

**BORDER SECURITY THREATS TO THE HOMELAND:  
DHS' RESPONSE TO INNOVATIVE TACTICS AND  
TECHNIQUES**

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**HEARING**  
BEFORE THE  
**SUBCOMMITTEE ON BORDER AND  
MARITIME SECURITY**  
OF THE  
**COMMITTEE ON HOMELAND SECURITY**  
**HOUSE OF REPRESENTATIVES**  
**ONE HUNDRED TWELFTH CONGRESS**  
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## **BORDER SECURITY THREATS TO THE HOMELAND: DHS' RESPONSE TO INNOVATIVE TACTICS AND TECHNIQUES**

**Tuesday, June 19, 2012**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON BORDER AND MARITIME SECURITY,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 311, Cannon House Office Building, Hon. Candice S. Miller [Chairwoman of the subcommittee] presiding.

Present: Representatives Miller, Rogers, McCaul, Duncan, Cuellar, Jackson Lee, and Clarke.

Mrs. MILLER. The Committee on Homeland Security, Subcommittee on Border and Maritime Security will come to order. The subcommittee is meeting today to examine the Department of Homeland Security's response to border security threats.

Our witnesses today are Donna Bucella, assistant commissioner of CBP's Office of Intelligence and Investigation Liaison; James Dinkins, the executive associate director of Homeland Security Investigations at U.S. Immigrations and Customs Enforcement; Rear Admiral William Lee, deputy for operations policy and capabilities, from the United States Coast Guard; and Rear Admiral Charles Michel, director of the Joint Interagency Task Force-South.

When it comes to securing our border the old military adage that no plan survives contact with the enemy is, or should be, at the forefront of our minds. As the Department of Homeland Security has increased its presence along the Southwest Border, drug cartels, human smugglers, and illegal aliens have adapted and improvised to defeat our security measures.

In the mid-1990s, ground zero for illegal migration centered in California and Texas, until the Border Patrol devised new campaigns, like Operation Gatekeeper and Operation Hold the Line. During those operations the Border Patrol surged capability to meet a specific threat, but early on observers realized that this would create a balloon effect, where a surge in one area would just displace the flow of drugs and migrants to other more rural areas of the country.

Human beings naturally seek the path of least resistance, so when word got out about the increased enforcement posture in California and Texas smuggling routes shifted to the western desert of Arizona, and today the Tucson sector sees the majority of crossings and nets large seizures of drugs. This was true even be-

fore the recent economic downturn reduced the total number of crossings Nation-wide.

Congress has poured resources into Arizona, spent billions on technology, beefed up the number of agents to historic levels, and heavily invested in infrastructure. Most of those investments enhance our capabilities to detect, to deter, and to interdict drugs and people who try to cross the border, as well as funnel people into areas that give the Border Patrol a greater chance to catch those who would otherwise succeed.

But will the increased investment in Arizona mean that other areas of the Southwest Border will become more heavily trafficked by drug cartels and illegal immigrants, and more importantly, are CBP and DHS prepared to adjust as the threats change and as new tactics are used?

People who want to cross the border aren't static. They watch our agents; they perform counter-surveillance; and they try to find gaps in our patrols and develop new, innovative ways to bring people, illicit proceeds, or their product across the border.

Over the last few years we have seen a proliferation of complex border tunnels used in urban areas, ultralight aircraft, and small fishing vessels, called panga boats, which are being discovered farther up the California coast and which attempt to blend in with normal traffic.

What is very concerning to this committee is the threat posed by semi-submersible submarines that can carry tons of cocaine, as well as recent discoveries of fully-submersibles, which can be used to carry drugs or something even worse to our shores. That is why this committee has continued to call for a comprehensive plan to secure the border. Ad hoc developments of—or deployments of resources to plug a hole or address a gap that exists today without thinking about the drug cartels' next move has to be replaced with a more comprehensive analysis that anticipates weaknesses that our adversary may try to exploit as a result of our response.

The cartels have billions of dollars at their disposal and a powerful incentive—to make as much money as they can—to succeed in bringing drugs or human beings into our country. If a cartel can smuggle drugs and people into our country we have to recognize that as an avenue the terrorist could exploit as well. CBP, ICE, and the U.S. Coast Guard, and our partners over at the Department of Defense have to be just as nimble and agile, otherwise the cartels will out-innovate and out-think us every time.

As I have called for—as this committee has called for a much more comprehensive approach from the Department we are very interested to see how well the Customs and Border Protection Joint Field Command, which integrates several of the DHS components to tackle the challenge in Arizona, is part of the solution to address the complex nature of the border threat, and if the Joint Field Command concept could work elsewhere as the situation requires.

One of the more encouraging elements of the recently released border patrol strategy was an emphasis on the use of intelligence as well as a more risk-based approach. Using intel to detect patterns of illegal migration to better direct our agents in the field makes very, very good sense. A risk-based approach which utilizes intelligence also relies heavily on technology. While we certainly

understand technology is not a panacea for solving all the problems along the border I do—and I think the committee feels, as well—that it can certainly help the Department better direct its limited resources.

We are very encouraged by the use of new technology, such as the Vehicle and Dismount Exploitation Radar, commonly called VADER, with a wide-area surveillance tool installed on CBP's UAVs that can detect the movement of both people and vehicles in the desert. This tool is extremely valuable as CBP seeks to identify and detect changing smuggling patterns.

We hope that we can continue to identify and use emerging technology to expand our ability to monitor and to gain control of the border. The primary purpose of this hearing today, this morning, is not only to examine the many threats to our border security but to DHS's ability to confront them, and of course, we don't want to be reactive but we want to be proactive when we take steps to better secure our border.

One of the more serious threats to border security is the idea that we are less than fully committed to enforcing our Nation's immigration laws. As reported in the *Washington Times*, there is quite a bit of concern that CBP is considering a new policy to give enforcement discretion to Border Patrol agents and CBP officers in the field.

Moving forward, we are certainly going to be closely monitoring policy developments and we will ask that the Department fully explain any change in their border enforcement policy.

Again, we want to thank the very distinguished panel that we have today of our witnesses. We look forward to their testimony. [The statement of Mrs. Miller follows:]

STATEMENT OF CHAIRWOMAN CANDICE S. MILLER

JUNE 19, 2012

When it comes to securing our border, the old military adage that no plan survives contact with the enemy is, or should be, at the forefront of our minds.

As DHS has increased its presence on the Southwest Border, drug cartels, human smugglers, and illegal aliens have adapted and improvised to defeat our security measures.

In the mid-1990s, ground zero for illegal migration centered in California and Texas until the Border Patrol devised new campaigns—Operation Gatekeeper and Operation Hold the Line.

During those operations, the Border Patrol surged capability to meet a specific threat, but early on, observers realized this would create a balloon effect, where a surge in one area would just displace the flow of drugs and migrants to other, more rural areas of the country.

Human beings naturally seek the path of least resistance, so when word got out about the increased enforcement posture in California and Texas, smuggling routes shifted to the western desert of Arizona—not exactly the most hospitable place to cross the border.

Today, the Tucson sector sees the majority of crossings and nets large seizures of drugs. This was true even before the recent economic downturn reduced the total number of crossings Nation-wide.

Congress has poured resources into Arizona—spent billions on technology, beefed up the number of agents to historic levels, and heavily invested in infrastructure.

Most of those investments enhanced our capabilities to detect, deter, and interdict drugs and people who try to cross the border, as well as funnel people into areas that give the Border Patrol a greater chance to catch those who would otherwise succeed.

But will the increased investment in Arizona mean that other areas of the Southwest Border will become more heavily trafficked by drug cartels and illegal immigrants?

More importantly are CBP and DHS prepared to adjust as the threats change and as new tactics are used?

People who want to cross the border aren't static; they watch our agents, perform counter surveillance, and try to find gaps in our patrols, and develop new inventive ways to bring people, illicit proceeds, or their "product" across the border.

Over the last few years we've seen a proliferation of complex border tunnels used in urban areas, ultra light aircraft, and small fishing vessels called panga boats which are being discovered farther up the California coast and attempt to blend in with normal traffic.

What is most concerning to me is the threat posed by semi-submersible submarines that can carry tons of cocaine, as well as recent discoveries of fully submersibles which can be used to carry drugs, or something even worse to our shores.

That is why I have been, and continue to call for a comprehensive plan to secure the border.

Ad hoc deployments of resources to plug a hole, or address a gap that exists today without thinking about the drug cartel's next move has to be replaced with a more comprehensive analysis that anticipates weaknesses that our adversary may try to exploit as a result of our response.

The cartels have billions of dollars at their disposal and a powerful incentive—to make as much money as they can—to succeed in bringing drugs or human beings into the country.

If a cartel can smuggle drugs and people into the country, we have to recognize that as an avenue that terrorists could exploit as well.

CBP, ICE, the U.S. Coast Guard and our partners over at the Department of Defense have to be just as nimble and agile, otherwise the cartels will out-innovate and out-think us every time.

As I have called for such a more comprehensive approach from the Department, I am very interested to see how well the Customs and Border Protection Joint Field Command which integrates several of the DHS components to tackle the challenge in Arizona is part of the solution to address the complex nature of the border threat and if the Joint Field Command concept could work elsewhere as the situation requires.

One of the more encouraging elements of the recently-released Border Patrol strategy was an emphasis on the use of intelligence as well as a more risk-based approach. Using intelligence to detect patterns of illegal migration to better direct our agents in the field makes sense.

A risk-based approach which utilizes intelligence also relies heavily on technology. While I understand technology is not a panacea to solving all problems along the border, I do think it can help DHS better direct its limited resources.

I am encouraged by the use of new technology, such as Vehicle and Dismount Exploitation Radar, commonly called VADER, a wide-area surveillance tool installed on CBP UAVs that can detect the movement of both people and vehicles in the desert.

I understand this tool is extremely valuable as CBP seeks to identify and detect changing smuggling patterns. My hope is that we can continue to identify and use emerging technology to expand our ability to monitor and gain control of the border.

The primary purpose of this hearing today is not only to examine the many threats to our border security, but DHS' ability to confront them, and instead of being reactive, be proactively taking steps to better secure the border.

One of the more serious threats to border security is the idea that we are less than fully committed to enforcing our Nation's immigration laws.

As reported in the *Washington Times*, I am concerned CBP is considering a new policy to give enforcement discretion to Border Patrol agents and CBP officers in the field.

Such discretion would make a mockery of our recent efforts to secure the border, and attach consequences to repeat crossers and smugglers.

Moving forward I will be closely monitoring policy developments, and will ask that the Department fully explain any change in our border enforcement posture.

Again, I want to thank the distinguished panel of witnesses and I look forward to their testimony.

Mrs. MILLER. At this time the Chairwoman now recognizes the Ranking Member from Texas, Mr. Cuellar, for his opening statement.



Mr. CUELLAR. Thank you, Madam Chairwoman. Thank you, again, for holding today's hearing.

I would like to thank all of our witnesses for being here today, and thank you for your presence here and also for your testimony.

The purpose of this hearing is to examine how the Department of Homeland Security is working to combat the ever-changing security threats along our border. Being a resident of the border down there in South Texas and a member of this committee I have had the opportunity to see first-hand the good work that DHS, Coast Guard, the other folks here have been doing down there on the border. In recent years DHS has made enormous investment in the border security personnel, technology, and infrastructure, and there is evidence that it is—their work is paying off, but we do know that we can do better and we need to continue working down there on the border—again, not only the southern, northern, but the maritime border also.

However, these efforts are being met by efforts of drug-trafficking organizations which seemingly possess unlimited resources and funds. As law enforcement has better secured drug smugglers' usual routes along our border the drug-trafficking organizations began to use alternative means to move contraband—not only the contraband drugs but also human trafficking also.

These alternative methods include construction of border—cross-border tunnels, and the subterranean passageways, and increased use of ultralight aircrafts to get the contraband into this country undetected. Similarly, the maritime environment has seen the increase in the use of panga boats, self-propelled semi-, fully-submersible vessels for drug trafficking.

I would like to hear from our witnesses today about their experiences with these illegal tactics and what we can do to further enhance their work for combating drug trafficking. Newest efforts along the Southern Border have continued and will continue to receive a great deal of attention but we cannot forget the threats to our border also on the northern and, of course, the maritime also.

As Members of the Homeland Security Committee we know securing America's border and communities from drug trafficking efforts is an enormous task. I look forward to hearing more about how we can promote the cooperation, coordination in the interest of safety in order to secure our Nation.

One of the things I will—I would like to emphasize, also, is the results-oriented approach. I know we have invested billions of dollars on border security, if you look at the amount of dollars that we have invested, and one of the things that we will be asking a lot more in the future is, "What is the bang for the dollars? What are the performance measures? How do you measure what we are doing?" Because again, you can throw money, and throw money, and billions of dollars that we have put there, but we want to see what the results are that we are getting for that.

So to all of you all, thank you very much. Look forward to working with y'all, and thank you for this dialogue.

With that, I yield back the balance of my time.

[The statement of Ranking Member Cuellar follows:]

## STATEMENT OF RANKING MEMBER HENRY CUELLAR

JUNE 19, 2012

The purpose of this hearing is to examine how the Department of Homeland Security is working to combat the ever-changing security threats along our borders.

As a life-long resident of Laredo, Texas, and a Member of this committee, I have had the opportunity to see first-hand the good work that DHS is doing along our borders.

In recent years, DHS has made an enormous investment in border security personnel, technology, and infrastructure, and there is evidence their work is paying off.

However, these efforts are being met by the efforts of drug trafficking organizations, which seemingly possess unlimited resources and funds.

As law enforcement has better secured drug smugglers' usual routes across our borders, the drug trafficking organizations have begun to use alternative means to move contraband.

These alternative methods include the construction of cross-border tunnels and subterranean passageways, and increased use of ultralight aircrafts to get their contraband into this country undetected.

Similarly, the maritime environment has seen an increase in the use of panga boats, self-propelled semi- and fully-submersible vessels for drug trafficking.

I would like to hear from our witnesses today about their experiences with these illegal tactics, and what we could do to further enhance their work combating drug trafficking.

U.S. efforts along the Southern Border have and continue to receive a great deal of attention, but we cannot forget that there are threats to all of our borders—Northern, Southern, and maritime.

As Members of the Committee on Homeland Security, we know securing America's borders and communities from drug trafficking, and its effects, is an enormous task.

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.

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

Mrs. MILLER. Thank the gentleman very much. Other Members are reminded that their testimony may be submitted for the record.  
[The statement of Ranking Member Thompson follows:]

## PREPARED STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

Today, the subcommittee is examining the Department of Homeland Security's response to tactics used by smugglers and traffickers who seek to cross our Nation's borders.

The Department of Homeland Security has made unprecedented efforts to better secure our borders in recent years, with the support of Congress.

In response, cartels and other criminal organizations are exploiting different methods to bring their contraband into this country.

For example, these organizations may seek to use semi- or fully-submersible vessels to move their narcotics from the source zones in Latin America closer to their destination in the United States.

They may build or exploit existing border tunnels to evade the Border Patrol and secret their drugs into the country.

Or they may seek to bring drugs into the United States via boat from Mexico, landing on the coast of California rather than risking detection attempting to come across the land border.

It is important to understand the various methods being used by these smuggling and trafficking organizations, to try to stay a step ahead of them.

At the same time, it is worth stating that many of these so-called "innovative" tactics and techniques are neither new nor unknown to DHS and other law enforcement.

Furthermore, these tactics represent only a small part of the smuggling and trafficking threat to the United States.

The overwhelming majority of illegal narcotics still enter the United States either hidden in vehicles or on individuals coming through our ports of entry, or are smuggled through traditional means between the ports of entry.

DHS needs to combat these unusual tactics, but must also keep them in perspective if we are to be successful in addressing the broader problem.

I look forward to hearing from our witnesses today about how their agencies are working to address border security threats, with an emphasis on the communication and coordination among agencies.

I am particularly pleased to have Admiral Michel of Joint Interagency Task Force-South with us today.

I have had the opportunity to be briefed at JIATF-South and see the work the men and women of that interagency organization are doing in conjunction with their counterparts at DHS and across the Federal Government.

I look forward to an update on their efforts and a frank discussion about the challenges they face.

Finally, I would note that I was disappointed that Gen. Michael Kostelnik, the Assistant Commissioner for CBP Air and Marine, is not appearing at today's hearing as originally planned.

One of the key ways DHS has attempted to respond to border security threats over the last decade is through the acquisition and deployment of costly Unmanned Aircraft Systems (UASs).

I had hoped to discuss with Gen. Kostelnik some rather troubling conclusions reached by the DHS Inspector General in a recent report on CBP's use of UASs and their usefulness along our borders.

It is my understanding that he will instead appear before another of the committee's subcommittees later this week, at which time I hope to address this important issue with him.

Mrs. MILLER. I will just introduce all the witnesses and then we will start with Ms. Bucella.

Donna Bucella is the assistant commissioner of CBP's Office of Intelligence and Investigative Liaison. She has an extensive background in law enforcement, terrorist screening, and security, including having served as the first director of the Terrorist Screening Center at the FBI.

Ms. Bucella directed the first consolidation of all terrorist watch lists and developed the coordination of antiterrorism efforts between law enforcement, the military, DHS, the private sector, and the intelligence community. She has also served in the United States Army and retired at the rank of colonel.

James Dinkins is the executive associate director of Homeland Security Investigations at the U.S. Immigration and Customs Enforcement. In this role he has direct oversight of ICE's investigative and enforcement initiatives and operations targeting cross-border criminal organizations that exploit Americans—America's legitimate travel, trade, financial, and immigration systems for their illicit purposes.

Rear Admiral William Lee is the deputy for operations policy and capabilities for the United States Coast Guard. In this role he oversees integration of all operations, capability, strategy, and resource policy. He spent 13 years in six different command assignments and spent a career specializing in boat operations and search and rescue.

Rear Admiral Charles Michel is the director of the Joint Interagency Task Force-South. In that role he is responsible for detection, monitoring, and interdiction of illicit trafficking and other narcoterrorist threats within the task force area of responsibility. Previously he served as the military advisor to the secretary of Homeland Security and director for governmental and public affairs for the United States Coast Guard.

So we have a fantastic lineup of witnesses today and we certainly are looking forward to all of your testimony.

The Chairwoman now recognizes Ms. Bucella for her opening statement.

**STATEMENT OF DONNA A. BUCELLA, ASSISTANT COMMISSIONER, OFFICE OF INTELLIGENCE AND INVESTIGATIVE LIAISON, U.S. CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY**

Ms. BUCELLA. Thank you.

Chairman Miller, Ranking Member Cuellar, it is a pleasure to appear before you today to discuss United States Customs and Border Protection's efforts to secure our Nation's border. As America's front-line border agency CBP is responsible for securing America's borders against threats while facilitating legitimate trade and travel. To do this we have employed a multi-layered, risk-based approach which reduces our reliance on any single point or program that could be compromised. It also extends our zone of security outward, ensuring that our physical border is not the first or the last defense, but one of many.

The result of this prioritization to the border and our layered approach to security are clear. In fiscal year 2011 Border Patrol apprehensions along the Southwest Border decreased 53 percent since fiscal year 2008. We matched these decreases in apprehensions with increases in seizures of cash, drug, and weapons. In fiscal year 2011 CBP seized more than \$126 million in illegal currency and nearly 5 million pounds of narcotics Nation-wide.

At the same time, according to the 2010 FBI crime reports, violent crime in the Southwest Border States dropped by an average of 40 percent in the last 2 decades. Every measure we are making significant progress.

However, we must remain vigilant and focus on building upon an approach that puts CBP's greatest capabilities in place to combat the greatest risks. We acknowledge there is still much more work to do. We remain concerned about the drug cartel violence taking place in Mexico and continue to stand vigilant against the possibility of spillover effects in the United States.

To meet these challenges of the complex environments in which we operate and address the evolving smuggling techniques we encounter CBP monitors, collects, analyzes, and produces intelligence reporting on drug smuggling tactics, techniques, and procedures. In addition, we disseminate information to and from our law enforcement and international partners to CBP operational components.

Due to increased CBP land and air interdiction efforts against—along the U.S.-Mexico border, drug and human smuggling organizations are increasingly turning to maritime smuggling routes to transport contraband into the United States. Mexican smuggling organizations use a variety of methods to enter the United States via maritime routes, including the use of small, open vessels known as pangas. These wood or fiberglass homemade fishing vessels use their relatively high-speed and small radar signature capabilities under the cover of darkness in an attempt to evade detection by CBP and the United States Coast Guard.

A recent trend identified off the California coast is a shift from using smaller pangas to using larger pangas that transit further out to sea and land and further up the California coast. To date,

in fiscal year 2012 over 27,000 kilos of marijuana have been seized in 37 maritime events.

In addition to using pangas, the TCOs have also built and deployed self-propelled semi-submersible vessels in the Eastern Pacific and Western Caribbean. These vessels are designed to sit low in the water in an attempt to avoid detection by air and marine assets of the United States and our partner nations. In three separate incidents in 1-week period CBP's P-3 aircraft assisted in the interdiction of an SPSS and two vessels carrying at least 8,000 kilos of cocaine, for a combined street value of \$1.3 billion.

In addition, TCOs have also turned to using ultralights to fly across the Southwest Border and air-drop marijuana cargo to waiting ground crews. This fiscal year there have been 55 confirmed ultralight events, resulting in 17 narcotic seizures, 11 arrests, and two ultralights aircraft seized. Currently, CBP's Air and Marine Operation Center uses an extensive airspace monitoring capabilities as well as DOD and civilian radar capabilities to identify and track suspect ultralight aircraft.

Tunnels are yet another method used smuggling drugs across the border. To date, there have been approximately 154 illicit cross-border tunnels discovered.

When tunnels are detected each of the Southwest Border sectors follow established protocols, working closely with ICE, DEA, and FBI and the Tunnel Task Force. CBP hosts a weekly teleconference with our State and local partners regarding the current state of the Southern Border in order to monitor emerging trends and threats along the Southwest Border and provide a cross-component, multi-agency venue for discussing trends and threats. The weekly briefing focuses on CBP narcotics, weapons seizures, currency interdictions, and alien apprehensions, both at and between the ports of entry on the Southwest Border.

Based on the success of the State of the Southern Border, CBP has implemented a State of the U.S.-Canadian Border teleconference. This monthly teleconference is produced collaboratively with RCMP and CBSA as well as with our law enforcement partners on both sides of the Canadian border. This has been well received.

Chairman Miller, Ranking Member Cuellar, Members of the subcommittee, thank you for this opportunity to testify about the good work of CBP, and I look forward to answering any of your questions.

[The statement of Ms. Bucella follows:]

PREPARED STATEMENT OF DONNA A. BUCELLA

JUNE 19, 2012

INTRODUCTION

Chairman Miller, Ranking Member Cuellar, and distinguished Members of the subcommittee, it is a pleasure to appear before you today to discuss U.S. Customs and Border Protection's (CBP) efforts to secure our Nation's borders.

As America's front-line border agency, CBP is responsible for securing America's borders against threats while facilitating legal travel and trade. To do this, CBP has deployed a multi-layered, risk-based approach to enhance the security of our borders while facilitating the lawful flow of people and goods entering the United States. This layered approach to security reduces our reliance on any single point or program that could be compromised. It also extends our zone of security outward, en-

sure that our physical border is not the first or last line of defense, but one of many.

I would like to begin by recognizing those at the Department of Homeland Security (DHS) who have given their lives in service to our Nation. The loss of these brave agents and officers is a stark reminder of the sacrifices made by the men and women of DHS every day. It also strengthens our resolve to continue to do everything in our power to protect against, mitigate, and respond to threats and secure our border.

#### OVERVIEW OF BORDER SECURITY EFFORTS

Over the past 3 years, the DHS has dedicated historic levels of personnel, technology, and resources in support of our border security efforts. Most recently, the President's fiscal year 2013 budget request continues these efforts by supporting the largest deployment of law enforcement officers to the front line in our agency's history: More than 21,300 Border Patrol agents; 1,200 Air and Marine agents; and 21,100 CBP officers; working 24/7 with State, local, Tribal, and Federal law enforcement to target illicit networks trafficking in people, drugs, weapons, and money. Over the last year, we have brought greater unity to our enforcement efforts, expanded collaboration with other agencies, and improved response times.

CBP has also deployed additional technology assets—including mobile surveillance units, thermal imaging systems, and large- and small-scale non-intrusive inspection equipment—along our Nation's borders. CBP currently has over 270 aircraft, including nine Unmanned Aircraft Systems (UAS) and more than 300 patrol and interdiction boats that provide critical aerial and maritime surveillance and operational assistance to personnel on the ground. The UAS program is rapidly changing how ground assets are deployed, supplying Border Patrol Agents with unparalleled situational awareness through the UAS's broad area electronic surveillance capabilities. Going forward, CBP will continue to integrate the use of these specialized capabilities into the daily operations of CBP's front-line personnel to enhance our border security efforts.

The results of this prioritization to the border and our layered approach to security are clear. In fiscal year 2011, Border Patrol apprehensions along the Southwest Border—a key indicator of illegal immigration—decreased 53 percent since fiscal year 2008, and are less than one-fifth of what they were at their peak in 2000. We have matched these decreases in apprehensions with increases in seizures of cash, drugs, and weapons. During fiscal years 2009 through 2011, DHS seized 74 percent more currency, 41 percent more drugs, and 159 percent more weapons along the Southwest Border as compared to fiscal year 2006–2008. In fiscal year 2011, CBP seized more than \$126 million in illegal currency and nearly 5 million pounds of narcotics Nation-wide. At the same time, according to 2010 Federal Bureau of Investigation (FBI) crime reports, violent crimes in Southwest Border States have dropped by an average of 40 percent in the last 2 decades.

Every key measure shows we are making significant progress; however, we must remain vigilant and focus on building upon an approach that puts CBP's greatest capabilities in place to combat the greatest risks.

We acknowledge that there is still work to do. We remain concerned about the drug cartel violence taking place in Mexico and continue to stand vigilant against the possibility of spillover effects in the United States. We will continue to assess the situation and support the investments in the manpower, technology, and resources that have proven so effective over the past 2 years in order to keep our borders secure and the communities along them safe.

We are also concerned about the increasing influence of Mexican Drug Trafficking Organizations (DTOs) over U.S.-based gangs as a way to expand their domestic distribution process. Gang members are heavily involved in the domestic distribution of narcotics and, to a much lesser extent, the actual movement of contraband across the Southwest Border. The Mexican Mafia and Barrio Aztecas are two examples of U.S.-based gangs with significant ties to Mexican DTOs that operate on both sides of the border. In an effort to combat the threat of transnational criminal gangs, CBP developed the Anti-Gang Initiative (AGI). The AGI is a multi-year strategic plan to combat transnational criminal gangs. It focuses on the effective management and coordination of CBP personnel, systems, and resources to detect, disrupt, and interdict criminal gang members and their illicit cross-border activities.

The CBP Office of Intelligence and Investigative Liaison (OIIL) supports AGI efforts by facilitating the sharing of intelligence generated by multiple Federal, State, and local agencies. OIIL assets are embedded within both the Operations Section—Gangs located within the Special Operations Division at the Drug Enforcement Administration (DEA), and the FBI's Criminal Investigation Division. As a contrib-

uting member to both these operations, CBP has access to operational intelligence that is generated not only by the DEA, but also by our other law enforcement partners, including the FBI, U.S. Marshals Service, Bureau of Prisons, and U.S. Immigration and Customs Enforcement (ICE).

#### OVERVIEW OF SMUGGLING METHODS

CBP's mission is complex and challenging. Vast expanses of remote and rugged terrain between our ports of entry (POEs), coupled with the large volumes of trade and traffic at our POEs, are targeted for exploitation by smugglers and other cross-border criminal organizations. Smugglers use a wide range of ever-evolving methods to attempt to move their illicit goods into the United States both at and between our POEs, including the subterranean movement of contraband by way of tunnels. Smugglers move people, weapons, cash, narcotics and other contraband, which are concealed on people, in vehicles, in cargo, and on aircraft and marine vessels. On a typical day, CBP seizes more than 6,200 kilograms (13,700 pounds) of drugs and nearly \$350,000 in undeclared or illicit currency. The Southwest Border is the primary entry point for cocaine, heroin, marijuana, and methamphetamine entering the United States.

To meet the challenges of the complex environments in which we operate and address the evolving smuggling techniques we encounter, CBP monitors, collects, analyzes, and produces intelligence reporting on drug smuggling tactics, techniques, and procedures. In addition, our analysts disseminate information and intelligence to and from our Federal, State, local, Tribal, and international partners to CBP operational components. This reporting provides our field leadership and front-line personnel with a better understanding of the illicit transportation methods and concealment techniques they are likely to encounter. It also ensures our law enforcement partners are aware of the trends and techniques encountered by CBP.

To detect this contraband in vehicles and other conveyances, CBP employs a wide range of interdiction methods to include behavioral observation, fiber-optic scopes, and non-intrusive inspection (NII) technologies, as well as the intuition of our well-trained officers and agents. NII technologies, to include large-scale X-ray and Gamma-ray imaging systems, are an important part of our layered enforcement strategy. These technologies are deployed at our Nation's air, sea, and land border POEs to screen and identify anomalies that may indicate the presence of contraband or other illegal materials. These NII technologies are force multipliers that enable us to scan or examine a larger portion of the people, conveyances, and cargo entering and exiting the United States for the presence of contraband, while continuing to facilitate the flow of legitimate trade and travel.

NII technologies also give CBP the capability to perform thorough examinations of conveyances and cargo without having to resort to the more costly, time-consuming, and intrusive process of manual searches. NII technologies are also the only effective means of screening the large volume of rail traffic entering the United States from Mexico. CBP currently has eight rail imaging systems deployed to the Southwest Border commercial rail crossings. These rail systems currently provide CBP with the capability to image and scan 100 percent of all commercial rail traffic arriving in the United States from Mexico. The rail NII imaging technology is bi-directional, which provides CBP with the added capability to image southbound trains. In March 2009, CBP began conducting 100 percent outbound screening of rail traffic departing the United States for Mexico for the presence of contraband, such as explosives, weapons, and currency.

Through funding received from the American Recovery and Reinvestment Act, CBP has procured one high-energy integrated rail replacement system for deployment to the Southwest Border. The system, a dual function radiography/radiation detection unit, is currently undergoing testing and evaluation. CBP anticipates deploying this system in the next few months.

It is our assessment that CBP land and air interdiction efforts along the U.S.-Mexico border, drug and human smuggling and trafficking organizations are increasingly turning to maritime smuggling routes to transport contraband into the United States. Mexican smuggling organizations use a variety of methods to enter the United States via maritime routes, including the use of small open vessels known as "pangas." These small, wood or fiberglass, homemade fishing vessels use their relatively high speed and small radar signature capabilities under the cover of darkness to attempt to evade detection by CBP and U.S. Coast Guard (USCG) surface patrol vessels and patrol aircraft.

A recent trend identified off the California coast is a shift from using smaller panga vessels that make quick cross-border dashes onto beach areas near San Diego to using larger pangas that transit further out to sea and land further up the Cali-

ifornia coast. These larger, higher-powered pangas often range in size up to 50 feet in length and are capable of carrying multi-ton loads of contraband.

These pangas transit from locations south of the U.S.-Mexico border to smuggle humans and tons of contraband, primarily marijuana. One of the largest panga boats discovered to date, in April 2012, was discovered beached near Santa Barbara and found with trace amounts of cocaine. To date in fiscal year 2012, over 60,000 pounds of marijuana has been seized in 37 maritime events. Of these 37 events, 27 involved panga vessels originating from Mexico.

CBP is taking the northern shift in California-based smuggling by panga vessels very seriously and is evaluating a number of options to aggressively address these tactics, including adding marine patrol aircraft and expanding our partnerships with State, local, and Federal law enforcement partners to base additional coastal marine patrol vessels in the area.

Mexican smuggling organizations also use pleasure boats in a number of areas in an attempt to blend in with legitimate boaters and transport contraband during broad daylight. Smuggling operations using this technique rely on the sheer number of similar pleasure boats on U.S. waters on any given day to blend in.

Another method of smuggling contraband into the United States via the marine environment is through the use of small commercial fishing and shrimping vessels in areas where there are commercial fishing fleets. Similar to the pleasure boat smuggling outlined above, this smuggling method relies on blending in with normal boating traffic in an effort to elude detection.

Mexican smuggling organizations also attempt to transport contraband across rivers via high-speed vessels. The limited crossing distance in many areas means that these high-speed vessels can cross in a matter of seconds. To counter this threat, CBP has an array of vessels assigned to its riverine patrol stations, and also uses a variety of shore-side sensors and agents in high-threat areas.

Given the wide variety of maritime smuggling threats posed by Mexican smuggling organizations, CBP uses a mix of coastal interceptor and riverine patrol vessels equipped with marine surface search radars and electro optic infrared sensors. These vessels and the CBP marine crews who operate them are in the water, identifying and intercepting pangas, go-fasts, and shark boats—pleasure and fishing boats used by Mexican smuggling organizations. Additionally, CBP Office of Air and Marine (OAM) uses an array of patrol aircraft equipped with marine search radars and electro optic infrared sensors to conduct periodic patrols of the maritime approaches to the United States.

In addition to using pangas, the DTOs continue to build and deploy Self-Propelled Semi-Submersible (SPSS) vessels in the Eastern Pacific and Western Caribbean. These vessels are designed to sit low in the water in an attempt to avoid detection by the air and marine assets of the United States and our partner nations. In three separate incidents in a 1-week period, CBP OAM P-3 aircraft assisted in the interdiction of a SPSS carrying close to 14,000 pounds of cocaine, and two vessels carrying more than 4,400 pounds of cocaine with a combined street value of more than \$1.3 billion.

The OAM P-3 fleet has been an integral part of successful counter-narcotics missions undertaken by the United States, operating in coordination with DEA and the Joint Interagency Task Force-South (JIATF-S). The P-3s patrol in a 42 million-square-mile area of the Western Caribbean and Eastern Pacific, known as the Source and Transit Zone, in search of drugs that are in transit toward United States' shores. The P-3s' distinctive detection capabilities allow highly-trained crews to identify emerging threats well beyond the land borders of the United States. By providing surveillance of known air, land, and maritime smuggling routes in an area that is twice the size of the continental United States, the P-3s detect, monitor, and work with USCG partners to disrupt smuggling activities before they reach the shore.

So far in fiscal year 2012, the P-3 patrols have continued to demonstrate success in interdicting smuggling attempts. In two separate incidents during late March and early April, CBP P-3 aircraft detected northbound go-fast vessels carrying bales of suspected contraband. In both instances, these vessels were stopped and boarded by partner-nation law enforcement agencies, resulting in the combined seizure of more than 4,400 pounds of cocaine.

To date in fiscal year 2012, P-3s operating out of Florida and Texas have assisted in seizures and disruptions totaling \$4.6 billion. During fiscal year 2011, the P-3 fleet seized or disrupted more than 148,000 pounds of cocaine valued at more than \$11.1 billion.

In addition to using proven and new maritime smuggling methods, DTOs have also turned to new methods of smuggling by air. One method that has emerged in recent years has been the use of ultralight aircraft. Under the cover of darkness,



ultralights fly across the Southwest Border and airdrop marijuana cargo to waiting ground crews. The load size ranges from 200 to 220 pounds of marijuana. During fiscal year 2011, there were 101 confirmed ultralight events, with 28 narcotics seizures, 16 arrests, and three ultralight aircraft seized. From October 1, 2011, through June 1, 2012, there were 55 confirmed ultralight events resulting in 17 narcotics seizures, 11 arrests, and two ultralight aircraft seized. Currently, the CBP Air and Marine Operations Center, located in Riverside, California, uses its extensive airspace monitoring capabilities, as well as the radar capabilities of the Department of Defense and civilian radar capabilities, to identify and track suspect ultralight aircraft incursions. CBP is also working to procure a radar solution specifically designed to detect ultralight aircraft.

An additional smuggling method is the use of tunnels under the international border. The first tunnel was discovered by the U.S. Border Patrol in 1990, and CBP has seen an increase of tunneling activity in the past few years. As of March 31, 2012, there have been 155 illicit cross-border tunnels discovered—154 along the Southwest Border and one discovered along the Northern Border near Lynden, Washington (July 2005). The tunnel threat consists of four categories of tunnels: Conduit, rudimentary, interconnecting, and sophisticated. When tunnels are detected, each Southwest Border sector follows established protocols for coordination, confirmation, assessment, investigation, exploitation, and remediation. On March 4, 2010, the Office of Border Patrol was designated the lead office of the CBP Tunnel Detection and Technology Program with program support from the CBP Office of Technology Innovation and Acquisition (OTIA). This program has worked to integrate the efforts of DHS, CBP, ICE-HSI, DHS Science and Technology Directorate (S&T), the Drug Enforcement Administration, and the Joint Task Force-North into a single entity that will address tunnel-related activities and technology.

In November 2011, the San Diego Tunnel Task Force discovered two tunnels and seized 52 tons of marijuana. The first tunnel, discovered on November 15, 2011, was a sophisticated 400-yard underground cross-border tunnel that was over 40 feet deep and was equipped with rail, lighting, and ventilation systems. The discovery of this tunnel resulted in the seizure of 18 tons of marijuana. The second tunnel, which was discovered on November 29, 2011, was also a sophisticated tunnel equipped with lighting and ventilation systems. This tunnel discovery resulted in the seizure of 34 tons of marijuana. The two discoveries are the result of collaboration between CBP, ICE, and DEA along with other agencies, and the use of state-of-the-art electronic surveillance technology to investigate cross-border smuggling by criminal organizations.

During fiscal year 2012 (through March 31, 2012), 11 additional tunnels were detected—all along the Southwest Border—with six discoveries in the San Diego Sector and five discoveries in the Tucson Sector.

#### WORKING TOGETHER TO THWART SMUGGLING

In addition to the tools that CBP uses to thwart smuggling attempts, CBP works with our Federal, State, local, Tribal and international partners to address smuggling along the Southwest Border and to combat transnational threats.

CBP hosts a weekly briefing/teleconference with State and local partners regarding the current state of the border, in order to monitor emerging trends and threats along the Southwest Border and provide a cross-component, multi-agency venue for discussing trends and threats.

The weekly briefing focuses on CBP narcotics, weapons, and currency interdictions and alien apprehensions both at and between the POEs across the Southwest Border. These briefings/teleconferences currently include participants from: U.S. Coast Guard; DEA; FBI; ICE; U.S. Northern Command; Joint Interagency Task Force-North; Joint Interagency Task Force-South; Bureau of Alcohol, Tobacco, Firearms, and Explosives; U.S. Attorneys' Offices; Canada Border Services Agency; Naval Investigative Command; State Fusion Centers; and local law enforcement.

Based on the success of the State of the Southwest Border briefing/teleconference, CBP implemented a State of the U.S./Canada Border briefing and teleconference. This monthly teleconference is produced collaboratively with our Royal Canadian Mounted Police and Canadian Border Services Agency partners, and has been well received by law enforcement agencies on both sides of our border with Canada.

Moreover, CBP has increased partnerships with Federal, State, local, and Tribal law enforcement agencies and our Mexican counterparts, as well as with the public and private sectors. Coordination and cooperation among all entities that have a stake in our mission have been, and continue to be, paramount to an effective Southwest Border strategy. CBP is working closely with Federal, State, local, Tribal, and international partners to increase intelligence and information sharing. A Proc-

essing, Exploitation, and Dissemination cell has been established at the OAM facilities in Riverside, California, and Grand Forks, North Dakota, to provide essential information to law enforcement across the Nation—increasing understanding of evolving threats and providing the foundation for law enforcement entities to exercise targeted enforcement in the areas of greatest risk. This intelligence-driven approach prioritizes emerging threats, vulnerabilities, and risks, which greatly enhances our border security efforts.

An example of our collaborative efforts along the Southwest Border is the Alliance to Combat Transnational Threats (ACTT) in Arizona. ACTT is a collaborative enforcement effort, established in September 2009, that leverages the capabilities and resources of more than 60 Federal, State, local, and Tribal agencies in Arizona and of agencies of the government of Mexico to combat individuals and criminal organizations posing a threat to communities on both sides of the border. Through ACTT, we work with our Federal, State, local, and Tribal law enforcement partners to increase collaboration; enhance intelligence and information sharing; and develop coordinated operational plans that strategically leverage the unique missions, capabilities, and jurisdictions of each participating agency. Since its inception, the work of ACTT has led to the seizure of more than 1.2 million kilograms (2.7 million pounds) of marijuana, more than 3,800 kilograms (8,400 pounds) of cocaine, and nearly 1,400 kilograms (3,000 pounds) of methamphetamine; more than \$31 million in undeclared U.S. currency and 525 weapons; and approximately 427,000 apprehensions between POEs.

CBP is working closely with DHS S&T to evaluate technologies against a wide range of land and maritime border threats. Efforts include test beds on the Northern and Southern Borders to evaluate border tripwires, acoustic sensors to detect ultralights, and air-based wide-area surveillance sensors. A port security test bed has been established to develop improved maritime situational awareness and information-sharing capabilities for the USCG and CBP. As part of the Beyond the Border initiative with Canada, CBP and S&T are establishing a Canada and U.S. Sensor Sharing Pilot. The cross-border pilot will consist of sharing sensor information between CBP agents and Royal Canadian Mounted Police on the Northern Border in the area of Swanton, Vermont.

Beyond these measures, we have taken additional steps to bring greater unity to our enforcement efforts, expand coordination with other agencies, and improve response times. Last February, we announced the Arizona Joint Field Command—an organizational realignment that brings together Border Patrol, Air and Marine, and Field Operations under a unified command structure to integrate CBP's border security, commercial enforcement, and trade facilitation missions to more effectively meet the unique challenges faced in the Arizona area of operations.

Focusing on leading threat indicators, CBP developed and implemented the South Texas Campaign (STC) to identify and address current and emerging threats along the South Texas border. Through intelligence-sharing, integration of law enforcement resources, and enhanced coordination and cooperation with the government of Mexico, the STC conducts targeted operations to disrupt and degrade the ability of transnational criminal organizations to operate throughout the South Texas Corridor, while simultaneously facilitating legitimate trade and travel.

Additionally, CBP participates in ICE-led Border Enforcement Security Taskforces (BESTs), which are composed of Federal, State, local, and international law enforcement stakeholders. BESTs currently operate in 31 locations, including 11 along the Southwest Border. BESTs bring Federal, State, local, territorial, Tribal, and foreign law enforcement together to work to increase security along the border. In fiscal year 2011, BESTs made 2,257 criminal arrests and 1,134 administrative arrests; and Federal prosecutors obtained 1,372 indictments and 1,193 convictions in BEST-investigated cases.

Through collaboration and coordination with our many Federal, State, local, Tribal, and international government partners, we have made great strides with regard to the integrity and security of our borders. With your continued assistance, we will continue to refine and further enhance the effectiveness of our detection and interdiction capabilities.

#### CONCLUSION

Chairman Miller, Ranking Member Cuellar, and Members of the subcommittee, thank you for this opportunity to testify about the work of CBP. We are committed to providing our front-line agents and officers with the tools they need to effectively achieve their mission of securing America's borders and facilitating the movement of legitimate travel and trade. I look forward to answering any questions you may have at this time.

Mrs. MILLER. Thank you very much.  
The Chairwoman now recognizes Mr. Dinkins.

**STATEMENT OF JAMES A. DINKINS, EXECUTIVE ASSOCIATE DIRECTOR, HOMELAND SECURITY INVESTIGATIONS, U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, DEPARTMENT OF HOMELAND SECURITY**

Mr. DINKINS. Good morning.

Chairman Miller, Ranking Member Cuellar, and distinguished Members of the subcommittee, I want to thank you for the opportunity to appear before you today. It is my pleasure to be a member of this panel and discuss Homeland Security Investigation's efforts to disrupt and dismantle transnational criminal organizations and the threat they pose to our border security.

There is no question that criminal organizations and the techniques they have used to smuggle items into the United States have evolved over the last few years. Often these changes are a direct response to our security efforts at the border. I can assure you the thousands of men and women who are members and represented here behind our organizations are making a difference.

We are putting pressure on these organizations like never before. For example, as a result of our efforts on the Southwest Border TCOs are increasingly resorting to constructing sophisticated and expensive subterranean tunnels in an attempt to tunnel their way underneath our border efforts. Since 1990, when the first tunnel was discovered, we have seen an increase in the number of subterranean tunnels, the sophistication of those tunnels, as well as an increase in the use of sophisticated tunnels east of California, in places like Arizona.

We have also seen an increase in the use of the small vessels, as Ms. Bucella stated, called pangas. We have two pictures here of what a panga looks like. These are merely 26-foot pangas, which were originally a San Diego-area smuggling phenomenon, but now, in recent months, we are seeing pangas as long as 50 feet and venturing hundreds of miles north of the Mexican border.

They are also increasing the number of illegal aliens they are bringing in on pangas as well as the quantity of narcotics that are being smuggled on these pangas. For example, just last week a California National Guardsman reported suspicious vessel off the Malibu coast in California. CBP was alerted and responded along with HSI and the Ventura County sheriff's office, and our collective efforts paid off.

The panga was interdicted about a few hundred miles north of Mexico with three smugglers aboard and carrying a payload of over 4,000 pounds of marijuana. In addition, our efforts resulted in the arrests and Federal prosecution of the offload crew, consisting of 17 members who were waiting on shore to transport and distribute the drugs.

In addition to having observed a change in the smuggling concealment techniques, HSI has also seen a change in the diversification of smuggling organizations. In the world of international smuggling where the stakes are high we have seen TCOs that once engaged in smuggling a single type of narcotics or a single type of contraband expanding their portfolio to include multiple types of

drugs or, in some cases, aliens, counterfeit goods, or other contraband, where the profits remain high but the perceived threat of capture and significant jail time is low.

For example, along the Northern Border, from our BEST in Blaine, Washington to our BESTs in Detroit and Buffalo, and our most recent BEST in Messena, New York, we have seen Canadian DTOs that at one time fueled their criminal enterprises by smuggling marijuana into the United States and bulk cash smuggling the proceeds north into Canada, now these same organizations are involved in not only smuggling high-grade marijuana into the United States, but after the marijuana is sold in the United States they use the proceeds to purchase cocaine from Mexican DTOs. The cocaine is then smuggled north into Canada, where it can be sold at substantial profits, effectively doubling or tripling their criminal proceeds.

Another example of TCOs identifying and using new methods to gain entry into the United States involves using stolen corporate and business identities to smuggle counterfeit goods into the United States. This scheme not only victimizes the rightful intellectual property holder but also victimizes the corporations or businesses that had their legitimate identities stolen and used in elaborate international intellectual property theft schemes.

Just recently we took down an undercover investigation led by our HSI special agent in charge in Newark, New Jersey with assistance from CBP, the FBI, and many of our other law enforcement partners. The IP theft investigation dismantled a TCO through the arrest of 28 suspects and the seizure of over \$300 million in counterfeit goods had they made the way into the commerce.

Through the HSI undercover investigation we learned first-hand about how the organization's smuggling scheme involved the theft of legitimate corporate and business identities to be used on importation records for international shipments containing huge loads of counterfeit goods.

These are just a few of examples on what trends we are seeing and facing each and every day. In collaboration with DOD the One DHS approach—working with our State and local law enforcement partners—is making a difference.

I want to thank you again for the opportunity to be here today and I look forward to answering any questions you may have.

[The statement of Mr. Dinkins follows:]

PREPARED STATEMENT OF JAMES A. DINKINS

JUNE 19, 2012

INTRODUCTION

Chairman Miller, Ranking Member Cuellar, and distinguished Members of the subcommittee: On behalf of Secretary Napolitano and Director Morton, thank you for the opportunity to appear before you today to discuss the efforts of U.S. Immigration and Customs Enforcement (ICE) to address border security threats to the United States, our response to innovative tactics and techniques being used by transnational criminal organizations (TCOs), and how Homeland Security Investigations (HSI) is working to investigate, disrupt, and dismantle the TCOs.

ICE has the most expansive investigative authority and largest force of investigators in the Department of Homeland Security (DHS). With more than 20,000 employees and a budget of nearly \$6 billion, ICE has nearly 7,000 special agents assigned to more than 200 cities throughout the United States and 71 offices in 47

countries worldwide. HSI is well-positioned to disrupt and dismantle transnational criminal networks by targeting the illicit pathways and organizations that engage in human smuggling and produce, transport, and distribute illicit contraband.

HSI targets TCOs at every critical phase in the cycle: Internationally in cooperation with foreign counterparts, where transnational criminal and terrorist organizations operate; at our Nation's physical border and ports of entry (POEs) in coordination with U.S. Customs and Border Protection (CBP), where the transportation cells attempt to exploit America's legitimate trade, travel, and transportation systems; and in coordination with our Federal, State, local, and Tribal law enforcement partners throughout the United States, where criminal organizations earn substantial profits off the smuggling of aliens and narcotics.

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 Federal, State, local, Tribal, and international partners toward our mission to uphold public safety and protect National security.

#### *Illicit Pathways Attack Strategy (IPAS)*

Last July, an important step in fighting transnational crime was taken when the administration issued its Strategy to Combat Transnational Organized Crime (TOC Strategy). This strategy complements the current National Security Strategy, and other National strategies such as the National Drug Control 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 international partners to do the same.

HSI designed the IPAS to build, balance, and integrate its authorities and resources, both domestic and foreign, in a focused and comprehensive manner to target, disrupt, and dismantle transnational organized crime. As recognized in the TOC Strategy, resources are not limitless, and targets must be prioritized in a systematic manner. The IPAS will provide a mechanism for ICE to prioritize threats and vulnerabilities within its mission and to coordinate its own efforts internally and within the interagency.

The IPAS goes beyond the Nation's physical borders. We are working with our international 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 that will be conducted with the appropriate agencies having authority, such as coordination with the DEA on drug-related matters:

- Attacking criminal networks within and beyond our borders;
- Prioritizing networks and pathways that pose the greatest threats;
- Participating in and facilitating robust interagency engagement; and
- Pursuing a coordinated, regional approach that leverages international 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. HSI is the lead Federal agency responsible for investigation of human smuggling, and this core mission function directly impacts National security, public safety, and human dignity. Human smuggling is also a crime that converges with other threats. For example, many human smuggling networks rely upon corrupt public officials to facilitate their efforts. Mexican drug cartels earn large quantities of money by charging human smugglers for permission to use their drug routes to enter the United States. These networks also are involved in bulk cash smuggling, trade-based money laundering, illicit finance schemes, and the use of hawalas and other money or value transfer services to move, transfer, and launder their proceeds.

While our initial focus of the IPAS has been on human smuggling, in the coming months we plan to expand this strategy to include illicit finance and, eventually, every HSI investigative program area. These initiatives will be established by following all mandated protocols based on other U.S. Government authorities and Memoranda of Understanding with other Federal agencies.

The IPAS combines traditional law enforcement investigations and prosecutions with efforts to overtly disrupt and deter the underlying criminal activity. Experience has shown that if we simply try to disrupt criminal activity by focusing law enforcement action in one geographic area, we only succeed in “squeezing the balloon,” and criminal organizations will quickly adapt and shift to an area where detection or

interdiction by law enforcement is less likely. HSI's goal is to not only stop individual criminals, but also to stop or reduce the criminal activity and dismantle the entire criminal enterprise.

#### *Illegal Tunneling on the Southwest Border*

The use of clandestine cross-border tunnels represents a growing threat to border security, and has been on the rise since the first documented tunnel was discovered in 1990. Since then, 156 tunnel attempts have been discovered, all but one of which were located along the Southwest Border. Over the past several years, HSI has seen a marked increase in not only the number, but also the sophistication of tunnels discovered.

In 2003, HSI created the multi-agency San Diego Tunnel Task Force (TTF) to identify, disrupt, and dismantle TCOs that seek to exploit the border between the United States and Mexico by constructing subterranean tunnels and passageways for the purpose of smuggling. In 2006, HSI incorporated the San Diego TTF into the newly-established Border Enforcement Security Task Force (BEST) to promote border-related coordination between Federal, State, local, Tribal, and international law enforcement agencies.

The TTF brings together investigators from several agencies including ICE, CBP, the Federal Bureau of Investigation (FBI), the Drug Enforcement Administration (DEA), the Department of Defense, and various State and local agencies to combat the tunnel threat. One of the primary goals of the TTF is to stop tunnels before they become operational. Nearly half of all tunnels discovered to date were not yet operating at the time of discovery. This trend has increased in recent years, and demonstrates the success of our collective efforts on the TTF and our increased coordination with the Government of Mexico. In March 2012, a BEST TTF was expanded to Nogales, Arizona in an effort to combat TCO exploitation of the Arizona border via subterranean passageways.

The considerable sophistication and extensive time and labor required to construct a tunnel suggests that smugglers consider it a useful investment despite the risk of interdiction. For example, on November 29, 2011, special agents assigned to the San Diego TTF discovered a cross-border tunnel that stretched nearly a half-mile. The tunnel extended 1,844 feet and included shoring, electricity, ventilation, and a rail system to assist in ferrying contraband. During the course of the investigation, HSI special agents, in conjunction with DEA, CBP, and our State and local partners, seized over 32 tons of marijuana, one handgun, and arrested six suspects associated with the tunnel operations.

To complement our investigations, HSI, DEA, CBP, and the U.S. Border Patrol (TTF Members) created the San Diego Tunnel Detection Outreach program, which is a community outreach and intelligence-driven enforcement initiative. The goal of this program is to educate the owners of property near the border on the indicators of tunneling activity and to increase communication between citizens and the TTF. In turn, this initiative aims to leverage increased awareness and communication to generate new investigatory leads, cultivate source informants, and initiate increased criminal investigations and prosecutions. The San Diego Tunnel Detection Outreach program is primarily carried out through door-to-door canvassing of properties near the border in areas known for illegal tunnel activity and has proven to be a valuable law enforcement tool.

#### *Overview of Other Smuggling Methods*

As Federal and other agencies have increased their interdiction efforts along the U.S.-Mexico border, drug and human smuggling organizations are increasingly turning to maritime smuggling routes to transport their illicit cargo into the United States.

Mexican smuggling organizations have long used a variety of methods to enter the United States via maritime routes, including small wooden fishing vessels, as well as panga or "go fast" boats. Difficult to detect, these vessels often travel at night in order to avoid interdiction. Due to increased patrols by CBP and the U.S. Coast Guard (USCG), as well as a coordinated law enforcement response to this threat, smuggling organizations are now moving further out to sea and increasingly travel further up the coast before attempting to unload their illicit cargo.

Criminals also seek to exploit vulnerabilities inherent to America's seaports by concealing contraband in cargo containers or in commercial fishing and shrimping vessels that can also go unnoticed due to the sheer volume of ships off-loaded daily from around the world and normal boating traffic.

Another method of maritime smuggling is the use of self-propelled semi-submersibles (SPSS). In October 2011, based on intelligence information provided by DEA, an SPSS was discovered in the Caribbean Sea and over 14,000 pounds, or over

7 tons, of cocaine were seized from the vessel. As part of a Panama Express Operation (PANEX), the SPSS was originally intercepted by the USCG on September 30, 2011, based on information provided by DEA, in international waters approximately 110 miles off the coast of Honduras, and sank during the encounter. The USCG detained the four crew members, who were later transferred to Tampa, Florida for Federal prosecution and each sentenced to 14 years' incarceration following the joint agency investigation. Earlier in 2011, another SPSS also sank in the Caribbean and approximately 13,000 pounds of cocaine were seized from that vessel.

Beyond maritime smuggling, HSI has also seen an increase in the use of ultra-light aircraft designed to smuggle marijuana payloads of up to 300 pounds into the United States. We have found that smugglers turn to using ultra-light aircraft when they are less capable of smuggling their illicit cargo by other methods. Other examples of the methods smuggling organizations use to avoid detection include:

- Disguising load vehicles as U.S. Border Patrol or other law enforcement vehicles, as well as vehicles for public utility or commercial cargo services;
- Lining narcotics with chemicals or elements such as lead to thwart DHS detection methods;
- Creating sophisticated compartments in vehicles to smuggle narcotics, weapons, and bulk currency; or
- Utilizing the "shotgun approach," where a smaller load is sacrificed by being made readily detectable to DHS, thereby distracting officials from locating larger and/or more significant drug types (i.e., heroin, cocaine, or methamphetamine).

Operation Pipeline Express, a joint operation with DEA and our other partners, provides an instructive example of an investigation into a violent Drug Trafficking Organization (DTO) that employed some of the techniques listed above. It was estimated that this DTO, which controlled an area spanning 63 miles along the I-8 corridor in Arizona, smuggled between 18,000 and 25,000 pounds of marijuana per week and generated between \$9 million and \$12.5 million weekly in illegal proceeds.

This investigation identified a trend wherein the DTO would hire backpackers to smuggle narcotics through the international border to a drop point in the desert. Once the hiker arrived at the drop point, he or she would be met by a pickup truck in which the narcotics would be driven approximately 90 miles away to a drop house where the narcotics would be broken down and transported to street-level drug dealers.

The comprehensive and aggressive investigation culminated with HSI special agents, in conjunction with DEA and our other law enforcement partners, seizing nearly 64,000 pounds of marijuana, 271 pounds of heroin, 200 pounds of cocaine, 9 pounds of methamphetamine, over \$750,000 in cash, 108 weapons, 67 vehicles, and 4 ballistic vests; and executing 74 search warrants.

Internal conspiracies and corruption are another significant vulnerability seen by HSI in its investigations of smuggling organizations at commercial airports and other U.S. POEs. In many of its investigations, HSI sees how these internal conspiracies utilize various employees from multiple companies and positions, including managers and supervisors. Employees utilize innumerable diversionary tactics to smuggle contraband around CBP examination.

Finally, Mexican smuggling organizations routinely utilize counter-surveillance methods in an attempt to adjust their methods of operation based on U.S. law enforcement efforts. "Spotters," as they are known, operate almost exclusively in Mexico, rarely entering the United States where they can be detained for questioning or arrest. In addition, modern cellular telephone and radio communication technology make detection even more difficult, as organizations can use them to adjust their modes of operation in order to be more successful.

#### *Combating Illegal Trade and Intellectual Property (IP) Theft*

Over the last 2 decades, transnational organized crime has grown and posed a significant threat to National and international security. TCO networks are proliferating, striking new and powerful alliances, and engaging in a range of illicit activities as never before. Recent investigations have shown that IP crime often fuels other serious crimes and poses a serious National security threat to our international borders.

International criminal organizations will steal America's intellectual property, transship products, claim false origin, and mislabel potentially dangerous products—even sell dangerously unsafe products to the U.S. military—to profit economically.

ICE has adapted to this threat by partnering with 20 other agencies, both in the United States and with key international partners, to form the National Intellectual Property Rights Coordination Center (IPR Center), which is located in Arlington,

Virginia, to efficiently and effectively leverage resources, skills, and authorities to provide a comprehensive response to IP theft. The mission of the IPR Center is to address the theft of innovation that threatens U.S. economic stability and National security, undermines the competitiveness of U.S. industry in world markets, and places the public's health and safety at risk.

In March 2012, ICE and the FBI executed a joint enforcement operation that resulted in the arrests of 28 suspects, including two in Germany. These arrests were the result of an HSI investigation that evolved into a large-scale counterfeit smuggling scheme and eventually merged with an FBI narcotics smuggling investigation. This investigation revealed the organization to be involved in a web of criminal activity, which included not only the smuggling of counterfeit merchandise and narcotics trafficking, but also the use of fictitious personal and stolen corporate identities to further those activities. The total estimated manufacturers' suggested retail price of seized goods that this organization attempted to smuggle was over \$300 million.

The IPR Center is also leading an effort to educate the public and other audiences about IP theft and its connection with transnational organized crime. The IPR Center hosted a symposium titled "IP Theft and International Organized Crime and Terrorism: The Emerging Threat," where panels of academics, industry leaders, and domestic and international Government officials discussed links between transnational organized crime, terrorism, and IP theft.

#### *Illicit Finance and Bulk Cash Smuggling*

The combination of successful financial investigations, reporting requirements under the Bank Secrecy Act of 1970, and anti-money laundering compliance efforts by financial institutions has no doubt strengthened formal financial systems and forced criminal organizations to seek other means of transporting illicit funds across our borders.

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. Criminal organizations are now being forced to seek other means to diversify the movement of illicit funds, such as the use of money service businesses (MSBs), prepaid devices, and bulk cash smuggling.

One of the most significant developments in recent years was a change in Mexican banking regulations that severely limits the amount of U.S. dollars that can be deposited within Mexican financial institutions. This change has ultimately proven to be a successful tool in combating drug trafficking and the cartels by causing cartels to change how drug proceeds are laundered. While the cartels are adapting, we believe that one result of this change may be a desire to place these funds into U.S. financial institutions and then wire the proceeds back to Mexico. We continue to work closely with the Government of Mexico to identify emerging money-laundering trends.

Domestically, we have seen 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 into 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 the United States. In turn, the account holder (a nominee for the drug organization) will withdraw funds at various banking institutions in the United States 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 typically under the statutory reporting limit of \$10,000.

This tactic was initially identified in human smuggling organizations operating in Arizona, 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 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, banking personnel have begun to identify this activity and are now reporting it to law enforcement regularly.

#### *National Bulk Cash Smuggling Center*

On August 11, 2009, HSI officially launched the National Bulk Cash Smuggling Center (BCSC) as a 24/7 investigative support and operations facility located in



close proximity to the Law Enforcement Support Center in Williston, Vermont. In 2011, the BCSC entered into a partnership with the El Paso Intelligence Center, which has resulted in enhanced data-sharing activity between these two entities. Since its launch, the BCSC has undertaken a full assessment of the bulk cash smuggling threat and has developed a strategic plan to address the problem.

By analyzing the movement of bulk cash as a systematic process, HSI develops enforcement operations to defeat the various smuggling methodologies currently employed by trafficking organizations. This approach allows us to more efficiently and effectively utilize our interdiction and investigative resources.

Since its inception, the BCSC has initiated over 500 criminal investigations involving 132 seizures totaling \$65.8 million. To date, these investigations culminated in 133 arrests, 36 indictments, and 34 convictions in both Federal and State courts. The BCSC has also provided training and outreach to over 21,000 State, Federal, and international partners.

In April 2012, the BCSC coordinated with HSI field offices in St. Louis, Missouri and Greeley, Colorado in support of a controlled delivery of illicit bulk cash proceeds amounting to nearly \$265,000. The initial seizure was the result of a traffic stop, but in an attempt to “follow the money trail,” agents successfully executed a controlled delivery of the currency.

#### *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 Southwest Border to be smuggled into Mexico. Since its inception in 2005 through March 2012, Operation Firewall has resulted in more than 6,600 seizures totaling more than \$611 million, and the arrests of 1,400 individuals. These efforts include 469 international seizures totaling more than \$267 million and 300 international arrests.

#### *Northern Border Security*

Although law enforcement efforts along the Southwest Border have traditionally garnered the most media attention, ICE, in coordination with its Federal, State, local, Tribal, and international partners, is well-positioned to address the threat that TCOs pose to both the United States and Canada along the Northern Border. In fact, HSI maintains the largest investigative footprint of any U.S. law enforcement agency in Canada, with four Attaché and Assistant Attaché offices (Ottawa, Vancouver, Toronto, and Montreal) that enhance National security by conducting investigations involving TCOs and serving as the agency's liaison to our interagency partners and counterparts in local government and law enforcement.

The British Columbia-based “U.N. Gang” is an example of a TCO whose operations stretch across the entire Northern Border and beyond. This violent criminal organization operates from the Lower Mainland of British Columbia, Canada, and is actively involved in large-scale narcotics trafficking and money-laundering activities. Its operations stretch into the United States, Mexico, Venezuela, Colombia, India, Vietnam, Australia, and Great Britain. This gang exports large quantities of Canadian-grown marijuana into the United States and uses the revenue generated to purchase cocaine from abroad, which is then smuggled into British Columbia and sold throughout Canada.

During a recent joint investigation with DEA and its other Federal, State, and local law enforcement partners, we uncovered evidence that the U.N. Gang imports hundreds of pounds of cocaine into British Columbia every month. After Canadian marijuana is smuggled into the United States, U.N. Gang members sell it for U.S. dollars. These proceeds are then smuggled by couriers in the form of bulk currency from cities across the United States to California where they are used to purchase cocaine from abroad. This cocaine, in turn, is smuggled into Canada and subsequently sold for Canadian dollars. This method of drug trafficking and money laundering exemplifies the sophistication and reach of the DTOs.

#### *Border Enforcement Security Task Force (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, BESTs made 2,257 criminal arrests, 1,134 administrative

arrests, and Federal prosecutors obtained 1,372 indictments and 1,193 convictions in BEST-investigated cases.

*Working with Mexican Authorities*

Working with 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 Liaison 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 has 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 redeploying agents to the Southwest Border.

The HSI Attaché office in Mexico City has coordinated its own Special Investigative Units of Mexican law enforcement officers. HSI has also strengthened the coordination with the government of Mexico by increasing HSI 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 DEA in efforts to combat transnational drug trafficking, weapons smuggling, human smuggling, and money laundering syndicates in Mexico. HSI Mexico City personnel, in conjunction with DEA, work on a daily basis with Mexican authorities to combat these transnational threats, and these efforts have been enhanced by additional officers.

CONCLUSION

Thank you again for the opportunity to appear before you today to discuss our efforts to combat border security threats to the United States and our response to the innovative tactics and techniques being used by criminal cross-border smuggling organizations.

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





Mrs. MILLER. Thank you very much.

The Chairman now recognizes Rear Admiral Lee for his testimony.

**STATEMENT OF WILLIAM D. LEE, DEPUTY FOR OPERATIONS  
POLICY & CAPABILITIES, U.S. COAST GUARD, DEPARTMENT  
OF HOMELAND SECURITY**

Admiral LEE. Good morning, Chairman Miller, Ranking Member Cuellar, and other distinguished Members of the subcommittee. I am honored to be here today to discuss the Coast Guard role in combating our emerging border security threats as the lead agency in the country's maritime domain.

As you probably know, the Coast Guard uses a layered defense strategy to counter the threats we face in the maritime approaches to our Nation's borders. This strategy starts overseas with our partner nations, where our International Port Security program assessing foreign ports on their own security and antiterrorism measures and continues over here into our own domestic ports, where we monitor critical infrastructure, escort vessels, and inspect various facilities in conjunction with our Federal, State, local, Tribal, and industry partners.

Offshore our major cutter fleet is always on patrol and poised to respond to threats on the high seas. This critical surface fleet is supported by our aviation assets, which provide surveillance capability to help optimize our overall effectiveness.

This offshore mix, both surface and air, is critical to stopping the threats long before they reach our shores.

Last summer my colleague, Admiral Paul Zukunft, testified before you on the key role that interagency and international part-

nerships play in protecting our maritime borders. These partnerships are critical to enhancing our capability and effectiveness along our coast and our waterways.

An outstanding example of such a partnership is the Joint Harbor Operations Center, or JHOC, located at Coast Guard Sector San Diego, which is staffed by personnel from more than 20 agencies, including the Coast Guard, CBP, the Department of Defense, and the local marine police. In fiscal year 2011 and 2012 so far the JHOC coordinated the interdiction of over 1,100 illegal migrants and more than 80,000 pounds of illegal drugs destined for the streets of the United States.

To the north we enjoy very strong partnership with Canada. Through Integrated Border Enforcement Team operations Coast Guard and Royal Canadian Mountie—Canadian Mounted Police officers jointly conduct interdiction operations. In March 2011 this partnership resulted in the interdiction of over \$2.5 million in U.S. currency, the largest maritime currency seizure in Puget Sound history.

From the partnership the integrated cross-border maritime law enforcement operations relationship, commonly referred to as Shiprider, was developed. Shiprider, if ratified by the Canadian Parliament, will allow U.S. and Canadian officers to be trained and cross-designated with law enforcement authority on both sides of our border. This is an innovative force multiplier that we hope will grow deep roots.

Another example of partnering is the North American Maritime Security Initiative, or NAMSI, which facilitates coordination of training, tactics, and operation between the United States, Canada, and Mexico. Since the inception of NAMSI in December 2008 there have been 24 joint cases resulting in the seizure of more than 62,000 pounds of illegal narcotics.

Just last month the Coast Guard C-130 aircraft, on a training mission near San Clemente Island, California, detected a fast-moving small boat with bales visible on its deck. Upon seeing the aircraft the small boat began to jettison the bales and then head towards Mexican territorial seas. A Coast Guard cutter was vectored in and recovered 42 bales of marijuana. The Mexican navy seized the boat after it was beached on land.

Our approach to border security is risk-based, allowing for the most effective posturing of our limited resources. To maximize this effort we participate as a member of the National intelligence community. We screen ships, crews, and passengers bound for the United States by requesting vessels to submit an advance notice of arrival 96 hours prior to arriving in any U.S. port.

Using our two maritime intelligence fusion centers and our Intelligence Coordinator Center's COASTWATCH program we work with CBP's National Targeting Center to analyze arriving vessels and ascertain potential risks they may pose. Last year we collectively screened more than 120,000 vessels and 28 million people.

Our layered approach to maritime border security combined with our interagency and international partnership serves to protect our border out and beyond our physical boundaries. This strategy, supported by information and intelligence sharing allows us to collec-

tively detect, deter, and interdict threats well before they pose a threat to our Nation.

Thank you for the opportunity to appear before you today and for your continued support of the United States Coast Guard. I will be pleased to answer any questions you may have.

[The statement of Admiral Lee follows:]

#### PREPARED STATEMENT OF WILLIAM D. LEE

JUNE 19, 2012

#### INTRODUCTION

Good morning Chairman Miller, Ranking Member Cuellar, and distinguished Members of the subcommittee. I am honored to be here today to discuss the Coast Guard's role in combating emerging border security threats, and in particular, the Coast Guard's role within the maritime domain.

Threats to the Nation's border are dynamic and widespread, ranging from known illegal drug and migrant smuggling in the Caribbean Basin and Eastern Pacific to the potential for terrorist and criminal organizations to impact security, safety, and resiliency of our Nation, and hamper the safe and secure movement of commerce through the global supply chain.

#### A LAYERED APPROACH TO COUNTER MARITIME RISK

With more than 350 ports and 95,000 miles of coastline, the U.S. maritime domain is unique in its scope and diversity. Under 14 U.S.C. sections 2 and 89, the U.S. Coast Guard has the statutory authority and responsibility to enforce all applicable Federal laws on, under, and over the high seas and waters subject to the jurisdiction of the United States.

The Coast Guard leverages its unique authorities, capabilities, and domestic and international partnerships to maintain maritime border security through a layered and integrated approach that begins beyond the country's physical borders. This layered approach to security begins in foreign ports where, through the International Port Security Program, the Coast Guard conducts foreign port assessments to determine the port security effectiveness and antiterrorism measures of foreign partners.

Offshore, a capable major cutter and patrol boat fleet respond to threats, and launch boats and aircraft to maintain a vigilant presence over the seas. Closer to shore, Coast Guard helicopters, small cutters, and boats monitor, track, interdict, and board vessels. In our ports, the Coast Guard, along with our Federal, State, local, and Tribal partners, working in concert with other port stakeholders, monitors critical infrastructure, conducts vessel escorts and patrols, and inspects vessels and facilities. The Coast Guard's mix of cutters, aircraft, and boats—all operated by highly proficient personnel—allows the Coast Guard to exercise layered and effective security through the entire maritime domain.

This layered approach, which is risk-based and facilitated by our participation within the National intelligence community, allows the Coast Guard to effectively position its limited resources against the Nation's most emergent threats.

#### INTERNATIONAL EFFORTS

To combat threats furthest from our borders, the Coast Guard fosters strategic relationships with partner nations. The International Ship and Port Facility Security (ISPS) Code provides an international regime to ensure ship and port facilities take appropriate preventative measures comparable to our domestic regime under the Maritime Transportation Security Act. Under the International Port Security Program, Coast Guard personnel visit over 150 countries and 900 ports on a biennial cycle to assess the effectiveness of foreign port antiterrorism measures and verify compliance with the ISPS Code. Vessels arriving from non-ISPS-compliant countries are required to take additional security precautions, may be boarded by the Coast Guard before being granted permission to enter, and in specific cases, may be refused entry.

Additionally, the Coast Guard maintains 42 maritime bilateral law enforcement agreements with partner nations, which facilitate coordination and the forward deployment of boats, cutters, aircraft, and personnel to deter and counter threats as close to their origin as possible. These agreements also enable us to assist partner nations in exerting their span of control and maintaining regional maritime domain awareness.

To address the threats and leverage the opportunities for improving border security closer to the United States, the Coast Guard, U.S. Northern Command (NORTHCOM), the Mexican Navy (SEMAR), and the Mexican Secretariat for Communications and Transportation (SCT), have strengthened their collective relationship, in part through the Security and Prosperity Partnership (SPP). This commitment demonstrates that the United States and Mexico share many areas of mutual interest that are vital to the security of each country. SEMAR and SCT are increasing their engagement with the Coast Guard through training, exercises, coordinated operations, and intelligence and information sharing.

The North American Maritime Security Initiative (NAMSI) provides an operational relationship between SEMAR, NORTHCOM, the government of Canada, and the Coast Guard and coordinates standard procedures for communications, training, procedures, and operations. Since the inception of NAMSI in December 2008, there have been 24 joint cases yielding 62,816 pounds of narcotics seizures.

On our shared border with Canada, the Coast Guard is an integral part of the Integrated Border Enforcement Team operations where U.S. and Canadian agencies work together sharing information and expertise to support interdiction operations along the U.S. and Canadian border. From this partnership, an operational relationship known as Integrated Cross-Border Maritime Law Enforcement Operations, commonly referred to as Shiprider, was developed. The Shiprider Framework Agreement is on schedule to be considered for ratification by the Canadian Parliament during the summer of 2012. This will allow unprecedented law enforcement flexibility in the shared waters of the U.S. and Canadian maritime border.

When the Shiprider Framework Agreement is ratified, specially-trained U.S. and Canadian officers from Federal, State, local, and Tribal agencies will be granted cross-designated law enforcement authorities. U.S. officers will become Peace Officers in Canada, and Canadian officers will be Customs Officers in the United States. They will facilitate improved integrated operations and provide the ability to U.S. and Canadian law enforcement officers to carry weapons and conduct law enforcement operations on both sides of the border. The Coast Guard is the lead U.S. agency, or Central Authority, for Shiprider, as is the Royal Canadian Mounted Police (RCMP) for Canada. The Coast Guard and RCMP have developed an educational curriculum taught at the Coast Guard's Maritime Law Enforcement Academy in Charleston, South Carolina. To date, law enforcement officers from the Coast Guard and RCMP, in addition to officers from U.S. Customs and Border Protection (CBP) and Tribal law enforcement officers from the St. Regis Mohawk Tribe (United States) and Akwesasne Tribe (Canada) have been trained and cross-designated.

#### DOMESTIC PARTNERSHIPS

As outlined by President Obama and Canadian Prime Minister Harper in the Beyond the Border declaration, border security includes the safety, security, and resiliency of our Nation; the protection of our environmental resources; and the facilitation of the safe and secure movement of commerce in the global supply chain. Specific to our Nation's Southwest Border, the Department of Homeland Security (DHS) implemented a Southwest Border Security Initiative to keep our communities safe from threats of border-related violence and crime, and to weaken the transnational criminal organizations that threaten the safety of communities in the United States and Mexico.

The Coast Guard coordinates and conducts joint operations with other DHS components and interagency partners to ensure a whole-of-Government response to border threats. A DHS Senior Guidance Team (SGT), co-chaired by the Coast Guard, CBP, and U.S. Immigration and Customs Enforcement, serves to improve efficiency and effectiveness within DHS. Recently, the SGT facilitated promulgation of the DHS Small Vessel Security Implementation Plan as well as the Maritime Operations Coordination Plan, which ensures operational coordination, planning, information sharing, intelligence integration, and response activities.

Coast Guard Captains of the Port are designated as Federal Maritime Security Coordinators. In this role, they lead the Area Maritime Security (AMS) Committees and oversee development and regular review of AMS Plans. AMS Committees have developed strong working relationships with other Federal, State, and local law enforcement agencies in an environment that fosters maritime stakeholder participation.

The Joint Harbor Operations Center (JHOC) in San Diego, California is another example of the evolution of joint operations at the port level. Located at Coast Guard Sector San Diego, the JHOC is manned with Coast Guard, CBP, and local Marine Police watchstanders. JHOC-coordinated operations contributed directly to the interdiction of 1,103 illegal immigrants and 80,500 pounds of illegal drugs in

fiscal year 2011 and fiscal year 2012 (through May 27). On a National scale, the establishment of Interagency Operations Centers (IOCs) for port security is well underway. In ports such as Charleston, Puget Sound, San Diego, Boston, and Jacksonville, the Coast Guard, CBP, and other agencies are sharing workspace and coordinating operational efforts for improved efficiency and effectiveness of maritime security operations.

Joint interdiction operations with Federal partners are coordinated through the Joint Interagency Task Force–South (JIATF–S). Additionally, Coast Guard Law Enforcement Detachments are deployed aboard U.S. Navy and Allied assets to support detection, monitoring, interdiction, and apprehension operations.

The Coast Guard has also established formal partnerships to collaborate with CBP on their maritime Predator Unmanned Aerial System (UAS) program (land-based), and the Navy on their Fire Scout UAS program (cutter-based), to continue efforts to develop this expanding capability. UAS capability will improve detection and surveillance activities.

When the Coast Guard is alerted to a threat to the United States that requires a coordinated U.S. Government response, the Maritime Operational Threat Response (MOTR) Plan is activated. The MOTR Plan uses established protocols and an integrated network of National-level maritime command and operations centers to facilitate real-time Federal interagency communication, coordination, and decision-making to ensure timely and decisive responses to counter maritime threats.

#### MARITIME INTELLIGENCE AND TARGETING

As the lead DHS agency for maritime homeland security, the Coast Guard screens ships, crews, and passengers bound for the United States by requiring vessels to submit an Advance Notice of Arrival 96 hours prior to their arriving in a U.S. port. The Coast Guard, through its two Maritime Intelligence Fusion Centers and our Intelligence Coordination Center's COASTWATCH unit, works with CBP's National Targeting Center to analyze arriving vessels to ascertain potential risks they may pose to our Nation's security. In 2011, the Coast Guard screened more than 120,000 vessels and 28.5 million people. Screening results are passed to the appropriate Coast Guard Sector Command Center, local intelligence staffs, and CBP to be used to evaluate and take action on any potential risks. This integration has led to increased information sharing and more effective security operations.

The Coast Guard also participates in the Container Security Initiative, led by CBP, to ensure that all U.S.-bound maritime shipping containers posing a potential risk are identified and inspected prior to being placed on vessels bound for the United States. This initiative encourages interagency cooperation through collecting and sharing information and trade data gathered from ports, strengthening cooperation, and facilitating risk-informed decision making.

#### CONCLUSION

The Coast Guard has forged effective international and domestic partnerships to optimize maritime border security while minimizing delays to the flow of commerce. We foster training, share intelligence and information, as appropriate, and coordinate operations to deter and interdict current and emerging threats to our border.

Thank you for the opportunity to testify today, and for your continued support of the U.S. Coast Guard. I would be pleased to answer your questions.

Mrs. MILLER. Thank you very much, Admiral.

The Chairwoman now recognizes Rear Admiral Michel for his testimony.

#### **STATEMENT OF CHARLES D. MICHEL, DIRECTOR, JOINT INTERAGENCY TASK FORCE–SOUTH**

Admiral MICHEL. Morning, Chairman Miller, Ranking Member Cuellar, Members of the subcommittee. Thank you for the opportunity to appear before you this morning.

Joint Interagency Task Force–South is a multiservice, multi-agency, National task force and a component of the United States Southern Command, located in Key West, Florida. We conduct counter-illicit trafficking support operations, intelligence fusion, and multi-sensor correlation to detect, monitor, and hand off sus-

pected illicit trafficking targets and counter the flow of illicit traffic.

Illicit trafficking poses a serious threat to our National and homeland security, presenting a formidable challenge not only for the United States but for our international partners, as well. Our borders and our neighbors are being assailed by a dangerous adversary that is well-resourced, adaptive, and experienced at employing all modes and means of conveyance across sea, air, and land domains to reach the United States and global markets with their deadly products. The challenge is daunting.

Transnational organized crime and the cocaine trade have a demonstrably corrosive and destabilizing effect on the rule of law and civil society in every country where they have a significant presence. Cocaine is unique in that is—it is only produced in marketable volumes and quality in three countries—Columbia, Peru, and Bolivia. It thus has a distinctive flow pattern as it is moved from the three source countries to global markets. It is this flow and the crime that goes with it that threatens Central America, Mexico, and the United States, bringing with it brutal violence, fear, and instability.

My statutory focus as director of Joint Interagency Task Force–South is to combat transnational criminal organizations by detecting the flow of drugs early in its supply chain and facilitating its interdiction as far from our borders as possible. Through solid intelligence, innovation, and unprecedented interagency and international partnerships Joint Interagency Task Force–South supported record cocaine disruptions totaling nearly 2,000 metric tons over the last 10 years.

Approximately 80 percent of the cocaine headed for the United States transits via maritime conveyance while the remaining 20 percent makes its first moves by air. About 90 percent of the cocaine destined for the United States travels through the Mexico–Central American corridor, which includes the waters of the Eastern Pacific as well as the Western Caribbean.

The primary means by which cocaine is transported is the go-fast boat, usually open-hulled boats anywhere from 20 to 50 feet in length with several powerful outboard engines. In 2011 there were 568 go-fast events moving 490 metric tons of cocaine towards the United States through the Central American corridor. This massive volume moving through the countries in Central America fuels the transnational criminal organizations causing violence, instability, and corruption, especially in northern Central America and in Mexico, along our Southwest Border.

The self-propelled semi-submersibles and fully-submersible vessels are potentially an even more insidious threat to the security of the United States because they are capable of transporting up to a 10-ton payload and are extraordinarily difficult to detect at sea due to their very low profile or even submerge capabilities. These dangerous drug conveyances could be adapted for transporting other, more serious security threats to the United States.

At less than a million dollars apiece in construction costs the self-propelled semi-submersible can move enough cocaine in a single trip to generate more than \$100 million in illicit proceeds. Since 2006, when the first self-propelled semi-submersible was detected,



there have been as many as 60 such events moving as much as 330 metric tons per year in the Eastern Pacific. In the summer of 2011 for the first time Joint Interagency Task Force–South supported the disruption of five self-propelled semi-submersible vessels in the Western Caribbean, each carrying more than 6.5 metric tons of cocaine.

The fully-submersible vessels can transit up to 6,800 nautical miles unsupported and fully loaded with up to 10 metric tons of cargo. This range capability can take a fully-submersible vessel from the west coast of Columbia to Los Angeles or from the north coast of Columbia to Galveston.

The foresight and wisdom of Congress deserves a note of thanks for enacting the Drug Trafficking Vessel Interdiction Act of 2008, which made the mere operation of stateless semi- and fully-submersible vessels in international waters a crime.

Record illicit trafficking successes in the mid-2000s drove a change in trafficking routes. Most alarming was movement in the maritime operations to the Central American littorals.

To counter this shift and to alleviate the pressure on Central American countries Operation MARTILLO began in earnest in—on 15 January 2012. It is the focusing lens of a whole-of-government international solution to this significant threat to regional stability and homeland security. Operation MARTILLO seeks to deny trafficker use of Central American littorals and maximize the interdiction efforts of our interagency and international partners.

Chairwoman Miller, Ranking Member Cuellar, Members of the subcommittee, we fight a highly-disciplined, well-funded adversary that employs cutting-edge technology, improvises their tactics, and shifts seamlessly between modes of communications and methods of conveyance.

Thank you again for the opportunity to testify today and I am happy to answer any questions you might have.

[The statement of Admiral Michel follows:]

PREPARED STATEMENT OF CHARLES D. MICHEL

19 JUNE 2012

#### INTRODUCTION

Chairwoman Miller, Ranking Member Cuellar, and other distinguished Members of the subcommittee, thank you for the opportunity to appear before the subcommittee. Illicit trafficking poses a serious threat to our National security, presenting a formidable challenge not only for the United States but for our international partners as well. Our borders are being assailed by a dangerous adversary that is well-resourced, adaptive, and experienced at exploiting all avenues of approach to the United States. These transnational criminal networks employ all modes and means of conveyance across all transportation domains to reach U.S. and global markets. The challenge is daunting.

Illicit trafficking threatens our country at every land, air, and sea border and challenges the sovereignty of our many international partners. In particular, the tactics, techniques, and procedures employed by drug traffickers are methodologies that can be used by anyone wanting to move illicit people and/or cargo—including terrorists. The established routes, proven methods of conveyances, built-in logistics, communications, and command-and-control networks could be leveraged by a variety of groups seeking to do harm to the United States. While this potential exists, to date, Joint Interagency Task Force–South (JIATF–South) and U.S. Southern Command have not seen any indication of terrorist organizations or their affiliates using illicit trafficking networks to reach the United States to commit acts of terrorism. We continue to monitor this possibility closely.

JIATF-South has broad legal authorities to conduct detection and monitoring operations against illicit trafficking in order to hand off targets to the appropriate law enforcement authorities. The highest priorities are Nationally-nominated targets of interest, from weapons of mass destruction to special interest aliens and high-value targets. The next tier down comprises a broad spectrum of transnational threats, to include the cocaine trade that by itself is worth an estimated \$85 billion globally.<sup>1</sup> Staggering amounts of revenue and profit allow transnational criminal organizations (TCOs) to challenge nations by exacerbating corruption and undermining governance, rule of law, judicial systems, free press, democratic institution-building, and transparency, as indicated in the 2011 *Strategy to Combat Transnational Organized Crime* (CTOC).<sup>2</sup> Cocaine is still one of the most lucrative forms of profit for TCOs and is produced in marketable volumes and quality in three countries in South America: Colombia, Peru, and Bolivia.<sup>3</sup> Peru and Bolivia have the potential to produce 41 percent and 25 percent of the total cocaine volume respectively, and Colombia potentially produces 34 percent.<sup>4</sup> According to Drug Enforcement Administration (DEA), of the United States drug seizures subjected to forensic analysis, 97 percent comes from Colombia,<sup>5</sup> and it is this specific flow that threatens Central America, Mexico, and the United States.

With a homicide rate of 82 per 100,000,<sup>6</sup> Honduras is the most dangerous country in the world, including the current zones of conflict in the Middle East. San Pedro Sula, Honduras has a homicide rate of 159 deaths per 100,000 citizens, surpassing Ciudad Juarez, Mexico as the world's most violent city.<sup>7</sup> Violent TCOs and gang activity, supported by the flow of cocaine and other contraband towards the United States and the rest of the global market, are negatively impacting citizen security. As illicit drugs move outward to the consuming markets, the money from illicit drug transactions returns to the source and transit regions, creating instability within our partner countries by promoting corruption and undermining legitimate financial institutions. My statutory focus as director of JIATF-South is combating the illicit drug trade by detecting the flow of drugs early in the supply chain and facilitating interdiction as far from our borders as possible, before illicit drugs are broken down into small, harder-to-detect load sizes. Operation MARTILLO is the focusing lens of a whole-of-Government, international solution to this significant regional threat to National security. Coordinated by JIATF-South to support the President's CTOC strategy, Operation MARTILLO seeks to deny the use of the Central American littorals by TCOs while maximizing the drug interdiction efforts of our interagency partners in the principal geographic corridor through which the bulk of illicit drugs moves toward the United States.

#### DRUG MOVEMENT IN THE TRANSIT ZONE: GO-FASTS, SEMI-SUBMERSIBLES, AND FULLY SUBMERSIBLES

JIATF-South challenges drug traffickers in the air and on the sea 24 hours a day, 7 days a week, in defense of America's borders. We are relentless and committed while operating in a resource-constrained environment. Our goal is to put drug traffickers at risk of interdiction and arrest at each and every step of their journey. We work very hard in constant support of law enforcement to ensure this all occurs seamlessly with the most effective use of our resources. Through better intelligence, technological innovations, and unprecedented interagency and international partnerships, JIATF-South has supported record cocaine disruptions, totaling 1,997 metric tons over the last 10 years.<sup>8</sup>

From all indications, 80 percent of cocaine, bound for the United States, transits initially via maritime methods of conveyance, while the remaining 20 percent makes its first moves by air.<sup>9</sup> Today, Honduras is the primary initial arrival point for cocaine as it leaves the source zone; in 2011, approximate 35 percent of the world's cocaine supply made its first landfall there.<sup>10</sup> Once on land, larger loads are eventually broken down into smaller packages before entering the United States. The Mexico/Central American corridor, which includes the waters of the Eastern Pacific and

<sup>1</sup> UNODC World Drug Report 2011.

<sup>2</sup> The White House. President Obama's Strategy to Combat Transnational Organized Crime.

<sup>3</sup> 2010 Interagency Assessment of Cocaine Movement.

<sup>4</sup> 2010 Interagency Assessment of Cocaine Movement. Potential production is assessed by arable hectares available for coca growth.

<sup>5</sup> DEA. Analysis of Cocaine Price and Quality.

<sup>6</sup> UNODC 2011 Homicide Rates by Country.

<sup>7</sup> Consejo Ciudadano para la Seguridad, Justicia y Paz Penal A.C. (Citizen Council for Public Security and Criminal Justice), Mexico, 2011.

<sup>8</sup> JIATF-South analysis of Interagency Consolidated Counter Drug Database (CCDB).

<sup>9</sup> JIATF-South case analysis.

<sup>10</sup> JIATF-South analysis of Interagency Consolidated Counter Drug Database (CCDB).

Western Caribbean, is the primary threat vector toward the United States, accounting for more than 90 percent of total documented cocaine movement.<sup>11</sup>

Cocaine from the source zone moves by a number of conveyances, the primary being go-fasts, usually open-hulled boats anywhere from 20 to 50 feet in length with one to four powerful outboard engines. Carrying anywhere from 300 kilograms to 3.5 metric tons of cocaine, these vessels typically leave Colombia and follow the Western Caribbean coastline of Central America to make landfall, principally in Honduras. In the Eastern Pacific, the same types of vessels will leave Colombia or Ecuador, and transit off-shore to Guatemala and Mexico or follow the coastline to Panama or Costa Rica.

In 2011, the interagency's Consolidated Counter Drug Database (CCDB) indicated that there were 568 go-fast events moving 490 metric tons of cocaine from South America toward the United States. Ninety-four percent of those movements were along the Central American isthmus into Honduras, Guatemala, and Mexico.<sup>12</sup> This massive volume moving off-shore and often through the countries of Central America is contributing to the instability and corruption seen in northern Central America, Mexico, and along our Southwest Border.

Though not present in the same numbers as go-fasts, the Self-Propelled Semi-Submersibles (SPSS) and Fully Submersible Vessels (FSV) are potentially an even more insidious threat to the security of the United States for two reasons: (1) Their large, up to 10-ton payload capacity, and (2) the extraordinary difficulty of detecting these vessels at sea. This makes them a dangerous drug conveyance that could potentially be adapted for transporting other more serious security threats to the United States.<sup>13</sup>

The SPSS is typically constructed in undergoverned spaces, often in the sparsely-populated mangrove estuaries of Western Colombia and Ecuador. Costing less than a million dollars apiece to construct, they can move enough cocaine in a single trip to generate more than \$100 million in illicit proceeds for the traffickers.<sup>14</sup> JIATF-South detected an SPSS at sea for the first time in 2006. By 2009, the interagency detected as many as 60 SPSS events were moving as much as 330 metric tons per year. Prior to 2011, SPSS had only been employed by traffickers in the Eastern Pacific. However, since July 2011, JIATF-South has supported the disruption of five SPSS vessels in the Western Caribbean, each carrying more than 6.5 metric tons of cocaine. There have been a total of 214 documented SPSS events, but only 45 were disrupted due largely to the difficulty of detecting such low-profile vessels.<sup>15</sup> The Congress, deserves a note of thanks for its foresight and wisdom in enacting 18 USC § 2285, the Drug Trafficking Vessel Interdiction Act of 2008, which made the mere operation of these stateless vessels in international waters a crime. This has greatly helped interdiction efforts because it eliminated the necessity for law enforcement authorities to recover contraband in order to affect successful arrests and prosecutions. The SPSS was an evolutionary step in the creation of a covert capability to transport multi-ton loads of contraband without any logistical support or refueling. This capability is now present in the FSV. These vessels can get underway from the source region, fully loaded with up to 10 metric tons of cocaine and a crew of four, and travel up to 6,800 nautical miles unsupported.<sup>16</sup> Though there is currently no intelligence of shipments directly to the United States, this is a range capacity that can take an FSV from the west coast of Colombia to the coast near Los Angeles, or from the north coast of Colombia to Galveston. Unlike the SPSS, the FSV power plants are typically complex diesel-electric systems that allow them to operate submerged by day on battery power and to run on the surface at night while recharging their batteries. As complex and sophisticated as they may appear, FSVs are constructed in the same undergoverned locations as SPSSs. These areas are very difficult for law enforcement or even military forces to reach. However, three FSVs have been seized in remote jungle areas, the first in Ecuador in 2010, and the last two in Colombia. Each of these three vessels was unique in its construction and had cargo capacities of over 7 metric tons. In 2011, the Interagency documented three FSV movements, none of which were successfully interdicted.<sup>17</sup>

<sup>11</sup> JIATF-South analysis of Interagency Consolidated Counter-Drug Database (CCDB).

<sup>12</sup> Interagency Consolidated Counter-Drug Database (CCDB).

<sup>13</sup> Office of Naval Intelligence, Assessments of seized SPSS and FSVs.

<sup>14</sup> JIATF-South and Office of Naval Intelligence assessment of seized SPSS.

<sup>15</sup> Interagency CCDB.

<sup>16</sup> Office of Naval Intelligence, Assessments of seized FSVs.

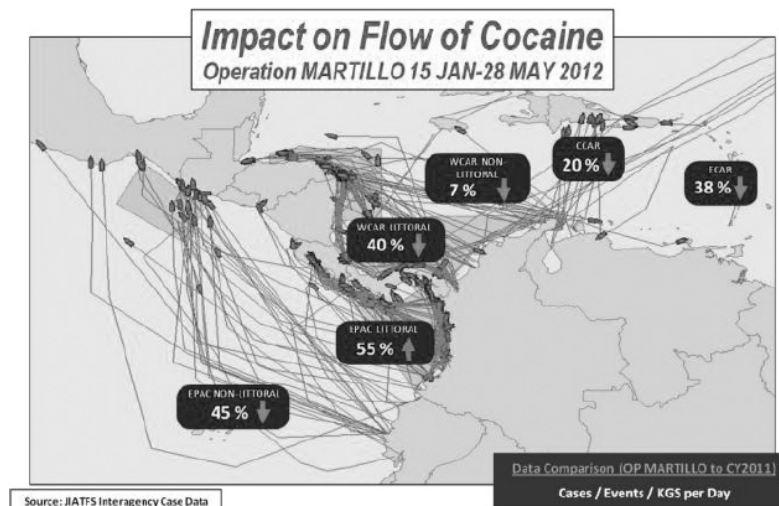
<sup>17</sup> Interagency CCDB.

## OPERATION MARTILLO: SUPPORTING REGIONAL STABILITY/NATIONAL SECURITY

Record interdiction years in the mid-2000s caused TCOs to react and mitigate their risk in several ways. SPSSs and FSVs were developed and their operations refined. Go-fast load sizes were reduced while the number of events increased significantly. Most alarmingly, TCO operations at sea were moved from deep water, where technological advantages favored U.S. interdiction forces, to the Central American littorals.<sup>18</sup>

This operational migration toward the Central American isthmus created an increasingly difficult and destabilizing situation whereby primary drug movements from the source zone made landfall earlier, often in countries incapable of stopping them. Operating in and around the territorial waters of Central America made international cooperation and bi-lateral agreements all the more critical to our success.

To counter this shift in flow and to alleviate pressure on Central American countries, Operation MARTILLO began in earnest on 15 January 2012. It is one component of a U.S. whole-of-Government approach to counter the spread of Transnational Organized Crime (TOC) in Central America. By demonstrating a consistent presence in the littorals of Central America, the United States, and our international partners seek to force TOC networks to move their transshipment routes to deeper waters in the Pacific and Caribbean. Operation MARTILLO demonstrates a clear commitment on the part of Western Hemisphere nations and other allies to work together to combat the spread of TCOs, and to protect their citizens from the violence, harm, and exploitation wrought by TCO networks. Operation MARTILLO created a framework whereby complementary operations by partner nations and other U.S. Government agencies could increase the effectiveness and synergy against TCOs in a difficult budget and operating environment.



Since 15 January, JIATF-South has documented significant decreases in the flow of illicit drugs in the Central American corridor (see graphic above). Compared to the same period in 2011, the JIATF-South documented flow of illicit drugs in the Central American corridor dropped by 46 metric tons. While cocaine flow is down in most of the region, we did note a significant increase in activity in the Eastern Pacific littorals which we attribute to increased awareness of tracks brought by enhanced focus of our interagency and international partners in the region.<sup>19</sup> Our law enforcement partners are expending great effort to provide actionable information to support the operation. This translates to a significantly increased awareness of the movement of cocaine over previous years.

The overall significant decrease in movement indicates an impact on the traffickers caused by the presence of U.S. ships and aircraft, the efforts of our law en-

<sup>18</sup> 2010 Interagency Assessment of Cocaine Movement.

<sup>19</sup> JIATF-South analysis of CCDB and JIATF-South case analysis.

forcement partners and those of our allies and partner nations in the region. Further illustrating the commitment of our hemispheric partners, I note that partner nations have participated in 83 percent of disrupted events, acting as a force multiplier and playing an enormous role in the success of the operation. Though we have not yet seen the traffickers shift to another region in the Joint Operating Area, we assess that a continued persistent presence over time will force them to change their tactics and we are prepared to respond to that shift when the time comes.

#### CLOSING

Our target set spans the full spectrum of National and international security, presenting a formidable transnational challenge for U.S. and allied nations. We fight a highly mobile, disciplined, and well-funded adversary that threatens democratic governments, terrorizes populations, impedes economic development, and creates regional instability. The mission to counter transnational organized crime and illicit trafficking cannot be viewed in isolation from our efforts to combat terrorism, because the patterns, tactics, and techniques employed by traffickers are the same as the methodologies used by anyone wanting to move illicit people or cargo—including terrorists.

Our operational successes indicate an increasing level of trafficker sophistication and innovation as they rapidly employ readily available cutting-edge technologies, change their tactics, and shift seamlessly between modes of communication and methods of conveyance. Our success is dependent upon our collective capability to be more innovative, more adaptive, and more agile than our adversaries. Currently, we are unable to target 74 percent of high-confidence events. Of the 26 percent that we are able to target the principle impediment to successful detection and monitoring is the lack of the necessary sensors to generate persistent wide-area surveillance and precision geolocation. In spite of our challenges, we continue to be successful for two primary reasons. First, JIATF-South is a dynamic and evolutionary organization, one continuously adapting itself to evolving target sets. Second, the National and international unity of effort found within our command spans geographical and functional boundaries, bringing with it operational efficiencies and critical capabilities.

I close by once again thanking the Congress for its steadfast support of our men and women in uniform, who work every day to keep our Nation safe and I look forward to our continued collaboration to counter transnational organized crime and the illicit traffic that supports it.

Mrs. MILLER. Thank you very much.

I certainly thank all the witnesses for your excellent testimony. Not quite sure where to start with all that. Tried to take some notes while you were all talking.

One thing I would say to Admiral Lee, when you mentioned about the Shiprider, which is a thing I am—an issue I am very familiar with along the Northern Border in particular, and the Coast Guard has been fantastic on taking such a leading role and getting such a fabulous partnership that we have with our Canadian counterparts—I sort of thought a pilot of that, almost, was when Detroit hosted the Super Bowl back in—I should know this; I should ask Hansen Clarke, from Detroit—when was it, 2006 or 2008? 2006? Okay.

But at any rate, that was sort of a pilot program, I think, because of the Detroit River there between the Canadians and our U.S. Coast Guard, and that has worked out extraordinarily well, and now, of course, has expanded throughout the entire northern tier. So it really is a fantastic thing.

Actually, we just reauthorized that in our SMART Port bill, which was marked up by this committee recently and hopefully will have some floor time shortly, at least before the August recess. I think the Canadian Parliament, as well—I have talked to a number of the M.P.s there, and the ambassador, et cetera—they are hopeful that they will be authorizing it this year some time. So that, as I say, Shiprider is a great, great program.

I want to talk a little bit about the pangas, though. You all mentioned them. In fact, I was just taking some notes when you were talking—I thought I knew more than I did. Obviously that is why we are having this hearing. Ten-ton payload is quite something, really, the ability to have that and to travel 6,800 nautical miles. They can build them for less than \$1 million. I mean, essentially they are just building these things and will scuttle them, right? They are not really of value to them once they deliver their payload of whatever they do have in there.

You talked about interdicting them and that. How is the Coast Guard actually able to detect them readily, and is—are there technologies that would be helpful for the Congress to prioritize some spending to that? Is it just technology? Is it human intel that you are basically—you know, if we learned anything from 9/11 it was a mistake that our country made of not prioritizing intelligence spending previous to the war on terror.

That is how we caught Saddam Hussein. With all the technology we had it was really human intel that caught him. I think there is no second for human intel. I would guess that that is probably true with the pangas as well, and the tunnels.

But I am not sure who I am directing this to, but I would like a little more information about what we could do to assist your mission better in regards to gathering intelligence and interdicting more of these pangas, which are travelling further and further up the northern shore of California. It is sort of like having a handful of jelly: You get one—you know, you get this and it is coming out the next finger, right? It just keeps sort of moving.

Who would like to take that?

Admiral MICHEL. I will take that, Chairman Miller, to start off with.

First of all, just for a point of clarification, the types of vessels that we are talking about, when I was talking about 10 metric ton-payloads, those were on semi-submersibles and fully-submersible vessels. Those are special built either low-profile vessels or true submarines, if you can imagine that, and those can carry up to 10 metric tons.

There is another class of vessels, the pangas and go-fast boats, which are like speed boats with outboard motors, some of which are very large—and I think we heard Mr. Dinkins and Ms. Bucella talk about the even larger ones off the coast of California that they have seen in the past, so there are a couple different styles of vessels.

The semi-submersible and fully-submersible vessels are stealthy vessels. They try to avoid detection. They are not all that fast but they try to avoid detection. The go-fast boats and pangas are primarily out there because they are small and very speedy, so that is the way that they try to evade enforcement.

But both types of craft, because they are very small and they operate in the maritime environment, require very sophisticated intelligence techniques. The water spaces are just too large.

My joint operating area, ma'am, is 12 times the size of the United States, and you can imagine finding a submarine in an area the size of the United States. So you have got to do it via intelligence.

At JIATF-South about 85 percent of our cases are cued from human intelligence. These are law enforcement sources, including all the DHS partners you have represented here. That gives us the initial cuing.

Then once the vessel gets to sea we have to detect and monitor that and we do that through a whole bunch of different intelligence, and surveillance, and reconnaissance techniques, again, involving all the Department—all the partners here at the Department of Homeland Security. So it would be everything you could imagine: Aircraft, such as the CBP P-3s or the Coast Guard C-130s, or surface vessels, or any of the other intelligence apparatus that the Nation can bring to bear. That is the only way you are going to have a chance against these very, very small vessels.

Mrs. MILLER. Yes, Admiral.

Admiral LEE. It is a combination of all of the above. It is both intel, it is sensor technology, and it is the resources that we need to maintain our layered defense. Your combination of all of those will help us to close on end-game.

Mrs. MILLER. What is the sensor technology? I mean, is radar utilized for the pangas? Are they able to be picked up by that?

Admiral LEE. There are various sources, but it is radar, it is military patrol aircraft, it is being able to see what is out there and maintain maritime domain awareness. We need the bigger picture so that we can place our limited resources in the right vector, the right spot, so that we can close on the adversary.

Mrs. MILLER. If I could, I am just going to ask a question about the tunnels, as well. My time is going here, but I have a particular interest in that—the Ranking Member and I were just sort of chatting while you were talking about that—where they are actually being built. I mean, they are probably not being built along the Rio Grande, or where you have got running sand or the soil conditions, et cetera. So you principally are seeing those along the—or the California border?

Also, what kind of technology can you even utilize to find those kinds of things as they are being built? I don't know if there is any kind of underground types—I don't know what the term would be to be able to even be able to see anything like that being built. Could you expand a little bit on the tunnels?

Mr. DINKINS. Sure, ma'am. First of all, most of the sophisticated tunnels that we see and discover are in the San Diego area and Southern California area, and those tunnels can be as long as, you know—we discovered two in December. One was a half a mile long. It literally had a rail system in it with rail cart to shuttle stuff back and forth.

The good news is we are increasingly interdicting and discovering the tunnels before they become operational, so as time has gone on our ability to locate them is getting better and better, and a lot of it comes from public awareness. Most of our tunnels, and there is technology—worked with the Department of Defense, we have worked with the private sector—but these are—you know, it is—the—we are talking about very narrow tunnels that go very deep and so trying to find an anomaly—it is not like trying to find oil or water. It is very difficult to find an anomaly. Also do it undetected, because if you start—if you believe there is a tunnel there

and you start going over and start bringing in big equipment and testing it you are most likely going to scare them away and we will never bring them to justice.

There are a lot of challenges but at the end of the day one of the most successful ways we have been able to do this is just through intelligence, like you said—working with the community, the same type of thing with the pangas. You know, these are not vessels that are, you know, are natural to Southern California and to—particularly to L.A. area, so having people just call us when they have information on those and suspect something is just not right as well as good old informant networks.

Mrs. MILLER. Do you have a—my last question—do you have some sort of a public awareness campaign that you have undertaken along the shores there of California, and et cetera, about the tunnels and the pangas, if people—“If you see something, say something” kind of a thing, in particular with that?

Mr. DINKINS. We do. It started out with the San Diego Tunnel Task Force doing just that—all the members going door-to-door to businesses in a geographical area that would be susceptible for tunneling. Because they usually have to come up out of the ground and they want to do that in a warehouse. So talking with the businesses to say if somebody suspicious has come to lease property, and so forth.

But in addition, with the pangas—and it has actually been pretty successful—is doing—and they just started this in the L.A. area—is talking to the community, saying, “These boats right here, they are up to no good. If you see something, call.” We do get a lot of leads that way.

Mrs. MILLER. Thank you.

The Chairwoman now recognizes the gentleman from Texas.

Mr. CUELLAR. Thank you, Madam Chairwoman.

Admiral Lee, you might not know the answer to this but I am still going to ask you this question: I guess about a year ago or 2 years ago I added a provision that called on the Coast Guard to look at the threats we had on the United States—well, Texas-Mexico border, the Rio Grande, try and get the Coast Guard to do a little bit more work on the navigable part of the Rio Grande, since it is international water. You spoke about a lot of stuff that you do at the Great Lakes and Canada or up there.

The report came in a little bit after there was a hearing where two ex-generals came in and said that the borders—you know, they got paid \$80,000 to do a report. They never got to see the border but they came out with the reports and there was a war zone down there.

Your report came in a little bit after that, and basically your report said—and I am talking about the Coast Guard—basically said, what is happening across the river, threat is very high; what is happening on the U.S. side—smuggling drugs—very low threat. So basically went counter to what some of the Members and other folks are saying. I am one of those, I think it is more in the middle. I mean, I think it is, you know, we have got to do a little bit more.

But I found it interesting that Coast Guard, based on the intelligence and based on some of the work that you all did with the other agencies, basically said, “There is no need for us to put any



more assets down there because everything is under control, basically, but if there is a problem you can call us and we will go in and help.” Again, you might not be familiar with this report, but could you elaborate if you have any information, whether it is hearsay on this, personal knowledge on this report, on how that came up with that conclusion.

Admiral LEE. Well yes, sir. I will attempt, although I cannot address any discrepancies with—between the two reports. I can tell you that I had a conversation last evening with the chief of staff of the 8 Coast Guard district, and I talked to him specifically about operations over in the Corpus Christi vector, including the Rio Grande, and asked—“tell me”—I told him I was testifying tomorrow—“Tell me what you guys are doing over there, and tell me what you would want me to say to the subcommittee.”

He told me this: He says, “Look, we are working very closely with our partners and CBP and we are running routine operations on a quarterly basis up in the two lakes, for example. And we are also”——

Mr. CUELLAR. I am sorry. Quarterly basis, just so everybody understands, means once every 3 months.

Admiral LEE. I will have to get back with you on exactly how often——

Mr. CUELLAR. But roughly——

Admiral LEE. He used the term “quarterly,” yes, sir. That would be Operation Javelina—and the Gulf side. The shore side one would be Sea Serpent. He told me that in both of those operations—for example, the one on the inland up in the lakes, they partner up with the Mexican army and on—and offshore we are partnering with the Mexican navy. He says these are on-going and they intend to continue these types of operations. I hope that answers your question, sir.

[The information follows:]

*Quarterly Operations.*—The U.S. Coast Guard conducts one pulse operation each quarter for approximately 2 weeks on Falcon Lake and on Lake Amistad, using Coast Guard personnel from Maritime Safety and Security Teams (MSSTs). MSSTs are a versatile, highly-trained component of the Coast Guard’s Deployable Specialized Forces (DSF). Most recently, in February 2012, MSST 91104 Galveston and MSST 91106 New York participated in operations on the Lakes. The Coast Guard restricts its operations to the navigable areas of Falcon Lake and Lake Amistad. Quarterly operations by the Coast Guard augment efforts of DHS partners, particularly Customs and Border Protection (CBP) and their approximately 9,056 border personnel, 66 facilities, 43 aircraft, 61 vessels, and 27 checkpoints along the CBP main Sectors of Del Rio, Laredo, RGV, and Houston.

*Annual SW Border Lake/Offshore Operations.*—Each year Customs and Border Protection’s South Texas Campaign (STC) runs an annual operation along the SW Border Lakes called OPERATION JAVELINA THUNDER. The Coast Guard participated last year, but decided to add a robust “coastal and offshore” maritime component this year called OPERATION SEA SERPENT. Both operations are integrated, bi-national operations intended to create an environment that deprives Transnational Criminal Organizations (TCO) the ability to exploit the border along the Rio Grande and South Texas maritime domain. This year OPERATION JAVELINA THUNDER will run from July 11 to August 10. OPERATION SEA SERPENT will run from July 11 to August 24. Coordination between the two operations is managed by the Corpus Christi Regional Coordinating Mechanism (CC ReCoM).

The objectives of OPERATION JAVELINA THUNDER and OPERATION SEA SERPENT are to:

1. Disrupt and degrade TCO activities across the South Texas Corridor, to include the Gulf Coast Littorals, utilizing a risk-based analysis.

2. Synchronize operations between the South Texas Campaign, USCG Corpus Christi and STC communities of interest.
3. Leverage and integrate DoD capabilities to counter TCO activities.
4. Increase maritime detections and interdiction (Sea Serpent).
5. Increase collaboration with Mexico's Secretaría de Marina (SEMAR).

Agencies participating in the operations:

*United States Law Enforcement Agencies*

- South Texas Campaign (STC)
- Customs and Border Protection (CBP)
  - Rio Grande Valley Sector
  - Laredo Sector
  - Del Rio Sector
  - Laredo Field Office
  - Office of Air and Marine
- U.S. Coast Guard, Sector Corpus Christi
- Coast Guard Investigative Service
- Coast Guard Maritime Intelligence Fusion Center Atlantic
- U.S. Coast Guard, Air Station Houston
- U.S. Coast Guard, Atlantic Area
  - Medium Endurance Cutter
- U.S. Coast Guard, Deployable Operations Group
  - Maritime Safety and Security Teams
- Corpus Christi Regional Coordinating Mechanism (CC ReCoM)
- Air and Marine Operations Center (AMOC)
- Department of Homeland Security (DHS) Predators (Maritime and Land)
- Drug Enforcement Agency (DEA)
- Federal Bureau of Investigation (FBI)
- National Park Service—Padre Island National Seashore
- Homeland Security Investigations (HSI)
- Office of Investigation and Intelligence Liaison (OIIL)

*State and Local Agencies*

- Texas Rangers
- Border Security Operations Center (BSOC)
- Department of Public Safety (DPS)
- Texas Parks and Wildlife
- Local Law Enforcement Agencies (LEAs)

*U.S. Department of Defense*

- Joint Task Force—North (JTF—N)
- USMC 2D GSP (Ground Sensors)
- BIG Miguel 12 (Aviation FLIR)
- Civil Air Patrol (CAP) TXWG (Aviation Recon)
- 339th AVN (Aviation FLIR)
- 1 Combat Aviation Brigade (CAB) (Aviation FLIR)
- Joint Interagency Task Force (JIATF)—South Coordination
- National Guard (NG) TX Counter Drug—Task Force Participation/Coordination
- NG TX Aviation Element (FLIR)
- Special Operations DET TX NG (RECON/NG SOD)
- NG SWB—TX AVN Support (FLIR)

*Partner Nation and National Agencies*

- Secretaría de Marina (SEMAR)
- National Security Agency (NSA—TX) (Medina Station, San Antonio, TX)
- National Geospatial-Intelligence Agency (NGA)

As part of OPERATION SEA SERPENT, the Coast Guard will send MSST 91114 Miami to Falcon Lake from July 18 to August 12 and MSST 91104 Galveston to Lake Amistad from July 19 to August 18. The next deployment to Falcon Lake and Lake Amistad will be in the first quarter of fiscal year 2013, as the Deployable Operations Group schedule allows.

Mr. CUELLAR. Well, I do understand—Corpus is way down there in the south. You have got to understand the geographic area. My friend here, Michael McCaul and I, we one time went with the Civil Air Patrol. We got in a low-flying plane and we went down the river. I mean, a very low speed, very low—and you have got to understand—let's say we started off in Laredo going down to Brownsville. That is a long way to go down there.

Once a quarter I assume means every 3 months, which means that if you do a pulse every three quarters—I mean, a lot of things can happen between the first month and then the fourth month in between.

The other thing is—and I do understand that CBP—in fact, we got in those airboats, McCaul and I, at Laredo, and we went up and down the river, and I know some of it is not navigable. I understand all that. But a lot of it is navigable, and if you go into the controversy that came up in the Lake Falcon, and then you have Lake Amistad also, there is a lot of space. So if you do that once a quarter—I do understand once a quarter means every 3 months—a lot of things can happen in between 3 months. That is why I was asking for an explanation or the clarification what a quarter means, which I think we all know it is at least every 3 months.

I am just saying, as if—maybe if you want to get back to us later, because I find it interesting that you all pretty much said, based on your intelligence, smuggling, drug trafficking, everything was very low. The threat was very low. So I just find it interesting that a lot of us—and I am sure Members here would say, well, we have got to do more. Some advocate for fences; some advocate for more UAVs; some advocate for more Border Patrol and all of that. I understand. But I just find it interesting that they came out—the Coast Guard came out with that report. You might not be privy to that; it might have been before your time.

The other thing is—this goes to Ms. Bucella—does your current intelligence suggest that contraband smuggling will increase along the rail supply chain? If so, how will the mitigated funds be invested in securing this important part of global supply chain?

I understand U.P. made an agreement for \$50 million so you all are distributing that to certain parts. I assume you are working with Kansas City also on that, also. Then what efforts are you all using for using State and local law enforcement to help you? Because the first this is folks have said, well we don't have enough personnel. But if you talk to local law enforcement or State law enforcement I think a lot of them are ready to help you on that. So if you can talk about that.

Again, Mr. McCaul and I, when we were on those airboats we got to see one of those rail things, and a lot of things could happen in there, and so if you can just mention—my time is up, but if you can just reply to those.

Ms. BUCELLA. Sure. Mr. Cuellar, I think you know CBP does not work in a vacuum. I mean, our partners—DPS, Texas Rangers, all the State and locals—I mean, we all have to work together as a team. So yes, we do work very closely with our partners, and actually we are embedded in the Texas fusion center, DPS is going to send somebody to work with us, because really, the men and women on the ground every day in their neighborhoods probably are one of the best assets in the world for the human intelligence.

On the rail, as you know, last year we started a rail fusion center, which is housed in El Paso. But that is a combination of not only the private sector U.P., as well as the State and locals, as well as CBP, as well as ICE, in trying to figure out the detection of how

much of the narcotics are traveling to and from the United States in the rail cars.

Whether or not we are seeing an increase I cannot say that. Are we now addressing it? Yes, we are. But as to any other particulars I would be happy to answer your questions if you would like to submit them to me and I can get those to you.

Mr. CUELLAR. Right.

Ms. BUCELLA. Okay?

Mr. CUELLAR. All right. Thank you.

Again, to all of y'all, thank you very much for being here with us.

Mrs. MILLER. The Chairwoman now recognizes the gentleman from Alabama, Mr. Rogers.

Mr. ROGERS. Thank you, Madam Chairwoman.

I want to follow up on Mr. Cuellar's questioning on State and local government involvement. Can you give me some idea about the structure of how you bring them in? Do you bring them in at the planning, or you just call on them or use their information when they call you?

We will start with you, Ms. Bucella.

Ms. BUCELLA. Well, frankly, on the—in the State of Texas the Texas Rangers bring us in. I mean, we are embedded with many of their operations, and from the intelligence side of the house we try to give them some support not only tactically but strategically. So it is more of them bringing us in, because as CBP we are an interdiction agency, not necessarily an investigative agency, so we are constantly working with all of our partners.

This is not a, you know, who is in charge. This is more of, we have got a problem and how can we best resolve the issue.

With that, I mean, Mr. Dinkins can probably speak to this too, but ICE has been involved in HSI in many of the take-downs with the State and locals. Because again, there is plenty of work to go around for everybody.

Mr. DINKINS. Sir, for example, we do about 90,000 new investigations at HSI each year and 60 percent of those cases are in partnership with State and local law enforcement and our Federal partners. So most of the leads that we get, and actually the bread and butter of what we do, are leads from our fellow law enforcement partners.

At ICE we actually have the ability to cross-designate them, which adds a lot of value to giving them actually even border search authority, and not only on the BEST task force that we have but also just in—from child exploitation task forces to IP theft tax forces. We use them in basically every area from human trafficking that we investigate, including gangs.

Mr. ROGERS. All right. Thank you.

There has been an evolving tactic of very sophisticated forged documents—identification documents, the newest electronic digital security systems. From what I understand, some of the forgeries have replicated holograms, PVC plastic identical to that in a credit card, inks appearing only under ultraviolet stamp lights. Do you agree? Are you seeing these kind of sophisticated forged identification documents? Is that an exaggeration as to how good they are?

Mr. DINKINS. No, we have. As technology has gone down in price of—and so criminal organizations can buy some of the best technology out there—even unsophisticated criminal organizations. It lends to a higher quality of counterfeiting.

Mr. ROGERS. Are you seeing much of this come out of China, or do you know where it is coming—

Mr. DINKINS. We see some of it come out of China, but now—today you don't necessarily have to be based overseas even to produce a lot of our counterfeit documents that we see. A lot of them are produced right here in the United States. We have document and benefit fraud task forces in all of our special agent in charge offices that—

Mr. ROGERS. So where do you get those leads, primarily?

Mr. DINKINS. A lot of those things come from our local law enforcement who get complaints about them being used at a particular place. But also, we try to go after the vendor, because the individual buying the—may be just buying for work or they may be buying it for some other—something other, more serious. But ultimately we try to go after the vendors and the manufacturers. They are manufactured overseas in some cases, but actually, in the United States they are manufactured, as well.

Mr. ROGERS. I have the privilege of also serving on the Armed Services Committee, and one of my frustrations has been there has not seemed to be, from my perspective, an effort by CBP to incorporate technologies that we have been using in theater in Iraq and Afghanistan along the border. For example, the DOD has used aerostats a lot more than we have.

But I am interested—is there an effort by CBP to try to incorporate and network with the DOD to take the technologies that have proven to be effective there for use on the border?

Ms. BUCELLA. Yes. As a matter of fact, I just met with OSC yesterday. I have a very good relationship with DOD and we have been using a lot of their technologies because obviously we can evaluate them in a noncombat zone, and as a result there are some of our technologies that we have been able to evaluate that actually DOD has actually employed overseas. So I am not quite sure what—

Mr. ROGERS. Well, I am curious, why don't you use more aerostats and blimps—

Ms. BUCELLA. The—

Mr. ROGERS [continuing]. Which can loiter for long periods of time and see deep into Mexico?

Ms. BUCELLA. I know that there has been some of the aerostat technology that has been available. The problem or challenge for us is the funding part of how you make—

Mr. ROGERS. That is our problem. You just need to tell us what you need; it is our problem to figure out if we can pay for it or not.

Thank you very much. I will yield back.

Mrs. MILLER. Thank the gentleman.

The Chairwoman now recognizes the gentleman from Detroit, Mr. Clarke.

Mr. CLARKE. Thank you. Thank you, Madam Chairwoman. It is an honor to be referred to as the gentleman from Detroit. Thank you. No, I prefer Detroit. It is wonderful.

In our efforts to help stop terrorism, smuggling, trafficking—this is a question to any of you here—how can we better partner with private industry to further develop those technologies that we need to protect our people but also could help create jobs, especially along the Northern Border?

Admiral LEE. I am going to take a stab at it. That is a tough question, sir. How can we better partner? I can tell you with certainty that industry is constantly coming to us wanting to sell us new technology and we are constantly evaluating it. We look across the spectrum with our interagency counterparts and we try to evaluate those technologies to the best of our ability and, where possible, purchase them and apply them to our mission efforts.

But insofar as how to create more jobs on the Northern Border, that is outside of my ability to answer, sir.

Mr. CLARKE. You know, my concern about jobs, though, that would just be a byproduct of our partnership with private industry, many times who—they have the innovation to actually develop those technologies to help better monitor the borders and better coordinate responses. Just from your perspective, though, where do you see the opportunity of working with—or continuing to work with—private industry on developing or maintaining those technologies?

Admiral MICHEL. I can jump here from my world of work, and this kind of goes back to Chairman Miller's question about detecting and monitoring small craft. We regularly work with industry to test their products down-range against our adversary.

We have a National Battle Lab at Joint Interagency Task Force-South where we encourage vendors as well as academia to come down and try their detection and monitoring technology and we will run it against a real target set—against the bad guys who are running these semi-submersibles, or these panga boats, or fishing vessels with hidden compartments, all that type of stuff. We have tried all different types of technologies—everything that you can imagine—down at Joint Interagency Task Force-South, and we don't have to simulate an adversary.

If you want to come down and you say your technology does—you know, is able to detect a panga boat 50 miles offshore when it is moving at 40 knots, we encourage you to come down to JIATF-South and we will tell you whether your technology will work in the real world. We have had a number of successes across all different types of intelligence capabilities, particularly in detection and monitoring of those small vessels we talked about as well as aircraft that we have run through the mill in a noncombat-type format. A number of those have been employed overseas by the military services as well as by private industry.

We have an open door for anybody who wants to come down and try to work against our targets that will tell you whether your technology works or not. If it does and it is able to prove itself in that type of an environment that is a real endorsement for the—that type of technology.

Mr. DINKINS. Sir, and I can mention one area as far as partnership, and we do—and a good example of that is with the financial sector. So you have all these businesses, financial institutions who, they basically operate the systems that criminal organizations are

trying to exploit, so we meet regularly through a program where we have trained, I think, over 50,000 members of the financial community on what type of—typologies we are seeing that criminal organizations have tried to move their money. How will they try to beat the financial institutions' checks and balances to get it in their—anti-money laundering programs? How will they try to beat their system to try to get their illicit proceeds into the financial institution? Because once it is in the financial institution it can be sent around the world.

So we meet regularly with—this is, for example, really good success in human trafficking and human smuggling. So this is what we are seeing from our criminal investigations. This is what we are—you know, from—when you arrest 30,000 people and you are asking them, “Well, how were you going to launder your money?” you can get some very good intelligence. We share that with the financial institutions. They actually can re-change the algorithms that they are doing, just like we do when we are trying to screen people coming into the United States. They can change the metrics on what they are looking for to create red flags for suspicious activity that, had they not known that it was suspicious and that is the new trend they wouldn't have been able to detect. We have had very good success and that is just one example in the financial institutions where we have had good success.

Ms. BUCELLA. We at CBP have had great success not only with the Office of the Secretary of Defense in trying out different platforms and technologies dealing with technology, but also the sharing of information with the express consignment carriers. You know, we partner with them. Just private industry's business model, you know, they do risk-based. It is based on economics. For us it is based on threat. Sitting around the table as we do on a pretty routine basis of getting together we are able to share sort of what works for us and what doesn't work.

In some instances, for example, private industry sees anomalies on some things. Might not be a threat but it might be enough that we all have to incorporate and change the way we are doing business. For us it is enforcement and for private industry it is how they progress to the next level.

Really, we are not working independently. Also, with DHS, through the Office of Science and Technology, they are constantly bringing new technologies for us to at least explore, talk about, and figure out what kind of interest we need and what the threat is.

Mr. CLARKE. Thank you.

I yield back my time.

Mrs. MILLER. Thank the gentleman.

The Chairwoman now recognizes the gentleman from South Carolina, Mr. Duncan.

Mr. DUNCAN. Thank you, Madam Chairwoman.

Like to, panel, delve into a little bit about the, I guess, connection between terrorist organizations and what we see going on on the border with the aspect of tunneling, and I want to point out that the posture statement of General Douglas M. Fraser, United States Air Force commander, Southern Command, in 6 March he says that we do see evidence of international terrorist groups benefiting from the intertwined systems of illicit trafficking and money

laundering in our area of operations; in South America funding Hezbollah is raised through licit avenues, such as charitable donations, and illicit means, including trafficking in drugs, counterfeit, pirated goods, et cetera.

But then Rear Admiral Michel says that while this potential exists today Joint Interagency Task Force-South and U.S. Southern Command have not seen any indication of terrorist organizations or their affiliates using illicit trafficking networks to reach the United States to commit acts of terrorism. So there is a little bit of contradiction there, I believe, in those statements.

But we have seen an increase in tunneling. We have seen, in the last 10 years, I think—well, a little longer than that—155 new tunnels; in the last 4 years, 75-plus new tunnels, more sophistication with the rail, and lighting, ventilation.

So first off, I want to ask the rear admiral to address the contradiction and then I would like to delve into the tunnels themselves.

Admiral MICHEL. Yes, sir. Well, first of all, General Fraser is my boss so whatever General Fraser says is, by definition, correct.

Mr. DUNCAN. Good answer.

[Laughter.]

Admiral MICHEL. But nonetheless—and I have to go on my statement to what you are referring to, but I think General Fraser is raising the point that there are definitely connections between the drug trade and terrorist organizations. I think there have been identified somewhere around 19 different terrorist organizations that fund at least part of their operations from drug trade. The FARC is an example of that in Columbia, which is a terrorist organization that gets a lot of its proceeds from drug trafficking.

I will have to go back and look at my statement, but I think I was making reference to those types of conveyances—the semi-submersibles and fully-submersibles. We do not have any evidence and there have not been any intelligence indications of use of those craft for anything other than drug trafficking purposes. That becomes particularly important because the rules of engagement set for stopping a semi- or a fully-submersible therefore default to law enforcement rules. So you have got to use non-deadly force to stop a submarine. I mean, you can only imagine the challenges associated with that.

So I think what I had made reference in there was the use of these particular conveyances by terrorists or for terrorist purposes, and we have not seen any indications—

Mr. DUNCAN. I wasn't trying to trap you on that or—I just wanted to see, for my understanding, what the difference was. Because I do believe that there is—and I think June of last year indicates that there is a connection between the terrorist organizations, Hezbollah, Quds Force and the Mexican drug trafficking organizations, with the example of the Saudi ambassador assassination attempt. It wasn't lost on a lot of us that have followed this issue—and I am a freshman Congressman, but we have delved into this a number of times—wasn't lost on a lot of us that Hezbollah or the Quds Force contacted what they thought was a Mexican drug cartel operative to try to get into this country and bring God-knows-what



to assassinate the Saudi ambassador. So that didn't surprise a lot of us.

I am going to ask Ms. Bucella, how has—or has the CBP noticed any similarities between the border tunnels on the Southwest Border and the tunnels used by the groups like Hezbollah in the Middle East?

Ms. BUCELLA. Well, there is a huge difference in Arizona and Nogales area, based on the underground sewer system, those are very rudimentary—you could just basically—in many parking lots in Nogales you will see holes that have been filled back in again. Those are not the sophisticated tunnels.

Plus, the tunnels that are being—or the one tunnel that we have seen in San Diego where they are using horizontal directional drilling. That is very, very sophisticated. They have to bring engineers to do those.

Mr. DUNCAN. Similar to what you would see in Southern Lebanon?

Ms. BUCELLA. I think Southern Lebanon would be a lot more like Nogales.

Mr. DUNCAN. Really? Okay.

Ms. BUCELLA. Mr. Dinkins, with the Tunnel Task Force, they have been monitoring sort of the sophistication of the tunnel. But I do believe from some of the detection and some of the ability that we have been able to use technology from DOD, some of the rudimentary is very similar.

Mr. DUNCAN. In my limited amount of time talk about techniques that we are using to try to spot these tunnels—radar, forward-looking, anything like that.

Mr. DINKINS. There is ground-penetrating radar, I guess it is called. I am not an expert on the technology side. But there are some techniques—vehicle-deployed as well as many other DOD techniques, which they have developed long, truly tested, you know, in Afghanistan and that region.

So we are trying some of those. We are trying to use some of those. It ultimately comes down, our great success has been when we find out or hear about a tunnel is usually from a tip, from a source, and we are able to then, you know, develop an investigation, get in the organization, do wiretaps, and so forth, to actually find out about it. That has been our success.

The technology has played a role. You know, we use robotics once we actually are able to find the tunnel to go in and clear it, to make sure it is safe—because many of them are not safe. The one in San Diego that had 30 tons of marijuana, they were doing a very good job leading up to the point where they were going to come up out of the ground in the warehouse, and at that time their greed took over and then they just made a—you know, they dug the last 20 feet as fast as they could. I was down there 2 days later and it was already starting to cave in. So it can be very dangerous, as well, for us to search them, so we use robotics in that sense.

We have continued to go from oil industry, to the private sector, to working with Israel, who has a lot of experience in Gaza with tunnels, looking for that, you know, technological solution, but we haven't found that yet.

Mr. DUNCAN. Thank you all for what you do to keep our country safe. You have quite a challenge in your mission and I wish you the best of luck.

I yield back.

Mrs. MILLER. Thank the gentleman.

The Chairwoman now recognizes the gentlelady from Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. I thank the Chairwoman and the Ranking Member and the witnesses that come forward. I am going to have some—if you get your little notepad as I get mine, because I am going to ask a series of questions if I—appreciate it if you could answer them. I am going to ask a general question about the whole issue of individuals crossing the border and looking at the 2011–2012, or looking at—we are now 2012 to reflect on whether we have seen—what kind of crossings that we have seen. Have we seen a decrease?

Let's separate drug cartels and violence from individuals who are known to cross the border for work reasons, or we know that just recently individuals report in Arizona a 6-year-old was determined to be on—be in the vehicle and no one admitted to being the parent of that 6-year-old. So we know that we do have these incidents.

Try to not say that it is not your area. You are all getting information so I would imagine that you would have it.

Just quickly, Ms. Bucella, what has been the intelligence in terms of the crossings by the population that we are used to outside of terrorist-driven or violence-driven through drugs and otherwise? You have intelligence on that?

Ms. BUCELLA. We have been able to detect people not only just coming across the border but sharing information with our Mexican counterparts and stopping people from coming across the border—

Ms. JACKSON LEE. But have you seen a decrease or increase over the last 2 years, 3 years?

Ms. BUCELLA. In Arizona we have seen a decrease.

Ms. JACKSON LEE. I am just going to go quickly. Thank you.

Mr. Dinkins.

Mr. DINKINS. I believe that we are—

Ms. JACKSON LEE. I will get more pointed questions. I just want to quickly go through. Let me make sure that I am—

Okay. Is that Admiral Lee?

Admiral LEE. Yes, ma'am. In the maritime domain I can tell you that since 2009—that was a banner year for migrants for us—we have seen a general decrease. However, for 2012 our projections are slightly up.

In 2009, overall—this includes the migrants from Mexico, Dominican Republic, Cubans, and Haitians, we saw a—we had numbers at 6,684—

Ms. JACKSON LEE. What year is that?

Admiral LEE. That was in 2009.

Ms. JACKSON LEE. All right.

Admiral LEE. Projected for fiscal year 2012—2012—we are looking at 2,360, according to our intelligence.

Ms. JACKSON LEE. An increase of 2,360? Because you said 6,684, so that is going down.

Admiral LEE. To correct the record, ma'am, in—what I meant to say was in 2009—

Ms. JACKSON LEE. Yes.

Admiral LEE [continuing]. The over 6,684—

Ms. JACKSON LEE. Right.

Admiral LEE. We project the number to be 2,360 in 2012, so that is a lot less than 2009.

Ms. JACKSON LEE. Okay.

Admiral LEE. But it is up from last year by about 150.

Ms. JACKSON LEE. All right.

Admiral Michel.

Admiral MICHEL. Ma'am, it is really not appropriate for me to comment on that because my joint operating area is actually to the south of the Southwest Border, so I deal with products as they move toward the Southwest Border.

Ms. JACKSON LEE. Thank you.

Thank you very much for that. I think that is a very provocative assessment and statement because I am going to collectively say I think we have been focused, and when I ask you this next question you might just add into your answer, do you think there have been heightened collaboration among the agencies on this question of individuals transporting themselves over the border? In the instance I tried to separate you from our enhanced work that we need, which is bad actors, either through drug trafficking, or human trafficking, or either through potential terrorist acts. So I wanted to separate that out.

So I am going to go right, Mr. Dinkins, to this question: What are the trends you are seeing in human trafficking, which we all abhor? For example, are there more cases involving trafficking for sexual purposes, or for forced labor? Are you seeing an increase in children being trafficked?

I am going to have a follow-up question, so I see my time—let me just give the follow-up question. The U.S. Department of Justice has indicated that the I-10 Corridor in Houston, going up through Louisiana, was identified as one of the main routes for human traffickers in the United States, and as of 2010 all human trafficking victims certified in the United States, 25 percent of them were in Texas. We have a focus on that area. So I am very interested in where we are in that, if you would, please? And comment on the I-10 Corridor.

Mr. DINKINS. Yes, ma'am. I will work backwards. Texas is probably—our special agent in charge offices from Dallas and Houston to San Antonio are probably the lead for HSI and ICE's investigative efforts in human trafficking, and it may be as a result of exactly what you are saying, it is because of the volume that is going through that area, although I do not—I have not actually seen that report.

I will say that the—what we have seen is—it is hard to predict this, and I will explain why. It is because we have given it so much more emphasis now in the last 2 years, really working and focusing on human trafficking. So we are seeing it a lot more; I just don't know if it existed before we were—we gave it such a concerted effort.

It does involve, usually, purposes for sexual exploitation, and in many cases we have seen where the internet is getting to be involved in it, where as you go advertise overseas, for example, for somebody to come here and be a nanny and when they get here they actually find out that they are going to end up being trafficked into sexual servitude.

Ms. JACKSON LEE. Madam Chairwoman, if I could just indulge, I am trying to—the I—so are you familiar with the I-10, or you are saying that it is a serious problem and you are focused on it, but it is on-going. Is that my understanding?

Mr. DINKINS. Yes. I don't know about I-10 specific, but I can tell you—

Ms. JACKSON LEE [continuing]. DOJ report.

Mr. DINKINS. Yes. But coincidentally, our special agent in charge offices in Texas are usually some of the leaders in bringing the cases to—trafficking cases to justice. We saw that around the Super Bowl when it was in Dallas—large number of—of human trafficking arrests. So it definitely is an area that we are focusing on, I just, I can't specifically comment about the I-10.

Ms. JACKSON LEE. Okay. Do you have the resources you need?

Mr. DINKINS. That is a good question. I can tell you that we probably have more resources—probably we have more resources dedicated to human trafficking than ever before, and we recently received additional funding, which, instead of getting agents, what we did increased the number of agents we had, we actually also increased the number of victim witness coordinators and child forensic interviewers because when you do find a traffic victim you do not want an agent with a gun interviewing them; you want somebody that is a professional who cares about their needs first and not the case, and we have hired, I think, I believe another 18 of those around the country.

Ms. JACKSON LEE. I thank the Chairwoman for her indulgence. I yield back.

Mrs. MILLER. Thank the gentlelady.

The Chairwoman now recognizes the gentleman from Texas, Mr. McCaul.

Mr. MCCAUL. Thank you, Madam Chairwoman.

Let me just first give praise where it is due.

Ms. Bucella, the coordination, I think, between your agency, our Texas Rangers, and Department of Public Safety has never been better. It is a great, you know, Federal, State, and local effort down there, and the border sheriffs, as well.

So getting to the issue of the DOD assets—and Congressman Cuellar and I have been focused on this for probably about 2 years now, in terms of coordinating the assets that we have overseas to use on the Southwest Border, and northern, as well. Can you tell me what assets are available that you would want to use?

Ms. BUCELLA. First, the technologies, because they really are sophisticated and DOD could afford those things, so if there is anything that we could use for that. One of the things that—one of the greatest assets that we are getting are the people. As we are doing the drawdown, men and women, I have hired seven full-motion video analysts. So it is a unique skill set, and obviously for those that were been in the combat zone that has been terrific.

We have also been able to purchase some of the assets that are being retired, as the helicopters, from the Marine Corps, with parts so that we can—are able to use them.

But as the drawdown comes we are in active discussions with DOD just to make sure that we can use some of their assets that they have retired. But again, more importantly, the men and women coming back, unbelievable skill set in analytics, unbelievable drive for mission. They understand what is going on.

Mr. McCAUL. That is good. I mean, when we were—Congressman Duncan, and Cuellar, and I were over in Afghanistan and Iraq we talked to the generals there and we specifically raised the issue of: “Would you be willing to provide these assets to DHS?” and they were very agreeable to doing that.

So any assistance or help we can give you in that effort, I think that is very worthwhile. In a tough budgetary time these are existing assets that we can leverage.

Ms. BUCELLA. That would be wonderful. The only thing we would ask for consideration is also that the operation and maintenance and parts also is considered, because while, you know, they have some great air assets they cost a lot of money to maintain.

Mr. McCAUL. I want to throw out a scenario that I often worry about, and I know that Congressman Duncan shares this concern, and it goes back to Hezbollah operatives, the Iranian connection to Venezuela, these flights that Interpol can’t check; we don’t know what is on those flights. We have had lawmakers from Bolivia tell us that they think uranium is on those flights.

The scenario of a weapons-grade uranium coming through one of these tunnels or smuggled across between the ports of entry—I think at the ports of entry we have the adequate technology to detect that, but it is really between the ports of entry where the human smuggling is taking place that it is not secure. That brought into the United States with something as simple as a stick of dynamite and you can create a dirty bomb in a major city. Is that a realistic concern?

Mr. Dinkins.

Mr. DINKINS. That is a very good question, sir, and I think the—one of the things that we, I think collectively, have realized in security business is that you can’t just draw a line in the sand and say that is where we are going to hold the line. You have to address that threat before it actually gets to the line.

I believe that has been our best success and what will be our best success is in actually preventing that and interdicting that before it actually gets to the desert or tunnel and they will actually even be able to get into the United States. There are many ways that you could get, you know—I am not a uranium expert, but there are many ways that you can make entry into the United States, but there is very limited amount of availability of uranium, and targeting that before it gets to the United States and dismantling those networks overseas, that is going to be our greatest success in, I think, believing—in preventing that from actually becoming a reality.

Mr. McCAUL. You know, not to invoke Hollywood, but the movie “Act of Valor,” you know, with the Navy seals, ends—culminates with that scenario, which some people felt was a far-fetched sce-

nario, and I am not really sure that it is. I am concerned that that could actually happen in reality and not just in the movies.

I have got 20 seconds, but, Admiral Lee, you are going to join us, I think, on Thursday, with Governor Fortuno, at our hearing on the Caribbean, and I guess with my short time left I will just say I look forward to seeing you come back on Thursday.

With that, I yield back.

Mrs. MILLER. I thank the gentleman and I thank all the panelists.

I have one quick question before we close here. Admiral Michel, you were mentioning about the rules of engagement with the submersibles because—I am not sure exactly how you phrased it, but because you don't think there is a terrorist threat or we haven't had one so far with these submersibles you cannot use military rules of engagement for them and it reverts back to a local law enforcement-type of a apprehensive thing.

That is disturbing to me. It certainly handicaps your ability to do, I think, what you need to do and what the country would like you to do, I think—my personal opinion—and I am just wondering whether or not you need additional authorities for such a thing or if you would like to comment on that. Perhaps you don't want to comment on that. It certainly is up to the Congress to think about it. But if you have any comment on that I would welcome that.

Admiral MICHEL. I will comment on that. It has been a subject of vigorous—and remains a subject of vigorous discussion within the administration on how to treat these things. I mean, up until this point submarines—fully-submersible submarines—diesel-electric submarines had only belonged to nation states. This is a diesel electric submarine that is run by a non-state actor, a transnational criminal organization.

The current thinking within the administration and the marching orders that I have got is absent intelligence indicating otherwise that as long as we believe that these are still being used simply to move, you know, multi-million dollar loads of cocaine that they are a law enforcement problem, and as a law enforcement problem we as a Nation have chosen to treat those with law enforcement use-of-force rules, which is typically non-deadly force rules. So you can imagine trying, in a non-deadly force manner, to force one of these fully-submersible submarines to the surface so you can arrest the occupants there for cocaine smuggling.

So it is a challenge. I mean, you have hit the nail on the head, ma'am. It is extremely difficult for me to come up with any type of capability in a non-deadly force manner to force one of these submarines to the surface to—

Mrs. MILLER. I mean, I remember when the Coast Guard was not able to shoot at the fast boats, right, and then we gave you additional authority for those kinds of things. I mean, you need to be able to do your job we have tasked you with and if we handcuff you I don't think that is advantageous for the Nation.

Would it require that the drug cartels are listed on the terrorist—as a terrorist organization? What if they were a terrorist organization? Then what could you do?

Admiral MICHEL. Well, I hate to speculate because there is—

Mrs. MILLER. Okay.

Admiral MICHEL [continuing]. A lot of discussion——

Mrs. MILLER. I am thinking out loud here.

Admiral MICHEL [continuing]. Terrorist organizations, but if they were designated that could potentially be a different rule set. But obviously that all kind of hypothetical and would have to be discussed because that is obviously a very, very complicated subject matter.

Mrs. MILLER. Well, it is something I intend to pursue so I appreciate your comment on that.

But we certainly appreciate all of the witnesses and your testimony today. It has been a very, very, extremely helpful hearing. The record will be held open for 10 days.

With that, the subcommittee will adjourn.

[Whereupon, at 11:21 a.m., the subcommittee was adjourned.]

