

**STOPPING THE FLOW OF ILLICIT DRUGS IN
ARIZONA BY LEVERAGING STATE, LOCAL, AND
FEDERAL INFORMATION SHARING**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON BORDER AND
MARITIME SECURITY
OF THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

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**STOPPING THE FLOW OF ILLICIT DRUGS IN
ARIZONA BY LEVERAGING STATE, LOCAL,
AND FEDERAL INFORMATION SHARING**

Monday, May 21, 2012

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON BORDER AND MARITIME SECURITY,
Phoenix, AZ.

The subcommittee met, pursuant to call, at 10:00 a.m., at Russell Auditorium of the Arizona National Guard, 5636 East McDowell Road, Phoenix, Arizona, Hon. Ben Quayle, presiding.

Present: Representatives Quayle, Jackson Lee, and Gosar.

Mr. QUAYLE. The Committee on Homeland Security Subcommittee on Border and Maritime Security will come to order.

The subcommittee is meeting today to hear testimony from Matt Allen, special agent in charge of Homeland Security Investigations in Arizona; Doug Coleman, special agent in charge of the DEA's Phoenix Field Division; Brigadier General Jose Salinas from the Arizona National Guard; Lieutenant Colonel Jeffery Stanhope, assistant director, Criminal Investigations, Arizona Department of Public Safety; Elizabeth Kempshall, who is the executive director, Arizona High Intensity Drug Trafficking Area; and Dr. Jay F. Nunamaker from the University of Arizona on the topic of combating the cross-border flow of illicit drugs in Arizona.

First, I want to thank everybody, including the witnesses, for attending today. This is an official Congressional hearing, as opposed to a town hall meeting. As such, we must abide by certain rules of the Committee on Homeland Security and of the House of Representatives.

I kindly wish to remind our guests today that demonstrations from the audience, including applause and verbal outbursts, as well as the use of signs or placards, are a violation of the Rules of the House of Representatives. It is important that we respect the decorum of the rules of this committee.

Mr. Gosar of Arizona is here with us today. I ask unanimous consent that he be allowed to take part in these proceedings. Without objection, so ordered.

I would also like to mention that photography and cameras are limited to accredited press only. I now recognize myself for an opening statement.

It is an honor to be here today to discuss the vital role of how Federal, State, and local entities collaborate to combat the flow of

drugs from entering our communities once they have crossed our borders.

This field hearing will examine how these different entities work together as a last line of defense before drugs smuggled through Arizona make their way across the country.

A recent GAO report indicated that we only have operational control of 44 percent of our border and Arizona has been on the forefront of cartel violence and drug smuggling as a result.

Illicit drug revenues generate somewhere between \$19 to \$29 billion for the drug cartels every single year. It is a big, sophisticated, and increasingly brutal business which moves drugs north from the source zones in Columbia, Bolivia, and Peru to the streets of America.

Key transportation hubs such as Phoenix are vital transshipment points for large amounts of cocaine and heroin that cross the border and are destined for cities throughout the United States. In fact, according to the National Drug Intelligence Center, most of the heroin entering the United States from Mexico now comes through Arizona.

Crystal methamphetamine, produced by the Sinaloa cartel in Mexican super labs, is a growing concern for law enforcement due to the rapid rise in the number of seizures of large quantities in Arizona. Drugs are moving north and bulk cash is moving south.

Cartels, motivated by lucrative profits, are innovative and use a wide array of methods to deliver their product through a variety of methods: Through the land, from men with backpacks traversing the rough terrain of the Arizona desert; using hidden compartments and cars or cargo that move through the ports of entry; underground, using tunnels for semi-submersible boats that carry tons of cocaine; and through the air with ultra-light aircraft that is difficult for radar to detect.

If the U.S. Government is going to be successful at stemming the tide of illegal drugs and its corresponding violence, we must be just as innovative, flexible, and nimble as the cartels.

Last week in the House, we made progress combating the proliferation of border tunnels with the passage of the Border Tunnel Prevention Act, increasing the penalties for the construction of tunnels across the border.

Competition for control in the drug plazas, human smuggling routes, and the money that follows, has led to a previously unimaginable level of violence and brutality. We saw last week the grisly discovery of 49 people found decapitated on a stretch of highway not far from McAllen, Texas as a result of the on-going war between the rival Sinaloa and Zetas cartels.

Drug cartels competing for turf has led to the deaths of more than 47,000 people. In many cases, Mexican cities are more dangerous than war zones in Iraq and Afghanistan.

Northern Mexico is turning into a war zone with police unable to control violence or enforce the law. Police, prosecutors, and judges are routinely assassinated and the local officials who are left are often given a stark choice, "Plata O Plomo," silver or lead, take the bribe or be killed.

Once Mexican President Felipe Calderón began to increase pressure against drug trafficking, we saw violence escalate. Mexico

holds its presidential elections later this year, and my hope is that, regardless of the outcome, the new Mexican president will be a partner committed to curbing the violence and corrosive influence of the drug cartels.

Let me be clear. This is not just a Mexican problem. The effects of the drug trade are felt here at home with huge law enforcement costs, stash houses in our communities, cases of Customs and Border Protection and TSA officers corrupted facilitating drug smugglers and drug-related violence in our streets.

While many of our cities have a low violent crime rate, on occasion we see the violence spill over with stray bullets finding innocent bystanders on the U.S. side of the border, or ranchers gunned down on their property.

Denying the cartel's ability to deliver their poison to America's cities should be one of this Nation's principal goals. Cutting off the flow of drugs means less money for the cartels to operate and less ability to corrupt officials on both sides of the border. How then do we marshal our limited resources to combat the grave threat posed by the drug cartels?

I believe that a layered approach that attempts to eradicate the crops from ever being grown, interdicts drug loads as they make their way from the source zones, quickly identifying the drugs from being hidden among legitimate cargo at the Nation's ports of entry, and deterring the illicit crossing of the vast Arizona desert offers the best chance of success.

Stopping this flow is the goal of many different agencies at the State, local, and Federal level. The scale of the problem means that no one agency or level of government can do it alone, which means that cooperation and coordination becomes crucial.

The purpose of today's hearing is to examine how all levels of government work together to combat the flow of illicit drugs. We in Congress want to ensure you have the right tools to disrupt the flow of drugs that move through our area and eventually make their way into Chicago, New York, and elsewhere. I look forward to hearing the witnesses' testimony and suggestions on how we can work together to combat the threat of cross-border drug trafficking.

[The statement of Mr. Quayle follows:]

STATEMENT OF HONORABLE BEN QUAYLE

MAY 21, 2012

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If the U.S. Government is going to be successful at stemming the tide of illegal drugs and its corresponding violence, then we must be just as innovative, flexible, and nimble as the cartels. Last week in the House, we made progress combating the proliferation of border tunnels with the passage of the Border Tunnel Prevention Act, increasing the penalties for the construction of tunnels across the border.

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Denying the cartel’s ability to deliver their poison to America’s cities should be one of this Nation’s principal goals. Cutting off the flow of drugs means less money for the cartels to operate and less ability to corrupt officials on both sides of the border.

How then do we marshal our limited resources to combat the grave threat posed by the drug cartels?

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The purpose of today’s hearing is to examine how all levels of government work together to combat the flow of illicit drugs. We in Congress want to ensure that you have the right tools to disrupt the flow of drugs that move through our area, and eventually make their way into Chicago, New York, and elsewhere.

I look forward to hearing the witness’s testimony and suggestions on how we can work better together to combat the threat of cross-border drug trafficking.

Mr. QUAYLE. I now recognize the gentle lady from Texas, Ms. Jackson Lee, for any statement of position.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman, for holding today’s hearing.

I hope my presence here today will continue to remind Arizonans that there is a National focus on your issues, particularly the issue of stopping the flow of illicit drugs in Arizona by leveraging State, local, and Federal information sharing. I can assure you your former Governor, Secretary Napolitano, who I had the privilege of working with now for a number of years, is heavily concerned, as it impacts the Nation's security. As well, President Obama is concerned as relates to the funding that has been provided to ensure that we have the kind of collaboration that is so very important.

I served on Homeland Security since the tragedy of 9/11, first starting on the Select Committee on Homeland Security and now continuing and serving as Ranking Member of Transportation Security. My presence here today should emphasize the National aspect of this issue and that we will continue to stand with our friends throughout the Nation to ensure that our borders are secure and that our people are secure as well.

The purpose of this hearing is to determine how Federal agencies can work to stop the flow of illicit drugs in Arizona by coordinating law enforcement activities and leveraging relationships with State and local entities. In that respect let me thank the entire Arizona Federal Congressional delegation for their service and commitment, and to particularly acknowledge my friend and colleague, Congressman Ed Pastor, who serves in this area and serves on appropriations, has worked very hard on this issue, along with the Ranking Member of the full Committee, Bennie Thompson, who I have worked with ensuring border security, along with the Ranking Member and Chair of these committees, Ms. Miller and Mr. Cuellar.

I have had the opportunity to travel to America's Northern and Southern Borders on many occasions. I have walked the borders. I have been with our Border Patrol in the late darkness of the night. I have walked and seen the difficulty and challenges that they face along with our other law enforcement.

First-hand, it is important to acknowledge the good work of law enforcement, Federal, State, and local, in these regions. I have written and drafted legislation that has enhanced the resources with night goggles, laptops, helicopters, Jeeps that were necessary in the late 1990s into the 2000s. I am very pleased to have been part of that effort, first as a Member of the Judiciary Committee before 9/11 and then as a Member of the Homeland Security Committee after 9/11.

Border security and immigration regulation is first and foremost a Federal responsibility. We are not going to shy away from it. We ensure and hope to ensure that that effort continues to be our focus along with comprehensive immigration reform.

In recognition of that fact, the Federal Government has made an enormous investment in border security personnel, technology, and infrastructure in recent years. However, State and local law enforcement also has an important supporting role to play. When the safety and security of our communities are at stake, cooperation, coordination, and communication in these matters is essential. Programs like BEST, B-E-S-T, the Organized Crime Enforcement Security Task Force, and the High Intensity Drug Trafficking Areas are an integral part of promoting communication among law en-

forcement agencies in cities and communities within border States as well as providing the resources necessary for State and local law enforcement to assist their Federal counterparts.

We have heard the citizens that are located along the border in the many States that are on the border, including Texas. I would like to hear from our witnesses today about their experiences with these programs and what we could do to further enhance their collective work on border security and combating drug trafficking at the border and communities across the United States.

It is our mission to make sure that we in the Federal Government and local law enforcement work together as a team. That is the best efforts of America. U.S. efforts along the Southwest Border, in particular the States of Arizona and Texas, have and continue to receive a great deal of attention. The Obama administration has deployed more resources, personnel, technology, and infrastructure to secure our borders than ever before. The Border Patrol has almost doubled in size, more than 21,000 Border Patrol agents on the entire U.S. border. I have supported and written legislation to increase those numbers. The current administration has also used more than \$21.5 million to increase the number of agents and employees for U.S. Immigration and Customs Enforcement.

Let me thank ICE for its service. ICE has over 20,000 employees, consisting of about 7,000 special agents, 392 of whom are located in Arizona working specifically to investigate immigration crime; human rights violations and human smuggling; smuggling of narcotics, weapons and other types of contraband; financial crimes and cyber crimes; and export enforcement issues.

On a personal note, I have taken the issue of human smuggling personally and have worked closely with women and girls who have been most impacted by this heinous crime. I thank ICE for the work that we have done together to bring a stop to that tide.

These men and women are working around the clock to secure our border and keep illegal goods and products and dangerous individuals from entering or remaining in the United States. But more needs to be done, specifically in the State of Arizona.

Currently Arizona is one of the primary entry and distribution points for drugs that enter the United States from Mexico. We are listening. Last year approximately 23 percent of the narcotics and approximately 53 percent of the currency and monetary instruments connected with narcotics investigations that U.S. Immigration Enforcement Customs, ICE, seized along the entire Southwest Border were seized in Arizona. The good news is that we are working. We can always work better and work collaboratively.

Specifically, ICE seized approximately 307,000 pounds of marijuana, 5,400 pounds of cocaine, 1,300 pounds of amphetamines, and 423 pounds of heroin within the State of Arizona. These numbers highlight the success of all the Federal, State, and law enforcement entities within Arizona, their sacrifice and their work. But they also indicate that more remains to be done, particularly in border States like this one and like mine, in the State of Texas.

As Members of the Committee on Homeland Security, we know that securing America's border communities from drug trafficking and its effects is an enormous task. Frankly, we know that securing the Nation is an enormous task and how grateful we are with

all of the men and women. We thank them that we have not had a tragic incident on our soil since 9/11. We are working together. It does not matter what uniforms they happen to wear. The American people expect all law enforcement officers to work together in their vital effort.

Allow me just to acknowledge at this moment the Arizona National Guard as well as the National Guards throughout America, and as well as the United States military, and as well to acknowledge Senator McCain and your Senatorial Federal Congressional delegation for their leadership. I join his remarks in ensuring the Federal ballot in Arizona will be fair with all candidates, including President Obama, on the ballot. I look forward to hearing more about how we can promote that cooperation and coordination in the interest of the safety and security of our Nation.

Again I thank the Chairman. I appreciate the opportunity to participate in today's hearing and I look forward to what I hope will be a very worthwhile and insightful dialogue.

I yield back to the Chairman.

Mr. QUAYLE. Thank the gentlelady for her statement.

Now recognize and introduce the witnesses.

First we have Matthew Allen. He is the special agent in charge of Homeland Security Investigations in Arizona. Mr. Allen has oversight of the full spectrum of ICE investigative activities in the State of Arizona and leads more than 500 personnel assigned to offices in Phoenix, Tucson, Douglas, Nogales, Yuma, and Flagstaff.

Prior to his assignment in Arizona, Mr. Allen served at ICE headquarters in Washington, DC as the deputy assistant director of the Financial, Narcotics, and Public Safety Division. In this position he had oversight of the financial, drug, human rights violations, and public safety programs within Homeland Security Investigations.

Mr. Allen has previously served as unit chief for the Contraband Smuggling Unit at ICE headquarters where he had programmatic and operational oversight of all of ICE's drug and contraband smuggling investigations throughout the United States.

Next we have Doug Coleman, currently serving as special agent in charge of the DEA's Phoenix Field Division. As a special agent in charge, Mr. Coleman is responsible for leadership and management of all DEA's operations in the State of Arizona.

A 21-year veteran of the DEA, Special Agent Coleman was appointed to his current position in March 2012. During his career, Special Agent Coleman served in numerous enforcement, training, supervisory, management roles throughout the agency, including field investigative assignments in Las Vegas, Nevada; Bakersfield, California; and Phoenix, Arizona. Special Agent Coleman has also served as an instructor at the DEA Academy in Quantico, Virginia, and numerous supervisory and managerial positions at DEA headquarters in Washington, DC.

Next we have Brigadier General Jose Salinas. He is the director, Joint Staff, Arizona Joint Force Headquarters. In this capacity he is responsible for supporting the Governor and the Adjutant General in the event of State/National crisis response and consequence management. He also serves as the joint task force commander, as required, to direct critical support agencies. The Arizona National

Guard Counterdrug Program and the Weapons of Mass Destruction Civil Support Team also fall under his authority.

In 2009, General Salinas was assigned as the chief of staff of the Arizona National Guard's Joint Staff and assumed his current position in May 2010.

Next we have Lieutenant Colonel Jeffery Stanhope. He is the assistant director of the Criminal Investigations Division at the Arizona Department of Public Safety. The assistant director is responsible for oversight of the Intelligence Bureau, Narcotics and General Investigations Bureau, and the Gang Enforcement Bureau. During his 28-year career with the department, Colonel Stanhope has held a variety of administrative and operational assignments, which provides him with a comprehensive view of law enforcement.

Colonel Stanhope also serves on the Arizona Counter-Terrorism Information Center executive board, Arizona High Intensity Drug Trafficking Area board, and the Alliance to Combat Transnational Threats board.

Next we have Elizabeth Kempshall. She is the executive director of the Arizona High Intensity Drug Trafficking Area, or HIDTA. The Arizona HIDTA was established in 1990 as part of the Southwest Border HIDTA, which includes California, Arizona, New Mexico, and Texas.

Ms. Kempshall began her career with the DEA in 1984 as a special agent in the Las Vegas district office where she worked as an undercover agent in several major drug investigations. From May 2007 to December 2010 Ms. Kempshall was the special agent in charge of the Phoenix Field Division for the Drug Enforcement Administration, which encompasses the entire State of Arizona.

Dr. Jay Nunamaker is the director of the National Center for Border Security and Immigration at the University of Arizona. Mr. Nunamaker is widely published in the fields of collaboration and technologies and deception detection. He has co-founded four spin-off companies based on his research. Dr. Nunamaker founded the MIS department at the University of Arizona in 1974. He has served as the department head for 18 years.

I thank all the witnesses for being here today and look forward to your testimony.

I now recognize Mr. Allen for five minutes of testimony.

STATEMENT OF MATTHEW C. ALLEN, SPECIAL AGENT IN CHARGE, HOMELAND SECURITY INVESTIGATIONS—PHOENIX, U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

Mr. ALLEN. Chairman Quayle, Ranking Member Jackson Lee, Congressman Gosar, thank you for the opportunity to appear before you today and discuss ICE's role in stopping the flow of illicit drugs along the Southwest Border by leveraging State, local, and Federal information sharing to combat transnational criminal organizations, or TCOs is how I will refer to them today.

TCOs have grown more sophisticated, complex, and global over the past 10 years. They have dramatically expanded in size, scope, and impact, and they endanger people of all countries. TCOs threaten National and global security, weaken our economies and endanger the public by counterfeiting and stealing intellectual property, profit from smuggling and trafficking human beings, traf-

fic in illegal narcotics and weapons. They exploit minors and children and threaten sensitive corporate and Government computer networks through cyber crime.

However, no one entity can tackle global criminal enterprises alone. Rather, it requires a multiagency, multinational, and layered approach. To that end, HSI forges strong and cooperative relationships and works closely with our Federal, State and local, Tribal, and international partners to accomplish these goals.

As you know, Arizona is one of the entry and distribution points for drugs that enter the United States from Mexico. In fiscal year 2011, I think as you heard this morning, approximately 23 percent of narcotics and about 53 percent of the currency and monetary instruments seized by ICE along the Southwest Border actually are seized here in Arizona. We seized about 307,000 pounds of marijuana, more than 5,000 pounds of cocaine, more than 1,300 pounds of methamphetamine, and 424 pounds of heroin just in Arizona in HSI investigations.

Arizona is bordered by the State of Sonora to our south. The Sinaloa cartel is the dominant criminal element in the State of Sonora. The border areas of Mexico that adjoin the United States are divided by the Sinaloa cartel into plazas that are supervised by plaza bosses or gatekeepers. These plaza bosses and gatekeepers are responsible for overseeing and coordinating smuggling activities in a given geographic area and collecting taxes and fees from anyone wishing to smuggle contraband, including human smuggling organizations.

Smuggling organizations that we face are very agile and creative. In response to law enforcement successes, these organizations simply change smuggling tactics to increase their chances of success and avoid arrest. One example was the increased use of subterranean tunnels to smuggle drugs. We believe that the continued attempt to use tunnels to smuggle drugs, particularly in a place like Nogales, where we have seen the most tunnels in Arizona, is evidence that smugglers are being forced to move away from traditional smuggling techniques due to enhanced enforcement efforts and resources.

In the last several years, we have seen smugglers utilize ultra-light aircraft to smuggle marijuana payloads up to about 300 pounds. Again, we believe that the use of ultra-light aircraft is an indication that smugglers are less capable of smuggling marijuana using other preferred methods.

With respect to how we have leveraged Federal, State, and local information sharing here in Arizona, I would like to discuss the West Desert Task Force, an interdiction task force established by my office in January 2012 and co-led with the U.S. Border Patrol. The task force, which includes participants from the Bureau of Land Management, Pinal County Sheriff's Office, the Arizona Department of Public Safety, and Tohono O'odham Police Department, focus on denying, degrading, and ultimately dismantling drug trafficking organizations that operate in Arizona's West Desert corridor through interdiction, intelligence collection, and investigation.

The task force's intelligence efforts have been greatly enhanced by our partnership with the Arizona HIDTA, whose intelligence support has been invaluable.

Since January, the task force has seized more than 41,000 pounds of marijuana, 71 vehicles, six weapons and made 71 arrests. It exemplifies intelligence-driven law enforcement, integrated interagency partnership, and expanded efforts to share information with our Federal, State, local, and Tribal partners and the government of Mexico. It illustrates the sustained commitment of resources, both human resources and technology, that DHS has designated toward securing the Southwest Border.

Another example is Operation Pipeline Express, which was a prelude and precipitated the West Desert Task Force. As you may recall from last October, we concluded a 17-month multiagency investigation that was responsible for dismantling a massive narcotics trafficking organization suspected of smuggling more than \$33 million worth of drugs per month through West Desert. The ring, organized around cells based in Chandler, Stanfield, Maricopa, use backpackers and vehicles to smuggle loads of marijuana and other drugs from the Arizona-Mexico border to a network of stash houses located in the Phoenix area. After arriving in Phoenix, the contraband, which also included cocaine and heroin, was sold and distributed to various States Nation-wide.

One of the most significant developments in the last 2 years has been a change in Mexican banking regulations that have severely limited the amount of U.S. dollars that can be deposited with Mexican financial institutions, which has proven to be successful to combat money laundering by cartels. This change has caused cartels to alter how drug proceeds are laundered. While we believe that cartels are still adapting to this change, we feel that one result may be a desire to place these funds into U.S. financial institutions and then wire proceeds to Mexico. We continue to work closely with the government of Mexico and other law enforcement agencies to identify emerging money laundering trends.

HSI continues to expand the Border Enforcement Security Task Force program, which currently operates in 31 locations throughout the United States and Mexico. BEST leverages about 750 Federal, State, local, and foreign law enforcement agents and officers representing over 100 law enforcement agencies, and provides a collocated platform to conduct intelligence-driven investigations aimed at identifying, disrupting, and dismantling organizations that operate in the air, land, and sea environments.

Thank you again for inviting me to testify today and for the subcommittee's continued support of ICE, Homeland Security Investigations, and its law enforcement mission. We look forward to working with our Federal, State, local, and Tribal partners to ensure the safety and security of all Americans. Happy to answer any questions you have later on.

[The statement of Mr. Allen follows:]

PREPARED STATEMENT OF MATTHEW C. ALLEN

MAY 21, 2012

INTRODUCTION

Chairman Quayle, Ranking Member Cuellar, and distinguished Members of the subcommittee: On behalf of Secretary Napolitano and Director Morton, I would like to thank you for the opportunity to discuss the role of U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) in stopping the flow of illicit drugs in Arizona and along the Southwest Border (SWB) by leveraging State, local, and Federal information sharing, as well as our efforts to combat transnational criminal organizations (TCO), including narcotics smuggling and money laundering organizations that operate along the SWB. Over the last 10 years, TCOs have grown more sophisticated, complex, and global. They have dramatically expanded in size, scope, impact, and endanger people of all countries. In addition, TCOs:

- Threaten National and global security;
- Weaken our economies and endanger the public by counterfeiting and stealing intellectual property rights;
- Profit from smuggling and trafficking human beings;
- Traffic in illegal narcotics and weapons;
- Exploit minors and children; and
- Threaten sensitive corporate and Government computer networks through cybercrime.

No one entity can tackle global criminal enterprises alone. Rather, it requires a multi-agency, multi-national, and layered approach. To that end, HSI forges strong and cooperative relationships and works closely with our State, local, Tribal, Federal, and international partners toward our mission to uphold public safety and protect National security.

Today, I will discuss some of the specific drug smuggling and money laundering threats we face and how HSI targets TCOs here in Arizona. But first, let me give you a brief overview of who we are and what we do.

ICE comprises more than 20,000 employees with an operating budget of nearly \$6 billion. Most people know that ICE is charged with enforcing the immigration laws of the United States. However, ICE is also responsible for investigating criminal offenses including narcotics trafficking with a clear articulable nexus to the U.S./Mexico border, money laundering, human smuggling and trafficking, violent transnational gangs, and intellectual property theft.

We operate under two operational directorates—HSI and Enforcement and Removal Operations (ERO). The men and women of ERO are charged with enforcing our administrative immigration laws together with our partners in U.S. Customs and Border Protection (CBP) and U.S. Citizenship and Immigration Services. ERO's main priority is to apprehend and remove convicted criminals, fugitives, illegal entrants, and recent border violators.

HSI is the criminal investigative component of ICE and the largest criminal investigative program in the U.S. Department of Homeland Security (DHS), with statutory authority to investigate violations of more than 400 Federal criminal statutes. HSI conducts criminal investigations against terrorist and other criminal organizations that threaten National security, and combats worldwide criminal enterprises that seek to exploit America's legitimate trade, travel, immigration, and financial systems. With nearly 7,000 special agents, HSI maintains offices in every State and 71 offices in 47 countries. HSI's global footprint strengthens our capacity to conduct successful domestic, international, and multilateral investigations.

THE DRUG SMUGGLING AND MONEY LAUNDERING THREAT IN ARIZONA

Arizona is one of the entry and distribution points for drugs that enter the United States from Mexico. In fiscal year 2011, approximately 23 percent of the narcotics and approximately 53 percent of the currency and monetary instruments connected with narcotics investigations that HSI seized along the entire SWB were seized in Arizona. Specifically, in HSI's Arizona area of responsibility, we seized approximately 307,000 pounds of marijuana, 5,400 pounds of cocaine, 1,300 pounds of methamphetamines, and 424 pounds of heroin.

The State of Arizona is bordered by the State of Sonora to our south and the Sinaloa cartel is the dominant criminal element in the State of Sonora. The border areas in Mexico that adjoin the United States are divided by the Sinaloa cartel into "Plazas" that are supervised by "Plaza Bosses" or "Gatekeepers." These plaza bosses and gatekeepers are responsible for overseeing and coordinating smuggling activi-

ties in a given geographic area and collecting taxes or fees from anyone wishing to smuggle contraband, including human smuggling organizations.

We are often asked whether human smuggling organizations are part of the “cartels.” Based on HSI investigations and intelligence, it is our opinion that while alien smugglers pay taxes and fees to the cartels to smuggle in a specific geographic area, they are generally run as distinct criminal enterprises in both Mexico and the United States. We believe that the plaza bosses and gatekeepers play a coordinating role with alien smugglers, dictating when and where they will be allowed to cross the border. This coordination ensures that alien smugglers and their human cargo do not bring unwanted law enforcement attention, particularly in the United States, to their smuggling efforts. Our investigations have shown that when alien smugglers do not heed warnings from drug smuggling organizations about where and when they smuggle, they can be targeted for physical violence, including murder.

By volume, marijuana is the most frequently encountered smuggled drug in Arizona, and is most commonly smuggled between the ports of entry (POE) after having been backpacked across the international border with Mexico. However, CBP Officers at POEs seize marijuana daily from both commercial and privately-owned vehicles in quantities ranging from under one pound to multi-thousand-pound loads in both commercial vehicles and cargo.

Mexico continues to be a transit point for cocaine that has originated in South America, primarily Colombia, ultimately destined for domestic markets in the United States. Mexico also is both a production country and a transit point for heroin. Partly as a result of successful efforts to control precursor chemicals in the United States, Mexico has become a major source country for methamphetamine.

The smuggling organizations that we face are very agile and creative. In response to law enforcement successes, these organizations simply change smuggling tactics to increase their chances of success and to avoid arrest. One such example is the increased use of subterranean tunnels to smuggle drugs. We believe that the continued attempts to use tunnels to smuggle drugs, particularly in Nogales, where we have seen the most tunnels in Arizona, is evidence that smugglers are being forced to move away from traditional smuggling techniques due to enhanced enforcement efforts. In addition, in the last several years we have seen smugglers utilize ultra-light aircraft to smuggle marijuana payloads of up to 300 pounds into the United States. We believe that use of ultra-light aircraft is an indication that smugglers are less capable of smuggling marijuana using other preferred methods. Over 350 HSI Special Agents assigned to the HSI Phoenix area of operations are engaged in identifying, disrupting, and dismantling the smuggling organizations that employ these innovative methods to smuggle narcotics into the United States.

Our investigations and intelligence also tell us that proceeds of smuggling activities, particularly drug smuggling, move back to Mexico in the same geographic areas where drug organizations exercise dominion and control. For this reason, we believe that Arizona serves as a consolidation point for drug proceeds owed to the Sinaloa cartel for drugs smuggled into Arizona and distributed to other illicit markets within the United States.

We believe that multi-million dollar quantities of drug proceeds are broken down into smaller quantities for smuggling in order to minimize the impact of a single seizure on an organization, a risk management practice that mimics how drugs are smuggled into the United States.

One of the most significant developments in the last 2 years has been a change in Mexican banking regulations that severely limits the amount of U.S. dollars that can be deposited with Mexican financial institutions, which has proven to be a successful tool to combat drug smuggling and the cartels. This change in Mexican regulations has caused cartels to change how drug proceeds are laundered. While we believe that cartels are still adapting to this change, we believe that one result may be a desire to place these funds into U.S. financial institutions and then wire the proceeds to Mexico. We continue to work closely with the government of Mexico to identify emerging money laundering trends.

Domestically, we have seen some changes in how drug proceeds are moved within the United States. In the last several years, we have seen domestic drug organizations attempt to place illicit funds in U.S. financial institutions to avoid currency transaction reporting requirements. In one version of this scheme, referred to as the “funnel account” model, drug organization members in destination cities make cash deposits into bank accounts opened in Arizona. In turn, the account holder (a nominee for the drug organization) will withdraw funds in Arizona and turn them over (often minus a small fee) to the drug organization. The scheme has been difficult for bank anti-money laundering personnel to identify because the funds deposited are under the statutory reporting limit of \$10,000.

This tactic was initially identified in Arizona as being utilized by human smuggling organizations, but we have since seen its use expanded to domestic drug organizations. We believe that the emergence of this tactic came as a direct result of the successful enforcement focus on money service businesses (MSBs) that were being used by human smugglers to receive payments from “sponsors” in the United States. When the ability to easily use MSBs ended, a transition to the funnel account model was observed. Through on-going outreach and education efforts with financial institutions and the Treasury Financial Crimes Enforcement Network, banks have begun to identify this activity and are reporting it to law enforcement regularly.

MONEY LAUNDERING AND BULK CASH SMUGGLING INVESTIGATIONS

One of the most effective methods for dismantling TCOs is to attack the criminal proceeds that are the lifeblood of their operations. HSI takes a holistic approach toward investigating money laundering, illicit finance, and financial crimes by examining the ways that individuals and criminal organizations earn, move, store, and launder their illicit proceeds.

The combination of successful financial investigations, reporting requirements of the Bank Secrecy Act (BSA), and anti-money laundering compliance efforts by financial institutions have served to strengthen formal financial systems. Criminal organizations are now being forced to seek other means to diversify the movement of illicit funds, such as the use of MSBs and bulk cash smuggling. HSI’s broad jurisdiction includes the enforcement and investigation of money laundering and bulk cash smuggling violations. In fiscal year 2011, HSI special agents initiated more than 4,200 financial investigations, which involved allegations of some type of money laundering or cross-border financial crime. During that same period, Federal prosecutors obtained convictions in over 1,000 cases involving such conduct and ICE seized approximately \$359 million, including \$331 million in currency and monetary instruments.

ILLICIT PATHWAYS ATTACK STRATEGY (IPAS)

Last July, the administration took an important step in fighting transnational crime by issuing the Strategy to Combat Transnational Organized Crime. This strategy complements the administration’s National Security Strategy by focusing on the growing threat of international criminal networks. The strategy’s single unifying principle is to build, balance, and integrate the tools of American power to combat transnational organized crime, and related threats to National security—and to urge our foreign partners to do the same.

HSI plays a key role in this multidimensional and collective strategy. Our response was the creation of the IPAS to break TCO strongholds. With the IPAS, we implement the administration’s strategy and identify significant threats to National security. Once threats are identified, we integrate our authorities and resources (both domestic and foreign) to target, disrupt, and dismantle them.

IPAS goes beyond our physical borders. We are working with our foreign and domestic law enforcement partners to attack transnational crime at all points along illicit pathways, and break down transnational networks that operate within the United States.

IPAS is a coordinated strategy to attack criminal networks at multiple locations along the illicit travel continuum. The concept involves four basic principles:

- Attack criminal networks within and beyond our borders;
- Prioritize networks and pathways that pose the greatest threats;
- Participate and facilitate robust interagency engagement; and
- Pursue a coordinated regional approach that leverages foreign partners.

We focused our first IPAS on high-risk human smuggling in the Western Hemisphere to identify and target human smuggling organizations and their pathways across the globe. We initially targeted human smuggling as this is often a precursor crime that can lead to other illegal activities, including human trafficking. People may have illegally entered the United States only to find themselves in exploitative circumstances and vulnerable to being used by force, fraud, or coercion for the purposes of commercial sex or forced labor.

While our initial focus of IPAS has been on human smuggling, we are currently expanding this strategy to include money laundering and, eventually, to every HSI investigative program area.

ATTACKING TCOS THROUGH PARTNERSHIPS

We conduct outreach to industry, academics, and the general public. Our domestic partnerships include the HSI-led Border Enforcement Security Task Forces (BEST),

the Organized Crime Drug Enforcement Task Force (OCDETF), the High Intensity Drug Trafficking Areas, Suspicious Activity Report (SAR) Task Forces, the Alliance to Combat Transnational Threats, as well as our international partnerships including a BEST operating in Mexico and our Transnational Criminal Investigative Units (TCIUs).

BORDER ENFORCEMENT SECURITY TASK FORCES (BEST)

HSI continues to expand the BEST program, which currently operates in 31 locations throughout the United States and Mexico. BEST leverages over 750 Federal, State, local, and foreign law enforcement agents and officers representing over 100 law enforcement agencies. BEST also provides a co-located platform to conduct intelligence-driven investigations aimed at identifying, disrupting, and dismantling transnational criminal organizations that operate in the air, land, and sea environments. In fiscal year 2011, HSI-led BESTs made 2,245 criminal arrests, 1,130 administrative arrests, and Federal prosecutors obtained 1,358 indictments and 1,187 convictions in BEST-investigated cases.

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

ALLIANCE TO COMBAT TRANSNATIONAL THREATS

The Alliance to Combat Transnational Threats is a collaborative, cooperative enforcement approach against criminal organizations using the capabilities and resources of a variety of Arizona agencies including Federal, State, local, and Tribal law enforcement and public safety organizations. These strategic partners continue to develop coordinated operational plans based on each agency's mission, capabilities, and jurisdiction.

PHOENIX OCDETF STRIKE FORCE

The mission of the Phoenix OCDETF Strike Force is to disrupt and dismantle major drug trafficking organizations designated by the U.S. Department of Justice as Consolidated Priority Organization Targets and their affiliates that operate in Arizona, thereby reducing the availability of illegal drugs and reducing drug-related crime in Arizona. The groups are co-located and comingled, and are supervised by their respective agencies with a Drug Enforcement Administration (DEA) Assistant Special Agent in Charge serving as the Strike Force Commander who oversees fiduciary responsibilities and administrative taskings related to the Strike Force. An executive committee, composed of leaders of Federal agencies with a chairmanship that rotates annually, approves changes in policy or procedures in addition to resolving jurisdictional conflicts with other law enforcement agencies. The U.S. Attorney approves funding based on a budget request submitted by the Strike Force Commander on a monthly basis.

The OCDETF Strike Force consists of investigators from Federal, State, and local law enforcement agencies. The Federal participants include: HSI, the U.S. Attorney's Office for the District of Arizona, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, the Federal Bureau of Investigation (FBI), the Internal Revenue Service, the U.S. Marshals Service, the Bureau of Indian Affairs, and DEA. The State and local partners include the Arizona Department of Public Safety, the Phoenix Police Department, the Maricopa County Sheriff's Office, the Mesa Police Department, and other State and local agencies.

ARIZONA SUSPICIOUS ACTIVITY REPORTS TASK FORCE

In 2004, the Internal Revenue Service—Criminal Investigations (IRS-CI), HSI, and other Federal law enforcement agencies began meeting in Phoenix to exploit SAR and other BSA information to effectively target money laundering in Arizona. Leads were developed by zip code and case category, and then referred to the agencies for investigation.

In late 2006, the U.S. Attorney's Office took leadership of the SAR Review Committee and an Assistant U.S. Attorney began attending meetings and actively assisting in guiding investigations. In 2007, in conjunction with the SAR Review Com-

mittee, a Federal grand jury was empanelled to investigate and facilitate initial SAR investigations.

The HSI/IRS-CI SAR Task Force was formed as a result of the Phoenix SAR Review Committee, where both HSI Phoenix and the IRS-CI jointly cooperated to exploit BSA information. The SAR Review Committee evolved from a working group that primarily focused on de-confliction to an effort by HSI and IRS-CI to jointly work money laundering cases. The dramatic increase in SAR filings by financial institutions in Arizona led to a necessity by HSI to form partnerships with other Federal, State, and local agencies to combat money laundering of criminal proceeds in Arizona.

HSI'S NATIONAL BULK CASH SMUGGLING CENTER

The National Bulk Cash Smuggling Center (BCSC) generates long-term, multi-jurisdictional bulk cash investigations through the processing of incident reporting and by conducting intelligence-driven operational support to HSI field offices. When contacted by Federal, State, and local law enforcement for support, the BCSC provides information to the requesting jurisdiction by exploiting the full scope of its law enforcement intelligence data sources, assisting that jurisdiction in every way possible, including the referral to a local HSI field office for immediate response. Since its inception in August 2009, the BCSC has initiated 568 investigations, which have resulted in 319 criminal arrests, 96 indictments, and 68 convictions.

OPERATION FIREWALL

HSI's Operation Firewall disrupts the movement and smuggling of bulk cash en route to the border, at the border, and internationally via commercial and private passenger vehicles, commercial airline shipments, airline passengers, and pedestrians. Since 2005, Operation Firewall has been enhanced to include surge operations targeting the movement of bulk cash destined for the SWB to be smuggled into Mexico. Since its inception in 2005 through March 2012, Operation Firewall has resulted in more than 6,613 seizures totaling more than \$611 million, and the arrests of 1,416 individuals. These efforts include 469 international seizures totaling more than \$267 million and 302 international arrests.

INTERNATIONAL PARTNERS AND COOPERATION

HSI works closely with our Federal law enforcement and international partners to disrupt and dismantle transnational criminal organizations. As part of these efforts, HSI currently maintains nine TCIUs worldwide composed of highly-trained host country counterparts who have the authority to investigate and enforce violations of law in their respective countries. Since HSI officials working overseas do not possess general law enforcement or investigative authority in host countries, the use of these TCIUs enables HSI to provide actionable information in order to dismantle, disrupt, and prosecute TCOs while respecting the sovereignty of the host country and cultivating the international partnership. During fiscal year 2011, two more TCIUs became operational and HSI plans to open additional TCIUs by the end of fiscal year 2012.

In fiscal year 2010, HSI's international partners played a central role in Operation Pacific Rim. Working closely with the Colombian National Police, Mexican authorities, our partners in Ecuador and Argentina, as well as the FBI and DEA, HSI led an investigation that spanned the globe and effectively disrupted one of the most powerful and sophisticated bulk cash and drug smuggling organizations in the world. This organization was believed to be responsible for nearly 42 percent of all Colombian cocaine smuggled into the United States. The case began when HSI and Colombian police intercepted a suspicious shipment of what was labeled as fertilizer, but was instead bundles of shrink-wrapped cash.

HSI's El Dorado Task Force, which coordinated Operation Pacific Rim, targets financial crime at all levels and consists of 260 members of Federal, State, and local law enforcement, intelligence analysts, and Federal prosecutors. As a result of this domestic and international law enforcement cooperation, this operation resulted in 12 convictions, 24 indictments, and the seizure of more than \$174 million in cash, 3.8 tons of cocaine, and \$179 million in property.

WORKING WITH MEXICAN AUTHORITIES

Assisting the government of Mexico in its battle against drug violence requires strong coordination to ensure both nations are operating together to combat this transnational threat. HSI continues to engage Mexican authorities on a number of levels in our joint efforts to combat border violence. For example, HSI's Border Liai-

son Officer (BLO) program allows HSI 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 United States and Mexican law enforcement entities. HSI has recently quadrupled the number of officers in the BLO program by re-deploying agents to the SWB.

The HSI Attaché Office in Mexico City has coordinated the establishment of vetted Special Investigative Units of Mexican law enforcement officers. HSI has also strengthened the coordination with the government of Mexico by increasing HSI Attaché personnel in Mexico by 50 percent and deploying additional special agents to Mexico. Through our Attaché in Mexico City and associated sub-offices, HSI assists in efforts to combat transnational drug trafficking, weapons smuggling, human smuggling, and money laundering syndicates in Mexico. HSI Attaché personnel work on a daily basis with Mexican authorities to combat these transnational threats, and these efforts have been enhanced by additional officers.

TRANSNATIONAL GANGS

Transnational gangs often conspire with other dangerous criminal organizations, which allow them to mature from small autonomous criminal groups into larger, international criminal enterprises engaged in human smuggling and trafficking, narcotics smuggling and distribution, money laundering, weapons smuggling and arms trafficking, kidnapping, extortion, and export violations.

Operation Community Shield, an anti-gang program, combines HSI's statutory and administrative enforcement authorities with our law enforcement partnerships. Operation Community Shield increases public safety by combating the growth and proliferation of transnational gangs in communities throughout the United States. Operation Community Shield consists of targeted enforcement operations using criminal arrest and administrative removal authorities against gang members, thereby disrupting the ability of gangs to operate.

In addition, these targeted enforcement operations lead to the development of information critical to the successful prosecution of transnational gang members for conspiracy and racketeering-related violations. Since its inception in 2005, Operation Community Shield has led to the arrest of nearly 26,000 gang members and associates, of whom over 10,000 had prior violent criminal histories. In addition, more than 300 gang leaders have been arrested and more than 3,000 weapons have been seized.

In April 2012, as part of Operation Community Shield's Nation-wide transnational gang enforcement operation, HSI concluded "Project Nefarious," which consisted of enforcement operations in 150 cities in both the United States and Honduras while working with 148 other law enforcement agencies at the international, Federal, State, and local levels. Of the 792 individuals arrested, 637 were identified as gang members or associates from approximately 168 different gangs. Of the 637 gang members arrested, 479 were charged with criminal offenses, 158 were charged with administrative violations, 210 had violent criminal histories, and 10 were wanted for murder. In addition, HSI special agents seized 52 firearms, over 75 grams of methamphetamine, nearly 2,500 kilograms of marijuana, over 2,445 grams of cocaine, \$201,437 in U.S. currency, and 14 vehicles.

CONCLUSION

Thank you again for the opportunity to appear before you here in Phoenix and for the subcommittee's continued support of ICE and its law enforcement mission. ICE is committed to enhancing public safety and combating narcotics trafficking and money laundering through efforts such as those I have discussed here today. We look forward to continuing our good work, refining our existing programs and partnerships, and collaborating with our Federal, State, local, and Tribal partners to ensure the safety and security of all Americans.

I would be pleased to answer any questions.

Mr. QUAYLE. Thank you, Mr. Allen.

The Chairman now recognizes Mr. Coleman for his testimony.

STATEMENT OF DOUGLAS W. COLEMAN, SPECIAL AGENT IN CHARGE, DRUG ENFORCEMENT ADMINISTRATION—PHOENIX, U.S. DEPARTMENT OF JUSTICE

Mr. COLEMAN. Distinguished Members of the committee, on behalf of Administrator Leonhart and the Drug Enforcement Admin-

istration, I appreciate your invitation to testify today regarding the growing threat of drug trafficking in the United States and DEA's efforts to share information with our Federal, State, and local partners.

The mission of the Drug Enforcement Administration's Phoenix Field Division is to identify, target, and dismantle major drug trafficking organizations operating in or transshipping through the State of Arizona. The primary focus of this mission is an intelligence-driven targeting of the Sinaloa cartel-related command-and-control elements whose operations have the greatest impact on Arizona.

By collectively focusing our State, National, and international resources on disrupting and dismantling these organizations through strategic high-level targeting, the DEA's Phoenix Field Division, with its State, local, and Federal partners, achieve a greater impact on the overall drug trafficking operations affecting our State and Nation.

The Arizona-Mexico border provides a plethora of smuggling opportunities for the Sinaloa cartel and other Mexican-based DTOs. This corridor is a primary transshipment zone for methamphetamine, cocaine, heroin, and marijuana destined for U.S. markets. Arizona cities, including Phoenix and Tucson, are home to large-scale drug trafficking organizations responsible for sourcing wholesale quantities of many illicit drugs to distribution cells throughout the United States.

In addition, because of Arizona's proximity to the Mexico border, drug proceeds in the form of bulk currency flow from the U.S. distribution cells back to Arizona based drug cells for return to Mexico-based command elements.

Faced with this on-going threat, the achievements obtained by DEA Arizona are directly attributed to the strong partnerships developed with our State, local, Federal, Tribal, and military colleagues. With our deconfliction, intelligence, and resource sharing, drug law enforcement in Arizona has been its most effective.

For example, the DEA's partnership with the Arizona HIDTA has expanded the resources in both entities and driven a mutual goal of achieving a greater impact on the DTOs operating throughout this State.

Since August 2011 the DEA's intelligence manager has led the HIDTA Investigative Support Center, facilitating the intelligence sharing and investigative needs of other HIDTA participants as well as non-HIDTA agencies throughout Arizona. The combined intelligence efforts of State, local, and Federal partnerships in the ISC promote the successes of the investigations within the individual HIDTA initiatives, some of which are led by DEA agents personnel.

DEA also participates in the Organized Crime Drug Enforcement Task Force, the OCDETF program, which is another major contributor to the success of DEA and drug law enforcement in Arizona. Through its expanded resources to support State and local investigations and the deputization authority provided by DEA on OCDETF-designated cases, the OCDETF program expands the potential for the continued and collaborative identification and targeting of high-level drug trafficking organizations by Arizona law

enforcement. With more State and local agencies taking advantage of this resource and authority and partnership with DEA, an increase in investigative information sharing and deconfliction proves to be the certain gain.

One of the most valuable resources dedicated to the DEA's enforcement intelligence operations has been provided by the Arizona National Guard. The counterdrug operations and intelligence support provided at the State, local, and Federal law enforcement by the Guard has proven critical to the on-going success of drug trafficking investigations both tactically and strategically. Those intelligence analysts who have been assigned to DEA's Arizona intelligence programs assist with the overwhelming amount of information gleaned from on-going operations and high-level investigations conducted by DEA. The National Guard's commitment supplements the ever-increasing need for intelligence support as DEA in Arizona continues its pursuit of the command-and-control elements of the Sinaloa drug cartel and its associated organizations.

The partnerships, programs, and dedicated resources shared by and with the DEA have created multiple venues for information intelligence sharing for law enforcement within our State.

Enhanced by DEA's National-level participation in the El Paso Intelligence Center, DEA's Special Operations Division, the OCDETF Fusion Center, and programs including DEA's Internet Connectivity Endeavor, National License Plate Reader Initiatives, and State and local and National deconfliction efforts, law enforcement opportunities to leverage the resources available in furtherance of drug trafficking investigations is at a unique and optimum level for all law enforcement in Arizona.

Again, on behalf of DEA, I thank the committee for the opportunity to speak today. I am happy to answer any questions you have.

[The statement of Mr. Coleman follows:]

PREPARED STATEMENT OF DOUGLAS W. COLEMAN

MAY 21, 2012

Distinguished Members of the Committee on Homeland Security, Subcommittee on Border and Maritime Security, on behalf of Administrator Leonhart and the Drug Enforcement Administration (DEA), I appreciate your invitation to submit written testimony today regarding the growing threat of drug trafficking in the United States and DEA's efforts to share information with our Federal, State, local, and Tribal partners.

INTRODUCTION

The mission of the Drug Enforcement Administration is to enforce the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States.

DEA has the largest permanent U.S. investigative law enforcement presence overseas, and since its formation in 1973, has been assigned a global drug enforcement mission that extends far beyond our Nation's borders. Currently, DEA has 85 offices in 65 countries.

NATIONAL INFORMATION SHARING

DEA leads the El Paso Intelligence Center (EPIC), a multi-agency National tactical intelligence center that focuses its efforts on supporting law enforcement efforts

in the Western Hemisphere, with a significant emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides immediate access to participating agencies' databases to law enforcement agents, investigators, and analysts. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction, and officer safety.

In support of National target deconfliction, DEA plays a primary role in both supporting and participating in the National Virtual Pointer System (NVPS). NVPS facilitates agents and officers coordinating investigations of common targets by connecting existing target deconfliction systems, such as those operated by the HIDTAs and RISS network, throughout the country. As agents and officers enter the subjects of current investigations, they are notified if another NVPS participant is also investigating that target. Point-of-contact information is exchanged and agents and officers contact one another to exchange detailed information.

In December 2008, DEA launched a National License Plate Reader (LPR) Initiative in direct response to the smuggling of illicit drug monies out of the United States, primarily via the U.S.-Mexico border. The LPR program promotes information sharing and coordination through a deconfliction mechanism that notifies the appropriate parties when common links are identified among investigations. This program uses existing U.S. law enforcement database capabilities with LPR technology to monitor and target vehicles commonly used to transport bulk cash and other contraband. The program is available to all Federal, State, local, and Tribal law enforcement organizations through the El Paso Intelligence Center (EPIC) and through the DEA Internet Connectivity Endeavor (DICE).

DICE enables any participating Federal, State, local, and Tribal law enforcement agency to de-conflict investigative information, such as phone numbers, email addresses, bank accounts, plane tail numbers, and license plates, to identify investigative overlaps. The system, accessible through the internet, allows users to be notified if an overlap occurs and provides points of contact information so users can discuss the investigative links.

Another example of DEA's commitment to information sharing is the Special Operations Division (SOD): A DEA-led, multi-agency, operational coordination center whose mission is to establish seamless law enforcement strategies and operations aimed at dismantling National and international trafficking organizations by attacking their command-and-control communications. SOD facilitates coordination, deconfliction, and communication among DEA divisions and over 20 participating agencies identifying overlapping investigations and helps to ensure intelligence is shared between DEA and SOD's participating agencies. SOD has coordinated several of law enforcement's largest strikes against the cartels in recent years, bringing together Federal law enforcement agencies, State and local law enforcement, and our foreign law enforcement counterparts to effect massive, coordinated enforcement action against the cartels to deliver maximum impact.

Further, DEA participates in the OCDETF Fusion Center (OFC), an operational intelligence center that provides Federal law enforcement agencies with a complete intelligence picture of targeted drug trafficking organizations (DTO) and their financial infrastructure through enhanced technical capabilities and analysis in support of the OCDETF program.

THREAT IN ARIZONA

Arizona encompasses 24 percent of the entire 1,969-mile shared border with Mexico and houses six Ports of Entry (POEs). The Arizona/Mexico border provides many smuggling opportunities for the Sinaloa cartel as well as other Mexican-based DTOs. This corridor is a primary transshipment zone for methamphetamine, cocaine, heroin, and marijuana destined for United States markets. The cities of Phoenix and Tucson are home to large-scale organizations responsible for sourcing wholesale quantities of many illicit drugs to distribution cells throughout the United States. Because of Arizona's proximity to the Mexico border, drug proceeds in the form of bulk currency flow from U.S. distribution cells back to Arizona-based drug cells for movement to Mexican traffickers.

DTOs operating in the Arizona corridor utilize independent organizations that specialize in smuggling drugs through the desert areas or POEs whereby drugs are concealed in compartments in vehicles or in cover loads on tractor trailers. Desolate areas between POEs act as primary smuggling routes for the large-scale marijuana transportation groups operating in this corridor. In addition, these transportation groups utilize the many National parks, monument areas, wildlife refuges, and Indian reservations along the Arizona/Mexico border. The Tohono O'Odham Indian reservation, which covers approximately 75 miles along the Arizona/Mexico border, is such a remote area that there is virtually no chance of detection by law enforce-

ment. Additionally the Tribal members have traditionally traveled to ancestral and sacred lands that they consider part of the Tohono O'odham Nation but are located just south of the border with Mexico.

DEA RESPONSE IN ARIZONA

The DEA Phoenix Field Division (PFD) Intelligence Program is focused on the development and dissemination of law enforcement intelligence that drives and supports enforcement operations towards the highest level domestic and international targets. Through robust intelligence collection efforts and a vigorous Title-III/wire intercept program, the DEA PFD coordinates and disseminates drug-related investigative leads and valuable intelligence to our Mexico offices, SOD, EPIC, and other DEA offices throughout the United States.

Since August 2011, DEA PFD has been leading the Arizona High Intensity Drug Trafficking Area (HIDTA) Investigative Support Center (ISC). The Arizona ISC is a combined Federal, State, local, and Tribal initiative which serves as an information and law enforcement intelligence hub in support of Arizona's HIDTA initiatives as well as other non-HIDTA law enforcement entities within Arizona. ISC Intelligence Analysts represent multiple agencies, including DEA, Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), Arizona National Guard, Arizona's Department of Public Safety, and law enforcement entities in Tempe, Tucson, and Maricopa County. All are co-located in both Tucson and Phoenix operating as one Investigative Support Center. These partnerships promote a dynamic intelligence and information-sharing environment which is critical to the analytical focus of the ISC in its effort to support the various HIDTA initiatives in the detection, disruption, and dismantlement of drug trafficking and other associated criminal organizations. The collaborative focus of the ISC are as follows: To identify and de-conflict information to the fullest extent; to coordinate the dissemination of actionable intelligence; and to provide investigators potential targets and relevant information to expand investigations to the highest level in order to achieve the most significant impact on large-scale drug trafficking organizations. This streamlined analytical process facilitates the identification and reporting of drug trends and availability as well as emerging drug threats, officer safety issues, and an overall strategic picture for the Southwest Border area in Arizona.

The DEA Phoenix Field Division includes 11 Task Force groups located throughout the division and its subordinate offices. These task forces include seven DEA Task Force groups as well as four HIDTA groups. The PFD's task force program includes 56 task force officers (TFO) representing 21 State and local law enforcement agencies from throughout the State of Arizona. The task force program supports State and local agencies throughout the State by providing training, funding, investigative and intelligence resources, and Federal deputation to State and local law enforcement agencies in Arizona. Task Force groups frequently work investigations with a local and/or regional focus that are brought to the respective groups by their State and local agency TFOs. Virtually every enforcement group in the PFD has State or local TFOs assigned to it. All DEA State and local TFOs are afforded access to all of the resources available to any DEA Special Agent.

In closing, DEA will continue to work with its Federal, State, local, and Tribal counterparts to investigate, disrupt, and dismantle drug trafficking organizations operating globally, with a specific nexus to Arizona and its surrounding region. Furthermore, DEA will continue its priority of information sharing and coordination with all of our partners in the law enforcement community.

Mr. QUAYLE. Thank you, Mr. Coleman.

The Chairman now recognizes General Salinas for his testimony.

STATEMENT OF BRIG. GEN. JOSE SALINAS, DIRECTOR, JOINT STAFF, DEPT. OF EMERGENCY & MILITARY AFFAIRS ARIZONA NATIONAL GUARD

General SALINAS. Mr. Chairman, Members of the committee, it is a privilege to be here today providing you information regarding the Arizona National Guard's role in stopping illicit drugs from moving into and through our State.

Authorized by the National Defense Authorization Act of 1989, the National Guard counterdrug program authorizes up to 4,000 National Guard members to perform counterdrug activities in all

54 States and territories. The Arizona National Guard's counterdrug program, which is referred to as the Joint Counter Narco/Terrorism Task Force, is currently the third largest behind California and Texas. For the past 22 years, the task force has provided unsurpassed support and has maintained positive relationships with over 70 Federal, State, and local law enforcement and community organizations, to include DEA, DHS and ICE, FBI, the Arizona HIDTA, Arizona DPS, and the Arizona Counter-Terrorism Information Center.

The task force support missions to these organizations include criminal analyst support, communication support, ground reconnaissance, aerial reconnaissance, and civil operations, which were formerly known as drug demand reduction operations. In fiscal year 2011 task force missions directly contributed to operations resulting in drug-related seizures worth \$176 million. With an '11, with a fiscal year 2011 budget of \$9 million, this represents an 1,800 percent return on investment.

The Arizona task force has been gradually reduced from 300 personnel in the early 1990s to a program with approximately 115 today. According to the President's fiscal year 2013 proposed budget, the DOD counter narcotics budget will be reduced by \$100 million. Seventy-five percent of that reduction will be borne by the National Guard's counterdrug program. As a result, the National Guard counterdrug program is projected to receive only 9 percent of the overall DOD counter narcotic budget, which is down from 24 percent in fiscal year 2012.

The projected reduction in funding will result in over 1,000 fewer National Guard members across all 54 States and territories. This reduction translates to approximately 4,000 fewer missions in the agencies in this area and 4,000 fewer flying hours supporting counter narcotic operations against the sizable, highly adaptive, transnational criminal organizations that aim to exploit our borders and communities.

The impact on the Arizona Joint Narco/Terrorism Task Force is devastating and will result in a 47 percent reduction from 115, approximately 115 personnel in fiscal year 2012 to 60 personnel in fiscal year 2013. This proposed \$4 million reduction represents a potential loss of \$62 million in seizures and support to all the agencies represented at this table.

In addition to the task force, Arizona has supported two Presidentially-declared Southwest Border operations in support of DHS.

The first, Operation Jump Start, from 2006 to 2008 cost \$1.2 billion, involved 6,000 National Guard members and resulted in \$900 million worth of seizures across the four Southwest Border States. Forty percent of Operation Jump Start resources were allocated to Arizona.

Operation Phalanx, which has been on-going from 2010 to present, has an Arizona-specific cost to date of \$50 million, has involved 560 Arizona National Guard members, and has resulted in \$90 million in seizures within Arizona.

Although these missions were effective, we believe you would be better served with consistent funding to inure to State, county drug programs with proven track records.

I must impress upon you the significant experience and strategic capabilities that Arizona's Joint Counter Narco/Terrorism Task Force can offer to our Federal, State, and local law enforcement agencies. The task force's abilities and the high quality of support they provide is the result of partnerships built over the last 22 years.

In testimony to your committee in March 2011, the Arizona Adjunct General, Major General Hugo Salazar, stated that military support of law enforcement would be best served by increased funding to the task force drug program in lieu of temporary border security missions like Operations Jump Start and Phalanx; providing adequate funding to the task force is far more economical and presents a very limited military presence. He argued that increased support would allow law enforcement elements to more effectively integrate National Guard resources knowing they will have a sustained and predictable level of support for an extended period of time. Only through dedicated and consistent funding will our law enforcement partners continue to be able to trust and utilize a powerful resource such as the Arizona Joint Counter Narco/Terrorism Task Force.

Once again, I appreciate the opportunity to be here today. The Arizona National Guard is an organization committed to our Nation's security. More importantly, it is an organization whose citizens, soldiers, and airmen will continue to train, prepare, and stand ready to serve the President of the United States, the Governor of Arizona, and the citizens of this great Nation. I look forward to answer your questions.

[The statement of General Salinas follows:]

PREPARED STATEMENT OF JOSE SALINAS

21 MAY, 2012

OVERVIEW

Madame Chair, Members of the committee, thank you for inviting me here today. My name is Brigadier General Jose Salinas; I am the Director of the Joint Staff for the Arizona National Guard. It is a privilege to be here today providing you information regarding the Arizona National Guard's role in stopping illicit drugs from moving into and through our State.

The National Guard has a long and honored history of service to the country. Although the present-day National Guard was established with the Militia Act of 1903, the National Guard's heritage can be traced back to December 13, 1636, when the Massachusetts legislature ordered the formation of the first State-run militia. Since that day, the National Guard has remained ready to answer the Nation's call during times of emergency and conflict. In honor of that great tradition, Soldiers and Airmen of the Arizona National Guard continue to stand ready to answer that call. Since September 11, 2001, over 9,000 of our Arizona Soldiers and Airmen have been mobilized, and served, or are currently serving in harm's way in the defense of our great Nation.

The National Guard is unique in that it serves a dual mission and must be ready and capable of performing both its State and Federal mission. In addition to serving the Nation on a Federal deployment or mobilization, members of the National Guard also serve the State, ready to be called upon by the Governor to assist our civil authorities in response to natural disaster or emergency, and to protect the lives and property of the citizens of Arizona. Our National Guard Soldiers and Airmen reflect the highest levels of professionalism and dedication. They stand ready, be it at home or abroad, to answer the call to defend our great Nation.

To understand the differences and distinctions of these dual missions, it is first important to understand the various authorities that Soldiers and Airmen can operate under, as these directly impact mission sets, command and control, and ulti-

mately organizational readiness. There are three different statuses that a National Guard Service member can operate under while performing military duties: "State Active Duty," "Title 32," or "Title 10."

Under State Active Duty status, the National Guard is, at all times, a State government entity, operating under the command and control of the Governor of Arizona and The Adjutant General. National Guard forces under State Active Duty are paid with State funds and perform duties authorized by the Governor and in accordance with State law. While National Guard forces are in a State Active Duty status, the Posse Comitatus Act (18 U.S. Code, § 1385), which restricts Federalized troops from performing law enforcement duties, does not apply because they are not under the command and control of the Federal Government. The Posse Comitatus Act, along with its supporting legislation and regulations, precludes Federal military forces from acting as a primary instrument of law enforcement. It has come to symbolize the separation of civilian affairs from military influence. Nonetheless, National Guard troops in a State Active Duty status may participate in law enforcement duties in accordance with the applicable provisions of State law and as directed by the Governor of Arizona.

The U.S. Constitution also authorizes the National Guard to operate under State control, but in the service of the Federal Government—"Title 32." Title 32 of the U.S. Code, authorizes the use of, and provides Federal funds to National Guard forces performing a Federal mission while under the command and control of their respective Governor. For example, National Guard forces were deployed by Governors using Federal funds and in compliance with prescribed Federal operational standards to our Nation's airports following the terrorist attacks of September 11, 2001. Although Federal appropriations were used to fund National Guard forces for a Federal mission, Posse Comitatus did not apply because National Guard forces were not under the command and control of the President, but rather with their respective Governors.

In addition to State Active Duty and Title 32 Status, National Guard service members can also be in a "Title 10" status. National Guard service members under Title 10 U.S. Code are Federally-funded and are placed under Federal control for National defense purposes. The Federal Government has the authority to "Federalize" National Guard forces to mobilize and deploy for Federal missions. These service members are commonly known to be in "Title 10 or active duty status," meaning the President and Federal Government solely command and control units under this title. This approach places the Federalized National Guard forces in Title 10 Status under the Command and Control of the President, the Secretary of Defense, and Combatant Commander. It severs the National Guard's relationship with its State Governor.

The Arizona National Guard is tasked, under both State and Federal authority with five additional missions: Emergency Response, Counter-Drug, Counter-Terrorism, International Programs, and Southwest Border security. Through the execution of these missions, the Arizona National Guard has developed key relationships with various Federal, State, and local agencies. Having our Soldiers and Airmen working with law enforcement provides a mutually beneficial relationship. Beyond the measureable results of this combined effort, both parties stand to profit from the sharing of information and training. In addition to the opportunity to use and hone their military skills, Soldiers and Airmen gain additional skills by working with Federal, State, and local law enforcement and other community organizations. This makes them better Soldiers and Airmen, and improves their units when they are mobilized for overseas deployments. Yet another quality of the National Guard is this ability to utilize their unique civilian expertise. For example, several of our Soldiers and Airmen work full-time for the very agencies we support. However, it is the Arizona National Guard's cooperative missions that provide the greatest opportunities for this mutually beneficial cross-training.

ARIZONA JOINT COUNTER NARCO/TERRORISM TASK FORCE

Authorized by the National Defense Authorization Act in 1989 under Title 32, Section 112 of the U.S. Code, the National Guard Counterdrug Program authorizes up to 4,000 National Guard members to perform drug interdiction and counterdrug activities in all 54 States and territories. The Arizona National Guard's Counter Drug program, referred to as the Joint Counter Narco/Terrorism Task Force, began operations in 1989 and is currently the third largest behind California and Texas. The mission of the Joint Counter Narco/Terrorism Task Force is to provide military counterdrug and drug demand reduction support to local, State, and Federal law enforcement agencies and community-based organizations. For the past 22 years, the highly skilled Soldiers and Airmen of the Joint Counter Narco/Terrorism Task Force

have provided unsurpassed operational counterdrug support, and continue to offer the continuity necessary to foster and maintain positive relationships with over 70 Federal, State, and local drug enforcement agencies and community organizations across the State of Arizona. These relationships have resulted in significant contributions to counter-narcotic operations along the Southwest Border.

The Joint Counter Narco/Terrorism Task Force is currently staffed with 76 Army National Guard Soldiers, and 38 Air National Guard Airmen, totaling 114 personnel serving in Full-Time National Guard Duty—Counter Drug status in accordance with United States Code, Title 32, Section 112. As stated earlier, Soldiers and Airmen of the National Guard serving under State control are not subject to the provisions set forth by the Posse Comitatus Act. Joint Counter Narco/Terrorism Task Force members have been given authorization to perform “Support Only” Counter Drug duties. It is this support role that brings the greatest benefit to our partners. The Joint Counter Narco/Terrorism Task Force provides Department of Defense specific skill sets in support of civilian agencies, enhancing their capabilities, and at the same time allowing them to devote their skill sets to their primary mission.

The Joint Counter Narco/Terrorism Task Force provides support to Federal agencies such as Customs and Border Protection, Homeland Security Investigations, Drug Enforcement Administration, Federal Bureau of Investigation, and the Arizona High Intensity Drug Trafficking Area Center. Along with these Federal agencies, the Joint Counter Narco/Terrorism Task Force provides counter drug support to State and local agencies such as Arizona Department of Public Safety, Arizona Counter-Terrorism Information Center, Metro Intelligence Support and Technical Investigation Center, and various county and city law enforcement agencies. Currently, approved Joint Counter Narco/Terrorism Task Force support missions include the following categories:

Investigative Case and Analyst Support.—Embedded analysts in law enforcement offices throughout the State of Arizona serve to improve information sharing between Federal, State, and local agencies. These trained personnel assist assigned law enforcement agencies in researching and analyzing case information and producing law enforcement intelligence products. This investigative case and analyst support allows for better utilization of law enforcement resources, and enables the supported agencies to make effective strategic decisions based on accurate and reliable intelligence. During fiscal year 2011, 58 personnel provided investigative case and analytical support to our law enforcement partners, resulting in \$121,986,032 in seized illicit drugs, currency, weapons, and other property.

Communications Support.—Technical experts are assigned to law enforcement agencies such as Customs and Border Protection for use at their stations along the international border and to assist with command and control operations. This support requires the mastery of many complex monitoring devices, cameras, ground sensors, and voice communication equipment and directly enhances officer safety in the field. In fiscal year 2011, 13 personnel provided communications support that assisted our law enforcement partners in the seizure of 10,521 pounds of marijuana valued at \$5,524,043.

Ground Reconnaissance.—The Joint Counter Narco/Terrorism Task Force’s ground reconnaissance teams support local, State, and Federal law enforcement agencies with uniquely suited advanced optical technology. These teams operate covertly, and always in support of law enforcement in field conditions to provide military-specific skills to supported agencies’ interdiction efforts against the flow of illegal drugs that enter the United States between Arizona’s Ports of Entry. In fiscal year 2011, the 21 members of Arizona’s Ground Reconnaissance teams were instrumental in the seizure of over 27,370 pounds of marijuana, 20 weapons, and assorted confiscated equipment and currency with a total value of \$17,867,578.

Aerial Reconnaissance.—The Joint Counter Narco/Terrorism Task Force employs both the OH-58 helicopter and RC-26 fixed-wing aircraft as aerial observation assets. Arizona Army National Guard OH-58 helicopters are available to support law enforcement during both day and night operations using forward-looking infrared systems, thermal imaging reconnaissance, Aviator’s Night Vision Imaging System, live video downlink, and illumination systems. The Arizona Air National Guard RC-26 aircraft is employed as a regional asset for high-value counterdrug and narco-terrorism cases. This fixed-wing platform provides superior standoff capability for covert operations. Both aerial assets provide enhanced officer safety, improved interdiction operations in remote drug corridors, and other forms of valuable aerial command-and-control capabilities. During fiscal year 2011, Aerial Reconnaissance support resulted in the seizure of illicit drugs, currency, weapons, and other property valued at \$30,231,477.

Civil Operations, formerly known as Drug Demand Reduction Support.—Civil Operations/Drug Demand Reduction teams work closely with community-based organi-

zations and support the specific needs of local communities and school systems. All Civil Operations/Drug Demand Reduction support efforts are focused on identifying, supporting, educating, and mentoring/coaching Arizona youth in collaboration with local community organizations. Whereas other Joint Counter Narco/Terrorism Task Force missions focus on combatting illicit drugs through drug trafficking interdiction, Civil Operations/Drug Demand Reduction focuses on reducing the demand for those drugs. Operating in line with the 2012 National Drug Control Strategy, the Joint Counter Narco/Terrorism Task Force utilizes Civil Operations/Drug Demand Reduction support to assist those community organizations that have opened a second front against the drug traffickers moving through our State. Civil Operations/Drug Demand Reduction Support places some of our Nation's heroes in front of our children and young adults. Our soldiers and airmen come from a variety of backgrounds, and as National Guard members, live in the communities they support. This shared background allows our Civil Operations/Drug Demand Reduction soldiers and airmen to relate to the children they mentor. It allows them to not just see random children, but children who are from the same places they live and work in everyday. The soldiers and airmen of Civil Operations/Drug Demand Reduction are trained leaders and mentors.

The nature of the Civil Operations/Drug Demand Reduction mission makes it difficult to measure success. There is no way to track the decisions that these children will make in the future. However, in fiscal year 2011, Civil Operations/Drug Demand Reduction, through their involvement in over 200 community events, was able to engage, educate, and mentor 52,200 of Arizona's children. Despite the vital role Drug Demand Reduction has played in the drug prevention education of our children, this mission is currently projected to be eliminated, given the resource constraints of the Department of Defense's proposed fiscal year 2013 budget.

The combined capabilities of the Arizona Joint Counter Narco/Terrorism Task Force have made significant contributions to the drug interdiction efforts of the Federal, State, and local law enforcement agencies working together to stop the flow of illicit drugs into Arizona. In fiscal year 2011, Joint Counter Narco/Terrorism Task Force missions directly contributed to law enforcement operations resulting in seizures of 145,759 pounds of marijuana (\$93,394,817), 1,918 pounds of cocaine (\$15,633,625), and 1,872 pounds of methamphetamine (\$27,152,337). A total value of all seized drugs (including those not listed) resulted in \$140,887,700 in drug seizures. The addition of \$35,607,723 in non-drug seizures (guns, vehicles, illicit cash) combined to equal a total of \$176,495,423 that did not reach the hands of drug traffickers as a result of the combined effort of the Joint Counter Narco/Terrorism Task Force and their supported agencies. Given the Joint Counter Narco/Terrorism Task Force's fiscal year 2011 budget of \$9,344,745.00, the amount in seizures represents a 1,889% return on investment.

The Arizona Joint Counter Narco/Terrorism Task Force has shrunk over the years from a program consisting of well over 300 personnel in the early 1990s, to a program of approximately 115 today. Many of these reductions have been the result of reduced funding, and redefined mission sets; however the recent economic challenges facing the Nation have begun to have a major effect as well. According to the President's fiscal year 2013 budget request, the Department of Defense Counter Narcotics budget of \$1.1 billion represents a loss of \$100 million in OCONUS and CONUS drug interdiction activities. Seventy-five million dollars of the \$100 million reduction is projected to come out of the National Guard Counterdrug State Plan's budget. This \$75 million reduction represents a 42% loss of the National Guard's fiscal year 2012 budget.

The Department of Defense's counter narcotic support to the National Guard Counterdrug Program decreased gradually from 2003 to 2012. These gradual reductions were small enough that the Joint Counter Narco/Terrorism Task Force leadership could realign resources to gain optimum strategic advantage. In fiscal year 2013, proposed budget support to the National Guard Counterdrug Program was reduced dramatically to a historic low of 9% of the Department of Defense's counter narcotic budget from 24% in fiscal year 2012. This reduction will significantly degrade the National Guard's ability to support its Congressionally-mandated mission in support of the National Drug Control Strategy. The projected reduction in funding will result in over 1,100 fewer National Guard members across all 54 States and territories. This reduction translates to approximately 4,100 fewer missions and 4,000 fewer flying hours supporting counter-narcotic operations against the sizable, highly adaptive, organized drug cartels and transnational criminal organizations, aiming to exploit America's borders and communities.

The impact to the Arizona Joint Counter Narco/Terrorism Task Force is devastating and will result in a 47% reduction in force from 114 personnel in fiscal year

2012, to 60 personnel in fiscal year 2013. This represents a 60% reduction from 2011 personnel levels. Potential loss of personnel in fiscal year 2013 by mission set:

- *Intelligence Analyst*.—Loss of 14 personnel (30% reduction);
- *Communications Support*.—Loss of 9 (100% reduction);
- *Ground Reconnaissance*.—Loss of 9 (39% reduction);
- *Aerial Reconnaissance*.—Loss of 3 (33% reduction);
- *Drug Demand Reduction*.—Loss of 11 (92% reduction).

A potential loss of \$62,248,318 in seizures of drugs, weapons, vehicles, cash, and other property as a result of a \$3,793,529 reduction in funding from fiscal year 2012 to fiscal year 2013.

ARIZONA BORDER OPERATIONS—HISTORICAL PERSPECTIVE

Geographically speaking, Arizona has a total area of just over 113,998 square miles and is the sixth-largest State in the union. Arizona has an estimated population of well over 6 million. Arizona shares 389 miles of international border with Mexico and has seven major ports of entry. Found between Arizona's ports of entry are a variety and combination of barriers that include pedestrian fencing, vehicle fencing, Normandy barriers, triple strand barbed wire fencing and cattle guard crossings located on the Tohono O'odham Indian Reservation only. The sovereign territory of the Tohono O'odham Nation consumes 75 miles (28%) of the Arizona/Mexico border. Nearly one-third of this reservation extends south directly into Mexico. The Tohono O'odham Nation does not acknowledge the international border between the United States and Mexico, and residents living on Tribal lands in Mexico can traverse freely at any time.

OPERATION JUMP START (JUNE 2006—JULY 2008)

Operation Jump Start was a Presidentially-declared, 2-year, \$1.2 billion program, spread across the four Southwest Border States. The mission required 6,000 National Guard members the first year, and 3,000 the second year. The Department of Homeland Security and Customs and Border Protection were allocated forces based on their assessed needs that resulted in Arizona receiving 40% of the forces; the largest percentage of the four Southwest Border States. The goal of Operation Jump Start was to augment Customs and Border Protection with additional manpower for administrative and operational assistance missions, alleviating Border Protection agents of these responsibilities and allowing those agents to be sent back out to the field where they were needed most. Guard members from 51 of the 54 States and territories served in Arizona performing duties that included Entry Identification Teams, camera operators, logistical support, aviation support and engineering support. In total, 17,750 personnel participated on the mission. These personnel were comprised of individual volunteers, sourced unit rotations, and unit annual training rotations. During the first year of Operation Jump Start, an average of 2,400 National Guard personnel conducted operations in support of law enforcement efforts in Arizona. That number was reduced to 1,200 personnel during the second year.

From data collected from all four Southwest Border States, Operation Jump Start resulted in the seizure of approximately 321,625 pounds of marijuana and cocaine worth nearly \$900,000,000. The mission was also responsible for 176,721 alien apprehensions, 1,116 vehicle seizures, and \$80,688 in currency seizures. In Arizona, engineering support created 23.5 miles of permanent vehicle barriers, 43 miles of temporary barriers, 24.5 miles of primary fence, 9.1 miles of secondary fence, 5 miles of road construction, and 57 miles of road improvement. The mission ended in July, 2008.

OPERATION PHALANX PHASE ONE (JULY 2010—FEBRUARY 2012)

On May 25, 2010, the President directed the temporary use of up to 1,200 National Guard personnel on the Southwest Border to support Department of Homeland Security requirements. Arizona was authorized 560 of the 1,200 personnel for the mission which equates to 46% of total mission personnel. Like Operation Jump Start, National Guard personnel are funded under U.S. Code Title 32 § 502(f), in accordance with the published Department of Defense order. Operation Phalanx supports both Customs and Border Protection and Homeland Security Investigations by supporting three key mission sets; Entry Identification Teams, Video Surveillance System support, and Intelligence Analysis.

Of the 560 personnel initially authorized for Operation Phalanx in Arizona, 504 personnel were tasked to support entry identification sites that operated on a 24-hour basis in close proximity to Arizona's Southern Border. Soldiers and Airmen staffed 25 overt Entry Identification Team sites across four stations in the Tucson

sector. Due to increased threat and violence along the international border, Arizona National Guard personnel were armed and assumed a higher arming status than similar missions during Operations Jump Start. Rules for the use of force were clearly defined, published, and provided to each service member on the mission.

Phase One of Operation Phalanx continued through 29 February 2012, with operations in Arizona costing \$48.7 million. The mission resulted in 35,628 observations leading to 19,778 apprehension assists with 87,035.49 pounds of marijuana being seized. The value of the marijuana seized exceeded the cost of Arizona's portion of the mission by \$30 million. As a result of the mission, Homeland Security Investigations saved an estimated 83,160 manpower hours, representing an estimated \$3.2 million in savings to the agency.

OPERATION PHALANX PHASE TWO (MARCH 2012–PRESENT)

In December 2011, the Department of Defense announced National Guard personnel supporting the Department of Homeland Security would be reduced from 1,200 to no more than 300 personnel, and included a change in mission. In addition to continuing the intelligence analyst mission, the National Guard transitioned from a ground observation role to an aerial reconnaissance mission. Given the new mission scope, there are currently 52 personnel conducting aerial surveillance operations in support of Customs and Border Protection. This aerial task force utilizes six OH-58 helicopters equipped with advanced aerial surveillance capabilities organic to the military. In addition to National Guard aviation assets, there are 15 personnel assigned as intelligence analyst providing support to Homeland Security Investigations at offices in Phoenix, Tucson, and Yuma. For the current portion of Operation Phalanx, Arizona has an authorized strength of 77 personnel.

The Soldiers and Airmen of Operation Phalanx continue to work closely with supported agencies to better integrate efforts and resources. Through interagency collaboration, greater information sharing is emerging, enabling the employment of assets in a more deliberate manner with higher levels of effectiveness. The development of techniques, tactics, and procedures is on-going and is producing favorable results.

Since initiation of the second phase of Operation Phalanx, Aviation operations in Arizona have executed a total of 953 flight hours. Additionally, the task force has been credited by Customs and Border Protection in assisting with 2,457 observations, leading to 1,875 apprehension assists resulting in the seizure of 22,720 pounds of marijuana.

USNORTHCOM AND JOINT TASK FORCE NORTH

USNORTHCOM was established on October 1, 2002 to provide command and control of Department of Defense homeland defense efforts, and to coordinate Defense Support of Civil Authorities. Operating under the control of USNORTHCOM is Joint Task Force North. Joint Task Force North's mission is to support our Nation's Federal law enforcement agencies in the identification and interdiction of suspected transnational threats within and along approaches to the continental United States. In the execution of this mission, Joint Task Force North has designated the Southwest Border as an area of high priority, and has designated Arizona's border area as a primary focus.

Like the Joint Counter Narco/Terrorism Task Force and other National Guard Southwest Border initiatives, Joint Task Force North supports Federal law enforcement agencies by providing Department of Defense capabilities. However, Joint Task Force North forces are restricted by the Posse Comitatus Act to only operate in a civil support role. The performance of these support roles offer tremendous training opportunities for Federal active duty and reserve units, allowing them to hone military skills while providing valuable support to our Federal law enforcement agencies.

Given the similarities in mission, the Arizona National Guard and Joint Task Force North continue to develop their partnership. Recent discussions with Joint Task Force North have brought to light several possible benefits of a closer working partnership. Such a partnership could serve to create valuable training opportunities for our soldiers and airmen, while providing much-needed support to our Federal, State, and local law enforcement agencies. This dialog serves to show that all military organizations will continue to pursue avenues that will ensure the highest level of service and support to the Nation.

The National Guard in a Title 32 status is the only Department of Defense provider capable of fully supporting domestic law enforcement agencies in the fight against illicit drugs and transnational threats to the homeland due to its exemption from the Posse Comitatus Act. Congress has repeatedly demonstrated its recognition

of both the capabilities and efficiencies that the National Guard brings to the counterdrug fight, while simultaneously providing training and operational experience for National Guard personnel. The National Guard has played a crucial role in securing our borders and stopping the flow of illegal drugs into Arizona and our Nation. Throughout Operation Jump Start and Operation Phalanx, our soldiers and airmen displayed dedication and professionalism in their support of Federal law enforcement. The Arizona National Guard is proud to have had the opportunities to serve our Nation and our State during these border security missions, and will always be ready to continue this service.

Before closing, I must impress upon you again, the significant experience and strategic capabilities that Arizona's Joint Counter Narco/Terrorism Task Force can offer to our Federal, State, and local law enforcement agencies. The Joint Counter Narco/Terrorism Task Force's abilities and the high quality of support they provide is the result of a partnership built over 22 years. In a testimony to your committee on March 15, 2011, the Arizona Adjutant General, Major General Hugo Salazar stated that military support of law enforcement would be best served by increased funding to the Joint Counter Narco/Terrorism Task Force in lieu of temporary border security missions like Operations Jump Start and Phalanx; providing adequate funding to the Joint Counter Narco/Terrorism Task Force is far more economical. General Salazar argued that increased support would allow law enforcement elements to more effectively synchronize, plan, and integrate National Guard resources and personnel, knowing they will have a sustained and predictable level of support for an extended period of time. The Arizona Joint Counter Narco/Terrorism Task Force offers proven effective and efficient support of our law enforcement agencies, and does so by presenting a very limited military presence. Only through continued and consistent funding will our law enforcement partners continue to be able to trust in and utilize a powerful resource such as the Joint Counter Narco/Terrorism Task Force. For our Federal, State, and local law enforcement agencies to continue to effectively combat the movement of illicit drugs into and through Arizona, they must do so with a united front and consistent resources.

Once again, I appreciate the opportunity to be here today. The Arizona National Guard is an organization committed to our Nation's safety. More importantly, it is an organization whose citizen soldiers and airmen will continue to train, prepare, and stand ready to serve the President of the United States, the Governor of Arizona, and to bring continued pride to the people of this great Nation.

Mr. QUAYLE. Thank you, General.

The Chairman now recognizes Lieutenant Colonel Stanhope for his testimony.

STATEMENT OF LT. COL. JEFFERY A. STANHOPE, ASSISTANT DIRECTOR, CRIMINAL INVESTIGATIONS, ARIZONA DEPARTMENT OF PUBLIC SAFETY

Colonel STANHOPE. Mr. Chairman, Members of the subcommittee, good morning. Thank you for the opportunity to appear before you today.

Given our limited time today, I would like to highlight several key points related to my department's efforts to stopping the flow of narcotics through information sharing.

My department is a State-level law enforcement agency which has primarily jurisdiction over highway safety, narcotics, organized crime enforcement, and intelligence. We also provide such services as scientific analysis, criminal justice information management, communications, and investigative assistance in support of Federal, State, Tribal, local law enforcement partners.

As one of the four Southwest Border States, Arizona has been identified as a major transshipment point of narcotics coming from Mexico for distribution throughout North America. The Arizona border with Mexico is approximately 372 miles long, has a rugged terrain and is sparsely populated. The crime groups who prefer to operate under a veil of secrecy capitalize on these factors. We at

DPS have identified drug cartels and organized crime as the single largest criminal threat to public safety in Arizona.

In order to disrupt the flow of narcotics, DPS utilizes an intelligence-led policing model to focus our enforcement efforts to maximize impact we have on drug trafficking. DPS also seeks out partnership opportunities with our Federal, State, Tribal, local law enforcement partners in order to combat narcotics trafficking.

Intelligence-led policing, which you have heard from my colleagues earlier, in partnering strategies yield two important critical results: The first, information sharing, and the second, program partnering such as task forces.

At DPS we believe both information sharing and partnering maximizes our ability to impact public safety issues through forced multiplication and increased operational efficiencies. Some of the more prominent multiagency programs which combat narcotics trafficking that we are involved in are Arizona Counter-Terrorism Information Center; the HIDTA, Arizona HIDTA; Alliance to Combat Transnational Threats; the Rocky Mountain Information Network; Gang and Immigration Team Enforcement Mission; Arizona Auto Theft Authority; Vehicle Theft Task Force; highway interdiction and canine programs and Highway Patrol; and Commercial Vehicle Enforcement, also in Highway Patrol Division.

Each of these information sharing enforcement programs, and partnerships therein, impact organized crime groups who traffic narcotics but also who traffic weapons, bulk cash, and human smuggling. An intended consequence of these partnering efforts is the networking information sharing that occurs between law enforcement agency officials and investigators. This information sharing further enhances Arizona law enforcement's ability to combat narcotics trafficking through refined targeting, case and operational deconfliction, and building trust and understanding between our law enforcement partners.

One of the most significant challenges we face when it comes to stemming the flow of narcotics is the fiscal reality in which we operate. Drug cartels are not constrained by budget or manpower issues, political considerations, statutory prohibition, or geographic boundaries. In contrast, to combat the war on drugs, DPS has relied upon Federal and State grant programs to support our enforcement and partnership efforts.

DPS receives Federal, State grant funding to support the following intelligence support enforcement programs: The ACTIC through Arizona DHS, Department of Homeland Security; HIDTA through funding from ONDCP. Commercial Vehicle Enforcement is heavily funded by the Motor Carrier Safety Alliance Program, which is a Federal initiative. Vehicle Theft Task Force is funded through the Arizona Auto Theft Authority. RMIN is a RISS project; Federal funding is received there. GIITEM is funded wholly by line item State funding.

Without grant funding it is unlikely DPS would be able to sustain current enforcement programs targeting drug traffickers and organized crime along the border. We would, therefore, appreciate your continued support of these Federal and State grant programs.

Mr. Chairman, this concludes my statement. I will be happy to answer questions you and other Members have regarding DPS' ef-

forts to share information in furtherance of stemming the flow of narcotics in Arizona and our Nation. Thank you.

[The statement of Colonel Stanhope follows:]

PREPARED STATEMENT OF JEFFERY A. STANHOPE

MAY 21, 2012

Chairman Miller, Vice Chairman Quayle, and Members of the Subcommittee on Border and Maritime Security, thank you for the opportunity to provide this written statement for the record of the Arizona Department of Public Safety's views regarding information sharing by Federal, State, and local law enforcement as a means to stopping the flow of illicit drugs into and through Arizona. The Arizona Department of Public Safety (DPS) is one of many committed law enforcement partners who work together in the fight to stop narcotics trafficking into and through Arizona.

In this report, I will provide you with information on the DPS mission, organization, and partnerships. By creating clear agency strategies, building relationships with our law enforcement partners, and sharing of information we are better able to respond to the threats created by the transnational crime groups that operate along the Arizona-Sonora border area. I will attempt to demonstrate the level and depth of cooperation that DPS and Arizona law enforcement have achieved to combat drug trafficking.

AGENCY OVERVIEW

The Arizona Department of Public Safety enforces State law with primary responsibility in the areas of traffic safety, criminal interdiction, narcotics enforcement, organized crime investigations, auto theft, and specific regulatory functions as prescribed in Arizona Revised Statute 41-1711 and 1712. DPS is comprised of the Director's Office and three divisions, Highway Patrol, Criminal Investigations, and Technical Services. Department services include: Criminal intelligence collection, analysis, and dissemination; scientific analysis and evidence preservation; criminal justice information management; State-wide communications; licensing of security guards and private investigators; Arizona's fusion center and aviation medical and rescue operations. DPS also provides support to other Federal, State, and local agencies in operational support, investigations, technical assistance, and training.

Today, the department, with its State headquarters in Phoenix, maintains offices in more than 80 Arizona communities and cities within the State's 15 counties. Roughly, 1,700 full-time department employees, and more than 150 volunteers, help the agency fulfill its support and operational objectives in the critical areas of highway and public safety, criminal interdiction, scientific analysis, as well as technical and operational support of other criminal justice agencies.

The Director's Office provides guidance and oversight to the agency and defines the mission of the agency. The Director is responsible to the Governor for the conduct and administration of the department.

The Highway Patrol Division (HPD) at DPS is the largest and most recognized division within the agency. HPD is often referred to as the agency's flagship division and has a history dating back to 1931 when a State highway patrol function was first created in Arizona. The mission of HPD is to ensure the safe and expeditious use of the highway transportation system for the public and to provide assistance to local and county law enforcement agencies. DPS patrols approximately 5,798¹ miles of interstate and State highways in Arizona. HPD also provides services and enforcement in commercial motor vehicle, tow truck, school bus enforcement and safety programs, as well as being responsible for the air rescue and aviation services for the Department and in support of other law enforcement agencies State-wide.

The division is comprised of four Patrol Bureaus, Commercial Vehicle Enforcement Bureau, Capitol Police Department, and Aviation Section. The Patrol Bureaus are aligned based on geographic regions—North, South, Metro West, and Metro East. The Commercial Vehicle Enforcement Bureau and the Aviation Section are State-wide programs administered centrally with satellite offices strategically located throughout the State. In addition to its patrol function, the Metro East Bureau also administers many of the division's specialty units such as the Canine District, the Motor District, the DUI Enforcement Squad, Drug Interdiction, and the DUI Warrant Squad.

¹Highway Patrol Division, Review of statistical data, Captain Jeff King, May 9, 2012.

The Criminal Investigations Division (CID) at DPS is committed to providing the highest-quality investigative and specialized response services to the public and the criminal justice community. The mission of the Criminal Investigations Division is to protect the public by deterring crime using innovative investigative and specialized enforcement strategies and resources.

The Criminal Investigations Division conducts State-wide criminal investigations, specialized enforcement activities, and high-risk tactical response on behalf of or in support of other Federal, State, Tribal, and local criminal justice agencies. The Division's primary investigative responsibilities are narcotics trafficking, fugitive apprehension, organized crime, intelligence, vehicle theft, gangs, human smuggling, computer and financial crimes, as well as major criminal investigations and sensitive special investigations when requested by other criminal justice agencies. CID has three bureaus, Intelligence, Investigations, and Gang Enforcement. Within these bureaus specialized services such as Special Weapons and Tactics (SWAT), Explosives Ordinance Detail (EOD), Special Investigations Unit (SIU), State Gang Task Force (GIITEM) and Vehicle Theft Interdiction (VTI) are provided.

The Technical Services Division (TSD) at DPS is responsible for developing and coordinating scientific, technical, regulatory, and support services essential for promoting public safety in Arizona. Special attention is given to providing scientific analysis and criminal justice support to Arizona's criminal justice agencies. TSD further develops, operates, and maintains the data processing and data/voice communications systems that operate State-wide. TSD also maintains a Nationally-recognized crime lab program, fingerprint analysis unit, sex offender registration unit, and is responsible for the Arizona Criminal Justice Information System (ACJIS).

SITUATION

Arizona shares 372.5² miles of border with Mexico, primarily with the State of Sonora. The Federal Government has installed approximately 123 miles of pedestrian fencing and 183³ miles of vehicle fencing along the Southwest Border. The topography in the Arizona-Sonora border area varies between mountainous and flat terrain. The border area also has a diversity of vegetation wherein some areas are heavily forested; other areas are covered with desert grasses and cacti. The major urban areas in Arizona are Phoenix and Tucson. Criminal organizations are known to use Interstates 8, 10, 17, 19, and 40 as well as U.S. Highways 85 and 86 as primary routes for transporting contraband through Arizona and from Arizona to other regions of the country. We believe Phoenix is a major trans-shipment or staging area for narcotics prior to being transported to other areas in the country.

Arizona has over 75⁴ smaller public airports, 200 private airports, and approximately 600-abandoned airstrips. Historically drug traffickers often used these airports and airstrips to smuggle illicit drugs into the United States. There are six land ports of entry along the Arizona portion of the United States-Mexico border, including San Luis, Lukeville, Sasabe, Nogales, Naco, and Douglas. Nogales and Douglas operate 24 hours a day and are the busiest ports in the State. There are numerous unofficial entry points (gates or open areas) located in remote and sparsely-populated areas along the border between Arizona and Mexico, which are often used by traffickers.

There are 171⁵ State and local police agencies operating in Arizona with a combined sworn contingent of 14,775 personnel. In addition, our Federal law enforcement partners maintain a significant presence in Arizona. We also have 22⁶ Tribal communities that are established as sovereign nations and who have their own system of governance. These communities maintain their own police forces and have responsibility to provide law enforcement services to their individual Tribal communities.

THREAT ASSESSMENT

We believe there is no greater criminal threat to the citizens of Arizona and to this Nation than Mexico's drug trafficking organizations. These syndicates are believed to be largely responsible for all Government corruption in Mexico and they hinder Mexico's growth and prosperity as being a Nation with promise. President

²*The Arizona Republic*, "Nogales Gets a More Secure Border Fence," June 30, 2011.

³*The Arizona Republic*, "Nogales Gets a More Secure Border Fence," June 30, 2011.

⁴*National Drug Intelligence Center*, "Arizona Drug Threat Assessment," December 2003.

⁵*Arizona Peace Officer Standards and Training*, "Current Statistical Review," Compliance Manager Bob Irish, May 9, 2012.

⁶*The University of Arizona*, Economic Development Research Program, "Arizona's Native American Tribes," <http://edrp.arid.arizona.edu/tribes.html>, May 2012.

Calderón remarked in speeches in March and October 2009 that corruption was a serious problem in the police forces and a primary reason for the use of the military in the domestic counter-narcotics fight. President Calderón stated that the future of democracy in Mexico is at stake in the Government's fight against corruption and organized crime.⁷

In October 2008, the Executive Director of the United Nations Office on Drugs and Crime (UNODC) Antonio Maria Costa,⁸ during the first-ever gathering of the Ministers Responsible for Public Safety of the Americas in Mexico City he stated, "As a hemisphere, the Americas face the world's biggest drug problem." Mr. Costa added that "whether we measure it in hectares of cultivation, tons of production, its market value or even by the gruesome number of people killed in the dirty trade" the drug crisis affecting the security of the ordinary people in the area is huge. "Your citizens indeed say that what they fear the most is not terrorism, not climate change, not a financial crisis. It is public safety. And in the Americas, the biggest threat to public safety comes from drug trafficking and the violence perpetrated by organized crime," he stated.

The drug cartels fiercely defend their control over the Arizona-Sonora border area in order to facilitate their criminal enterprises. There is no limit of items to be trafficked; people, illicit drugs, guns, stolen property, and pirated goods, as long as there is money to be made. These criminal organizations will stop at nothing—murder, assaults, thefts, acts of terrorism, bribery, etc., to accomplish their goals.

According to a May 14, 2012, *New York Times* article,⁹ dated January 2012, the Mexican government reported that 47,515 people had been killed in drug-related violence since President Felipe Calderón began a military assault on criminal cartels soon after taking office in late 2006. The official tallies provided by the attorney general's office included data only through September 2011 and it showed that drug-related killings increased 11 percent, to 12,903, compared with the same 9-month period in 2010. Still, a government statement sought to find a silver lining, asserting that it was the first year since 2006 "that the homicide rate increase has been lower compared to the previous years."

STRATEGIC RESPONSE

DPS and its law enforcement partners understand what is at stake and that there is an on-going assault by organized crime groups on the safety and security of our citizens. We view our role in combating these organized crime groups as a No. 1 priority. We believe they are the root cause of many of the public safety issues that Arizona law enforcement faces. To accomplish our mission we utilize *Intelligence Led Policing*, which is, "a strategic, future-oriented, and targeted approach to crime control, focusing upon the identification, analysis, and 'management' of persisting and developing 'problems' or 'risks.'" In simpler terms, "it is a model of policing in which intelligence serves as a guide to operations, rather than the reverse."¹⁰ This model promotes an efficient, effective, and targeted approach to combating identified threats. This approach also enhances our ability to identify new or emerging threats and allows us to focus our efforts in the most troublesome areas in order to maximize our impact in improving or maintaining public safety.

Creating and maintaining strong partnerships with all criminal justice organizations that operate in Arizona is also a component of our strategic response. When intelligence-led policing is combined with outstanding law enforcement cooperation we maximize our combined abilities to disrupt, degrade, or dismantle drug trafficking and criminal organizations. By combining Intelligence-Led Policing and law enforcement partnering, two very important opportunities are realized; the first, information sharing and the second, program partnering. Some of the more prominent multi-agency programs, which affect drug trafficking, that DPS is involved include:

Arizona Counter Terrorism Information Center (ACTIC)

One of the most serious challenges affecting public safety is the timely exchange of intelligence and critical information between State, local, Tribal, and Federal agencies. Accurate and timely intelligence is the key to the most fundamental responsibility of Government, protecting its citizens and critical infrastructures.

⁷ *Global Security*, "Mexico-Corruption," <http://www.globalsecurity.org/military/world/mexico/corruption.htm>, May 2012.

⁸ *UN News Centre*, "Drug-Related Crime Biggest Threat To Public Safety In The Americas, Warns UN," October 9, 2008.

⁹ *New York Times*, "Mexico Updates Death Toll in Drug War to 47,515, but Critics Dispute the Data," May 14, 2012.

¹⁰ *Wikipedia*, Definition of Intelligence-Led Policing, http://en.wikipedia.org/wiki/Intelligence-led_policing, May 12, 2012.

The Arizona Counter Terrorism Information Center is a prime example of our intelligence-based strategy and our efforts to share information with our partners. The Arizona Fusion Center developed as a joint effort between the Arizona Department of Public Safety, Arizona Department of Homeland Security, Federal Bureau of Investigation (FBI), private sector and participating Government agencies from around the State. Initially developed to support the Arizona homeland security effort, the ACTIC was established and became operational in October 2004. The Center provides tactical and strategic intelligence collection, analysis, and dissemination, and is Arizona's central point of contact for criminal intelligence and counter terrorism issues. As the ACTIC program has matured its role has developed into an "All Threats" strategy.

Today personnel from DPS, Phoenix Police Department, DHS, Arizona National Guard, Phoenix Fire Department, and other participating agencies staff the ACTIC. The Center operates on a 24/7 basis, providing intelligence; investigative and technical support to State, local, Tribal, and Federal law enforcement agencies as well as other agencies critical to Arizona and the country's homeland security efforts. The ACTIC also shares information with all other State fusion centers around the Nation thereby strengthening the security and safety of all our citizens. The FBI Joint Terrorism Task Force (JTTF) and the ACTIC, although no longer co-located, maintain a close working relationship and share information in furtherance of the ACTIC and JTTF missions.

The ACTIC executive board provides leadership, oversight, and guidance to the operation of the fusion center. An added benefit of utilizing an executive board is the sharing of information and problem solving that occurs from relationships created amongst the board members who represent all levels of law enforcement and public safety agencies. Today the following agencies play a key role to the ACTIC and serve as members of the executive board:¹¹

- Arizona Department of Transportation
- Arizona Department of Homeland Security
- Arizona Department of Public Safety
- Arizona National Guard
- Bureau of Alcohol, Tobacco, Firearms, and Explosives
- Department of Homeland Security
- Eloy Police Department
- Federal Bureau of Investigation
- Glendale Police Department
- Immigration and Custom Enforcement
- Maricopa County Department of Emergency Management
- Maricopa County Department of Public Health
- Maricopa County Sheriff's Office
- Mesa Police Department
- Navajo County Sheriff's Office
- Phoenix Fire Department
- Phoenix Police Department
- Prescott Police Department
- Rocky Mountain Information Network
- Transportation Security Administration
- Tohono O'odham Nation Police Department
- Tucson Police Department
- United States Attorney's Office
- United States Marshals Service

In addition to the executive board member representatives, there are over 700 Terrorism Liaison Officers (TLO's) from agencies located around the State. TLO's play a vital role in collecting and sharing information with the ACTIC which are then reviewed and evaluated by ACTIC personnel to determine possible threat and/or target identification. Once actionable intelligence is developed, information is forwarded to a law enforcement agency to continue the investigation.

The ACTIC communicates and shares information through publishing intelligence bulletins and alerts disseminated to all our law enforcement partners via electronic media. The executive board receives security briefs dealing with new threats as needed.

It is important to point out that the ACTIC receives significant Federal grant funds, managed by the Arizona Department of Homeland Security (AZ DHS) used to support the ACTIC and its mission. In the past 2 years, the AZ DHS budget has

¹¹ACTIC Executive Board, "Current Roster", DPS Nancy Buck, promulgated May 10, 2012.

been reduced by approximately 50% and 37%¹² respectively. If these budget cuts to AZ DHS continue and without other Federal grants available to support initiatives such as the ACTIC, it is unlikely that fusion centers such as the ACTIC will continue to exist in their present form due to fiscal challenges at the State and local level.

High Intensity Drug Trafficking Area (HIDTA)

The Office of National Drug Control Policy (ONDCP) manages all High Intensity Drug Trafficking Areas across the Nation. ONDCP, through the HIDTA's, provides Federal grant funds used to support Federal, State, Tribal, and local task forces and their efforts to combat the trafficking and transportation of illicit drugs.

State-wide, DPS collaborates with many other agencies who participate in the HIDTA task forces. The HIDTA Grants Program financially supports these task forces. We believe there are many benefits derived from our HIDTA task force participation, including force multiplier of personnel, enhances inter-agency relationships, and improved information sharing.

The HIDTA executive board provides leadership and management to the 19 task forces within the Arizona Region. Relationships developed by board membership help to facilitate information sharing, inter-agency cooperation, and problem solving. Membership on the HIDTA executive board is represented by the following agencies:

- Alcohol, Tobacco, Firearms, and Explosives
- Arizona Attorney General's Office
- Arizona Department of Public Safety
- Arizona National Guard
- Cochise County Sheriff's Office
- Drug Enforcement Administration
- Federal Bureau of Investigation
- Immigration and Customs Enforcement
- Department of the Interior—National Parks Service
- Internal Revenue Service
- Kingman Police Department
- Maricopa County Sheriff's Office
- Phoenix Police Department
- Pima County Sheriff's Office
- Tucson Police Department
- United States Attorney's Office
- United States Customs and Border Protection
- United States Marshals Service
- Yuma County Sheriff's Office

A key component of the information-sharing strategy within the Arizona HIDTA is the Investigative Support Center (ISC), which provides intelligence and investigative support to all the HIDTA task forces. The ISC also shares information with the other investigative and intelligence groups, such as the ACTIC, in order to maximize law enforcements impact on the drug trafficking organizations that operate in Arizona. In addition, task force personnel share information with one another and are viewed as agency liaisons when it comes to case development or case de-confliction.

Alliance to Combat Transnational Threats (ACTT)

DPS is a member of the Alliance to Combat Transnational Threats,¹³ which is a collaborative strategy that brings together Federal, State, Tribal, and local law enforcement entities under a unified command, wherein intelligence is shared and field operations are coordinated targeting the drug and human transportation routes established along the Arizona-Sonora border area. The following agencies are members of the ACTT:¹⁴

- Customs and Border Protection, Border Patrol Tucson Sector
- Customs and Border Protection, Border Patrol Yuma Sector
- Immigration and Customs Enforcement, Homeland Security Investigations
- Drug Enforcement Administration
- Department of the Interior, Bureau of Land Management
- Immigration and Customs Enforcement, Enforcement and Removal Operations
- Bureau of Alcohol, Tobacco, Firearms, and Explosives
- Arizona Department of Public Safety

¹²Arizona Department of Homeland Security, Discussion with ADHS Director Gil Orrantia, April 2012.

¹³Alliance to Combat Transnational Threats, "Charter Document", March 2010.

¹⁴Alliance to Combat Transnational Threats, "Charter Document", March 2010.

- United States Attorney's Office
- Tohono O'odham Nation Police Department
- Representative Border Sheriff—(Yuma County Sheriff's Office)
- Southwest Border HIDTA, Arizona Region
- Customs and Border Protection, Office of Field Operations

Information sharing is integral to the success of the ACTT operations. The HIDTA ISC, the ACTIC, and the Border Patrol Joint Intelligence and Operations Center (JIJC) provide the intelligence in support of field operations. DPS partners with ACTT member agencies to conduct unique and specialized joint enforcement details focused on the transportation routes in southern Arizona.

Rocky Mountain Information Network Inc. (RMIN)

RMIN¹⁵ is a Federal-grant project administered by the Department of Justice's (DOJ) Bureau of Justice Assistance (BJA). The RMIN program is one of six Federally-funded regional projects comprising the Regional Information Sharing System (RISS). In 2011, RMIN transitioned from being a DPS sub-program and attained legal standing as a non-profit 501(c)(3) organization. DPS continues to support RMIN through assignment of personnel, sharing of information, and providing leadership through membership on the RMIN executive board.

RMIN serves more than 15,000 law enforcement officers from more than 1,046 agencies in the Rocky Mountain region to include Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming, and the Canadian provinces of Alberta, British Columbia, and Saskatchewan. It provides vital support to law enforcement agencies in the detection, enforcement, and prosecution of multi-jurisdictional criminal activities that traverse local, State, and National boundaries within the RMIN region. It also provides members an on-line state-of-the-art network of criminal intelligence databases can be queried 24 hours a day using a secure link via the internet. Furthermore, RMIN assists officers with analytical resources for case preparation, charts for courtroom display, computer forensics, financial analysis, and other analytical products.

RMIN also publishes a monthly law enforcement bulletin that provides pertinent, timely information to member agencies. RMIN assists member agencies by providing intelligence and investigative-related training as RMIN provides individual and co-sponsored training support for conferences and workshops. RMIN also provides assistance to member agencies by loaning technical surveillance, investigative and communications equipment to RMIN members.

Exclusively Federal funding supports RMIN. The RISS program funding has been reduced in recent years, which has affected RMIN and its ability to provide law enforcement services. RMIN is integral to Arizona law enforcement as well as its regional customers. We would encourage policy makers to re-evaluate those cuts as they directly diminish the support law enforcement agencies need to combat drug trafficking along the border.

Gang and Immigration Intelligence Team Enforcement Mission (GIITEM)

GIITEM is one of many specialized enforcement programs within DPS. The DPS CID Gang Enforcement Bureau is home to the Gang and Immigration Intelligence Team Enforcement Mission. GIITEM is a State-wide multi-agency task force consisting of five districts that provide gang and illegal immigration enforcement and intelligence services. GIITEM strives to accomplish its mission through a task force concept involving personnel from Tribal, Federal, State, and local law enforcement agencies. GIITEM efforts are developed to fit the needs of individual communities for maximum efficiency and effectiveness. GIITEM trains criminal justice personnel regarding identification and interdiction of gangs but also collects and disseminates gang and human smuggling intelligence to other law enforcement agencies, through a web-based, state-of-the-art system.

Within the GIITEM Bureau are the Illegal Immigration Prevention and Apprehension Co-op Teams (IIMPACT). The Arizona Corridor is one of the busiest and most violent smuggling corridors in the country. The criminal organizations involved in the smuggling of aliens will violate any law and have total disregard for human life. The violent, collateral crimes related to the smuggling infrastructure include murder, kidnapping, extortion, assault, sexual assault, home invasions, and vehicle collisions while attempting to evade the police. The mission of IIMPACT Arizona is to deter, disrupt, and dismantle violent criminal organizations profiting from illegal immigration. The project provides investigative resources and removal assistance to local jurisdictions plagued by illegal immigrant drop houses. The IIMPACT investigation squads are comprised of personnel from DPS and Immigration & Customs

¹⁵Arizona Department of Public Safety, "Agency Overview—RMIN," <http://www.azdps.gov>.

Enforcement (ICE). These multi-agency squads will assist with the investigation of property, financial, and violent crimes associated with illegal immigration and human smuggling in the greater Phoenix and Maricopa County areas.

Vehicle Theft Task Force (VTTF)

DPS CID Investigations Bureau manages the Vehicle Theft Task Force, which targets individuals and organizations who commit auto theft. The VTTF participants include Federal, State, and local law enforcement agencies. Task Force personnel collaborate and share information with other agencies. Two task force squads are deployed in Phoenix and one squad in Tucson, where the majority of vehicle thefts occur. Task force staffing is comprised of DPS and local agencies from the Phoenix and Tucson areas. Border Patrol has dedicated two agents in the Sierra Vista area to facilitate auto theft investigations.

Although auto theft is down Nation-wide, criminal organizations continue to have a need for vehicles used to transport contraband from Mexico into Arizona, and more specifically into Phoenix. According to the AATA,¹⁶ “The Mexican drug cartels have active theft cells that operate in our State’s metropolitan areas, acting as the transportation division of their syndicate.” They state, “These auto thieves, with their ties to the drug cartels, have become increasingly brazen and violent.”

The Arizona Auto Theft Authority (AATA) provides the financial support to operate the task force. The AATA executive board provides the leadership and guidance to the task force.

Highway Patrol Division (HPD) Enforcement Programs

DPS Highway Patrol Division is responsible for patrolling the State’s interstates and highways. HPD officers trained in the latest interdiction methods and presented with the most up-to-date intelligence regarding drug organizations methodologies and recent drug seizures. HPD interdiction efforts are supported by funding obtained through the HIDTA’s Drug Highway Enforcement (DHE) Grant, Department of Homeland Security (DHS) Operation Stonegarden Grant or through State appropriations. HPD also maintains and deploys canines State-wide trained to locate narcotics secreted in vehicles. HPD officers routinely participate in multi-agency special operations involving Federal, State, and local agencies, which utilize intelligence and statistical data to target their enforcement efforts.

The mission of the DPS Canine Unit is to disrupt criminal organizations of various types while protecting human life in Arizona by utilizing the unique and incredible capabilities of highly-skilled law enforcement canines. The unit, which is especially effective in narcotics detection along State highways, has more than 25 canines and sworn canine handlers strategically placed throughout the State, including five canines and handlers that focus exclusively on border crimes in the southern part of the State.

Officers assigned to Highway Patrol and Canine District utilizes license plate reader (LPR) technology. The information gathered through the LPR program is accessible by other work groups and other agencies through the ISC program.

Border Enforcement Manager

The DPS Border Enforcement Manager, a DPS command-level officer, is responsible for liaison with and coordination of special operations utilizing DPS enforcement groups and our Federal, State, Tribal, and local law enforcement partners, targeting the southern Arizona area of operation. The Border Enforcement Manager reviews all available intelligence (ACTIC, ISC, JIOC, etc.) and statistical data and shares this information with field command from DPS and our law enforcement partners in order to facilitate special enforcement efforts focused on drug traffickers.

Commercial Vehicle Enforcement (CVE)

The mission of the DPS Commercial Vehicle Enforcement Bureau is to assure the safety of the motoring public by enforcing the Federal Motor Carrier Safety Regulations and through educational programs. Primary functions include inspections, weighing, and traffic enforcement. In a joint effort with the Federal Motor Carrier Safety Administration (FMCSA), Commercial Vehicle Enforcement officers enforce the Federal Motor Carrier Safety Regulations and the Federal Hazardous Materials Regulations. Commercial Vehicle Enforcement is also responsible for training local, county, and Tribal officers in conducting inspections, thereby assuring that regulations are enforced in a uniform manner.

The biggest challenge to the Bureau is attempting to deal with the impact of the North American Free Trade Agreement (NAFTA) on commercial vehicle safety.

¹⁶Arizona Automobile Theft Authority, “Annual Report,” page 6, CY 2010.

Since little is known about the condition of Mexican vehicles, which cross the border into the State, officers in the Bureau have been conducting special enforcement details at the border and have informed Mexican carriers about the Federal Motor Carrier Safety Regulations. Officers are also training Mexican officers to conduct inspections in Mexico. This issue is at the forefront of the Bureau's activities now. Officers throughout the State conduct over 46,000 inspections annually. Commercial vehicles are a known transportation mechanism for narcotics coming into the United States. CVE officers are trained to identify non-factory modifications and detect contraband secreted in commercial vehicles.

CVE operations are dependent upon Federal grant funding received through the Motor Carrier Safety Alliance Program (MCSAP). Without such funding it is uncertain we would maintain operations at the current levels.

Each of these programs has an information-sharing and collaborating component to them. DPS recognizes the importance of communication, cooperation, and collaboration with our law enforcement partners to accomplish our mission. Utilizing an "Intelligence-Led Policing" model is integral to our ability to target enforcement activities. Participating in the task force environment is a force multiplier of our personnel. Both these strategies also aid in developing relationships and fundamental understandings regarding the threats facing Arizona and the law enforcement community.

KEY OUTCOMES

Capturing and reviewing empirical data is one way to measure the success or failure of a strategy to impact the public safety issues facing the State. Another measure of success, less empirical, is determining if the strategy has improved the spirit and level of communication and cooperation between Federal, State, Tribal, and local law enforcement agencies. In Arizona, the level of cooperation has never been better. Clearly, we did not accomplish this without our partners' willingness to engage and dedication to duty. Included in this report is a statistical recap from DPS HPD and CID enforcement groups.

- Attachment "A" provides you with the DPS success statistics in drop houses and border interdiction details conducted for calendar years 2009, 2010, 2011, and 2012 year to date.
- Attachment "B" provides you with the DPS success statistics in drug and other seizures in calendar years 2010, 2011, and 2012 year to date.

CONCLUSION

In summary, this is an overview of the DPS organization, its responsibilities, and the strategic response to the largest threat to public safety—the drug cartels. It is through intelligence-led policing that we collect, analyze, and disseminate intelligence information to stakeholders. We seek out opportunities to share information and form partnerships in order to maximize our ability to affect all public safety issues confronting Arizona.

Arizona will continue to serve as a destination and transshipment point for illicit drugs. Mexican DTO's will remain the greatest threat to the State in the near future. These organizations use Arizona to transport and distribute large amounts of methamphetamine, cocaine, heroin, and marijuana destined for markets in Arizona and other areas of the United States. Collateral crimes, such as homicide, assault, robbery, thefts, and fraud occur in the wake of drug trafficking and drug abuse.

Budgets, staffing, infrastructure, new technologies, emerging threats, and new demand for services are all challenges we in law enforcement face now and into the future. With reductions in budgets seemingly endless and the ever-increasing costs to provide basic services, we are coming upon an inflection point at which policy and decision makers must make some very difficult financial decisions addressing law enforcement's ability to combat threats to the public's safety. The fact is providing for the safety and security of our citizens is an expensive endeavor of which there are limited resources. The second undeniable fact is that the drug trafficking organizations have virtually unlimited funding and staffing to conduct operations. Enforcement is just one approach to mitigate the drug transportation issue. We also must consider new strategies and opportunities for educating citizens regarding the hazards of drug usage and also look at possible engineering solutions to restrict the accessibility of the border by organized crime groups.

Thank you.

ATTACHMENT "A"

TABLE: PROGRAM STATS YEAR

| Year | IIMPACT— Drop Houses Investigated | HPD and CID— Border Interdic- tion Operations |
|----------------|---|---|
| 2009 | 181 | 25 |
| 2010 | 140 | 24 |
| 2011 | 53 | 31 |
| 2012 ytd | 5 | 8 |

Attachment "B"

Department of Public Safety Drug Seizures, Undocumented Aliens, Stolen Vehicle Recoveries

| Weekly Totals Reported Money From 1/200 | Seizures of Cash, Drugs or Cash | | | | | | | | | | Undocumented Alien Contacts | | | Stolen Vehicle Recoveries | | | | | |
|---|---------------------------------|------------------|------------|-------------|---------------------|--------------|------------------|-------------------|----------------|-----------------|-----------------------------|----------------|---|---|-------------------------------------|--|-------|-------|--|
| | Marijuana lbs | Marijuana Plants | Heroin lbs | Cocaine lbs | Metamphetamines lbs | Steroids lbs | Pills / Capsules | Liquid Drugs, Gal | Other Drugs | Cash | Seized Vehicles | Weapons Seized | UDAs Contacted and Released, Prip code 439* | UDAs Turned over to Immigration Authorities, Prip code 439* | Occupied Recoveries, Prip code 681* | Un-occupied Recoveries, Prip code 682* | Total | | |
| Grand Total | 489,535.4 | 22,363.0 | 313.1 | 4,384.6 | 2,555.2 | 18.0 | 225,823.9 | 354.7 | 452,353.4 | \$70,445,249.5 | 2962 | 1379 | 3,461 | 14,655 | 18,116 | 716 | 813 | 1,529 | |
| HPD | | | | | | | | | | | | | | | | | | | |
| 2012 YTD | 10,041.6 | 2.0 | 52.0 | 712.5 | 162.0 | 0.0 | 147.0 | 0.0 | 456.0 | \$1,828,664.11 | 62 | 14 | 145 | 333 | 484 | 45 | 57 | 102 | |
| Total 2011 | 56,442.9 | 102.0 | 39.8 | 1,091.0 | 707.9 | 12.0 | 4,836.0 | 15.3 | 399.2 | \$13,871,394.09 | 338 | 49 | 802 | 1,058 | 1,483 | 154 | 210 | 364 | |
| Total 2010 | 43,186.1 | 97.0 | 22.6 | 747.6 | 211.3 | 0.0 | 5,721.5 | 2.8 | 6,002.2 | \$5,956,552.52 | 245 | 76 | 602 | 1,505 | 2,707 | 172 | 181 | 353 | |
| Total 2009** | 129,050.8 | 339.0 | 47.8 | 1,395.8 | 311.2 | 0.5 | 12,955.0 | 4.0 | 10,013.6 | \$20,052,750.8 | 544 | 56 | 1,596 | 4,431 | 6,127 | 295 | 236 | 531 | |
| CPD | | | | | | | | | | | | | | | | | | | |
| 2012 YTD | 15,418.5 | 57.0 | 40.0 | 308.1 | 127.5 | 0.0 | 1,046.5 | 0.0 | \$2,661,145.55 | 163 | 228 | 1 | 365 | 307 | 1 | 1 | 2 | 3 | |
| Total 2011 | 74,753.6 | 4,813.0 | 17.4 | 520.9 | 548.3 | 0.0 | 190,175.6 | 0.0 | \$2,857,638.46 | 365 | 242 | 3 | 1,500 | 1,593 | 4 | 4 | 6 | 9 | |
| Total 2010 | 76,420.2 | 16,555.0 | 91.2 | 362.2 | 233.5 | 5.5 | 2,474.3 | 2,514,337.48 | \$5,105,292.00 | 505 | 222 | 2 | 2,168 | 2,200 | 26 | 59 | 85 | 111 | |
| Total 2009 | 84,243.5 | 95.0 | 2.3 | 445.5 | 233.5 | 0.0 | 6,841.0 | 0.1 | \$5,005,594.00 | 499 | 424 | 10 | 2,628 | 2,838 | 19 | 54 | 63 | 92 | |
| HPD | | | | | | | | | | | | | | | | | | | |
| January 31, 2012 | 15,115.55 | 30.00 | 0.00 | 5,740.00 | 0.00 | 0.00 | 448.00 | 0.00 | \$129,754.45 | 38 | 10 | 0 | 82 | 82 | 0 | 0 | 0 | 0 | |
| February 29, 2012 | 13,115.55 | 0.00 | 20,000.00 | 5,912.00 | 25,250.00 | 0.00 | 134.00 | 0.00 | \$62,693.00 | 22 | 11 | 13 | 13 | 13 | 0 | 0 | 0 | 0 | |
| March 31, 2012 | 12,115.55 | 0.00 | 0.00 | 5,912.00 | 5,912.00 | 0.00 | 134.00 | 0.00 | \$62,693.00 | 22 | 11 | 13 | 13 | 13 | 0 | 0 | 0 | 0 | |
| April 30, 2012 | 38,592.41 | 0.00 | 22,018.00 | 0.01 | 53,465.00 | 0.00 | 3,000.00 | 0.00 | \$481,617.30 | 58 | 4 | 48 | 48 | 48 | 0 | 0 | 0 | 0 | |
| April 30, 2012 | 33,020.50 | 0.00 | 5,000.00 | 24,500.00 | 0.01 | 0.00 | 3,000.00 | 0.00 | \$925,605.31 | 17 | 0 | 26 | 26 | 26 | 12 | 10 | 22 | 30 | |
| CPD | | | | | | | | | | | | | | | | | | | |
| January 31, 2012 | 23,323.74 | 30.00 | 0.00 | 5,740.00 | 0.00 | 0.00 | 448.00 | 0.00 | \$129,754.45 | 38 | 10 | 0 | 82 | 82 | 0 | 0 | 0 | 0 | |
| February 29, 2012 | 42,744.50 | 6.00 | 0.00 | 87,000.00 | 95,510.00 | 0.00 | 48,561.00 | 0.00 | \$658,866.00 | 46 | 130 | 1 | 57 | 57 | 0 | 0 | 0 | 0 | |
| March 31, 2012 | 64,036.91 | 25.00 | 3,800.00 | 199,190.00 | 19,500.00 | 0.00 | 370.00 | 0.00 | \$1,432,078.00 | 51 | 31 | 0 | 123 | 123 | 0 | 0 | 0 | 0 | |
| April 30, 2012 | 24,713.73 | 0.00 | 36,110.00 | 11,759.00 | 2,240.00 | 0.00 | 188.00 | 330.00 | \$344,477.00 | 47 | 35 | 0 | 44 | 44 | 0 | 1 | 1 | 1 | |
| Totals | 25,461.11 | \$5.0 | 52.0 | 420.5 | 303.5 | 0.0 | 1,203.5 | 330.0 | \$4,491,003.95 | 265 | 240 | 146 | 545 | 791 | 46 | 59 | 105 | 146 | |

Mr. QUAYLE. Thank you, Colonel.
The Chairman now recognizes Ms. Kempshall.

**STATEMENT OF ELIZABETH KEMPSHALL, EXECUTIVE
DIRECTOR, SOUTHWEST BORDER HIDTA ARIZONA REGION**

Ms. KEMPSHALL. Good morning, Chairman Quayle, Congresswoman Jackson Lee, and Congressman Gosar.

It is my privilege and pleasure to address you today on behalf of the Arizona High Intensity Drug Trafficking Area's executive board to demonstrate how intelligence is the cornerstone of the Arizona HIDTA program.

The HIDTA program, a grant-funded initiative of the Office of National Drug Control Policy, provides assistance to Federal, State, local, and Tribal law enforcement agencies operating in areas determined to be critical drug trafficking regions of the United States. Every year HIDTAs identify the most current threat, develop a strategy to address the threat, and evaluate the results. This procedure allows HIDTAs the flexibility to adjust in a timely manner and redirect resources to have the greatest impact. The productivity and success of the program has been a model for efficient and effective government.

The Arizona HIDTA was established in 1990 as a part of the Southwest Border HIDTA, which includes California, New Mexico, and Texas. The Arizona HIDTA, under the leadership of its executive board, coordinates and supports the efforts of more than 575 sworn law enforcement officials from 72 participating agencies throughout Arizona. The executive board is comprised of equal Federal and State and local law enforcement agency members. Participating Arizona HIDTA counties include Cochise, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, and Yuma. The Arizona region also encompasses the Phoenix and Tucson metropolitan areas, with a combined population of approximately 1.5 million residents. Of the 21 Native American reservations in Arizona, 17 fall within the Arizona HIDTA.

The mission of the Arizona HIDTA is to facilitate cooperation among all law enforcement agencies through the sharing of information and to support coordinated law enforcement efforts to eliminate the drug-trafficking and money-laundering organizations operating in Arizona. By focusing on this mission, the Arizona HIDTA program has evolved into a reliable and accountable counterdrug grant program. Arizona law enforcement agencies have come to rely upon the Arizona HIDTA to assess regional drug threats, facilitate the creation of cooperative strategies, and provide resources to enhance their ability to implement those strategies.

During the past year, the Arizona HIDTA executive board directed the successful restructuring and refocusing of the Arizona HIDTA Investigative Support Center. Through those efforts, intelligence has become an integral component of the infrastructure of the Arizona HIDTA program. The ISC is staffed by representatives of participating agencies who have direct on-site access to their agencies' information databases. The Arizona HIDTA ISC now enhances the sharing of intelligence among law enforcement agencies, the Arizona Counter-Terrorism Information Center, the Alliance to Combat Transnational Threats, and the El Paso Intelligence Center. Systematic collection, analysis, and dissemination of secure, accurate, and timely intelligence promotes interagency communication and coordination. Increased communications enhances officer

safety through deconfliction and eliminates duplication of effort. Coordination through shared intelligence is critical to combating the increasing threat of narcotics traffickers and criminal organizations.

Following the enhancements to its infrastructure, the members of the newly-formed ISC Threat Analysis and Production Unit conducted a comprehensive threat assessment to identify new and continuing trends in the Arizona region. The purpose of this yearly threat assessment is to provide strategic intelligence to Arizona HIDTA and its partners to assist in the development of drug enforcement strategies.

The Phoenix and Tucson areas are being exploited by Mexican drug trafficking organizations as transportation and distribution hubs. The transportation of drugs through the Arizona corridor and to drug markets across the United States is accomplished in two ways: Drug loads are shipped to other locations in the United States by the same transportation group that smuggled the drug into Arizona, or the drug loads are taken to stash houses in the Phoenix and Tucson metropolitan areas where drug loads are repackaged and then shipped to the drug markets throughout the United States.

The executive board uses the threat assessment as the foundation for developing the Arizona HIDTA strategic plan. The strategic plan is designed to enhance the impact the 19 Arizona HIDTA task forces are having on drug-trafficking and money-laundering organizations, and thereby improving public safety in Arizona.

The Arizona HIDTA task forces are organized into three primary initiatives: Enforcement, which includes interdiction, investigation, fugitive arrests and prosecution; intelligence, which includes coordination, deconfliction, investigative case support, threat analysis and intelligence gap identification; and support, which includes management and training. The initiatives consist of full-time Federal, State, and local law enforcement investigators, prosecutors and intelligence analysts. Through collocation and interagency cooperation and the consolidation of strategic and tactical intelligence at the ISC, the framework for the Arizona HIDTA provides for a coordinated and comprehensive response to drug-trafficking threats that are both regional and National in scope. From the policy-makers on the executive board to the initiatives, there is a shared vision to attack the threats that pose—threats posed by the drug trafficking and drug abuse.

The ISC, in concert with initiatives, monitors investigative needs and collection requirements and integrates them into the intelligence collection process to fully develop and expand the scope of the investigations. Intelligence garnered during these operations is provided to the ISC for analysis via an open-loop intelligence process from which time-sensitive and actionable intelligence is disseminated to the initiatives and appropriate law enforcement entities.

Fully understanding the drug threat in Arizona and using an intelligence-driven enforcement strategy, the Arizona HIDTA initiatives are having a more significant impact on drug-trafficking organizations operating in Arizona and throughout the United States.

In 2011, Arizona initiatives disrupted or dismantled 37 drug-trafficking organizations or money-laundering organizations operating in Arizona, 57 percent of which were international or multi-State in scope. Arizona investigations focused on five Consolidated Priority Organization Targets and three Regional Priority Organization Targets. The Organized Crime Drug Enforcement Task Force-designated cases totaled six. The level of sophistication of those cases necessitated the use of 298 separate court-ordered pen registers and 123 Title III orders, 413 percent over 2012—or 2011. Local community impact investigations were extremely successful and accounted for 43 percent of the drug trafficking and money-laundering organizations disrupted or dismantled.

The Arizona HIDTA seized illicit drugs with an estimated wholesale value of \$1.19 billion, a 106 percent increase over 2010. Marijuana continued to lead as the most seized drug, with over 500,000 kilograms, an increase of 118 percent. Arizona initiatives experienced significant increase in both methamphetamine and heroin seized, with methamphetamine seizures over 700 kilograms, an increase of 88 percent, and heroin seizures of more than 200 kilograms, an increase of over 1,000 percent. The return on investment for every \$1 received by the Arizona HIDTA during 2011 was \$112, a 100 percent increase over 2010.

Drug-related corruption poses a significant detriment to law enforcement efforts to combat smuggling, drug transportation, and drug trafficking in Arizona. The Arizona HIDTA investigated seven corruption-related cases, which resulted in one court-ordered wiretap, the serving of 23 search warrants and 35 corruption-related indictments. Quantities of heroin and methamphetamine were also seized.

Mr. QUAYLE. Ms. Kempshall, in the interest of time, if you could wrap up.

Ms. KEMPSHALL. Yes. I am just wrapping it up.

Thank you for the opportunity to appear before you and for the subcommittee's continued support of the HIDTA program. Arizona HIDTA remains committed to facilitating cooperation among Federal, State, local, and Tribal law enforcement through the sharing of intelligence to support law enforcement.

I will be glad to address any questions that you may have at this time.

[The statement of Ms. Kempshall follows:]

PREPARED STATEMENT OF ELIZABETH KEMPSHALL

MAY 21, 2012

Chairman Quayle, Ranking Member Cuellar, and distinguished Members of the subcommittee: It is my privilege and pleasure to address you today on behalf of the Arizona High Intensity Drug Trafficking Area's (HIDTA) executive board and to demonstrate how intelligence is the cornerstone of the Arizona HIDTA Program.

The HIDTA Program, a grant-funded initiative of the Office of National Drug Control Policy, provides assistance to Federal, State, local, and Tribal law enforcement agencies operating in areas determined to be critical drug-trafficking regions of the United States. Every year HIDTAs identify the most current threat, develop a strategy to address the threat, and evaluate the results. This procedure allows HIDTAs the flexibility to adjust in a timely manner and redirect resources to have the greatest impact. The productivity and success of the program has been a model for efficient and effective government.

The Arizona HIDTA was established in 1990 as part of the Southwest Border HIDTA, which includes California, New Mexico, and Texas. The Arizona HIDTA, under the leadership of its executive board, coordinates and supports the efforts of more than 575 sworn law enforcement officials from 72 participating agencies throughout Arizona. The executive board is comprised of equal Federal and State/Local law enforcement agency members. Participating Arizona counties include Cochise, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, and Yuma. The Arizona region also encompasses the Phoenix and Tucson metropolitan areas, with a combined population of approximately 5.1 million residents. Of the 21 Native American Reservations in Arizona, 17 fall within the Arizona HIDTA region.

The mission of the Arizona HIDTA is to facilitate cooperation among all enforcement agencies through the sharing of information and to support coordinated law enforcement efforts to eliminate the drug-trafficking and money-laundering organizations operating in Arizona. By focusing on this mission, the Arizona HIDTA Program has evolved into a reliable and accountable counter-drug grant program. Arizona law enforcement agencies have come to rely upon the Arizona HIDTA to assess regional drug threats, facilitate the creation of cooperative strategies, and provide resources to enhance their ability to implement those strategies.

During the past year, the Arizona HIDTA executive board directed the successful restructuring and refocusing of the Arizona HIDTA Investigative Support Center (ISC). Through those efforts, intelligence became an integral component of the infrastructure of the Arizona HIDTA Program. The ISC is staffed by representatives of participating agencies who have direct on-site access to their agencies' information databases. The Arizona HIDTA ISC now enhances the sharing of intelligence among law enforcement agencies, the Arizona Counter Terrorism Information Center (ACTIC), the Alliance to Combat Transnational Threats (ACTT), and the El Paso Intelligence Center (EPIC). Systematic collection, analysis, and dissemination of secure, accurate, and timely intelligence promote inter-agency communication and coordination. Increased communication enhances officer safety through deconfliction and eliminates duplication of effort. Coordination through shared intelligence is critical to combating the increasing threat of narcotics traffickers and criminal organizations.

Following the enhancements to its infrastructure, the members of the newly-formed ISC Threat Analysis and Production Unit conducted a comprehensive Threat Assessment to identify new and continuing trends in the Arizona region. The purpose of the yearly Threat Assessment is to provide strategic intelligence to the Arizona HIDTA and its partners to assist in the development of drug enforcement strategies.

The Threat Assessment found that the Sinaloa cartel presents the primary operational threat to Arizona, possessing vast resources to source, distribute, transport, and smuggle large amounts of cocaine, marijuana, heroin, and methamphetamine in and through Arizona. The Sinaloa cartel exploits well-established routes in Arizona and perfected smuggling methods to supply drug distribution networks located throughout the United States. The Mexican State of Sonora is home to key drug trafficking plazas controlled by the Sinaloa cartel. The plazas are used for off-loading, stashing, and staging of drugs, money, and weapons. Furthermore, the Sinaloa cartel's influence in Arizona is growing stronger as the cartel continues to gain control of additional drug trafficking corridors and routes in Sonora, Mexico, and neighboring Baja California, Mexico.

The Phoenix and Tucson areas are exploited by Mexican drug trafficking organizations as transportation and distribution hubs. The transportation of drugs through the Arizona corridor to drug markets across the United States is accomplished in two ways: Drug loads are shipped to other locations in the United States by the same transportation group that smuggled the drugs into Arizona; or drug loads are taken to "stash houses" in the Phoenix and Tucson metropolitan areas, where the drug loads are re-packaged and then shipped to drug markets throughout the United States.

The executive board uses the Threat Assessment as the foundation for developing the Arizona HIDTA Strategic Plan. The Strategic Plan is designed to enhance the impact the 19 Arizona HIDTA Task Forces are having on drug trafficking and money laundering organizations and thereby improve public safety in Arizona.

The Arizona HIDTA Task Forces are organized into three primary Initiatives: Enforcement (interdiction, investigation, fugitive arrests, and prosecution); Intelligence (coordination, deconfliction, investigative case support, threat analysis, and intelligence gap identification); and Support (management and training). The Initiatives consist of full-time Federal, State, and local law enforcement investigators, prosecutors, and intelligence analysts. Through co-location, inter-agency cooperation, and the consolidation of strategic and tactical intelligence at the ISC, the framework of

the Arizona HIDTA provides for a coordinated and comprehensive response to drug trafficking threats that are both regional and National in scope. From the policy-makers on the executive board to the Initiatives, there is a shared vision to attack the threats posed by drug trafficking and drug abuse.

The ISC, in concert with the Initiatives, monitors investigative needs and collection requirements and integrates them into the intelligence collection process to fully develop and expand the scope of investigations. Intelligence garnered during these operations is provided to the ISC for analysis via an open loop intelligence process from which time-sensitive and actionable intelligence is disseminated to the Initiatives and appropriate law enforcement entities.

Fully understanding the drug-related threat in Arizona and using an intelligence-driven enforcement strategy, the Arizona HIDTA Initiatives are having a more significant impact on the drug trafficking organizations operating in Arizona and throughout the United States.

In 2011, Arizona Initiatives disrupted or dismantled 37 drug-trafficking and money-laundering organizations operating within Arizona, 57 percent of which were international or multi-state in scope. Arizona investigations focused on five Consolidated Priority Organization Targets (CPOTs) and three Regional Priority Organization Targets (RPOTs). Organized Crime Drug Enforcement Task Force (OCDETF)-designated cases totaled six. The level of sophistication of those cases necessitated the use of 298 separate court-ordered pen registers and 123 Title III orders, a 413 percent increase over 2010 Title III orders. Local community impact investigations were extremely successful and accounted for 43 percent of the drug-trafficking and money-laundering organizations disrupted or dismantled.

The Arizona HIDTA seized illicit drugs with an estimated wholesale value of \$1.19 billion, a 106 percent increase over 2010. Marijuana continued to lead as the most seized drug, with 519,954 kilograms seized in 2011, an increase of 118 percent over the previous year. Arizona Initiatives experienced a significant increase in both methamphetamine and heroin seized, with methamphetamine seizures of 728 kilograms, an increase of 88 percent, and heroin seizures of 257 kilograms, an increase of 1,017 percent. The return on investment for every \$1 received by the Arizona HIDTA during 2011 was \$112.09, a 100 percent increase over 2010.

The Arizona HIDTA Domestic Highway Enforcement (DHE) program conducted 898 operations and assisted in the coordination of 2,650 Stonegarden Project Operations. The intelligence and investigative leads developed from those operations were essential to the overall Arizona strategy. DHE operations seized illicit drugs with an estimated wholesale value of over \$39 million and seized \$7.2 million in cash and assets. Two international drug trafficking organizations were identified, with one disrupted and 782 individuals arrested.

The Arizona HIDTA State-wide fugitive Task Force arrested 4,228 subjects, an 18 percent increase over 2010. Drug-related arrests accounted for 32 percent of the overall arrests, with a higher percentage of those arrested wanted for crimes related to drug use or violent crimes associated with drug rip-offs and/or home invasions. Fugitive apprehensions resulted in seized drugs, currency, and assets valued at \$2 million.

Drug-related corruption poses a significant detriment to law enforcement efforts to combat smuggling, drug transportation, and drug trafficking in Arizona. The Arizona HIDTA investigated seven corruption-related cases, which resulted in one court-ordered Title III wiretap investigation, the serving of 23 search warrants, and 35 corruption-related indictments. Quantities of heroin and methamphetamine were also seized, along with \$197,000 in U.S. currency.

Prosecutors dedicated to Arizona HIDTA Initiatives reviewed over 375 search warrants, obtained 2,701 indictments, and convicted 2,467 individuals.

The ISC produced and disseminated over 147 intelligence-related documents, including officer safety, situational awareness, suspect aircraft, and DHE-related bulletins. The ISC presented numerous briefings for the Arizona HIDTA executive board, Initiative Commanders, and Congressional representatives.

Arizona HIDTA is actively involved with outreach, training, and coordinating with Arizona Tribal communities. As an active participant with the Arizona Indian Country Intelligence Network, the Arizona HIDTA sponsored and participated in a 2-day Strategy Session with representatives from 11 Arizona Tribal communities to develop an intelligence and information-sharing framework within Arizona. In addition, eight tribes took advantage of HIDTA-sponsored training, which included a Prescription Drug Abuse Summit, Prescription Drug Abuse Epidemic workshop, narcotics investigative techniques, and Domestic Highway Enforcement training.

The Arizona HIDTA philosophy of cooperation and coordination is based upon enhanced information and resource sharing through co-located and/or collaborative Task Force Initiatives strategically located throughout the region. Under the coordi-

nation umbrella of the Arizona HIDTA, the participating law enforcement agencies eliminate duplicative operational and investigative programs and facilitate tactical, operational, and strategic intelligence sharing. The extent of inter-agency cooperation supported by the Arizona HIDTA illustrates that all Initiatives are working investigations in an efficient and effective manner. The Arizona HIDTA approach demonstrates that when traditional organizational barriers are overcome, Federal, State, and local law enforcement entities can better focus investigative and intelligence resources in dismantling and disrupting the most dangerous and prolific drug-trafficking and money-laundering organizations.

Thank you for the opportunity to appear before you and for the subcommittee's continued support of the HIDTA Program. The Arizona HIDTA remains committed to facilitating cooperation among Federal, State, local, and Tribal law enforcement through the sharing of intelligence and to supporting coordinated law enforcement efforts.

I will be glad to address any questions you may have at this time.

Mr. QUAYLE. Thanks, Ms. Kempshall.

Now we are going to recognize Dr. Nunamaker for his testimony.

**STATEMENT OF JAY F. NUNAMAKER, JR., DIRECTOR,
BORDERS, UNIVERSITY OF ARIZONA**

Mr. NUNAMAKER. Mr. Quayle, Ms. Jackson Lee, and Mr. Gosar, it is an honor to appear before you today and to address the question of what are the issues and challenges involved with the goal of information—

Ms. JACKSON LEE. Excuse me. Can you push your microphone a little closer, please?

Mr. QUAYLE. You need to speak up.

Ms. JACKSON LEE. Thank you very much. Raise your voice a little. Thank you.

Mr. NUNAMAKER [continuing]. To address the flow of drugs and what training and systems would be necessary to make that happen. So I am 100 percent supportive of the goal of sharing information, but I just want to emphasize that it is actually a very difficult task and it will be extremely hard to do.

I base this on 40 years of experience studying information sharing and developing collaboration technology. The systems we developed have been used by IBM, American Express, and many other Fortune 500 companies as well as throughout DOD, the White House, and foreign governments. We had a 10-year project with DARPA and the Navy to develop collaboration technology and information sharing for the command ship of the future, the USS Coronado. These technologies are still in operation today and throughout the carrier fleet.

We have an extensive background with CBP. In 2008, we were awarded the Center of Excellence for Border Security and Immigration, a 6-year project with a 6-year extension. We also have a project on checkpoints, evaluating the effectiveness of checkpoints. We are currently conducting interviews of the illegals that have been apprehended and evaluating their propensity to cross the border many times.

We have also, and which Mr. Quayle has visited our lab, a prototype of a system that is being tested now at the Nogales port of entry for the Trusted Travelers Program for vetting applicants for that program.

In addition, we have been involved with Hsinchun Chen with the University of Arizona on the development of COPLINK, which is

an information-sharing system for police departments. It is now in use by 5,000 police departments.

So, based on 40 years of experience, the issues of trust, culture, and behavior are just as important as developing the technology. That's difficult for me to say, because I am a technologist. But the other issues of trust and culture really play an important part.

So what is required is to build trust and social networks between all agencies, a facility, a system for sharing tacit and explicit knowledge in real time, to make things happen, and an integrated data structure and data infrastructure across all agencies and local and State governments. It can be done, but it will take a lot of work.

So I had a proposed system for field agents for inputting information, and a lot of it is tacit information and it has to be in real time; also the ability to target social media, Facebook, Twitter, e-mail for drug leads; access to Federal databases across the agencies, State and local databases, and make sure they are interoperable; and then feed it all into something that would be a modification of the COPLINK system but for drug activities. So you are building a system that contains cues from many different places that can be put together and playing detective. It has proven in the State and local government, police departments, it has been quite effective and integrated into a collaborative system where you can share plans and activities.

So it is not going to be easy to accomplish. It is difficult to share and collaborate in real time. No one does it well, we found. It has taken the Navy years and years, and they are still working on it. Nobody does it well except sports teams, and many of them don't do it well either.

So thank you for the opportunity to discuss information sharing. I look forward to answering your questions.

[The statement of Mr. Nunamaker follows:]

PREPARED STATEMENT OF JAY F. NUNAMAKER, JR.

MAY 21, 2012

SUMMARY

The purpose of this testimony is to propose a solution to facilitate information sharing and collaboration across Federal, State, and local agencies in order to reduce the illicit flow of drugs. Based on over 40 years of research in these areas, I discuss three key components to successful information sharing and collaboration:

- Trusted social networks;
- Shared tacit and explicit knowledge;
- An integrated data infrastructure.

Each of these components is carefully laid out in my testimony.

Information sharing by State, local, and Federal agencies to stop the flow of illicit drugs is an important goal, but a difficult task to accomplish. In order to be effective, it requires cultural, behavioral, and technical infrastructure changes, as well as cooperation and the alignment of agency goals and objectives. This will not be easy to accomplish. It is difficult to share information and collaborate in real time, while simultaneously being effective and making a difference. No one does it well, except for sport teams, and not even all of them do it effectively. There are many reasons why information sharing is difficult, including lack of trust, power, and infrastructure. Even if all these reasons are resolved, the issue of change still remains. No one likes to change.

I have spent over 40 years studying information sharing and developing collaboration technology. The systems we created are used by leading companies such as IBM, American Express, Proctor and Gamble; as well as by all branches of DOD,

the White House, and many foreign governments. We had a long-term project with DARPA and the U.S. Navy to develop collaboration technology and information sharing for the “command ship of the future,” the U.S.S. Coronado. These technologies are still in operation on the carrier fleet today.

I hope that this testimony provides some insights into better ways to facilitate the collaboration and information sharing across agencies that will greatly inhibit the illicit flow of drugs into our country.

Distinguished Members of the subcommittee, it is an honor to appear before you today to discuss “Stopping the Flow of Illicit Drugs in Arizona by Leveraging State, Local, and Federal Information Sharing.”

Information sharing by State, local, and Federal agencies to stop the flow of illicit drugs is an important goal, but a difficult task to accomplish. In order to be effective, it requires cultural, behavioral, and technical infrastructure changes, as well as cooperation and the alignment of agency goals and objectives. This will not be easy to accomplish. It is very hard to share information and collaborate in real time, while being effective and making a difference. No one does it well, except for sport teams, and not all of them do it well. There are many reasons why information sharing is difficult, including lack of trust, power, and infrastructure. Even if all these reasons are resolved, the issue of change still remains. No one likes to change.

I have spent over 40 years studying information sharing and developing collaboration technology. The systems we created are used by leading companies such as IBM, American Express, Proctor and Gamble; as well as by all branches of DOD, the White House, and many foreign governments. We had a long-term project with DARPA and the U.S. Navy to develop collaboration technology and information sharing for the “command ship of the future,” the U.S.S. Coronado. These technologies are still in operation on the carrier fleet today.

We have a strong relationship with Customs and Border Protection (CBP) that started in 2005. As part of an Air Force project, we tested technology at the Nogales Port of Entry for effective secondary screening. In 2008, we were awarded a 6-year Department of Homeland Security (DHS) Center of Excellence for Border Security and Immigration (BORDERS), with CBP as one of our primary stakeholders. In 2010, The University of Arizona, along with the University of Texas at El Paso, was awarded a 2-year project to evaluate the effectiveness of border checkpoints. At the present time, we are conducting interviews of apprehended illegal border crossers in the Tucson Sector on behalf of the (DHS) Office of Immigration Statistics. In cooperation with the CBP Tucson Office of Field Operations (OFO), we have completed phase 1 of a pilot project for screening applicants for the SENTRI Trusted Travelers Program at the Nogales Enrollment Center. In addition, we have been involved with Dr. Hsinchun Chen on the development of COPLINK, an information-sharing system for local law enforcement agencies. This has provided us with extensive knowledge of Federal, State, and Federal [sic] law enforcement agencies regarding information sharing. The purpose of this testimony is to propose a solution to facilitate the collaboration and information sharing across agencies in order to reduce the illicit flow of drugs.

There are three key components to successful information sharing and collaboration: Trusted social networks, shared tacit and explicit knowledge, and an integrated data infrastructure.

TRUSTED SOCIAL NETWORKS

Although research on cross-organizational problem-solving and information sharing is scarce, there is evidence that it can be done. This generally takes place in social networks where individuals rely on each other to accomplish mutual goals. Trust plays an important role in these networks. Current research points out that trust comes from different sources and takes different forms during the relationship. Early on, trust is frequently built on a calculative basis as people consider the perceived risks and benefits associated with a particular interaction. As the relationship evolves, the calculative component is gradually replaced by a knowledge-based component, which involves positive and negative experiences in individual interactions. At any point, trust can be based on an institutional component through contracts, formal agreements, or legal frameworks. Many times, this institutional component plays an important role in the early stages of a relationship because it reduces the perception of risk or improves the legitimacy of the network. Another important component in successful networks is the design and adaptation of a governance structure that facilitates and manages interactions among network members.

SHARED TACIT AND EXPLICIT KNOWLEDGE

In order to be effective and innovative in finding solutions to problems, social networks need to share knowledge. While using subject matter experts to solve a problem may lead to more robust solutions, it is important to remember that expert knowledge is socially constructed in specific contexts and linked to local practices. Knowledge has two dimensions, an explicit dimension that is contained in documents, databases, and other objects created by experts; and a tacit dimension that is embedded in practice. This tacit dimension of knowledge is hard to share and it can be a barrier to developing better understanding of a particular problem. Moreover, research has also identified different levels of knowledge sharing, a syntactic level (concerned with common sets of symbols), a semantic level (related to shared meanings), and a pragmatic level (associated with practice).

INTEGRATED DATA INFRASTRUCTURE

A final component to information sharing is an integrated data infrastructure, which is frequently associated with the concept of interoperability. Interoperability can be defined as “the mix of policy, management, and technology capabilities (e.g., governance, decision making, resource management, standards setting, collaboration, and Information and Communication Technologies such as software, systems, and networks) needed in order for a network of organizations to operate effectively.” Interoperability delivers value by creating new knowledge by integrating information from multiple sources across organizational boundaries. In order to build interoperable systems, many different “agencies” must be crossed. Creating cross-agency interoperability requires support from the highest levels of government, particularly when creating interoperable systems across government levels or National boundaries.

CROSS-AGENCY ISSUES

The framework provided above provides a set of ideas to organize conversations related to information-sharing challenges to reducing illicit drug flow. As mentioned above, trust is a critical ingredient in any relationship. As different levels of law enforcement explore ways to cooperatively reduce the flow of illicit drugs, the issue of trust becomes paramount and can affect all levels of cooperation. For example, as agreements are reached, there must be a genuine faith that all agencies will live up to their obligations. Furthermore, on the front line, personnel from all agencies must feel comfortable that their counterparts will act in good faith. Issues such as corruption or commitment can seriously undermine security efforts and willingness to collaborate. New methods for inspiring trust must be established to ensure inter-agency cooperation to reduce illicit drug flow.

Perhaps no other area of cooperation is as dependent on trust as information sharing. The primary question is: What information should be shared and how can its accuracy be verified? Information such as personal identification, criminal history, and sensor data could provide valuable insight and lead time for agency personnel. There is evidence to suggest that some agencies find it inconvenient or not in their best interest to share information with offices under the same umbrella, let alone those outside of their organization. Issues such as classification of data, concerns about collection methods, and who has the authority to release information must be addressed to allow meaningful information sharing.

Beyond trust, there is a technological component to information sharing. Even if the decision is made to share information, a deficiency across agencies in infrastructure capabilities could hinder the ability to accomplish this goal. For example, transferring information from one database to another is not a simple procedure, especially when disparate technologies exist. Additionally, when considering real-time video and sensor data, the data files can become extremely large. Even voice communication through radios and cell phones can pose significant challenges, especially when security is an issue. Therefore, in order to maximize information sharing, it would be prudent to examine the IT architectures of all agencies and address any significant imbalances.

Another important component to effective information sharing is related to the need of a governance structure to coordinate the efforts of the Federal, State, and local agencies involved. Although there may be strong incentives to resist cross-agency collaboration, interagency governance, and collaboration through networks appears to be effective in solving these problems.

Assuming trust, information sharing, technological obstacles, and governance can be overcome, differences in institutional culture may still undermine these efforts. These may include agency attitudes toward technology, personal privacy, and what

they perceive as legal obstacles to cooperation. These cultural differences need to be thoroughly understood and mitigated in order to effectively collaborate and share information.

SPECIFIC CHALLENGES

Based on the field studies conducted at The University of Arizona, we found that there are common areas of concern for Federal, State, and local law enforcement personnel. I will summarize the top four issues with the hope that it will spur discussion on how to resolve them from a multiagency perspective. First, all personnel called for better interagency coordination, especially in regard to information sharing. While roles and responsibilities in the field are fairly well-defined, agents believe that better coordination at the political and high-level leadership levels would improve both information sharing and resource allocation/sharing.

The second issue involved managing disparate databases. Every organization develops and maintains its own set of databases for tracking information relevant to the agency, and may be protective of who can gain access. However, the information maintained in one database could be of use to another agency if shared. Furthermore, when one database is updated, related information in a related database may not be automatically updated. This creates a significant amount of extra work to determine which information is accurate. Also, when a database is shared but not integrated, agents often need to use multiple login/password combinations thus hindering efficient information sharing.

The third concern is field communications. For example, when Border Patrol switched from analog radios to digital versions for improved secure communications an unforeseen byproduct was occasional communication outages. Another complication is that it is often difficult for Federal personnel to talk directly to local law enforcement. As a result, many agents carry field radios, cell phones, and BlackBerrys to enable mobile communication with other agencies. Universally, all agents interviewed requested a single, reliable voice and data communications system for use in the field. Many agents also expressed the need for improved data communication in the field, including the ability to transmit and store large amounts of video, sensor, and biographical data (fingerprints/photos) for future analysis. The current data communications architecture does not adequately support large data file transfer, especially between individual agents in mobile vehicles and station headquarters.

The fourth issue is the need for improved Standard Operating Procedures across multiple agencies. This often is a highly political issue, especially when the coordination involves processing, detention, prosecution, and suspicion of transporting illicit drugs. Each agency follows the directives of its leadership, but the interpretation of what is acceptable in the field can vary between organizations. Stronger leadership and inter-agency cohesion is needed in this area.

OVERCOMING THE CHALLENGES

The four challenges outlined in the previous section stress the importance of an integrative approach to the organizational and technological issues to reduce illicit drug flow. On the technical side, personnel call for better technology for field communications. On the organizational side, better coordination and information sharing is a key challenge, as well as designing standard processes across organizational boundaries.

A MODEL FOR COLLABORATIVE GOVERNANCE

Figure 1 shows a model to guide the collaboration processes across agencies' boundaries. The model comprises five components: Starting conditions, institutional design, facilitative leadership, collaborative processes, and outcomes.

The starting conditions refer to the main incentives and constraints on participating in a collaboration effort. As suggested by the model, these incentives are conditioned by a series of asymmetries in terms of power, resources, and knowledge as well as previous history of collaboration among partners. Understanding the differences will play an important role in the development of a technical infrastructure to support collaboration. As stated earlier, it is likely that the perception of the usefulness of technology will vary from one agency to the other. Moreover, the need to integrate disparate databases or standard processes will also increase.

A second element is institutional design. This involves the main rules followed by the network to make decisions and design policies. It also involves the network structure, as well as assessment mechanisms. This element suggests that collaboration inside networks needs to be managed in a participatory and transparent way, including mechanisms to make decisions and solve conflicts.

A third component of the model involves facilitative leadership. The role of the leader is important, particularly when problems need to be solved by networks of agencies where power is shared. The leader in this environment has new roles to play. First, the leader is a designer of vision, policies, and learning processes that enable knowledge utilization. The leader is also a teacher that helps people get more insight into the problem. Finally, the leader is a steward of peoples' needs while ensuring the success of the broader mission.

The fourth component involves the collaboration process itself. The process is a virtuous cycle where collaboration brings trust and commitment among participants, as well as a shared understanding of the problem area. However, the main challenge is to find strategies to start the virtuous cycle. When there is no trust, people will not develop commitments or shared understanding, and are unlikely to achieve the desired outcome. In many cases, trust starts building when all participants understand the benefits of the collaboration by seeing early results. These "small wins" have proven effective in starting or accelerating the collaboration process.

Finally, the model considers the outcomes of collaboration. In the particular case presented in previous sections, the main outcomes involve the reconciling the secure and expedient transit of legitimate goods and people, while identifying and interdicting contraband items, such as illicit drugs.

RECOMMENDATIONS

The following are my recommendations for what needs to be done to improve information sharing to stop the illicit flow of drugs. It is imperative to develop a multi-agency information sharing system that incorporates the following elements (Figure 2).

- *Training Program to Promote Trust.*—Since trust is a key component of information sharing, training will be required to improve the level of trust. This training will draw upon the latest research in this field and the best practices for transmitting this knowledge to organizations.
- *Social Media Monitoring.*—This system will target data collection of all social media with relationship to drug activities, by extracting and synthesizing relevant data. Social networks, such as Facebook and Twitter, capture rapidly emerging and changing information regarding illicit activities. This high-value data will inform decision making based on periodic data sources with highly dynamic social networking data.
- *Databases.*—Provide access to State, local, and Federal databases related to drug trafficking to all agencies in the network.
- *Drug-Link.*—Develop a COPLINK-like system to display cues for analysis for illicit drug flows. IBM i2 COPLINK organizes vast quantities of seemingly unrelated data to provide tactical, strategic, and command-level users with access to shared data in a single, or multiple, consolidated repositories. Its proven ability to quickly identify investigative leads has helped law enforcement agencies to solve crimes faster and ensure the safety of officers and communities. IBM i2 COPLINK seamlessly scales from single-data source deployments to regional information-sharing initiatives, tying multiple agencies and data sources together. The product is used in fusion centers, police, and sheriff departments across the United States and currently supports one of the largest information-sharing initiatives in the world.
- *Collaborative Systems.*—The goal is to share insights and integrative relevant actions and plans. This system will enable the sharing of information by receiving input from all relevant systems. It will facilitate idea generation and organization, consensus building, and action planning.

I hope that this testimony provides insight into better ways to facilitate collaboration and information sharing across agencies to stop the illicit flow of drugs into our country.

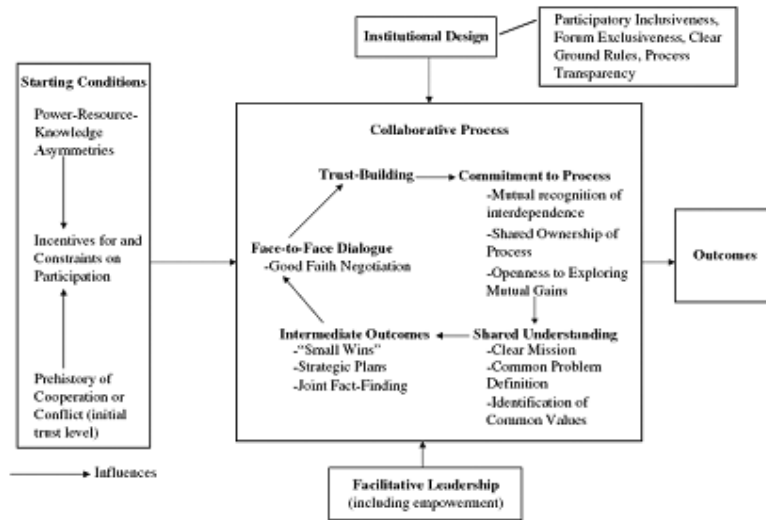


Figure 1. A Model of Collaborative Governance (Ansell & Gash, 2007).

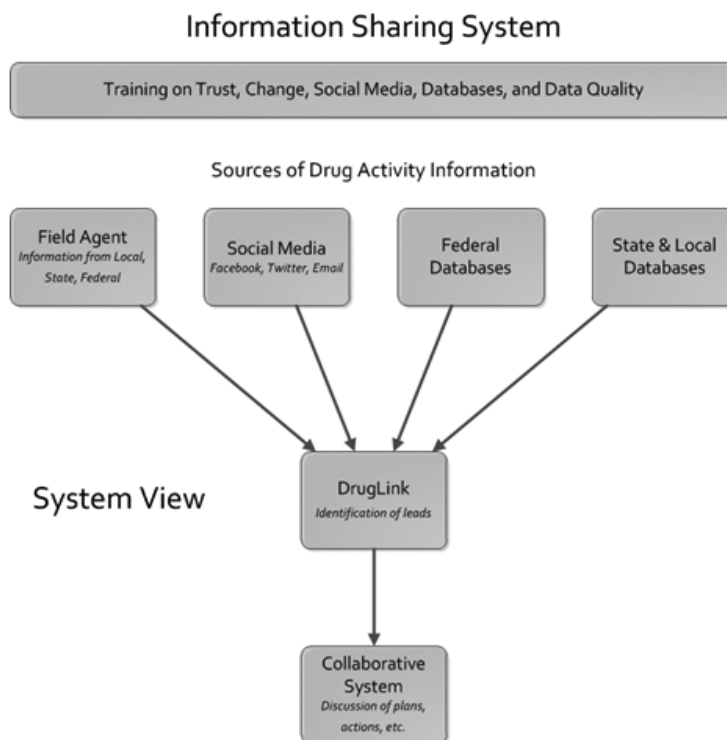
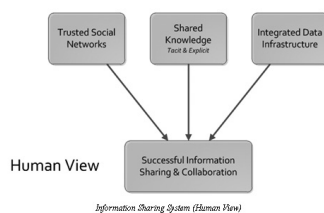


Figure 2. Information Sharing System (System View)



Mr. QUAYLE. Thank you, Dr. Nunamaker.

I want to thank all the witnesses for their testimony. I will kick off the first line of questioning.

My first question is for Mr. Coleman and Mr. Allen. As I mentioned in my opening statement, you know, the drug cartels are going to stop at nothing if they can make a buck. The amount of resources that they have pretty much dwarfs any single agency to combat them.

So there are several different task forces out there trying to combat drug smuggling. The groups that we have mentioned, like BEST, HIDTA, Alliance to Combat Transnational Threats, Organized Crime and Drug Enforcement Task Force, they are all competing for limited funding. Some have overlapping goals.

So I am going to start with you, Mr. Allen, and then Mr. Coleman. You know, one of the lessons that we learned from the 9/11 Commission was that we need to move away from information satellites. But do you think we can streamline some of these task forces so that we can actually get more bang for the buck so that we are not having to overlap, we are not having as many competing task forces going for the same amount of funding to better utilize the limited resources that we have available?

Mr. Allen.

Mr. ALLEN. Well, I would say that I think we are going to go through a period in Government where we are all going to look for as much efficiency as we can. I think to the extent that we can gain efficiencies in any of those programs we should.

I don't necessarily agree that BEST and OCDETF strike forces, for instance, overlap. I think they are very complementary. They look to a certain extent at different aspects of drug trafficking or drug smuggling.

But I do agree on the front regarding stovepiping of information. I think that's where we have really made some of the greatest strides. You know, I think we have broken down a lot of walls in terms of information sharing between agencies at every level of government. We need to continue to work in that direction.

You know, one of the things I would say, as somebody who has done this for a long time, is that some of that is a leadership question, is how do we develop our leaders. It is one of those things that starts right at the top. If the heads of organizations both in Washington and in the field strongly personally believe in information sharing, you will get that to happen.

So I would say that one of the things we need to work on is, as you develop Federal leaders and Federal executives, very analogous to the military, we need to be encouraging and causing Federal leaders to work across agency lines.

I will tell you one of the best experiences I have had in my career is actually working at DEA for 14 months on one of my head-quarter stores. Imbedding with DEA and seeing the world through their eyes, learning about the organization has paid great dividends for me. It has made me much more knowledgeable about the organization and how we can work together. I think encouraging cross-pollination between the Federal agencies is how you continue to break down some of those barriers.

Mr. QUAYLE. Mr. Coleman.

Mr. COLEMAN. I agree with Matt. I think that there are a lot of we are all going to have to streamline. We all know that. We know what is coming down the pipe.

But I also agree with Matt in the fact that multiple layers of task force, the different task forces that we have, they don't all do the same job. I think we commonly make a mistake in thinking that if something is a drug task force, well, then it is doing the same job as another drug task force. Not necessarily, drug trafficking, there are task forces operated at all different levels. So I don't think that it is necessarily duplication. Now, are there some duplicate efforts out there? Certainly. But I think all in all we can't lump all types of drug trafficking organizations and task forces into one.

Mr. ALLEN. I will give you an example of that. In talking a little bit about the West Desert Task Force and the importance of HIDTA in that, I will give you an example of something that happened recently that exemplifies how we need to move information across agency lines.

One of the participants in the West Desert Task Force is the Bureau of Land Management. Recently a Bureau of Land Management law enforcement officer found a scouting location in the west desert. They found a cell phone. That information was given to HSI. We turned it over to HIDTA. Within 24 hours, HIDTA was able to tie numbers from that cell phone to investigations that DEA had an interest in and that we had an interest in. We need to be focusing on that movement, that rapid movement of information every day across agency lines.

Mr. QUAYLE. Okay. I am going to go back to you guys as well.

In '85, in 1985, Enrique Camarena, who was an undercover DEA agent, was killed in Mexico. Following the U.S. Government response, it seemed that the cartels had an informal hands-off policy towards U.S. Government officials. Then, last year, ICE agent Jaime Zapata was killed and his partner, Victor Avila, was wounded in Mexico despite actually identifying themselves as U.S. Government officials.

Now, my understanding is that the attack was not sanctioned by cartel leadership. But as cooperation with Mexico has increased and we have sent more agents and officers to work in Mexico over the last few years, what precautions are we putting in place to protect our men and women in the field when they go across the border?

Mr. ALLEN. I would actually, I would probably prefer to take that question for the record only because I—you know, my leadership responsibilities are here in Arizona. I can't necessarily speak—

Mr. QUAYLE. Okay.

Mr. ALLEN [continuing]. About our foreign presence in Mexico; although, Mexico is where we have the largest number of HSI agents outside the United States. But I can't probably talk on behalf of the agency about how we are preparing our people to go overseas.

Mr. COLEMAN. DEA has obviously a very large presence in Mexico. As Matt said, we have training courses and a variety of things like that we send our folks to before they go over there. Then there are several other things that we do to take care of them while they are there that I can't really speak about in a public forum. But there are certain things that we do all the time to ensure their safety as best as we possibly can. Obviously it is a dangerous environment at times for them and we do everything we can to try and protect them while they are there.

Mr. QUAYLE. Thank you.

I now recognize Ms. Jackson Lee for her questions.

Ms. JACKSON LEE. Thank you very much. To all the witnesses, thank you for very instructive testimony.

Mr. Allen, let me start with you. I guess you are getting the hot seat. I will proceed over here.

It is my understanding that drug loads interdicted by Border Patrol between the ports of entry are turned over to DEA while drug

loads interdicted by CBP's Office of Field Operations at the ports of entry are turned over to ICE for investigation.

This bifurcation seems to be relic of the days before the creation of DHS when Border Patrol, like DEA, were part of DOJ. Is that still the case? What challenges, if any, does this situation pose for ICE as you attempt to investigate drug-trafficking organizations that may be sending drug loads between and through the ports of entry?

Mr. ALLEN. It certainly is a construct that predates the creation of DHS. You know, I think there are several different factors that argue both for and against kind of maintaining the status quo.

You know, the reality of the situation is, going into the budget that we are now, HSI and ICE are certainly not resourced to take on the level of work that DEA takes on every day in servicing the Border Patrol and their drug activity. So I am not sure we have the resources to take on what DEA takes on today.

But if we go back to the previous question, I think the key factor there is information. When either the Office of Field Operations or the Office of Border Patrol at CBP makes an interdiction, I think, you know, what generally HSI and DEA are looking for out of that is information and leads. As long as we can focus on the flow of information from those seizure incidents, I am not sure in the end whether it matters whether prosecution is taken by DEA for presentation to the U.S. Attorney's Office or HSI. As long as there is a healthy flow of information that emanates from those seizure incidents, I think we maintain the status quo, unless somebody is going to look at resources.

Ms. JACKSON LEE. You are comfortable with the Homeland Security Investigations structure.

Mr. ALLEN. Yes.

Ms. JACKSON LEE. Are you comfortable with, in answer to your own comment, that you are giving another information so that information is exchanging even though the interdiction is by a different organization?

Mr. ALLEN. Yeah. I think, you know, the way our case management system is set up, which right now is shared jointly with Customs and Border Protection, for any individual name, company name, license plate number that we put into our case management system, CBPCs, it is transparent to them. Similarly, it goes across the DEA at the same time. So increasingly our ability to share information, even transparently, is enhanced.

Ms. JACKSON LEE. Let me ask you if you could give us a quick response to the seriousness of the question of potential money laundering into U.S. banks, which is part of your testimony.

Mr. ALLEN. You know, I think one of the really good things you can say about U.S. anti-money laundering laws that go back 35 or 40 years is that for a very long time we have been successful at kind of pushing illicit funds out of U.S. financial institutions. That is because the banking industry has been very good at developing good anti-money-laundering screening tools.

Ms. JACKSON LEE. So what are you seeing now, that you are saying—

Mr. ALLEN. What I see is Mexican TCOs trying to get back into U.S. banks. I think we need to focus on making sure that we can

keep illicit money out of the U.S. financial system. That's going to take us sharing information with U.S. banks, which we are now, so that they can detect that kind of illicit activity and keep it out of the banks.

Ms. JACKSON LEE. So this is a red flag for this hearing, to be attentive to the fact that this may be a next move—

Mr. ALLEN. Yes.

Ms. JACKSON LEE [continuing]. For Mexican cartels. I think that's a very important point that we should flag.

Let me move to Mr. Coleman. I think in your testimony you emphasized something that is extremely important to me, intelligence. I think that we have managed to be secure for now 10, going on 11, years since 9/11 because we understood the importance of intelligence sharing. In this instance, with drug interdiction and drug trafficking, how important for DEA is the intelligence gathering and sharing?

Mr. COLEMAN. It is critical to what we try to do every day. There is nothing that we as DEA, which is the Federal Government's sole and primary drug law enforcement agency, we have to—we need all this information that we get from all these various sources to make our cases. We are a small agency, but we are a single-mission agency. We do one thing and we do it very well. But we need all the information from the other sources, State and local, Tribal, whatever it may be, to try to build these cases.

One piece of information that a State and local agency may have may be the key to my agents being able to indict a significant Sinaloa cartel lieutenant or something like that. If we don't share that, I may never know about that piece of information. So systems like the HIDTA, things like that, where everybody comes together and then everything is pushed out to everybody that is involved, are critical to what we are trying to do.

Ms. JACKSON LEE. Let me, in answer to Professor Nunamaker, do you think we are moving toward a trusted collaboration, breaking those distinctive lines that we have? Have you seen collaboration? Do you think you can overcome some of these challenges that he offered in terms of sharing information? Are you doing that now?

Mr. COLEMAN. I can speak for DEA in that there is virtually no piece besides classified information of DEA information that State, local, or Tribal law enforcement cannot access. Now, they have, they may have to talk to the investigator that has the case, but we have systems in place that match up and notify the State cop that's on the street, they will notify him what DEA agent he needs to talk to to get information about that. We have multiple systems on that.

Ms. JACKSON LEE. Let me quickly ask you about the challenges of desolate areas for DEA.

Mr. COLEMAN. Extreme challenges. We have poor communications out there. Our, the infrastructure is tough for our agents that are out there. DEA by and of itself is not an interdiction agency. We are an investigative agency. So we don't do a lot of interdiction but we certainly have operations that are in those areas. It is tough to manage our resources out there. It is a safety issue for our agents as it is for the BP and the ICE agents that are out there all the time.

Ms. JACKSON LEE. Anything that you need in particular, that relates to that issue of desolate areas?

Mr. COLEMAN. I think that the biggest need, the thing that we need is infrastructure built up so that we can access communications in some of those areas. There are desolate areas we can't even communicate with each other. That's obviously a safety issue.

Ms. JACKSON LEE. Let me ask a last quick question to Lieutenant Stanhope. I was eager to hear the importance from local and State government's perspective of the partnership with the Federal Government, particularly in grants. Can you emphasize again how important those grants are for you to be able to do your work?

Colonel STANHOPE. Mr. Chairman, Ms. Jackson Lee, I will tell you that, you know, all the Federal grants, particularly that we currently are engaged in, are absolutely essential for us to impact this problem in the fashion that we are. The reality is I do not have the appropriate budget to backfill if those grants go away. As Mr. Coleman indicated or mentioned about mission, well, DPS has multiple missions that we try and accomplish. Narcotics enforcement is one of many missions.

But those grants are integral to us being able to partner with all the folks here at this table and agencies around the State, absolutely essential.

Ms. JACKSON LEE. I yield back for a moment. Thank you very much.

Mr. QUAYLE. I recognize Mr. Gosar.

Mr. GOSAR. Mr. Chairman and Subcommittee Ranking Member, thank you very much for including me.

Let me go back to Mr. Allen, Mr. Coleman, and Ms. Kempshall at this point in time. I believe that we can accomplish anything if we put our minds to it and not eliminate certain jurisdictions. I am going to focus on the border and the environmental aspects that you are inhibited with.

The Border Patrol, or the border is a place where the environmental security or environmental patrol and security come into a nexus. Stretches of land along our border are closed off to the Border Patrol so they are unable to perform basic security activities like motorized patrolling, road construction, and even electronic surveillance. Why? That's because of environmental regulations.

We all agree on the importance of protecting the environment. But I believe that current policies are extremely dangerous and ties the Federal law enforcement's hands when it comes to protecting our Southwest Border. Even worse, the areas in question are often trashed and ruined by drug smugglers and illegal crossers. In fact, the Arizona Department of Environmental Quality reported picking up over 5,000 pounds of trash in the Nogales area just in January alone.

I believe this policy is broken and is not serving the environment or protecting our citizens. My colleagues and I on the Natural Resources Committee support Congressman Rob Bishop's legislation 1505, the National Security and Federal Lands Protection Act. It would stop the Secretary of the Interior or the head of the Forest Service from taking action to disrupt the activities of the Border Patrol and grant the Border Patrol immediate access to public land

in order to conduct common-sense measures to secure the border, patrolling, surveillance, and the like.

My question is: How would a law like this assist in your mission? What obstacles have you encountered in your time on the board or managing environmental regulations? What increased security efforts could you do if 1505 were put in place?

Mr. Allen first.

Mr. ALLEN. You know, as the leader of a investigative component of DHS, I cannot tell you that environmental regulations have ever impeded my mission or my agents' missions out there.

Mr. COLEMAN. I am the same on both, sir. We are primarily an investigative agency; we don't do a lot of that type stuff.

Mr. GOSAR. Ms. Kempshall.

Ms. KEMPSHALL. The agencies that are participating in the Arizona HIDTA include Bureau of Land Management. They are very active then in participating and sharing their intelligence with us. I don't have any ability to comment on the environmental impact.

Mr. GOSAR. How about you, Lieutenant Colonel?

Colonel STANHOPE. Mr. Chairman, Mr. Gosar, no, I don't have any information on that.

Mr. GOSAR. Mr. Nunamaker, do you see a problem with that?

Mr. NUNAMAKER. No.

Mr. GOSAR. Okay. One of the things that you talked about was the key in regards to having a policy from up above and having a uniform policy. It is a war, and our border is not secure, unlike what has been said. Drug and human smuggling is a form of organized crime, the kind of crime that requires political protection from those in power in order to thrive in the way the cartels have.

My question for Mr. Allen and Mr. Coleman and Ms. Kempshall: As you know, the Department of Justice sued the State of Arizona over SB 1070. The law empowers local enforcement to identify and detain illegal immigrants. Sadly it is not a cooperative working relationship from the top down. In fact, truth is, looks like it is lacking. However, across the country, we, and through the Southwest, we have sanctuary cities, policies in which one way or another purposefully ignore the presence of illegal immigration within the city. What kind of message does this actually send when the Federal Government sues the State trying to assist them in enforcing the law and does nothing to cities and States who actually flaunt and ignore the law with sanctuary cities?

Mr. Allen.

Mr. ALLEN. That's a little beyond the scope of my attendance here today. I am certainly not in a position to comment on the administration's position or decision to sue on 1070.

What I can say with respect to our cooperation with other agencies on the immigration side of our mission is that we have a great working relationship with law enforcement agencies around the State. We do a lot of joint work with other agencies on immigration enforcement. On a daily basis, law enforcement agencies are turning over illegal aliens that have been identified to ICE primarily, our enforcement and removal operations component throughout Arizona. So we have a very good working relationship with our counterparts in that area.

Mr. COLEMAN. Nothing to answer. I don't have anything.

Mr. GOSAR. Ms. Kempshall.

Ms. KEMPSHALL. The primary mission of HIDTA is involved with the drug-trafficking organizations. So I have no comment on the immigration situation.

Mr. GOSAR. Okay. Quick question for you, Ms. Kempshall. I know you have a number of HIDTA but it doesn't include all of Arizona. What kind of benefit would it be to have 100 percent of Arizona under HIDTA?

Ms. KEMPSHALL. The current process to become a HIDTA county is very extensive and very involved and goes through rigorous reviews on multiple levels.

The interaction with HIDTA participants and non-participating agencies or counties is very robust. The intelligence that we develop, or the support that we develop or have is not limited solely to participating agencies or participating counties. Arizona, it has, one of the largest areas of its State has been designated as HIDTA county. That has been very helpful to the development and sharing of intelligence in our enforcement efforts.

Mr. GOSAR. Just one real quick thing. So there has been no point in which an environmental access has impeded law enforcement on the board. I find that hard to believe.

Mr. ALLEN. Again, I am talking from the investigative point of view where our investigators go out there every day. It hasn't stopped us.

Mr. GOSAR. Brigadier General.

General SALINAS. We, we are a support agency, Congressman, so we really don't take the lead on any of that. For instance, when we were on the border with entry identification teams, CBP was the agency that coordinated with the other Federal agencies and the local law owners for us to be positioned. So we are a background support organization. We don't make any of those negotiations unfortunately.

Mr. GOSAR. It seems like we are missing the right people to answer the question.

General SALINAS. I believe CBP would be the best organization to answer that question.

Mr. GOSAR. Well, thank you. I yield back.

Mr. QUAYLE. Mr. Gosar.

I will kick off the second and final round of questions.

Colonel Stanhope, awhile back there was talk about putting up quick response teams, CBP and ICE, to help DPS as you guys continue to monitor the interstates with 40, 8, 10, 17. Has that come into effect? Do you think that a quick response team in various areas of small groups of CBP or ICE agents in various areas along the corridors would help with you interdicting either drug smugglers or human smugglers on the interstate DPS patrols?

Colonel STANHOPE. Mr. Chairman, my short answer is yes. Let me explain.

Obviously we have highway patrolmen out there every day running up and down the freeways making traffic stops. Oftentimes they will come across, they will interdict loads of narcotics, cash, et cetera. Oftentimes my division, Criminal Investigations Division, provides direct support to the men and women of the Highway Patrol, provide them investigative services and support.

Obviously, in these times, my agency, as many agencies, are challenged in staffing. We do participate in a lot of task forces which have, which have their own mission parameters.

So my answer is yes, it would, because those folks would be able to, to go out and respond to some of the calls for service for highway patrolmen that my own agency cannot support right now. Oftentimes what will happen is they will, let's say, seize a load, 300 pounds of marijuana. If there is no one from my agency that can immediately respond, the subject is booked, marijuana is seized. The timeliness of the investigative effort, in other words furthering that investigation, time is critical. If we don't have an investigator go out and take that investigative role, controlled deliveries basically are worthless if you don't get on them right away, if you don't perform them right away. The value of the information may be lost from the subject after being booked and/or deported, things of that nature.

So there is an immediacy that I think would benefit law enforcement, and my agency in particular, in particular. But, so yes, I would absolutely support that concept, sir.

Mr. QUAYLE. Mr. Coleman, I was talking about the Mexican elections coming up. You know, there has been very good cooperation between the Mexican and the U.S. authorities. How damaging would it be if the next president of Mexico does not continue Calderón's call to try to stop the drug cartels and the drug trafficking and does not provide the cooperation with U.S. authorities for our guys who are south of the border?

Mr. COLEMAN. I think it would be very damaging to the efforts that we have had for the last 6 years. Under President Calderón's administration, the cooperation and the high-level crossover of information sharing with the Mexican government has been unprecedented. We have indicted and extradited probably hundreds of high-level narcotics traffickers from Mexico, something that was unprecedented prior to his administration.

So I think if the—not getting too political, anything that would change that level of cooperation is going to be damaging to DEA's efforts to indict the biggest and the baddest of the drug traffickers in the world.

Mr. QUAYLE. Kind of going along that thread, there were some news articles I have read recently where it indicated that the head of the Sinaloa cartel, Chapo Guzman, was actually providing quality information to Customs Enforcement and to the DEA to actually make good arrests and seizures at the expense of his rivals, which was the Tijuana cartel, I believe.

How do these respective agencies kind of guard against somebody like Chapo giving you information just for the benefit of Sinaloa cartels at the expense of one of his competitors, or do you just see it as: "Hey, we got one of the competitors and got one of the cartels and made some interesting seizures"?

Mr. ALLEN. Well, there is—I mean that's one angled look at it, though, but I am not sure that is the only angle you should look at.

You know, one of the things we try and teach our agents and instill in them is that, you know, first of all, human sources are a key ingredient to what we do every day. A lot of what we do

couldn't be done without human information. But one of the key things that agents have to learn early in their career hopefully when they are dealing with human sources is that the most important thing you learn from them isn't necessarily the information that they provide you about the criminal activity; it is why they are coming forward in the first place.

Mr. QUAYLE. Right.

Mr. ALLEN. You know, you have to understand what their motivation is for providing information. There is a wide range of those. You know, some of it is revenge. Some of it is they have had a change of heart and want to provide, you know, information to U.S. law enforcement. Some of it is, you know, more Machiavellian and involves, you know, organizational politics in Mexico. We have to, we have to be asking the kinds of questions that elicit that background information about why a person is comfortable to talk to law enforcement.

Mr. QUAYLE. Okay. Thank you very much.

I now recognize Ms. Jackson Lee.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman. Let me first of all say this has been very instructive and I appreciate the witnesses very much for what they have provided.

Let me just glean from comments that have been made, and I think it is important for the record, and that is the focus of this hearing, dealing with the illicit flow of drugs in Arizona, and to indicate the various success stories that have been told here, along with the challenges. I think that's very important. We should acknowledge all of you for the success that we have achieved. Yet we want to do more. I think—I see some nodding heads—that's where we are. But we really shouldn't leave this hearing without acknowledging the work that has been done and that we need to continue to work. That's extremely important.

I think it is important to note as well that we reinforce the fact that many are Federal agencies here. Some under General Salinas, by statute, can be Federalized but work under the Governor until that point. We thank you as well for your service.

Then I think it is important to emphasize that, though we don't have the principals here that deal with this issue, that immigration is truly a border security and Federal issue and we should ensure that we have all the resources necessary to work on those issues.

Let me, Lieutenant Colonel Stanhope, can you just give me one of the grants that is so very important to you so that we can be guided by that as we go back to Washington?

Colonel STANHOPE. Mr. Chairman, Ms. Jackson Lee, certainly. The Operation Stonegarden, for example, is a grant program which I believe is through DHS, through Border Patrol, funneled through the counties and we get a portion of that at DPS. Those funds are used to support interdiction details along the highway with many of our partners. But it is also used to conduct desert operations in furtherance of some of those remote corridors that we try to interdict drug loads on. That's one example.

Another example, frankly, is funding we get for our Arizona Fusion Center through DHS. That funding provides us that infrastructure in order to operate that facility. It does not pay for personnel but it does pay for the infrastructure.

Again, as I mentioned before, it is about a million dollars that we receive from Arizona DHS, or \$980,000, for that. I don't have that money in my budget or my department's budget in order to facilitate that. So if that money went away, I am not sure how we would have to handle that at a State level. Stonegarden money, again, I think we totally get about \$800,000 from all the counties involved with that, and, again I don't have the resources in order to provide that service or to support that, those efforts without our Federal partnership.

Ms. JACKSON LEE. Well, that's very important. I want you to know that we are listening.

Let me emphasize another statement for the record is that, at least by those witnesses who are here, is that presently environmental laws or regulation are not impacting your work. I think it has to do with our Federal lands. Many of us want to make sure that our Federal lands continue to be protected without relieving environmental structures. So we appreciate that information.

To General Salinas, I want you to know that we are not finished with our work in the budgeting and appropriations process. I am delighted that you have taken to note about the \$4 million. I think all of us will look forward to working on that issue and bringing to the attention of our appropriations process the vital aspect of this \$4 million, across the Nation I think it is, and you dropping down from 24 to 9 percent.

So what you are suggesting is that just that amount and the amount of numbers of personnel that you lose will have an impact and we should look closely and squarely at that issue? Is that what you are saying?

General SALINAS. Yes, ma'am. It is going to have a huge impact on many of the organizations that you see here. Currently I provide 15 to ICE, a large number to DEA, DPS, and HIDTA. This budget is essentially going to cut us in half.

You know, when you look back to previous years when we were in the 300 range, we are now going to be down to 60. So it is an 80 percent cut over time.

Ms. JACKSON LEE. I can assure you that this is ringing a bell with bipartisanship, and it is an issue that we will take back to Washington, I will take back to Washington. I just want to thank you for the 9,000 men and women who have been deployed out of the Arizona National Guard, as I understand since, 9/11—

General SALINAS. Yes, ma'am.

Ms. JACKSON LEE [continuing]. And to be deployed.

Let me go to Professor Nunamaker. Thank you for the very detailed approach that we may take back to Washington. But let me get you to see a glimmer of optimism.

If we look at some of the principles that you have announced, can you see—I see a sense of trust here—can you see that trust building and then that collaboration enhancing through technology? How would you instruct us? I see the trust. Where are you thinking that we can do better?

Mr. NUNAMAKER. I think it will be involving education and making people aware of the implications of trust and so there is self interest in putting in information hopefully for the greater good.

Ms. JACKSON LEE. That would be for the laymen or for these groups here? We are talking about law enforcement groups collaborating with each other.

Mr. NUNAMAKER. I think it is all the way up the chain from the boots on the ground to the top leadership.

Ms. JACKSON LEE. Do you see improved communications and trust amongst these individual component law enforcement in your research, from HIDTA to ICE, DEA? I mean, as they gave their testimony, the State, they all seem like they are working together.

Mr. NUNAMAKER. I think that's right. We have dealt with Matt Allen in the past. It is just that it has to work up from the ground.

Ms. JACKSON LEE. Ground up. We will take that note back.

Let me—I just, Mr. Chairman, have a few more questions here, I think, hopefully, or two more questions for Ms. Kempshall.

I am fascinated, of course, with the work that HIDTA is doing. I think it is an important component that it was established, at least the Arizona one, way before, I think I was on judiciary, and we were dealing mostly with those issues before we even had a Homeland Security department. I started talking historically.

But what have you seen in the growth of this system and its improvements—1990 here in Arizona, we are now 2012—the growth and improvement of your work, what have you seen? What kind of progress are you seeing? What do you see going forward?

Ms. KEMPSHALL. Well, I appreciate the opportunity to answer that question because I have been in drug law enforcement for about 28 years and I have seen a lot of growth. I would like to focus right here in Arizona as what I have been seeing over the last 5 or 6 years that I have been in Arizona.

The law enforcement community, specifically the drug law enforcement community, is facing challenges in this State like I have never seen throughout my career. The cooperation and the dedication of the law enforcement agency leaders and the men and women on the street is just incredible.

I have seen it since I have been with the Arizona HIDTA over the last year and a half, how, when law enforcement agencies come together with a common strategy, knowing who our enemy is and leveraging all the resources that our Federal, State and local, and Tribal law enforcement can bring against that enemy, man, it is exciting to see the progress that we are making. The strides that we are making to go after the most significant targets through using intelligence to drive that strategy is just—you should see the look on these men and women, the agents on the street, when they get a piece of intelligence from the ISC that ties their seizure into a major investigation being done by a Federal agency. It is just incredible when you see them coming together.

You asked about, you know, the duplication of task force efforts. I don't see it that way because I have been involved in all of them over my career. I see us as layering our approach to take out the infrastructure of these drug trafficking organizations. Combining the resources that we all bring to the table, we are going to be successful here.

Ms. JACKSON LEE. That is a powerful message. Mr. Coleman—very powerful. It is very important for us to know in my sitting on both committees, the Judiciary and Homeland Security.

But you, Mr. Coleman, in particular, if you could, clarify the question of whether you do or do not share classified information with other agencies, and, if not, why or how can they access it in an appropriate classified manner. When I say that, obviously State agencies and other agencies.

Mr. COLEMAN. We do share classified information, but through appropriate mechanisms that we have built in place within the agency and within the Federal Government. Our standard non-classified investigative information is pretty much accessible to any law enforcement agency through a variety of mechanisms that we do.

But, again, my statement was that our classified information goes through the, the sharing of that, goes through the regular Government systems that are set up to apply that kind of sharing.

Ms. JACKSON LEE. So can I take from this that no local, State, or coordinating agency is barred from any access to your great arm of what you do, which is the gathering of intelligence? No one is barred as long as they are classified going through the appropriate procedures which then allows that agency to be collaborative and to build on what they may have.

Mr. COLEMAN. The sharing of the classified information would be if they were authorized to see it, of course, within the Government regulations. But the actual investigative standard information that we have, yes, they can access that through any system.

Ms. JACKSON LEE. Thank you.

All of you view the Fusion Centers as a positive element? That's everyone by that?

They are all nodding.

So those who are working in Government are saying yes. Thank you, Mr. Chairman.

Mr. QUAYLE. Thank you, Ms. Jackson Lee.

I now recognize Mr. Gosar.

Mr. GOSAR. This is for all the witnesses.

Recent reports have highlighted the increase of crystal meth seizures both in Mexico and here in Arizona. Crystal meth is a drug, as you know, that absolutely destroys the users and the addicts. We made progress in restricting the availability of the precursor chemicals in the United States. But the unintended consequences are the development of super labs in Mexico that just produce immense quantities of this drug.

In your view, how can we stop the rising threat of meth from making its way onto the streets of Arizona and making this problem larger?

Mr. Allen.

Mr. ALLEN. Well, you might find this surprising from somebody in law enforcement, but demand reduction is one of the key things that we actually haven't talked about today. It wouldn't get produced and it wouldn't come here if we didn't use it.

Mr. GOSAR. Mr. Coleman.

Mr. COLEMAN. I think that the chemical regulations that were put in place in the United States restricting pseudo and things like that have certainly pushed that down. There are some limited chemical regulations in place in Mexico but not to the extent of what we have done in the United States. If we do something like

that, maybe Mexico will have the same type of results that we had here in the United States as far as shrinking that production.

Mr. GOSAR. Brigadier General.

General SALINAS. Congressman, I would like to piggyback on the drug demand reduction. That was, that is part of our program this year, but because of budget cuts and the way the Department of Defense is looking at that particular program, I am going to have to cut that.

It is one of the most difficult programs to quantify. You know, you can't put drug seizure numbers against it. But when you sit down and you talk to the coalition leaders and the communities where my soldiers and airmen teach primarily sixth, seventh, and eighth graders, and you talk to the principals of those schools, we are making an impact. It is just very hard to quantify. Unfortunately, in this next year's budget I am going to have to cut that entire program.

Mr. GOSAR. Lieutenant Colonel.

Colonel STANHOPE. Sir, I would say I would agree with my colleagues that education is obviously a big component of it. As you have heard today, enforcement is also a big component. I think there is an opportunity for some engineering to occur along the border to help make it more secure or restrict some movement along the border as far as methamphetamine and the hard drugs.

I would also, I would also echo the working with the government of Mexico as far as trying to stem the flow of the chemicals from China and from, I believe, India into Mexico that help fuel those super labs, so work with our, work with our friends in Mexico to come up with some type of Mexican law to prevent that or slow that down.

Mr. GOSAR. Ms. Kempshall.

Ms. KEMPSHALL. Yes, sir. You know, the challenges that our country faced from methamphetamine production and abuse in our country in the early 2000s, you know, it was, it was a horrific situation. You saw Federal, State, local, and demand reduction efforts come together. We changed what was happening, the threat that we were facing. Currently in our State, we are seeing a decrease in some of the methamphetamine abuse by our children as recently reported.

You know, when I first started in law enforcement I thought I was going to arrest my way out of the problem, that I was going to arrest every bad guy and we were going to eliminate the drug abuse problem. Well, I have learned through experience and hard knocks that it has to be a coordinated approach between law enforcement, demand reduction, and treatment. When we work together in collaborative efforts, we do make a difference, as seen in the early 2000s with the threat of methamphetamine.

We need to continue those efforts. We need to continue to partner with folks like the National Guard that has an already established program that is well respected in our communities. We need to keep teaching our children about the dangers of drug abuse.

Mr. GOSAR. Mr. Nunamaker.

Mr. NUNAMAKER. I have nothing more to add.

Mr. GOSAR. Okay. A quick question, I am running short of time. Give me a grade of the relationship that you see between the United States and Mexico, quick grade, A to F.

Mr. ALLEN. B+.

Mr. COLEMAN. B+.

General SALINAS. I would have to rate mine on a military scale. I would say that we are gradually improving that relation through the work of U.S. Northern Command. But I really don't have anything to offer in terms of the drug nexus.

Colonel STANHOPE. I have nothing, sir.

Ms. KEMPSHALL. Significant improvement over the years and continued need to improve.

Mr. GOSAR. B? C? D.

Ms. KEMPSHALL. Let's go with B.

Mr. NUNAMAKER. B.

Mr. GOSAR. One thing that you could ask that we should demand of Mexico in the more securing of our border, what one thing would you demand?

Mr. ALLEN. I would say continued development and professionalization of their Federal law enforcement organizations.

Mr. COLEMAN. Continued development of the cooperation with the United States.

General SALINAS. Again, for me, sir, it would be more of a military focus. I would say that we need to continue the on-going military-to-military engagements that we have going on at this very moment.

Colonel STANHOPE. I would say ditto, and both sides work together to secure the border.

Ms. KEMPSHALL. Continuing to share intelligence.

Mr. NUNAMAKER. Technology and information sharing.

Mr. GOSAR. I am going to leave with one quick comment. I hope that just, when we are looking at securing the border, we look outside the realm of just law enforcement. For example, the Santa Cruz Wash is one of the things we try to highlight. You know, when you are bringing significant infrastructure improvements, we ought to be talking to you folks in regards to how we can utilize those infrastructure projects to make a better deterrent along those ways and look outside the box there.

But I would also say, you know, from natural resources, to the gentle lady from Texas, we are very aware of impedance along the border in interdiction with environmental laws. I think we need to streamline that process accordingly.

So with that being said, I thank the Chairman for including me in today's hearing.

Mr. QUAYLE. Thank you, Mr. Gosar.

I want to thank the witnesses for their valuable testimony and Ms. Jackson Lee, Mr. Gosar for their questions. Just a second.

Ms. JACKSON LEE. Let me say a couple concluding remarks before you conclude since you are the final speaker.

Mr. QUAYLE. Real quick. We have got to go.

Ms. JACKSON LEE. Let me just say that I think one of the most telling statements that you made today was the issue of reducing demand. I am very proud of all of you for being willing to acknowledge that. I do think that will be, among other messages, the

strongest message I take back to the Department of Homeland Security and the Border Security Committee, that we can look at this issue because our boots on the ground have acknowledged it as a component to your work. I join in that and conclude with my good friend from Arizona that is two gentlemen down that we will continue to have disagreement on the protection of Federal lands and environmental regulation.

So I thank you each very much. I yield back.

Mr. QUAYLE. Thank you, Ms. Jackson Lee.

We agree to disagree on things. It is not a shock in Congress.

But I want to again thank the witnesses for their testimonies. Members of the committee may have some additional questions for the witnesses. We will ask you to respond to these in writing. The hearing record will be open for 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 11:37 a.m., the subcommittee was adjourned.]

