERG. Well, Senator, the initial appropriation for the Merida Initiative was enacted in June of last year, so we have been operating on funding that has just become available starting last summer, and we have been working with Committee staff here up on the Hill in the initial days to agree on a plan going forward. We had to reach some letters of agreement with the Mexican government on how these programs should go forward.

So the reality is that the programs have actually begun in the last 4 or 5 months, and we are beginning to see these programs take place—training of corrections staff, working with judicial officials, and as I said, a significant effort focused on the procurement of equipment, particularly non-intrusive detection equipment, which is a major part of the actual overall amount of spending.

But these efforts now I think are accelerating. We have the framework in place, and we need to keep at it.

Senator AKAKA. Thank you.

Deputy Attorney General Ogden, there are a number of initiatives addressing the violence associated with the drug cartels near the Southwest Border. In order to meet these initiatives, your Department must coordinate—and my question is really on your coordination—with DHS, the State Department, and the State and local governments as well.

How are you ensuring that your Department's counternarcotics efforts are complementing rather than duplicating efforts of other agencies involved?

Mr. OGDEN. Thank you, Senator. I think you put your finger on a critically important aspect of the response here, which is we do need to be extremely well coordinated.

The Drug Enforcement Administration was established to be the drug enforcement entity, the central drug enforcement entity for the United States, and DEA has established intelligence centers, the Special Operations Division (SOD) center, and the El Paso Intelligence Center (EPIC), which bring in all of the critical agencies to share intelligence and to share information. That is a critical aspect of the coordination of this effort, that effort that the DEA does, and then the DEA works to make sure we are de-conflicted, that we do not have conflicts among agencies pursuing these cases, and work together with the prosecutors in their own task forces, of which DEA and the other agencies are a part, to put together these major initiatives that are designed to take down the cartels, such as Xcellerator, such as the one against the Gulf cartel.

So we are pursuing coordination through those mechanisms and, I think, continuing to look for ways to improve our coordination.

Senator AKAKA. Yes. And as was pointed out, you have been working with groups. Can you tell me how many different groups there are that you are working with on this problem?

Mr. OGDEN. The groups that we are working with on our side of the problem you mean?

Senator AKAKA. To deal with this problem.

Mr. OGDEN. Well, certainly within—well, it is a large number. I am not sure I could quantify it. In the Justice Department, there is the DEA, the ATF, the FBI is an important part of this, the Marshals Service, and our Federal prosecutors in the Criminal Division and in the U.S. Attorneys' Offices. At DHS, there is ICE, the Bor-

der Patrol components, and the rest of the critical aspects of DHS working on this. Obviously, our partners at the State Department in working with the Mexican authorities are critical. The Treasury Department with respect to the aspects of this that affect the cash flows is another critical partner. State and local law enforcement, tribal law enforcement, and then, far from least, our Mexican colleagues and counterparts are so bravely taking this battle to the cartels in their own backyard. That relationship is critical. And I have probably left out someone who will be annoyed with me, but it is a large group that we are bringing together.

Senator AKAKA. Yes, well, thank you very much, Mr. Chairman. My time has expired.

Chairman LIEBERMAN. Thanks very much, Senator Akaka.

I just have one more question or two for you, Mr. Steinberg, about the Merida Initiative. Incidentally, I appreciate what you said a short while ago about the relationship between the United States and Mexico. It is a longstanding relationship. It has been through difficult times. This seems to be one of the better times. We always ought to have a pro-American Government in Mexico and a pro-Mexican government in America. That does not always happen. We have it now, and in regard to this specific crisis, we have an extraordinarily courageous Administration in Mexico City that we want to work with and we are working with. So I appreciate the way you said that, as a matter of our foreign policy, if you will, in addition to domestic law enforcement.

I want to ask you just this question about the Merida Initiative. First, I understand that we are in the budget process so you cannot tell us how much you are going to ask for, for Merida, but I appreciate that you made a commitment on behalf of the Department to continue this as a multi-year program. You tell me if you are willing to answer this question. I assume that we will put at least as much into the program as is going in on an annual basis now. Is that fair to conclude?

Mr. STEINBERG. Senator, again, without getting into specifics, when the program was initially envisioned, we were talking about a 3-year, \$1.4 billion program. Now, obviously, we want to look at it in terms of individual year allocations, how we can best use the money. We do not want to get more money than the system can appropriate. So I cannot give an absolute number, but I do think the fact that it is a multi-year thing and some sense of the scale that was initially envisioned gives you some sense about the kind of role that we saw going forward.

Chairman LIEBERMAN. In the first 2 years, fiscal year 2008 and 2009, Congress actually appropriated less money than was requested. There was \$950 million requested and \$700 million—still a considerable amount, of course—was appropriated. One of the reasons given here in Congress for the reduction in funding was a concern about the slowness with which the Merida money had been disbursed to date. This is not a problem of your creation, that you found this, but I gather that a relatively small fraction of the funding appropriated in fiscal year 2008, as Senator Akaka indicated, for Mexican law enforcement agencies has actually been expended to date—not obligated but actually expended.

So I wanted to ask you if you agree with that observation that this is moving slowly, and if so, why do you think it is and what are you doing with the Secretary to expedite the disbursement of the remaining fiscal year 2008 Merida funding.

Mr. STEINBERG. Well, Senator, I think everyone always wants the money to get out the door as fast as possible, and I think we could talk about the details about what happened last year. I think there was a period of time that it was important for the Department and Congress and the key members of your staffs to have a joint understanding about what we are going to do, because it is a long-term program, and getting it off on the right footing was important. So there was a period of time associated with that, and once we had an agreement here in the United States about how to spend the money, we needed to work that with the Mexicans.

By the end of calendar 2008, I would say we had the mechanisms in place, and now we are ready—fortunately, coinciding with the beginning of this Administration—to really begin to be aggressive about this. And as I said, one of the things that we are going to see, although a relatively small amount of money has been obligated at this point, a significant amount of funding, particularly for this non-intrusive detection equipment, is really ready to go.

Also, a very important additional part that I hope we will be moving very quickly is the helicopters for the Mexican military. Congress was good enough to waive the informal notification requirements under the Foreign Military Financing (FMF) program. The formal notification expires on April 13, which means we will be in a position after April 13 to finally negotiate those contracts for the helicopters, which are critically important to provide the mobility and the speed of responsiveness.

So as we get some of these larger programs out the door, we will see that in terms of the percentage of funds allocated, that will go up very dramatically, and as I say, we have now the letters of agreement in place with the government of Mexico that facilitate the expenditure of the funds that are handled under our international narcotics law enforcement accounts.

And so I think that the pipeline is well established, the relationships are well established, both within the United States and between the United States and Mexico, and we can see an acceleration of the implementation of the program.

Chairman LIEBERMAN. That is very encouraging, and we will obviously keep in touch with you on that.

Although the Merida funding is appropriated to the Department of State foreign assistance accounts, obviously the Department of Homeland Security and the Department of Justice are important partners with you. This is in the form of open group family therapy. We have heard grumbling—not, of course, from Mr. Ogden—that folks at DHS and DOJ feel that they have—and, again, this maybe goes more back to the previous Administration—but they have not been fully involved in the budget priority formulation process. And I wanted to ask you if you intend to include them early on as best you can in that process?

Mr. STEINBERG. Absolutely, Senator. I think it is critically important, as you have heard today both from Secretary Napolitano and my colleague here. This is a multi-agency effort, and many of the

expertise and capacities obviously lie outside the State Department. So we cannot develop and implement these programs without the work of these other agencies. And while we provide a convening framework, the Secretary chairs the high-level group that involves both the agencies in the United States and our counterparts in Mexico, that we need to work very effectively. And I have been encouraged in the short time we have all been together—particularly my colleague who has been in office just for a very short period of time—of the very collaborative spirit that we all approach this with.

Chairman LIEBERMAN. Well, thanks very much. I thank both of you for your testimony. I thank you for what you are doing every day on this challenge to our security and to our neighbor's security.

My impression from this morning is that our government is really mobilized now on this, but it is going to be a longer-term fight, and we want to help you in every way we can in it.

As a formal matter, we are going to keep the record of the hearing open for 15 days, if you or Secretary Napolitano want to add to your testimony. There may be some Members of the Committee who were not here, or some who were, who want to submit additional questions, which we will ask you to fill out. But thank you very much for being here. Thank you for what you are doing.

The hearing is adjourned.

[Whereupon, at 11:50 a.m., the Committee was adjourned.]

## **SOUTHERN BORDER VIOLENCE: STATE AND LOCAL PERSPECTIVES**

**MONDAY, APRIL 20, 2009**

U.S. SENATE,  
COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Phoenix, AZ*

The Committee met, pursuant to notice, at 9 a.m., in the Phoenix City Council Chambers, 200 West Jefferson Street, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, McCain, and Kyl.

### **OPENING STATEMENT OF CHAIRMAN LIEBERMAN**

Chairman LIEBERMAN. I will focus this morning on the very real consequences for communities along the Mexican border associated with activities of the Mexican drug cartels and their nightmarish violence.

We are going to consider the spillovers of this criminal behavior into the United States, the crime that has already occurred, and we are going to ask if we are prepared to deal with more if it does occur and what we in the Federal Government can do to help working with State and local officials.

I want to thank my friends your Senators from Arizona, John McCain and Jon Kyl for focusing the attention of this Homeland Security Committee of ours on the threat of the Mexican drug wars to homeland security here in the United States. Our Nation and the State of Arizona are fortunate to have these two great public servants fighting for you and our country in Washington. I am proud to have Senator McCain as a Member of this Committee and also proud to have Senator Kyl joining us today as a special Member of the Committee.

I also want to thank Governor Jan Brewer, Attorney General Goddard, Mayor Gordon, and other officials from across the State who are going to testify here this morning. I know how hard you have all been working to keep your citizens safe and your State prosperous. We come today to listen, to hear your ideas about how the Federal Government can help you to stop the lawless behavior that the Mexican drug cartels are causing.

As the citizens of Arizona know only too well, drug-related violence has claimed over 7,000 lives in Mexico since the beginning of last year. That is a stunning number. The cartels have gone to war with each other and the Mexican government. This conflict obviously escalated with Mexican President Felipe Calderon's heroic decision to take on the cartel 2 years ago and at the same time to

root out corruption within his own government. Now increased enforcement efforts by the Department of Justice (DOJ) and the Department of Homeland Security (DHS) at the border are making it more difficult for the cartels to smuggle drugs into the United States.

It seems to me that our goal should be to squeeze the cartels from both sides of the border, and as we began to do this they have reacted as the lawless thugs that they are. Many of the killings that I have described in Mexico bear the characteristics frankly that we typically associate with the threat that this Committee has been most focused on and that is the threat of Islamist terrorism: Beheadings, gunfights on crowded city streets, the targeted intimidation and assassination of government officials, and, as Phoenix is painfully aware, kidnappings and ransom demands. These are true atrocities.

What is also true is that the majority of victims are associated with the Mexican cartels, but we also know that innocent civilians have gotten caught literally and figuratively in various aspects of the crossfire, that the intensity of the violence has spread across the border and created an atmosphere of fear in border communities, and that the cartels have extended their deadly reach far away from the border into the United States.

Phoenix has endured, as I have said, this extraordinary wave of kidnappings, but we have also seen in border communities—and I want to hear from the local officials in more detail about this—an increase in violence in some areas and quite a remarkable increase in car thefts in several border communities which are associated with the drug cartels.

Federal law enforcement officials have told us that Phoenix has become the most significant hub for marijuana smuggling into the United States for the Mexican drug cartels. The law enforcement officials at the Federal level also tell us that there is no present indication that the cartels plan to carry across the border the extreme violence occurring in Mexico, but, my friends, these cartels have the money, the weapons, the network of operatives throughout the United States and the utter disregard for human life to do so at some point and that is what we must be on guard for and push back.

According to the Federal Bureau of Investigation (FBI), the Mexican drug cartels are now the No. 1 organized crime threat in the United States, displacing the Mafia. In addition to the kidnappings and home invasions that they carry out in places like Arizona, which we are going to hear about today, they are increasingly responsible for other crimes. They steal cars from border cities in which to smuggle guns and cash back to Mexico. El Paso and Laredo, Texas, have experienced the most dramatic increase in car thefts in recent years, but Phoenix and Tucson are now among the top 20 most vulnerable cities for car thefts.

The drug cartels and smuggling organizations also attack each other to hijack loads of drugs or aliens from competing operators. And of course, the cartels' primary business is smuggling narcotics across the border to distribute in and from more than 230 American cities from Anchorage, Alaska, to Hartford, Connecticut, and just about everywhere in between. Incidentally, I say parentheti-

cally that part of the response to the Mexican drug cartel violence has to continue to be aggressive law enforcement against drug sale and usage throughout the United States.

In that sense, we the American people do bear some responsibility for this crisis because the great demand for illegal drugs by Americans and the subsequent flow of illegal cash, billions and billions of dollars of it, and weapons into Mexico clearly fuel the cartels' explosive growth and provides them with the resources to wage war with each other and with the Mexican government, and increasingly with people here in America.

President Obama has recognized the severity of the problem. Last week he was in Mexico with President Calderon discussing, planning operational responses to the crisis. Three top Obama Cabinet officials have traveled south of the border in the last month, Homeland Security Secretary Napolitano, former governor here of course, has gone twice already. The Department of Homeland Security is redeploying resources to the border to step up the detection of arms and cash bound for Mexico and drugs and undocumented aliens bound for the United States.

Just last week, Secretary Napolitano announced the appointment of a man named Alan Bersin to be a so-called special representative for border affairs. A border czar, if you will, whose job it is to make sure the Administration's border initiatives in response to the Mexican drug cartels is efficient, coordinated, and effective. DHS is now also finalizing a government-wide contingency plan if violence spills further across the border. And the State Department is implementing the \$1.4 million Merida Initiative to screen and train Mexican law enforcement officers, purchase helicopters for the Mexican military, support reform of Mexico's judicial system, and purchase and deploy scanning technology at border crossings.

These are significant actions, but we can and must do more. With my friends here on the dais, I am determined to expand the resources available to the Department of Homeland Security, the Department of Justice, and State and local law enforcement agencies in the border region in States like Arizona to take on the cartels in the most forceful way we can. With broad bipartisan support, this Committee's Ranking Member, Susan Collins, Senators McCain and Kyl, and I passed an amendment to the Senate budget resolution just a few weeks ago for Fiscal Year 2010 budget, which would add \$550 million for beefed up law enforcement along the U.S.-Mexican border.

It would send over 2,000 more law enforcement officers and investigators to the border region and specifically set aside \$40 million for State and local law enforcement to expand your anti-cartel operations. We intend to ask that some of that money be added to the Fiscal Year 2009 Emergency Supplemental Appropriations bill when it moves through Congress in the next few weeks. Particularly to backfill in for the approximately 400 Department of Homeland Security employees that Secretary Napolitano has redeployed from elsewhere in the country to the border.

You know, my friends, that State and local law enforcement is where the rubber ultimately meets the road here. What we do at the Federal level is critically important, but it will not have the impact we need it to have if we do not work in concert with you, our

partners in this war against the Mexican drug cartels. That is why our Committee has come to Phoenix this morning to hear the witnesses that we are privileged to have before and to continue to work with them to protect the safety of the people of border States and all of the United States from this very critical threat to America's Homeland Security.

Senator McCain.

#### **OPENING STATEMENT OF SENATOR MCCAIN**

Senator MCCAIN. Thank you very much, Mr. Chairman, and thank you for taking the time from your busy schedule to be here in Arizona, one of the frontline States in the struggle that we are facing as far as the violence that has been generated by many of the causes that we will hear from our witnesses today. I am very grateful you came and I also appreciate the fact that you will hear first hand from Arizona's local and State elected officials and law enforcement officers on the increasing violence along the U.S.-Mexico border. I appreciate those who were invited to testify, but unable to attend, including Sheriff Joe Arpaio, who submitted written testimony. The Committee is here today to hear from those who have the difficult job of securing the safety of the citizens of Arizona and the Nation despite the fact that our Southwest border is not yet as secure. And as we know all too well here in Arizona, violence associated with illegal drug traffic by the Mexican drug cartels is a real problem and must be addressed.

It is for that reason that I have joined the calls for the National Guard to be sent to the border. I look forward to hearing our witnesses' ideas on the how best to deploy the Guard and what other solutions they propose be taken.

Due to the insecure border and the high demand for illegal drugs in the United States, the drug cartels' activities are impacting the security of the United States and particularly border States like Arizona. I am sad to say that the city of Phoenix is now the kidnapping capital of the United States and second only to Mexico City for the most kidnappings in any city in the world. The city of Nogales has seen several gun battles break out in broad daylight between Mexican police and the drug cartels just a couple of miles from the border. The city of Tucson has seen its crime rate increase this past year, especially for property crimes and car thefts. Each of these instances can be traced to an increase of violence along the Mexican border and the high demand for illegal drugs within the United States.

For these reasons, I was pleased that the Administration announced last month the addition of more personnel to the Southwest border, increased intelligence capability, and better coordination with State, local and Mexican law enforcement authorities. But it is not enough. Instead, the United States has cut funding to the Mexican government for equipment, training and assistance promised as part of the Merida Initiative. We have failed to stop the demand for drugs in the United States and been somewhat lax in preventing the transport of bulk caches of firearms to Mexico.

Just last week, the Administration denied Governor Brewer's request for Federal support to add 250 more National Guard troops to be assigned at the border to the Joint Counter-Narcotic/Ter-

rorism Task Force. This is an unacceptable response and I hope our witnesses will further explain the ramifications of that decision.

I hope the hearing today will highlight the outstanding work that our State and local officials are performing to provide for the safety of Americans despite the unwillingness in some instances of the Federal Government to provide the necessary resources to assist Mexico in its efforts against the drug cartel violence and to secure the Southwest border from the flow of drugs, money laundering and illegal immigration. We must do more, and the people at today's hearing know that fact far better than I can attest. I am very eager to hear from them today.

Additional Federal action is urgently needed and in my judgment, our failure to do more puts at risk the safety and security of our citizens each and every day.

Thank you again Mr. Chairman, and thank you for coming to Arizona.

Chairman LIEBERMAN. Thank you Senator McCain for that excellent statement. Senator Kyl we would welcome an opening statement from you now.

**OPENING STATEMENT OF SENATOR JON KYL, A U.S. SENATOR  
FROM THE STATE OF ARIZONA**

Senator KYL. Thank you, Mr. Chairman, for holding this hearing and thank you Senator McCain for coming up with the important idea to highlight the issues and learn as a result of hearing from friends here in Arizona.

Let me begin by just reiterating one thing my colleague Senator McCain just said. We need to recognize the outstanding work that is being done everyday under very dangerous circumstances by the Federal officials, the State officials, and the local officials. They are working very hard under very difficult circumstances.

I view there to be two purposes for this hearing today. First of all to hear from the people who are literally on the ground closest to the problem what is occurring; and second to get their recommendations as to what to do about it. Having talked to several in advance, I know it will to a large extent boil down to resources. And because the State of Arizona is not in a position right now to spend additional resources on this problem, which is after all an international problem—people coming across our border committing crimes from another country—clearly the resource issue has to be taken back to Washington, DC.

So I see part of the benefit of this hearing, our ability to take what we hear today, both anecdotally and statistically, and just from the experience that these people have and go back to Washington to be able to better persuade our colleagues in the Congress and people in the Administration of what has to be done and why the resources are so significant.

And another point I would like to make is this. We tend to focus on the people who would actually be standing guard at the border or who would be arresting people for crimes and with good reason, that is where it begins. But then we tend to forget that there is an entire chain in the criminal justice process that also has to be funded for this to be effective. You need to have, for example, people to prosecute the cases and for defense of those charged you

have to have public defenders, that costs money. Obviously, you have to have enough judges and court personnel, court rooms. You have to have jails to put the individuals if they are incarcerated. The transportation requirements are daunting as well.

So we cannot just focus on the border patrol or on more resources for the Sheriff's office, though I know they would like more resources, but they need it but also we need it up and down the chain.

Just to give you an illustration, I am told by Judge Roll, who is the chief presiding Federal district judge here, that there is a significant need for more judges, more courthouses, and I would note that when the number of prosecutors were added to this district, the felony case filings for the first 3 months of this year have increased by 24 percent.

Now, the point is, there is a relationship between the people you have to prosecute the cases and the number of cases that get prosecuted. People on the ground will tell you that there is a threshold of 500 pounds of marijuana. We are on track to interdict 1.2 million pounds of marijuana this year. What do you do if you cannot prosecute the cases? There is a lot of anecdotal evidence that under 500 pounds, the cases are not prosecuted.

You can see that when we add new prosecutors, you get a lot more cases filed, and if they are not filed, and the people just continue to get away with what they are doing, then we are not obviously solving the problem. So, we need to view it from beginning to end of the criminal justice process and make sure that it is all adequately resourced.

I would like to just conclude with two, quick points.

Senator McCain and Senator Lieberman both mentioned the Merida support. Anything that the United States can do to assist the government of Mexico, which is now very strongly committed to helping us, will be a benefit not only to them, but to us, as well, and we need to be very open-minded about the kind of support that we can provide to them.

And, finally, and this is just a personal note, but I had a meeting recently with the head of the Drug Enforcement Agency (DEA) here, and I asked this question specifically: I said, what happens if we were to legalize marijuana, would that solve that problem? Her view, which confirmed mine, is no, it will not. We are dealing with very bad actors who are going to make money illegally one way or another. They found a way to do it through smuggling, whether it is through people or methamphetamine. Eighty percent of methamphetamine now comes from Mexico. You can legalize one, but unless you are willing to legalize it all, and then have it apply to anybody of any age.

In other words, the point is, you cannot just legalize a piece of it and expect to have the problem solved. We need to solve this from a resource point of view and learn from the experts what else needs to be done. I really appreciate you're holding this hearing so that we can find that out, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Kyl. That is a really good point because I was once an Attorney General, and you never have enough resources to prosecute every case you want to prosecute. So you have to make priorities, and some of the drug cases

may end up being lower in the priority list, including some of the gateway drugs like marijuana. But the impact of that up the line I think is significant.

So, I thank both of my colleagues for, again, bringing us here and for the good statements they have made. We now look forward to the testimony of our witnesses in exactly the way both Senators have indicated.

First, we are honored to have the Governor of Arizona, the Hon. Jan Brewer here for us, and we welcome your testimony at this time.

**STATEMENT OF HON. JANICE BREWER,<sup>1</sup> GOVERNOR, STATE  
OF ARIZONA**

Governor BREWER. Thank you, Chairman Lieberman, and Senators McCain and Kyl, let me thank you and the Senate Committee on Homeland Security and Governmental Affairs for holding this very timely and critical important hearing today. Arizona appreciates you making this a priority, for taking time to be here to learn firsthand what our State is engaged in regarding the border.

Mr. Chairman, someone whom I admire greatly once described the Arizona border situation eloquently. He stated those of us from border States witness every day the impact illegal immigration is having on our friends and our neighbors. Our country and city services, our economy, and our environment, we deal with the degradation of our lands and the demands imposed on our hospitals and other public resources. Our current system does not protect us from people who want to harm us. It does not meet the needs of our economy, and it leaves too many people vulnerable to exploitation and abuse.

I happen to totally agree with those sentiments made by Senator McCain. Senator, you are absolutely right, our system does not protect us, and Americans should have the right to feel safe in their homes. The fact is too many avenues exist for illegal trafficking of drugs and immigrants, which unfortunately makes Arizona particularly an attractive State for those factions engaged in these illegal activities.

I am very grateful for the work of the Federal authorities and our own law enforcement resources such as the Arizona Department of Public Safety, county sheriffs, and municipal police departments, all of which keep a watchful eye and ear while we citizens work, rest, and recreate.

It should be mentioned, however, that despite the vast efforts in Arizona, as governor, I still cannot state unequivocally that Arizona is immune from spillover effects of the Mexican drug wars. Unfortunately, Arizona's reputation as "ground zero" for illegal narcotic smuggling, human smuggling, and kidnapping is directly related to our border status and the growing threat posed by criminal syndicates south of the border. The relative success of our law enforcement north of the border should not lull the Federal Government into believing things will always be this way.

<sup>1</sup>The prepared statement of Governor Brewer appears in the Appendix on page 195.

Mr. Chairman, I have identified five primary suggestions that I believe our national policymakers should consider regarding our border.

First, the Federal Government should give serious consideration to my March 24, 2009, request to increase the National Guard presence on Arizona's border by 250 soldiers. Redeploying current and existing resources as a first step, but it is more important that border States and local and tribal law enforcement receive a surge in additional Federal funding and additional resources to respond to the clear increased threat of violence and kidnapping.

Chairman Lieberman, you recognized this need for additional funding when you introduced legislation to add \$550 million in Federal money to better secure our borders. My hope is the Administration and Congress will seriously give consideration to both of our proposals, and, Mr. Chairman, as the Committee moves forward, I hope it considers that while technology and physical barriers are an important tool in dealing with border challenges, boots on the ground combined with solid intelligence is what really facilitates adequate response and effective prevention.

Next, I believe Congress must strive for a sensible immigration policy that first and foremost focuses on securing our border. There is no more important border policy than that.

Second, the Federal Government should make prosecution of human trafficking activities a top priority.

My third suggestion is that all the ports of entry between Arizona and Mexico should be modernized and outfitted to balance appropriate traffic flow with the needs for inspection and other security measures.

Next, I believe it is time for the Federal Government to address the immense fiscal burden that border States are unfairly shouldering in combating illegal immigration.

To date, the Federal Government is not bearing its full responsibility in law enforcement. Education, healthcare, human services, and the correction system are directly tied to illegal immigration and human smuggling.

Mr. Chairman, I think any discussion about violence on our Southern Border must also be upfront in recognizing that the United States still has a hefty appetite for illegal drugs. The price we pay for illegal trafficking of these drugs is enormous. Addressing these matters requires a comprehensive, national look at what works and what does not work.

In conclusion, Mr. Chairman and Senators, these are just a few perspectives from the State of Arizona on how we see the challenges on the border. I have said before that Arizona and the Southern Border States cannot and should not have to shoulder the burden of securing our borders and protecting our citizens from these seeking to do us harm. A porous border ultimately can leave the entire country at risk.

I appreciate the opportunity to testify in front of the Committee of Homeland Security and Governmental Affairs, and I thank you, Mr. Chairman, and I would be happy to answer any questions.

Chairman LIEBERMAN. Thank you very much, Governor. You said a lot in the short time that we gave you, and I appreciate that very much. We look forward to the question and answer period.

Attorney General Goddard, welcome and good to see you again.

**OPENING STATEMENT OF HON. TERRY GODDARD,<sup>1</sup> ATTORNEY  
GENERAL, STATE OF ARIZONA**

Mr. GODDARD. Thank you, Chairman Lieberman, Senator McCain, Senator Kyl, and I join the governor in thanking you for conducting this field hearing here in Arizona, the point where the problems of the Southwest Border are most acute, most critical. I hope I can provide some insight on how, as the Chairman just suggested, that we can focus on what has been going on in our State in terms of combating the organized crime threat.

Mr. Chairman, you've already stated that this has been identified by the FBI as the No. 1 organized crime threat. I won't repeat my remarks along that line because you summarized it so well, but I would point out that the criminal syndicates that we are fighting against are highly flexible, paramilitary organizations, and they use violence as an integral of their modus operandi, of their business plan, and that is what we are dealing with.

Their operations are made up of at least four, primary, criminal enterprises, and I have a very rudimentary drawing over here that shows them in graphic style, but I think it is important to keep all four in mind. Guns and cash, smuggled south, drugs and human beings, smuggled north, and each leg of that stool needs to be paid attention. Arizona has increasingly become home to the cartels' most lucrative and heavily-utilized smuggling corridors, and the corridors are really what we need to be cognizant of and pay attention to. Approximately half of the northbound contraband in human beings and drugs passes through our State, and the fiscal impact that the governor just referred to is as a result of that literal flood of illegal activity.

While most of the violence has been in Mexico, this is by no means just a Mexican problem or just a border problem. The Department of Homeland Security recently identified cartel activity in 230 cities, as the Chairman mentioned, and Hartford, Connecticut, is not immune from the kind of threats that we see here on the Southwestern Border. There is a dot for Hartford, Mr. Chairman, on the map to which I refer.<sup>2</sup>

This does not show all 230 U.S. cities, but it gives a representative sample of how widespread the cartel activities are in this country and the active partnership that the cartels have joined in with street gangs and prison gangs throughout this country to facilitate the distribution of drugs is something of which we need to be constantly cognizant.

For the U.S. Border Patrol, the Tucson Sector is only 13 percent of their jurisdiction of the U.S.-Mexico Border, but it is responsible for approximately 44 percent of the interdiction of human beings that are smuggled across the border and a similar amount of drug seizures, which, as I believe Senator Kyl mentioned, is hitting a record this year—1.2 million pounds of illegal drugs is where they appear to be headed.

<sup>1</sup>The prepared statement of Mr. Goddard appears in the Appendix on page 199.

<sup>2</sup>The chart referenced by Mr. Goddard appears in the Appendix on page 207.

And here, in the city of Phoenix, despite, I am sure the chief will tell you, a shrinking violent crime rate, of which the police are justifiably very proud, the kidnappings are out of control, almost one a day in this community. Tucson has become a leader, unfortunately, for home invasions, and here, at the Attorney General's Office, we have been dealing for almost a decade with human smuggling and all of its associated crimes, including money laundering, extortion, human trafficking, and murder. And Arizona law enforcement has a great record of successful collaboration.

Just in the last year, my office coordinated with Federal, State, and local law enforcement agencies in four major organized crime takedowns: A major arms trafficking organization; a Coyote organization that was smuggling over 10,000 people a year across the border; another which transported from Phoenix to cities around the country over 8,000 people a year; and, finally, a drug smuggling operation which, in 4 years, had brought over 2 million pounds of marijuana across the Mexican Border.

These are important successes, but I do not want to deceive the Committee or anyone else. As big as they are, they only impact a very small part of the total of the cartel business.

From my seat, it seems clear that our effort against the cartels must change in at least three ways.

First, we need better communication and information sharing at all levels of law enforcement, State, local, and Federal, and with our Mexican counterparts, something that is still very rudimentary.

Second, we need to attack all aspects of cartel operations. As this diagram shows, drugs, people, guns, and money flow across the border, but I would submit especially money has been the weak spot in my opinion.<sup>1</sup> Southbound traffic is as important as northbound traffic, and that involves bulk cash, large amounts of hundred-dollar bills literally bailed together, and other means of money transportation that I will get into in a minute.

And, third, we need coordinated command and control for the entire border region, employing all the Federal resources coordinated with State and local. For too long, we have had silos that have divided us and divided the Federal effort.

Let me just say a little about the money. We call them blood wires that are used to pay for people being transmitted into the United States, and I would like to recognize Cameron Holmes, who is right behind me. He's the head of our Financial Crimes Taskforce in the Attorney General's Office, and I would submit one of the true money laundering experts in the United States. It is his expertise that allows us in the Attorney General's Office over the last almost 10 years to be aggressively monitoring the wire transfer activity to the cartels and intercepting over \$17 million of that activity. Now, that is a drop in the bucket, but it has caused major disruption in the kind of money transfer for illegal activities such that hundreds of millions of dollars that used to be coming into the State of Arizona are not doing that today.

We have learned a few lessons, and if I could summarize those quickly for the Committee, it shows that we are up against a well-organized, criminal organization. They are sophisticated, high-tech,

<sup>1</sup>The chart referenced by Mr. Goddard appears in the Appendix on page 208.

and very flexible. Our response needs to be equally well-coordinated if we are going to succeed.

The cartels meet resistance, law enforcement resistance by shifting ground. It may be geographical; it may be in terms of their business enterprise, whenever they get pushback. We have to be as opportunistic and as flexible if we are going to be successful. We need a seamless local, State, and Federal response, and I would be happy to go through in more detail with questions.

A couple of very specific requests. One, we have partnerships at the local level that are working. I would submit the High-Intensity, Drug-Trafficking Area (HIDTA), a hard acronym to pronounce, is one such model, where the Federal, State, and local authorities truly get together and make cases and have brought real prosecution results.

But I want to emphasize to this Committee how important our failures are in the area of stopping the hemorrhaging of cash to the cartel bank accounts. We need a region-wide, bi-national, coordinated attack on corrupt money transmitters. I believe we can shut them down, but we need much better information to do it.

And I would like to simply show you one item. This is a stored-value card. This kind of card, which we think of as a gift certificate, has been used to move hundreds of thousands, if not millions, of dollars across the border. It is not a financial instrument under U.S. law, and, as a result, there is no crime to take \$1 million in a card like this and take it across the border. That single regulatory change has been pending for years, and I would submit that the time is long past that it has to be implemented. Stored-value cards are money, and they must be curbed in crossing the border.

Recognition has been paid to the Merida Initiative. That is a critical effort to make sure that our efforts are on both sides of the border, and, just to conclude, the violence will not be contained until the Mexican drug cartels are destroyed.

In the interest of the United States to assist Mexico in its courageous fight, and we need to step up our own efforts to dismantle the cartels' operations on this side of the border, our attack must be changed, I think, fundamentally to reflect the seriousness of the threat. We must fight smarter and we must fight harder.

The single best way is to cut off the flow of illegal money. It should have been done years ago, it must be done now. We face an urgent, public safety threat, as the Committee has recognized by your presence here today, and we look forward to working with you to try to solve and overcome this problem.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, General Goddard. I think we will do 5-minute rounds of questions, and we will keep moving until we have finished our questions. I appreciate your statement, and it brought to mind the similarities, if you will allow me, between fighting the Mexican drug cartels and the war we are in against terrorism, specifically Islamist terrorism. Some of it is just the broader view, which is, as you said, the drug cartels are now paramilitary organizations with the money to buy very sophisticated, military equipment, but with a paramilitary approach.

Second, just as the terrorist groups are defined by a willingness to use brutal violence to achieve their political ends, the Mexican

drug cartels are defined by a willingness to use brutal violence to achieve, I supposed you'd say, their business ends, which is the sale of drugs. And I am also struck by your specific call for us to focus on the financial transactions that the drug cartels are involved in because, as we found at the Federal level, some of the most effective work we have done against terrorist groups like al-Qaeda and now increasingly against State sponsors of terrorism like Iran, has to do with tying them up financially, in that sense, trying to close off part of the lifeblood of these organizations.

And the stored-value cards are one indication of that. You've probably done more work on this than I or my staff have, but is this a matter of simple regulatory change or is it, as I had originally thought, requiring a law change at the Federal level?

Mr. GODDARD. Mr. Chairman, Members of the Committee, my understanding is what we need to do in terms of stored-value cards is to define them as monetary instruments subject to reporting in the Currency and Monetary Incident Reports (CMIRs), and that change is statutory.

Chairman LIEBERMAN. OK, so, then we are going to work to really accelerate some action on that, and, of course, this shows you that the enemy here, the drug cartels, are smart, so, they know what the law is here in the United States. You do not have to be a genius, but they have figured out this is a great way to move money across the border because it is not technically illegal. So, it is time for us to make it illegal.

And any other ideas about stopping the flow of cash, better stopping the flow of cash?

At the hearing we held in Washington on March 25, 2009, one of the government witnesses—of course, you can not come up with a hard figure on this—estimated that the annual takeout of the United States by the Mexican drug cartels is between \$17 billion and \$38 billion. I mean, that would make it one of the largest businesses in the United States. What more can we do to stop the cash from flowing southward?

Mr. GODDARD. Mr. Chairman, Members of the Committee, the number that you've just used is the drug revenues. Human smuggling revenues, we believe, exceed \$2 billion. So, it may be small in the comparison, but it is also a major business opportunity.

Chairman LIEBERMAN. That is absolutely right.

Mr. GODDARD. And one that they use. I have a couple of other specific suggestions. One is that we lower the threshold for mandatory reporting of single transaction money transfers.

Currently, whenever we cross an international border, it asks if we have over \$10,000 of currency. I believe that number is way too high, and that, in fact, it would help us immeasurably in terms of finding the smugglers if we could have a reduced number. I do not have a specific number, but I believe that is too high, along with recognizing stored-valued cards as part of that \$10,000, I think we'd go a long way.

I also think—and this is, I believe, a regulatory issue—the Internal Revenue Service (IRS) does, in fact, examine all of the money transmitters, but it does it on a random basis. I can tell you, Mr. Holmes and his staff can tell you precisely where the risks of greatest criminal activity are through the money transmitters in par-

ticular that are shifting money across the border for the cartels. It does not take rocket science, it is a matter of statistical examination, and if they use a risk-based analysis and go after the various transmitters who are the source of the greatest risk, they could go a long way to shutting down these criminal operations, and they are, in fact, criminal and they are on both sides of the border, and they need better attention. So, I am talking about money transmitters here, that is Western Union and the other—

Chairman LIEBERMAN. Right.

Mr. GODDARD [continuing]. Wire transfer operations which have been very helpful to the cartels in filling their pockets, and I think we have been working virtually alone here in the State of Arizona to try to cut off their access to funds. We could certainly use all the assistance we can get from other States and from Federal authorities.

Chairman LIEBERMAN. Those are very helpful suggestions, and we will take them back to Washington with us.

Governor, I thought you made an interesting point about National Guard personnel. Again, I know there are great differences, but one of the things we learned in Iraq, of course, is that numbers matter, that personnel on the ground, boots on the ground matter when you're in a conflict, and it seems to me that we are understaffed, under-resourced in responding to the Mexican drug cartels. I know you've made this call for National Guard personnel.

Tell me what thoughts you had more specifically about what they might do if the National Guard were involved in this.

Governor BREWER. Well, thank you, Mr. Chairman, and it is important.

I think the people of Arizona are alarmed that we do not have our borders secured, and, by that reason, we are the recipient of drug smuggling, money laundering, and kidnapping. I believe that we need to get additional National Guardsmen on the border in order to secure our border, regardless, Mr. Chairman and Senators, of all the issues that come to Arizona and other border States. If we do not secure our borders quickly, we are at great risk. I believe that if we could get an additional 250 National Guardsmen on the border, they would be able to help law enforcement along the border and relieve them from doing things such as communication, logistics, and planning—all those things that take up their time from actually supporting the border security.

Mr. Chairman, it is absolutely ultimately most important that Congress understands that we are the recipient of all these horrible things that could take place in Arizona and the whole United States if we do not secure the border. We need resources. We need boots on the ground, and I know, Mr. Chairman, that it has been mentioned on a couple of occasions that taking our National Guard and putting them on the border would possibly be taking them from maybe some of the other responsible duties that they are there to perform. However, they would still be in training, they would still be ready to go if they needed to be deployed somewhere, but, at this time, I cannot stress enough on behalf of the State of Arizona and on behalf of the people of Arizona that we have to have our borders secured.

Chairman LIEBERMAN. Thanks, Governor. My time is up. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman. Governor, just to follow-up on this issue of more troops, you asked for 250 National Guardsmen. Were you surprised by the response?

Governor BREWER. I was very surprised. The reaction from the Obama Administration appeared to be very negative and I believe that it was very irresponsible, given the fact that through the Homeland Security Department, the past governor saw the need, and now we are not seeing the help that we need. I certainly know that Arizona and other States are facing greater and greater challenges from illegal drugs and insecure borders. We face very unique threats, and I just feel very disappointed that the Federal Government has not stepped up and has done what their responsibilities are, and I have left the control, if you will, up to our local law enforcement, our local State Department, public safety, our sheriffs, and our police organizations. I am disappointed.

Senator MCCAIN. Thank you, Governor.

I believe, from having visited Mexico City myself—and the President has visited Mexico City—that we are getting from Mexico City an almost unprecedented level of cooperation. Now, there are serious corruption problems and there are other problems, but are you getting that same kind of cooperation from the governor of Sonora?

Governor BREWER. Well, we have been in contact and we have met, and in my opinion, I do not believe they are as concerned about the open illegal immigration and the drugs coming in to the State of Arizona.

Senator, we have to secure the border, and that will solve our problem. We, in Arizona, and the other border States need resources to take on this challenge. If we secure the border—and I understand, Senator McCain, that they have issues down there, and I appreciate the problems that they are having to deal with, but the fact of the matter is if we get the resources, if we get the support, and if the Federal Government does what they are supposed to be doing according to our Constitution, those problems would halt. We need a secure border.

Senator MCCAIN. Attorney General Goddard, I will ask the other witnesses this, but you are involved in this issue every single day and fighting it every day. We have talked a lot about statistics and being the kidnapping capital of the country and the world with the exception of Mexico City. These numbers, billions and billions of dollars, put a human story on that, tell us a little bit about the Coyotes and what they do and tell us a little bit about some of the heinous acts of murder and torture that take place. Put a human face on this issue for us, would you?

Mr. GODDARD. Thank you, Mr. Chairman and Senator McCain, it is an extraordinary tale that is probably heard too seldom, and thank you for the opportunity to at least try.

Human smuggling has become—I think there is a myth out there that at one point it was almost a Robin Hood type activity, that people were guided through the desert to seek a better life, and the people who guided them were good Samaritans. We have no illusions about that today, and I believe the Mexican officials have no illusions either because what we have now through the active

intervention of the criminal cartels is a highly organized criminal activity using the same roots that the drug smugglers are using, and those Coyotes, those criminal operatives that bring people across the border, either are in the cartels themselves or are subsidiaries, they pay a tariff in essence, and only move people when they are given permission by the major bosses because there is an integrated dance on the border between drugs and people. Sometimes they are synonymous, sometimes they are separated, and always, they are part of a criminal operation.

When they get to Phoenix, and this is, unfortunately, the distribution point for the entire country, these folks, and they are numbered in the millions—we still believe the folks crossing through the Arizona border and through this State, approximately 1 million human beings a year, and, so, they go to drop houses in the Phoenix area, some in Tucson, but mostly Phoenix because of our excellent access to transportation, and from there, the Coyotes move them across—

Senator MCCAIN. But many times, they are terribly mistreated or held—

Mr. GODDARD. I am getting to that, Senator. I am sorry if I am overlong for the Committee. Very often, we find that there are extortionate demands, the price that was originally quoted becomes double or triple what it originally was. We are investigating to try to find a number of murderers who literally took somebody from a group that protested the new price and shot them right in front of the others to make sure the collections would go easier.

And I would like to emphasize that we use the word human smuggling and human trafficking almost interchangeably. They are not. Smuggling is when somebody pays a fee and goes to a destination of their choice, trafficking is when somebody comes across the border as a virtual slave. But because the drop houses have turned into prisons, the individuals there, it is hard to tell whether they are trafficked or smuggled, and, all too often, they end up in the sex trade or as individuals that are being held for personal labor without compensation, and, so, unfortunately, we are seeing an incredible rise in human trafficking as a direct result of the organized criminal activities in smuggling. And, so, anybody who wants to think today that this is a benign or humanitarian episode is sadly mistaken.

Senator MCCAIN. Thank you and thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator McCain. Senator Kyl.

Senator KYL. Thank you. If I could just follow-up on that last point. As Senator McCain said, the real story is the human tragedy story and not just the statistics, but, as a result of what you said, would you also believe that the number of reported crimes such as kidnappings, rapes, robberies, etc., are probably underreported due to the fact that so many of the victims are themselves illegal immigrants?

Mr. GODDARD. Mr. Chairman and Senator Kyl, I know Chief Harris and Mayor Gordon will speak to that, but there is no question that this is a significantly underreported crime, whether it is 1 in 10 or 1 in 3, I do not know, and I guess nobody does, but the fact is that we have criminal groups fighting with each other, and what I should have mentioned in response to Senator McCain's

question is the terror among the victims when somebody heavily armed and wearing ski masks seizes a drop house from one gang and takes it over on behalf of another, a group kidnapping, if you will, which turns those people into objects of extortion, and the extortion activity also extends south of the border.

A lot of the times the Coyotes will simply go to the families that they know have individuals working in the United States and will threaten to kidnap them, and the police in Sonora and other parts of Mexico are very concerned that wire transfers are being used to expedite extortion of their citizens, as well.

Senator KYL. You said that a lot of the routes are the same and that the smuggling of drugs, as well as human beings has been taken over by the cartels to a significant degree.

Can you put some kind of a number on that? In other words, would you say that the bulk of the smuggling of illegal immigrants has been taken over by the same kind of folks that are smuggling drugs?

Mr. GODDARD. Mr. Chairman and Senator Kyl, unquestionably, I doubt there are any independent operatives in the market today. The cartels are that powerful and they either charge a per-person tax to use the corridor or they move the people themselves using their operational techniques.

We had a River-Walker case that you probably are familiar with back in February. It was indicted. It basically took an entire Coyote organization from the drivers to the housekeepers at the drop houses and eliminated it, but the sophistication and the level of specialization within that criminal operation were extraordinary.

Senator KYL. Let me ask Governor Brewer a question. If there is time, I want to get back to the money issue that you brought up, governor, but you went over quickly because of your time, but you mentioned the costs to Arizona society, you mentioned hospitals, you mentioned the cost of the governments. There are two specific programs. One is the State Criminal Alien Assistance Program (SCAAP), and that has been authorized at \$950 million a year. In the last couple of years, the appropriated amount is somewhere in the \$400 million range. In other words, less than half.

The question is whether that is one of the programs that you would like to see more resources in. And then, second is the so-called Section 1011 Program for hospital reimbursement for taking care of illegal immigrants who, under the law, emergency rooms are required to treat, and it is only up to the point of stabilization of the patient. That program has terminated, and except for some money that is still available to Arizona hospitals, the program is terminated for the other States because their money was paid out more rapidly, but that money will be going for Arizona hospitals, as well, by the end of this year.

Is that another example, and are there any others that you want to make specific reference to?

Governor BREWER. Thank you, Mr. Chairman and Senator Kyl. Absolutely, and as you are more than aware, in the last few years, Arizona has been very severely neglected in regards to receiving the reimbursement from the Federal Government in regards to the SCAAP dollars, and Senator Kyl, I remember you working with me when I was chairman of the Maricopa County

Board of Supervisors because we, of course, were the ones that held the responsibility in our jails here in Maricopa County. So, we are continually trying to get the Federal Government to pay their share that is most necessary because the resources are just eating up our budget and we cannot continue to go down that path over and over again, and we are going to make another request to be reimbursed our fair share of those dollars. We really do receive the huge burden.

In regard to the hospital cost, again, you realize how large these illegal immigration costs are to our hospital system. Because of the illegal immigration, they use our hospitals for emergency services, they use them for colds, and they show up at any given time and use up all the resources. We cannot continue to afford to take care of all these people that are coming in illegally through our borders.

Our State, as you certainly are aware—we are in a state of catastrophe, and to have the citizens of Arizona continue to have to serve all these costs to the border being insecure is totally unfair. And, Mr. Chairman, Senator Kyl, and Senator McCain, it is the Federal Government's responsibility to protect our borders.

Senator KYL. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator Kyl. Let us do a second round with the Governor and the Attorney General.

Attorney General, let me start this one with you. As you all know, the Mexicans regularly call on us, the government, to help reduce the flow of weapons into Mexico. This was a major element of what President Calderon pleaded to President Obama in the recent visit, and, of course, it is a fact based on all the studies that we see that an overwhelming majority of the weapons that are seized from the drug cartels in Mexico are coming from the United States. I suppose for the obvious reason that we do not say enough but it is true, that it is our gun laws that are more liberal so to speak, it is easier to purchase a gun here than it is in Mexico, that is part of our constitutional system.

What effectively can we do about it? I know that people have been called for a reinstatement of the ban on automatic weapon sales in the United States. I support that, but I suppose President Obama at least seemed to say to me when he spoke about it, it is not likely to pass Congress.

There have been calls for closing the gun show loophole. That is a good idea, I think. Gun show loophole, long story short means that at a gun show you can buy a gun without having to present the personal background information that you do when you go into a licensed gun dealer to buy a gun. That will help. As I have gathered interestingly and noteworthy that most of the guns that are sent from the United States to Mexico are purchased legally in the first instance. And you correct me if I am wrong. In other words, the use of straw men to go into licensed gun dealers to buy them.

So, I suppose another obvious thing we could try to do, and this goes to the monitoring that you are talking about. Right now, most people in America do not know this. You know it here at the border; there is effectively little or no inspection of traffic moving southward as opposed to traffic moving northward. There are random checks at best. That is obviously one way, both on our side of the border and on the Mexican side of the border to try to stop the

flow of guns from here to there, but give me your sense of the dimensions of this problem and what you think we can really effectively do to try to assist keeping guns out of the hands of the Mexican cartels.

Mr. GODDARD. Mr. Chairman, thank you. I believe we can do a lot more. There is no question it is a major problem.

Two years ago, a group of attorneys general were in Cuernavaca to meet with all the state and Federal law enforcement prosecution arm in Mexico. Their attorney general, Eduardo Medina Mora, made it very clear that he felt the United States was deficient in enforcing the laws on the books today. He said, "I understand you have a Second Amendment, I understand that it is very important in the United States. We are not asking you to change one bit of your respect for that part of your Constitution. We are, however, asking you to enforce the Federal laws against straw buyers, which are, unfortunately, often in the breach."

You have here in this room, and I do not know if it is later in the program, Bill Newell, the head of Alcohol, Tobacco, and Firearms for this region. He has done an extraordinary job, I think, with a limited staff in trying to identify where the worst offenders are. My office has helped to bring prosecutions against two of those worst offenders, and we are anxious to do more.

You may ask why the State is doing that and not the Federal agencies, and I think that is a good question. We talked about limited prosecution resources or Senator Kyl referred to that. I think that is one place where our U.S. attorney here in Arizona could have some significant help to be sure to be able to bring the cases that ATF brings.

I have two suggestions. One is vigorous enforcement of the straw buyer ban. "Don't lie for the other guy," as the National Shooting Sports Foundation says. I think that is a great message, and it is one that everybody needs to hear.

Chairman LIEBERMAN. Would it help to increase the legal penalties for straw buying?

Mr. GODDARD. I am always in favor of that when I think what is happening is literally the carnage in Mexico facilitated by a flood of arms coming from this country. Now, not just from this country, I guess we have to mention that there are military stores that the cartels have access to, which include grenades, rocket-propelled grenades, a variety of bazookas, and some extraordinary weapons which are not being sold at gun stores, that are not being sold by gun shows. So, they have access in other ways, but the AK-47s, the AR-15s—

Chairman LIEBERMAN. Right.

Mr. GODDARD. The other paramilitary type arms are, in fact, coming across the border in extraordinary numbers. They call it a parade of ants. Many individuals with two or three arms are going across—

Chairman LIEBERMAN. Right.

Mr. GODDARD [continuing]. And selling them illegally. The most important thing, and you mentioned it, Senator, is to—

Chairman LIEBERMAN. Excuse me just for a second while I cut you off. You said you had two.

Mr. GODDARD. The second one is the southbound inspections. Those are almost nonexistent today. We have the technology to do vehicle inspections and determine if a significant long gun is in the car.

Chairman LIEBERMAN. Right.

Mr. GODDARD. I think that needs to become the rule and not the exception, and that could do more than anything without interfering with people's constitutional rights to stop the flow of guns in New Mexico.

Chairman LIEBERMAN. That is a really important suggestion and one that we will take back with us as part of the appropriations process.

Incidentally, in terms of ATF, our amendment, if it is carried through the budget process, does have funding for ATF to bring on 150 more investigators and 50 more investors to work on Project Gun Runner, but I take your point that it also is important to prosecutorial personnel to see those cases to a finish.

Let me ask you first, governor, for a quick response to this.

In the \$40 million in our original amendment that we put in, and as part of the ornate budget process, this is the recommendation and authorizations of the appropriators—\$30 million was for Operation Stonegarden grants through the Department of Homeland Security to State and local government for specific work on action related to the Mexican drug cartels, and then \$10 million was to State and local law enforcement to staff up the fusion centers insofar as the fusion centers, including the one here, are focused on the drug cartels.

How about that division of the \$40 million? Leave the amount aside, if you were asking us to supplement funding for you at the State level to help you help us fight the drug cartels or the impact of them, where would you like to see the money focused?

Governor BREWER. Well, thank you, Mr. Chairman.

I believe that the people of the State of Arizona and myself believe that we need to secure the border, we need to get the National Guard. I would like Congress and the Obama Administration to get the National Guard and boots on the ground.

Mr. Chairman, I believe fully that if we secure our border, all the other issues that we are facing in regards to drug trafficking, kidnapping, border spillover, guns going south of the border, if we could get the resources to secure our border, then these other problems would go away in most cases, I believe. I just cannot take this time when I have an audience with you and Senators McCain and Kyl to express how strongly the State of Arizona and the people believe that our money, our resources, combined with yours ought to be used to secure the border.

We know that there are a lot of issues out there, Mr. Chairman, but they all come from our borders not being secured. That is our first and primary concern. I would hate to think that all these other issues would take the eye of Congress off the real cause that is creating the problems, that we do not have a secure border.

Chairman LIEBERMAN. I think you have successfully conveyed that message this morning, governor.

Governor BREWER. Thank you.

Chairman LIEBERMAN. I am over my time, but if you have a thought about how you could best use any additional money that we would send the State and local—

Mr. GODDARD. Very briefly, Members of the Committee, first and foremost, I hope you will take a hard look at how the Stonegarden funds are allocated, how those grants which now are available to your State, with all due respect, Mr. Chairman, is not on the border and is not having 44 percent of the immigrant traffic illegally coming across or most of the drugs. So, I would hope we could focus that where the problem is most acute, and that, I know, is a vigorous issue. We are also very respectful and find a great deal of help from the Arizona Counterterrorism Information Center, which is part of the formula that you described.

So, if our various information aspects through that funding could be encouraged to do a better inter-operative communication, we have waited far too long to be able to have State, local, and Federal law enforcement talk to each other. It seems a very simple request. But, Mr. Chairman, it is not been happening, so, we could use the money to make sure that when or if a crisis comes on the border, we truly can have a coordinated response. I believe that is where we ought to focus these monies, to have our agents, basically communication between Federal, State, and local by cell phone instead of using the official channels which just do not work, I think would be a tremendous step forward.

Chairman LIEBERMAN. Well said. Thank you. Senator McCain.

Senator MCCAIN. Well, thank you, Mr. Chairman. Governor Brewer, I agree with you that we have to secure the borders first, and that would address a significant portion of the issue.

I think there is also the fact that Retired Army General Barry McCaffrey told the *Washington Post* in a March 25 article “adding a handful of platoon-sized units is miniscule compared with the \$2.5 billion the United States military spends in Afghanistan each month,” and you state in your written testimony these efforts must be bolstered and that additional funding is still necessary, which, obviously, I agree with.

Maybe you could provide for the Committee in writing, especially since we do not have unlimited amounts of money. There will be, I believe, additional sums. I am grateful there is so much publicity now as this violence has escalated in such a dramatic degree. If you could have your folks submit to us some of your priorities as to how we can best secure the border and what needs to be done in addition to that on a more permanent basis, we’d appreciate that since we will be revisiting this issue for some time to come, particularly in the coming legislation.

Governor BREWER. Thank you, Senator McCain.

Senator MCCAIN. Thank you.

Governor, studies have shown that well-administered drug courts can reduce recidivism up to 35 percent, and many counties in Arizona have established drug courts.

Have you had a chance to look at what is being done here in Maricopa County to treat the drug issue?

Governor BREWER. I have not been briefed totally on that. I am a little bit familiar with it, Senator McCain, having served on the board of supervisors. The last 3 months, having served as the Gov-

ernor of the State of Arizona, I have been briefed on several different things.

I will tell you that I believe that the drug courts have been very successful as far as Maricopa County and that we should probably try to implement those all over the State of Arizona to the standard of which the Maricopa Court System has done.

Senator MCCAIN. Thank you. Attorney General Goddard.

Mr. GODDARD. Absolutely. They work. We need more in the area of treatment, and I believe Senator Kyl made the reference to the drug policy. I would hope that a derivative of your discussions would be to put our national drug policy under the microscope, hopefully in a non-partisan and non-emotional way. I know that is a big order, but we have put huge amounts of money into suppression interdiction with very little result. The price of most illegal drugs is as low or lower than it has ever been, and as we now know, the border patrol is confiscating at a record level this year.

So, the epidemic is on, let us look at drug courts and the treatment that they provide and the changes in lives that they have been able to accomplish. Let us look at better information.

Here in Arizona, we have the Anti-Meth Program, which has been incredibly successful in reducing methamphetamine use by teenagers. We cut it in half in 2 years. I think that means that it is hopeful that we can do prevention on a national scale in a way that would help to cut down the cartel profits.

Senator MCCAIN. And it is my understanding that these drug courts are very tough. That there is constant testing, that if there is one mistake, the individual goes to prison. That it is a very tough program, not one that—I think maybe that there is not a good understanding how tough this program is.

Is that your understanding?

Mr. GODDARD. Yes, sir. It is tough, and, frankly, the judges that are involved get heavily involved in each case, and they do not accept the litany of excuses that so often come from drug addicts to why they are not doing what they are supposed to do.

Senator MCCAIN. Thank you, Mr. Chairman.

Mr. GODDARD. Thank you, Senator.

Chairman LIEBERMAN. Thank you, Senator McCain. Senator Kyl.

Senator KYL. I think that the governor needs to get to the Navajo Nation, and, therefore, instead of just taking my full round, let me just make a point, and, governor, if you want to respond to this, fine.

Your predecessor was very supportive of enhancing our ports of entry, you mentioned that. I understand there is some money in the budget now for the Mariposa Port of Entry. One thing I think we need to do, comment on this if you want, is that we need to get the Mexican government to do the same, that is to say it does not do any good to have a great highway and port of entry on our side if the Mexican highway does not match up with that. So, that is one thing that we need to do, and, obviously, anything we can do to enhance trade not only helps us, but helps Mexico, as well.

If you want to make a comment, fine, otherwise, I will quickly go to the—

Governor BREWER. Absolutely, Senator Kyl. I think that we do need to address that issue with the governor of Sonora and that we

do enhance the border crossings on both ways. Certainly in regard to the gun trafficking going south, I think that they, too, need to step it up and certainly do their end of the job as we are trying to attempt to do up here.

I would like to mention at this time, if I could, that I realize how important the issue is, and I am very sympathetic to the concerns of what is going back into Mexico, but the bottom line is I always remain very concerned when I hear Washington start discussing gun control measures, and, frankly, as we go down this path, I again want to mention that these other issues that we are facing here in Arizona, I do not want to take the issue away again, Mr. Chairman, of securing our borders, and the bottom line is that stopping the flow of guns into Mexico won't stop the Mexican cartels, if you will, from obtaining guns elsewhere. Venezuela and other countries have large factories that are making guns, and I am sure with their innovative abilities that they would get them. I do not believe that they are all coming from the United States.

Senator KYL. Attorney General Goddard, I just want to clarify one thing. There has been a lot of anecdotal evidence about the kind of violence that is occurring here in the United States. A lot of it is one drug cartel against another.

In other words, that in terms of the murders, for example, or assaults, a lot of that is what we refer to as the bad guys on the bad guys. Is that the case with kidnappings, as well, however?

Mr. GODDARD. Mr. Chairman and Senator Kyl, and any experts behind me, Chief Harris, my understanding is that most of the kidnappings are gang-on-gang activities. Where the general population gets involved is where they make a mistake, where they take down a house or a home invasion, where it is not the person that they intended.

Senator KYL. Well, it is gang-on-gang, but the people who are being kidnapped are frequently innocent in the sense they may be illegal immigrants, but they have not committed crimes.

Mr. GODDARD. Senator, let me get out on a limb here—very often, the people who are kidnapped are under investigation by the police at the same time. The victims are often perpetrators in another context. So, they are not less of a victim because of that, but, very often, they are running a drop house themselves when they are kidnapped. That does not make them exactly simon-pure, and that is one of the reasons, as you pointed out earlier, that the reporting of these crimes is often, let us say, less than prompt if it happens at all.

Senator KYL. I understand. I presume it may come through the Judiciary Committee on this financial instrument issue, and we will want to work with you on that to make sure that we can try to accomplish what Senator McCain was talking about.

Mr. GODDARD. Thank you, Senator. It is just something we have done in Arizona pretty much on our own, but we have a lot of expertise that hopefully we can share with the Treasury and the IRS and some of the other agencies that could really help take a bite out of this problem.

Senator KYL. And, yet, even with your success of something like \$17 million, when you compare that with the total, obviously, you are frustrated that it cannot be a whole lot more than—

Senator MCCAIN. It sounds like a bit, Senator, but it is a drop in the bucket. All it has done, and this is a tribute to the cartels' flexibility and opportunism, is simply moved them across the border. They wire the funds to Northern Mexico today, and they will make a phone call in Arizona. We are still in court fighting that issue as to whether we can, in fact, seize the records from the Northern Mexico money transmitters. I believe we can under our U.S. law, and I believe, hopefully, the Arizona Supreme Court will free us to do that in the future.

Chairman LIEBERMAN. Thanks very much, Senator Kyl, and thank both of you, Governor Brewer and Attorney General Goddard, for both highlighting the impact of the Mexican drug cartels on Arizona, but also giving us some very specific and practical steps that we can take in law and in financing to assist you in what you're doing to assist us to diminish this problem.

I will just say parenthetically that I appreciate, Attorney General Goddard, your thought that we have to do a better job at monitoring and imposing some kind of control of southward traffic from here. We also, I think, have to ask and assist the Mexican government in doing a better job at monitoring traffic coming into Mexico from here, the right to be concerned about the flow of weapons, for instance, in if that is a priority, we can not just stop that from here, that has to be done on their side of the border, as well.

We look forward to keeping in touch with both of you; we thank you for your time, for your service, for your testimony this morning. Thank you very much.

Governor BREWER. Thank you.

Mr. GODDARD. Thank you, Mr. Chairman, and Senators.

Chairman LIEBERMAN. We will now call on the second panel, which we are honored to have a distinguished group of local officials and the Hon. Phil Gordon, Mayor of the city of Phoenix, the Hon. Octavio Garcia-Von Borstel, Mayor of the city of Nogales, and the Hon. Ned Norris, Chairman of the Tohono O'odham Nation. We thank you, all, for being here, and being patient as we heard the first panel.

What we need you to help us understand in real terms what the impact of the Mexican drug cartels has been on your communities and what we can do to help you diminish that negative impact.

Mayor Gordon, good morning, and we will start with you.

**STATEMENT OF HON. PHIL GORDON,<sup>1</sup> MAYOR, CITY OF  
PHOENIX, ARIZONA**

Mayor GORDON. Good morning, Mr. Chairman. Thank you very much, Senator Kyl and Senator McCain, for being here in the city of Phoenix. We are honored to host this important and critical Committee meeting in the fifth largest city in the United States, dealing with one of the largest issues we face.

Last month, as I believe you are aware, Mr. Chairman and Senators, I was invited to Washington, DC, to offer testimony before a House Subcommittee on this very topic. I went then, and I come here now to discuss an issue which we all have agreed must urgently be discussed, debated, addressed, and resolved.

<sup>1</sup>The prepared statement of Mayor Gordon appears in the Appendix on page 209.

There can be no doubt, in my opinion, that a crisis exists at our border with Mexico. And for reasons ranging from a historically bad economy and corruption at many levels of government and law enforcement on the Mexican side of the border, to various degrees of inattention on our own side of the border, to the border itself, which is vast and porous, Phoenix finds itself at the center of the perfect storm—a storm that is growing increasingly violent, threatening, and resource-consuming. Homeland security, Senators, includes, as you are aware, hometown security, and that is especially true in Phoenix, Arizona, today.

Senators, I know that a number of your colleagues sitting 2,000 miles away from Arizona envision a border similar to what you find between El Paso and Juarez, or San Diego and Tijuana—a road in, a road out, with a railroad-type crossing to control the flow of arms and people. But the Arizona-Mexico border, as you are aware, is not like that. It is 370 miles long, and hundreds and hundreds of square miles in area. It is hot, rugged, and has nooks and crannies, ravines and ridges, that facilitate covert movement. There is no “Great Wall of Phoenix” to separate us from that imaginary border. And I promise you, what happens at the border does not stay at the border but comes across here. And that is why we are all involved so deeply.

But what happens in Phoenix does not stay here either. The criminals, as you have heard from the Attorney General, continue on to all parts of our country—Washington, Oregon, Iowa, Kansas, Maine, and Connecticut. We are just a gateway for their cargo of drugs and people to come into the United States—and for money to go into Mexico and drugs to come into the United States.

That is one of the reasons I am feeling it is so critically important for you to be here today. This is not simply a Phoenix solution or an Arizona solution. It is a national problem requiring a national solution. We do need more funding. I specifically ask you to continue funding our partnerships with Immigration and Customs Enforcement (ICE), DEA, FBI, and ATF. We do need continued funding to go after the “worst of the worst.” We do need to continue funding to cut the drugs and the violence off at the border. We do need continued funding to help and protect our own law enforcement personnel.

And even though the most violent spillover has not yet reached Phoenix, the perception outside Arizona is very different. And that perception, if left unchecked, will start impacting the people who want to visit our State and this city—the ones who want to move to Phoenix, the businesses that want to relocate to Phoenix, and anyone who wants to invest in Phoenix or the State. And that will directly impact our economy, which impacts our revenue stream, which impacts our ability to expand the public safety efforts that are necessary, not just to the city of Phoenix and the State of Arizona, but the Nation.

We do really have a dichotomy here, Senators. Our crime in Phoenix and in most incorporated cities in the valley is down significantly from last year in every category—violence and property. And that is from last year where it was down last year. So 2 years straight in a row.

Our cities have their priorities straight. They are going after the violent criminals, the syndication, and the repeat offenders. We know that the first order is to maintain order and safety, and that is why we plead with you and your colleagues in the Senate, and the House, to continue funding the Federal agencies that we have successfully partnered with.

We need new funding for the Border Patrol. The money and the agents that have been allocated are not significant, nor sufficient, with the size of the border we have. U.S. Marshals, DEA, FBI, ATF, ICE, and yes, postal agents—everyone can go after dangerous felons by serving them the warrants that already have their names on them, instead of letting them collect dust sitting in a closet. All of our agencies are involved.

As you might suspect, the cost of Phoenix border-related crime is staggering and far beyond what most municipalities in this country are required to bear. It is the cost of intelligence, the cost of equipment, the cost of hiring new officers, the cost of overtime, the cost of undercover operations that continue for months and years, the ongoing surveillance operations. In these challenging economic times we must be particularly sensitive to the manner in which our increasingly scarce resources are used. And that is why we go after the “worst of the worst” in a quick response.

As you heard, people are being tortured. People are being kidnapped almost every night. Last year, the average was one a night. Phoenix police were called out to rescue one variation of the same story—“My wife is being held in a Phoenix drop house and they are torturing, raping, assaulting, or threatening to kill her if we do not pay thousands of dollars more.” The response to that kind of call is incredibly labor intensive. More than 60 officers a night are diverted from other operations to go rescue individuals, sometimes innocent, undocumented aliens that have done nothing other than to come across the border illegally or bad guys on bad guys.

And I will show you an example of each. The individual to whom you are closest is a bad guy that was tortured by another one.<sup>1</sup>

The overtime hours are staggering; the personal resources, as I said, diverted. I do not know if time permits. I can give you specific operations that have been so successful—

Chairman LIEBERMAN. Go ahead and take a few minutes.

Mayor GORDON. Operation Blank Check: Again, a joint operation with the Federal partners I identified—led to the felony indictments of 183 individuals this last year alone. Twenty-two different gangs were identified and taken out, totaling more than \$3 million in money obtained also.

Operation En Fuego: Last year, again, alone was responsible for the break-up of a Phoenix-based smuggling organization from the syndicate south of the border, indicted 35 individuals on felony charges that related, as the Attorney General said, to the human smuggling of more than 10,000 individuals a year for at least 3 years.

Operation Tumbleweed: Disrupted and stopped the illegal activities of 20 different organizations by following the money trail. Drug

<sup>1</sup>The photograph referenced by Mr. Gordon appears in the Appendix on page 221.

smuggling, human smuggling, money laundering were significantly impacted.

Additionally, we shut down two of the largest syndicates in the Nation that dealt with the tragedy of human smuggling. Each year, 15,000 people were brought into the United States through Phoenix to the rest of the country; \$30 million a year went the other way. That business is now closed.

We are also a member of the FBI Violent Street Gang Task Force, which has resulted in more than 300 felony arrests of felon illegal immigrants arrested in the past year alone.

The Phoenix Police Department has a very successful and innovative program, which we recommend across the country, where we embedded criminal ICE agents on a full-time basis for the last 3 years in our police department. That is where their desks are. Their presence and participation in the office and on the street is invaluable. They have access to the Federal databases. They allow us to not only rescue people that would be killed, but also to go after the syndications and identify individuals more quickly.

When this Nation was founded, no one ever conceived or imagined that immigration enforcement was an issue that would ever fall to mayors and local police departments. But here we are. Not only are we being forced to step up our immigration efforts, but we have also an increased burden when it comes to gun crimes and white collar crimes connected to illegal immigration formerly handled at the Federal level due to September 11, 2001.

You have seen the pictures from Mexico. You have seen what their criminal syndicates do to good Mexican police officers and honest Mexican politicians. And they do not respect our border, and they do not respect our police.

In conclusion, let me say that the extreme violence, including the assassination of officers and government officials we are seeing on the Mexican side of the border, has not yet spilled over to the American side. Even the kidnappings and the shootings that have spilled over in an effort to control the human drug and gun trafficking operations in Arizona are almost exclusively, as Senator Kyl said, "bad guys on bad guys".

But make no mistake. Related violent criminal activity—shootings, kidnappings, home invasions, rape and torture—have spilled over and occur every day and are affecting American citizens and legal residents. The three of you know her, Julie Erfle, a police widow and her two young sons who will never see their husband and dad again—a young hero who was gunned down by an illegal immigrant smuggled back into our country having already been convicted and deported.

Senators, without increased funding, the Phoenix Police Department and your Federal agencies here, and more Federal agents on the ground in the city, as well as at the border—that spillover violence will increase and the victim pool will expand and touch law abiding American citizens. And that is a circle that I know we all want broken.

Thank you very much for your time. And I am here afterwards to answer any questions you may have.

Chairman LIEBERMAN. Thank you, Mayor. Thanks for the warning at the end, which I believe is stark but well taken.

Next, Mayor Octavio Garcia-Von Borstel. Thank you for being here this morning.

**STATEMENT OF HON. OCTAVIO GARCIA-VON BORSTEL,<sup>1</sup>  
MAYOR, CITY OF NOGALES, ARIZONA**

Mayor GARCIA-VON BORSTEL. Thank you. Good morning, Chairman Lieberman, Senator McCain, and Senator Kyl.

I appreciate the opportunity to appear before you today to discuss "Southern Border Violence: State and Local Perspectives". I want to commend Senator McCain for his personal attention on the border and personal visits in meeting with local movements.

We are all aware of the international situation as it relates to the drug cartel violence that has been occurring along the Southwest Border. What I would like to address this Committee with are the effects of the border violence in our community of Nogales, Arizona.

Since May 2007, the city of Nogales, Arizona, has been a witness to several highly reported brutal slayings that are occurring between drug cartels in our sister city of Nogales, Sonora, Mexico. The Department of National Drug Intelligence Center has identified the Mexican drug trafficking organizations as the greatest organized crime threat facing the United States today.

Although in our neighboring city the violence committed against innocent parties and tourism is very rare, in October 2008, the State Department issued a travel advisory mentioning the city of Nogales, Sonora, Mexico. This advisory has had an effect on the economy of the city of Nogales. We are experiencing longer waits on the border crossings and a decline in tourism.

Nogales, Arizona, is on the frontlines in this fight against drugs. We see continued record high tonnage of drug seizures, cash, and weapons—all results of this effort between Federal, State, and local identities working in conjunction.

Nogales is a thriving, safe community that has always put the safety of our citizens and tourists on the top of our priorities. Nogales reported zero drug-related homicides in 2008, and what we call "small crime" such as vandalism and shoplifting were at a minimum.

The principal effect of border violence in my community of Nogales, Arizona, are as follows:

The drug trafficking has reached a point where this activity is even occurring in our sewer system. Last week alone, numerous loads of marijuana were intentionally channeled through our International Outfall Interceptor (IOI), which is the main sewer line flowing through Nogales, Arizona. This shows the length to which drug traffickers have resorted in getting the product into this country. What is normally a drug trafficking problem has now become an infrastructure problem because these actions can damage a sewer line infrastructure to the tune of millions of dollars.

Locally, we cannot go more than a few months without discovering another drug channel under the border into Nogales, Arizona. These tunnels cause great damage to the structural integrity of our streets and buildings.

<sup>1</sup>The prepared statement of Mayor Garcia-Von Borstel appears in the Appendix on page 222.

The wait times at our port of entry continue to be considerable. It is our understanding that a great portion of these wait times are due to heightened security at our border. While this ensures our national safety, the burden of longer wait times for commercial and pedestrian entry, which is frequently exceeding 1 to 2 hours, falls on the border cities. We estimate that approximately 75 percent of people in these lines at the border are coming to shop in the United States. When the wait times exceed 1 or 2 more hours, potential visitors and customers are discouraged from coming into the United States to buy our products. This affects Nogales, Tucson, Phoenix, and the rest of the State of Arizona.

State and national media reports discourage people from other parts of the United States from coming to Ambos Nogales. Tourism—tourists used to come and lodge in Nogales, Arizona, and shop and dine in Nogales, Sonora. That is not happening much anymore. Whether merited or not, the perception alone of increased violence in Nogales, Sonora, has greatly reduced the amount of business and tourist visitors to Ambos Nogales. This reduction in business and tourism has had a detrimental effect in our community, which damages commerce, tourism, and ultimately reduces our precious sales tax, which is the main source of revenue in Nogales, Arizona. Sixty percent of our sales tax comes from Mexico.

The factors not only affect existing business, but also greatly diminishes new business prospectives from our border town. Produce, the maquiladora industry, and other border operations which might have been thinking of relocating to Ambos Nogales are now discouraged to do so because of the fear of increased violence along the border.

Due to the growing violence in Mexico, our local police departments are forced to spend a great amount of time assisting Federal law enforcement agencies. While the effects on this side of the border are indirect, they directly affect our economy and deplete our budgetary resources that are crucial to border cities during difficult economic times.

For instance, our police and fire departments' levels of response to incidence at the ports of entry have greatly increased. From January 2008, the police department responded to 34 calls, and in January 2009, they have responded to 6,800 calls at the port of entry.

Our citizens living in close proximity to the International Boundary Line are constantly deprived of a reasonable night rest due to the noise and disruptive activities, such as emergency vehicles, surveillance aircraft, high capacity floodlights, emergency sirens, etc.

The city of Nogales is therefore requesting your assistance in seeing that greater resources are allocated to combating the potential spillover effect of the drug war in Mexico, as well as increased CBP manpower to properly staff and operate the largest port of entry in Arizona. If we can maintain the security and operation of the Mariposa and DeConcini ports of entry in Nogales, all of Arizona, as well as this country, will benefit.

The sad irony is that Nogales, Arizona, remains one of the safest cities in the country despite the violence, drug and human trafficking that surrounds us.

Thank you for the opportunity to testify here today. By continuing to work together we can develop new ideas to refresh and

strategies that can rise to the current challenge. I will be happy to answer any questions you may have. Thank you.

Chairman LIEBERMAN. Thank you, Mayor. You pointed out, and Mayor Gordon did the same, that there is a complicated picture here. That while the Mexican drug cartels have had an obvious impact on public safety, overall, some of the communities here, thanks to the leadership and work of the law enforcement have actually seen declining rates of violent crimes. So that insofar as people living here form an attitude about crime, or even people intending to visit or come here, generally speaking, these are still very safe communities to be in.

Mr. Norris, thanks for giving us your time this morning, and we look forward to your testimony now.

**STATEMENT OF HON. NED NORRIS JR.,<sup>1</sup> CHAIRMAN, TOHONO O'ODHAM NATION**

Mr. NORRIS. Thank you, Mr. Chairman, Senator McCain, and Senator Kyl. The Tohono O'odham Nation is honored to be here at the table with you to share our thoughts about the border violence and the impact that activity has had on the Tohono O'odham Nation.

Border-related crimes, such as illegal immigrant and drug trafficking, robberies, sexual assaults, stolen vehicles, and property crimes have an impact not only on our law enforcement and other resources, but also affects the quality of life of our people and diminishes our efforts to maintain our culture and traditions.

The Tohono O'odham Nation has 78 law enforcement officers; about 46 are assigned field operations or patrol duties. Although border crossings have decreased from a high of about 1,500 a day from 2005/2006 to about 400 to 450 a day, these numbers remain significant because of the increase of drug smuggling. Customs and Border Protection data show that about 10 percent of the crossers are criminal aliens with histories of rape, assaults, drug and human smuggling, and murder. So, there are about 40 to 50 felons entering the Tohono O'odham Nation on a daily basis, or about 1,500 a month.

Tohono O'odham Police investigate an average of 70 deaths a year of illegal immigrants that die attempting to cross Tohono O'odham Nation. They die from exposure or injury. About 3 percent were murdered by other illegal immigrants robbing them of their drugs and other human cargo.

From years 2004 to 2008, the Tohono O'odham Nation Police Department seized 290,885 pounds of marijuana, an average of 58,000 pounds a year. For year 2009, Tohono O'odham Police Department is expected to exceed this average by about 27 percent, or approximately 79,236 pounds.

Additionally, there were 877 pounds of cocaine seized. The estimated street value of all the drugs seized is \$221,633,000. These numbers do not indicate data from Customs and Border Patrol or Immigration and Customs Enforcement, who seized about 400,000 pounds in fiscal year 2007.

<sup>1</sup>The prepared statement of Mr. Norris appears in the Appendix on page 224.

Information indicates that there are two Mexican Cartels operating within the Tohono O'odham Nation: (1) the Sinaloa Cartel, and (2) the Tijuana Cartel. Both are vying for control of the Tohono O'odham Nation, particularly the western side. They see the porous nature of our border, despite the construction of vehicle barriers. The barriers do not stop foot traffic. Because the southern side of the border is rural desert area with little, if any, law enforcement presence, they use the area as staging areas to smuggle drugs and illegal immigrants.

Because of the vehicle barriers, they can no longer drive north from the Mexican side of the border, so they shifted their tactics to stealing vehicles from the Phoenix metro area. They then drive the stolen vehicles to sites on the Tohono O'odham Nation where the drugs and/or human cargo are stored or waiting. They then transport the cargo north off the Tohono O'odham Nation. Because the current practice of Customs and Border Patrol is to not check southbound vehicles, this has been, thus far, a successful strategy for the cartels thus far.

The cartels are developing formal relationships with Tohono O'odham Nation members to drive vehicles loaded with hundreds of pounds of drugs and/or illegal immigrants to designated locations off the Tohono O'odham Nation. What they do is a simple process of offering \$700 to \$5,000, depending on the type of load, to a Tribal member to either drive the load or store the drugs at their home or a shed.

More and more, the Tohono O'odham Nation's members are getting involved in the illegal operations. As little as 5 years ago there were just a few Tribal members involved in the illegal operations. As indicated, about 30 percent of the total Federal prosecutions for drug smuggling and/or transport of illegal immigrants are Tribal members. In the same period of time there were 145 drug possession/transport cases prosecuted in Tribal Court.

Lack of interoperability, radio and cell phone—there is about 30 percent of the Tohono O'odham Nation that lacks adequate radio and cell phone communication. This handicaps our efforts and presents an officer and public safety concern. Adding to this is the inability to communicate directly with our Federal partners—Customs and Border Patrol, and Immigration and Customs Enforcement.

In conclusion, I would like to emphasize that should this type of activity occur in any town or city in the United States, it would be considered a crisis. The Tohono O'odham Nation is in the midst of this crisis, and our way of life and culture and traditions are changing every day.

This crime and violence does not end at the Tohono O'odham Nation. The drugs and criminals transporting the drugs and human cargo are headed to cities and towns throughout the United States. The victims of kidnapping that the city of Phoenix has been experiencing have likely traveled through the Tohono O'odham Nation. We need help to protect not only our community but also to protect our neighbors, the State of Arizona, and the United States of America. I urge you to do whatever you can to help us protect our homeland.

Thank you, Mr. Chairman and Members of the Committee.

Chairman LIEBERMAN. Thank you very much, Mr. Norris, for a very strong statement.

Let me begin the questioning. Mayor Gordon, you talked—and I think very compellingly—about the cost of border-related crimes to Phoenix being staggering—something we do not think about. And let me just make sure I understand you. You said that 60 officers a night are involved—does that mean they spend most of the night or they are responding to something that you would consider a border-related crime every night?

Mayor GORDON. Mr. Chairman—and again, noting that Chief Harris will be on the next panel—the police operations are ongoing now in terms of both going after drop houses. These are two examples. Nightly—and Senator McCain actually also put a face on it—in fact, late last night, our police were involved and rescued a group of immigrants that were being held. One of the smugglers shot at the police officer from above. Fortunately, he missed or at least he was gone—this was last night alone.

Chairman LIEBERMAN. The smuggler was holding the illegal immigrants?

Mayor GORDON. Yes, sir.

Chairman LIEBERMAN. Just for the record, why was he holding them?

Mayor GORDON. For smuggling, extortion, and transportation.

Chairman LIEBERMAN. Because they had not paid him, or he was not going to let them go until they paid him more?

Mayor GORDON. The typical—almost every occurrence now is that individuals will pay X-dollars to get them to the border, and the transportation system related to the cartels takes them through the desert—roads or no roads—over fences with the truck-loading equipment—to the Phoenix metro area where they are held in drop houses. At that point, the holders of the homes then start to extort additional monies from the occupants and then call their relatives to say either pay us X-dollars more or we will torture and rape them.

The one I am referring to last night, an innocent victim, a 14-year-old girl, was raped. The mother was raped also. But a 14-year-old girl, no matter what her nationality, legal status, is not—

Chairman LIEBERMAN. In other words, how is this related?

Mayor GORDON. Last night, officers came across a home. There were a number of individuals in there being held against their will—very similar to the picture you see in the middle or on the end—waiting for transportation on one hand to other parts of the country to go to work. And on the other hand, being held to get more money from what they originally paid to get to the metro area to then go to Iowa or Connecticut.

The individuals, part of the smuggling syndication, were discovered at the premises by the police. It was a two-story apartment, as I understood. One of those smugglers raised his gun to shoot at a police officer down below. Fortunately, the Phoenix police officer shot back and was safe. So, that violence—that went on last night.

Chairman LIEBERMAN. And those rapes, who were those women?

Mayor GORDON. They were immigrants being held. But the cost on those operations are ongoing. They may be one night; they may be weekly. Those calls from Seattle to internationally across the

world. And again, the police are then diverting resources over time. These are officers involved in these operations that just cannot be pulled off the street.

Chairman LIEBERMAN. Let me ask you briefly—I am going to ask your two colleagues—of the likelihood that additional funding would come to State and local governments for Mexican drug cartel-related violence through existing programs. It is not definitely so, but it is always a likelihood. Now, which of the existing programs are helping you most and, therefore, would you like to see more funding put into as part of supplemental funding?

Mayor GORDON. Mr. Chairman and Senators, I think the operations that I described—those are partnerships. Whether the money goes directly to the Federal agencies for those partnerships, to the Department of Safety (DPS) directly, or to the city of Phoenix, which tends to have the most officers involved—for those specific operations—there is not a delay. The results are proven, all across the board for a couple of years. I went to D.C. to testify to get the Federal agencies more. That would be the best single dollars you could use.

Chairman LIEBERMAN. OK. Mayor.

Mayor GARCIA-VON BORSTEL. Mr. Chairman, thank you. Although I recognize that we are working in a partnership with all agencies, the trend seems to be that local agencies seem to be supporting Federal agencies, such as CBP, because of their lack of funding and agents at the border. So, to me it makes sense to certainly support CBP in getting more qualified border agents at the border.

Chairman LIEBERMAN. Would that include beefing up and monitoring our inspections southward?

Mayor GARCIA-VON BORSTEL. Correct. That would make a lot of sense.

Chairman LIEBERMAN. Mr. Norris.

Mr. NORRIS. Mr. Chairman, Members of the Committee, the U.S. Customs and Border Protection is one of the primary agencies that we are working with. Our Tribal Police Department, as well as the entity that I am sure the Committee is familiar with—the Shadow Wolves, who are very active out there need assistance in funding themselves to continue their operations on our Tohono O'odham Nation.

Chairman LIEBERMAN. Right. It is very interesting. That is not the answer I expected, but it is significant that you gave it.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman. Mayor Gordon, with the tremendous difficulties as associated with the economy, you have more foreclosures. Right?

Mayor GORDON. Yes, sir.

Senator MCCAIN. So you have more boarded up homes. So you have more places for these people to go in and locate. What do we do about that?

Mayor GORDON. Mr. Chairman and Senator McCain, first, let me note that almost all the drug drop houses that are discovered on a daily basis are not boarded up. They are operational. This one is in a very affluent neighborhood, and locations are not discriminatory in terms of lower socioeconomic or higher. They are

throughout the entire valley. It is keeping a low presence, and sometimes the highest areas are done.

The boarded up homes are a significant issue as it relates to street crime, gang members, drug dealing, because transients—

Senator MCCAIN. But these people have no trouble finding anywhere to locate?

Mayor GORDON. These people have no trouble, and money is not an issue in terms of renting homes that may be owned by out-of-state corporations or individuals or locally.

And to answer your question directly, with respect to the money that the Federal Government, your body, and the House and Administration has allocated from the last Administration, is already put to use at the city of Phoenix in terms of acquiring these boarded-up homes. There is a percentage that cannot be saved, demolished. The others rehabbed and then sold to single owner-occupied families. So, we have found the best way to use the Federal money is actually to bridge the gap instead of trying to become a rental agency.

Senator MCCAIN. Thank you very much, Mayor Gordon.

But crime overall has gone down, but crime associated with this is going to continue. Would you say it is your major challenge besides the overall economy?

Mayor GORDON. Mr. Chairman, and Senator McCain. Absolutely. And that point, because it really is a dichotomy, crime is down significantly in the city of Phoenix. Homicide, as an example, is down by over 25 percent from last year alone. Having said that, 225 or 250 homicides a year—the Chief can correct me—it is either all bad guys and bad guys, these syndicates, or unfortunately, probably related a small percentage to domestic violence.

Those officers that are being diverted to keep this spillover violence from affecting our daily lives, and these things are coming at a significant cost as I described over time to the families. The undercover operations—these officers are undercover a long time and cannot be replaced on a rotating basis. Our public safety budget is now 74 percent of our operating budget. Police and fire—the vast majority of that is police, and that is growing as the demand is needed to stay equal to keep that crime going down. But that is pulling officers now off the street.

We, for the first time in our history, Senator, have had to reduce the Public Safety budget, especially since I have been mayor. The growth of that—we are still hiring but we do not have the luxury to keep adding to the Federal task forces that have been so successful.

Senator MCCAIN. Mayor Garcia-Von Borstel, now they are moving drugs through the sewers.

Mayor GARCIA-VON BORSTEL. That is right.

Senator MCCAIN. And how often are you uncovering a tunnel?

Mayor GARCIA-VON BORSTEL. Very often, it is very sad to see that all of our efforts are going towards the border and trying to be effective in eliminating drug trafficking and human trafficking. And it is sad to see that they keep finding and identifying ways to make sure that their product comes into our country illegally.

And so it is very sad to see in our community that although we are working diligently with our Federal and State governments, they continue to identify ways to smuggle their products.

Senator MCCAIN. What kind of cooperation do you get from the city of Nogales, Sonora?

Mayor GARCIA-VON BORSTEL. We work very diligently with them. There is a great wave of communication with them. But I think that it is bigger than their local government, as well. Both local governments working together I do not think is enough.

Senator MCCAIN. What do you estimate the population of Nogales, Sonora, is?

Mayor GARCIA-VON BORSTEL. I estimate it at 500,000. Half a million.

Just on a personal note, Senator, talking about identifying abandoned homes. I live in a single-family home by myself, and so my house is abandoned during the day while I go to work. And so after I came home one day, I identified a red t-shirt hanging from a tree outside my house. And so I figured that was odd; I will get to it tomorrow morning. And nevertheless, the next morning I ran off to work again and came home for lunch and saw that there were illegal aliens at my house just hanging out and resting. Who knows for what.

And so these people are very creative and just find ways to identify houses that are abandoned during the day. So I just thought I would share that with you because it was a personal experience that happened to me. And so it was that red shirt that was signaling other illegal aliens to say that is the house where we are hanging out today.

Senator MCCAIN. Mr. Norris, it is good to see you again. Thank you for all your service to the Tohono O'odham Nation.

It seems to me from your testimony that the border crossing, as you mention, has decreased from a high of about 1,500 a day in 2005 and 2006 to about 400 to 450 a day. Is that because of the vehicle barriers?

Mr. NORRIS. Mr. Chairman and Senator McCain, I think that it has a lot of factors. There has been a significant increase of Border Patrol agents on the Tohono O'odham Nation's land. And so the ability to do their business on the Tohono O'odham Nation has decreased but also, because the vehicle barriers have had a significant impact on that, as well.

But I think the fact is that there is always a continued effort on the Tohono O'odham Nation's part to work cooperatively with the Border Patrol. And so we are hoping that our cooperation is going to be able to assist the Border Patrol and take into consideration the Tohono O'odham Nation's interest in the fact that we have nine communities that continue to exist today in Mexico and about 1,500 enrolled Tribal members in Mexico, as well. So, we have to have a cooperative working relationship with the Border Patrol in order for us to be able to address this issue.

Senator MCCAIN. It seems to me your major concern here is the penetration of drugs into the young people of your Tohono O'odham Nation.

Mr. NORRIS. Yes, sir. Not long ago I was talking to the former Chief of Police for the Tohono O'odham Nation, who shared with

me a situation where a 16-year-old female was offered \$500,000 to drive a vehicle from this point to that point.

And obviously, that is just one of several examples of how some of our people are bought into the illegal activity of drug smuggling and sale in that, if you wave \$500,000 in front of a 16-year-old's face, or anybody for that matter, to just drive this vehicle from this point to that point, I think it is extremely enticing for them to—

Senator MCCAIN. Is drug addiction up amongst Tribal members?

Mr. NORRIS. I think that my service to my Tohono O'odham Nation goes back 32 years. I spent 14 years as a non-attorney tribal judge, and I can remember in the late 1970s, early 1980s when the choice of drug was alcohol. That graduated to marijuana. Over the years that graduated to cocaine. Over the years that has graduated to methamphetamine.

So I think that slowly there is an increase in the types of drugs that members of the Tohono O'odham Nation use and that we are seeing come across our Tohono O'odham Nation's borders.

Senator MCCAIN. I have had the great pleasure of visiting you on numerous occasions. The Tohono O'odham Tribe has been on the frontline and they have cooperated with State, local, and Federal officials. I thank you for that, Mr. Norris. And I know you need additional help, and it seems to me that we have probably not given you nearly what you need.

Mr. NORRIS. I appreciate that Senator. Thank you.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator McCain. Senator Kyl.

Senator KYL. Let me begin by noting that Mayor Gordon mentioned the need for more U.S. Marshals to be able to serve the warrants on the felons and so on.

Just to make the point again that it is not just more Border Patrol agents or the arresting officers, but the people all up and down the line. So I appreciate you mentioning that.

I need to clarify something—I will ask the chief this, as well—but I am a little bit dubious of the notion that all the violence is, as you said, almost exclusively bad guys on bad guys. And I did not say that. I asked the question about it to try to differentiate between the kind of case that you described—the innocent girl who gets raped. She is not a bad guy. Yes, she may have crossed the border illegally, but that is it.

And so I do really want to bore down a little bit more on this notion that it is just bad guys on bad guys. There are a lot of relatively innocent people—innocent, certainly, in terms of the kind of crimes that are committed against them that are caught up in all of this. And I know you agree with that because you cited the example of it.

Any further comment you would like to make on that is appreciated. But, there can be kind of a sense that, well, if it is just bad guys on bad guys, let them kill each other.

You make two points about that, Mayor Gordon. First, it diverts a whole lot of your resources that should be devoted to protecting the rest of us. And second, there are a lot of cases in which innocent people are taken advantage of. If you would like to comment any further on that you are welcome to.

Mayor GORDON. Mr. Chairman and Senator McCain, thank you.

I was too loose with my words, but I think you adequately described it.

First of all, any crime—I have said in so many public speeches—is too much crime. Second, there are always innocent victims, including those that are engaged in criminal activities with their families.

With respect to specifically, my intent was to say that anecdotally—because I do not think anybody could drill down deep enough—the vast majority of violent crime is related to drug smuggling, use of drugs, and now human smuggling and gun smuggling. And as you will hear from the chief—you have heard from the Federal agencies—these cartels and syndicates, they are now one in terms of drugs, people, guns, and money. So it is one continuous operation.

The individual closest to you was—I will describe, as the chief would say—a bad guy. But you can see he was tortured. That is how the police found them as they were untying them—anyone that is torturing and willing to kill anyone is not going to hesitate to kill individuals. We have had police officers that have been shot at, killed. They are certainly innocent.

Senator KYL. One of the key points, with only 5 minutes here, let me quickly get to this point. In order to get resources in Washington, we cannot sugarcoat. And I appreciate that the job of mayors is to say we have wonderful, safe cities and so on. But it does not argue against that to recognize that we have a problem that we need help with. And you have both made the point that for the most part the citizens of the cities are safe. So that should not be a reason for people not to come to Nogales or to Phoenix.

But by the same token, resources are being diverted in both cases, and there is a threat to the citizens, in addition to which we do not want crime to occur against anybody and our citizens. So I am just making the point that—just, for example, you talked about the reporting of statistics. I would not suggest that the numbers here are a result of the fact that Phoenix reports all of its murders, whereas some other cities may not. The reality is that, as was noted earlier by the Attorney General, a lot of the crime is not even reported because it is crime against illegal immigrants or against other bad guys.

So, just a suggestion here, and to enable us to better do our job, be straightforward about what is occurring here and ask for help. And that will help us to make the case that our colleagues who have no idea of what is going on will be more likely to provide the assistance that we need.

Mayor GORDON. Mr. Chairman and Senator Kyl, that has been my job for 3 years now, coming to Washington asking for that help. The numbers continue to go up. And in no means was my intent to say or to sugarcoat or not tell it. I think I have told it directly day in and day out. And the local officers—and Phoenix Police just to be specific—are doing an inordinate amount to maintain the status quo in gross numbers.

But, again, these individuals that are involved are more heavily armed than police officers, with body armor, using sophisticated smuggling equipment and all other types of technology. They are better armed than a lot of the National Guard is, Senator. So, I

said, as you noted, it is not a question of if it is growing; it will continue to grow. And we are begging for more help.

Senator KYL. You need to try to get that assistance. I, too, have enjoyed our various meetings about different kind of problems. It is so distressing, just heartbreaking, to hear the kind of stories that you are talking about—to bribe people on the reservation and it must be just heartbreaking for you, as well.

The vehicle barriers you have noted have had some impact. I need to go back and look this up—but my recollection also is that there were some recommendations from the Department of Homeland Security with respect to foot traffic—fences to stop foot traffic, as well. What is the status of that? Is there any problem with that? I know there are some miles of fencing yet to be completed, but I am not familiar with the situation on the Tohono O’odham reservation.

Mr. NORRIS. Mr. Chairman and Senator Kyl, as the Committee is well aware, the Tohono O’odham Nation’s leadership and legislative counsel supports the establishment of vehicle barriers on our Tohono O’odham Nation.

We also supported and continue to support the efforts to establish the virtual fence on our Tohono O’odham Nation’s land. So, we also continue to support the establishment of beacon lights on our Tohono O’odham Nation’s lands.

The Nation’s Legislative Council recently—about 2 months ago—passed a resolution that reaffirmed its commitment to establishing the vehicle barriers. And for those areas that have been omitted for some reason or another, the Tohono O’odham Nation wants the vehicle barrier project to be completed. And we will do whatever is necessary in our power to ensure that completion is—

Senator KYL. Do you oppose fencing for foot traffic?

Mr. NORRIS. The opposition regarding fencing is that the Tohono O’odham Nation has gone on record to say that the Tohono O’odham Nation will not ever agree to a walled fence. And for the reasons that I stated earlier—we have nine villages that continue to exist in Mexico. We have 1,500 enrolled tribal citizens living in Mexico—not necessarily because they want to live in Mexico, but when the International Border was established without any consultation with the Tohono O’odham Nation or its people itself, that essentially cut that portion of the Tohono O’odham Nation off from the part that ended up in the United States.

We will continue to work diligently with the U.S. Government to come up with an amicable way to address the concerns that we have and to ensure the protection of the United States of America, as well.

Senator KYL. Well, I will just note—and I appreciate the problem, but I know the Customs and Border Patrol has tried to work out arrangements whereby the movement of tribal members across the border is facilitated with special cards and so on.

And I will just note that since you, yourself, pointed out the problem of the foot traffic that is not stopped by the vehicle barriers even though they have obviously an impact—that it may be that we are going to have some kind of ability to stop the foot traffic, as well. And in some places, actual barriers have worked very

well. So that is something that we should probably continue to work on.

Mr. NORRIS. Yes, Senator.

Senator KYL. Thanks, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator Kyl.

I want to thank this panel very much for excellent testimony which made it real for us. And there is this dichotomy, which we will explore with the next panel of law enforcers and my colleagues have stated it, that thanks to a lot of effort, generally, violent crimes are going down. But that does not mean that there is not a tremendous burden on local law enforcement, local municipalities, and the Tribal nations to deal with the violence that is from the Mexico drug cartels.

And, of course, it would appear that as Mayor Gordon expressed at the beginning, this will grow more significant if we do not come together and push it back. So, your testimony has been very helpful. I am very pleased—as I said at the end of my questioning—that you have had this cooperative relationship with the Federal agencies, particularly as I heard you speak with Customs and Border Patrol.

Thank you very much.

Mr. NORRIS. Thank you.

Chairman LIEBERMAN. I will now call the third panel. Jack Harris is a Public Safety Manager for the city of Phoenix; Clarence Dupnik, the Sheriff of the County of Pima, Arizona; and Larry Dever, Sheriff of the County of Cochise, Arizona.

Thank you very much for being with us.

Chief Harris, obviously, we want to hear from you now about law enforcement at the local level and the impact that the Mexican drug cartels have begun to have as you have witnessed it.

Obviously, there are some people in Washington who think we are overreacting here. I think you know that. So, your testimony will be very important.

Chief Harris, welcome. You have been much referred to this morning. Now it is your time for your defense.

**STATEMENT OF JACK F. HARRIS,<sup>1</sup> PUBLIC SAFETY MANAGER,  
CITY OF PHOENIX, ARIZONA**

Mr. HARRIS. I hope I can live up to the billing.

Thank you very much, Mr. Chairman and Senators of the panel. I will read my statement to begin with, and I am afraid I will be repeating some of the numbers that you have already heard. But I will try to put it into perspective in what we are facing at the local level, especially here with the Phoenix Police Department.

As you heard, Phoenix does continue to be one of the safest major cities in the country—2008 numbers compared to 2007: Property crime is down by 8 percent; violent crime is down by 6 percent; homicides are down by 24 percent. As a member of Major City Chiefs—the 55 largest cities in the country—I can tell you that in bad economic times historically crime rates soar. And that is happening in most of the major cities across the country.

<sup>1</sup>The prepared statement of Mr. Harris appears in the Appendix on page 227.

But we have had the ability here and the good fortune to be able to help drive that crime rate down. However, as you have also heard, in 2007, there were 357 reported kidnappings in Phoenix and 317 home invasions. In 2008, there were 368 kidnappings and another 337 home invasions. This problem has garnered the attention of the world.

Phoenix is, as you have heard, a transshipment point for illegal drugs and smuggled humans. Both come here before being shipped to other points throughout America. The majority of the victims of kidnappings and home invasions are involved directly or indirectly with the drug or human smuggling business. Regardless of their involvement in the crime, these victims are human beings, and first and foremost, we treat them as such.

Many of the kidnapping victims, as you have heard, are being brought into Phoenix by smugglers known as "coyotes," and each victim is paying in excess of \$1,500 each to be brought into the country. Once here, the coyotes take them to drop houses where dozens of smuggled people are kept. Their shoes and clothes are often taken so that they can not escape. They are beaten and tortured while their loved ones listen on the telephone in horror as another \$2,500 or more is being demanded from the kidnappers.

The pictures that you saw up here earlier depict one of those drop houses where the humans who were sitting there had been smuggled.<sup>1</sup> They were being held in a drop house, which was actually in a pretty decent neighborhood, but if you noticed in the picture, the windows were boarded up in the summer. You are well aware of what the temperatures are in Phoenix. They are held without food, they are held without water, and their clothes are taken away from them, and then they are tortured to get their loved ones to bring more money to the smugglers.

Other coyotes try to "steal" the human cargo from the original coyotes. They then ask for more money before they will release or transport their prisoners. We have had shootouts on our highways where a vanload of people being smuggled are trying to be stolen by another group of coyotes and they opened fire in an attempt to steal the load.

There have been other kidnappings, which sometimes start as a home invasion where the victims are the smugglers themselves. Groups often dressed, as you have heard, in police-type raid gear break into a home or a vehicle and kidnap the smugglers. These kidnappers know the smugglers or their family members and associates have the ability to come up with ransoms ranging from \$30,000 to a million dollars or more.

Oftentimes, the ransom demands include drugs, such as 100 pounds of marijuana, or methamphetamine, or cocaine. The primary goal for investigators in these cases is to rescue the victims. But saving these lives, as you have also heard, is tremendously resource-intensive. We have had operations that go more than a week trying to locate these kidnapped people in a city of over 550 square miles. And we have put as many as 60 officers on one case.

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<sup>1</sup>The photographs submitted for the record by Mr. Gordon appear in the Appendix on pages 218 through 221.

And then when you look at the numbers that I started with in excess of 350 of each of those types of crimes, you can see how manpower-intensive this is.

Chairman LIEBERMAN. Chief, how large is the Phoenix Police Department?

Mr. HARRIS. We have approximately 3,600 sworn officers and another 1,100 support staff. And we are covering a 550 square mile area with a population of a little over a million and a half. We respond to about 750,000 dispatch calls per service per year.

If you went out there on the street right now and added up every officer in this uniform, you would find maybe 250 officers covering that 550 square miles.

The officers that I need to assign to combat the problem of border violence are a valuable resource that I have had to pull off of their regular duties throughout the department. Like other agencies, we do not have a pool of excess officers to draw from. However, we have been forced to do something, which is why we have participated with two other agencies in the creation of the Illegal Immigrant Prevention and Apprehension Coop Team (IIMPACT).

Additionally, IU have authorized the department—or the development of the Phoenix Police Home Invasion and Kidnapping Enforcement (HIKE) Unit. We have great partnerships in both of these endeavors.

IIMPACT is a partnership between the Phoenix Police Department, the Arizona Department of Public Safety, and the U.S. Bureau of Immigration and Customs Enforcement. This team deals specifically with the violence associated with human smuggling and illegal immigration.

The HIKE team, which is one of the only ones like it in the country, is made up of supervisors and detectives from the Robbery, Assaults, and Document Crimes Units from within our own department. In addition, agents from the Bureau of Immigration and Customs Enforcement, the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Drug Enforcement Administration are part of the team. This team deals specifically with the kidnappings in Phoenix.

Home invasions and kidnappings have had an impact on local gangs in Phoenix. Gang members have been recruited to participate in these crimes. In addition, they have learned of these crimes and copied them in an effort to get financial gain. To combat this problem, the Phoenix Police Department has partnered with the U.S. Federal Bureau of Investigation in the FBI Violent Street Gang Task Force. As the name implies, this team deals with gang violence, which is influenced by the border violence.

I have submitted that portion of my statement to you.

Chairman LIEBERMAN. That will be printed in full in the record as everyone's statements will be.

Mr. HARRIS. But let me conclude by saying I know that you are here to ask what impact the border violence has had on our cities and our counties. And also, it is clear and we very much appreciate that you are asking what can you do from Washington to help us.

I can tell you that financially we have applied for a number of grants under the stimulus, under the COPS program. We are ask-

ing to add 25 people to the HIKE unit to handle these types of cases. So there certainly is a financial need in our city.

I would also ask you to please keep in consideration our Federal partners. All of these task forces, all of the major investigations that you have heard about this morning, have been conducted by—for the most part—task forces that include ATF, DEA, the FBI, and ICE, along with our local law enforcement agencies. So, any assistance that you can give to people, resources, and finances to help those Federal agencies along the border and in our communities would be very much appreciated.

But, beyond that, I know that I have given presentations to the International Association of Chiefs of Police, the Major City Chiefs. I have worked with the faith community, with the business community. I have worked with and given presentations to the Police Executive Research Forum in Washington, the Police Foundation. And I can tell you that foremost beyond all of this—we all want a secure border but we have to have immigration reform.

There is a big difference between the pictures that you saw of 25 or 50 people who have committed the crime of trying to come into this country to work and provide for this country, and the people who are running guns, smuggling their human cargo, and smuggling narcotics. We have to have immigration reform—comprehensive reform. So, this country has to make a decision as to what they want us to do at the local level.

In all of those Federal groups and associations that I have talked to, I can tell you there is a minimum of hundreds of different ways that local law enforcement is trying to cope with this very difficult divisive issue. We have to have something in the way of immigration reform to tell us do we want a workforce in this country that is an immigrant workforce or do we not? We have to find a way, if we do want that as a country, to bring those people into the country legally for a period of time to provide the labor that the business community seems to need.

That I would say is the most important thing that could come out of Washington, DC, in the near future to help local law enforcement. Thank you.

Chairman LIEBERMAN. Thank you, Chief. Thanks for all parts of your testimony, including what I would call a healthy dose at the end of Arizona straight talk to which we have become accustomed in Washington.

Sheriff Dupnik, welcome.

Mr. DUPNIK. Thank you, Senator.

Chairman LIEBERMAN. I look forward to your testimony now.

#### **STATEMENT OF CLARENCE W. DUPNIK,<sup>1</sup> SHERIFF, COUNTY OF PIMA, ARIZONA**

Mr. DUPNIK. Thank you, Senator. I have submitted my testimony, as well, but much of what is in here is a duplication or triplication of what has already been said. And I think the problem that we have here in Arizona with drug smuggling and people smuggling is pretty well identified.

<sup>1</sup>The prepared statement of Mr. Dupnik appears in the Appendix on page 231.

So I would like to kind of concentrate on some areas that I thought were very important that have been previously discussed. And I would kind of like to amplify on that.

And first I would like to thank Mr. Norris if he is still here—I do not see him.

But at any rate, a lot of what I had to say had to do with the Tohono O'odham Reservation. And I appreciate the candor with which he talked about it, because it is a very significant problem, not only for the nation, but for our country and for smuggling, as well. Because we have a corridor that runs primarily from Phoenix and Interstate 8 down to the Mexican border, west of Tucson, and all the way to the border.

And it is in that area that most of this activity takes place. And that is where Tucson kind of gets caught in the middle. We have a tremendous amount of violence associated with the people smuggling and with the narcotics smuggling that goes on because somehow all of this activity has to get from Mexico up to Phoenix. And therein lies the rub.

A lot of this is related to the drug cartels down in Mexico. For example, a couple of years ago, before we formed our Border Crimes unit in Pima County, we had two loads of aliens coming across in the wee hours of the morning, 3 a.m., a very rural known smuggling route. And they were fired upon by, as it turned out, four armed banditos who were apprehended by the Border Patrol and in their statements they had been hired by the Sinaloa Cartel down in Sinaloa. They came up, lived in the desert, and were told to rip off drugs from a competing cartel, namely the Gulf Cartel, which was trying to move in. They fired upon these vehicles, which they assumed to be carrying drugs—instead were carrying people, and killed several people, wounded several people. And that happened on two different occasions.

Now, we have not had that kind of violence in about a little over a year for reasons that I know not. That kind of activity has subsided. I suppose being a politician I could pat myself on the back and say it is because of us, but I think probably we had nothing to do with it.

One of the things that concerns me is the fact that we spend a lot of money the same way we spent it last year and the same way we spent it the year before. And most of the money that we spend in Tucson, for example, goes to investigative activities—intelligence and actually narcotics investigation. We do not get into alien smuggling hardly at all because we simply do not have the resources, nor should we. I do not think that is our problem; I think that is your problem.

We assist with it all the time. For example—I am not a lawyer so I do not want to use the word arrest—but we stop and detail probably 100 or so aliens every month that we then turn over to the Border Patrol.

But those are incidental to what we do. We have a department of about 1,500 people, about 600 of whom are sworn police officers. In our jail—you talked about SCAAP a while ago. Two years ago, Pima County was able to recoup 3 percent of our actual costs in the jail. That is not a whole lot. On any given day, 10 percent of our prisoners are Mexican aliens who are there not because of any

immigration issues but because they committed serious crimes in our county. In our jail that is 200 people every day. Well, that is a lot of expense.

That does not include the expense that we have related to healthcare—for example, our morgue is overwhelmed with the bodies that are found in the desert. Mainly, people who are not committing any serious crime except trying to get into this country.

So, expenses are a horrible problem. I do not know how you address that. The previous Administration tried to eliminate SCAAP.

But I have this idea. We talk about southbound activity, and that is an area that cries out for some activity, for some leadership, for some response. Putting more people at the ports of entry to check southbound activity is imperative and we need to do that. But that is not going to stop the sophisticated people from getting guns and money back to Mexico. We need to develop a task force, and in my remarks I talked about a management program that we put together for our investigative unit down in Tucson.

We had almost a dozen separate task forces existing at one time in Tucson. And about 8 years ago we decided to make that one task force. And we succeeded at doing that. And I think the reason we succeeded at doing that is because we do not have anybody in charge of it. If Customs tries to do something—and I realize there is no such agency as Customs anymore—but if DEA, for example, has a task force and they want other Federal agencies to plan, it is not going to happen. If it becomes the ownership of one agency, other agencies are going to be very reluctant to participate.

And that is why this management concept that we put together in Tucson has applications beyond investigative and intelligence activities. If we could put together a task force that would deal with the people stealing the cars in Phoenix and going down to the border and bringing people and contraband across, we could make significant impact not only on that which is going south, but that which is coming north.

In our Border Crimes Unit we have 18 people. Well, when you consider it takes 5.2 people to staff one position 24 hours a day, 7 days a week, that is not a lot of people to stick out into the hundreds of miles that we are talking about.

Pima County, Senator, is a little larger than the State of Connecticut. It is almost 10,000 square miles. And in that county we have this reservation where State and local police officers are not allowed to participate. And it is a significant problem because most of the activity is now coming across that reservation. It is winding up in Pinal County and up to Maricopa County. And it is very difficult for people like us to deal with what is going through that reservation. So, I really think there needs to be something done about that particular issue with the reservations.

We have some serious problems in Tucson—primarily in the city of Tucson—where all the pockets of social issues and problems exist. And it does not matter which particular social indices you want to pick to evaluate—whether it be high school dropouts, whether it be unwed teenage mothers, whether it be gang membership or single parents in the home, crime, gang membership, whatever—they are all in one pocket. And in that pocket, credible information from people that I deal with in a particular school district

in there say that at least 40 percent of those kids are illegal. That is staggering.

Last week in the Arizona Republic there was a story quoting Pew. Is it an institute?

Chairman LIEBERMAN. Yes, Pew Research Center, probably.

Mr. DUPNIK. They said that in Arizona, one in seven students is illegal. I think it is understandable why we have the kinds of problems that we have with reference to our education program. When you consider the millions, and millions, and millions of dollars that we have to provide just so that students can learn English—and we are not allowed to ask those students whether they are here legally or not because of a 1986 decision back in Washington.

Maybe it is time that we send another case back to the Supreme Court to see if we might get a different ruling. I have said enough.

Chairman LIEBERMAN. Thank you, Sheriff. You covered some good ground and it was interesting to the Committee.

Sheriff Dever.

**STATEMENT OF LARRY A. DEVER,<sup>1</sup> SHERIFF, COUNTY OF COCHISE, ARIZONA**

Mr. DEVER. Chairman Lieberman, Senator McCain, and Senator Kyl. Thank you for being here today and inviting me to participate.

I will just preface my remarks by saying this is the eighth opportunity I have had to testify before committees of Congress related to border issues. And I am starting to feel like maybe I am a little ineffective. But, hopefully, I can say something useful today.

Let me give you just a little bit of historical perspective, if I may. I have here a copy of Arizona *Sheriff Magazine* that features the Border Patrol. And in this article it quotes the sector chief of the Tucson Sector of the Border Patrol at that time saying this:

“Within the last year we have been mandated by Congress to gain control of the border, and we are going to do that along the Southern Border, whether it is narcotics, illegal aliens, terrorists, criminals, or whatever.”

A couple of notable items about this article. It was written in the fall of 1987, which was 1 year post-Reagan amnesty, by the way. It mentions the word “terrorist,” which I find kind of compelling. The thought of terrorists using our international border to facilitate their evil ways is not a new concept, and the U.S. Border Patrol had 250 agents in the Tucson sector at that time. That was 1987; today, there are over 3,000 in the sector, and we are sitting here talking about all of the violence associated with drug smuggling and people smuggling coming across the border.

Violence comes really in many forms, and you have heard a lot of it today about murder and kidnapping, rape, robbery. It is estimated that 80 percent of the women who cross the border illegally have been sexually assaulted in some fashion. That study comes actually from a 1995 study that originated in Central America.

But there is another form of violence that I think is just as insidious, and that is the number of people in—Sheriff Dupnik mentioned his morgue—the number of people who are left behind who cannot keep up the pace, either as a result of illness, pregnancy,

<sup>1</sup>The prepared statement of Mr. Dever appears in the Appendix on page 251.

injury, or whatever it may be. And they are left behind by these ruthless smugglers to die in the desert, which in and of itself is murder in my mind. And all of those cases have to be investigated as homicides, which require a tremendous amount of resources on our part to do.

Something that has not been mentioned in detail a little bit by authorities here in Phoenix is the impact on our local residents of this unferreted smuggling that continues to invade us and threaten homeowners and property owners along the border and particularly in the rural areas. My county—we are in the southeast corner of Arizona. Properties are continually burglarized. Their fences are cut and damaged. Their water sources destroyed, contaminated. The amounts of human waste and trash left behind are devastating, not only to private property but to the beautiful and scenic mountainous areas and park and recreation areas in Cochise County.

If you drive into the entry, up one of the canyons into the public parks—these areas where people like to go for recreation—you will find a sign at the entry onto those Federal properties that says: “Caution: Drug and human smuggling may be encountered here.” Bad situation.

The day and night disruption of the quality of life is enormous. People cannot leave their homes together. Spouses—husbands and wives—somebody has to stay behind to watch the place to keep it from being robbed. We have a 6,300 square mile county, and I do not have an Indian reservation so my county jurisdiction is bigger than my partner Sheriff Dupnik, here, in those terms. And I have 86 deputies total in my organization.

Mr. DUPNIK. Chief Dever, I am jealous. If you could share a few, I would take them.

Mr. DEVER. There are some things that we have and cannot ask you to do. You mentioned SCAAP, Senator Kyl. SCAAP is important. In 1997, when we first applied for SCAAP, we received about 33 percent of our actual costs associated with incarcerated criminal aliens. Today it is 9 cents on every dollar. There are a lot of causes in that—reduction in the fund, as well as the tremendous impact of the presence of illegal alien activity, criminal activity throughout the country, and more people tapping that fund.

Today, as we sit here in spite of all the efforts and funding that we have seen come down the pipe and to talk about the need for interoperability that is physical communication, the ability for State, local, and Federal law enforcement first responders—police, fire, medical—to be able to pick up the microphone on the radio and talk to each other in the event of a need in a situation to do that—does not exist along most of the Southwest Border.

We are talking about a tremendous need for infrastructure in order to support that kind of effort. Specifically, I sit on the Board of Directors of the National Sheriffs' Association and chair the Immigration Subcommittee of the Homeland Security Committee. And we sat down and crunched numbers, taking a specific look at the Southwest Border and what might be needed in terms of funding support for personnel, for communications infrastructure and support, along the entire 2,200 mile Southwest Border to a distance of only 25 miles north. The nominal number of about \$500,000,000 a

year for five consecutive years is the figure that comes up—rises to the surface when we discuss and examine that.

Finally, I would like to address what Senator Lieberman stated this morning in a comment in your initial remarks where you emphasized the importance of coordinated effort and discussion at the State and local level with Federal authorities. Everything—every policy, every strategy, every initiative launched by the Federal Government has an immediate and long-term local impact. And State and Local officials who have lived and worked in this environment their entire lives and for many years must be included in those planning sessions.

And one last comment that came up when you were talking about the National Guard. We need to understand the culture from whence these people come. They do not have a great regard for civil law enforcement officials—either Federal or local—and in some places those do not even exist. But they do have a great deal of—I will call it—respect, and more likely fear of military resources. And the mere presence of those units—regardless of what they are tasked is—creates a whole new element of deterrence in the mind of the border crossers.

Thank you.

Chairman LIEBERMAN. Thank you, Sheriff.

That is a very interesting point at the end. I appreciate it.

Chief Dever, let me ask you to give us some context to a few of the statistics that are part of the national debate with regard to “Phoenix: Kidnapping Capital of America.” You did some of this, but first off it is just a question of fact because most other parts of the country—we do not talk about home invasions. We talk about breaking and entering, things of that kind. But what is a home invasion?

Mr. DEVER. Well, the difference is—I think most people would think if their house was broken into, that it was probably a burglary.

Chairman LIEBERMAN. Right.

Mr. DEVER. While they were not at home.

Chairman LIEBERMAN. Correct.

Mr. DEVER. A home invasion is more of a tactical entry into the house, similar to what you would think a SWAT team would do where people come heavily armed. They force their way through the front door while the people are at home, and then they take them captive. And it is usually about drugs. Somebody fronted a bunch of money or drugs to another dealer and they did not get the money back, and so they are breaking into the house. They are going to hold everybody in the house captive until the money or the drugs are brought to them.

Chairman LIEBERMAN. And that I take it can also become a kidnapping incident.

Mr. DEVER. Yes.

Chairman LIEBERMAN. Obviously, in most of the rest of the country, when we talk about kidnapping—not always so. Obviously, sometimes it has to do with domestic disputes, but at worst it is grabbing somebody who you do not know and holding them, perhaps for various purposes. One might be for ransom.

But, again, you said the majority of the kidnappings are within the drug smuggling and human smuggling communities. Correct?

Mr. DEVER. Yes. The vast majority. We have had incidents where a bad guy had moved out of a house.

Chairman LIEBERMAN. Yes.

Mr. DEVER. And the other drug dealers came and hit the house a few days later and there were innocent people that had moved into the house. American citizens.

But the vast majority of the cases that we are talking about is drug dealer on drug dealer or it is tied to the human smuggling for ransom.

Chairman LIEBERMAN. So to say the obvious, I assume that were it not for the presence of the Mexican drug cartels operating in and around Phoenix that the kidnapping rate here would be pretty much like the kidnapping rate everywhere else in America.

Mr. DEVER. Absolutely.

Chairman LIEBERMAN. Let me go to a different part of this, if I can.

I want to ask you, if you could—and I ask all three of you—characterize your working relationships with the Federal law enforcement agencies in your jurisdiction.

Go back to the Sheriff's last point and my first point. We want to know whether there is real coordination going on here, and a lot of the testimony that we have heard that was submitted talked about the need for enhanced information sharing and collaboration between Federal agencies and the State and local law enforcement departments. I do not think any of this is personal, but how is it going in that regard?

Mr. DEVER. Well, in Phoenix, I can tell you that it is unique compared to the rest of the country from what I have seen. We have a very good working relationship with all of the Federal agencies.

As I mentioned in my testimony, most of the major cases that were mentioned today by the Attorney General and by the Mayor were conducted through task forces involving the Department of Public Safety, our State Police Organization, with our sheriffs, with ATF, DEA—all the three letter identifier organizations in the country. So, in Phoenix, we have had a really great relationship.

The information sharing is something that I think nationally—whether you are talking to the sheriffs or you are talking to local police, they are going to tell you we would like to see more of the information sharing made available to us at the local level.

Chairman LIEBERMAN. Tell me what you're talking about there. What kinds of information?

Mr. DEVER. When you look at the information that an organization like DEA has available to them in reference to narcotics trafficking or you look at the information that the FBI has in relation to terrorism, there has been a long history of being very careful about sharing that information with local agencies.

We would like to see improvements, even though here in Phoenix we do not have a big problem with it. But nationally, I would say that we need to see an improvement there.

One of the things that has been very beneficial in doing that are the fusion centers—the Arizona Counter Terrorism Information Center (ACTIC) here in Arizona has representatives from all of

those agencies. We did something very unique in Phoenix last year. We asked ICE to provide us 10 of their ICE agents to work in our Violent Crimes Bureau. So they sit right next to our detectives that are investigating the home invasions, the murders, and the kidnappings. They have access to databases that we do not have access to.

So we are able to alleviate a little bit of that, but if we had access to some of those databases that would be much improved.

Chairman LIEBERMAN. I appreciate that. My time is up.

This has been a real focus of our Committee going back to the post-September 11, 2001, period because obviously, part of the story of September 11 is that the agencies of the Federal Government were not sharing information that they should have shared. If they had shared, it is possible we could have stopped September 11.

I always feel that from a Federal level we should look at State and local law enforcement as part of one national force. And when you think about how much stronger we would be—whether the enemy is the terrorists or what we are dealing with as Mexican drug cartels—if we are working together. It just seems foolish not to. I do not know why you would not share information with local law enforcement. I do not think there is a good argument that I have heard for that.

So, I thank you for bringing us to the relevance of that point to the Mexican drug cartel.

Senator McCain.

Senator MCCAIN. Well, I thank the witnesses, and I am very glad to see all three of you. Thank you for your many years of service to our State. I am grateful that you would come today, and I am very appreciative of the input that we get from you.

Chief Harris, last month, the Department of Homeland Security notified our office that of the hundreds of kidnappings in Phoenix last year, the FBI's Phoenix field office only opened seven kidnapping cases—five of which came out of the Tucson resident office. Do you know why that is?

Mr. HARRIS. No, actually, I do not.

Senator MCCAIN. Has that concerned you?

Mr. HARRIS. Well, our kidnapping cases that are related to this—we open those cases. Our investigators investigate those cases. They would not be transferred over to the Federal agencies. But, no, I was not aware of that number.

Senator MCCAIN. Sheriff Dupnik, you have been around as sheriff since 1980 and have a wonderful record of service. How is this whole issue of violence on the border changed since the day you first were sworn in as sheriff?

Mr. DUPNIK. In 1980, there was very little violence. It was kind of incidental based on what was going on. There was very little smuggling going on. The same kind of smuggling that we have today was not going on in 1980.

Primarily, they were using aircraft and things of that nature. Today, it is just totally changed. The people involved in the activities have become more and more violent themselves. They are very quick to pull the trigger and kill another human being over a minor issue. That is something that we did not used to see in the

old days. People had a little more respect for human life than they do today. But, there was very little violence associated with the traffic.

And I think one of the reasons that it has escalated to the point it is today is because of the organized criminal activity that is involved in it. Back in 1980, there was not that much criminal organization involved in smuggling. Today, it is almost totally organized.

A few years ago the Colombians tried to make some in-roads into taking the cocaine from Colombia, putting it into Mexico, transporting it across Mexico, and bringing it into the United States, and then trying to control it in the United States, as well. The Mexicans fought back and eventually kicked the Colombians out. And now it is just the cartels fighting each other.

Speaking of Mexico, I would like to echo what a lot of the speakers have already said. I have seen presidents—as you all have—come and go in Mexico. They talked about doing something about drugs but very little ever happened. As a matter of fact, years ago they would take the helicopters, and the money, and the aid that we provided to them and used it for their own purposes.

So, President Calderon is the first president that has had the courage to do something about it. How this is all going to turn out, I do not know. But I think this is the only chance we may have in our generation to assist that country in doing something about this horrible problem. If he fails, it is going to have incredible consequences for the country of Mexico, and it is going to have substantial consequences for us here.

Senator MCCAIN. I could not agree with you more, Sheriff. And we certainly need to emphasize the need to cooperate with him in a broad variety of ways. Some argue that it is not only our last chance, but maybe the Mexican government's last chance. I do not necessarily accept that description, but there certainly is a significant threat.

Sheriff Dever, in his statement, talked about the lack of interoperability that still exists after all these years of trying to fix it. Are you plagued with that problem, too?

Mr. DUPNIK. We are, but we are in the process of fixing it, to some extent.

Five years ago we passed a bond issue in Pima County for \$105 million for an interoperability radio system for public safety, which is primarily for first responders—police, fire, and emergency services. The contract was just let 2 weeks ago to begin to build that system 5 years later.

We still do not have the kind of funds that we need to finish it because 5 years ago prices were different and there never was enough money put into it. They put \$95 million into a project that really needed about \$115 million. So, we still could use some Federal help to make that happen.

At one time I had this noble goal of including our Federal partners in this system so that we could talk to our Federal partners, as well. And I went to the FBI. I went to ICE. And I went to the Border Patrol. And they all wanted to play. They had no reservations because their system sucks, too, to be honest about it. Their systems are horrible.

Chairman LIEBERMAN. Talk about Arizona straight talk. [Laughter.]

Mr. DUPNIK. They are in worse shape than we are. But, because of the bureaucracy, if we tried to make that happen, we would still be talking about it.

Senator MCCAIN. It is also because of the failure to get the frequencies. And it is one of the recommendations of the 9/11 Commission—in fact, one of the few recommendations that have not been implemented and it is disgraceful. There is no reason wasting the time of the Committee to go through it.

Sheriff Dever, you testified, as you mentioned, last month before the House Homeland Security Committee, and you stated the important thing to remember—and I cannot emphasize it enough—that every Federal initiative, every Federal strategy and tactical planning opportunity needs State and local input because they have local consequences. Have you noticed significant difficulty in that area? The lack of State and local input?

Mr. DEVER. Yes, sir, although it is much improved.

In part, answering Senator Lieberman's question along with yours, in Mexico we talk about the corruption problem, and they have institutionalized corruption in Mexico. What we have had traditionally in the intelligence system in the United States is what I call institutionalized territorialism. And there is still a large degree of mistrust and a desire to safeguard the very important pieces of information that need to filter down to the working level—the most rudimentary area.

But, it has been recently improved. There has been a lot of outreach recently from DHS to attempt to include, particularly Southwest Border sheriffs, I know, in discussions, what our specific needs are. I am working on a document to send back to that committee that you mentioned that talks about some specific needs. So it is all very encouraging, but it needs follow through, of course, and a commitment to consistency and determination to follow through on these discussions is what is critical. And we still have to overcome that institutionalized territorialism to a great degree.

Senator MCCAIN. Thank you. Just finally, Chief Harris, how are you generally able to identify these drop houses? Is it neighbors? Is it surveillance? What is it that usually identifies these places for you?

Mr. HARRIS. Many times it is just the neighbors calling in. There is suspicious activity. They are seeing a lot of people coming and going out of the area and something does not seem right to the community. It is really a strong point for community policing—that neighbors are far more aware than they were 20 years ago as to what goes on in their neighborhoods.

So, mostly it is that kind of a call. A check welfare. We are seeing something is not right over there at the house. Could you check it out? And then the officers arrive; they go up to the house.

Senator MCCAIN. Do we have a program encouraging citizens to call in?

Mr. HARRIS. Yes.

Senator MCCAIN. If you had to make a guess, if you could, how many drop houses do you think there are in Phoenix?

Mr. HARRIS. Well, that would be very difficult at any given moment to guess, but I would say the records probably reflect that there are somewhere between 90 and 100 drop houses a year.

Senator MCCAIN. Thank you very much, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator McCain. Senator Kyl.

Senator KYL. Thank you.

I have always wondered about the comparison between Tucson and Phoenix in this regard. I have always assumed that there were a lot more in Phoenix, even though it is a bigger community.

Is the drop house issue comparable in Tucson, Sheriff Dupnik? Do you know?

Mr. DUPNIK. I do not think that it is. It is a significant issue for us in Tucson, but I do not think it is nearly the problem that it is up in Phoenix. And I think it is because the traffic is going to Phoenix. Phoenix is the hub.

Senator KYL. Yes. So, the point is they are not going to stay in Tucson very long. The main point is to get folks up to Phoenix so then they can either go east, or west, or north.

Mr. DUPNIK. That is correct. We get them. Tubac gets them. Eloy gets them. But not in the numbers.

Senator KYL. The other thing that I wanted to ask you—I am not sure I understood—you indicated that the bulk of the problem was through the Tohono O'odham Reservation. Could you expand on that? Did you mean that in the Tucson sector? Or on the Arizona border? Quantify that if you would.

Mr. DUPNIK. Primarily, it is the Tucson sector that I am talking about. And because we cannot get on the reservation—that it makes it a lot more difficult for us to deal with the problem.

But if I could get back to one of the questions because I think I could add something to Senator Lieberman's question about intelligence-sharing.

One of the reasons that we cannot share intelligence with the Federal agents as much as they would like to share with us is because in their systems they have intelligence information. We do not have that in our system.

For example, with our license plate readers we have two issues. Most of our units in our Border Crimes unit have these license plate readers that read things automatically and feed you back information immediately, automatically. But the problem is in Arizona—we do not have front license plates, which makes it very difficult operationally, not only for us but for the Border Patrol and for all law enforcement. And for some reason, we cannot get the legislature to understand that. I do not think it is that big of an issue.

But the second problem is that—for example, a car from Colorado, we check their plate and nothing comes back out of our system. But, if we were tied to DEA's system, we would know that car was involved in narcotics trafficking or some other criminal activity. So, that is a serious problem.

DEA is looking at that closely now to see if they can help us to perhaps incorporate some of the information that comes out of the El Paso Intelligence Center (EPIC), and somehow linking that to our system. But it is a problem, and it is always going to be a prob-

lem when you are talking about intelligence information being accessed by multiple agencies.

Senator KYL. I appreciate that. We cannot solve the front license plate problem, though I assume that the first panel should be contacted about that.

But on the second matter, we just need to know from many of you—and you do not have to wait until there is a hearing. I know you come back and see us in Washington, and that is helpful, but at any point that you suggest that we could do something to help facilitate things like the information sharing. If it is a cost issue, for example, please let us know that.

Mr. DUPNIK. Well, one time you did, Senator. You may recall that right after September 11, 2001, because of some things that happened in Tucson with reference to terrorism, I contacted you and you tried desperately to get the people in Washington to do something about a call line where people could report terrorism.

Well, you were not successful in that, unfortunately, but I laud you for your effort. I should have called Senator McCain. [Laughter.]

But at any rate, we started that program in Tucson, and that is one of the things that I wanted to talk about. We started it right after September 11, 2001, in Tucson, and we got some very interesting calls.

There are not going to be that many calls that come in referencing terrorism—whether it be Tucson, New York City, or whomever. But I think that the program could be done on a national basis with very little cost, and it would be very effective. Because all it takes is the one phone call. And I can see President Obama right now on TV in a public service announcement advertising this new program.

Senator KYL. Would you do us a favor and write up a little one-page memo on that to the Chairman, and then we will see if we can get more going on that.

The story here—there were two specific calls in to the Sheriff's office which resulted in significant terrorist investigations in Pima County right after September 11, 2001, so it was a big deal. If you could do that, that would be very helpful.

Before the time expires, Sheriff Dever has been on the frontline of this for a long time. And all of the things that you talked about, the one thing that has not really gotten the attention because it is more of a rural county, is the protection of the folks out in ranch country. For example, the cutting of fences, leaving the water on, or cutting the water. And you also mentioned the environmental impact.

I guess the time is up. Could you speak just for a second about the environmental consequences here? Because I think people back east have a hard time imagining out here in the desert how there could be environmental consequences to this smuggling.

Mr. DEVER. Well, I am trying to keep people out of Cochise County, so I will not tell them how beautiful it is. [Laughter.]

But we have on the western and eastern ends of the county, primarily, two sky islands. Mountain ranges that reach up 9,000 feet. They are beautiful, forested. People come from all over the world

to visit. Bird watchers flock in —no pun intended—by the hundreds of thousands. And those areas are just simply trashed.

And when I say trashed, I am talking about football field-size areas piled two to three feet deep with backpacks, and clothing, and medical supplies, and human waste up in those areas. People normally go and recreate there. They are lay-up areas for illegals—both drug smugglers, and alien smugglers.

I did not mention the fires. Just last month we had four fires that were started by smuggling groups that got out of control. One of them burned one house and 12 other structures. There is all kinds of environmental damage and consequences to that.

And, water is scarce in our area. And those water sources are popular gathering places for smugglers and illegals crossing the area. And they contaminate it and they leave all kinds of junk behind.

Cattle ingest plastic bags that are left behind by people carrying them through—and strangle and die. It is a sad set of circumstances that has just gone on way too long.

Chairman LIEBERMAN. Sheriff Dupnik, I just have one other question.

My staff has been here for a couple of days before the hearing and meeting with people, and they were surprised in talking to the Border Patrol to learn that Border Patrol has been prohibited by Federal law from building permanent checkpoints in the Tucson sector, which means that when they try to stop traffic they basically have to get out there on a limited access highway with orange cones and try to bring the cars to a stop.

What is the background on that and how do you feel about it? Do they understand it correctly?

Mr. DUPNIK. Do you want a candid answer?

Chairman LIEBERMAN. Yes, sir. We have not put you under oath but I know you are an honorable man. Yes.

Mr. DUPNIK. There used to be a congressman representing that area that we are talking about who simply would not allow it. Would not allow it to be funded.

Chairman LIEBERMAN. Right.

Mr. DUPNIK. That is tending to change. And it is my understanding that at some point they are going to put one—not where they really want it but in a different location that will not upset so many people in that location.

Chairman LIEBERMAN. But you would say from a law enforcement point of view that it is a good idea to have a permanent checkpoint?

Mr. DUPNIK. I think it is a fantastic idea.

And if I could offer—I do not know how much time we have left—

Chairman LIEBERMAN. No, go ahead.

Mr. DUPNIK. We talk about southbound traffic. But I still have not heard very many ideas on what we ought to do about it.

One of the things that happens when you guys allocate Federal money is that we all get together and figure out how to spend it. And sometimes we do some very good things with it, as you have heard here today.

But sometimes, one of the things that happens is we tend to just fortify what we have been doing. And the Federal agencies tend to do that, as well. And nothing really creative happens.

I would kind of like to see a separate program—maybe a pilot program—where you say to us give us your ideas—maybe a one-page statement of the problem and a one-page statement of how you would like to attack it.

Chairman LIEBERMAN. Do you mean specifically relating to the drug cartels?

Senator MCCAIN. Mr. Chairman—

Chairman LIEBERMAN. Go ahead, Senator McCain.

Senator MCCAIN. On the subject of the permanent checkpoint—and I cannot make Congressman Colby's argument as convincingly as he did—but his argument was we establish a permanent checkpoint and the drug dealers and the human smugglers know about it and they just simply go around. I am curious about your response to that.

Mr. DUPNIK. From my point of view that is a weak argument. It sounds reasonable. He said we should put all of our resources on the border instead of right at the border in a denial mode. But, unfortunately, there are not enough resources to do that. And they will find ways to circumvent it.

But, the Border Patrol has plenty of statistics to show the effectiveness of permanent checkpoints. And they have strategies to deal with the very issue that you brought up. They have ways to deal with the flanking that is going to occur. And, in fact, they want that to happen.

I would like to talk about a southbound project where we incorporate some semi-permanent checkpoints going south. And also, some mobile checkpoints. But we, in law enforcement, from a legal standpoint—State and local people cannot do much about that because we do not have the authority to stop the traffic along the border.

In our Border Crimes Unit, we have two full-time Border Patrol sergeants assigned to our unit. So that helps us. But, on our own we cannot do it.

Chairman LIEBERMAN. So, do you want to give us an idea. I mean, I will ask you for a second memo now since Senator Kyl—

Mr. DUPNIK. Well, we talk about the National Guard, for example. What could the National Guard do if we really wanted them to do? And I am not a legal expert on posse comitatus either.

Chairman LIEBERMAN. Right.

Mr. DUPNIK. But I have never heard anybody say how far can you push the envelope to having the National Guard do something substantial to help you? Well, I would like to see a program—a Southbound Task Force—using the management concept that I talked about in this paper where we have a huge task force of State, and local, and Federal people trying to deal with southbound traffic.

And if we had the National Guard to assist us in getting into the remote areas by helicopter and then using perhaps a C-26, which I think is a minor version of the Airborne Warning and Control System (AWACS) to be able to provide communications and control of operations, we could then get into areas where there are incur-

sions occurring or where there is narcotics being trafficked. I think we could really make some substantial progress.

Chairman LIEBERMAN. It is a really good idea.

Senator MCCAIN. Mr. Chairman, could I just ask for a brief statement from each one? Obviously, we know there is a demand for drugs. Maybe we could close up here by what do we do about the demand? Starting with you, Chief Harris

Mr. HARRIS. Well, I think you hit on one of the keys. As a citizen of this country, we have to take responsibility for why all those drugs are coming across the border. They are coming across the border because we want them, and we give them big money to get them to come across the border.

So it is easy to point fingers at the drug cartels. They are bad people, but we are fueling that whole business with our insatiable desire for drugs.

I think it starts at the very earliest levels of education with our children as they are in kindergarten and on up—is to try to divert them away from the demand for the drugs. So, I think one of the key things for that side of it is we can certainly do more in the area of enforcement, but as a guy who worked narcotics undercover making buys, I have been into apartment complexes back in the 1970s where I could have bought 25 buys a day in one apartment complex. So, that is a very difficult enforcement part of the picture to be involved with.

But, I think education, especially with the younger the better, is one of the keys and in the schools.

Mr. DUPNIK. I think as long as there are drugs on the streets kids are going to use them. And adults are going to use them.

So, how do we keep the drugs off the street? Part of the problem, in my judgment, is the fact that there is not the will in America to make the necessary effort or the sacrifice to do the significant things that need to be done. We need to have a policy at the national level that deals with our schools—and not only provides the support that they need for getting the drugs out of their school, but they need perhaps some regulation.

Drug testing ought to be a significant component. If law enforcement officers and other groups of people can submit themselves on a regular basis to being tested for drugs—so, it is an invasion of privacy. And I understand that. But if you look at the national data on schools that use drug testing as part of their program and have a very rigid approach to dealing with drugs decisively, their drug use has gone down dramatically.

If we had the same programs for business—if we had the same programs for supporting our parents in our homes and getting the drugs out of our homes, out of our businesses, out of our schools—I think we could make some significant progress.

Mr. DEVER. We talk about the insatiable appetite for illegal drugs. There is a much greater appetite for controlled substances that are legally produced and distributed in this country. So, the problem—law enforcement is an important component, an important element of the equation or the solution. We have to keep reinforcing it and keep working it—what Sheriff Dupnik suggested—and that is keeping the stuff—legal substances and illegal substances—out of the hands of the people that should not have them.

But I am just telling you, Senator, and this is my personal perspective, churches have a role to play. Synagogues have a role to play. Law enforcement has a role to play. Schools have a role to play. But if it is not happening in the home, it is not going to happen.

Senator McCAIN. Could I say, Mr. Chairman, I really thank you for coming to Phoenix, Arizona, to conduct this hearing. It is a terrible issue that confronts my State, as well as America, and I am very grateful that you are here. And I think it has been very useful and very helpful. And thank you for your time in coming here today.

Chairman LIEBERMAN. Well, thanks for saying that, Senator McCain. And thank you for making sure that I came here. It was a very important morning. I learned a lot. Not just to put human faces and reality onto the numbers and the problem, but the various panels have given us some specific ideas that I think are very practical and helpful in terms of law changes and where we ought to develop resources. Your idea about a task force on southbound traffic is a very good idea.

I mean, ultimately, we can have a lot of arguments about gun control, etc., but it is pretty clear that those are only going to go so far. If we want to respond to what the Mexican government is most asking us for, which is to try to deter the movement of weapons south, we are going to have to do it in the southbound flow.

And, of course, the second part is that the money is going that way, and that is another way to hurt the enemy here—if I can use that expression—the drug cartels. It has been a very productive morning, and I thank you all.

Well, in the normal course of things, this Committee leaves the record of these hearings open for 15 days, if you want to add anything to your testimony or if we want to ask more questions to answer for the record.

I cannot thank you enough. This is a real crisis. It happens to be more intense here along the border, but it is a national crisis as your answer to the last question indicated. And we are going to do everything we can to get you help as quickly as we possibly can.

The hearing is adjourned.

[Whereupon, at 12:15 p.m., the Committee was adjourned.]

# APPENDIX



**United States Senate**  
**Committee on Homeland Security and Governmental Affairs**  
Chairman Joseph I. Lieberman, ID-Conn.

FOR IMMEDIATE RELEASE  
March 25, 2009

Contact: Leslie Phillips  
202-224-0384

**Southern Border Violence: Homeland Security Threats,  
Vulnerabilities, and Responsibilities**  
Chairman Joe Lieberman  
March 25, 2009

Good morning and welcome. Today, we will examine the ruthless drug violence Mexico is experiencing, the implications of this violence for the homeland security of the United States and, most important, what our government is doing and should be doing about both.

This is the first of two hearings the Committee has planned on this problem for now. The second hearing will take place April 20 in Phoenix, Arizona. Today, we are privileged to have as witnesses top officials from the three federal agencies in Washington at the center of our nation's response to this crisis. This is their first Congressional appearance since yesterday when they released a new administration initiative to deal with Mexican drug violence. Let me welcome Department of Homeland Security Secretary Janet Napolitano, Assistant Secretary of State James Steinberg, and Deputy Attorney General David Ogden. I thank you for being here.

The facts of this matter are well documented and appalling: More than 6,000 Mexicans have been killed in the past year. Most of the dead are associated in some way with the drug trade, but 10 percent of the fatalities are government officials and police. The police chief of Juarez, Mexico, just across the border from El Paso, Texas, was forced to resign when drug cartels threatened to kill one of his officers every 48 hours unless he stepped down. The mayor of Juarez actually lives in El Paso with his family and commutes to work every day. The U.S. Justice Department said in December Mexican drug cartels are "the biggest organized crime threat in the U.S.," and are present in 230 cities.

El Paso is the third safest city in America, but Juarez, Mexico – literally a stone's throw away – is the epicenter of the carnage, with more than 1,500 murders last year. This morning, Secretary Napolitano will describe Mexican drug violence as a homeland security issue in which all Americans have a stake. The danger is clear and is present, threatening to get worse, but also follows some puzzling patterns.

Drug related crime has increased in several U.S. border jurisdictions. With 700 in the last two years, Phoenix ranks first in America and second in the world in kidnappings. Most of the kidnapers and their victims are drug smugglers, but innocent victims are always at risk of being caught in the crossfire, and of course, have been.

The Mexican drug cartels are engaging in brutal and inhumane tactics that we have come to expect from terrorists – attacking police stations and other government facilities, kidnapping family members or children, posting the names of officials and law enforcers marked for execution, then kidnapping or killing many of those officials and informers – by decapitation in several cases.

The cartels tunnel beneath border fences and use their blood money to corrupt officials, mostly in Mexico, but sometimes in the U.S. They are high tech criminals and killers, using satellite phones, encrypted radios, and internet voice technology to shield their communications from the law. According to the Office of National Drug Control Policy (ONDCP), the Mexican drug cartels are operating in 230 American cities – from Appalachia to Alaska.

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340 Dirksen Senate Office Building, Washington, D.C. 20510  
Tel: (202) 224-2627 Web: <http://hsgac.senate.gov>

We must do everything within our power to help the Mexican government disable the cartels and prevent them from exporting more of their drugs and crime to America.

Mexico is a strong country with a courageous national administration. President Felipe Calderone has taken on the cartels. And the Obama Administration clearly intends to support him. Secretary of State Clinton is in Mexico City today. Secretary Napolitano and Attorney General Holder will be there next week, and President Obama will travel to Mexico in mid-April.

In yesterday's announcement, our three witnesses directed the redeployment of Department of Justice and Homeland Security resources to the border to strengthen the prevention and investigation of drug, gun, and bulk cash smuggling and to increase southbound vehicle inspections.

Over the last two years, Congress has also appropriated \$700 million for Mexico under the Merida Initiative to better train and equip Mexican law enforcement, military, and border personnel, to root out corruption, and to reform the judicial system. I look forward to hearing from Assistant Secretary Steinberg about the State Department plans for how to spend the remaining funds.

The Obama Administration's latest response to the southwest border violence represents a significant first step forward. But I don't think it is enough. Last week, in my annual letter to the Budget Committee, I recommended an additional \$100 million for Customs and Border Protection and Immigrations and Customs Enforcement specifically to disrupt the cartels. I proposed providing CBP with \$50 million in additional funding to better coordinate its border response, including providing funding for the establishment or enhancement of fusion centers along the southwest border and for expanding the Integrated Border Enforcement Teams (IBETs) which bring together law enforcement entities from both sides of the border. I also proposed an additional \$50 million to expand ICE's Armas Cruzadas program, which investigates and interdicts the cross-border smuggling of firearms, and its Border Enforcement Security Teams (BESTs). And if Congress closed the gun show loophole that allows purchasers to circumvent background checks, our government's work would be a lot easier.

Cash earned from U.S. drug sales, the lifeblood of the cartels, is increasingly smuggled back to Mexico in stored value cards. A single card can hold thousands of dollars, is far less conspicuous than bundled cash, and does not, as a matter of law, have to be declared at the border. Unfortunately, these cards are not considered legal monetary instruments, and border officials have little authority to police them. That needs to change by a new law if we are going to make it harder for the cartels to launder their illicit profits.

President Calderon's gutsy leadership in battling the drug cartels has provided the United States with an unprecedented opportunity to collaborate with him and the people of Mexico to defeat the drug cartels that threaten both of our worlds. In our interest and theirs, we must seize this opportunity.

**Homeland Security and Government Affairs Committee  
Statement of Senator Michael Bennet**

**“Southern Border Violence: Homeland Security Threats, Vulnerabilities and  
Responsibilities”  
March 25, 2009**

I am grateful to have the Secretary join us this morning. Madame Secretary, we are pleased to have you on the job. Your experience in Arizona can only help you manage these alarming problems on our Southern border. I look forward to working with you, particularly on how problems on our border with Mexico are putting Coloradans at risk. I'm concerned that Mexican instability may make these problems worse. In particular, methamphetamine trafficking in my state is a problem we can trace to Mexico. One hopes we can actually make progress and shut off this methamphetamine pipeline. But realistically, I worry that destabilization in Mexico could make things even worse in the short run.

I strongly support this effort by the Departments of Homeland Security, Justice and State to enhance enforcement capabilities along the border, in the interests of maintaining stability in case the situation in Mexico deteriorates. Obviously, at a base level, violence cannot be allowed to spill across the border, and it is the responsibility of our government to plan ahead to avoid such a scenario. Beyond this fundamental responsibility of the federal government to prevent a basic breakdown of safety at our border, we must look to raise the level of security to extend to illegal drug trafficking also.

My state of Colorado has been hit hard by the trafficking and sale of methamphetamines. I've seen one estimate that this epidemic has cost the state close to \$1.4 billion. In spite of the best efforts by local law enforcement, we continue to have one of the highest abuse rates in the nation. The largest source of methamphetamine are plants run by these cartels, which then traffic the drug through their affiliates into and in-between Colorado's cities and towns. I look forward to working with your agencies to ensure that you have sufficient resources along the border and in the states to prevent the further trafficking of drugs in our cities and towns.

I am encouraged, Madame Secretary, that you have addressed these problems with drug trafficking head on in your testimony, and I know that the Agency is looking to contain and control these cartels. I know from seeing the effects of methamphetamine in the Denver school system in my prior professional life, that this drug is a serious problem. It destroys lives – young lives. It is a scourge on our communities. You can make a positive impact on kids you will never even meet, if you can help our local law enforcement and health personnel get on top of the methamphetamine problem by cutting off the ability of these cartels to traffic into our states.

Thank you again, Madame Secretary, for your commitment.



*Testimony of  
Janet Napolitano  
Secretary  
United States Department of Homeland Security  
before  
Senate Homeland Security and Governmental Affairs Committee  
March 25, 2009  
Southern Border Violence:  
Homeland Security Threats, Vulnerabilities, and Responsibilities*

Chairman Lieberman, Senator Collins, and members of the Committee: I appreciate this opportunity to testify about the Department of Homeland Security's role in the U.S. effort to combat the campaign of violence waged by drug cartels in Mexico, and about the Department's efforts to keep Americans safe from this security threat.

The violence in Mexico is not only an international threat. It is a homeland security issue in which all Americans have a stake. America has a significant security stake in the success of Mexico's efforts against drug cartels. The cartels that Mexican authorities are battling are the same criminal organizations that put drugs on our streets and use violence as a tool of their trade. Illegal drugs, money, and weapons flow both ways across our border and inextricably link the United States and Mexico in our efforts against drug cartels. The two nations share a nearly 2,000 mile-long border, billions of dollars in trade, a commitment to democracy, and the need to prevail against the transnational threats of terrorism and organized crime. Threats to the United States come from every part of the globe, and the security situation of our next-door neighbor deserves our utmost attention.

At DHS, we are not in a wait-and-see mode. We are taking action now to aid the Mexican government in addressing this threat and to secure our country. DHS is bolstering the resources dedicated to this mission and taking a number of new steps. America has several roles to play: First, we must provide assistance to the Mexican government in its efforts to defeat the drug cartels and thereby suppress the flare-up of violence in Mexico. Second, we must take action on our side of the border to cripple smuggling enterprises. Third, we must guard against and prepare for the possible

spillover of violence into the United States. The Department of Homeland Security is working with the Departments of State, Justice, and Defense, as well as with border states and border communities, on all of these fronts.

### **The Violence in Context**

Those who have worked on issues related to our southwest border know that incidents of transnational violence are, unfortunately, not a new phenomenon. But what is occurring in Mexico now is violence of a level that we have not seen before.

The spike of cartel violence in Mexico is primarily a reaction against the efforts of the Mexican government to take on the cartels and battle the organized crime, corruption, and violence that comes with the illegal drug trade, as well as a result of competition among the traffickers themselves to control constricted territories and smuggling routes. The cartels' backlash against the crackdown – though brutal and deeply troubling – is predictable. They seek to protect a very lucrative criminal livelihood. Mexican drug cartels have used violence as a tool of their trade for some time, but recent violence in Mexico between drug cartels – and, particularly, violence against Mexican officials by the cartels – has risen to unprecedented and disturbing levels. About 6,000 drug-related murders occurred in Mexico last year alone, more than twice the previous year's total, which was also a record. These included the deaths of 522 military and law enforcement officials.

We are seeing limited increases in drug-related violence in the United States. This has come mainly in the form of cartel operatives committing violence against one another, the kidnappings of those involved in the drug trade or their family members, and assaults on Border Patrol agents by those attempting to bring illegal drugs into the

country. Mexican drug cartels maintain drug-distribution networks, or supply drugs to distributors, in at least 230 American cities, leading the Justice Department to call Mexican drug cartels the “greatest organized crime threat to the United States.”<sup>1</sup>

It is important to note that any increase of cartel-related crime we have seen in the United States is not the same kind, on nearly the same scale, as in Mexico. While kidnappings and weapons violations have risen in cities close to the border such as Phoenix, at the same time, most major U.S. cities in border states saw declines in their murder rates in 2008. For example, the police department of El Paso, Texas reported 17 murders in 2008, while over 1,600 drug-related deaths occurred that year directly across the border in Ciudad Juárez.<sup>2</sup>

The Department of Homeland Security works to fight border crime every day. U.S. Customs and Border Protection (CBP) interdicts shipments of smuggled contraband and prevents dangerous people from entering the country. U.S. Immigration and Customs Enforcement (ICE), by conducting investigations, cracks down on smuggling rings and arrests border criminals. The U.S. Coast Guard is heavily involved in drug interdictions at sea.

I have fought border crime for the past 16 years in my posts as Governor, Attorney General, and U.S. Attorney in the border state of Arizona. I have hiked, driven, flown in a helicopter, and even ridden horseback over our southwest border. While border crimes are not new to those of us who are from border states, they are troubling, which is why we are bolstering DHS’s ability to go after border criminals. For example, DHS is redeploying assets in support of border enforcement – doubling the number of

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<sup>1</sup> National Drug Intelligence Center, *National Drug Threat Assessment 2009*

<sup>2</sup> Crime data gathered from various sources by DHS Office of Intelligence and Analysis

ICE agents assigned to the Violent Criminal Alien Sections (VCAS) located in the five Southwest Border Field Offices, from 51 agents to 101. The VCAS works in coordination with U.S. Attorney's Offices to prioritize the felony criminal prosecution of recidivist criminal aliens.

While the United States has not witnessed a spike in border violence to nearly the same extent Mexico has – and while we are bolstering our efforts against spillover violence – we do not discount that we could see an increase in some crimes.

Accordingly, United States has a large security interest in Mexico's success in its battle against the drug cartels. The government of Mexico is not backing down from its efforts to rein in the smuggling cartels, and is instead pushing even more aggressively to strengthen security and the rule of law in Mexico. This effort touches every American community. Assisting in the fight against Mexican drug cartels is a critical step in fighting the drug trade in big cities and small towns across the nation. Another reason combating cartel violence on the Mexican side of the border is critical is that many Americans and Mexicans who live in border communities cross back and forth regularly – to work, to shop, or to visit family. Fear of the violence occurring in Mexican border cities has reduced crossings that are important to the lives of Americans and to the economic health of American border communities. The dynamic of the border region makes violence on one side of the border a pressing concern on both sides. The transnational nature of this threat clearly makes addressing the violence in Mexico a top priority in securing the United States.

#### **DHS Efforts**

The Department of Homeland Security is not waiting for the problem to worsen – we are taking action on numerous fronts to aid Mexico in its efforts against cartels and secure America against this threat. DHS has a unique set of statutory authorities and operational capabilities in identifying, interdicting and investigating criminal activity at our borders. DHS's combination of law enforcement and border management authorities place it in a position to address the causes and effects of border violence.

As I mentioned, the mission to address the security threat of drug cartel violence in Mexico is composed of several roles America must play. For one, we must provide assistance to the government of Mexico in its push to defeat the smuggling cartels. This is a long-term effort that means building partnerships among law enforcement agencies, providing training and equipment, engaging Mexican security officials about common threats, and ensuring our efforts are not undermined by corruption. Further, we must fight smuggling on our side of the border, which means ramping up our enforcement capabilities both at the border, and make greater use of intelligence against these criminal enterprises. We also must prepare for possible, if even in some cases unlikely, eventualities that could emerge from Mexico's drug war, including increased spillover violence into the United States.

In my testimony to the House Committee on Homeland Security on February 25, I outlined that securing America from this threat relies upon four interrelated actions: coordinating the federal response with state and local stakeholders and including local law enforcement in the United States in our efforts; building partnerships and leveraging existing relationships with Mexican law enforcement; combating the smuggling of illegal weapons into Mexico; and planning for worst-case scenarios. Working with the

Departments of Justice, State, and Defense, DHS is strengthening its actions in each of these areas.

***Including state and local law enforcement***

The partnership of state, local, and tribal law enforcement in the border region is essential to securing our nation against the threat of cartel violence. They have significant roles to play both in addressing the current violence and preparing for scenarios where violence in Mexico could further strain the United States.

Law enforcement agencies at the state, local, and tribal level have long fought border violence. They have deep operational knowledge of the border region. Confronting a multifaceted threat like border violence means federal agencies must constantly collaborate with our state and local partners, sharing resources and information.

With this in mind, DHS works collaboratively with state and local governments in a number of ways – though more remains to be done. The Department created the Homeland Security Intelligence Support Team at the El Paso Intelligence Center in 2007 to improve information sharing among federal agencies and with state and local partners. ICE is a member agency of the Organized Crime Drug Enforcement Task Force (OCDETF) Program, and actively participates in multi-agency OCDETF investigations of Mexican drug trafficking and money laundering organizations.

In 2006, DHS also created Border Enforcement Security Taskforces (BEST), which are led by ICE. BEST is not just a program, but an innovative model for collaborative law enforcement. The 12 BESTs that currently exist (of which eight are on our southwest border) include the participation of ICE, CBP, the U.S. Coast Guard, and

the DHS office of Intelligence and Analysis (I&A) on the DHS level; the Drug Enforcement Administration (DEA), the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the Federal Bureau of Investigation (FBI), and U.S. Attorney's offices on the Justice Department level; and state and local law enforcement agencies. Mexican law enforcement agencies also participate in BEST (see: *Partnership and interaction with Mexican law enforcement*), and the government of Mexico has agreed to provide representatives to every BEST team on the southwest border.

The BEST model has been successful: DHS and its partners have cracked down on arms trafficking, human smuggling, bulk cash smuggling, and narcotics smuggling organizations. These efforts have disrupted the ability of the cartels to cause violence in the United States and Mexico. Since July 2005, the BESTs have been responsible for 2,034 criminal arrests, 2,796 administrative arrests, 885 indictments, and 734 convictions. In addition, BESTs have seized approximately 7,704 pounds of cocaine, 159,832 pounds of marijuana, 515 weapons, 341,345 rounds of ammunition, 745 vehicles, and \$22.7 million in U.S. currency and monetary instruments.

The successes of the BEST model demonstrate that we should be doing more to use this collaborative approach to tackle border crime. On this front, DHS will shift investigators to the taskforces and double its efforts and increase the number of DHS agents working on BESTs from 95 to 190. This will greatly expand our ability to work with local law enforcement on cartel-related crime occurring on our side of the border.

In addition to BESTs, CBP has also overseen and developed the implementation of Border Violence Protocols. On a local level, the protocols have led CBP to institute monthly meetings between CBP, the Mexican government, and local and state officials to

foster cooperation. CBP has added eight Law Enforcement Tactical Centers (LETCs), which are central points of information-gathering for local law enforcement to share intelligence with CBP. Additionally, the DHS Office of Counternarcotics Enforcement is co-leading, along with the Department of Justice, an interagency effort to update the Southwest Border Counternarcotics Strategy. That strategy directs the coordination of counter-drug and border security initiatives to address the drug trafficking threat while enhancing overall border security. The Strategy includes efforts to improve coordination and support among federal, state, local, and tribal authorities.

In addition, DHS will make up to \$59 million available in Operation Stonegarden funding to enhance state, local and tribal law enforcement operations and assets along the border. Changes include expanding the scope of current Operation Stonegarden funds to pay for additional law enforcement personnel, operational overtime expenses, and travel or lodging for deployment to the southwest border.

As we work to bolster intelligence sharing and joint operations between DHS and state, local and tribal law enforcement along the southwest border, we also must completely integrate these levels of government into scenario planning. When spillover violence occurs, state and local law enforcement – not federal agencies – are the first responders. DHS has contingency plans in place for a significant increase in spillover violence (see: *Planning contingencies for worst-case scenarios*), and the first part of that contingency plan involves our support of state and local first responders in the event of spillover violence. DHS will continue to work with state, local, and tribal law enforcement – as well as interagency partners such as the ATF and DEA – as the threat of

cartel violence continues to evolve, so we can ensure that U.S. plans address the reality in border communities and are fully integrated with state and local response plans.

As you know, one of my major priorities as Secretary is to improve DHS partnerships with state, local, and tribal governments across the board. I should also note the same is also a priority of Congress and the Administration, which recently dedicated \$2 billion to the Byrne-Justice Assistance Grants program and \$1 billion to the Community-Oriented Policing Services (COPS) grant program through the Department of Justice. These two programs are critical to aiding local law enforcement, and the strengthening of them will have an effect on the ability of state and local law enforcement agencies on the border to improve their capabilities.

DHS will continue to work to improve our partnerships with state, local, and tribal law enforcement in all respects, especially as related to border violence.

***Partnership and interaction with Mexican law enforcement***

Assisting Mexico in its battle against drug violence requires strong coordination with Mexican law enforcement to ensure that Mexico and the U.S. are operating together in combating this transnational threat. DHS is engaging with Mexican authorities on a number of levels that are making our efforts more successful.

The cornerstone of U.S.-Mexico security cooperation is the Mérida Initiative, led by the Department of State. DHS is an enthusiastic partner in the Mérida Initiative. From the DHS perspective, Mérida is a platform to work more cooperatively with regional partners on addressing security threats and provides ways make America safer by developing regional security partnerships. We anticipate the largest DHS role under Mérida will be for CBP to aid Mexican authorities in adopting nonintrusive inspection

equipment. This equipment will help Mexican authorities screen for illegal substances and goods – including weapons – that are being smuggled into that country. DHS has a strong relationship with the State Department, and we look forward to building that relationship further and discussing with them, the Department of Justice, and other stakeholders ways that the Mérida Initiative could be strengthened.

DHS has a broad range of capabilities that present important opportunities to assist Mexico in confronting security threats. DHS has expertise in drug and weapons interdiction and combating bulk cash smuggling; maritime security; the gathering, sharing, and analysis of intelligence; conducting investigations; and the development and implementation of security technologies – all areas where DHS currently assists Mexican authorities in their battle against drug cartels, and where DHS is broadening its collaboration.

These partnerships take place under the aegis of the Mérida Initiative as well as outside it. DHS components such as CBP, ICE, and the U.S. Coast Guard have relationships with their Mexican counterparts and work with them to disrupt drug trafficking organizations. These relationships will be strengthened by Mérida's support for bilateral information sharing, law enforcement training, and interdiction efforts.

ICE's Border Liaison Officer (BLO) program allows ICE to more effectively identify and combat cross-border criminal organizations by providing a streamlined information- and intelligence-sharing mechanism. The BLO program creates an open and cooperative working relationship between the U.S. and Mexican law enforcement entities.

ICE currently partners with the government of Mexico on Operation Armas Cruzadas, which cracks down on arms smugglers (see: *Stopping illegal weapons smuggling into Mexico*). The ICE Attaché office in Mexico City has coordinated the establishment of vetted Special Investigative Units of Mexican officers that work with ICE special agents in Mexico to investigate and prosecute border crimes such as smuggling. Mexican agents are involved in DHS's Border Security Enforcement Taskforces on the Southwest border, to great effect (see: *Including local law enforcement*). Since August 2005, CBP has worked closely with Mexican officials on Operation Against Smugglers Initiative on Safety and Security (OASISS), a bilateral alien smuggler prosecutions program which enables both governments to share information and prosecute smugglers for crimes committed in the border region. We expect OASISS will be further strengthened by the Mérida Initiative. DHS and the government of Mexico also have a government-to-government agreement on science and technology for homeland security.

DHS is strengthening its coordination with the government of Mexico by reassigning on-board agents to immediately increase ICE Attaché personnel in Mexico by 50 percent. At present, there are 24 special agents in Mexico, and DHS is currently deploying 12 more to Mexico City, Tijuana, Hermosillo, Ciudad Juarez, and Monterrey. Through its attaché in Mexico City and associated sub-offices, ICE assists in efforts against transnational drug trafficking, weapons smuggling, human smuggling, and money laundering syndicates in Mexico. ICE Attaché personnel work day-to-day with Mexican authorities to combat these transnational threats, and these efforts will be assisted by more officers.

DHS is also immediately quadrupling the number of ICE officers in the Border Liaison Program by redeploying agents to support this important program. Currently, there are 10 border liaison officers in California and Texas – ICE will add 30 more to the southwest border.

These boosts to the ICE Attaché office and the Border Liaison Program will bolster our ability to fight border crime effectively and coordinate with Mexican enforcement efforts.

Close working relationships with Mexican officials will be critical to our efforts to execute the U.S. role in addressing this security threat. In my previous post as Governor of Arizona, one of my closest day-to-day working relationships with a fellow governor was with Governor Eduardo Bours of the state of Sonora, Mexico. Our collaboration proved critical to our states' development of innovative, binational ways to fight the threat of drug and human smuggling. I look forward to strengthening current DHS relationships with our Mexican counterparts and building new ones.

***Stopping illegal weapons smuggling into Mexico***

A large number of weapons recovered in Mexico's drug war are smuggled illegally into Mexico from the United States. Clearly, stopping this flow must be an urgent priority.

President Calderón has identified the illegal flow of weapons from the United States as one of the biggest security threats to his country. Stopping weapons smuggling is a particular challenge, both because of the nature of the southwest border and because much of the smuggling occurs in small shipments of a few weapons at a time. DHS is uniquely positioned to address this challenge. In order to confront the transnational

criminal groups operating across our common border, as early as next week, DHS will begin short-term increases to operations and programs designed to choke off the key resources for criminal groups: Guns and bulk cash. This will be done in concert with the ATF, DEA, and appropriate state and local law enforcement officials.

ICE and CBP partner in the eTrace initiative, led by ATF, an innovative partnership that aids Mexican officials in the forensic tracking of weapons used in drug cartel violence. CBP is also partnering with the DEA and High Intensity Drug Trafficking Area centers to expand the DEA-created National License Plate Reader initiative, which will lead to better intelligence on trafficking organizations. CBP and ICE, along with ATF and the DEA, have jointly developed the Southwest Border Trafficking Initiative to identify and disrupt weapons and ammunition smuggling. Discussions are ongoing within that initiative to address more detailed procedures regarding the coordination of multi-agency operations and information sharing.

Notably, ICE launched Operation Armas Cruzadas, a partnership with the government of Mexico to fight cross-border arms smuggling. Under Armas Cruzadas, ICE has taken an intelligence-driven, systematic approach to arms trafficking investigations. As part of this effort, ICE initiated a Weapons Virtual Task Force to create virtual communities where law enforcement can rapidly share intelligence and communicate in a secure environment through the Homeland Security Information Network (HSIN). ICE also created a U.S.-vetted Arms Trafficking Group of Mexican officers. Since inception, Operation Armas Cruzadas has resulted in 112 criminal arrests and the seizure of 116,478 rounds of ammunition, 1,417 weapons seizures, and \$3,341,388 in monetary instrument seizures.

We clearly need to do more, however. These successful seizures account for only a fraction of the weapons being smuggled into Mexico. That is why DHS is ramping up intelligence-driven enforcement against the southbound flow of weapons in a number of ways.

The bolstered ICE presence in the border region, increased collaboration with state and local authorities in the U.S., heightened resources dedicated to coordinating with Mexican officials, and improved support to state and local governments should all help to address southbound weapons smuggling. Still, DHS is taking additional steps to strengthen our efforts.

DHS will triple the number of intelligence analysts from DHS Office of Intelligence and Analysis on the southwest border. These analysts will provide the strategic, intelligence-driven guidance that will be a driving force behind the efforts of ICE and CBP to secure our borders and stop the flow of illegal weapons into Mexico. ICE operates a Border Violence Intelligence Cell at the El Paso Intelligence Center that provides intelligence support to BESTs. These enhancements in intelligence will also improve the Department's ability to assess whether it is using its resources at the border in the most effective possible way to secure America.

Further, CBP is now screening 100 percent of outbound rail cars on the southwest border. There are eight rail crossings along the southwest border, and previously, CBP did not screen any outbound cars, instead focusing only on inbound cargo. We are using existing non-intrusive inspection equipment to screen all outgoing cars for anomalies that could be weapons. DHS is also developing protocols to inform Mexican authorities of

anomalies CBP uncovers, since the rail cars will be on Mexican soil immediately after CBP inspection.

CBP is also moving swiftly to focus existing resources on the southwest border. The Z-Backscatter (ZBV) mobile X-Ray unit, used in a mobile inspection capacity to identify anomalies in passenger vehicles, has greatly assisted CBP officers in inspections. Nine ZBVs can be transferred to the southwest border immediately. CBP is also immediately deploying 100 Border Patrol agents to augment outbound inspections at the ports of entry; Border Patrol agents have not normally served in this capacity. Additionally, three Mobile Response Teams, consisting of 25 CBP officers each, have been placed on ready and are prepared to deploy to the southwest border to augment port of entry operations. Of the 75 mission ready Mobile Response Team members available, 15 have already been deployed to support a specific outbound operation along the southwest border.

In addition to addressing weapons smuggling, DHS is also combating the illegal movement of cash across the southwest border. One reason drug cartels pose such a dangerous threat is their extensive monetary resources. The U.S. must interrupt that illegal flow of money. Operation Firewall, led by ICE, addresses the threat of bulk cash smuggling. ICE and CBP have conducted various Operation Firewall operations with Mexican counterparts. ICE has also recently established a Trade Transparency Unit with Mexico to identify cross-border trade anomalies, which are often indicative of trade-based money laundering. Under this initiative, ICE and law enforcement agencies in cooperating countries work to facilitate the exchange of import and export data and

financial information. ICE's efforts led to more than \$50 million in cash seizures in fiscal year 2008.

Increased ICE presence in Mexico and at the border will strengthen efforts to reduce illegal bulk cash smuggling. The non-intrusive inspection equipment CBP will use to screen outbound rail cars for weapons will also be able to detect anomalies that could be bulk cash. Furthermore, CBP currently has 12 dual-detection canines, trained to detect both weapons and currency and that are operationally available, which are being deployed as a part of a strategy to catch outbound smuggling.

***Planning contingencies for worst-case scenarios***

I believe the United States can effectively help to suppress the violence in Mexico, by both doing our part on our side of the border and providing assistance to Mexican authorities. However, this does not mitigate our need to plan for worst-case scenarios, even if they are unlikely – and not only scenarios where the United States encounters significant spillover violence, but also other situations where DHS capabilities could be strained as a result of ongoing violence.

DHS has a plan in place to address border violence, authorized by former Secretary Chertoff in January. The plan, known as the Southwest Border Violence Operations Plan (“the Plan”), outlines a layered response to provide the appropriate level of support to local law enforcement and DHS components in the event of escalating violence. State and local law enforcement, however, had little input into the Plan, so we are in the process of collecting that input now, before the Plan is final.

The Plan provides a structure by which DHS and the federal government can coordinate an effective response, while remaining flexible to conditions on the ground.

Because of their predominant role at the border, CBP would serve as the lead DHS component responsible for the effort to prevent and respond to a significant escalation of violence along the southwest border, while the Plan also clarifies and coordinates the roles of other DHS components.

There are a number of cabinet departments and federal agencies involved in this effort to fight violence on the southwest border that DHS needs to partner with on contingency plans. The Department of Defense has been a close partner in scenario planning. Under current plans, any Defense support in responding to a border violence scenario would include the Department of Defense in a supporting role at a late stage. However, we are working with the Department of Defense to determine if there are other support roles for the Department of Defense to assist us in securing our southwestern border.

I have also asked my department that the Southwest Border Violence Operations Plan be revised to determine whether it will be responsive to other challenging contingencies apart from a rise in violence along the border.

We are also increasing DHS awareness of how state and local law enforcement resources are positioned, and how to coordinate calls for assistance from state and local governments. DHS is working among its components to develop an overarching plan that integrates existing component plans into one Department plan. This overarching plan will enhance the Department's ability to fully leverage all of our component capabilities in this critical effort. DHS' Office of Operations Coordination and Planning, which led on devising the current plan, will lead efforts to plan for additional scenarios, and to fully engage our state, local and tribal partners in DHS planning.

**Conclusion**

I thank the Committee for this opportunity to testify. As you can see, I am committed to addressing the threat of cartel violence in Mexico as a top homeland security priority for the United States. I look forward to working with Congress on securing America from this threat. I am happy to answer your questions.

TESTIMONY OF  
JAMES B. STEINBERG  
DEPUTY SECRETARY OF STATE  
DEPARTMENT OF STATE  
BEFORE  
THE SENATE HOMELAND SECURITY AND GOVERNMENT  
AFFAIRS COMMITTEE  
UNITED STATES SENATE  
March 25, 2009

Mr. Chairman, Ranking Member Collins, and Distinguished Members of the Committee:

Thank you for the opportunity to appear before this Committee today to discuss the threat that violence, organized crime, and drug-trafficking pose to the U.S. and to Mexico and the challenges we face along our shared border. It is appropriate that the Departments of State, Justice, and Homeland Security are all appearing before this Committee today. We must work together as a government and in partnership with Mexico to meet these challenges head on.

We are appearing before you just as Secretary Clinton is beginning a key trip to Mexico City and Monterrey. This trip, as well as President Obama's planned trip in April and the upcoming trips of the Secretary of Homeland Security and the Attorney General, highlights the importance of the issue before us. But it also underscores, as we look ahead, the great opportunity we have to build a new relationship with Mexico—one that can advance a wide range of shared interests and better position our societies for lasting success in an increasingly competitive world. As we talk about some of the urgent priorities we face to address criminal violence, it is important that we not lose sight of the bigger and bolder promise in this relationship and our mutual commitment to advance it.

Indeed, the spirit of the Mérida Initiative, which I will discuss further in my testimony, with its emphasis on partnership and shared responsibilities, has the potential to transform our already rich and multidimensional bilateral agenda with Mexico. These ties encompass everything from trade to energy to environmental issues; from making our borders operate more efficiently to collaborating on health issues. While

working together to meet the unprecedented threat represented by the criminal organizations is at the top of our bilateral agenda, our success in the Mérida Initiative will further reinforce the partnership we are building with Mexico on a host of bilateral issues.

Secretary Napolitano's testimony focused on the border and what we are doing there to improve security. The testimony of Deputy Attorney General Ogden is focused on how we are using our law enforcement resources to attack and dismantle the drug cartels, both in the United States and with our partners in Mexico. I would like to focus on what we are doing in partnership with Mexico and others, under the Mérida initiative, to build up institutional capacity needed to meet the challenges of cartels and criminal gangs. This institutional work is absolutely critical.

This hearing, and my testimony today, focuses on our common border with Mexico. However, it is important to stress that the problems at hand – drug trafficking, transnational criminal organizations, and violence – are a regional phenomena. They directly and immediately challenge our other neighbors in Central America and the Caribbean. Our response, therefore – embodied in the Mérida Initiative – must also be a regional one, and the Mérida Initiative furthers regional dialogue and engagement. Ultimately, the results of our efforts will enable the Government of Mexico, as well as the governments in Central America, Haiti and the Dominican Republic, to provide the stability needed for the creation of new economic opportunities and reinforce the critical role of democratic institutions and adherence to the rule of law.

I want to underline the urgency of our assistance through the Mérida Initiative – an urgency heightened by the current financial and economic crisis. The massive drug profits flowing from the United States are used to finance operations and suborn officials. With public sector budgets at risk, remittances declining, and job losses mounting in Mexico and throughout the region, organized crime and the cartels present an attractive alternative for those who see no other future.

The nature of our shared challenge is daunting. Since his inauguration in December 2006, President Calderon has taken decisive action against transnational criminal organizations by conducting counternarcotics operations throughout the country, and initiating large scale police and judicial reform. As the result of government pressure against the drug

trafficking organizations, and conflicts among these organizations over access to prime trafficking routes to the United States, drug-related assassinations and kidnappings have reached unprecedented levels. The cartels have become increasingly brazen, targeting police, military, journalists, and other security service personnel, and using graphic displays of public violence to intimidate communities. This three sided battle, in which cartels fight each other while attacking state authorities, represents a significant challenge to our nearest neighbor and to citizen security in Mexico and the United States. By some estimates, there were over 6,000 drug-related murders last year in Mexico, including the deaths of 522 military and law enforcement officials, more than double the level in 2007.

Compounding the danger of the situation, Mexico's drug trafficking organizations have, in recent years, acquired increasingly sophisticated and powerful weaponry. Smuggling equips the cartels with large caches of firearms, as well as items such as night-vision goggles and electronic intercept and encrypted communications capabilities. Municipal and state police are ill-equipped to confront such well armed and trained forces.

By disrupting the illicit drug market, President Calderon is beginning to reduce the earnings of major trafficking organizations, which has caused them to react. As challenging as this struggle has become, President Calderon has recognized that a failure to act would result in organized criminal elements digging even deeper into the fabric of Mexican society, thus raising the cost of dealing with these problems later. It was against this backdrop that our governments jointly-developed the Mérida Initiative to expand our cooperation and work with us in an unprecedented collaborative fashion.

*The Response: The Mérida Initiative*

To meet the challenges posed by transnational criminal groups and drug traffickers, Congress appropriated \$465 million for the first phase of the Mérida Initiative in the FY 2008 Supplemental - \$400 million for Mexico and \$65 million for Central America and the Caribbean - and an additional \$410 million in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2009. The Department of State, and specifically the Bureau of International Narcotics and Law Enforcement, has been charged with overseeing the largest portion of Merida funding. Implementing these foreign assistance funds is a collaborative effort. The

Department of State is working closely with key agencies like the United States Agency for International Development (USAID), and the Departments of Defense, Homeland Security, Justice, and Treasury both in Washington and at our Embassies in the region as well as with all our host nation partners. As we enter the phase of more concrete implementation, our collaboration will only accelerate.

#### *Interdiction and Border Security*

Nearly half of our present programs focus on interdiction, including support for the Mexican counterparts of our federal law enforcement agencies. To further advance this cooperation, funding under the Mérida Initiative focuses support for enhanced information systems; purchasing special investigative equipment, vehicles and computers for the new Federal Police Corps; and assessing security and installing equipment at Mexico's largest seaports.

Ongoing programs focus on border security by providing inspection equipment and associated tactical training to support inspection capabilities of police, customs and immigration. Funding also supports equipment and specially trained canine teams that will pursue drugs, bulk cash, explosives and other contraband. We also facilitate the real-time interchange of information related to potential targets. We expect the Department of Homeland Security (Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), The United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program, and U.S. Coast Guard), the Department of the Treasury (Internal Revenue Service-Criminal Investigations Division (IRS-CI)), Financial Crimes Enforcement Network (FinCEN), Office of Foreign Assets Control (OFAC)), and the Department of Justice (Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Organized Crime Drug Enforcement Task Forces, United States Marshals Service, the Criminal Division, the National Security Division, and the United States Attorneys) to play important roles in these areas.

Assistance provided under the Mérida Initiative and complementary domestic programs will increasingly seek to stem the flow of firearms across the border in order to counteract the impact of firearms smuggled from the U.S. For example, an expansion of ATF's eTrace, a firearms tracing program, will enable increased firearms trafficking investigations and

prosecutions. A Spanish language version of eTrace, intended to be ready by the end of the year, will be deployed throughout Latin America. In Mexico, eTrace will be operated exclusively in federal law enforcement facilities. In Central America, eTrace will be set up at each country's National Police Headquarters.

Several other programs that support interdiction and border security efforts include the following:

- Information technology support will assist Mexico's federal migration authorities in improving their database and document verification capabilities;
- Additional communications equipment will improve their ability to conduct rescue and patrol operations along Mexico's southern border;
- Equipment for a secure communications network, data management, and forensic analysis will strengthen coordination among Mexican law enforcement agencies and greatly enhance Mexico's ability to prosecute narco trafficking and other transborder crimes;
- Technologies such as gamma-ray scanners, density measurement devices, and commodity testing kits will help prevent the cross-border movement of illicit drugs, firearms, financial assets, and trafficked persons;
- Expansion of firearms tracing programs will enable increased joint and individual country investigations and prosecutions of illegal firearms trafficking;
- Enhanced information systems in Mexico that incorporate biometrics for identity management will strengthen analytical capabilities and interconnectivity across border, immigration and law enforcement agencies and improve information sharing with U.S. counterparts; and

- Additional helicopter transport and light aircraft in Mexico will improve interoperability and give security agencies the capability to rapidly reinforce law enforcement operations nationwide.

### *Corruption*

President Calderon has made fighting corruption a centerpiece of his efforts to rebuild public trust in Mexican institutions. Last year, his government launched a comprehensive anti-corruption investigation dubbed "Operation Clean House" that immediately resulted in the detention of six high-ranking law enforcement officials, including members of the Attorney General's Office (PGR), federal police and Mexican representatives to Interpol. Dozens more junior federal security officials have also been suspended or fired over corruption charges. Four high-ranking officials were allegedly receiving up to \$450,000 per month in bribes, according to the "Clean House" investigation.

Moreover, the Secretariat of Public Security (SSP) is leading efforts to restructure and improve the capacity of the federal police. For example, the SSP plans to develop the means to vet the entire federal police force -- and eventually all state and municipal police -- to stem corruption.

For Mexico, the Mérida Initiative contains resources to enhance polygraph programs, provide training for new police officers, and a very aggressive pre-employment screening process, in which we expect DHS and DOJ to be important implementation partners. Other Mérida Initiative programs for both Mexico and Central America include:

- Expanding existing "Culture of Lawfulness" projects that will reach across governmental institutions in order to promote respect for the rule of law among a variety of societal actors, including public school students and recruits at police academies;
- Training for ethics and anti-corruption under an existing police professionalization program (8,112 were trained last year) and citizen complaint offices so that the public can report alleged instances of corruption;
- Working with Mexican law enforcement agencies to encourage greater transparency and accountability, such as helping train and

equip inspector general offices, which will confront corruption throughout the federal bureaucracy.

#### *Judicial reform*

The Mérida Initiative includes various efforts to improve crime prevention, modernize Mexican police forces, and strengthen institution building and rule of law, for which USAID, DHS and DOJ and Treasury have special expertise to contribute. Case management software, technical assistance programs and equipment will support Mexico's judicial and police reforms by enhancing their ability to investigate, convict, sentence, and securely detain those who commit crimes as well as to block the movement of funds supporting these illicit activities. Training programs will support Mexico's development of offices of professional responsibility and new institutions designed to receive and act on citizen complaints. Increased training for prosecutors, defenders, and court managers in Central America will also assist with judicial reform.

#### *Prisons*

The Mérida Initiative will expand assistance on prison management and will aid in severing the connection between incarcerated criminals and their criminal organizations. This program will assist Mexico's efforts to improve the effectiveness of its prison system to better manage violent offenders and members of criminal networks. More than 220,000 prisoners crowd 438 state/municipal and six federal penal facilities. Of the 50,000 in federal facilities, some 19,000 are incarcerated awaiting sentencing. The Mexican Government is particularly interested in this program to develop a new maximum security prison by reviewing other federal prisons holding the most violent criminals, establishing related administrative regulations for their most effective management, and developing a curriculum for a dedicated corrections training academy. The training academy will be located in Xalapa, Veracruz, and plans to graduate as many as 4,000 new corrections officers by the end of the year.

#### *Anti-money laundering*

One of our existing programs supports anti-money laundering efforts by the Government of Mexico by assisting the Government's Financial Intelligence Unit (FIU) and supporting police and prosecutors who

investigate money laundering-related crimes. DOJ, DHS and Treasury are already making contributions in this area. As part of the Mérida Initiative, the U.S. will support the FIU through the expansion of software for data management and data analysis associated with financial intelligence functions and law enforcement.

#### *Demand Reduction*

In addition to rising levels of drug-related violence, chronic drug consumption has doubled since 2002 in Mexico to as many as 600,000 addicts, possibly 5 percent or 3.5 million people consume illegal drugs. The fastest growing addiction rates are among the 12 to 17 year old population, and consumption rates among women have doubled. The Mérida Initiative is building significantly on existing demand reduction programs by:

- supporting the National Council against Addictions' efforts to provide computer hardware for a distance learning platform for the entire country to facilitate training and technical assistance on drug prevention and treatment;
- establishing a national-level counselor certification system in order to improve the delivery of drug treatment services;
- creating Drug Free Community Coalitions to increase citizen participation in reducing drug use among youth; and
- providing an independent evaluation of the drug treatment/certification projects in order to assess training effects and long-range outcomes such as decreased drug use and reductions in criminal activity.

#### *Mérida Initiative Implementation*

All of the programs and projects funded through the International Narcotics Control and Law Enforcement (INCLE) account are moving forward through Letters of Agreement (LOAs) with the host nations in the region. On December 3, 2008, an LOA was signed with the Government of Mexico obligating \$197 million of the funding for counternarcotics programs. LOAs were also signed with Honduras on January 9, El Salvador on January 12, Guatemala on February 5, Belize on February 9, and Panama

on March 13. Other programs funded through other accounts (Foreign Military Financing and Economic Support Funds) are also moving forward in Mexico and Central America.

On December 19, 2008, the Governments of the United States and Mexico met to coordinate the implementation of the Mérida Initiative through a cabinet-level High Level Group, which underscored the urgency and importance of the Mérida Initiative on both sides of the border. A working level inter-agency implementation meeting was held February 3, 2009, in Mexico City with the aim of accelerating the implementation of the 48 projects through nine working groups for Mexico under the Mérida Initiative. A follow on meeting was held March 2.

Of course, the urgency of this effort dictates that we not wait for the infrastructure to be in place before delivering assistance. Initial projects under the Initiative have begun to roll out, including a bilateral workshop on strategies on prevention and prosecution of arms trafficking to be held in Mexico in April 2009, with the participation of the Secretary of Homeland Security and the Attorney General, the implementation of an anti-trafficking-in-persons system for the Attorney General's Office this month, the opening of three immigration control sites along the Mexico-Guatemala border that will issue biometric credentials to frequent Guatemalan border crossers in May 2009, and a train-the-trainer program for SSP Corrections officers, which will graduate 200 officers in June 2009.

The programs are being coordinated in close consultation with the Government of Mexico and our U.S. inter-agency partners, a complicated process given the number of agencies involved and the fact that we are establishing new relationships. We have created a process to ensure implementation of these important programs moves as quickly as possible, while ensuring the money is spent wisely.

We do not believe that these delays have impacted negatively on Mexico's counternarcotics efforts. In fact, the structure of the Mérida Initiative implementation teams is encouraging links between U.S. and Mexican agencies as well as closer working relations among agencies within each government. As Mérida Initiative planning and implementation progresses, we will see more effective law enforcement operations. Mérida programs were designed with the belief that strengthening institutions and capacity in partner countries will enable us to continue to act jointly, and

respond with even greater agility, confidence and speed to the changing tactics of organized crime.

### Firearms and Cash Trafficking

One area where cooperation could be enhanced is in seeking ways to interdict the flow of firearms and cash south into Mexico. Illegal drug proceeds are used to purchase firearms that drug trafficking organizations and associated armed groups use to battle each other as well as the institutions of the Mexican Government. As a result, violence in Mexican border cities has intensified to truly alarming levels and threatens to spill over into U.S. communities.

These firearms are primarily smuggled overland into Mexico using the same routes and methods employed when smuggling drugs north. Drug trafficking organizations typically rely on straw purchasers to acquire firearms at gun shows and pawn shops in the United States. These organizations also use associations with U.S.-based prison and street gangs to facilitate the smuggling of firearms across the border.

As the United States advances its partnership with Mexico under the Mérida Initiative, U.S. law enforcement agencies must continue to marshal resources at all levels, and maintain an effective, coordinated, comprehensive response to the threat of illegal firearms smuggling from the United States into Mexico. U.S. law enforcement, through the Departments of Justice and Homeland Security, are working together to address transnational firearms smuggling impacting Mexico and the United States. These efforts include, among many others, the ATF's Project Gunrunner and ICE's Operation *Armas Cruzadas*, and the expanding use of ATF's eTrace.

Under the Mérida Initiative, we will be providing non-intrusive inspection equipment that can help Mexican officials prevent firearms and cash smuggling at the border. A package of non-intrusive inspection equipment is ready pending final agreement from the Mexican Government, and will aid the work of the Mexican military, SSP and Customs service. CBP's contribution of expertise has been important to these projects.

It is the demand in the United States for illicit drugs which drives the narcotics trade. We must continue to invest in efforts to reduce our domestic

demand even as we assist Mexico with its own burgeoning demand problem. Progress on these three fronts is critical to the success of the Mérida Initiative, to protect our citizens, and, to defeat these criminal organizations.

## CONCLUSION

I want to conclude by emphasizing that every party involved in the Mérida Initiative fully recognizes that we share common objectives and responsibilities and that a true partnership is required to provide our citizens the safety and security they deserve. Mexico, as well as our other partners, have clearly demonstrated a willingness to take strong and decisive action, dedicating lives and committing increased resources while revamping law enforcement and justice sector institutions for this task.

While the Mérida Initiative was born out of crisis, this crisis provides us with a strategic opportunity to reshape our security cooperation relationship and expand dialogue with our partners on critical security and law enforcement issues. The Mérida Initiative provides us with a platform to enhance this partnership and work more effectively with our nearest neighbors in the hemisphere to counter a menace that threatens us all.

Thank you and I would be happy to answer any questions you may have.



# Department of Justice

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STATEMENT OF

DAVID OGDEN  
DEPUTY ATTORNEY GENERAL  
UNITED STATES DEPARTMENT OF JUSTICE

BEFORE THE

UNITED STATES SENATE  
COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS

HEARING ENTITLED

“SOUTHERN BORDER VIOLENCE: HOMELAND SECURITY  
THREATS, VULNERABILITIES, AND RESPONSIBILITIES”

PRESENTED

MARCH 25, 2009

Chairman Lieberman, Senator Collins and Members of the Committee, I appreciate the opportunity to appear before you today to discuss the Department of Justice's (the Department) role in addressing the alarming rise of violence perpetrated by warring Mexican drug trafficking organizations in Mexico and the effects of that violence on the United States, particularly along our Southwest Border. I want to share with you the Department's strategy systematically to dismantle the Mexican drug cartels, which currently threaten the national security of our Mexican neighbors, pose an organized crime threat to the United States, and are responsible for the scourge of illicit drugs and accompanying violence in both countries.

**Overview of Department of Justice's Mexico and Border Strategy**

The explosion of violence along the Southwest border is being caused by a limited number of large, sophisticated and vicious criminal organizations, not by individual drug traffickers acting in isolation. Indeed, the Department's National Drug Intelligence Center has identified the Mexican drug trafficking organizations (DTOs) as the greatest organized crime threat facing the United States today. That insight drives our response. There is much to do and much to improve upon. But the Department's strategy – built on its proven track record in dismantling transnational organized criminal groups, such as the mafia in the 1980s and 1990s – confronts the Mexican cartels as criminal organizations, rather than simply responding to individual acts of criminal violence. Pursued vigorously, and in coordination with the efforts of other U.S. government agencies like the Departments of State and Homeland Security and with the

full cooperation of the Government of Mexico, this strategy can and will neutralize the organizations causing the violence.

The Department's strategy to identify, disrupt, and dismantle the Mexican drug cartels has five key elements. *First*, the strategy employs extensive and coordinated intelligence capabilities. The Department pools information generated by our law enforcement agencies and federal, state and local government partners, and then uses the product systematically to direct operations in the United States and assist the efforts of the Mexican authorities to attack the cartels and the corruption that facilitates their operations. *Second*, led by experienced prosecutors, the Department focuses its efforts on investigation, extradition, prosecution, and punishment of key cartel leaders. As the Department has demonstrated in attacking other major criminal enterprises, destroying the leadership and financial assets of the cartels will undermine the entire organizations. *Third*, the Department pursues investigations and prosecutions related to the smuggling of guns, cash, and contraband for drug-making facilities from the United States into Mexico. The violence and corruption in Mexico are fueled by these resources that come from our side of the border. *Fourth*, the Department uses traditional law enforcement approaches to address spillover effects of cartel violence in the United States. These effects include the widespread distribution of drugs on our streets and in our neighborhoods, battles between members of rival cartels on American soil, and violence directed against U.S. citizens and government interests. *Fifth*, the Department prosecutes criminals responsible for the smuggling, kidnapping and violence in federal court. The ultimate goals of these operations are to neutralize the cartels and bring the criminals to justice.

Attorney General Holder and I are committed to taking advantage of all available Department resources to target, disrupt, and dismantle the Mexican cartels. Last month, the Attorney General announced the arrest of more than 750 individuals on narcotics-related charges under Operation Xcellerator, a multi-agency, multi-national effort that began in May 2007 and targeted the Mexican drug trafficking organization known as the Sinaloa Cartel. This Cartel is responsible for bringing tons of cocaine into the United States through an extensive network of distribution cells in the United States and Canada. Through Operation Xcellerator, federal law enforcement agencies--along with law enforcement officials from the governments of Mexico and Canada and state and local authorities in the United States--delivered a significant blow to the Sinaloa Cartel. In addition to the arrests, authorities seized over \$59 million in U.S. Currency, more than 12,000 kilograms of cocaine, more than 1,200 pounds of methamphetamine, approximately 1.3 million Ecstasy pills, and other illegal drugs. Also significant was the seizure of 169 weapons, 3 aircraft, and 3 maritime vessels.

Similarly, the Department's Project Reckoning, announced in September 2008, was a 15-month operation that severely damaged the Gulf Cartel. It was one of the largest and most successful joint law enforcement efforts between the United States and Mexico. Project Reckoning resulted in over 600 arrests in the U.S. and Mexico, plus the seizure of nearly 20,000 kilos of cocaine, tens of thousands of pounds of marijuana, thousands of pounds of methamphetamine, hundreds of weapons and \$71 million in currency. Perhaps most importantly, Project Reckoning led to the indictment against a triumvirate of Gulf Cartel leaders.

Operation Xcellerator and Project Reckoning were tremendous successes in the U.S. government's battle against the Mexican cartels and illustrate the strengths of the Department's strategy. These operations applied the classic law enforcement tools that the Department has successfully wielded against other large and sophisticated criminal enterprises to target the largest threats from the cartels. Neither would have been possible without the development and effective sharing of tactical and strategic intelligence between and among federal agency partners and the Government of Mexico and its law enforcement and special military components. They reflected multi-agency, multi-national. They reflected multi-agency efforts. Although both were led by the Drug Enforcement Administration (DEA), the Department worked closely with the Department of Homeland Security and included the active participation of the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the U.S. Marshals Service (USMS), Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP), and the Internal Revenue Service (IRS). In all, more than 200 Federal, state, local, and foreign law enforcement agencies contributed to the success of Operation Xcellerator and Project Reckoning. And these multi-year investigations will result in federal prosecutions in numerous states by various U.S. Attorneys' Offices and the Criminal Division's Narcotics and Dangerous Drug Section.

We believe that we have the right strategy for stopping the violence spawned by the cartels. But despite recent successes, we also recognize that we have much more work to do to implement it effectively. The cartels remain too powerful and able to move too many drugs into the United States. Too many guns and too much cash are moving south across the border into Mexico, where they fuel the cycle of violence. As a result,

the Attorney General and I are working to allocate additional resources to address this threat.

### **The Dimensions of the Current Threat**

The Mexican drug cartels pose a national security threat to Mexico and an organized crime threat to the United States. Drug-related violence, including kidnappings and increasingly gruesome murders, has skyrocketed in recent years in Mexico, particularly along the border with the United States. Drug-related murders in Mexico doubled from 2006 to 2007, and more than doubled again in 2008 to 6,200 murders. Almost 10 percent of the murders in 2008 involved law enforcement officers or military personnel. Mexican drug traffickers and their enforcers are also engaging in other violent crimes, including kidnappings and home invasion robberies -- primarily in Mexico but increasingly in U.S. communities as well. Although violence in Mexico has existed over the years, the bloodshed has escalated in recent months to unprecedented levels as the cartels use violence as a tool to undermine public support for the government's vigorous counter-drug efforts. Traffickers have made a concerted effort to send a public message through their bloody campaign of violence by leaving the bodies of their tortured victims out for public display to intimidate government officials and the public alike.

A significant portion of this increase in violence actually reflects progress by the governments of Mexico and the United States in disrupting the activities of the drug cartels. After President Felipe Calderon and Attorney General Eduardo Medina-Mora took office in 2006, and with support from the United States, the Government of Mexico

undertook a comprehensive program to break the power of the narco-traffickers, making record seizures of drugs, clandestine laboratories, and cash. Mexican law enforcement agencies have arrested many high level drug cartel members who are then being extradited to face prosecution in the United States in record numbers. This unprecedented pressure from the Government of Mexico has led to the increased violence directed at Mexican law enforcement and the Mexican government as a whole. As the Department and our federal agency partners have worked with Mexican authorities to disrupt and dismantle successive iterations of the most powerful cartels, their successors have escalated the fighting among themselves for control of the lucrative smuggling corridors along the Southwest border.

The violence in Mexico has direct and serious effects in the United States. According to the *2009 National Drug Threat Assessment (NDTA)* by the Department's National Drug Intelligence Center, Mexican drug trafficking organizations represent the "greatest organized crime threat to the United States," with cocaine being the leading drug threat. Mexican and Colombian drug trafficking organizations generate and launder between \$18 billion and \$39 billion in wholesale drug proceeds in the United States annually, a large portion of which is believed to be smuggled in bulk across the border back into Mexico; this cash further fuels the drug trade and its attendant violence. Similarly, firearms trafficking from the United States to Mexico contributes to escalating levels of violence on both sides of the border, as groups armed with military weapons and U.S.-based gangs serve as enforcement arms of the Mexican drug cartels. According to ATF's Tracing Center, 90 percent of the firearms about which ATF receives information are traceable to the United States.

**Intelligence-Based Targeting Is the Foundation for a Successful Response**

For more than a quarter-century, the principal law enforcement agencies in the United States have recognized that the best way to fight the most sophisticated and powerful criminal organizations is through intelligence-based, prosecutor-led task forces that leverage the strength, resources, and expertise of the complete spectrum of federal, state, local, and international investigative and prosecutorial agencies. It was this approach, for example, that fueled the ground-breaking Mafia prosecutions in the United States and Italy in the late 1980s and 1990s. The Department is applying these same intelligence-driven tactics that broke the back of the Mob to fighting the Mexican drug cartels.

The Department works through several programs to develop a full range of strategic, operational, and tactical intelligence against the Mexican cartels.

First, since 2003, the Department has worked with the drug enforcement community to develop the Attorney General's Consolidated Priority Organization Target (CPOT) list of international "Most Wanted" drug kingpins. Of the approximately 50 worldwide cartels currently on the list, 19 of them are Mexican enterprises. This list helps the Department and our federal agency partners focus critical resources on the greatest threats.

Second, the Department leads two multi-agency intelligence centers and an operational center that provide tactical and operational support in targeting the largest and most dangerous Mexican cartels and focusing law enforcement resources. The El Paso Intelligence Center (EPIC) is led by the DEA with participation of more than 20 agencies. It provides critical, case-specific tactical intelligence. For example, if a

highway patrol officer stops a vehicle in the middle of the night, EPIC may have information about the vehicle, driver or passengers that can be provided in real time. EPIC focuses specifically on the Southwest border but tracks broader tactical data. The ATF's "Gun Desk" at EPIC serves as a central repository for all intelligence related to firearms along the Southwest border. The FBI will shortly join the facility through a Southwest Intelligence Group (SWG), which will be used to coordinate information and intelligence relating to the Southwest Border and to better disrupt and dismantle the ongoing violent criminal activity.

The Special Operations Division (SOD) is a DEA-led multi-agency operational center, but its functions go beyond the gathering and processing of intelligence. The SOD provides strategic support and coordination for long-term, multi-agency investigations. It passes leads that have been developed from intelligence sources to field investigators and coordinates the resulting investigations. It targets the command and control communications of major drug trafficking and narco-terrorism organizations. Special emphasis is placed on those major drug trafficking and narco-terrorism organizations that operate across jurisdictional boundaries on a regional, national, and international level. Operation Xcellerator was initiated as a SOD investigation. The transnational nature of narcotics trafficking results in numerous agencies from Federal, State and Local departments involved in the fight to stop the flow of narcotics into our communities. Working through the Organized Crime Drug Enforcement Task Force Fusion Center, SOD serves a critical role in the de-confliction of investigative efforts to prevent the occurrence of law enforcement from targeting one another.

The Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, an intelligence center co-located with SOD, is a comprehensive data center containing drug and related financial data from DEA, ATF, FBI, IRS, the USMS, the U.S. Coast Guard, National Drug Intelligence Center (NDIC), EPIC, the Financial Crimes Enforcement Network (FinCEN), the Department of State's Bureau of Consular Affairs, and other key players in the international drug enforcement world. Like the SOD, it provides critical support for long-term and large-scale investigations. It conducts cross-agency and cross-jurisdictional integration and analysis of drug related data to create comprehensive pictures of targeted organizations. The Fusion Center passes actionable leads to field investigative units.

#### **Focused Law Enforcement Initiatives**

The Department's efforts are focused on three underlying aspects of the problem: drugs, guns, and cash; and are part of an integrated and coordinated operational response from Department law enforcement components in coordination with one another and federal agency counterparts.

##### **1. Movement of Drugs**

DEA has the largest U.S. drug enforcement presence in Mexico with 11 offices in that country. DEA Mexico primarily focuses its resources at the command and control infrastructure of the Mexican cartel leaders with the goal of removing the top layers of cartel leadership, who are essential to the operation of these criminal enterprises. To achieve this goal, DEA Mexico supports and/or facilitates operations by both the Mexican Federal Police and Military Special Forces to locate and capture cartel leaders

and their associates. Project Reckoning and Operation Xcellerator are recent examples of this successful partnership. DEA also sponsors the Sensitive Investigative Units (SIU), elite vetted units of Mexican law enforcement and military which undergo robust background investigations and polygraph examinations, resulting in trusted counterparts throughout Mexico.

DEA also targets the cartels through its “Drug Flow Attack Strategy” (DFAS), an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money and chemicals between the source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. DFAS calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones around the world.

Department law enforcement components cooperate with the Department of Homeland Security and other federal agencies on EPIC’s “Gatekeeper Initiative.” A “Gatekeeper” is a person or group whose role is “to facilitate the taxation and protection of contraband loads (including illegal aliens) and to enforce the will of the cartel through bribery, intimidation, extortion, beatings, and murder.” These Gatekeepers control territory along the border and are key to cartel smuggling operations in both directions. The Gatekeeper Initiative, combines the statutory expertise and authorities of its multi-agency members – DEA, FBI, the U.S. Marshals, IRS, ICE, ATF, and CBP to: (1) establish multi-district investigations of the Gatekeepers and their organizations operating along the Southwest Border, including the identification and investigation of corrupt law enforcement officials on both sides of the border; (2) identify additional activities of the

Gatekeepers in other regions and pass investigative leads to those jurisdictions; (3) disrupt drug trafficking patterns along the Southwest Border by attacking the smuggling of major cartels; and (4) target the illegal purchase and distribution of firearms by Gatekeepers.

Within the United States, DEA has worked with the Department of Homeland Security to implement its "License Plate Reader Initiative" in the Southwest border region to gather intelligence, particularly on movements of weapons and cash into Mexico. The system uses optical character recognition technology to read license plates on vehicles in the United States traveling southbound towards the border. The system also takes photographs of drivers and records statistical information such as the date, time, and traffic lane of the record. This information is then compared with DEA and CBP databases to help identify and interdict vehicles that are carrying large quantities of cash, weapons, and other illegal contraband toward Mexico.

## **2. Trafficking of Guns**

Given its statutory mission and authority, ATF is principally responsible for stopping the flow of weapons from the United States south to the cartels. Merely seizing firearms through interdiction will not, by itself, stop firearms trafficking to Mexico. ATF, in collaboration with other law enforcement entities, seeks to identify, investigate, and eliminate the sources of illegally trafficked firearms and the networks for transporting them.

Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence by the cartels along the Southwest border. It includes special agents dedicated to investigating firearms trafficking on a full-time basis and industry

operations investigators (IOIs) responsible for conducting regulatory inspections of Federal Firearms Licensees (FFLs) along the Southwest Border. Since 2007, ATF has inspected approximately 95 percent of the FFLs in the region.

Congress has recently allocated an additional \$15 million in support of Project Gunrunner. These funds will allow ATF to open five new field offices staffed with Special Agents and IOIs. With these additional resources, ATF can identify and prioritize for inspection those FFLs with a history of noncompliance that represents a risk to public safety, as well as focus on primary retailers and pawnbrokers who sell the weapons of choice for drug cartels. In addition, the funds will be used to send additional Special Agents to consulates in Mexico.

The tracing of firearms seized in Mexico and the United States is an essential component of the strategy to curtail firearms trafficking along the Southwest border. When a firearm is traced, specific identifying information – including the make, model, and serial number – is entered in the ATF Firearms Tracing System (e-Trace), which is the only federal firearms tracing system. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and then investigate how the gun came to be used in a crime or how it came to be located in Mexico. Furthermore, analyses of aggregate trace data can reveal trafficking trends and networks, showing where the guns are being purchased, who is purchasing them, and how they flow across the border. Without tracing data, federal officials would be forced to rely solely on interdiction efforts to gain investigative leads, an often ineffective use of federal resources. As part of the Mérida Initiative, discussed below, ATF received \$4.5 million to initiate a Spanish version of ATF's e-trace to Mexico. ATF is working with Mexican officials to increase

their current usage of the gun tracing system, with deployment to nine U.S. consulates in Mexico set for December of this year.

### **3. Bulk Currency Shipments and Money Laundering**

The spike in violence in Mexico among the cartels stems from fights over market share and profits as the Mexican and U.S. governments have, by working together, succeeded in applying greater pressure against them. In addition to removing the leadership ranks of the cartels, the Department is waging a war to take their assets too. Again, as with any other criminal enterprise, the Department places a high priority on attacking and dismantling the financial infrastructure of the Mexican drug trafficking organizations.

For example, the Department has established a "Bulk Currency Money Laundering Initiative," which investigates bulk currency movement along transportation routes in the Southwest. Although we do not know the exact amount of bulk cash flowing back across the U.S. border to the Mexican DTOs, the National Drug Intelligence Center estimates that Mexican DTOs generate approximately \$17-\$38 billion annually in gross wholesale proceeds from their distribution of illicit drugs in the United States. State and local agencies, which encounter the vast majority of currency seizures on the highways, often lack the resources necessary to conduct follow-up investigations that will lead to the identification and prosecution of the major drug organizations that own the smuggled cash. Again we have worked in partnership with the Department of Homeland Security, the component agencies of which have primary responsibility for securing the U.S. border. This Strategic Initiative is designed to enhance all the federal, state, and local agencies' efforts through coordination and cooperative investigation. Federal

agencies currently participating in this initiative include ATF, DEA, FBI, ICE, IRS, the USMS, and the U.S. Attorney's Offices.

Between 2007 and 2008, \$2.9 billion were forfeited under the Department of Justice Asset forfeiture program. Under the National Asset Forfeiture Strategic Plan, asset forfeiture is integrated into every appropriate investigation and prosecution, recognizing that asset forfeiture is a powerful law enforcement tool that strips criminals of their illicit wealth.

Finally, under the Mérida Initiative, discussed below, the Department is sharing its expertise with Mexican investigators and prosecutors to strengthen Mexico's own asset forfeiture laws and authority.

#### **Federal Prosecution Along The Border**

The United States Attorneys have over 540 prosecutors in the five Southwest Border districts, handling national and district-level priorities involving narcotics trafficking, gun-smuggling, violent crimes, and immigration offenses. Each of the Southwest Border United States Attorneys' offices works closely with federal, state, and local investigative agencies on the initiatives described above. The United States Attorneys' offices are on the front lines of the national effort to prosecute both large-scale criminal enterprise cases involving significant trafficking organizations as well as other criminal offenses arising at the border with Mexico. The United States Attorneys also coordinate with Mexican prosecutors to share evidence in appropriate cases to ensure that justice is achieved either in U.S. or Mexican courts.

During the past three years, U.S. Attorney's Offices and the Department's Criminal Division have seen a significant increase in the number of international fugitives returned to face justice in the United States through international extradition. Colombia and Mexico have extradited fugitives to the United States during this time in unprecedented numbers. Some of those extradited were significant cartel leaders, including major figures of the Tijuana and Gulf Cartels. For example, Osiel Cardenas Guillen, leader of the Gulf Cartel, was extradited in January 2007. Last December, Mexico extradited Juan Diego Espinosa Ramirez, "El Tigre," a Colombian associate of the Sinaloa Cartel wanted by the DEA. Last month Mexico extradited Miguel Caro-Quintero to the United States to face federal narcotics trafficking and racketeering charges brought by the Department; Caro-Quintero is the former head of the now-defunct Sonora Cartel and was responsible for trafficking thousands of metric tons of cocaine and marijuana to the U.S. in the 1980s and 1990s. (Caro-Quintero is also the younger brother of Rafael Caro-Quintero who was the mastermind behind the kidnapping, torture, and murder of DEA Special Agent Enrique "Kiki" Camarena in 1985.) Just last week, the Mexican government announced the arrest of Vincente Zambada, a top Sinaloa cartel leader, who has been indicted on federal narcotics charges in the U.S.

To build on these successes, and to handle the growing number of cases involving international extraditions and foreign evidence more effectively, the Department is in the process of establishing an OCDETF International Unit within the Criminal Divisions Office of International Affairs (OIA), which will focus on mutual legal assistance to other countries. The Unit will expand the current level of cooperation with our foreign

counterparts in the arrest, extradition, and successful prosecution of cartel leaders and their subordinates.

### **Responding to the Threat with Additional Resources**

Although the elements of the Department's proven prosecutor-led, intelligence-based strategy are in place, we have much work to do to implement it effectively to combat the Mexican cartels. The Department has taken the following steps to buttress our law enforcement resources along the Southwest border.

- **Increased DEA presence on the border.** DEA is forming four additional Mobile Enforcement Teams (METs) to specifically target Mexican methamphetamine trafficking operations and associated violence, and anticipates placing 16 new positions in its Southwest border field divisions. 29 percent (1,171) of the DEA's domestic agent positions are now allocated to the DEA's Southwest border field divisions.
- **Re-allocation of 100 ATF personnel to Southwest border within the next 45 days.** ATF is redeploying 100 employees, including 72 agents, under Project Gunrunner, primarily to Houston and South Texas based on ATF intelligence on drug trafficking patterns. The FY 2009 budget and Recovery Act include additional new funding for Project Gunrunner as well. In particular, \$10 million in American Recovery and Reinvestment Act funding is being used to hire 37 ATF employees to open, staff, equip, and operate new Project Gunrunner criminal enforcement teams (in McAllen, TX; El Centro, CA; and Las Cruces, NM), and to assign two special agents to each of the U.S. consulates in Juarez and Tijuana to

provide direct support to Mexican officials on firearms-trafficking-related issues. ATF will also open new Gunrunner field offices in Phoenix, AZ and Houston, TX under the FY2009 Budget and will add 30 additional ATF personnel in those areas.

- **OCDETF is adding to its Strike Force capacity along the Southwest border:** OCDETF is expanding the staffing of its joint interagency Strike Forces along the Southwest Border (in San Diego and Houston); within the last year, OCDETF has also established two new Strike Forces, one in Phoenix and one in El Paso. In addition, OCDETF is adding one full-time financial analyst contractor for each of the Strike Forces and placing an intelligence analyst team from the National Drug Intelligence Center with each Strike Force, following a model currently in place with the Houston Strike Force. The Department intends to roll out additional teams across the Southwest Border.
- **Increased FBI focus.** The FBI is enhancing its efforts to disrupt drug activity and to dismantle gangs that may have connections to the violent Mexican drug cartels by participating on Organized Crime and Drug Enforcement Task Forces. In addition, to address the surge in kidnappings, the FBI is working closely with Mexican police officials on a Bilateral Kidnapping Task Force. This task force investigates cases along the border towns of Laredo, Texas, and Nuevo Laredo, Mexico. Aside from operational task forces, each of our border offices has Border Liaison Officers who travel to Mexico on a weekly basis to liaison and coordinate with law enforcement partners. These tools provide local law enforcement on both sides of the border with a rapid response force to

immediately pursue, locate and apprehend violent crime fugitives who commit their crimes and flee across the international border to elude capture.

- **Increased funding to combat criminal narcotics activity stemming from the Southern border.** The American Recovery and Reinvestment Act includes \$30 million, to be administered by the Department's Office of Justice Programs, to assist with state and local law enforcement to combat narcotics activity along the Southern border and in High Intensity Drug Trafficking Areas, including the \$10 million that is required by statute to be allocated to Project Gunrunner.
- **Public relations campaign.** ATF is doing a public education campaign in Houston and San Antonio, TX this summer on illegal straw purchasing. This will include press conferences, radio, TV, billboards, and seminars with people who have federal licenses to sell firearms.

#### **The Mérida Initiative**

Let me conclude with a brief mention of the Mérida Initiative. The Department strongly supports the Mérida Initiative, which provides an unprecedented opportunity for a highly coordinated, effective bilateral response to criminal activity on our Southwest border. The Department has been and continues to be actively involved in the Mérida Initiative planning and implementation both on an interagency and bilateral basis. One of the first Mérida Initiative programs in Mexico is a ministerial level Strategy Session on Arms Trafficking, funded by the government of Mexico and the U.S. State Department, and developed and designed by the Department in conjunction with DHS and the U.S. Embassy in Mexico City, to be held in Mexico on April 1 and 2. Attorney General Holder

and Secretary Napolitano are scheduled to attend, joining their Mexican counterparts for the second day of the conference.

The Department's Criminal Division and law enforcement agencies already are working with our Mexican counterparts to enhance and strengthen Mexico's operational capacities to effectively combat narco-trafficking, firearms trafficking and other organized criminal enterprises, including trafficking in persons. The Mérida Initiative provides increased support for our joint efforts with Mexico in these and other areas of mutual concern. These efforts have focused on the development of intelligence-based targeting and prosecutor-led multi-agency task forces, collection of evidence, and extradition. The Department has been and continues to be an active participant and partner in the Mérida Initiative interagency planning and implementation both in Washington DC and as an integral member of the country team at Embassy Mexico City.

### **Conclusion**

Thank you for your interest in the Department's efforts to combat the alarming rise of violence in Mexico along the Southwest border, as well as our views about the most effective ways to address the current threat. In order to attack the full spectrum of the drug cartels' operations – drug trafficking, kidnapping, bribery, extortion, money laundering and smuggling of profits, and trafficking and use of dangerous weapons – we must employ the full spectrum of our law enforcement agencies' resources, expertise, and statutory authorities. By continuing to work together, building on what we have done well so far and developing new ideas to refresh our strategies, we can rise to the current challenge. Again, thank you for your recognition of this important issue and the opportunity to testify here today. I will be happy to answer any questions you may have.

<b>Question#:</b>	1
<b>Topic:</b>	drug trafficking
<b>Hearing:</b>	Southern Border Violence: Homeland Security Threats, Vulnerabilities and Responsibilities
<b>Primary:</b>	The Honorable Michael Bennet
<b>Committee:</b>	HOMELAND SECURITY (SENATE)

**Post-Hearing Questions for the Record  
Submitted to Secretary Napolitano  
From Senator Michael Bennet**

**Question:** The trafficking of drugs, in particular methamphetamine has devastated communities in Colorado. In spite strict laws in place and the best efforts of local law enforcement, methamphetamine abuse is costing the state close to \$1.4 billion. The largest source of methamphetamine are plants run by these cartels, which then traffic the drug through their affiliates in Colorado's cities and towns. What is being done to curb the manufacture of methamphetamines in plants that are just across the border? Are there any strategies in place to limit not just the ability of cartels to smuggle in massive quantities, but also to produce the illicit drugs in the first place? Are the raw materials, ingredients and precursors that these cartels are using, simply freely available to them? What can we do to draw down their access to these ingredients? Also, my concern stems from the use of highways and secondary roads by cartels and their affiliates to transport illicit drugs and money in and out of states such as Colorado. Has the Agency looked at ways to focus on secondary roads security and methamphetamine trafficking?

**Response:**

The Department of Homeland Security has been actively engaged with our Federal, state, local, tribal, and international partners in halting the production and trafficking of methamphetamine. Through the Mérida Initiative, the Department is supporting the U.S. Department of State's foreign assistance efforts to help strengthen Mexico's law enforcement and judicial capacities. As drug cartels battle the Mexican Government and one another, often in response to successful counternarcotics measures in the United States and Mexico, we have seen significant disruptions in the availability of such drugs as cocaine and methamphetamine in U.S. markets. Along with the Mérida Initiative, the Administration's recently released National Southwest Border Counternarcotics Strategy provides a framework for a comprehensive national response to threats along the Southwest Border – including the production and trafficking of methamphetamine.

Across the border, the Government of Mexico (GOM) has mounted an unprecedented effort to stop the manufacture and flow of methamphetamine, as well as curtail the power of drug cartels. Mexico's restructuring of its security forces, coupled with its military's strong engagement in the fight to dismantle major drug trafficking organizations has proven to be effective in arresting key narcotraffickers, increasing the discoveries of clandestine methamphetamine laboratories, and decreasing the flow of methamphetamine into the United States. Mexico reported several significant seizures of pseudoephedrine tablets during 2008 – the most significant occurred on September 17, 2008 when

<b>Question#:</b>	1
<b>Topic:</b>	drug trafficking
<b>Hearing:</b>	Southern Border Violence: Homeland Security Threats, Vulnerabilities and Responsibilities
<b>Primary:</b>	The Honorable Michael Bennet
<b>Committee:</b>	HOMELAND SECURITY (SENATE)

Mexican authorities seized approximately 5.6 million pseudoephedrine tablets at the Benito Juárez International Airport in Mexico City, Mexico. Additionally, in June 2009, the Mexican Navy destroyed one of the largest meth labs ever found in Mexico – seizing enough precursor chemicals to produce over 40 metric tons of methamphetamine. GOM prohibition on the entry of methamphetamine precursor chemicals into the country resulted in a significant decrease in the import of precursors into Mexico from 2007-2008.

U.S. law enforcement is responding in kind. On March 24, 2009, I announced that the Department is taking the following specific additional steps to complement U.S. efforts to improve security along the Southwest Border (SWB):

- Double Border Enforcement Security Task Force teams that incorporate foreign, Federal, state, and local law enforcement and intelligence officers;
- Triple the number of DHS intelligence analysts working along the U.S. SWB;
- Increase U.S. Immigration and Customs Enforcement attaché staff in Mexico in support of Mexican law enforcement efforts;
- Double Violent Criminal Alien teams located in SWB Field Offices;
- Quadruple the number of Border Liaison Officers working with Mexican law enforcement entities;
- Bolster Secure Communities Biometric Identification capabilities;
- Increase southbound rail examinations;
- Enhance the use of technology at ports of entry, including backscatter mobile x-ray;
- Increase the number of canine units– trained to identify both firearms and currency –operating on the SWB;
- Increase engagement with State and local SWB law enforcement and leading bi-monthly conference calls with chiefs of police and sheriffs in a classified setting;
- Grant guidance for the remaining balance of Operation Stonegarden to make available up to \$59 million in current funding to enhance state, local, and tribal law enforcement operations and assets along the SWB and help to pay for additional law enforcement personnel, operational overtime expenses, and travel or lodging for deployment to the southwest border.
- Increase the use of mobile license plate readers for southbound traffic on the SWB to improve CBP's ability to identify the vehicles of known or suspected smugglers of cash, weapons, drugs, or persons. This information is shared

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with other law enforcement agencies through EPIC and the OCDETF Fusion Center.

- Continue Armas Cruzadas—a DHS-led bilateral law enforcement and intelligence-sharing operation to thwart export of arms from the United States into Mexico; and
- Continue Operation Firewall—a DHS-led comprehensive law enforcement operation targeting criminal organizations involved in the smuggling of large quantities of U.S. currency.

Additionally, on June 18, 2009, DHS' Immigration and Customs Enforcement and the Department of Justice, Drug Enforcement Administration DOJ DEA entered into an Interagency Cooperation Agreement which will greatly enhance the government's ability to combat the flow of illegal drugs into the United States by strengthening the sharing of drug intelligence and the coordination and deconfliction of drug enforcement investigations. By utilizing ICE's expertise in investigating the unlawful import and export of contraband, and harnessing DEA's expertise in enforcing the controlled substances laws, the agencies can most effectively dismantle and disrupt trafficking organizations like those which are engaged in violence along the Southwest border.

These actions will provide critical additional capabilities needed to apprehend dangerous cartel leaders, disrupt their operations, improve border security measures, and reduce the cross-border smuggling of methamphetamine and other illicit drugs, as well as bulk cash and weapons.

The Department of Treasury's Office of Foreign Assets Control (OFAC), which levies sanctions to augment law enforcement activities against cross-border smuggling, recently identified a pharmaceutical company, tied to the Amezcua Contreras drug trafficking organization, which was involved in the illicit manufacturing of pseudoephedrine – a key methamphetamine precursor chemical. The Department of Justice has enhanced its efforts along the SWB by increasing the number of Drug Enforcement Administration (DEA) offices and personnel and continuing its aggressive enforcement operations targeting the leaders and infrastructure of Mexican cartels. DEA closely coordinates with its Mexican counterparts to support methamphetamine enforcement operations, provide operational training, increase public awareness, and facilitate intelligence collection. As demonstrated by the most current available data, these efforts have made an impact, with higher prices and lower purity for methamphetamine and declining seizures on the border.

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In the United States for calendar year 2008, a total of 15 "super" methamphetamine laboratories were located and destroyed – a reduction from 27 labs in 2007. This decrease in methamphetamine lab seizures may be a result of the reduced availability of precursor/essential chemicals due to stronger domestic Federal and State legislation. Certainly the actions taken by the Government of Mexico seem to have had an impact on production in Mexico. Despite this positive trend, some Mexican drug trafficking organizations appear to be moving their production operations into the United States and circumventing Federal and state pseudoephedrine sales restrictions by making numerous small-quantity, pseudoephedrine product purchases from multiple vendors. This type of purchase is more commonly known as "smurfing". We need to continue to pursue controlling the sale of precursor chemicals by placing these chemicals in a more restrictive schedule of drugs or at the very least through legislation that will cause the precursor material to be placed behind the counter and not easily accessible.

Every day, hundreds of thousands of state, local, and tribal law enforcement officers work in conjunction with Federal agents to halt the flow of illicit narcotics on our nation's highways. Through programs like the High Intensity Drug Trafficking Area (HIDTA), the Organized Crime Drug Enforcement Task Force (OCDETF), and the DEA-led Special Operations Division (SOD), important resources are provided to support investigations, facilitate information sharing, enhance operational coordination, and promote special strategic initiatives. The Domestic Highway Enforcement (DHE) Program examines specific ways to secure highways and secondary roads from drug trafficking. In 2008, DHE reported the seizure of over \$600 million in narcotics and conducted investigations of over 160 drug trafficking organizations. The El Paso Intelligence Center, National Drug Intelligence Center, High-Intensity Drug Trafficking Areas, along with Federal, state, and local law enforcement agencies, routinely coordinate information, exchange intelligence, and share situation reporting on highway seizures. With the signing of the Interagency Cooperation Agreement on June 18, 2009, ICE joins DEA in participating fully in the Organized Crime Drug Enforcement Task Force (Fusion) Center and El Paso Intelligence Center (EPIC) which will help the two agencies closely coordinate investigations. ICE and other federal law enforcement agencies will also be able to share information about the seizure of money and other contraband from those engaged in criminal conduct. This type of information sharing enables the agencies to make important links between these seizures and international drug trafficking organizations.

**Deputy Attorney General Ogden****“Southern Border Violence:  
Homeland Security Threats, Vulnerabilities and Responsibilities”  
March 25, 2009****QUESTION FOR THE RECORD FROM SENATOR BENNET**

- 1. Colorado is directly impacted by the activities of Mexican drug cartels through the sale and distribution of methamphetamine in the state. Abuse of methamphetamine costs the state up to \$1.4 billion a year. Given the fact that Mexico is the number one manufacturer and distributor of methamphetamine to the United States, what efforts are being made by the Department of Justice to coordinate with local law enforcement on trafficking within states? Are there improvements needed in the law that would enhance your ability and those of local law enforcement to limit the access of cartels to highways and secondary roads?**

**RESPONSE:**

DEA continues to build strong partnerships with State, local, and Tribal law enforcement agencies in conjunction with OCDETF and High Intensity Drug Trafficking Area (HIDTA) Programs. These task forces, which regularly include state highway law enforcement agencies, serve to act as a force multiplier when targeting the transportation cells of major trafficking groups.

DEA currently operates more than 256 task forces across the United States. These task force groups consist of 1,896 DEA Special Agents and 2,175 State and local task force officers. Our agents work hand-in-hand with these State and local officers, conducting highly effective investigations that prove beneficial to all participants. Additionally, these task force groups allow for asset sharing of drug proceeds. In just FY-2008 alone, DEA provided approximately \$4,347,833.86 in asset sharing to State and local agencies within the State of Colorado.

Another option afforded to State and local agencies is DEA's El Paso Intelligence Center which operates 24/7. This facility allows State and local law enforcement agencies to report drug seizures, clandestine lab seizures, and other intelligence, and to access analytical tools and support enabling them to coordinate investigative efforts and disseminate intelligence information as needed.

Task force partnerships also allow us to focus on the domestic cells of the Mexican cartels involved in methamphetamine trafficking, such as in Operation Xcellerator and Operation Reckoning, which allow for strategic and surgical multi-jurisdictional enforcement operations.

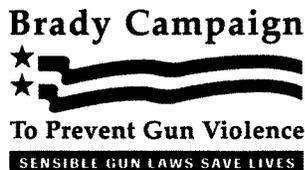
Moreover, the Drug Enforcement Administration (DEA) provides an array of both general and specific training for State and local law enforcement. Examples of the types of training DEA offers includes Operation Pipeline training, Operation Jetway training, money laundering, T-III wire intercept courses, and Internet intercept training -- all of which are designed to hone the skills of officers in an effort to stop interstate movement of drugs.

Specifically, Operation Pipeline training to Federal, State, and local highway interdiction personnel provides the tools and knowledge necessary to effectively and safely conduct criminal interdiction of private and commercial motor vehicles that illicitly transport controlled substances as well as the smuggling of drug proceeds.

Finally, DEA's Special Operations Division is a multi-agency operation that works with several law enforcement agencies to collect and coordinate intelligence and de-conflict certain multijurisdictional investigations and operations for maximum effectiveness. This approach is particularly successful when targeting the communications apparatus of the trafficker's smuggling and transportation infrastructure. One or more OCDETF and / or HIDTA task forces may participate in an SOD coordinated investigation or operation. SOD ensures that there is no conflict between the work of such participating task forces and the work of any other entities involved in the coordinated investigation or operation.

The general concept of this multi-pronged approach is to provide up-to-date training, and encourage joint enforcement efforts whenever possible for maximum efficiency and effectiveness.

The National Drug Intelligence Center provides federal, state and local policy makers and law enforcement with several strategic intelligence reports pertaining to drug trafficking within states. The *National Drug Threat Assessment 2010* (available on line at: <http://www.justice.gov/ndic/pubs38/38661/index.htm> ) addresses significant trends in methamphetamine production, transportation, distribution, and abuse. The report highlights the increase in methamphetamine production in Mexico identified since 2008. In addition, NDIC annually publishes both a series of OCDETF regional threat assessments and a series of HIDTA Drug Market Analysis reports focusing on the illicit drug situation in specific regions and areas of the country. The *Rocky Mountain HIDTA Drug Market Analysis 2009* (available on line at: <http://www.justice.gov/ndic/pubs32/32789/32789p.pdf>) specifically focuses on Denver and surrounding counties in Colorado.



**Statement of Paul Helmke  
 President, Brady Campaign to Prevent Gun Violence**

**On The Impact of U.S. Gun Laws On The Mexican Drug War**

**Submitted to the  
 U.S. Senate Committee on Homeland Security and Governmental  
 Affairs**

**Hearing on Southern Border Violence: Homeland Security Threats,  
 Vulnerabilities, and Responsibilities**

March 25, 2009

I am the President of the Brady Campaign to Prevent Gun Violence, a national non-profit organization working to reduce the tragic toll of gun violence in America through legislative and grassroots mobilization efforts, along with our network of Million Mom March Chapters. These efforts are complemented by the legal action and public education programs of our affiliate, the Brady Center to Prevent Gun Violence, which this week has issued a report entitled, *Exporting Gun Violence: How Our Weak Gun Laws Arm Criminals In Mexico and America*. I have provided copies to the Committee.

Mexico's escalating war with well-armed drug cartels has killed thousands of police, government officials, and ordinary citizens, and threatens the stability of the Mexican government. U.S. Attorney General Eric Holder, Homeland Security Secretary Janet Napolitano, and President Obama have recognized that helping stem the violence in Mexico is of urgent national — and international — importance. The Mexican drug cartels are so well armed that there are serious concerns that the Mexican government will be unable to defeat them, and that our neighbor to the south may become a narco-state, or that the drug lords will be able to continue their ruthless, illegal operations with impunity. The prospect of our neighbor to the south being controlled by gun-toting drug lords is frightening, to say the least.

Additionally, Mexico's drug war has recently begun to wreak havoc in the United States. Gangs affiliated with the Mexican cartels have infiltrated virtually every part of the country, from Atlanta to Anchorage, and the gruesome violence and kidnappings that are their trademarks are no longer confined to Juarez and Tijuana. In Las Vegas, a 6 year old boy was abducted; in Atlanta, a man

was chained and tortured; in Texas, a truck driver was taken across the border – all the work of thugs tied to the Mexican drug cartels.<sup>1</sup>

In recent years, when there have been reports that other nations might be supplying or condoning the transfer of weapons to criminals or terrorists abroad, we have heard much sabre-rattling from Washington, and occasionally calls for military action against the nations who shield those suppliers. But with the crisis in Mexico, the threat is just across the border, Americans are already being killed here at home, and *American gun sellers are supplying the arms to the Mexican drug lords*. It has been well-reported that American gun sellers supply the cartels with between 95 and 100 percent of their guns.<sup>2</sup>

The policy proposals discussed thus far on Capitol Hill, such as increased resources for law enforcement and better policing of our border, may help, but they are inadequate to stop this war, as they will not address the core of the problem. *The Mexican drug cartels are arming themselves here because weak, nearly non-existent, gun laws in the U.S. make it too easy for criminals and traffickers to get guns*. The drug gangs cannot obtain guns in Mexico, because their laws are too tough. But in America, traffickers can arm themselves easily with all the weapons they can desire, from military surplus .50 caliber sniper rifles, to AK-47 assault weapons, to semi-automatic handguns by the crate. Mexican Attorney General Eduardo Medina Mora correctly called American gun laws “absurd.”<sup>3</sup>

President Obama has called for a “a comprehensive approach” that supports Mexican President Calderón, while “also making sure we are dealing with the flow of drug money and guns south, because it’s really a two-way situation there.”<sup>4</sup> As the President explained, “The drugs are coming north, we’re sending funds and guns south.”<sup>5</sup> Any comprehensive approach must address one of the core causes of the crisis in Mexico – weak U.S. gun laws that make it easy for criminals and traffickers who supply them with guns.

The United States must strengthen its laws to make it harder for dangerous people to get guns. Most critically, if we are to make a serious effort to prevent criminals from obtaining guns, in Mexico and the United States, we should no longer allow guns to be sold without a background check. We also must stop allowing traffickers to buy unlimited numbers of guns, including military-style assault weapons and sniper rifles. We must remove the restrictions placed on our law enforcement and special protections given to gun companies that enable corrupt gun sellers to flourish.

The vast majority of the American people, including gun owners, support these and other common sense proposals.<sup>6</sup> None of these proposals will infringe on the rights of law-abiding gun owners. They will only make it harder for criminals to obtain lethal firearms. It is time that Congress stop listening to the gun lobby, and start listening to the pleas of the American people, as well as our neighbors to the south. Especially now that our national security may hang in the balance, Congress must bring sanity to our nation’s gun laws.

Two crucial points need to be included in developing policy responses to the crisis:

- 1) *To stem the violence in Mexico, we need to prevent criminals and traffickers from buying guns in the U.S. by plugging loopholes in our gun laws and strengthening our law enforcement’s ability to crack down on corrupt gun dealers*. This crisis is not happening just because of border security issues; it is happening because our gun laws allow

unlicensed sellers to sell guns without Brady background checks, unlimited numbers of military-style assault weapons to be freely sold, and corrupt dealers to thrive. Making our borders less porous will take years, and will not stop the immediate Mexican crisis.

- 2) *The same legal loopholes and corrupt gun sellers who arm Mexican criminals also arm American criminals.* While we should heed the call of Mexican officials to help stop the violence there, we also should heed the call of the majority of Americans who want to stop the violence in their communities. Every year, 30,000 men, women and children die in America as a result of guns, and over 70,000 are wounded, often severely.

### **Loopholes in Our Gun Laws Enable Mexican Drug Cartels to Obtain Deadly Weapons**

Mexican criminals can't get the guns they need in Mexico because the gun laws in Mexico, like those in most industrialized nations, do not allow a vast unregulated gun market, in which military-style weapons and all manner of guns are easily available to be purchased in unlimited quantity without a background check. Stymied by Mexico's tough gun laws, the drug lords and the traffickers who supply them come to the U.S. to take advantage of our gun laws' gaping loopholes:

- **No Brady Background Check Sales:** Federal law allows guns to be sold by unlicensed sellers without Brady background checks. The Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") has found that "no background check" sales are a major source for supplying dangerous people with guns. Investigations of gun shows have found that unlicensed sellers have trafficked thousands of guns without background checks, making them the second most prominent source of illegal gun trafficking.<sup>7</sup> Mexican drug cartels are exploiting this loophole, buying guns in "no background check" sales at gun shows or other private venues.<sup>8</sup>
- **Military-style Assault Weapons:** Federal law in the U.S. allows civilians to purchase military-style assault weapons, as well as military surplus .50 caliber sniper rifles that can shoot through armored vehicles and bring down airplanes. Mexican law enforcement is increasingly being out-gunned by drug gangs using military-style weapons. Mexico Attorney General Medina Mora has said that before the U.S. assault weapons ban was allowed to expire in 2004, only 21 percent of the weapons Mexico seized from traffickers were assault rifles, while today, it is more than half.<sup>9</sup> For example, a Bushmaster carbine, a civilian version of the M-16 assault rifle, bought in Houston was used by drug gangsters disguised as soldiers to massacre four police officers and three secretaries in the "2007 Acapulco Massacre."<sup>10</sup>
- **Bulk Sales:** Federal law does not limit the number of guns a purchaser can buy at a time – the only limit is the buyer's ability to pay for them. This enables gun traffickers to buy guns in bulk, and/or buy guns repeatedly from the same store. For example, between January and November 2003, Adan Rodriguez purchased more than 150 guns for Mexican drug gangs, returning repeatedly to Ammo Depot in Mesquite, Texas. One of the guns he sold was connected to the shooting of a police officer in Reynosa.<sup>11</sup>
- **Restrictions on Law Enforcement:** Only one percent of federally licensed firearms dealers are responsible for nearly 60 percent of guns traced to crime in the U.S.,<sup>12</sup> and many of the guns trafficked to Mexico are also sold by gun dealers who are at worst corrupt, at best, willfully indifferent when they sell guns to straw purchasers.<sup>13</sup> Yet federal law makes it too hard for law enforcement to crack down on corrupt gun dealers. For example, ATF is limited to one spot

inspection per year, and the standard of proof for license revocations is difficult to meet. Riders attached annually to Justice Department appropriations legislation since 2004, known as the Tiahrt Amendment, prohibit ATF from requiring gun dealer inventory audits, restrict disclosure of crime gun data, and require the destruction of Brady Background Records after 24 hours. These restrictions make it harder for law enforcement to investigate corrupt dealers.

#### **The Loopholes That Arm Mexican Cartels Are Also Killing Americans**

Just as criminals in Mexico find it necessary to go to the U.S. to get guns, American criminals get a disproportionate share of their guns from states with weak gun laws. For example, states that require permits for handgun sales export only one-third of the crime guns as states with no such requirement.<sup>14</sup> States like Texas, that allow gun sales without background checks export crime guns on average at about twice the rate of states that have closed the gun show loophole.<sup>15</sup> Texas leads the nation as the primary source of guns for drug cartels<sup>16</sup> and Texas dealers are the third highest supplier of interstate crime guns in the U.S.<sup>17</sup> The states with the highest rate of supplying crime guns to other states all have weak gun laws.<sup>18</sup> States with weak gun laws also supply a larger percentage of in-state criminals with guns – because criminals in those states do not need to travel to get guns.<sup>19</sup>

#### **Current Proposals Are Insufficient to Stem the Violence in Mexico – or America**

In response to the Mexican crisis, legislation has been introduced to expand resources for ATF to crack down on firearms trafficking across the border,<sup>20</sup> and U.S. Attorney General Eric Holder has called for reinstatement of an assault weapons ban.<sup>21</sup> While these proposals are positive steps, they alone will not be sufficient to stem the gun crisis in Mexico, or in the United States. In formulating a policy to stem the flow of guns to Mexico, policymakers must focus on the fundamental problem – that our laws in the U.S. make it far too easy for criminals and other dangerous people to obtain guns. We need to require Brady background checks for all gun sales. We should not allow the purchases of unlimited numbers of guns at one time. We should strengthen ATF's legal authority to crack down on corrupt gun dealers.

So long as unlicensed sellers are allowed to sell guns without background checks, and there are no reasonable limits on bulk gun sales, and military-style weapons are legal, even if law enforcement has all the resources in the world they would have to sit idly by and watch as traffickers and criminals buy limitless numbers of AK-47s and .50 caliber sniper rifles, no questions asked. Unless our weak, loophole-ridden, nearly non-existent gun laws are strengthened, “enforcing the laws on the books” is a meaningless catch phrase that will not prevent the supplying of guns to criminals in Mexico – or the U.S.

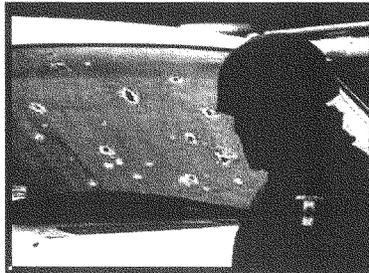
An intelligent, comprehensive approach on guns will not only prevent criminals in Mexico from being armed, it will also prevent gun violence here at home. The United States suffers more than 30,000 deaths and more than 70,000 injuries due to gun violence every year.<sup>22</sup> Estimates of direct medical expenses for firearm injuries range from \$2.3 billion<sup>23</sup> to \$4 billion<sup>24</sup> per year in the U.S., nearly 50% of which is covered by taxpayers.<sup>25</sup> By strengthening our federal gun laws, we can start preventing criminals in Mexico and the U.S. from acquiring guns.

<sup>1</sup> Sam Quinones & Richard A. Serrano, *Mexico drug wars spill across the border*, LOS ANGELES TIMES, Nov. 16, 2008, available at: [http://www.latimes.com/news/nationworld/nation/la-na-cartels16-2008nov16\\_01692616.story](http://www.latimes.com/news/nationworld/nation/la-na-cartels16-2008nov16_01692616.story).

<sup>2</sup> John Asbury, *Guns move south via Inland gangs*, THE PRESS-ENTERPRISE, Sept. 28, 2008 (95%); U.S. DEPT. OF STATE, BUREAU FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, *International Narcotics Control Strategy Report, Vol. 1, Drug and Chemical Control* 414 (Mar. 2009) (95%); Manuel Roig-Franzia, *U.S. guns behind cartel killings in Mexico*, WASHINGTON POST, Oct. 29, 2007, at A1 (100%).

- <sup>3</sup> *Mexico slams 'absurd' US gun laws as drug war rages*, REUTERS, Jan. 14, 2007.
- <sup>4</sup> Maria Recio, *Obama Weighs in On Drug War*, MIAMI HERALD, March 13, 2009, available at: <http://www.miamiherald.com/news/americas/story/947461.html>.
- <sup>5</sup> *Id.*
- <sup>6</sup> See Greenberg Quinlan Rosner Research and The Tarrance Group, *Americans Support Common Sense Measures to Cut Down on Illegal Guns* (Apr. 10, 2008), available at: [http://www.mayorsagainstillegalguns.org/download/pdf/polling\\_memo.pdf](http://www.mayorsagainstillegalguns.org/download/pdf/polling_memo.pdf) (finding that 87% favor requiring everyone who sells guns at gun shows to conduct criminal background checks on the purchasers, and 83% of gun owners approve of background checks at gun shows).
- <sup>7</sup> BUREAU OF ALCOHOL, TOBACCO & FIREARMS, *Following the Gun: Enforcing Federal Firearms Laws Against Firearms Traffickers* xi (June 2000).
- <sup>8</sup> See Todd Bensman, *The Sellers: Gun merchants caught between profit and conscience*, SAN ANTONIO EXPRESS-NEWS, Dec. 14, 2008 ("an exemption known as the 'gun show loophole' that federal agents say has been a boon to cartel buyers"); Guillermo Contreras, *The Buyers: Straw purchasers in the U.S. profit from murder in Mexico*, SAN ANTONIO EXPRESS-NEWS, Dec. 14, 2008 ("Cartels also exploit what is known as the 'gun show loophole'... Cartel figures can buy these used guns themselves"); James C. McKinley, Jr., *U.S. is arms bazaar for Mexican cartels*, THE NEW YORK TIMES, Feb. 26, 2009 ("Some of the smuggled weapons are also bought from private individuals at gun shows, and the law requires no notification of the authorities in those cases").
- <sup>9</sup> *Mexico: U.S. must stop gun trade at border*, CBSNEWS.COM, Feb. 28, 2009.
- <sup>10</sup> Dane Schiller, *Guns Sold Here Kill in Mexico*, HOUSTON CHRONICLE, Nov. 30, 2008.
- <sup>11</sup> James Verini, *Arming the drug wars*, PORTFOLIO, July 2008.
- <sup>12</sup> BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES, *Commerce in Firearms in the United States 2* (2000). See also BRADY CENTER LEGAL ACTION PROJECT, *Shady Dealings: Illegal Gun Trafficking from Licensed Gun Dealers 9* (2007).
- <sup>13</sup> For example, according to criminal charges, George Iknadosian moved his X-Caliber gun shop from California to Phoenix, where the state laws are weaker and where he knowingly supplied firearms to Mexican drug cartels over two years, selling more than 700 weapons intended for Mexico. See James C. McKinley, Jr., *U.S. is arms bazaar for Mexican cartels*, THE NEW YORK TIMES, Feb. 26, 2009.
- <sup>14</sup> MAYORS AGAINST ILLEGAL GUNS, *The Movement of Illegal Guns in America 12*, Dec. 2008 [hereinafter MAIG].
- <sup>15</sup> MAIG at 10.
- <sup>16</sup> Guillermo Contreras, *The Buyers: Straw purchasers in the U.S. profit from murder in Mexico*, SAN ANTONIO EXPRESS NEWS, Dec. 14, 2008.
- <sup>17</sup> MAIG at 6.
- <sup>18</sup> MAIG at 7.
- <sup>19</sup> MAIG at 24.
- <sup>20</sup> Sens. Jeff Bingaman (D-NM) and Kay Bailey Hutchinson (R-TX) introduced in the Senate S.205, the Southwest Border Violence Reduction Act of 2009; Rep. Ciro Rodriguez (TX) introduced similar legislation, H.R.495, in the House of Representatives.
- <sup>21</sup> Jason Ryan, *Obama to seek new assault weapons ban*, ABCNEWS.COM, Feb. 25, 2009.
- <sup>22</sup> CDC National Center for Injury Prevention and Control, Web-based Injury Statistics Query and Reporting System (2005 (deaths) and 2006 (injuries), most recent year available), available at: [www.cdc.gov/ncipc/wisqars/](http://www.cdc.gov/ncipc/wisqars/) (calculations by Brady Center to Prevent Gun Violence, Feb. 29, 2008).
- <sup>23</sup> *American Academy of Pediatrics: Firearm-Related Injuries Affecting the Pediatric Population*, 105 PEDIATRICS 888, 889 (2000).
- <sup>24</sup> Kizer KW et al., *Hospitalization charges, costs, and income for firearm-related injuries at a university trauma center*, 273 J. AM. MED. ASS'N. 1768, 1773 (June 14, 1995).
- <sup>25</sup> Philip Cook et al., *The Medical Costs of Gun Shot Injuries in the United States*, 282 J. AM. MED. ASS'N. 447 (1999).

# EXPORTING GUN VIOLENCE



HOW OUR WEAK GUN LAWS  
ARM CRIMINALS  
IN MEXICO AND AMERICA

A REPORT BY THE BRADY CENTER TO PREVENT GUN VIOLENCE  
MARCH 2009

### ACKNOWLEDGEMENTS

The Brady Center to Prevent Gun Violence is a national non-profit organization working to reduce the tragic toll of gun violence in America through education, research, and legal advocacy. Through its project *Gun Industry Watch*, the Brady Center works to monitor and publicly expose gun industry practices that contribute to gun violence, with the goal of bringing about life-saving industry reform. The programs of the Brady Center complement the legislative and grassroots mobilization efforts of its sister organization, the Brady Campaign to Prevent Gun Violence and its network of Million Mom March Chapters.

This report was written by Jonathan Lowy, Daniel Vice, Robyn Steinlauf, Amanda Koulousias, Sarah McLemore and Jordan Zlotoff, with assistance from Mary Boyle. If you have questions about any part of this report, or would like a copy, please write to *Gun Industry Watch*, Brady Center to Prevent Gun Violence, 1225 Eye Street, N.W., Washington D.C. 20005. The report is also available at [www.bradycenter.org/gunindustrywatch](http://www.bradycenter.org/gunindustrywatch) and [www.gunlawsuits.org](http://www.gunlawsuits.org).

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EXECUTIVE SUMMARY

***We need "a comprehensive approach" while "also making sure we are dealing with the flow of drug money and guns south.... The drugs are coming north, we're sending funds and guns south."***

***– President Barack Obama, on violence in Mexico, March 2009<sup>1</sup>***

Exploiting weak American gun laws that allow gun traffickers and criminals easy access to high firepower weapons, Mexican drug cartels are fighting an escalating war that has killed thousands, threatens to destabilize our Southern neighbor, and poses an increasingly grave security risk to the U.S. President Barack Obama, Attorney General Eric Holder, and Homeland Security Secretary Janet Napolitano have recognized that stemming violence in Mexico is of urgent national and international importance. Indeed, these same Mexican drug gangs are wreaking havoc in the U.S. as well.

American gun sellers are supplying the cartels with the guns used to wage war. Upwards of 90% of the crime guns used by the drug cartels and recovered and traced by law enforcement originate from U.S. gun sellers.<sup>2</sup> With more than 7,600 U.S. gun shops within 100 miles of the Mexican border,<sup>3</sup> and numerous gun shows and unlicensed sellers, Mexican drug lords and the gun traffickers who supply them have access to a virtually unlimited arsenal of military-style assault weapons and other high firepower guns. Estimates of the guns flowing into the U.S. are as high as 2,000 weapons per day.<sup>4</sup> ATF has described an "iron river of guns" that are "streaming across the border at such a pace that some are being recovered in Mexico within days after their purchase in the U.S."<sup>5</sup>

- ***More than 90% of the guns used by the drug cartels originate from U.S. gun sellers***
- ***An estimated 2,000 weapons per day are flowing from the U.S. into Mexico***

Weak U.S. Gun Laws Are Fueling the Crisis in Mexico

Mexico's tough gun laws prevent criminals from obtaining guns, so they take advantage of our weak gun laws that provide them ready access to arsenals. Under federal law, and the law in Texas, Arizona, and most states, unlicensed sellers are allowed to sell guns without a background check, no questions asked. U.S. law does not limit the number of guns that can be sold at a time, so traffickers can buy in bulk. And since the federal assault weapons ban was allowed to expire, military-style weapons and high capacity ammunition magazines are readily available. **A trafficker supplying Mexican drug lords can buy all the guns he wants from an "unlicensed seller" in Texas or Arizona, no questions asked. Even licensed dealers are allowed to sell crates full of military-style assault weapons or .50 caliber sniper rifles that can pierce armor plating and take down airplanes from a mile away.**

Gun shops that break the law are often able to evade prosecution, and even keep their licenses to sell guns, due to laws that hamstring the law enforcement authority of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). Perhaps the most notorious dealer supplying the cartels, the owner of X-Caliber gun shop in Phoenix, had all criminal charges brought against him dismissed recently, even though he supplied hundreds of firearms traced to shootings in Mexico.



### The Crisis in Mexico Harms Our National Security

The crisis fueled by our weak gun laws threatens America's security. The Department of Homeland Security has warned that "Mexican Drug Trafficking Organizations constitute the greatest organized crime threat to the United States."<sup>6</sup> The violence and kidnappings that are trademarks of Mexican drug traffickers are no longer confined to Juarez and Tijuana. In Las Vegas, a 6-year-old boy was abducted; in Atlanta, a man was chained and tortured; in Texas, a truck driver was taken across the border – all the work of thugs tied to the Mexican drug cartels.<sup>7</sup> Phoenix, Arizona has now become "the kidnapping capital of the United States," due to drug-related violence crossing the border into the U.S.<sup>8</sup>

Just as criminals evade Mexico's tough gun laws by buying guns here, American criminals in states with tough laws take advantage of states with weak laws to get their guns. The same weak gun laws that help to arm Mexican criminals also arm American criminals.

### To Stop Gun Trafficking, We Must Strengthen Our Gun Laws

Unless existing gun laws are strengthened, drug cartels and criminals in Mexico and the U.S. will continue to amass their arsenals. The following proven solutions will help stem the tide of gun-running that threatens to further destabilize our Southern border, and also make it harder for criminals in the U.S. to obtain firearms:

- o **Require background checks for all gun sales.** An estimated 40% of gun sales are made by unlicensed sellers without a background check. ATF has found that no-check sales at gun shows and other sales by unlicensed gun sellers are a major source for the illegal gun market, with trafficking "cases involving gun shows and flea markets account[ing] for 30.7% of all trafficked guns in the U.S."<sup>9</sup>
- o **End bulk handgun sales.** Multiple sales of handguns allow gun traffickers to purchase large quantities of weapons from corrupt or irresponsible gun dealers or unlicensed sellers at gun shows.<sup>10</sup> Gun traffickers frequently buy multiple handguns in one transaction in states with weak gun laws to export across state lines to areas where gun laws are stronger.<sup>11</sup>
- o **Stop corrupt gun dealers by removing restrictions on ATF enforcement.** Only one percent of federally licensed firearms dealers are responsible for nearly 60 percent of guns traced to crime.<sup>12</sup> ATF investigations of these "bad apple" gun dealers indicates that the vast majority of them – 75 percent – have violated Federal firearms laws.<sup>13</sup> Restrictions on ATF's authority to crack down on these dealers, however, enables them to continue to pump countless numbers of guns into the criminal market.<sup>14</sup>
- o **Restrict military-style semiautomatic weapons.** Gun traffickers are able to purchase large quantities of military-style semiautomatic assault weapons and .50 caliber sniper rifles that can penetrate armored car plating and airplanes. We must restrict civilian ownership of these military-style weapons. High-capacity ammunition magazines and armor-piercing bullets should be similarly restricted.<sup>15</sup>



President Obama has called for a comprehensive approach to the crisis. Any such approach must include closing loopholes that enable criminals to easily buy guns. While providing more resources for law enforcement is important, that alone cannot possibly solve the problem. We must also strengthen U.S. gun laws that allow easy access to illegal guns. Even with additional resources, ATF can only stop illegal conduct, and as long as it remains legal to sell unlimited quantities of military-style weapons or sell guns without background checks, the illegal flow of guns will continue. U.S. Attorney General Eric Holder also recently called for reinstatement of the federal assault weapons ban.<sup>16</sup> While this would help reduce the firepower available for drug lords and is an important part of the solution, it alone is insufficient to stem the Mexican crisis.

**“Enforcing the laws on the books” is a catch phrase, not a responsible, effective solution to the crisis of gun violence.** Laws prohibiting criminals and dangerous people from obtaining guns are riddled with loopholes and cannot be effectively enforced unless these laws are strengthened. The Mexican government has recognized that U.S. laws allow such vast, unregulated gun sales that the “legal” market and the “black” market are virtually indistinguishable: “In the US there are no groups selling weapons clandestinely since the formal market is very big and its control is minimum; therefore a black market is useless, there is no need for someone to control it.”<sup>17</sup> Mexican Attorney General Eduardo Medina Mora correctly called the ease by which Mexican criminals obtain guns in America “absurd.”<sup>18</sup>

#### **What does “enforce the laws” really mean?**

**Some claim the solution to the Mexican crisis, and gun violence in the U.S., is to simply enforce the laws on the books. However, unless existing gun laws are strengthened, the few laws on the books cannot be effectively enforced.**

**While current law prohibits criminals and certain other dangerous persons from obtaining guns, and requires gun dealers to obey the law, loopholes prevent those laws from being effectively enforced. No amount of enforcement of current laws will prevent the following types of sales, which are legal under federal law and fuel the criminal market:**

- **Gun sales without a background check by unlicensed sellers at gun shows and in private sales**
- **Sales of unlimited numbers of firearms, including high firepower military-style assault weapons**
- **Continued sales by licensed gun dealers even if they are under indictment for federal gun law violations**

**As long as unlicensed sellers are allowed to sell guns without background checks, gun dealers can sell unlimited guns in bulk, and ATF is blocked from cracking down on corrupt dealers, law enforcement cannot effectively enforce our limited gun laws.**

#### **Conclusion – Stronger Gun Laws Will Save Lives**

While law enforcement, our nation's Mayors, and other leaders have long urged Congress to bring sanity to our gun laws to protect our communities, the Mexican gun war has upped the ante. The security of our neighbor to the south, and thus our security, may hang in the balance. The question is now whether we will strengthen our gun laws to prevent the continual arming of Mexican – and American – criminals, or whether we will allow our national security to be threatened in order to cater to the gun lobby. The current crisis demands that we enact common sense gun laws that will keep dangerous weapons out of the hands of Mexican drug traffickers as well as domestic criminals.



**THE SCOPE OF THE PROBLEM:**  
**HIGH FIREPOWER WEAPONS FROM THE U.S. ARE SUPPLYING MEXICAN DRUG**  
**CARTELS AND CAUSING CARNAGE**

More than 90% of crime guns in Mexico come from the U.S. Mexico has strong gun laws that make it difficult for criminals to get guns there. In Mexico, unlicensed sellers cannot sell guns without background checks – much less sell military-style assault weapons by the hundreds. Across the border in the U.S., traffickers for drug cartels can easily find countless sellers at gun shows and gun shops willing to provide them with all the firepower they can buy.

According to ATF, more than 7,770 guns sold in the U.S. were recovered in crime in Mexico and traced to a gun dealer in 2008, up from 3,300 in 2007, and 2,100 in 2006, and these numbers represent only a small fraction of the number of guns flowing into Mexico.<sup>19</sup> Thousands more crime guns have been flowing into Mexico and have yet to be recovered by law enforcement.<sup>20</sup> **Estimates of the guns flowing into Mexico from the U.S. are as high as 2,000 guns every day,**<sup>21</sup> a figure that is even more staggering given that Mexico only has about 6,000 registered guns.<sup>22</sup>

ATF has described an “iron river of guns” that are “streaming across the border at such a pace that some are being recovered in Mexico within days after their purchase in the U.S.”<sup>23</sup>

Many guns used in the Mexican drug war are sold by unlicensed sellers at gun shows and in private sales. In Arizona and Texas, unlicensed sellers are allowed to sell guns without a



Weapons seized in Reynosa, Mexico – 288 assault rifles, 500,000 rounds of ammunition, as well as .50-caliber sniper rifles. Nearly all of the firearms recovered in Mexico originate from U.S. gun dealers and gun shows.<sup>24</sup>



background check or paper trail. Federal law allows civilians to buy military-style assault weapons, so dealers can also legally sell AK-47s and high capacity ammunition magazines effective for military assaults.

Federal law also does not limit the number of guns that can be sold in any transaction, even if the buyer can provide no legitimate reason for a bulk purchase, so traffickers can easily amass an arsenal through "legal" sales. When gun dealers who supply large quantities of weapons to traffickers break even the limited gun laws that do exist, they can generally still evade prosecution due to weak laws that hamstring the ATF and severely hinder its ability to revoke law breaking gun dealers' licenses.

Violence stemming from the narcotics trade in Mexico accounted for approximately 6,000 murders in Mexico in 2008, twice the previous year's record.<sup>25</sup> Included in those numbers are over 2,000 Mexican law enforcement officers killed during 2007 and the first half of 2008.<sup>26</sup> In the first two months of 2009, there have already been 1,000 drug-related murders.<sup>27</sup>

Increases in gun smuggling and drug cartel crime began to soar in December 2006, when Mexican President Felipe Calderon took office and pledged to end trafficking. To fulfill his pledge, Calderon initiated policies such as increasing troop deployments to crime ravaged areas, increasing arrests and prosecutions of traffickers, increasing extraditions to the U.S., and reforming the police and judiciary.<sup>28</sup>

In response to these crackdowns, cartels began to fight violently for control of lucrative drug routes to the U.S., worth billions of dollars.<sup>29</sup> For example, in November of 2008, along the border with Texas, Mexican authorities arrested drug cartel leader Jaime "el Hummer" Gonzalez Duran, one of the founders of "Los Zetas." While being transported to the airport, El Hummer's

***Between December 2006 and March 2009, the Mexican government has seized 35,025 firearms.***

***These include 19,231 long guns, most of which are assault rifles, and 4,708,337 pieces of ammunition.***

fellow cartel members launched a brazen attack against the federales. After the ensuing battle, in which the federales prevailed, Mexican federal agents captured 540 assault rifles, more than 500,000 rounds of ammunition, 150 grenades, 14 cartridges of dynamite, 98 fragmentation grenades, 67 bullet proof vests, seven Barrett .50 caliber sniper rifles and a Light Anti-Tank rocket.<sup>30</sup>

**The ease of buying high-powered assault weapons in the U.S., following the expiration of the assault weapon ban in 2004, is facilitating drug cartel violence.**<sup>31</sup> Recent data shows a surge in seizures of assault rifles and .50-caliber guns,<sup>32</sup> and according to ATF, cartels favor more powerful weapons like AK-47s, AR-15s, and FN 5.7 mm caliber pistols, known in Mexico as "Cop Killers" because they can pierce body armor.<sup>33</sup>

ATF commented, "You're looking at the same firepower here on the border that our soldiers are facing in Iraq and Afghanistan."<sup>34</sup>

All told, between December 1, 2006 and March 12, 2009, the Mexican government has seized 35,025 firearms, including 19,231 long guns, most of which are assault rifles, and 4,708,337 pieces of ammunition.<sup>35</sup>

The increasing prevalence of assault weapons in Mexico has led Mexican Attorney General Eduardo Medina Mora to say of U.S. gun laws: "It's truly absurd that a person can get



together 50 to 100 high powered arms, grenade launchers, fragmentation grenades, and can transport this cargo into our country . It's a task that needs a much more decided and determined effort from the U.S. government..."<sup>36</sup> Tony Garza, Ambassador to Mexico under President George W. Bush, echoed this, saying that Mexico "would not be the center of cartel activity or experiencing this level of violence, were the United States not the largest consumer of illegal drugs and the main supplier of weapons to the cartels."<sup>37</sup>

The U.S. and Mexico are in a symbiotic relationship that feeds the drug trade and gun criminals in both countries. While most of the trafficked guns in the world originate in the U.S., most of the illicit drugs in the world pass through Mexico heading north.<sup>38</sup> The cross-border drug trade is a \$25 billion-a-year business,<sup>39</sup> and the smuggling routes used to send drugs north to the United States are the same routes used to send drug profits and guns to protect those profits south to Mexico.

The violence fueled by our weak gun laws threatens to cause a major foreign policy crisis for the U.S. Homeland Security Secretary Napolitano has warned that "there is a possibility of [Mexico] becoming a narcostate."<sup>40</sup>

A report by the U.S. Joint Forces Command on worldwide security threats listed Mexico as one of two countries (along with Pakistan) that "In terms of worse case scenarios ... bear consideration for a rapid and sudden collapse."<sup>42</sup>

**Homeland Security Secretary Napolitano has warned that "there is a possibility of [Mexico] becoming a narcostate."<sup>41</sup>**

The Joint Forces Command pointed to the drug cartel violence – that is fueled by American guns – as the cause of this potential threat: "The Mexican possibility may seem less likely, but the government, its politicians, police and judicial infrastructure are all under sustained assault and pressure by criminal gangs and drug cartels. How that internal conflict turns out over the next several years will have a major impact on the stability of the Mexican state."<sup>43</sup> The Command made clear that this potential crisis would have serious homeland security implications for the U.S., requiring an American response. "Any descent by Mexico into chaos would demand an American response based on the serious implications for homeland security alone."<sup>44</sup>



**THE ROOT OF THE PROBLEM:**  
**THE SAME WEAK U.S. GUN LAWS THAT ARM AMERICAN CRIMINALS ENABLE**  
**MEXICAN DRUG CARTELS TO OBTAIN DEADLY WEAPONS**

It is not surprising that Mexican criminals look to the U.S. to get their guns. Mexico's laws, unlike those in the U.S., do not allow a vast unregulated market in which military-style assault weapons, .50 caliber sniper rifles, and semiautomatic firearms are readily available, in unlimited quantity, to anyone who can pay for them, no questions asked. Mexican gun laws make it difficult for criminals to get guns – which is why they frequently come to the U.S. to acquire their arsenals.

In Mexico, guns can only be purchased from licensed businesses, not individuals, and guns cannot be purchased without registration and approval from the Department of National Defense. There are restrictions on the caliber of guns that can be purchased by civilians; many of the high-powered guns being trafficked to gangs from the U.S. are restricted in Mexico to military and law enforcement. In the United States, along the border alone there are reportedly over 7,600 dealers,<sup>45</sup> more than the number of legally registered guns in Mexico.<sup>46</sup> And that does not even include the innumerable unlicensed sellers at gun shows and elsewhere.

Traffickers supplying the Mexican drug lords exploit the following weaknesses and loopholes in U.S. gun laws already used by criminals in the U.S. to amass their arsenals:

- **No Background Check Sales:** Under federal law, and Arizona and Texas state law, criminals and gun traffickers can obtain guns no questions asked, without background checks or paperwork, from unlicensed sellers. About 40% of all gun sales are made without background checks.<sup>47</sup>
- **Bulk Handgun Sales:** Under federal law, and Arizona and Texas state law, there is no limit on the number of guns a purchaser can buy at a time – other than the buyer's ability to pay for them. Gun traffickers frequently buy firearms in bulk in states with weak gun laws, and export them to areas with stronger gun laws, where it is more difficult to obtain vast quantities of weapons.<sup>48</sup>
- **Restrictions on Law Enforcement Enable Corrupt Gun Dealers to Supply the Criminal Market:** Weak federal gun laws protect corrupt gun dealers and hamstring federal law enforcement. ATF generally cannot revoke a federal firearms license without proving years of repeated violations, and the standard of proof required for license revocations is difficult to meet. Existing law limits ATF to one spot inspection of a gun shop each year. Riders attached to appropriations legislation since 2004, known as the Tiahrt Amendments, prohibit ATF from requiring gun dealer inventory audits, restrict disclosure of crime gun data, and require the destruction of Brady background check records after 24 hours.<sup>49</sup>
- **Military-style Assault Weapons and Sniper Rifles:** Under federal law and state laws in many states, including Texas and Arizona, civilians can easily and legally purchase military-style assault weapons, as well as military surplus .50 caliber sniper rifles that can shoot through armored vehicles and shoot down airplanes. Under President Bush, the former federal Assault Weapons Ban was allowed to expire in 2004, resulting in a flood of military-style semiautomatic firearms into the criminal market.<sup>50</sup>



### No Background Check Sales

A major source of illegal guns trafficked to Mexico and funneled to criminals in the U.S. are sales made without background checks. Many of these sales occur at gun shows, where the gun show loophole in federal law allows unlicensed sellers to sell firearms without a background check.

An estimated 40% of guns obtained in the U.S. are bought in "no background check sales" at gun shows or other private venues.<sup>51</sup>

The following are just a small collection of the many instances where illegal guns recovered in Mexico and along the border have been traced back to "no background check sales" and/or at gun shows:

- In December 2007, ATF agents seized a cache of 62 military grade weapons, many of which had been purchased at gun shows. The shipment, which included AK-47's, other assault rifles, handguns and an Uz i, was intended for gang members in Mexico and Los Angeles.<sup>52</sup>
- One ATF investigation found that one arms trafficker – a convicted felon – regularly purchased weapons at gun shows and trafficked more than 1,000 arms across the border to Mexico. One of the guns was recovered in a raid of a Mexican drug czar's apartment and another was used in a shoot-out where two Mexican military officials were killed.<sup>53</sup>
- In February 2001, a 15-month ATF investigation of Arizona gun shows culminated in 181 arrests and the seizure of more than 1,500 guns.<sup>54</sup> The investigation began after law enforcement witnessed a convicted murderer purchasing a gun in a private sale.<sup>55</sup> One Tucson vender sold guns to a federal agent after being told they were to be trafficked to Mexico, while another was found in possession of some seventy guns connected to homicides and other crimes.<sup>56</sup>
- J&W Gunsmith sold large quantities of guns to Lowell Ronald Wilson, a convicted felon, who would then resell the firearms at area gun shows. One of the firearms sold by Wilson at a gun show was used to kill police officer Michael Moore in February 1997, while other firearms sold by Wilson at gun shows were recovered in crimes committed in Mexico, Virginia, and Illinois.<sup>57</sup>

**Under federal law and state law in Texas and Arizona, it is legal for unlicensed sellers to sell a civilian a truck-full of guns, including semiautomatic AK-47 assault rifles, without a background check, no questions asked.**

**The gun show loophole allows these sales at gun shows without background checks.**



**Bulk Gun Sales**

Law-abiding gun owners have no need to buy guns in bulk, or return again and again to gun stores within days or weeks to replenish their gun supply. Gun traffickers, however, sell numerous guns repeatedly, so they often buy guns in bulk, and/or buy guns repeatedly from the same store. Except in the few states that limit sales to one handgun per month, it is legal to buy as many guns as you can pay for, even if there is no legitimate reason to do so.<sup>58</sup>

- o Between January and November 2003, Adan Rodriguez **purchased more than 150 guns** for Mexican drug gangs, one of which was connected to the shooting of a police officer in Reynosa.<sup>59</sup> In January he bought a 9 mm pistol from Ammo Depot in Mesquite, Texas. A few weeks later, he returned to the same store and bought an AK-47. A week later he returned and bought nine AR-15 assault weapons. The ATF only discovered the sales when an ATF agent visited Ammo Depot and saw Rodriguez's name repeatedly in the sales records.<sup>60</sup>
- o According to ATF, John Hernandez, a 25-year-old unemployed machinist living with his parents in Houston, **purchased 23 guns for \$24,819**, including buying five Bushmaster firearms one day in September 2006 from Carter's Country gun shop store in Spring, Texas. ATF contends Hernandez purchased at least one of the guns used in the Acapulco massacre. Hernandez is said to have enlisted a 23-year-old former high school classmate who authorities say bought 37 guns for \$42,763, including buying 8 Bushmasters on May 12, 2007, also from Carter's Country in Spring, Texas.<sup>61</sup>
- o According to ATF, during a 2-month period Juan Pablo Gutierrez **purchased 20 guns**, spending \$17,801 – believed to be all in cash. Gutierrez was said to part of a group of 23 arms traffickers who bought at least 339 firearms for Mexican organized crime syndicates in 2006 and 2007. At least 40 of the guns were later recovered in crime scenes, and many, if not all, were purchased from Carter's Country gun shop.<sup>62</sup> According to ATF, during a 2-month period Gutierrez spent \$17,801 – believed to be all in cash – on 20 guns.<sup>63</sup>
- o Alan Rodriguez, 35, a struggling carpet-layer from the Dallas area, **bought more than 100 assault rifles, 9-mm handguns and other high-powered weapons** from U.S. gun dealers over several months, according to court records. Authorities say traffickers gave him **stacks of cash to buy the guns**, with marijuana laced in between the bills. He earned about \$30 to \$40 a gun, according to court records. One of the pistols he bought in Dallas was used in a cartel gunfight near Reynosa, Mexico, in which two federal police officers were shot.<sup>64</sup> In 2006, Rodriguez was sentenced to 5 ½ years in prison.<sup>65</sup>

**Under federal law and state law in Texas, Arizona, gun dealers may sell an unlimited number of guns to a buyer in any given sale, no explanation needed.**



**Sales From Licensed Gun Dealers Who Easily Evade Weak Gun Laws**

Many guns trafficked to Mexico are sold by gun dealers who are at worst corrupt and at best willfully indifferent when they sell straw purchasers numerous guns, for no apparent legitimate reason. As the case study below describes in detail, one gun dealer, George Iknadosian, owner of X-Caliber in Phoenix, Arizona, epitomizes how gun dealers exploit weak gun laws to supply criminals. Extremely weak federal and state gun laws enabled Iknadosian's

**X-Caliber gun shop to supply hundreds of assault weapons to traffickers**, and have so far allowed him to escape liability. A judge dismissed charges against him, finding that the government could not overcome the difficult burden of proof that protects gun dealers from prosecution.<sup>66</sup>

**"I am incredulous that someone would actively support the sale of guns that they know will be used in Mexico.**

***It is in the best interest of gun dealers to terminate sales that they have reason to believe will be leaving the country."***

**– David Larue, Owner, Legendary Guns, Phoenix, Arizona**

George Iknadosian, owner of X-Caliber Guns in Phoenix, is accused of selling guns to two groups of straw buyers when he knew the weapons were going to be smuggled into Mexico. He also was targeted in stings in which he allegedly sold guns to undercover officers posing as straw buyers. Prosecutors contended that Iknadosian moved his gun shop from California, where gun laws are strong, to Arizona, where they are weak.

Texas gun sellers were the source of 1,131 guns found at shooting sites in Mexico or confiscated from the cartel gangsters, according to ATF.<sup>67</sup> Below are just a few examples of the many firearms ATF has traced from crime scenes in Mexico back to Texas gun dealers:

- o The February 8, 2007 "Black Thursday" killings in Aguascalientes, Mexico occurred between local police officers and drug cartel gunmen in a violent battle that left four police officers dead. At the scene of the carnage, a Walther G22 assault-style rifle and a Beretta M9 semi-automatic handgun were found. ATF traced these weapons to the Universal Sporting Goods store in Laredo, Texas, where they were purchased by 28-year-old Texas resident Raúl Alvarez Jr.<sup>68</sup>
- o On March 16, 2008, members of a cartel were involved in a shootout with Mexican soldiers in coastal Ciudad Madero, Tamaulipas. The assailants opened fire on the soldiers, who returned fire. The soldiers recovered several firearms, including a Bushmaster .223-caliber assault rifle. ATF traced the gun to an Academy Sports and Outdoors store on Loop 410 near Vance Jackson in San Antonio. Court records show that Esli Garza bought the gun on July 10, 2007 from Academy Sports and Outdoors, as a straw purchaser for Ricardo Garza. Garza and his older brother, Arnoldo, who were contract security guards at the US Immigrations and Customs Enforcement, paid Palacios \$150 for each gun.<sup>69</sup>
- o Four police officers and three government secretaries were killed in the February 2007 "Acapulco Massacre."<sup>70</sup> According to ATF, among the guns used was one sold by Texas dealer Carter's Country to John Hernandez, a trafficker who purchased 23 guns for \$24,819, including buying five Bushmaster rifles one day from Carter's Country gun shop.<sup>71</sup>



**Case Study – Phoenix Gun Dealer Supplies  
Mexican Drug Cartels with Assault Weapons**

In just twenty-one months, Phoenix gun dealer George Iknadosian sold over 700 guns to straw purchasers he knew were buying on behalf of Mexican drug cartels, according to court documents.<sup>72</sup> The weapons Iknadosian sold from his gun shop, X-Caliber Guns, were mostly assault weapons, including AK-47s.<sup>73</sup> The weapons were sold to straw buyers recruited by Hugo and Cesar Gomez, Mexican brothers living legally in the Phoenix area but working for a Mexican drug cartel, and then trafficked to Mexico.<sup>74</sup>

In 2007, ATF began investigating Iknadosian after several crime guns recovered in Mexico were traced back to X-Caliber Guns.<sup>75</sup> During the investigation, Iknadosian sold guns to undercover agents, even after they told him that they planned on selling the guns in Mexico.<sup>76</sup> The investigation revealed that Iknadosian not only knew that the firearms he sold were being illegally smuggled into Mexico, but that he also offered advice to purchasers on how to evade the authorities. Iknadosian counseled one purchaser to break up his purchases so as not to draw suspicion if he were pulled over. A search-warrant affidavit quotes him as saying, "if you got pulled over two is no biggie. Four is a question. Fifteen is what are you doing. So if you got two, hey me and a buddy are going to go out shooting."<sup>77</sup>

Iknadosian also illegally aided straw buyers by allowing them to add firearms purchased to previously filled out 4473 forms (a federal form required to be filled out when a firearm is purchased from a licensed dealer), even though a new form is supposed to be filled out for each purchase.<sup>78</sup> Smugglers also paid Iknadosian in advance for firearms that he would then allow the straw buyers to walk off with.<sup>79</sup> Additionally, investigators discovered that Iknadosian had moved his gun business from California to Arizona in 2004, allegedly to take advantage of Arizona's weaker gun laws.<sup>80</sup>

Several guns sold by Iknadosian and X-Caliber have been recovered from crimes and arrests in Mexico. An assault rifle recovered from a raid of a Mexican safe house for drug dealers that left eight Mexican agents dead was traced back to X-Caliber Guns.<sup>81</sup> Mexican federal police officers recovered three assault rifles traced back to X-Caliber after members of a drug gang fired upon them.<sup>82</sup>

X-Caliber also sold an AK-47 and a diamond-encrusted .38-caliber Super pistol that were found after the Nov. 2, 2008 killing of the police chief of the northern state of Sonora as he walked in a hotel about two miles south of the Arizona border; a .38-caliber Super pistol seized in 2008 when Mexican special forces captured a top Sinaloa cartel lieutenant, Alfredo Beltran Leyva, and three members of his security team; and three assault rifles recovered after patrolling federal police officers were fired upon and responded by killing four gunmen from the Beltran Leyva drug gang on July 2, 2008 at a house in Culiacan.

Despite overwhelming evidence that Iknadosian was supplying Mexican drug cartels with dangerous weapons, weak federal and state gun laws have allowed him to escape liability. Iknadosian was arrested in May 2008<sup>83</sup> and charged with fraud, forgery, money laundering and operating a criminal syndicate.<sup>84</sup> In March 2009, however, the Arizona judge hearing his case threw out the criminal charges, ruling that the prosecution had not met the difficult burden of proof required to overcome the protections the law gives to gun dealers and that the gun purchases were legal even if they ended up in the hands of Mexican drug cartels.<sup>85</sup>



**Military-style Assault Weapons and Sniper Rifles**

Mexican law enforcement is increasingly being out-gunned by drug gangs bearing military-style assault weapons, .50 caliber sniper rifles, and other high-powered weapons from the U.S.<sup>86</sup> Recent data shows a surge in seizures of military-style assault rifles and .50-caliber guns, and according to ATF, cartels favor more powerful weapons like AK-47s, AR-15s, and FN 5.7 mm caliber pistols, known in Mexico as "Cop Killers" because they can pierce body armor. Mexico Attorney General Medina Mora has said that before the assault weapons ban was allowed to expire, only 21 percent of the weapons Mexico seized from traffickers were assault rifles, while today, it is more than half.<sup>87</sup>



Bushmaster semiautomatic assault rifle, legal for sale in the U.S.

Some of the incidents in Mexico involving military-style weapons bought in the United States include:

- o A Bushmaster carbine, civilian version of the M-16 assault rifle, bought at an Academy sporting goods store in Houston was used by drug gangsters who disguised themselves as soldiers to massacre four police officers and three secretaries in the "2007 Acapulco Massacre."<sup>88</sup> A similar rifle was sold at a Carter's Country gun store in July 2006 and recovered two months later in Mexico after the murder of a cattle buyer kidnapped at a small-town soccer match.<sup>88</sup>
- o During a raid in Reynosa, Mexico in November 2008, authorities recovered 540 guns, of which 288 were assault rifles, 500,000 rounds of ammunition, several .50-caliber rifles, and numerous grenades.<sup>89</sup>
- o In 2006, an AK-47 was purchased at a gun store in Phoenix by a straw buyer and was smuggled into Mexico, where it was used to arm the Gulf Cartel's paramilitary enforcement arm, the Zetas.<sup>90</sup> This gun was one of many guns purchased in the U.S. and driven into Cananea, Mexico, a town about 30 miles

***.50 Caliber Terror—  
Unregulated Weapons of War***

- Capable of destroying armored cars and aircraft, .50 caliber sniper rifles are proliferating in the civilian market.
- Accurate at up to 2,000 yards (20 football fields), it can damage targets over 4 miles away. With more power than other semiautomatic rifles legally available on the civilian market, the .50 caliber represents a serious threat to law enforcement and our national security.
- Despite their destructive threat, .50 caliber sniper rifles are only subject to the same minimal federal laws as hunting rifles and shotguns. If a buyer purchases a .50 caliber rifle from an unlicensed seller, such as at a gun show, there is no age limit under federal law to buy the rifle and no background check.



south of Arizona, by a convoy of armed assailants on May 16, 2007. In a brutal attack targeting police, five police officers and two civilians in that town were killed.<sup>91</sup> Of the twenty-two other guns recovered from the attack, approximately 75% were purchased in Texas and the remaining 25% were bought in Arizona or California.<sup>92</sup>

- o The owners of Mando's Guns and Ammo, a gun store located in the border town of Laredo, Texas, noticed a spike in demand for AK-47 assault rifles in 2003. "We were selling in quantity," recalled Diana Villarreal, who took over the store after her husband died. Federal agents eventually traced more than 50 AK-47s recovered from shooting scenes in the neighboring city of Nuevo Laredo on the Mexican side of the border.<sup>93</sup>

**The Same Loopholes That Arm Mexican Cartels Are Also Killing Americans**

The loopholes in our gun laws and corrupt gun dealers that fuel the cartel wars in Mexico also supply criminals on this side of the border. While Mexico is just now reaching gun homicide tolls of 6,000 a year, the United States has suffered over 30,000 deaths and more than 70,000 injuries due to gun violence every year for decades.<sup>94</sup> Every day, an average of 84 Americans are shot and killed, while nearly two hundred more are injured.<sup>95</sup> Firearms are the second-leading cause of death for children and teens in this country, after motor vehicle accidents.<sup>96</sup> Estimates of direct medical expenses for firearm injuries range from \$2.3 billion<sup>97</sup> to \$4 billion<sup>98</sup> per year, nearly 50% of which is covered by taxpayers.<sup>99</sup> The same problems causing Mexico's gun war have long caused a thriving criminal gun market here.

Moreover, just as criminals who are stopped from buying guns in Mexico because of strong laws exploit America's weaker gun laws, domestically **guns flow from states with weak gun laws into cities and states with strong gun laws.**<sup>100</sup> States like Texas, the number one source state for Mexican crime guns,<sup>101</sup> and Arizona, home state of George Iknadosian's X-Caliber Guns, are also major source states for American crime guns.<sup>102</sup> (It is no coincidence that Iknadosian moved his business from California, where gun laws are strong.) Further, in both Texas and Arizona it is easy enough for criminals to get guns in their home state that there is no reason for them to obtain guns elsewhere; Texas is ranked 5th nationally in supplying in-state criminals, and Arizona is ranked 10th.<sup>103</sup>

***Lax Gun Laws Help Arm a Cop Killer***

Texas gun dealer Carter's Country has not only sold guns used in the Mexican drug war, but sold a gun used to kill Houston police officer Rodney Johnson in the line of duty.

Officer Johnson was shot and killed with a gun by a felon. According to a lawsuit filed by Officer Johnson's widow, who is also a police officer, the shooter was prohibited because of a prior felony conviction and his illegal alien status, store employees of Carter's Country watched as he picked out the murder weapon, then allowed his wife, a U.S. citizen, to fill out the required paperwork for its purchase — a classic "straw purchase." *Johnson v. Carter's Country*, No. 2008-56372 (District Court of Harris County, Texas).

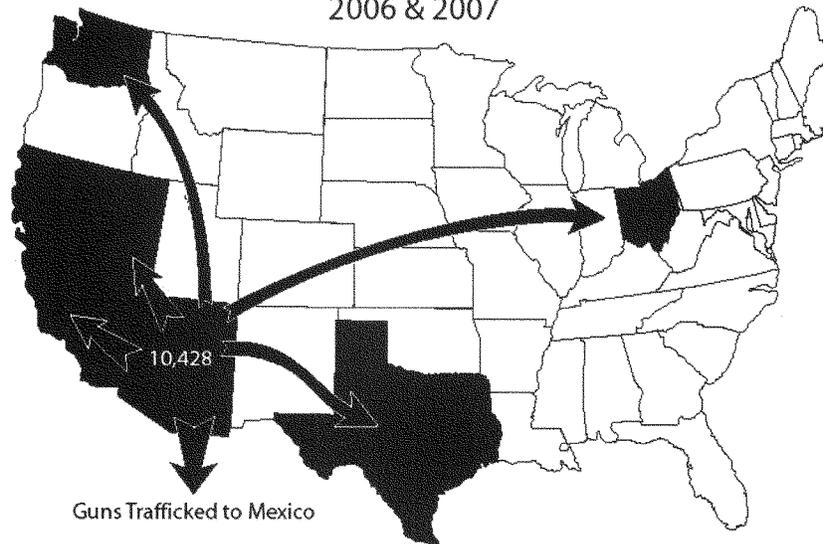
Arizona's and Texas's weak gun laws not only contribute to Mexican gun violence, they lead to gun violence in their own states. For example, the 2006 gun robbery rate in Phoenix was 23 percent higher than the gun robbery rate in Los Angeles, which is in a state with strong gun laws that require background checks for all gun sales, and limit handgun purchases to one



per customer per month. The gun aggravated assault rate in Phoenix was 12% higher. The gun robbery rate in Houston during the same time was more than double than Los Angeles's, and the gun aggravated assault rate was 31 percent higher.<sup>104</sup> According to the most recent ATF Youth Crime Gun Interdiction Initiative Report, over 82 percent of guns recovered from crime in Houston were purchased in the state of Texas, with 72% purchased in the same county where they were eventually recovered.<sup>105</sup> These rates are similar in other border state cities like Tucson (82%)<sup>106</sup>, Phoenix (81%)<sup>107</sup>, San Antonio (84%)<sup>108</sup>, Dallas (84%)<sup>109</sup>, and Austin (80%).<sup>110</sup>

Because of Arizona's weak gun laws, guns sold by Arizona gun dealers are frequently traced to crime. In just two years, more than 10,000 guns sold by Arizona gun dealers have been traced to crimes in Arizona.<sup>111</sup> Guns sold by Arizona gun dealers have also been frequently traced to crimes in other states and Mexico, as shown below.

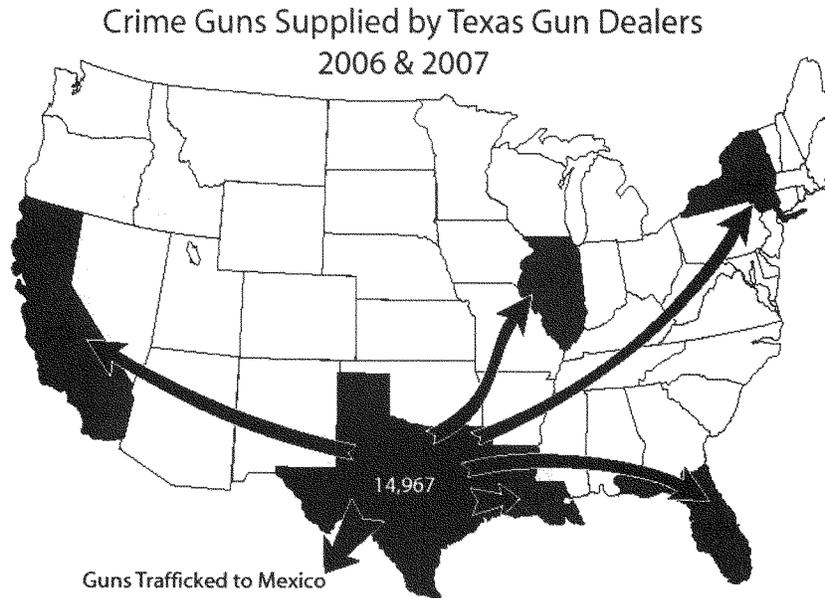
### Crime Guns Supplied by Arizona Gun Dealers 2006 & 2007



In 2006 and 2007, 10,428 guns recovered in crime in Arizona came from Arizona gun dealers. In 2006 and 2007, the top five states with crime guns traced to Arizona gun dealers were California, Nevada, Texas, Washington and Ohio.



Likewise, Texas gun dealers are a major source of crime guns recovered in Texas and other states, as well as Mexico.<sup>112</sup> In states with stronger gun laws, it is much harder for criminals to obtain illegal firearms, and so these states import more crime guns from states with weaker gun laws. For example, in New Jersey, less than 28% of crime guns come from New Jersey gun dealers, while in Texas 80.7% of crime guns come from Texas gun dealers.<sup>113</sup>



In 2006 and 2007, 14,967 guns recovered in crime in Texas came from Texas gun dealers. In 2006 and 2007, the top five states with crime guns traced to Texas gun dealers were California, Louisiana, Florida, New York, and Illinois.

United States “[l]aw enforcement agencies . . . acknowledge that the traffickers have brought a war once dismissed as a foreign affair to the doorstep of local communities.”<sup>114</sup> Violence has spread north of the border into Arizona and other border states, “where kidnappings, gun battles and executions among rival cartel members are becoming increasingly common.”<sup>115</sup> For example, in 2007 and the first half of 2008, there were over 560 kidnappings in Phoenix alone that are thought to be the work of the Mexican drug cartels.<sup>116</sup>



- Rosalio Reta and Gabriel Cardona, both Americans, were recruited to work as cartel hit men in Laredo, Texas when Reta was only thirteen. Reta and Cardona were both taken into Mexico for six months of military type training by the cartel before returning to Laredo to carry out their work.<sup>117</sup> Police suspect that Reta has killed thirty people.<sup>118</sup> Reta and Cardona were hired to kill rivals of Mexico's Gulf Cartel, however not everyone they killed in the United States was involved in drug trafficking. On January 8, 2006, Noe Flores, a man with no criminal history and was on his way to a birthday party, was shot eight times by Cardona. Flores' murder was a case of mistaken identity; Reta and Cardona were supposed to kill Flores' stepbrother Mike Lopez. Lopez's apparent crime was having dated a woman that one of Reta and Cardona's commanders was interested in. Lopez was killed a little over a month later by a different group of gunmen working for the cartel.<sup>119</sup>
- A Dallas couple, Luis Campos and his pregnant girlfriend Linoshka Torres, neither of whom had criminal records, were found murdered under a bridge in Dallas County in February 2007.<sup>120</sup> Police believe this was another case of mistaken identity<sup>121</sup> or that the couple may "have been set up as scapegoats" after money and drugs were stolen from the home of a man tied to Mexico's Gulf Cartel.<sup>122</sup>
- A tow truck driver who had the misfortune of being called to tow a car from an accident on Interstate 35 in Texas was abducted and taken into Mexico by men linked to Mexican drug cartels. The driver was abducted because drug profits had disappeared from a spare tire of the car he had towed. He was kept in Mexico for a week where he was questioned and tortured while his supervisor received calls that the driver's head would be cut off unless the money was brought across the border.<sup>123</sup>
- Cartel assassins and enforcers working in the United States have shown that they are willing not only to go after people who allegedly owe them money, but also those people's children and other innocent relatives. For example, in October 2008, men disguised as police kidnapped six-year-old Cole Puffinburger from his mother's Las Vegas home. Puffinburger's grandfather, Clemons Fred Tinnemeyer, had allegedly stolen money from a Mexican drug operation. Puffinburger was one of the lucky ones and was released safe and unharmed.
- Inez Villareal was just fourteen years old when he and his cousin were killed.<sup>124</sup> Their killer, Gabriel Cardona, the American hit man working for the cartels in Laredo, can be heard on a federal wiretap laughing about drinking their blood,<sup>125</sup> and then dumping their bodies into chemical filled metal drums. Villareal's cousin was a rival of Cardona's.<sup>126</sup>

*In 2007 and the first half of 2008, there were over 560 kidnappings in Phoenix alone that are thought to be the work of the Mexican drug cartels.*

Even in border cities where drug cartels have not yet caused rates of violence to go up, there are fears that the day when that happens is not far off.

El Paso, right across the border from Juárez, Mexico, is home to Thomason Hospital, the only level-one trauma center for almost 300 miles. In 2008, over forty people wounded in Juárez were treated at Thomason.<sup>127</sup>



The concern with treating people wounded by drug violence in Mexico in United States hospitals is that drug cartel gunmen will attempt to follow their victims across the border and finish the job in a hospital, as has begun to happen at hospitals in Mexico.<sup>128</sup>

Citizens of El Paso fear that, "it is only a matter of time before the Mexican drug dealers send assassination squads over to Thomason hospital." Their fears are not unfounded; drug cartels already work across the border to kidnap Mexicans who have come to the United States to protect themselves from threats of violence.<sup>129</sup>

Violence linked to Mexican drug cartels in the United States is not limited to states and cities along the United States-Mexico border.

Federal authorities have linked violence in at least 195 United States cities, including Honolulu and Boston, to Mexican drug cartels:

**Citizens of El Paso fear that, "it is only a matter of time before the Mexican drug dealers send assassination squads over to Thomason hospital."**

- Elements of several drug cartels have also been identified in cities as far as Buffalo and Anchorage.
- In July 2008, federal and state authorities raided a home in a quiet suburb of Atlanta and found a man who had been chained up and tortured for almost a week by three members of a Mexican drug cartel for not paying a drug debt.<sup>130</sup>
- In August 2008, five men were found with their throats slit in a Birmingham, Alabama apartment, apparently over a \$400,000 drug debt. The men had also been tortured with electric shocks before they died.
- The Atlanta area, many miles away from the actual United States-Mexico border, has been called by some drug officials "the new Southwest border." DEA agents in the area have also said "they have rarely seen such brutality in the U.S. since the 'Miami Vice' years of the 1980s, when Colombian cartels had the corner on the cocaine market in Florida."<sup>131</sup>



**SOLUTIONS TO THE PROBLEM:**  
**A COMPREHENSIVE AND EFFECTIVE RESPONSE TO THE VIOLENCE IN MEXICO AND  
 THE U.S. MUST INCLUDE COMMON SENSE GUN LAWS TO KEEP DANGEROUS  
 WEAPONS FROM TRAFFICKERS AND CRIMINALS**

In formulating a policy to stem the flow of guns to Mexico, policymakers must recognize the on-going gun violence crisis here in the United States and the need to formulate a coherent gun policy that will protect individuals on both sides of the border.

President Obama has called for a "a comprehensive approach" that supports Mexican President Calderón, while "also making sure we are dealing with the flow of drug money and guns south, because it's really a two-way situation there."<sup>132</sup> As the President explained, "The drugs are coming north, we're sending funds and guns south."<sup>133</sup> Any comprehensive approach must address one of the core causes of the crisis in Mexico – weak U.S. gun laws that make it easy for criminals and traffickers who supply them with guns.

*We need "a comprehensive approach" while "also making sure we are dealing with the flow of drug money and guns south.... The drugs are coming north, we're sending funds and guns south."*

*– President Barack Obama*

Unless existing gun laws are strengthened, drug cartels and criminals will continue to amass their arsenals. The following proven solutions will

help stem the tide of gun-running that threatens to further destabilize our Southern border, and also help make it harder for criminals in the U.S. to obtain firearms:

- o **Require background checks for all gun sales.** ATF has found that no-check sales at gun shows and other sales by unlicensed gun sellers are a major source for the illegal gun market, with "cases involving gun shows and flea markets account[ing] for 30.7% of all trafficked guns in the U.S."<sup>134</sup> Meanwhile, Brady background checks, which are required only at gun dealers, have blocked well over 1.6 million prohibited purchasers – felons, the dangerously mentally ill, domestic violence abusers, and others – from buying guns from licensed gun dealers. Background checks have undoubtedly saved lives. In the seven years prior to the Brady Law's enactment, the number and rate of violent firearm crimes increased every year, while in the seven years after the law took effect, the number and rate of violent firearm crimes declined precipitously.<sup>135</sup>
- o **End bulk handgun sales.** Multiple sales of guns are a prime indicator of gun trafficking.<sup>136</sup> Gun traffickers frequently buy multiple guns in one transaction in states with weak gun laws to export across state lines to areas where gun laws are stronger. Federal law enforcement regards the purchase of multiple handguns by a single buyer in a single transaction as an indicator that the buyer intends to traffic the guns to the illegal market. For this reason, if someone buys two or more handguns in a five-day period, federal law treats the purchase as so suspect that it must be reported to ATF. Handguns sold in multiple sales have accounted for 20% of all handguns sold and traced to crime annually.<sup>137</sup>
- o **Stop corrupt gun dealers by removing restrictions on ATF enforcement.** Only one percent of federally licensed firearms dealers are responsible for nearly 60 percent of guns traced to crime.<sup>138</sup> ATF investigations of these "bad apple" gun dealers indicate that the vast majority of them – 75 percent – have violated Federal firearms laws.<sup>139</sup> Restrictions on ATF's enforcement authority, however, enable



corrupt dealers to continue to pump countless numbers of guns into the criminal market.<sup>140</sup>

- o **Restrict military-style semiautomatic weapons.** Gun traffickers are able to purchase large quantities of military-style semiautomatic assault weapons and .50 caliber sniper rifles that can penetrate armored car plating and airplanes. Civilian ownership of these military-style weapons, and high-capacity ammunition magazines and armor-piercing bullets, should be restricted.<sup>141</sup>

Proposals in Congress that purport to address this issue but that do not strengthen U. S. gun laws that allow easy access to illegal guns will not solve this crisis. While proposals to provide greater resources to ATF are important, a strategy limited to merely "enforcing the laws on the books" by interdicting guns being smuggled by the traffickers, whether into Mexico or into American cities, will never be sufficient. We must also strengthen existing laws to attack the problem at its source. We must close off the channels by which guns are diverted from gun dealers and gun shows into the illegal market.

#### CONCLUSION

Mexican drug traffickers are fighting an escalating war that threatens to destabilize our Southern border and bring more gun violence to both Mexico and the U.S. American gun sellers are supplying the cartels with the guns used to wage war, with more than 90% of guns used by the drug cartels originating from U.S. gun sellers. The same weak gun laws and corrupt gun sellers who arm Mexican criminals also arm American criminals. Unless existing gun laws are strengthened, drug cartels and criminals will continue to amass their arsenals.

We must enact common sense gun laws, including:

- 1) requiring background checks for all gun sales,
- 2) limiting bulk gun sales,
- 3) providing more resources and enforcement authority for ATF to inspect and crack down on corrupt gun dealers, and
- 4) restricting the sale of high-firepower military-style weapons.

These proven solutions will stem the growing tide of violence in Mexico caused by U.S. guns, while also helping to keep dangerous people in the United States from having easy access to dangerous weapons.



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**Southern Border Violence: Homeland Security Threats, Vulnerabilities,  
and Responsibilities**

Chairman Joe Lieberman

April 20, 2009

Good morning and thanks to the people of Arizona and its capital city for hosting this field hearing today on the very real consequences for American communities brought on by the proliferation of the Mexican drug cartels and their nightmarish violence.

I would especially like to thank Governor Jan Brewer, Attorney General Terry Goddard and other officials from across the state who will testify before the Committee today. You have all been working tirelessly on the front lines to keep your citizens safe and your state prosperous, and I want you to know that your voices are important and are being heard.

I would also like to pay tribute to my dear friend and your Senator, John McCain, for recognizing the threat of the Mexican drug wars to U.S. homeland security and proposing this hearing. He is a great American, a true patriot, and the nation is fortunate he has dedicated his life to public service.

As the citizens of Arizona know only too well, the violence in Mexico has claimed over 7,000 lives since the beginning of 2008 as the cartels have gone to war with each other and the Mexican government. This turmoil has been precipitated by increased enforcement efforts of the Department of Homeland Security at the border, which has made it more difficult for the cartels to smuggle drugs into the U.S., and by Mexican President Felipe Calderon's heroic decision to take on the drug cartels two years ago and root out corruption in his own government.

As can be expected, the Mexican drug cartels have reacted as the lawless thugs that they are.

Many of their killings bear the hallmarks we typically associate with terrorist organizations: grisly beheadings, gunfights on crowded city streets, the targeted intimidation and assassination of government officials, and – as Phoenix is painfully aware – kidnappings and ransom demands. These are real atrocities.

While it is true that the vast majority of victims are associated with the Mexican cartels or human traffickers, we also know that innocent civilians have been caught in the crossfire, that the intensity of the violence has created an atmosphere of fear and uncertainty in border communities, and that the cartels have extended their deadly reach far past the border.

Law enforcement tells us there are no indications the cartels plan to export here the kind of gruesome violence occurring in Mexico. But they have the weapons, the networks of operatives throughout the U.S., and utter disregard for human life to do so.

According to the FBI, the Mexican drug cartels are now the top organized crime threat within the United States, displacing the Mafia. In addition to the kidnappings and home invasions they carry out in Arizona -which we will hear about today - they are increasingly responsible for other crimes. They steal cars from border cities in which to smuggle guns and cash back to Mexico. El Paso and Laredo, Texas, have experienced the most dramatic increase in car thefts in recent years, but Phoenix and Tucson are among the top 20 most vulnerable cities. The drug cartels and smuggling organizations also attack each other to hijack loads of drugs or aliens from competing operators.

And of course, the Mexican drug cartels' primary business is smuggling narcotics across the border to distribute in 230 U.S. cities from Anchorage, Alaska, to Hartford, Connecticut, and everywhere in between.

In this regard, the U.S. bears some responsibility for the ongoing crisis. The insatiable appetite of Americans for illegal drugs and the subsequent free flow of illegal cash and guns into Mexico has helped fuel the cartels' explosive growth and provided them with the resources to wage war with each other and outgun the Mexican government.

The good news is that the Obama Administration recognizes the severity of the problem. The President was in Mexico last week demonstrating the nation's commitment to the Mexican people and their President. Three top Cabinet officials have travelled south of the border in the last month, with Homeland Security Secretary Napolitano going twice.

DHS is redeploying resources to the border to step up the detection of firearms and cash bound for Mexico and drugs and undocumented aliens bound for the U.S. And just last week, DHS announced the appointment of Alan Bersin to be a special representative for border affairs – a border czar, if you will – whose job is to make sure the Administration's border initiatives in response to the Mexican drug cartels is efficient and coordinated.

DHS is also finalizing a government-wide contingency plan if violence spills across the border. And the State Department is implementing the \$14 million Merida Initiative – albeit not fast enough – to screen and train Mexican law enforcement officers, purchase helicopters for the Mexican military, reform Mexico's judicial system, and purchase and deploy scanning technology at border crossings.

These are significant actions, but we can and should do more. I am determined to expand the resources available to DHS, the Department of Justice, and state and local law enforcement agencies in the border region to take on the cartels in the most forceful way we can.

With broad bipartisan support, the Committee's Ranking Member, Susan Collins, and I successfully passed through the Senate a \$550 million amendment to the Fiscal Year 2010 budget resolution last month. The amendment would send over two thousand more law enforcement officers and investigators to the border region and specifically sets aside \$40 million for state and local law enforcement to expand their anti cartel operations.

I also intend to push for additional money for these purposes when the Fiscal Year 2009 emergency supplemental appropriations bill moves through Congress in the coming weeks.

That a large majority of the guns confiscated in Mexico originate in the U.S. is of grave concern to the Mexican government and rightly so. We must do everything in our power to police existing laws to prevent the cartels from smuggling high caliber firearms out of the United States. The law provides for one inspection a year for gun shops, for example, yet only about 25 percent of shops along the border are inspected each year. We need to step up these inspections.

We must also recognize that existing laws make it very difficult for law enforcement to fight back against the cartels. The ban on assault weapons should be renewed to stop the cartels from purchasing semi-automatic weapons legally and

converting them into cop-killing machine guns. And at the very least, we should close the gun show loophole, which allows individuals to purchase high-caliber weapons without even having to give their names or addresses, much less undergo background checks.

I pledge to you right now that we will work on a bipartisan basis in Washington to make sure that federal, state, and local law enforcement have the resources they need to take on the Mexican drug cartels, and that the federal government is working in synch with its state and local counterparts.

You know that state and local law enforcement is where the rubber meets the road. What we do at the federal level will have fleeting impact if we don't work in concert with you, our partners in this war against the Mexican drug cartels, which is why we are here today to listen.

**OPENING STATEMENT OF SENATOR JOHN MCCAIN  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE  
FIELD HEARING IN PHOENIX, ARIZONA  
SOUTHERN BORDER VIOLENCE: STATE AND LOCAL PERSPECTIVES**

**APRIL 20, 2009**

Thank you, Mr. Chairman, for coming to Phoenix to preside over this important field hearing and to hear first hand from Arizona's local and state elected officials and law enforcement officers on the increasing violence along the U.S./Mexico border. I appreciate those who were invited to testify, but unable to attend, including Sheriff Joe Arpaio, who submitted written testimony. The committee is here today to hear from those who have the difficult job of securing the safety of the citizens of Arizona and the Nation despite the fact that our Southwest border is not yet as secure. And as we know all too well here in Arizona, violence associated with illegal drug traffic by the Mexican drug cartels is a real problem and must be addressed.

It is for that reason that I have joined the calls for the National Guard to be sent to the border. I look forward to hearing out witnesses ideas on the how best to deploy the Guard and what other solutions they propose be taken.

Due to the unsecure border and the high demand for illegal drugs in the United States, the drug cartels' activities are impacting the security of the United States and particularly border states like Arizona. The City of Phoenix is now the kidnapping capital of the United States and second only to Mexico City for the most kidnappings in any city in the world. The City of Nogales has seen several gun battles break out in broad daylight between Mexican police and the drug cartels just a couple of miles from the border. The City of Tucson has seen its crime rate increase this past year, especially for property crimes and car thefts. Each of these instances can be traced to an increase of violence along the Mexican border and the high demand for illegal drugs within the United States.

For these reasons, I was pleased that the Administration announced last month the addition of more personnel to the Southwest border, increased intelligence capability and better coordination with state, local and Mexican law enforcement authorities. But it is not enough. Instead, the United States has cut funding to the Mexican government for equipment, training and assistance promised as part of the Merida initiative. We have failed to stop the demand for drugs in the United States and been somewhat lax in preventing the transport of bulk caches of firearms to Mexico. Just last week, the Administration denied Governor Brewer's request for Federal support to add 250 more National Guard troops to be assigned at the border to the Joint Counter-Narcotic/Terrorism Task Force. This is an unacceptable response and I hope our witnesses will further explain the ramifications of that decision.

I hope that the hearing today will highlight the outstanding work that our state and local officials are performing to provide for the safety of Americans despite the unwillingness in some instances of the Federal government to provide the necessary resources to assist Mexico in its efforts against the drug cartel violence and to secure the Southwest border from the flow of drugs, money laundering and illegal immigration. We must do more, and the people at today's hearing know that fact far better than I can attest—I am very eager to hear from them today. Additional federal action is urgently needed and in my judgment, our failure to do more puts at risk the safety and security of our citizens each and every day.

**WRITTEN STATEMENT OF  
JANICE K. BREWER, GOVERNOR OF THE STATE OF ARIZONA  
FOR THE  
U.S. SENATE HOMELAND SECURITY AND GOVERNMENT AFFAIRS COMMITTEE  
PHOENIX FIELD HEARING REGARDING SOUTHERN BORDER VIOLENCE  
APRIL 20, 2009**

Senator Lieberman, Senator McCain and other distinguished guests, let me begin by thanking you for the opportunity to speak to you regarding my concerns with the situation on our border with Mexico. I am joined today by the Director of the Arizona Department of Public Safety, Roger Vanderpool; the Adjutant General of the Arizona National Guard, Major General Hugo Salazar; and the Executive Director of the Arizona-Mexico Commission, Margie Emmermann.

As you know, Arizona's border with Mexico extends approximately 370 miles in a largely open region with little population and terrain varying from low deserts to mountains. The multiple transportation avenues for trafficking in drugs and immigrants make Arizona a particularly attractive state to those engaging in these illegal activities.

Due to the vigilance of law enforcement, the violence that has affected so much of Northern Mexico has not been nearly as much of a factor as it otherwise would have been. I am grateful for the work of federal authorities and our own resources such as the Arizona Department of Public Safety, county sheriffs and municipal police departments, all of which keep a watchful eye and ear while we work, rest and recreate. Arizona's law enforcement community truly has been cohesive and integrated in its approach to the border, and that cohesion and integration has led to better results for Arizonans.

The nature of this cohesion and integration is probably best exemplified by the combined effect of federal, state and local law enforcement agencies working together in the Arizona Counter Terrorism Information Center, commonly known as the AcTIC. The AcTIC plays a vital role in strengthening the intelligence and analytical process that is then used to support inter-jurisdictional operations and cooperative efforts designed to anticipate and prevent terrorist—including "narcoterrorist"—activities.

In addition to law enforcement, Arizona has other assets in play including approximately 150 National Guard personnel at work in support of these law enforcement entities. According to DPS Director Vanderpool, "the Guard's support has been a lifesaver to Arizona law enforcement's efforts on the border in support roles such as intelligence analysis and aerial reconnaissance." As you are aware, in March I requested Defense Secretary Gates increase the National Guard count of soldiers participating in drug interdiction and counter-drug activities from 150 to 400 personnel. More on that later.

Despite the vast array of assets in Arizona, I cannot tell you that we are immune from the spillover effects of the Mexican drug wars. We have seen clear signs of such spillover—and the signs of the kind of violence and depravity that may await us are frightening and completely unacceptable. Arizona's reputation as "ground zero" for illegal narcotics smuggling, human smuggling and kidnapping is directly related to our border status, and the growing threat posed by criminal syndicates south of the border.

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In pointing these facts out, I am not diminishing the relative success of law enforcement north of the border. Instead, I am suggesting that we must acknowledge that the demands on law enforcement are growing in both quantity and complexity. The relative peace and safety that Arizonans have enjoyed because of the dedication and vigilance of law enforcement should not lull the federal government into a level of activity and response which is completely inconsistent with the danger confronting us. The inherently violent drug trade poses a threat to law enforcement officials and innocent families beyond those persons who willfully participate in the illegal trafficking. Our porous border makes entry into the U.S. easy and it seems reasonable to believe that the criminal drug syndicates may also – if it is not happening already – be a welcoming partner even to terrorist ventures.

Beyond the ravages of violence, the border challenges have had devastating effects on commerce, particularly tourism. Fear has led to a reduction in travel activities which has great effects on businesses both north and south of the border. Less quantifiable, but possibly even worse, is the impact on families both in Mexico and Arizona, too afraid to travel to see one another.

In thinking about how to address these challenges, let me offer the following five suggestions:

#### Number 1 – Additional or Ongoing Resource Needs

I believe the request I have made to Secretary Gates to bolster our National Guard's Joint Counter – Narcotics/Terrorism Task Force is a prudent and justified measure. I was extremely disappointed last week to learn it had been effectively denied. Despite the apparent denial, I ask for the support of you and your colleagues in funding my request and those coming from other southwestern Governors regarding increased appropriations for these National Guard operations. Contrary to some allegations, my proposal to use skilled National Guard resources to assist law enforcement is not at all the same thing as "militarizing" the border. State and federal taxpayers have trained these men and women and we ought to take advantage of their abilities to effectively support law enforcement's primary role.

Your increased financial and personnel support for intergovernmental ventures such as the AcTIC provides opportunities to prevent incidents before they ever happen. Another intergovernmental effort which deserves significant attention is the special relationship we share with the Tohono O'odham Nation. Ensuring the tribe has adequate resources to fulfill its role in partnership with federal, state and local authorities is absolutely essential to a comprehensive and effective strategy.

Finally, the federal government must continue to enhance its commitment to border security. While Border States like Arizona are willing to assist, the primary role belongs to the federal government through activities/agencies such as the Border Patrol and Immigration and Customs Enforcement. Please ensure Arizona has adequate resources to interdict drug and human smuggling operations throughout southern Arizona, not just at the largest crossing sites. Recent developments regarding increased federal support are heartening, however, the efforts need to be bolstered. While personnel redeployment is one method to meet challenges, we urge you to ensure that the federal government does not "rob Peter to pay Paul." Make

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sure that resource and personnel gaps are closed throughout the border region without creating deficits elsewhere that will lead to other vital services/duties not being completed. On this note, I want to thank you Senator Lieberman for your stance that additional funding is called for in the light of the clear and present danger to the U.S.

In summarizing this section of my remarks, please remember that while technology and physical barriers are important tools in dealing with border challenges—tools that I certainly welcome—boots on the ground combined with solid intel is really what facilitates adequate response and effective prevention.

#### Number 2 – Modernization of Ports of Entry

The Ports of Entry between Arizona and Mexico should be fully modernized and outfitted to balance appropriate traffic flow with the need for inspections and other security measures. The fairly recent announcements regarding the Mariposa Port is, generally, a great development. While I certainly do not believe we should operate as if smugglers and other “bad guys” will only be using our main ports, we should not neglect the infrastructure and operations at these sites which can help thwart illegal trade passing through the most obvious of crossing opportunities. Just as importantly, we should also not take the ports for granted as opportunities to enhance the conduct of efficient and effective international commerce and trade which benefits the entire region. Congress should make a clear multi-year commitment to port construction and modernization throughout the southwest. And, by the way...this commitment should not involve additional financial burdens for cash-strapped state or local governments.

#### Number 3 – A Fair and Effective Immigration Policy

While Congress works to establish a sensible immigration policy, it is absolutely essential to secure our borders. Our border security challenges are significantly compounded by our inability to develop a long-term strategy for fair and appropriate legal immigration and the prevention of illegal crossings. I recognize the issues associated with immigration policy are thorny ones, but I must say that without federal action on the matter, states—particularly border states—are in very vulnerable positions. At a minimum, the federal government must do more to further discourage tactics and methods designed to thwart proper immigration procedures. Specifically, the federal government should make prosecution of human trafficking activities—including both those persons arranging the smuggling as well as those participating in it—a top priority.

#### Number 4 – Appropriate Support for Unique Burdens of Border States

In addition to addressing immigration policy itself, the federal government must also respond to the disproportionate fiscal burdens shouldered by border states in education, health care, human services, law enforcement and corrections. Until a more secure border situation can be achieved, along with the implementation of a sound immigration strategy/policy, the federal government should appropriate funds to help offset the verifiable costs state and local governments incur because of or associated with illegal immigrants. State and local governments in Arizona racks up millions of dollars in additional expenditures every year

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directly resulting from federal immigration and border operations not being adequate to control illegal entry in this state.

#### Number 5 – A Review of Our National Drug Policy

Finally, the United States must carefully analyze our National Drug Policy. We must admit that if it were not for our voracious appetite for illegal drugs, the situation along our southern border would be vastly different. Actions by individual states are not the answers we need—disjointed policies will likely not be effective and might very well produce more harm than good. As a citizen leader, I struggle with what course of action to advocate to you. Our fascination with mood and mind altering substances—alcohol and tobacco included—has not made our country better. In fact, I believe the evidence would suggest we are worse off at least in terms of public health. Addiction, other long-term health consequences and the negative impacts on productivity and safety make drug use an incredibly negative characteristic of modern American society. On the other hand, the price we pay for illegal trafficking of these drugs is enormous. Entire criminal syndicates operate on the enormous profits coming from illegal drug trade. The price our society pays in both violent and property crimes associated with the drug trade is enormous and growing. Our prisons and jails are full of people either directly or indirectly tied to illegal drug use.

Addressing these matters requires a comprehensive national look at what works and what does not in terms of enforcement, prevention, treatment and other relevant concerns. I believe our national policy makers must take this matter up and pursue it analytically, seriously and expeditiously.

In closing, I want to thank you again for the opportunity to address you. I did not come today to dazzle you with statistics, horrify you with anecdotes or to toot the state's horn on things we have done. Instead, during my brief time addressing you, I wanted to share a few perspectives that may be of value in your deliberations on how to address our challenges on the border. I pray that God will bless you and all your colleagues with wisdom in addressing these and all other challenges facing our great nation.



Testimony of Terry Goddard  
Attorney General  
State of Arizona

Senate Committee on  
Homeland Security and Governmental Affairs

"Southern Border Violence: State and Local Perspectives"

Phoenix, Arizona

April 20, 2009

### I. An Overview

Surging violence associated with Mexican-based drug cartels represents a growing threat to the safety of American citizens and is one of the most serious organized crime threats of the 21st Century. These sophisticated, heavily armed, well-organized and highly profitable organizations are using unimaginable violence to protect and grow their criminal enterprises.

The violence stems from four interrelated crimes: drug smuggling, human smuggling, arms trafficking and money laundering. These crimes move in both directions across the border. Drugs and humans are smuggled from south to north, while illegal traffic in weapons and money runs north to south. The cartels do a robust business in all four areas.

Addressing each of these criminal activities effectively demands a more comprehensive law enforcement strategy. Our country's response so far has been segmented among multiple federal, state and local agencies. Task forces have been assembled for specific operations with good results, but stronger federal leadership and a much better integrated response are urgently needed to dismantle the criminal organizations and restore the rule of law.

Our nation's frustration with spillover border violence goes back a long way. In 1916, Mexican revolutionary Francisco "Pancho" Villa led a raid into Columbus, N.M., that left 18 Americans dead. President Wilson responded by sending Gen. John "Black Jack" Pershing and 10,000 U.S. troops into the rugged mountains of northern Mexico to capture Villa. In nearly a year of searching, they never found him.

We are facing a far larger border crisis today. While Arizona may sit at the center of this storm, the cartels distribute drugs in more than 230 cities across the U.S. and operate with as much bloody violence as any terrorist organization. Accordingly, crimes associated with the border extend far into our country and threaten citizens in every state.

An estimated 80 percent of the methamphetamine on the streets in the United States is produced in Mexico. Similarly, over 2.4 million pounds of marijuana smuggled into the U.S. each year is grown in Mexico. Cocaine is not produced in Mexico, but more than 90 percent of the cocaine imported into the U.S. comes through Mexico. In turn, profits from drug sales in the United States generate between \$15 billion and \$25 billion per year, which is smuggled back into Mexico, either in the form of cash or weapons.

Human smuggling has also evolved into a high-dollar crime, controlled by many of the same criminal organizations that smuggle drugs. A 2004 study estimated that 3,000 to 4,000 individuals per day entered the U.S. illegally through Arizona, and approximately \$2 billion per year is paid to the smugglers, sometimes referred to as "coyotes," to transport undocumented individuals across the Arizona border. Human smuggling is largely facilitated by illicit wire transfers of money to pay the smuggling fees charged by the coyotes.

Violence from these criminal cartels claimed over 6,000 lives in Mexico last year alone, including a spike in assassinations of police officers, prosecutors, other government officials, and their families. Meanwhile, the high-profit trade in drugs, arms and human smuggling now stretches from coast to coast, fueling crime in cities throughout the United States. Phoenix leads the nation in kidnappings with more than 700 such crimes—most of which were connected with human or drug smuggling—reported in the past two years, and Tucson reports a sharp rise in home invasions.

During the past few weeks, the border crisis finally made its way to the federal government's front burner. The Obama administration's recent plan to combat organized crime in Mexico and prevent more violence in the United States is encouraging. If that plan is fully funded, it will provide needed equipment and other resources for Mexican law enforcement. It will sharply increase the number of federal agents on the Mexican border, increase intelligence capabilities and provide new crime-fighting technology. Last week's appointment of Alan Bersin as the federal government's first "border czar" is another step in the right direction.

These are intelligent moves, but bringing down the powerful cartels will require a great deal more hard work. Most importantly, we need a comprehensive, highly coordinated strategy that integrates the work of federal, state and local agencies, and until such a strategy is in place, American citizens will continue to be at risk. In the effort to secure our border and protect our communities, we have learned that no single law enforcement agency—federal, state or local—has the manpower or expertise to combat the cartels alone. We must work together to go after the head of the monster. This means cutting off their financial resources and dismantling their leadership.

The Mexican government has mounted a major fight against the cartels, and our nation must do all we can to strengthen Mexico's attack. It is clearly in our own national security interest to assist Mexico's military and law enforcement efforts. We must work more closely with our Mexican counterparts on bi-national investigations, intelligence gathering and analysis. We also need to help Mexico's nascent program to stamp out official corruption and reform its judicial system and police agencies.

## **II. Arizona Law Enforcement Efforts to Combat the Problem**

Arizona has become the gateway for drug and human smuggling into the United States. Principal reasons include Arizona's transportation infrastructure and increased enforcement along the California and Texas borders. Phoenix has become a prime distribution point for both drug and human smuggling.

In one frightening episode, four people were killed and five others wounded in a shooting rampage along several miles of Interstate 10 near Phoenix. The victims were all undocumented immigrants engaged in human smuggling. This shootout didn't take place last month or last year; it happened in 2003. We have been dealing with spillover violence a long time, and one of the things we have learned is that the most effective method of combating human smuggling is to block the flow of funds to the organized criminal cartels. The Arizona Attorney General's Office has aggressively pursued these "blood wires" sent through Western Union and other money transmitters for over six years.

### **A. It's All About the Money**

Organized, cross-border crime between Mexico and Arizona involves illegal smuggling across the border of drugs, humans and weapons. Each of these illegal activities depends on the movement of money. Human smuggling in particular requires rapid movement of money among people who have no ongoing relationship. Western Union is by far the largest provider of illicit money-movement services, so it is the source of valuable information about illicit money movements. The company has become the focus of Arizona's interdiction efforts aimed at criminal proceeds.

Human smuggling organizations are well-organized and violent. Their human "cargo" are often victimized, held for ransom or worse. In one typical case, twenty undocumented immigrants were taken by six smugglers to a Phoenix drop house. Soon after arriving, the immigrants were informed that the price for bringing them into Arizona would be twice as high as they had been told. When one member of the group objected, the coyotes walked him into another room, shot and killed him.

Human smuggling is not just violent, it is highly profitable. Hundreds of millions of dollars have been wire transferred into Arizona to pay for smuggling human beings. To cut down on coyote activities, the Arizona Attorney General's Office has for several years used "sweeping" warrants to screen the wire transfers of cash that pay coyotes for smuggling people into Arizona and intercept the most suspicious.

Such seizure warrants are similar to court-ordered wiretaps. Courts have authorized both seizure warrants and wiretaps when presented with evidence of reasonable probability of criminal activity. Our warrants do temporarily detain some legitimate money transfers, in the same way wiretaps sometimes record non-criminal conversations, so my Office has made every effort to minimize the impact on innocent people.

Intercepting wire transfers of criminal proceeds has proven effective. Between 2003 and 2007, my Office seized more than \$17 million in wire payments and arrested more than 100 smugglers. Every effort has been made to focus the warrants on human smuggling based on a variety of identifying factors. Any legitimate cash transfers detained in the process were promptly returned, usually within 24 hours. On investigation, less than 10 percent of intercepted transfers over those years turned out to be legitimate.

Our success in seizing smuggling payments reduced the volume of wire transfers into Arizona by hundreds of millions of dollars. The coyote organization that committed the Phoenix drop house murder in the example above, like many other such organizations, began to route its wire transfer payments to Sonora in northern Mexico. In response to this change in coyote tactics, we targeted 26 wire transfer locations on the Mexican side of the border. Western Union, the nation's dominant wire transfer company, went to court to stop our efforts. The Arizona Court of Appeals upheld our methods. The matter is still in litigation.

The entry of undocumented immigrants into the U.S. is now controlled by violent criminal syndicates that have turned human smuggling into a multi-billion-dollar-a-year business. They have pushed aside most independent coyotes and established efficient logistical networks. Human smuggling is increasingly related to other crime, including rape and murder.

With Arizona the nation's leading gateway for human smuggling, I will continue to use all legal means available to deter and prosecute the organized criminals involved.

#### **B. Multi-Agency Investigations and Prosecutions**

My Office has been involved in numerous multi-agency investigations and prosecutions of human smuggling, drug smuggling and arms trafficking. Most include federal, state and local law enforcement working in close collaboration. Below are a few representative cases:

**Operation Tumbleweed, 2008:** Three months ago, in one of the largest drug trafficking takedowns in Arizona history, we broke up a bi-national drug trafficking organization with the indictment of 59 people and the arrest of 39. Since 2003, the organization is believed to have

smuggled close to two million pounds of marijuana from Mexico into the United States with a wholesale value estimated at \$1 billion. Working with a drug cartel in the Mexican state of Sinaloa, the organization is alleged to have used vehicles stolen in the U.S. to transport large quantities of marijuana across the border into Arizona and then on to major cities across the country. Traffickers used sophisticated transportation, communication and surveillance technology to bring the drugs across the border and through the desert to Phoenix. This year-long investigation involved U.S. Immigration and Customs Enforcement, U.S. Border Patrol, U.S. Customs Air and Marine, U.S. Drug Enforcement Administration, Arizona Attorney General's Office, Arizona Department of Public Safety, Pinal County Sheriff's Office and the Phoenix Police Department.

**Operation En Fuego, 2008:** This seven-month investigation led to the indictment of 35 individuals on felony charges for smuggling more than 10,000 undocumented immigrants in the past two years. The smuggling organization contracted with other criminal groups to transport 40 to 90 undocumented immigrants a week from Phoenix to destinations throughout the United States. This investigation led to the discovery of five drop houses and the detention of 86 undocumented immigrants who were turned over to federal authorities for deportation. The organization made up to \$63,000 per week, using a fleet of vans to transport immigrants from Phoenix to 22 states. The investigation was conducted by the Arizona Financial Crimes Task Force (a federal-state-local task force of which my Office is a member) and U.S. Border Patrol.

**X-Caliber Gun Store, 2008:** Last May, an 11-month investigation by federal, state and local law enforcement led to the breakup of a major arms trafficking operation that supplied hundreds of AK-47 type assault rifles, other long guns and handguns to criminal organizations in Mexico. Some 1,300 weapons were seized in raids at a gun store in Phoenix and the home of its owner. The owner was accused of selling more than 700 weapons to straw buyers and showing the buyers how to falsify purchase records. Hundreds of guns found in Mexico have been traced to this store. The Bureau of Alcohol, Tobacco, Firearms and Explosives believes the weapons were among some 7,700 recovered in Mexico last year and traced to American sales. The owner stood trial last month and was acquitted by directed verdict. My Office is appealing the judge's decision.

**Operation River Walker, 2008:** My Office indicted 48 people in the breakup of a major human smuggling organization operating in Phoenix and Naco, Arizona. The defendants were accused of smuggling 8,000 undocumented immigrants per year across the Mexican border to Phoenix drop houses. The organization, which made as much as \$130,000 a week transporting up to 60 immigrants per day, had been active for years. Thirteen drop houses were closed. The organization used "sub-contractors" to transport undocumented persons through Arizona, including "walkers" to take immigrants along the San Pedro River, drop house operators, bank account holders, load drivers and even cooks. The indictments followed a seven-month investigation by the Arizona Financial Crimes Task Force.

**Operation Fly-By-Night, 2007:** Investigators with the Arizona Financial Crimes Task Force noted an unusual level of travel activity associated with a travel agency booking flights in and out of Las Vegas, Nevada. Working closely with major airline carriers and the Airlines Reporting Corporation (ARC), the Task Force identified individual travel agencies participating. Undercover detectives posed as "coyotes" and became customers of travel agency personnel who were providing guidance, direction and passage for undocumented immigrants. In March 2007, I announced indictments involving six Phoenix-area travel agencies that provided one-way airline tickets to more than 6,800 undocumented immigrants since August 2005 (the date when Arizona's human smuggling statute took effect). All of the tickets, worth a total of nearly \$2

million, were for travel from McCarran International Airport in Las Vegas, where immigration security was known to be less rigorous than at Sky Harbor Airport in Phoenix. This case won the top award given by International Association of Chiefs of Police in 2007.

**Used Car Lot Seizures, Ongoing:** One prominent case in metro Phoenix involved cutting off important transportation methods used by coyotes. Twenty-one defendants were indicted on felony conspiracy and trafficking charges. Eleven used car lots and 400 vehicles—worth \$1.5 million—were seized. The cars were used to move humans and drugs from the border. This sophisticated operation provided phony car titles to avoid detection. Cars apprehended by the U.S. Border Patrol were returned to the "lien holder" car lots and continued in service to the criminal organization.

### C. Mérida Initiative, Attorneys General Partnership

In October 2007, the United States and Mexico announced the Mérida Initiative, a multi-year program to provide assistance to Mexico and Central America, aimed at combating drug trafficking, gangs and other forms of organized crime.

Congress initially authorized \$1.4 billion for the first three years of the Mérida Initiative. Much of the funding will go toward the purchase of helicopters, airplanes, surveillance software and other goods and services produced by U.S. private defense contractors for delivery to Mexico. According to the U.S. Department of State, 59 percent of the proposed assistance will go to civilian law enforcement agencies and 41 percent to operational costs for the Mexican Army and Mexican Navy.

The Mérida Initiative will also provide vital funding for technical advice and training to strengthen the institutions of justice, case management software to track investigations, new offices of citizen complaints and professional responsibility and witness protection programs in Mexico. In August 2008, Mexico announced that two states, Chihuahua and Nuevo León, are pioneering public trials, in which the state must prove its case. Before, the accused bore the burden of proof, and trials were secret. The new procedures are hoped to bring transparency and accountability to the legal process and to significantly reduce corruption, shoddy investigations, coerced testimony and an extremely low conviction rate.

I agree wholeheartedly with the underlying principle of the Mérida Initiative: The organized criminal cartels that smuggle drugs, people, guns and money must be confronted with all of the strength of the governments of both the United States and Mexico. Toward that end, while serving as chair of the Conference of Western Attorneys General in 2007-2008, I helped forge a stronger partnership among state Attorneys General in the U.S. and Mexico. Following meetings in Cuernavaca and Phoenix, participants announced last year "a new era of bi-national cooperation to fight organized crime in both countries." Those lofty words have had practical consequences. The Attorneys General in the two countries have been working more closely together in four primary areas:

- **Human Smuggling:** Bi-national exchange of information about smuggling networks, information provided by witnesses, operational modes, money transmitters, smuggling routes and other information. We also agreed to work together to plan and execute enforcement operations.

- **Drug Trafficking:** Pilot projects to better investigate drug trafficking on both sides of the border. We further agreed that in certain circumstances drug traffickers caught in the U.S. but not prosecuted here would be sent to Mexico for prosecution.
- **Money Laundering:** Use of investigative techniques pioneered in Arizona to aid in the prosecution of human traffickers in Mexico and to disrupt the flow of funds to the cartels. We also agreed to assist Mexico with analysis of selected money transmissions from the U.S. to Mexico and other evidence related to money laundering.
- **Arms Trafficking:** Expand joint U.S.-Mexican undercover operations aimed at illegal arms sales to prosecute those who sell arms illegally for transport to Mexico. We agreed to pursue an expansion of the registration requirement for multiple long gun sales such as AK-47s and AR-15s.

Additionally, the Attorneys General are working together to establish and interconnect databases similar to Arizona's THEFTAZ Web site, which tracks stolen cars to provide timely information about stolen vehicles and other equipment to law enforcement on both sides of the border.

A highly significant step affirmed at the Phoenix bi-national meeting was broadening the use of a provision in the Mexican Penal Code that treats crimes committed in other countries as if they were crimes committed in Mexico. This provision, known as "Article 4," was previously limited to criminal prosecutions but will now be used as the basis for joint investigations. This change has exciting long-term possibilities to keep criminals from using the international border as protection.

Taken together, the Mérida Initiative and our new partnership among Attorneys General promise to invigorate crime-fighting efforts on both sides of the border. Only by supporting Mexico's efforts to wipe out the cartel organizations will the U.S. be safe from the threat of cartel violence. Their fight is ours.

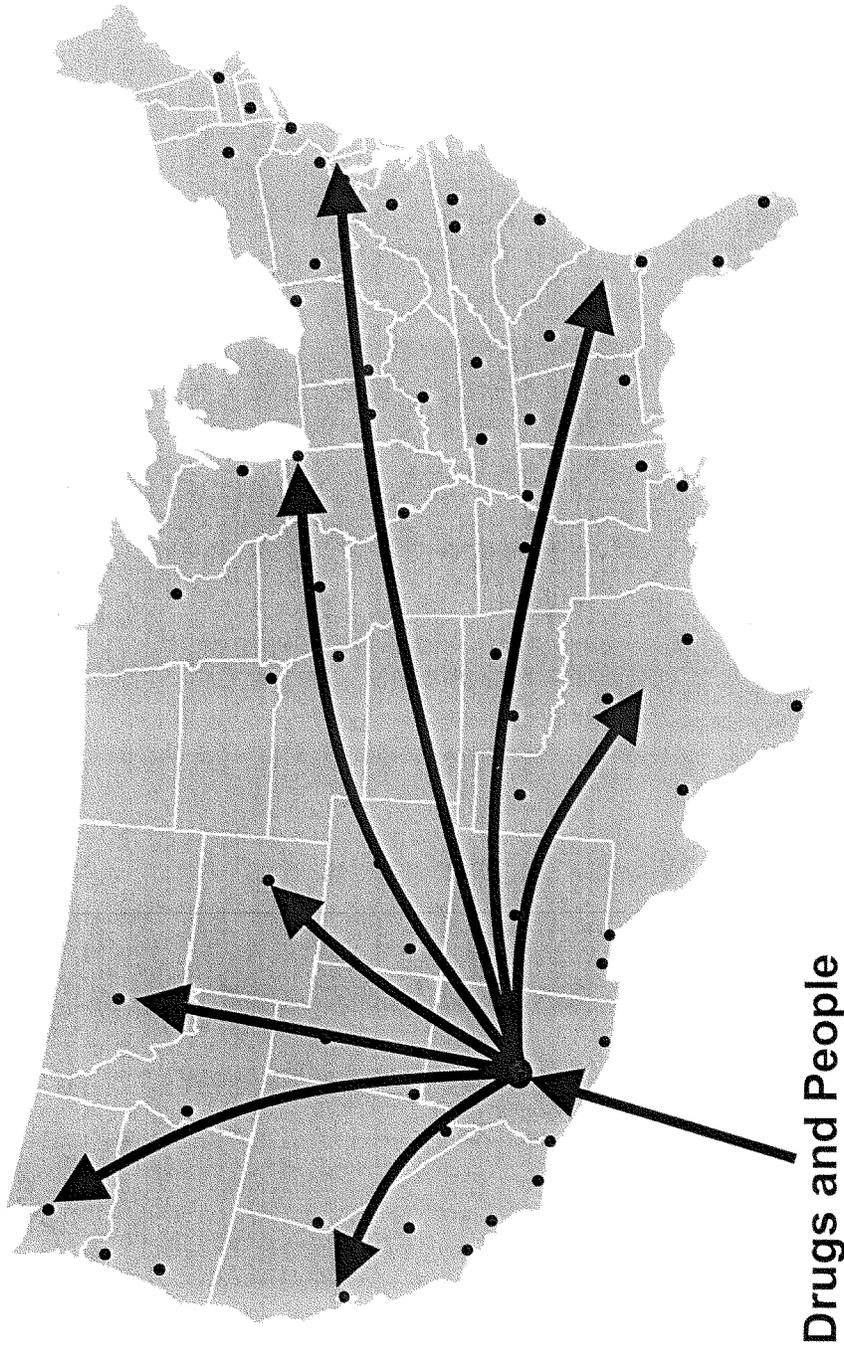
### III. Additional Steps Need to be Taken

President Obama recently asserted that our country needs a comprehensive approach to combat violent criminal organizations. I agree. Our experience in Arizona has shown that cooperation and intelligence sharing on both sides of the border are necessary if we are to prevail against the sophisticated, well-organized criminals smuggling drugs, people, guns and money across our southern border. For example:

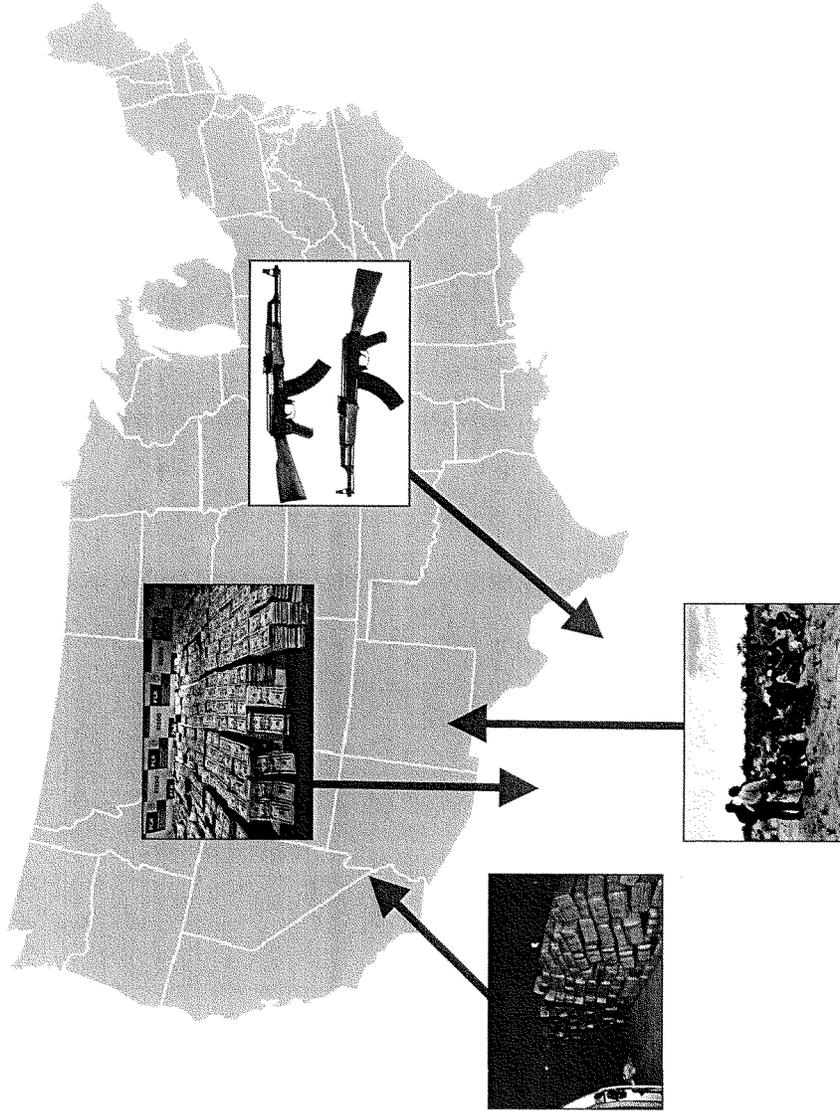
- Congress should continue to appropriate the funds to continue the vital work of assisting Mexican law enforcement and military efforts against the drug cartels.
- All levels of United States law enforcement must collaborate with our Mexican counterparts on bi-national investigations, intelligence gathering and analysis. We must invest in compatible technologies and equipment for communication and data storage.
- We must assist Mexico's reform of its state and federal courts and criminal procedures, including training and technology sharing, to promote transparency and fight corruption.

- We should also support Mexico's ambitious program to modernize its police agencies, including establishing mechanisms to ensure transparency and accountability, developing professionalism programs and training officers and technicians in crime scene investigation and maintenance of the chain of custody of physical evidence.
- The departments of the Treasury, Justice and Homeland Security must continue to provide support, people and resources to the various federal-state-local task forces that have proven so successful.
- We should broaden the High Intensity Drug Trafficking Area (HIDTA) mission to include the crimes of human smuggling and weapons trafficking in addition to drug trafficking and money laundering.
- Gun trafficking and tracing laws need to be updated to recognize the realities of today's sophisticated international gun trade. Southbound gun interdiction must be a priority.
- Law enforcement agencies on both sides of the border need to target corrupt money transmitters. To do this effectively, we need additional tools, such as coordinated regulation of money transmitters and currency exchange businesses on both sides of the border, cross-border cooperation to seize criminal assets, streamlined extradition procedures, a lower threshold for mandatory reporting of single-transaction money transfers and cash importation into Mexico, which is currently \$10,000, and better procedures for identifying the corrupt actors and their methods by tracing all money going to known trouble spots in Mexico.
- Today's "money transmitter" procedures and infrastructure are becoming obsolete as new alternatives emerge, such as the "prepaid stored value cards." Law enforcement agencies must anticipate and deal with tomorrow's cash transfer methods. We need legal and investigative tools specifically addressing such new developments. Stored value cards must be included in the definition of "monetary instruments" for purposes of Currency and Monetary Instrument Reports (CMIRs). Law enforcement agencies must be able to identify suspicious cards and reporting requirements should allow law enforcement agencies to access cardholders' identities, track transactions and identify patterns of suspicious activity. Stored value cards and devices must be readable by law enforcement to determine the amounts stored on them.

Winning the fight against the criminal organizations that operate on both sides of the border demands increased commitment by law enforcement agencies in both the United States and Mexico. The explosion of violence we have seen in Mexico will not be contained there unless the Mexican government's courageous effort to confront and destroy the drug cartels is successful. It is clearly in the interest of the United States to assist Mexico in that effort and to step up our own law enforcement activities to dismantle the criminal organizations operating across the border. To this end, we are working hard in Arizona through federal, state and local partnerships, to strengthen relationships with our counterparts in Mexico. The challenge we face is critical and requires additional federal assistance and integration.



**Drugs and People**



**Testimony of Phoenix Mayor Phil Gordon**  
***Senate Subcommittee on Homeland Security***  
***and Governmental Affairs***

Chairman Lieberman, Senator McCain, welcome. We're always pleased to have each of you in Phoenix.

Last month, I was invited to Washington, D.C., to offer testimony before a House Subcommittee on this very topic. I went then, and I come here now to discuss an issue which must so urgently be discussed, debated, addressed and, to the best of our ability – resolved.

There can be no doubt that a crisis exists at our border with Mexico. And for reasons ranging from an historically bad economy on the Mexican side of the border – to various degrees of inattention on our own side of the border – to the border itself which is vast and porous – Phoenix finds itself at the center of this Perfect Storm – a storm that is growing increasingly violent, threatening and resource-consuming. Homeland Security includes Home *Town* Security. And that's especially true for border communities like mine.

Senators, I know a number of your colleagues, sitting 2,000 miles from Arizona, envision a border like you'll find at El Paso and Juarez. A road in, a road out, with railroad crossing-type arms to control the flow of cars and people. But the Arizona/Mexico border is not like

that. It is 200 miles long – and hundreds of square miles in area. It is hot, rugged, and has nooks and crannies, ravines and ridges that facilitate covert movement. The border is, in many ways, imaginary. Likewise there is no “Great Wall of Phoenix” to separate us from that imaginary border. And I promise you, what happens at the border, does not stay at the border. It comes here. Which is why we’re so deeply involved.

But what happens in Phoenix, doesn’t stay here, either. The criminals don’t drop anchor here. We’re just a gateway. They continue on to Washington and Oregon. Iowa and Kansas. Maine and Connecticut.

That’s one of the reasons I welcome you to Phoenix. So you’ll see first hand that it is not simply a Phoenix problem. It’s a national problem requiring a national solution. We do need more funding. Funding to continue our partnerships with ICE, with the DEA, with the FBI, with ATF. We do need continued funding to go after the Worst of the Worst. We do need continued funding to cut the drugs and the violence off at the border. We do need continued funding to help and protect our own law enforcement personnel. You’ve seen the pictures from Mexico. You’ve seen what their criminal syndicates do to good Mexican police officers and honest Mexican politicians. They don’t respect our border, and they won’t respect our police. We need your continued help.

We really do have a dichotomy here in Phoenix. Our crime is actually down, in every category, over the last year. And last year's crime numbers were down from the year before THAT. The same is true for Mesa, and except for the unincorporated areas of this County, the same is true for most of Maricopa County. Our cities have their priorities straight. We know the first order, is to maintain order, and safety. That's why we plead with you, and your colleagues in the Senate and the House, to continue funding the federal agencies that we have so successfully been partnering with.

We need new funding for the US Marshals and others, who can go after dangerous felons by serving them the warrants that already have their names on them, instead of letting them collect dust on some closet shelf.

We have been widely referred to in Phoenix, as "The Kidnapping Capital of the World". And that may very well be true. But one of the reasons why, is that Phoenix's policy, unlike the policies of many cities, is to report every crime. And Senators, the Uniform Crime Statistics aren't all that uniform, when the reporting methods are anything BUT uniform.

I would point out that the extreme violence we are seeing on the Mexico side of our border – including beheadings – has not yet spilled over to the American side. And even the kidnappings and shootings that have spilled over, almost exclusively involve what enforcement refers to as "Bad guys on bad guys".

But in the absence of "Eternal Vigilance" from all of us – that spillover violence will most certainly increase – and the victim pool will expand to include law-abiding, American residents who are just living their lives.

And even though the violence largely remains south of our border, the perception is very different. And that, if left unchecked, will start impacting the people who want to visit Phoenix. The ones who want to move to Phoenix. The businesses that want to relocate to Phoenix. And anyone who wants to invest in Phoenix. And that, of course, impacts our economy, which impacts our revenue stream, which impacts our ability to expand the public safety efforts that are necessary to stem this tide.

It's a circle that must be broken.

The City of Phoenix has just reduced our 2010 budget by \$280 million. That's not a terribly large number by Washington standards, but for a city like Phoenix, it's about a third of our total budget. Those are serious reductions. I'd like to tell you Public Safety was spared from these reductions, but that is not the case.

As you might suspect, the cost to Phoenix of border-related crime is staggering – and far beyond what most municipalities in this country are required to bear. It's the cost of intelligence. The cost of equipment. The cost of hiring new officers. The cost of overtime.

The cost of undercover operations that continue for months and, sometimes, years. The ongoing surveillance operations.

In these challenging economic times, we must be particularly sensitive to the manner in which we allocate our increasingly-scarce resources. That's why Phoenix goes after the "Worst of the Worst". We arrest dangerous, violent felons: drug smugglers, human smugglers, kidnappers, murderers, gang members and members of criminal syndicates.

Fighting these dangerous, well-armed criminals – often armed at a level that meets or exceeds our own law enforcement and National Guard personnel – is challenging. Sophisticated criminal operations require an expensive and sophisticated response.

And, a quick response. People are being tortured. People are being kidnapped. Almost every night, Phoenix Police will get one or more calls with variations of the same story – "My wife is being held in a Phoenix drop house and they say they will torture and kill her if we don't pay them thousands of dollars". The response to that kind of call is incredibly "labor intensive". For each one of those calls, Phoenix will divert significant resources on the spot – as many as 60 officers -- to find, rescue and protect these kidnap victims. Again, these intensive operations happen routinely. The overtime hours are staggering; the personnel resources diverted from preventing or solving other crimes are massive.

We have the finest police department in the nation. With 540 square miles to cover – which equates to about one officer, per square mile, per shift -- they arrest 40,000 felony-criminals a year – and handle one million calls for service. My own son serves proudly – and his dad is very proud of that. But the 3,000 dedicated men and women of the Phoenix Police Department – as good as they are – are being stretched very thin. That's why we have been leaders in forming creative partnerships – and pioneering creative programs to fight these international criminals. And we've had some tremendous successes and significant results.

I do want to take a moment to thank the federal government, and each of you, for the partnerships we have had so many successes with.

Let me give you just a few short examples of the many Joint Operations that have yielded profound results in just the past year:

*Operation Blank Check*, a partnership with our local federal agencies, led to the felony indictments of 183 individuals. This year-long investigation led directly to the arrests of hardcore gang members from 22 different gangs who trafficked in drugs and fraudulent checking schemes – totaling more than 3 million dollars -- to fund their operations.

*Operation En Fuego*, also in partnership with our local federal agencies, was responsible for the break-up of a major Phoenix-based

smuggling organization and the indictment of 35 individuals on felony charges related to the human smuggling of more than 10,000 individuals.

*Operation Tumbleweed*, again involving our local federal agencies, disrupted and stopped the illegal activities of 20 different organizations by following a common money trail right back to them all. Drug smuggling. Human smuggling. Money laundering. All disrupted and stopped.

Additionally, we shut down two of the largest syndicates in the nation that dealt in the tragedy of human smuggling. Each year, 15,000 people were brought into the United States, through Phoenix, illegally. And 30 million dollars went the other way. They're out of business now.

Phoenix PD is a critical participant in IIMPACT Arizona – which stands for Illegal Immigration Prevention and Apprehension Co-op Teams. It's a program that is managed by Arizona DPS – includes ICE -- and is designed to deter, disrupt and dismantle violent criminal organizations profiting from illegal immigration

And we're a member of The FBI Violent Street Gang Task Force – which has resulted in more than 300 felony arrests in the past year alone.

Partnering with DEA, the Border Patrol, FBI, ATF, the US Attorney, the US Postal Inspectors, and State and local agencies – we have

disrupted serious criminal activity. We have executed thousands of warrants, won thousands of felony indictments and arrested thousands of dangerous and violent people engaging in Drug Trafficking, gun smuggling, drug smuggling, human smuggling and kidnapping. We have kept millions of dollars from flowing from the United States to Mexico.

The Phoenix Police Department has pioneered a program that has been very effective for us. We have actually embedded ICE agents, on a full-time basis, inside our Police Department. That's where their desks are. And their presence and participation in key areas of enforcement has been invaluable. They provide intelligence. They have access to federal databases. They partner with us – on the street -- to go after violent criminals and reduce violent crime (which was DOWN by 6 percent last year in Phoenix) – and they are an important piece of what we do.

In addition to ICE, Phoenix has its own police officers embedded in FBI. We have embedded City Prosecutors with the US Attorney's Office, allowing us to bring and prosecute federal charges in many important cases – particularly cases involving guns.

Phoenix and its federal partners have established a task force to aggressively pursue kidnappers and those who invade homes. We share expertise and intelligence – and we share in excellent results.

So for us, and for this country, partnerships are everything. And nobody does them better – or values them more, than Phoenix, the Phoenix Police Department, Federal agents and our State’s Department of Public Safety.

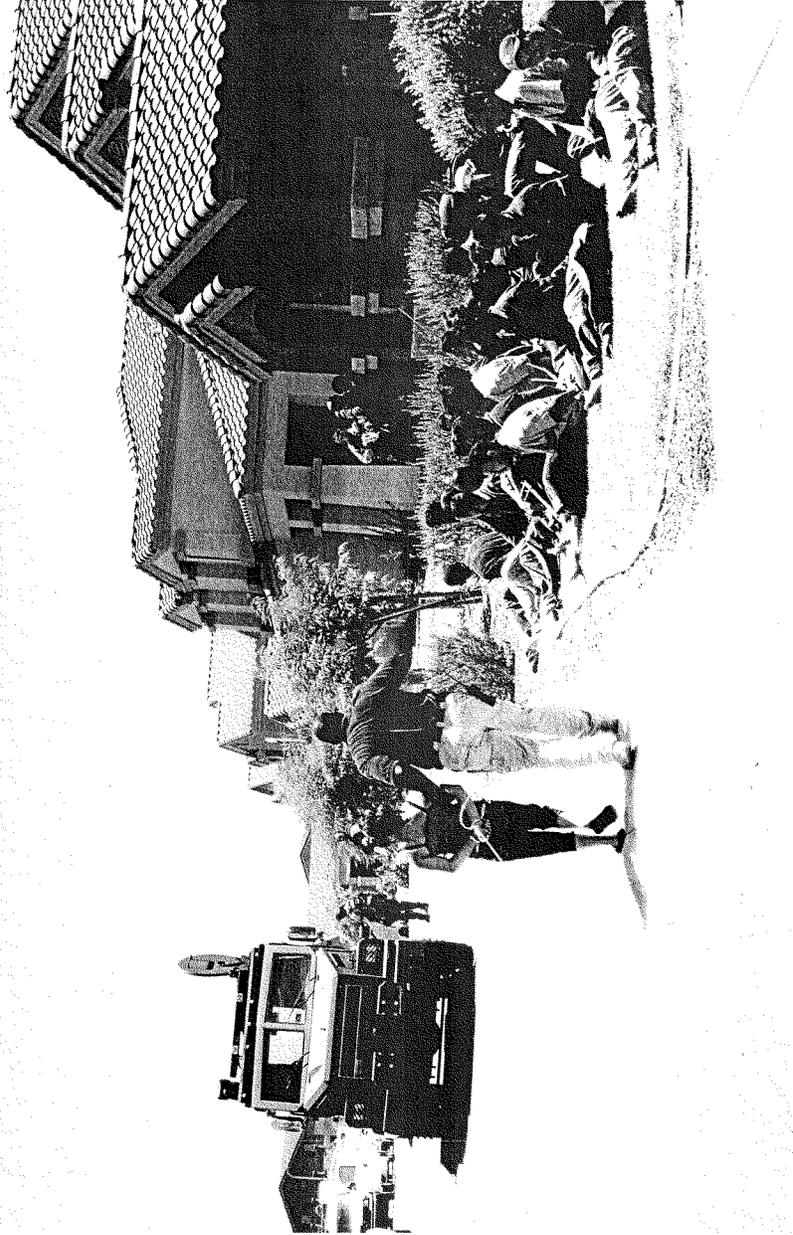
Again, I am so grateful to our federal partners.

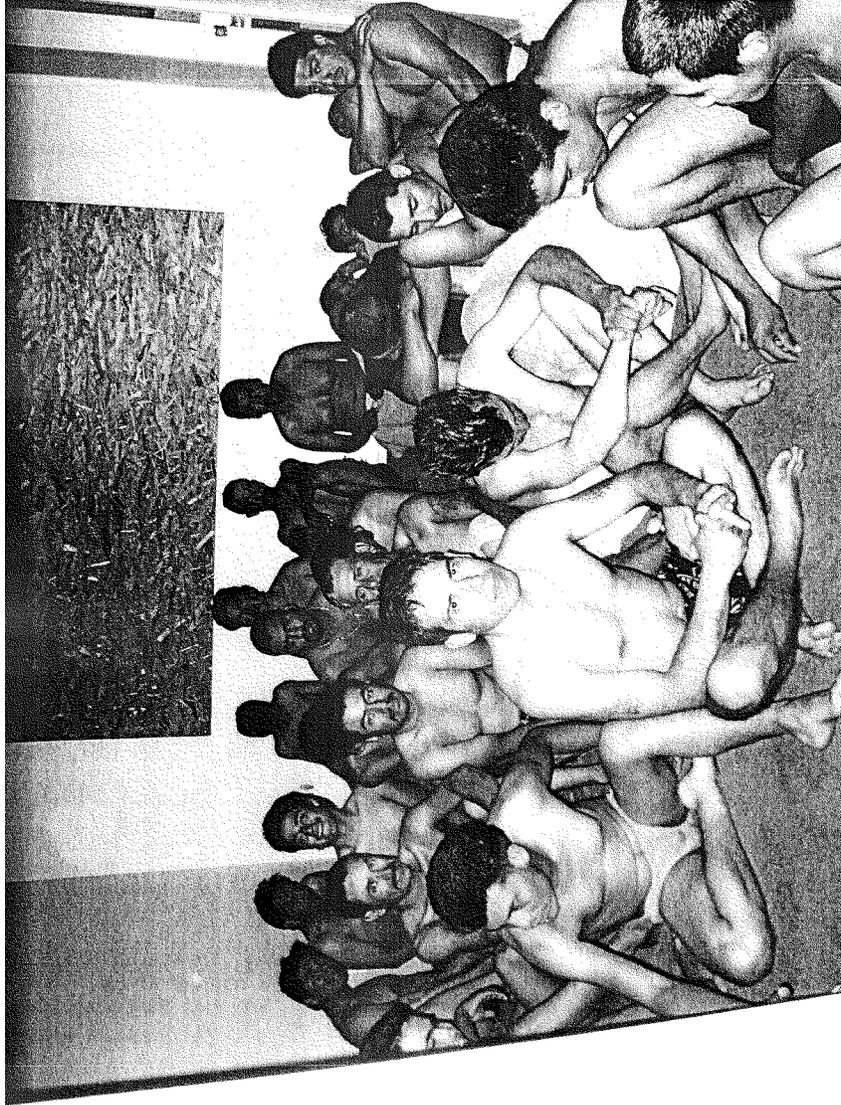
When this nation was founded, no one ever conceived or imagined that immigration enforcement was an issue that would ever fall to mayors and local police departments. But here we are. Not only are we being forced to step up our immigration efforts, but we also have an increased burden when it comes to gun crimes and white-collar crimes – connected to illegal immigration and formerly handled at the federal level.

But the good news is – we CAN fix the problem.

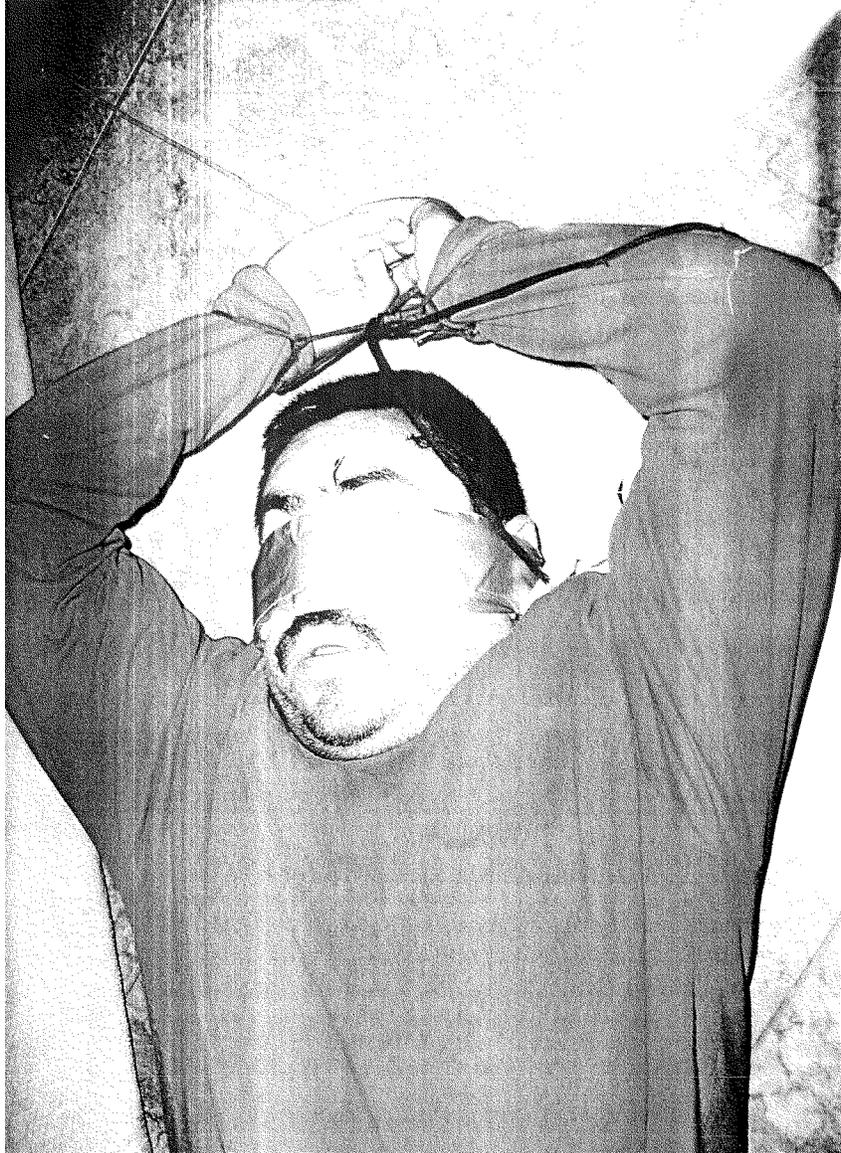
When, as a nation, we roll up our sleeves, focus on a goal, debate our options, outline a course and act with conviction and principle – there is nothing we cannot accomplish. America is a great nation – and Americans always live up to that greatness. We have won freedom for much of the world. We have industrialized the world. We have fed the world. In so many ways, we have changed the world. And we have shown the ability to change our own nation when change was needed.

And on all these issues relating to immigration, this nation of immigrants will do it again.









**Prepared Statement of  
The Honorable Octavio Garcia-Von Borstel  
Mayor  
City of Nogales, Arizona  
April 20, 2009**

Chairman Lieberman, Members of the Committee, I appreciate the opportunity to appear before you today to discuss "Southern Border Violence: State and Local Perspectives." We are all aware of the international situation as it relates to the drug-cartel violence that has been occurring along the Southwest Border. What I would like to address the Committee on are the effects of border violence in our community of Nogales, Arizona.

Since May 2007, the City of Nogales, Arizona has been a witness to several highly reported brutal slayings that are occurring between drug-cartels in our sister city of Nogales, Sonora, Mexico. The Department of Justice's National Drug Intelligence Center has identified the Mexican drug trafficking organizations as the greatest organized crime threat facing the United States today; although in our neighboring city the violence committed against innocent parties and tourism is very rare. In October 2008, the State Department issued a travel advisory mentioning the city of Nogales, Sonora; this advisory has had an effect on the economy of the city of Nogales, Arizona. We are experiencing longer waits in border crossings and a decline in tourism.

Nogales, Arizona is on the front lines in the fight against drugs, we see continued record high tonnage of drug, cash, and weapons seizures all as a result of the effort between Federal, State and local entities working in conjunction.

Nogales is a thriving, safe community that has always put the safety of citizens and tourists on the top of the list. Nogales reported zero drug related homicides in 2008 and what we call "small crime", such as vandalism and shoplifting, were at a minimum.

The principal effects of border violence in my community of Nogales, Arizona are as follows:

1. The drug trafficking has reached a point where this activity is even occurring in our sewer system. Last week alone, numerous loads of marijuana were intentionally channeled through our IOI, which is the main sewer line flowing through Nogales, Sonora into Nogales, Arizona. This shows the length to which drug traffickers have resorted in getting their product into this country. What is normally a drug trafficking problem has now become an infrastructure problem because these actions can damage our sewer line infrastructure to the tune of millions of dollars.
2. Locally, we can't go more than a few months without discovering another drug tunnel going under the border and into Nogales, Arizona. These tunnels cause great damage to the structural integrity of our streets and buildings.

3. The wait times at our port of entry continues to be considerable. It is our understanding that a great portion of these wait times are due to heightened security at the border. While this ensures our national safety, the burden of longer wait times for commercial and pedestrian entry which can frequently exceed one to two hours falls on border cities. We estimate that approximately 75% of people in vehicular lines at the border are coming to shop in the U.S. When the wait times exceeds one to two hours many potential visitors and customers are discouraged from coming into the U.S. to buy our products. This affects Nogales, Tucson, Phoenix, and the rest of Arizona.

4. State and national media reports discourage people from other parts of the state and the U.S. from coming to Ambos Nogales. Tourists used to come and lodge in Nogales, Arizona and shop and dine in Nogales, Sonora. That is not happening much anymore.

5. Whether merited or not, the perception alone of increased violence in Nogales, Sonora has greatly reduced the amount of business and tourist visitors to Ambos Nogales. This reduction in business and tourism has had a detrimental effect in our community, which damages commerce, tourism, and ultimately reduces our precious sales tax which is the main source of revenue for Nogales, Arizona.

6. The aforementioned factors not only affect existing businesses; but also greatly diminish new business prospects for our border town. Produce, maquilas, and other border operations which might have been thinking of relocating to Ambos Nogales are now discouraged to do so because of the fear of increased violence along the border corridor.

7. Due to the growing violence in Mexico, our local police department is forced to spend a disproportionate amount of time assisting federal law enforcement agencies. While the effects on this side of the border are indirect, they directly affect our economy and deplete our budgetary resources which are crucial to border cities during these difficult economic times. For instance, our police and fire departments' levels of response to incidents at the ports of entry have greatly increased. From January 2008 the police department responded to 3400 calls, and as of January 2009 they have responded to 6800 calls at the port of entry.

8. Our citizens living in close proximity to the international boundary line, are constantly deprived of a reasonable nights rest due to the noise and disruptive activities such as emergency vehicles, surveillance aircraft, high capacity flood lights, emergency sirens, etc.

The City of Nogales is therefore requesting your assistance in seeing that greater resources are allocated to combating the potential spillover effect of the drug war in Mexico as well as increased CBP manpower to properly staff and operate the largest port of entry in Arizona. If we can maintain the security and operation of the Mariposa and DeConcini ports of entry in Nogales, all of Arizona, as well as this country, will benefit.

The sad irony is that Nogales, Arizona remains one of the safest cities in the country in spite of the violence and drug and human trafficking that surrounds us.

Thank you for the opportunity to testify here today; by continuing to work together we can develop new ideas to refresh our strategies and can rise to the current challenge. I will be happy to answer any questions you might have.

TESTIMONY  
OF  
CHAIRMAN NED NORRIS, JR.  
TOHONO O'ODHAM NATION  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
HEARING ON, "SOUTHERN BORDER VIOLENCE: STATE AND LOCAL PERSPECTIVE"  
APRIL 20, 2009

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Good morning Chairman Joseph Lieberman and Members of the Senate Committee. I would like to thank the Committee for the opportunity to testify today regarding border violence and the impact this activity has on the Tohono O'odham Nation. Border-related crimes, such as illegal immigrant and drug trafficking, robberies, sexual assault, stolen vehicles and property crimes, have an impact not only on our law enforcement and other resources but also affects the quality of life of our people, and diminishes our efforts to maintain our culture and traditions. I will illustrate this by providing you with data and also a few examples of how this affects our people.

**Border-Related Crime Data:**

The Tohono O'odham Nation has 78 police officers: about 46 are assigned field operations or patrol duties. The numbers below illustrate the overwhelming amount of border-related crime and incidents our officers handle on a daily basis.

- Although border crossings have decreased from a high of about 1,500 a day from 2005/6, to about 400-450 a day, these numbers remain significant because of the increase of drug smuggling. Customs and Border Protection data show that about 10% of the crossers are criminal aliens with histories of rape, assaults, drug and human smuggling, and murder. So there are about 40-50 felons entering the Tohono O'odham Nation on a daily basis, or about 1,500 a month.
- Tohono O'odham Police investigate an average of 70 deaths a year of illegal immigrants that die attempting to cross the Tohono O'odham Nation. They died from exposure, injury and about 3% were murdered by other illegal immigrants robbing them of their drugs and or human cargo.
- From annual year 2004 to 2008, Tohono O'odham police seized 290,885 pounds of marijuana, an average of 58,000 pounds a year. For annual year 2009, TOPD is expected to exceed this average by about 27% or approximately 79,236 pounds. Additionally there were 877 pounds of cocaine seized. The estimated street value of all of the drugs seized is \$221,633,000.00. These numbers do not include data from Customs and Border Patrol or Immigration and Customs Enforcement, who seized about 400,000 pounds in fiscal year 2007.
- From 2004 to 2009 (to date) the federal government has prosecuted about 534 drug cases; about 160 of the cases were filed against tribal members, or about 30% of the total.

- The monetary cost to Tohono O'odham PD responding and investigating border-related calls in fiscal years 2007 and 2008 is \$3,604,456, as itemized below:
  - ✓ Death investigations - \$449,932
  - ✓ Smuggling Investigations - \$757,680
  - ✓ Traffic Accidents - \$877,200
  - ✓ Stolen/Abandoned Vehicle removals - \$196,644
  - ✓ Calls for service (suspicious persons, vehicles, etc.) - \$1,312,700

#### **Cartels Operating on the Tohono O'odham Nation**

Information indicates that there are two Mexican drug cartels operating within the Tohono O'odham Nation: (1) the Sinaloa Cartel; and (2) the Tijuana Cartel. Both are vying for control of the Nation, particularly the western side. They see the porous nature of our border, despite the construction of vehicle barriers; the barriers do not stop foot traffic. Because the southern side of the border is rural desert area, with little if any law enforcement presence, they use the area as staging areas to smuggle drugs and illegal migrants.

Because of the vehicle barriers they can no longer drive north from the Mexican side of the border so they shifted their tactics to stealing vehicles from the Phoenix metro area. They then drive the stolen vehicles to sites on the Tohono O'odham Nation where the drugs and/or human cargo are stored or waiting. They then transport the cargo north off the Nation. Because the current practice of Customs and Border Patrol is to not check southbound vehicles, this has been a successful strategy for the cartels thus far.

The cartels are developing formal relationships with Tohono O'odham Nation members to drive vehicles loaded with hundreds of pounds of drugs and/or a cars or trucks loaded with illegal migrants to designated locations off the Nation. What they do is a simple process of offering \$700 to \$5,000, depending on the type of load, to tribal members to either drive the load or store the drugs at their home or a shed.

More and more of the Nation's members are getting involved in the illegal operations; as little as five years ago there were just a few tribal members involved in the illegal operations. As I indicated earlier, 30% of the total federal prosecutions for drug smuggling and/or transport of illegal immigrants are tribal members. In the same time period there were 145 drug possession/transport cases prosecuted in tribal court.

All of this activity affects the quality of life of our members. Our children are routinely exposed to the drugs, violence and death. On almost a daily basis at our high schools and even our elementary school a child is caught with marijuana. This is an illustration of the deteriorating affect this has on our youth and families.

Another major concern is there are indications that criminally prone Lawfully Admitted Permanent Residents (LAPRS) or Mexican-Americans are developing relationships with young women on the Nation; they have fathered children with women as young as 16 to 17 years old and through this connection are expanding their illegal immigrants smuggling operations. These LAPRS are then able to freely travel throughout the Tohono O'odham Nation and solicit or

recruit tribal members to help with their illegal operations. We believe they have connections to the cartels in Mexico; it will not be too long until the cartels will want to put a stop to this intrusion in what they claim as their territory and criminal operations.

Border violence has increased with the majority of incidents directed to Customs and Border Patrol, but this does not lessen the fear that tribal members and TOPD officers will soon be targets of the drug and human smuggling cartels. Violence includes: rocks thrown at vehicles and officers, physical assaults, shots fired, vehicle assaults, and weapons violations. In a recent case (March 25) two illegal immigrants were attacked with automatic weapons; both remain hospitalized. TOPD attributes the ambush to a successful hijacking of their human cargo the victims had been transporting.

**Issues and Concerns:**

Tohono O'odham Police spend close to 50% of their patrol time on border-related crime and incidents. This is time taken away from protection of communities and other intervention and prevention efforts.

Lack of interoperability, radio and cell phone: There is about 30% of the Tohono O'odham Nation that lacks adequate radio and cell phone communication. This handicaps our efforts and presents an officer and public safety concern. Adding to this is the inability to communicate directly with our federal partners, Customs and Border Patrol and Immigration and Customs Enforcement.

Tribal members from other reservations frequent the Tohono O'odham Nation to specifically become involved in drug and human smuggling. Tribal members involved and apprehended by Customs and Border Protection and Tohono O'odham police include members from San Carlos Apache, Navajo, Gila River, Salt River, Yavapai-Apache, and others. These individuals are aware that they are generally not tracked by tribal police and because of their status very easily avoid the State and Federal criminal intelligence system. Tribal police must be directly involved in the various criminal information/intelligence sharing initiatives to close this gap in the system.

**Conclusion:** I would like to emphasize that should this type of activity occur in any town or city in the United States it would be considered a crisis. The Tohono O'odham Nation is in the midst of this crisis and our way of life and culture and traditions are changing every day.

This crime and violence doesn't end on the Tohono O'odham Nation. The drugs and criminals transporting the drugs and human cargo are headed to cities and towns throughout the United States. The victims of kidnapping that the city of Phoenix has been experiencing had likely travelled through the Tohono O'odham Nation. We need help to protect not only our community but also to protect our neighbors, the State of Arizona, and the United States. I urge you to do whatever you can do to help us protect our homeland.

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

**TESTIMONY OF  
JACK F. HARRIS  
PUBLIC SAFETY MANAGER, PHOENIX, ARIZONA**

**APRIL 20, 2009**

**EFFECTS OF BORDER VIOLENCE:**

Phoenix continues to be one of the safest major cities in America. In 2008, property crimes dropped by 6%, violent crime dropped 8% with homicides dropping by 24%. This drop in crime rates is significant. However, border related crime and violence is affecting our community. Kidnappings and home invasions continue to be an issue in our community. In 2007, there were 357 reported kidnappings and 317 home invasions. In 2008, there were 368 kidnappings and 337 home invasions in Phoenix and the end is not in sight. This problem has garnered the attention of the world. Just 36 hours ago at least 4 suspects forced entry into a home and held 7 victims hostage during a planned robbery. We arrested 3 suspects, having shot one of them when he pointed a gun at one of my officers. The suspects we caught told my investigators they were in this country illegally.

Phoenix is a transshipment point for illegal drugs and smuggled humans. Both come here before being shipped to other points throughout America. The majority of the victims of kidnappings and home invasions are involved directly or indirectly with drug or human smuggling. Regardless of their involvement in crime, these victims are human beings, and first and foremost, we treat them as such.

Many of the kidnapping victims are brought to Phoenix by smugglers known as "coyotes," and each victim paid \$1,500 to be brought to America. Once here, the coyotes take them to drop houses where dozens of smuggled people are kept. Their shoes and clothes are often taken so they can't escape. They are beaten and tortured while their loved ones listen on the phone in horror as often another \$2,500 is demanded from the kidnappers. Sometimes other coyotes "steal" the human cargo from the original coyotes. They then ask for more money for each victim to be released or transported. We have had shootouts in our streets during the middle of rush hour traffic between coyotes with their vans full of people and other coyotes trying to steal the load.

There have been other kidnappings, which sometimes start as home invasions, where the victims are the smugglers themselves. Groups often dressed in police type raid gear break into a home or a vehicle and kidnap the smugglers. These kidnappers know the smugglers or their family members and associates have the ability to come up with ransoms ranging from \$30,000 to \$1 million dollars. Often times the ransom demands include drugs, such as 100 pounds of marijuana or a pound of cocaine or methamphetamine.

The primary goal for investigators is to rescue the victims. But saving these lives is tremendously resource intensive. The rescue operations utilize as many as 60 officers to safely and effectively conduct, and take up to a week to solve. These officers work desperately to try and locate a victim who could be anywhere in the

550 square miles of Phoenix. And that's if the victim hasn't been taken to one of the other cities around Phoenix.

Bullets fired from one criminal at another cannot discriminate between a criminal and an innocent bystander. We cannot let these groups gain strength, perfecting their craft and spreading to other cities in our country.

**LEA, PHOENIX POLICE DEPARTMENT EFFORTS IN RESPONDING:**

The officers I need to assign to combat the problem of border violence are a valuable resource that I have had to pull off their regular duties throughout the department. Like other agencies, we don't have a pool of excess officers to draw from. However, we have been forced to do something, which is why we have participated with two other agencies in the creation of the Illegal Immigrant Prevention and Apprehension Co-op Team (IIMPACT). Additionally, I have authorized the development of the Phoenix Police Home Invasion and Kidnapping Enforcement Task Force (HIKE). We have great partnerships in both of these endeavors.

IIMPACT is a partnership between the Phoenix Police Department, the Arizona Department of Public Safety and the U.S. Bureau of Immigration and Customs Enforcement. This team deals specifically with the violence associated with human smuggling and illegal immigration.

The HIKE team, which is one of the only ones like it in the country, is made up of supervisors and detectives from the Robbery, Assaults and Document Crimes Units from within the Phoenix Police Department. In addition, agents from the Bureau of Immigration and Customs Enforcement, the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Drug Enforcement Administration are part of the team. This team deals specifically with the kidnappings in Phoenix.

Home invasions and kidnappings have had an impact on local gangs in Phoenix. Gang members have been recruited to participate in these crimes. In addition, they have learned of these crimes and copied them in an effort to get financial gain. To combat this problem, the Phoenix Police department is partnered with the U.S. Federal Bureau of Investigation in the FBI Violent Street Gang Task Force. As the name implies, the team deals with gang violence, which is influenced by border violence.

**FEDERAL RESPONSE:**

Until there is a comprehensive federal immigration policy the border violence will continue with no immediate end in sight. In the meantime we are a local law enforcement agency and we cannot deal with this problem without the help of the federal government. I have spoken of the partnerships we have developed with federal agencies such as ICE, ATF, the DEA, and the FBI. These partnerships create a synergism that is crucial to our success in combating this problem. We need you to ensure that these partnerships continue and increase. We need timely and accurate intelligence from those agencies who deal directly with Mexico to get to the root of the problem to combat it.

In addition, we need federal funding so that we can staff the squads and teams to deal with these violent and deadly crimes. We have asked for COPS funding to increase our HIKE team by 25 people. In addition, we have asked for the funding necessary to provide the equipment for these additional officers. We cannot continue to fund the fight on a national problem alone. We need the help of the federal government.

**CONCLUSION:**

Border violence is a national problem. We are a local agency dealing with the symptoms which are spilling into our streets. We are on the front line dealing with this problem. This problem is seeping into other cities and towns. It must be dealt with now so that it doesn't spread any further across America. We know our charge is to deal with the crime on our streets, but alone we cannot deal with border crossing kidnapers and home invaders. That is why I am here today asking for your help.

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

*Field Hearing*  
*Phoenix, Arizona*

**Southern Border Violence:**  
**State and Local Perspectives**

April 20, 2009



*Statement by:*

**SHERIFF**  
**CLARENCE W. DUPNIK**

*Pima County ~ Tucson, Arizona*

## Introduction

1

Pima County and other border counties in the Southern United States provide criminals a natural desert environment to promote their illegal criminal conspiracies. Mexican Cartel drug smugglers continue to fine tune their criminal syndicates by exploiting human beings as "mules", using ultra light aircraft, horseback and all-terrain vehicles, in addition to using the most traditional; motor vehicles. The most recent example of technical sophistication that these criminal syndicates have deployed; included setting up hilltop observation posts on smuggling routes outfitted with hi-tech radio equipment and night vision devices. These observation posts have been identified in covert smuggling routes and covering many miles. The existence and the sophistication of these posts pose an eminent threat to law enforcement. This natural desert environment is also a key pipeline to threats from terrorist organizations wishing to utilize the United States Southern Border to import their strategic and tactical means into the country.

Pima County's outlying terrain is naturally treacherous for human survival and the added component of aggressive tactics by criminals and terrorists using these unconventional pipelines have placed Pima County constituents in danger of direct injury and or collateral damage. Isolated and undeveloped desert areas in Pima County are a significant challenge to criminals and law enforcement personnel alike.

## Introduction continued...

2

Since 2001, technology and conventional deployments of personnel for border security have tightened the most traditional avenues used by criminals and terrorists in Pima County. The criminals return on their investments continues to thrive with the demand of drugs in the United States remaining unabated. The criminal has found strategic methods to overcome obstacles and continue to profit from their criminal enterprise. These criminal methodologies to overcome obstacles include, brazen violence to eliminate or narrow other criminal competitors (Mexican Cartels); the use of human "mules" to overcome desert terrain issues; kidnapping and home invasions to recover or steal criminal assets and revenge; and the southbound movement of money, guns, and stolen vehicles to finance operations to avoid conventional money laundering and asset investigations. Border crime related incidents are significant in Pima County and all southern border counties in the United States.

Pima County shares a significant amount of land assets with other tribal nations. The Tohono O'Odham Nation, as an example, in their consideration or pursuit of their sovereign values sometimes contradict or make it difficult for law enforcement to patrol the Mexican border. In fact, state and county law enforcement officers do not patrol Indian country. Enforcement obstacles occasionally surface at the federal

## Introduction continued...

3

government level when enforcement tactics are used in Indian country. The hard and real effect for Pima County is that the Mexican border is being strategically increased. Our 132 mile international border is thus augmented by additional 120 miles of border with Indian Country. While Pima County is home to two International Ports of Entry and hundreds of smuggling routes, the Tohono O'Odham Nation increases potential entry points and expands the scope of border enforcement.

Finally, border crime enforcement efforts are shared by a multitude of federal, state, county and tribal entities. Each law enforcement entity bears its own specific goals and objectives based on their jurisdictional authority and funding. The vision remains the same or similar for all entities concerned with border violence, drug and human smuggling and terrorist threats at the forefront. Fiscal assets in local jurisdictions are scarce and fiscal mechanisms at other levels of federal and state government are currently near non-existent for local use. The assumption is made that local and tribal assets will be able to support operations with a nexus to the border. This assumption is critically flawed and is intensified without the assistance of federal funding.

## Proposed Initiatives

4

From Pima County's perspective in trying to balance the safety of citizens and securing the border to thwart border violence requires a multi-jurisdictional, multi-disciplined and complex initiative. This initiative must take into account the values of each jurisdiction and the local community. Common terminology and interoperability as identified in the National Incident Management System and the National Response Framework, is essential.

Therefore, the first component in trying to assess and deploy a strategic initiative to successfully address border violence requires that federal, state, county and local entities or jurisdictions commit to an alliance. This component involves a collaborative task force of all major law enforcement agencies with a specific mission to reduce, disrupt, apprehend and prosecute criminal offenders using intelligence based information. A concerted effort is necessary in order to maximize the available resources and to empower local law enforcement agencies with the authority to investigate and assist federal task force partners. It is extremely crucial that this alliance share assets and intelligence with local control and oversight with its own governance structure. This individualized governance structure will allow individual local and federal communities to maintain their individual identities.

## Proposed Initiatives continued....

5

As an example, Pima County has the groundwork for a potential resource of providing a "Rapid Response Team" equipped with trained tactical officers to remote areas of Pima County and neighboring counties to interdict, disrupt, apprehend, rescue or otherwise respond to identified threats. Pima County maintains a trained and ready Regional Special Weapons and Response Team (SWAT) comprised of multiple local law enforcement agencies. By developing an alliance with the National Guard and federal entities, the Pima Regional SWAT team could deploy to remote and isolated threat areas to perform these necessary functions. The sharing of assets and limited authority is made transparent by the oversight of a local governance structure.

As an example of a dedicated governance structure, we can demonstrate a proven and tested model currently being used by our local Counter Narcotics Alliance (CNA) task force. This structure, resembling a "wheel" displays the organizational roles and responsibilities with various spokes of a wheel working together on intelligence-based strategies. With a focused concerted effort the structure is able to maximize efficiency with all available resources and minimize duplication. The CNA task force works through the cooperation of local, state and federal agencies sharing resources and intelligence in the successful interdiction of illegal narcotics. (See Attachment 1)

## Proposed Initiatives continued...

6

These types of specific strategic tactics will promote a more secure border, curb border violence and secure the needs of a border community. There is no question that local governments want to engage the fight, but federal assistance in equipment, personnel, limited federal authority and funding are necessary to accomplish this initiative.

The second component is the participation of stakeholders and the education of stakeholders in the battle against border violence and terrorist activities. The Pima County Sheriff's Department initiated a stakeholder anonymous reporting program in 2001, geared toward soliciting information from citizens on terrorist activities. In 2008 the Pima County Sheriff's Department and the Federal Bureau of Investigation partnered in a program that expanded this anonymous reporting program and promoted an educational component that provided outreach to local businesses. The outreach component helped educate local banks, real estate companies and other service oriented businesses in recognizing potential terrorist activities in Pima County.

This basic, replicable and proven local partnership with the federal authorities needs to be implemented and managed at the federal level. An anonymous stakeholder tip line that can yield intelligence throughout the Southwest border that is managed, evaluated, and

## Proposed Initiatives continued...

7

disseminated at the federal level of the alliance or task force, is essential for consistent and timely intelligence. The education component can serve to educate private business entities and encourage reporting of criminal activities such as money laundering or asset concealment by criminal enterprises.

The final component to an initiative to thwart border violence and terrorist activities in border counties in the United States is simply supporting the current Mexican government initiative and efforts in fighting Mexican drug cartels in their own back yard.

For the first time in local history of relations with Mexico, President Calderon has demonstrated a plan and willingness to collaborate with the United States on issues of security, crime and drugs. The Merida Initiative with the aim of combating the threats of drug trafficking and money laundering is being embraced by Mexico. It is imperative that President Calderon and Mexico succeed in addressing the issues in Mexico as they relate to drug trafficking, security and terrorist activities.

## For Example....

8

In August 2008, Mexico announced that two states, Chihuahua and Nuevo León, are pioneering public trials, in which the state must prove its case. In the past, the accused bore the burden of proof, and trials were secret. Mexico's president hopes this will bring transparency and accountability to the legal process and an end to a tradition of corruption, shoddy investigations, coerced testimony, and an extremely low conviction rate.

In December 2008, the US released \$197 million of aid to Mexico. Most of this aid will pay for helicopters and other equipment to fight violent drug cartels. In early 2009 the US government released another \$99 million that would be utilized for purchasing aircraft and inspection equipment for the Mexican military. The US has thus far released \$300 million of the \$400 million appropriated for Mexico.

President Barack Obama plans to make his first visit to Mexico in April 2009, with unprecedented attention in the US over the problem of violence in Mexico. The President makes this visit with confidence of strong bipartisan support in his efforts to build strategies with the Mexican government. Prior to this trip, Secretary of State Hillary Clinton, Secretary of Homeland Security Janet Napolitano and Attorney General Eric Holder admitted that the demand for drugs in the US and the flow of arms feed the violence.

For Example continued....

9

We fear that if President Calderon and Mexico fails with the problem of violence in Mexico, the United States will encounter new and unprecedented violent challenges to security and drug / human trafficking.

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## Summary

10

A violent pipeline exists through Pima County and other border counties in the United States. It is crucial to employ a comprehensive initiative that considers the complex multi-jurisdictional aspects of this problem. An alliance or task force that focuses on law enforcement tactics managed by a local governance structure and provides the appropriate authority to local and federal partners to eliminate enforcement obstacles and promote intelligence sharing is needed. Promoting innovative multi-jurisdictional enforcement strategies requires interoperability and resource availability managed at a local level with transparency; yet protecting agency identities. More local funding and equipment are needed at the local level. Mandates need to be lifted to allow for innovative partnerships with federal agencies. The National Guard as a partner needs to be developed or enhanced.

Supporting a national tip line with an educational component will change the paradigm of citizen participation and promote intelligence that is quickly acted upon by all levels of government.

Finally, it is important to support Mexico's current direction of security initiatives and help Mexico succeed in its federal transformation efforts. In an unprecedented fashion, Mexico has taken a direction in drug interdiction that will help enhance our local efforts on the border.

# Attachment 1

Pima County/Tucson Metropolitan  
Counter Narcotics Alliance (CNA)

## CNA Executive Summary

On February 3, 2003, members of the proposed policy group of the Southern Arizona Narcotics Alliance directed that a subcommittee, chaired by Pima County Sheriff's Department Bureau Chief George Heaney, meet and begin developing plans for this new organization. A series of five subcommittee meetings were held with various representatives from federal, state, and local law enforcement and prosecutorial agencies. Copies of the agenda and meeting minutes showing name and agencies represented are attached to this report.

### Mission Statement:

*"Drug enforcement in the Pima County and Tucson Metropolitan areas will be conducted in a concerted effort in order to maximize the available resources. The enforcement issues will be addressed from the Street Level to the International Level through cooperation of Local, State, Federal agencies, and HIDTA Initiatives. This alliance will be an interrelated drug and anti-terrorism enforcement effort that shares resources and intelligence in the successful interdiction of illegal narcotics."*

The proposed infrastructure of this new alliance continues to be based on a "wheel" like organization with the various spokes of the wheel working closely together. You will note the wheel diagram (attached) is drawn with dotted lines as the subcommittee envisions a close interaction between entities. The wheel is surrounded by the Intelligence aspect as all spokes of the wheel will be providing and using this intelligence.

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## Executive Summary continued....

- The center of the wheel contains the Coordination Group, which the committee recommends should be run by a Captain from one of the local members agencies (currently proposed to be Captain David Neri, Tucson Police Department). This coordination group would be responsible for facilitating and coordinating efforts between and among the various spokes of the organization. It will also be responsible to the Policy Board (the hub of the wheel) for implementing and carrying out directives of the Policy Board.
  - It is proposed that the CNA Coordination Group Reorganization Subcommittee be established. The effective and efficient administration of the coordination group is paramount to the success of the alliance. This committee will establish proposed policies and procedures, a budget, and CNA Operational Directives. It is suggested that this sub-committee prepare a written report with its proposed recommendations back to the Policy Board.
- The subcommittee presents the following recommendations for review and action by the Policy Board.
  - The name of the organization should be the Pima County/Tucson Metro Counter Narcotics Alliance (CNA).
  - The Policy Board for CNA will consist of the following seven (7) voting members:
    - 1 Department of Public Safety
    - 1 Pima County Sheriff's Department

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## Executive Summary continued....

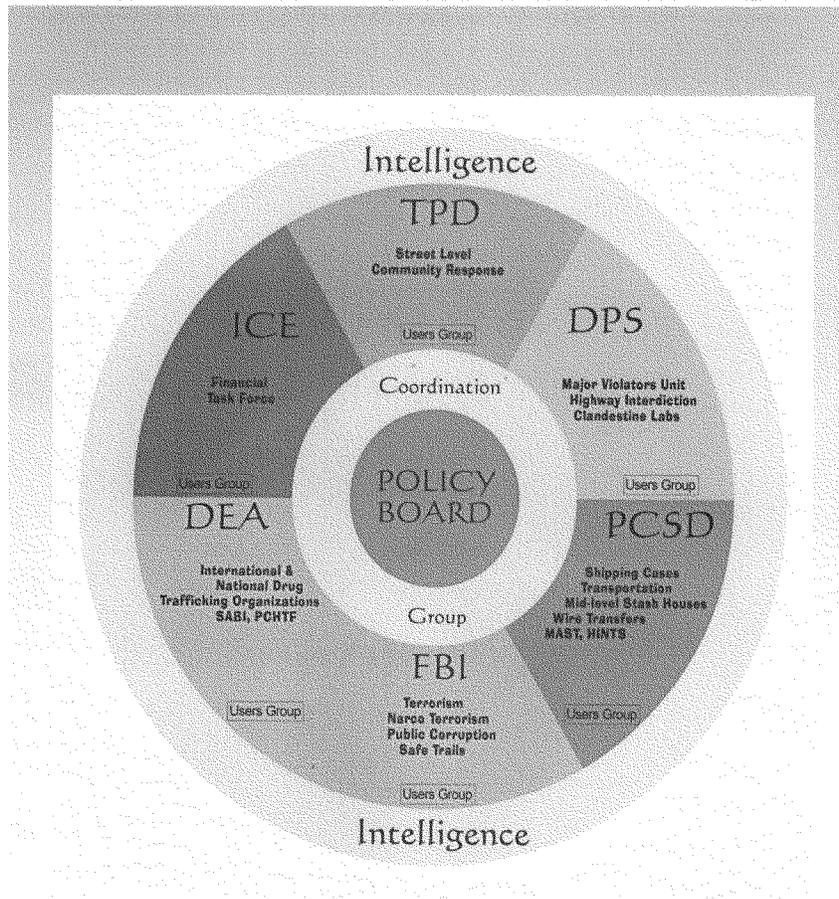
- 1 Tucson Police Department
- 1 Federal Bureau of Investigation
- 1 United States Customs Service
- 1 Drug Enforcement Administration
  
- 1 Small Agency Chief (Vote by small agencies has resulted in Chief Sixto Molina – South Tucson Police Department being selected as the current representative)
  
- Non-voting representatives:
  - Pima County Attorney's Office
  - Attorney General's Office
  - U.S. Attorney's Office
  - HIDTA Representative
  - All participating CNA member agencies that are non-Policy Board Members
  
- A bifurcated RICO Asset Forfeiture system is proposed.
  - State and Local RICO Asset Forfeiture – all assets forfeited after percentage allocations to prosecutorial agency and confidential informant payments, will be allocated to the CNA
    - 100% of assets forfeited to the CNA will be managed/allocated at the direction of the CNA Policy Board.
    - A minimum operating balance (estimated to be \$1 million - \$2.5 million) to be determined by the CNA Policy Board will be established and maintained before any distribution of State/Local forfeited monies are made to member agencies.
    - Distribution of excess funds to State/Local member agencies will be made based on the following formula.

## Executive Summary continued...

- General fund positions – one share per funded position
- Grant funded positions – one half share per grant funded position
  
- Federal RICO Asset Forfeiture will continue as before.
  - Any federal RICO Asset Forfeiture allocated to CNA through HIDTA will be allocated on a case-by-case basis in accordance with the federal agency's guidelines.
  
- The current allocation of Grant Funded positions will remain the same with the state/local agencies
  - In the event an agency gives up or is unable to fill a grant funded position for more than 90 days (note: a replacement transfer with a new agent from the same agency is not considered a vacancy), the position will be reallocated to another agency with the following priorities recommended by the committee:
    - 1<sup>st</sup> vacancy Pima College Police Department
    - 2<sup>nd</sup> vacancy South Tucson Police Department
    - Additional vacancies – to be determined by the Policy Board

Pima County/Tucson Metropolitan  
Counter Narcotics Alliance (CNA)

“Working Wheel”



## Counter Narcotic Alliance

### ◆TPD Captain and 3 Lieutenants (Pima County, TPD, DPS)

**PCSD Parcel Interdiction Spoke:** 1 PCSD Sgt. 8 Dets./Ofcs: PCSD, TPD, UAPD K-9, DPS; This Unit works parcel interdiction at UPS, Fed Ex and various shipping stores around the County; They also investigate stash houses, 88 Crime calls and do "knock and talks." They respond to PCSD Patrol calls for assistance and Border Patrol referrals. A Det. issues all patrol narcotic cases.

**MAST:** 1 PCSD Sgt., Ofcs. from PCSD, DPS and Marana PD. This Unit is the surveillance squad which assists all the other investigative Units at CNA and HIDTA.

**DEA Transportation Squad:** DEA Supervisor. DEA Agents, 1 PCSD Det., OVPD Ofc. STPD Ofc. This Unit handles drug/cash interdictions via trains, planes, trucking companies and larger shipping outlets;

**DEA HIDTA TASK FORCE:** DEA Supervisor, DEA Agents, 1 PCSD Det., OVPD Ofc. and PCAO; This Unit works larger conspiracy cases.

**US Customs Financial Unit:** ICE Supervisor, ICE Agents, AZ AG's Office and 2 PCSD civilians; This Unit works financial investigations reference the drug organizations. This includes working closely with Financial Institutions and all forms of money laundering.

**TPD:** 2 TPD Supervisors run 2 separate street undercover Squads; Both Squads are predominantly TPD Officers. There are 2 PCSD Dets and 1 OVPD Ofc. on one of the Squads.

## Counter Narcotics Alliance continued...

**TPD Detective Unit:** TPD Sgt and 6 TPD Dets. This Unit responds to TPD patrol calls for assistance and issues the patrol narcotic cases. The Squad also works conspiracy cases and attempts 'reversals'.

**INTEL UNIT:** 1 PCSD Sgt. supervises the CNA analyst, the wire room and the Tech personnel.

**DPS Major Violators Unit:** DPS Supervisor, 6 Ofcs/Dets. From DPS, PCSD and TPD; This Squad works conspiracy cases, tractor trailer cases, stash houses located inside and outside Pima County.

**Meth Task Force:** DPS Supervisor has a TPD Det. and a PCSD Det. to gather intel and investigate all meth dealers and meth-lab related locations.

**Financial Investigations Team:** OVPD Sgt., OVPD Ofc and 3 Civilians. This Squad does all follow-up for all CNA asset forfeiture cases.

## Contact information

◆Clarence W. Dupnik, Sheriff of Pima County  
Pima County Sheriff's Department  
1750 E. Benson Highway  
Tucson, AZ 85714

Office Phone: (520) 351-4711  
Facsimile: (520) 351-4789  
E-mail: [clarence.dupnik@sheriff.pima.gov](mailto:clarence.dupnik@sheriff.pima.gov)

PCSD website: <http://www.pimasheriff.org/>

**TESTIMONY OF  
LARRY A. DEVER  
SHERIFF, COCHISE COUNTY, ARIZONA**

**INTRODUCTION:**

Chairman Lieberman, Ranking Member Senator McCain, members of the Committee, thank you for the invitation to address you regarding matters along the international border with Mexico that are of mutual interest and concern. I was born and raised in Cochise County, Arizona and have worked my entire 33 year law enforcement career in the border environment. This is the eighth occasion I have had the opportunity to testify before various committees of Congress about border crime and related issues, the first being twelve years ago. Sadly, this document will contain elements of previous testimony, as much remains the same or has deteriorated to even more serious circumstances.

**BACKGROUND:**

Cochise County lies in the southeast corner of Arizona and shares 83.5 miles of international border with Mexico. Thirty of those statutory miles are private property. The remainder of the boundary is property owned by the State of Arizona (State Trust Land), and the U.S. Government (Forest Service, Bureau of Land Management, Park Service and U.S. Fish and Wildlife.) There are two Ports of Entry (Douglas and Naco.) The remainder is defined by newly constructed metal fence, vehicle barriers and barbed wire.

The County is part of the Tucson Sector of the Border Patrol which is the busiest sector in the country, accounting for almost half of all the marijuana seized and illegal aliens apprehended in the entire nation. While this area is one of the primary smuggling corridors, most of the contraband and aliens move through to the major transportation hub cities of Tucson and Phoenix. Though transiting as quickly as they can, left in the wake is a trail of criminal acts and garbage of unprecedented proportions. Historically, local criminal justice agencies have been forced to direct as much as 37% of their assets to matters related to people smuggling alone. The Cochise County Sheriff's Office hosts a multi-agency narcotics task force which is supported in part by funding through the High Intensity Drug Smuggling (H.I.D.T.A.) initiative. The Cochise County Attorney's Office prosecutes the second highest number of drug cases under this initiative in the entire State of Arizona.

A volume of THE ARIZONA SHERIFF magazine (Vol.6, No. 3) features an article about the U.S. Border Patrol. It quotes former Tucson Sector Chief Jerald Jondall as saying, "Within the last year, we've been mandated by Congress to gain control of that border. And we're going to do that along the Southern Border, whether it's narcotics, illegal aliens, terrorists, criminals, or whatever." A few notable things about that

statement: (a) it was made in 1987 (b) it was made post Reagan amnesty (c) it mentions the word "terrorists" and (d) the Sector had a staff at the time of approximately 250 to cover its entire 280 mile expanse.

Ten years later in June of 1997 I was invited to appear before the Senate Foreign Relations Committee for a hearing on border violence. And now we sit here today, a full 12 years after that, to discuss these same issues. Oh, and today there are well over 2500 agents assigned to the Border Patrol Tucson Sector.

### **WHAT WE KNOW:**

Violence related to drug and people smuggling has been steadily increasing since the shift in the 1980's of Columbian produced cocaine smuggling from the east coast to the Mexican marijuana smuggling corridors. Initially it seemed to be mostly limited to the drug trade, but it has become part of the dire economy of the people trafficking and smuggling business, as well. Fierce competition and greed for huge profits have contributed to this.

Violence comes in many forms. People attempting to enter this country illegally are repeatedly subjected to robbery, assault, rape, kidnapping and all kinds of other atrocities. Many who cannot make the trek across steep mountain ranges or the barren and hostile desert region are often left behind to die--a form of murder, ipso facto. Competing cartels and secret combinations rob, steal, kidnap and murder on both sides of the border. In Arizona, the cities of Phoenix and Tucson, major transportation hubs, experience these events daily. Kidnappings and murder south of the border, and certainly the notoriety of this, appear to be increasing at an alarming rate. Some of this is migrating north as vulnerable groups move families and financial interests out of Mexico for protection.

Smugglers working on the U.S. side of the border are only one component of well organized and deeply rooted cartels. They are more inclined to fight than flee, have better telecommunications than many border law enforcement agencies and have sophisticated networks that challenge the best we have to offer in response. Inexperienced drivers, often armed, operating overloaded vehicles at high speed endanger law enforcement officials and the public alike. Homeowners see their properties burglarized and damaged, fences cut, water sources destroyed and acres and acres of private and public lands littered with tons of trash and human waste. None of this is more apparent than in the most eastern and western reaches of Cochise County where law enforcement presence is minimal and response can take an hour or more. Citizens in these areas cannot leave their homes without anxiety of returning to find their belongings stolen or trashed. They are also faced with the continual threat of wildfires, caused by uncontrolled campfires left by smugglers traveling through the area. And, if casual recreation is on your agenda in the beautiful mountain canyon areas of the Coronado National Forest, you will be greeted with signs that read "Caution: Drug and Human Smuggling May Be Encountered Here."

We also know that of the illegal aliens that are captured after crossing the border, at least 10% already have serious criminal records in this country. These criminal elements are becoming more manifest in communities throughout the nation as they take up residence there and continue terrorizing and preying on U.S. citizens.

#### **RESPONSE AND INTEROPERABILITY:**

There are multiple factors that negatively impact the law enforcement response to these challenges. Cochise County is almost 6300 square miles. Emergency responders typically have to travel many miles from duty stations to answer calls for service, emergency and otherwise. Local law enforcement, fire and medical response organizations are severely undermanned. Even with the significantly enhanced federal law enforcement presence response time to many of these remote areas is a minimum of one hour and generally more. People residing or recreating in these areas are all too often left to their own devices for protection.

Perhaps the greatest deficiency is the inability of local, state and federal responders to communicate effectively. Radio system infrastructure to support interoperability is extremely limited or antiquated. The topography of the area and the unavailability of fiscal resources severely challenge building the necessary common network systems to enhance communications and provide a better coordinated multi-agency response.

Additionally, while funding has necessarily targeted increasing the number of law enforcement officers, it has ignored the need for additional staff for communication and other support functions.

The good news is that cooperation and planning activities are more common today than ever before. New assets have been assigned to border enforcement. These activities have been met with renewed resolve and changes in tactics by smuggling organizations and our common commitment and determination must remain constant.

Operation Stonegarden, a meaningful federally funded border enforcement enhancement program is proving successful. The distribution of these funds to help local law enforcement agencies meet border crime related demands needs to be continually reviewed and improved upon. Enhancement of this program to include hiring additional local law enforcement officers and support staff would help to mitigate the impact of illegal alien and smuggling related crime is essential.

#### **FISCAL IMPACTS:**

As mentioned previously, as much as 37% of local criminal justice system assets have been diverted to matters illegal alien related. This does not even consider the costs local residents pay in property loss and damage. Non-American citizens who are arrested and

charged with committing crimes are housed in county jails. They cannot post bond, declare indigence and many have serious medical conditions. All the costs of housing, defense and treatment are shifted to the county with little remuneration.

In 1995, Congress authorized reimbursement to state and local jurisdictions for these costs under the State Criminal Alien Assistance Program (S.C.A.A.P.) Initially, we recovered approximately 33% of actual expenses, excluding medical costs. Today, the fund only reimburses about 9 cents on every dollar. This program must be fully funded.

Unreimbursed costs to emergency medical providers and hospitals who treat the sick and injured who are not charged with crime are enormous, but a discussion for others.

#### **BOTTOM LINE:**

Sheriffs on the border have no interest in becoming border enforcement agents. We do have, however, a Constitutional responsibility and duty to our citizens to preserve the peace in our respective jurisdictions. Failure to secure our borders has severely compromised the socio-economic welfare of our counties. While securing our borders is clearly a federal responsibility, we are left with the problems associated by failure to do so. And we have a clear role to play in the overall scheme of things. With severely limited resources, we are hard pressed to meet these obligations and require relief. H.I.D.T.A. funding has remained static for several years. S.C.A.A.P. funding has been severely cut, as have other formerly supportive federal funding programs. If we are to be serious about mitigating violence and repelling the threat of it spreading across our borders at an increasingly alarming rate, this funding must be restored or increased.

Our borders are not the only concern. Communities across the nation are suffering under the weight of many years of failed border enforcement policy and limited funding. These pains will only grow if not addressed immediately with renewed resolve and long term commitment from Congress.

Finally, the importance of this field hearing cannot be overstated. Policy and decision makers in Washington must continue to invite and encourage local involvement when developing tactics and strategies to deal with this most pervasive problem. Those who live and work daily in the border environment can provide invaluable perspective for finding solutions to these most difficult challenges. Thank you for your leadership in this arena.



## MARICOPA COUNTY SHERIFF'S OFFICE

JOSEPH M. ARPAIO  
SHERIFF



United States Senate  
Committee on Homeland Security and Government Affairs  
Senator Joseph A. Lieberman, Chairman

Re: Southern Border Violence: State and Local Perspective  
Committee Meeting on Monday, April 20, 2009  
Phoenix, Arizona

Dear Senator Lieberman and committee members:

This letter is a contribution to your committee meeting held in Phoenix, referenced above. My perspective on the U.S. Southwestern border violence is not only the result of the experiences I have had as the Sheriff of Maricopa County for over 16 years, elected five consecutive times; but also from my experiences during a successful career with the Drug Enforcement Administration that lasted over 30 years, with various overseas assignments, to include Mexico.

All law enforcement agencies and legitimate research organizations will probably agree that drug and human smuggling are the major causes of the violence we are seeing along the Southwest border of the United States. They will also probably agree that this activity has spawned illegal cottage industries associated with drug and human smuggling that is contributing to the violence, such as kidnapping, extortion, weapons smuggling, auto theft, and fraudulent and stolen identification. My opinion however, may differ from the majority in the area of how much of this violence is related to human smuggling, or illegal immigration operations, as opposed to drug trafficking. My opinion also differs from the majority on how much crime, violent crime included, is perpetrated by illegal immigrants once they are smuggled successfully into this country.

The city of Phoenix has recently been called the "kidnap capital of the U.S." due to the 386 kidnappings reported in 2008. I believe that not only is this number well below the actual number of kidnappings that occur and are not reported due to the illegal status of the victims, but that the vast majority of the true number of kidnappings are related to illegal immigration operations.

The violence resulting from these human smuggling operations is clearly seen in the ever increasing number of attacks being made on federal Border Patrol Agents and local law enforcement, which is reported to have doubled since 2004, as they patrol the Southwest border areas; the carnage we have witnessed on the highways from evasion caused

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accidents and/or the planned "theft" of illegals between violent human traffickers or "Coyotes"; the torture perpetrated upon the illegals held in the squalid conditions of "drop houses" during the kidnap phase of the extortion operations; and the number of unidentified corpses discovered in remote desert areas which are most probably victims of the coyotes for non-payment of extortion demands. It is through this lens that border violence increasingly presents itself to the Maricopa County Sheriff's Office operations. It is now accepted by most that the violent Mexican drug Cartels have been either receiving kickbacks from the illegal traffickers for using their established drug "routes", or have actually taken over the human trafficking operations of the previously independent coyote organizations. The violence now evident in the organized movement of illegal immigrants into this country would certainly support that belief. What surprises me is the effort to associate this violence with narcotics trafficking, and the reluctance to connect this violence with the illegal immigration operations.

I believe illegal immigration operations were inadvertently supported by so called "Sanctuary City" policies that hamstrung law enforcement and encouraged illegal immigrants to choose this area to illegally enter. Arizona is reported to now have more illegal aliens than any other state. Should it be a surprise that Phoenix is now known as the kidnap capitol after that city and others in close suburbs had Sanctuary City policies in place for decades until just recently? Phoenix has not become the kidnap capitol because the city encouraged narco-traffickers to move their loads through the city; drug trafficking efforts here have been at least equal to that of all other large border cities. We are distinguished in this regard due to historically ignoring an illegal practice that has now become both lucrative and very violent.

Much has been written about how the penalty for getting caught moving illegals into the United States is nothing compared to getting caught moving drugs. And at one time it may have been true that the profits for moving illegals were not considered attractive enough to move a drug organization into that industry. But it has been reported by Arizona's own Attorney General that Mexican cartels are estimated to have realized a profit of two billion dollars as a result of human smuggling operations last year. Given the disparity in punishments between the drug and human trafficking industries, and the now estimated profits from the human trafficking operations, my belief that most of the Southwest border violence we are now witnessing is from illegal immigration operations seems sound.

My belief that illegal aliens also cause a greater amount of crime within border state populations than is usually represented, also differs from the majority. This belief would seem to be supported by recent studies and investigations, as well as the information available to me from my custody operations. In a publication entitled "A Line in the Sand: Confronting the Threat at the Southwest Border", the U.S. House of Representatives Committee on Homeland Security, Subcommittee on Investigations, reported that many illegal immigrants come to the United States because of their criminal activity in their native countries, and are avoiding apprehension. I believe a change in their behavior should not be expected as they settle into the immigrant community here. This report notes that The Violent Crimes Institute identified a dangerous threat in the

U.S. from illegal immigrants who were sex offenders. More support for my belief can be found in a study entitled "The Dark Side of Illegal Immigration: Nearly One Million Sex Crimes Committed by Illegal Immigrants in the United States", which was also cited in the U.S. House publication. This study estimated that there are approximately 240,000 illegal immigrant sexual offenders now in the U.S., and extrapolated that approximately 105 sex offenders enters the U.S. illegally each day.

My own custody operations offer additional evidence. In 2006, as a result of my entry into the ICE 287g program, I instituted a program that resulted in an inquiry of citizenship of all persons being booked into my jails. Since that time, the program has resulted in the identification of 23,392 individuals that received ICE detainees for being here illegally. When compared to overall bookings, this represents approximately 14% to 15% of those booked into my jails. Correspondingly, inmates with ICE detainees represents approximately 20% of my overall jail custody population. It has been estimated, and is generally accepted, that those in Arizona illegally account for about 6% of the entire population. Given that estimation, when compared to either daily booking percentages, or overall jail population figures, illegal immigrants appear to commit a greater proportion of crimes than the percentage of the population they represent.

I believe that all of this information supports my contention that human smuggling causes more Southwestern border violence than is generally accepted. I also believe that decades of city policies that were lenient towards the crime of illegal immigration, or beliefs by local law enforcement that assistance to federal immigration authorities would somehow be bad for the community did, and continues to contribute to the problem. I have been advised that I have the largest ICE 287g program currently in existence, and I cross-certify hundreds of ICE officers and agents giving them state Peace Officer authority. If my cooperation with federal authorities has been problematic for any portion of the population, it certainly is the illegal portion of the population that is significantly contributing to the violence plaguing the community.

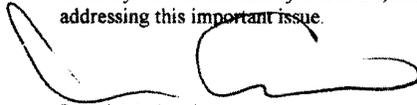
Obviously, the federal government is not gathering information concerning border violence without a plan to use this information to tailor a federal response. It is my opinion that cooperation between federal authorities and local law enforcement should be encouraged by the strengthening of the ICE 287g program, not discouraged by weakening it. I also believe that federal border grant funding should not be restricted to agencies with territories directly adjacent to the border, inasmuch as much of the violence associated with cross border crime is conducted in the population centers away from the borders. Those grants should be made available to those population centers if a nexus to cross border crimes can be demonstrated.

I read with interest articles concerning the high priority placed upon the trafficking of humans for sexual exploitation by the Department of Justice, Civil Rights Division. A seven fold increase in prosecutions was reported in the last article I read. This is certainly laudable, however, I would suggest that the trafficking of persons for the purpose of illegal immigration, that results in humans being kidnapped, treated less than the law requires the treatment of cattle, tortured, sexually abused, and even killed, should deserve

similar attention. There are so many drop houses being discovered in Maricopa County that every law enforcement agency is stretched thin to respond. These probably represent only a small portion of those in existence. This situation certainly deserves the same prioritization and attention.

Finally, I would suggest that the federal government make a genuine effort to develop an immigration policy that does not encourage illegal immigration, but recognizes necessary immigration needs, and rewards legal application and entry. Legislators in Arizona have created a law against human smuggling that establishes a state crime for smuggling illegals, and recognizes those being smuggled are complicit in the act. The Arizona population has supported the passage of ballot legislation that criminalizes the hiring of illegal immigrants, and punishes those who knowingly do so. This year, the legislature is considering making a law to prohibit Sanctuary City types of policies within the state. Many of us being affected by the border violence your committee is investigating are doing what we can to reverse the trend. We could use your support and assistance by crafting federal policy that does not reward those who have broken the law to come here, but establishes a lawful path that meets the needs of our economy.

In the mean time, be assured that as the elected Sheriff of one of the largest counties in close proximity to the border that is being affected by border violence and running the third largest Sheriff's Office in the country, I will be responsible to the mandate provided to me by most of the county electorate, and enforce all of the laws available to me in addressing this important issue.



Joseph M. Arpaio  
Sheriff  
Maricopa County Sheriff's Office