AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

A LINE IN THE SAND: ASSESSING DANGEROUS THREATS TO OUR NATION'S BORDERS

HEARING

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS, AND MANAGEMENT

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

NOVEMBER 16, 2012

Serial No. 112–123

Printed for the use of the Committee on Homeland Security

Available via the World Wide Web: http://www.gpo.gov/fdsys/

U.S. GOVERNMENT PRINTING OFFICE

81–132 PDF WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON HOMELAND SECURITY

PETER T. KING, New York, *Chairman*

LAMAR SMITH, Texas
DANIEL E. LUNGREN, California
MIKE ROGERS, Alabama
MICHAEL T. MCCAUL, Texas
GUS M. BILIRAKIS, Florida
PAUL C. BROUN, Georgia
CANDICE S. MILLER, Michigan
TIM WALBERG, Michigan
CHIP CRAVAACK, Minnesota
JOE WALSH, Illinois
PATRICK MEEHAN, Pennsylvania
BEN QUAYLE, Arizona
SCOTT RIGELL, Virginia
BILLY LONG, Missouri
JEFF DUNCAN, South Carolina
TOM MARINO, Pennsylvania
BLAKE FARENTHOLD, Texas
ROBERT L. TURNER, New York

BENNIE G. THOMPSON, Mississippi
LORETTA SANCHEZ, California
SHEILA JACKSON LEE, Texas
HENRY CUELLAR, Texas
YVETTE D. CLARKE, New York
LAURA RICHARDSON, California
DANNY K. DAVIS, Illinois
BRIAN HIGGINS, New York
CEDRIC L. RICHMOND, Louisiana
HANSEN CLARKE, Michigan
WILLIAM R. KEATING, Massachusetts
KATHLEEN C. HOCHUL, New York
JANICE HAHN, California
RON BARBER, Arizona

MICHAEL J. RUSSELL, *Staff Director/Chief Counsel*
KERRY ANN WATKINS, *Senior Policy Director*
MICHAEL S. TWINCHEK, *Chief Clerk*
I. LANIER AVANT, *Minority Staff Director*

SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS, AND MANAGEMENT

MICHAEL T. MCCAUL, Texas, *Chairman*

GUS M. BILIRAKIS, Florida
BILLY LONG, Missouri, *Vice Chair*
JEFF DUNCAN, South Carolina
TOM MARINO, Pennsylvania
PETER T. KING, New York *(Ex Officio)*

WILLIAM R. KEATING, Massachusetts
YVETTE D. CLARKE, New York
DANNY K. DAVIS, Illinois
BENNIE G. THOMPSON, Mississippi *(Ex Officio)*

DR. R. NICK PALARINO, *Staff Director*
DIANA BERGWIN, *Subcommittee Clerk*
TAMLA SCOTT, *Minority Subcommittee Director*

CONTENTS

Page

STATEMENTS

The Honorable Michael T. McCaul, a Representative in Congress From the State of Texas, and Chairman, Subcommittee on Oversight, Investigations, and Management:
Oral Statement 1
Prepared Statement 3
The Honorable William R. Keating, a Representative in Congress From the State of Massachusetts, and Ranking Member, Subcommittee on Oversight, Investigations, and Management 7

WITNESSES

Mr. Roger F. Noriega, Visiting Fellow, American Enterprise Institute:
Oral Statement 9
Prepared Statement 11
Mr. Frank J. Cilluffo, Director, Homeland Security Policy Institute, The George Washington University:
Oral Statement 18
Prepared Statement 20
Mr. Douglas Farah, Senior Fellow, International Assessment and Strategy Center:
Oral Statement 28
Prepared Statement 30
Mr. Marc R. Rosenblum, Ph.D., Specialist in Immigration Policy, Congressional Research Service:
Oral Statement 38
Prepared Statement 40

FOR THE RECORD

The Honorable Michael T. McCaul, a Representative in Congress From the State of Texas, and Chairman, Subcommittee on Oversight, Investigations, and Management:
Letter From Chairman Michael T. McCaul to Thomas Donilon 54

A LINE IN THE SAND: ASSESSING DANGEROUS THREATS TO OUR NATION'S BORDERS

Friday, November 16, 2012

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS, AND MANAGEMENT,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 9:00 a.m., in Room 311, Cannon House Office Building, Hon. Michael T. McCaul [Chairman of the subcommittee] presiding.

Present: Representatives McCaul, Long, Duncan, Marino, Keating, and Davis.

Mr. MCCAUL. The committee will come to order.

The first order of business, I would like to say what a pleasure it has been working with my Ranking Member, Mr. Keating, over this Congress.

I believe this will be our last official hearing of this Congress, and I just want to say thank you for that.

The committee will come to order. The purpose of this hearing is to discuss the findings from the subcommittee's Majority investigative report, entitled "A Line in the Sand: Confronting Crime Violence and Terror At the Southwest Border," and having issues identified in the report may impact American National security.

I now recognize myself for an opening statement.

International terrorist networks are expanding their ties to ruthless Mexican drug-trafficking organizations and creating risks to our Nation's borders and a possible attack on our homeland. These are findings from our subcommittee's investigative report released yesterday: The Majority report, entitled "A Line in the Sand: Confronting Crime Violence and Terror At the Southwest Border," describes the growing concern that terrorist organizations will exploit burgeoning relationships with Latin American drug traffickers to infiltrate the Southwest Border undetected.

Specifically Iran is attempting to cement relations with certain Latin American countries to expand its influence and challenge the United States. Iran has cultivated stronger relationships with Venezuela. Examining travel between the two countries, according to Ambassador Roger Noriega, former Assistant Secretary of State for Western Hemisphere Affairs, direct commercial flights from Caracas to Tehran continue despite claims to the contrary.

Iran also tries to flout international economic sanctions by using Venezuela as a major destination to ship its exports. Far more alarming than increasing political and economic ties, Iran is also attempting to lay the foundation for military and covert operations within the United States by partnering with Mexican drug cartels.

No better example illustrates this danger than the Iranian Qods Force's attempts to work with the Los Zetas drug cartels to assassinate the Saudi ambassador in the United States on American soil.

Some estimate that Hezbollah sympathizers operating in the United States could number in the hundreds.

Iran's strategic migration and its relationship in Latin America are a clear and present danger to American National security. Should tensions mount over Iran's nuclear program, these relationships could possibly result in strategic platforms for Iran to unleash terror operations on the U.S. homeland.

In addition, concerns increasingly exist that terrorist organizations are attempting to corrupt drug traffickers and other aliens entering the United States. For example, according to news reports from earlier this year, Osama bin Laden sought operatives with valid Mexican passports to enter the United States to conduct terror attacks. Bin Laden believed these operatives could more easily blend into American society and unleash terror attacks without warning. Threats at our Southern Border also persist from the increasing sophistication of drug cartels. From elaborate underground tunnels costing over $1 million to constructing submarines used to circumvent our maritime security, these cartels will stop at nothing to ensure their products enter our homeland.

U.S. Border Patrol faces an ever-persistent challenge of identifying and apprehending special-interest aliens, those aliens from countries designated by intelligence agencies as potential threats to our security. For fiscal years 2006 to 2011, Border Patrol officers apprehended nearly 2,000 special-interest aliens. With the Calderón government's tough stand against organized crime in Mexico, we have also witnessed the increasingly ruthless violence that the cartels employ to strike fear into those attempting to stop them.

For example, in May 2012, 23 residents of Nuevo Laredo, Mexico, were brazenly executed, nine of the bodies hung from a bridge at a busy intersection only a 10-minute drive from Texas.

Unfortunately, some of this violence has even spilled into American soil. Since 2009, Mexican drug traffickers have fired upon nearly 60 Texas law enforcement officers. Kidnappings in 2009 also spiked in McAllen, Texas, and all these threats were making the Southwest Border increasingly dangerous.

Despite these growing threats, efforts to secure the Southern Border have been mixed. Border Enforcement Security Teams, or BEST teams, have combined Federal, State, and local resources and have had a significant positive impact since their creation in 2005, such as seizing over 13,500 weapons and investigations, resulting in over 4,500 convictions. The Texas Department of Public Safety initiatives have also had an effect in reducing border crime, apprehending illegal drugs and fostering improved law enforcement relationships resulting in improved information sharing.

However, with these successes, our efforts to secure the border have experienced challenges, the most high-profile of which, the Secure Border Initiative Network, or SBInet, failed to meet expectations and resulted in little return to its $1 billion investment. Due to the challenges with SBInet, the administration abandoned the goal of securing the Southern Border to instead focus first on the Arizona border. But we still may be years away from effectively securing Arizona, and no definite time frame for securing the rest of the Southern Border exists. DHS reported in late 2011 that it could respond to illegal activity along 44 percent of the Southwest Border, leaving 7,500 border miles inadequately protected.

Given all the threats outlined in the subcommittee's report, this approach is unacceptable. The 9/11 Commission wisely cautioned us about a failure of imagination, and this criticism should be considered when securing our border. The next Congress and administration need to develop an achievable plan to comprehensively secure our Southern Border.

By identifying the threats to our border and developing a plan to better secure them, this hearing can be a first step towards a significant issue that we will need to address in the next Congress, reforming our immigration system. I hope our witnesses today can share specific ideas on how we can better secure our borders and mitigate the grave threats that we see from Iran and Latin American drug cartels.

With that, I now recognize the Ranking Member, the gentleman from Massachusetts, Mr. Keating.

[The statement of Mr. McCaul follows:]

STATEMENT OF CHAIRMAN MICHAEL T. MCCAUL

NOVEMBER 16, 2012

International terrorist networks are expanding their ties to ruthless Mexican drug trafficking organizations and creating risks to our Nation's borders and possible attack on our homeland. These are findings from our subcommittee's investigative report released earlier this week. The Majority report, entitled *A Line in the Sand: Confronting Crime, Violence, and Terror at the Southwest Border* describes the growing concern that terrorist organizations will exploit burgeoning relationships with Latin American drug traffickers to infiltrate the Southwest Border undetected.

Specifically, Iran is attempting to cement relations with certain Latin American countries to expand its influence and challenge the United States. Iran has cultivated stronger relationships with Venezuela. Examining travel between the two countries, according to Ambassador Roger Noriega—former Assistant Secretary of State for Western Hemisphere Affairs, direct commercial flights from Caracas to Tehran continue despite claims to the contrary. Iran also tries to flout international economic sanctions by using Venezuela as a major destination to ship its exports.

Far more alarming than increasing political and economic ties, Iran is also attempting to lay the foundation for military and covert operations within the United States by partnering with Mexican drug cartels. No better example illustrates this danger than the Iranian Qods Force's attempt to work with the Los Zetas drug cartel to assassinate the Saudi Arabian Ambassador to the United States on American soil. Some estimate that Hezbollah sympathizers operating in the United States could number in the hundreds.

Iran's strategic migration and its relationships in Latin America are a clear and present danger to American National security. Should tensions mount over Iran's nuclear program, these relationships could possibly result in strategic platforms for Iran to unleash terror operations on the U.S. homeland.

In addition, concerns increasingly exist that terrorist organizations are attempting to corrupt drug traffickers and other aliens entering the United States. For example, according to news reports from earlier this year, Osama bin Laden sought operatives with valid Mexican passports to enter the United States to conduct terror

attacks. Bin Laden believed these operatives could more easily blend into American society and unleash terror attacks without warning.

Threats at our Southern Border also persist from the increasing sophistication of drug cartels. From elaborate underground tunnels costing over $1 million to construct to mini-submarines used to circumvent our maritime security, these cartels will stop at nothing to ensure their "products" enter our homeland.

U.S. Border Patrol faces an ever-persistent challenge of identifying and apprehending "special-interest aliens"—those aliens from countries designated by intelligence agencies as potential threats to our security. From fiscal years 2006 to 2011, Border Patrol officers apprehended nearly 2,000 special-interest aliens.

With the Calderón government's tough stand against organized crime in Mexico, we have also witnessed the increasingly ruthless violence that the cartels employ to strike fear into those attempting to stop them. For example, in May 2012, 23 residents of Nuevo Laredo, Mexico were brazenly executed; 9 of the bodies hung from a bridge at a busy intersection only a 10-minute drive from Texas.

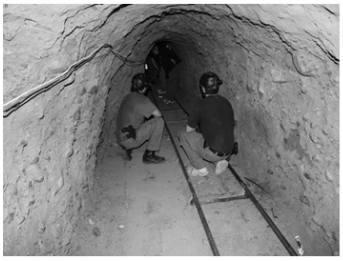
Unfortunately, some of this violence has even spilled onto American soil. Since 2009, Mexican drug traffickers have fired upon nearly 60 Texas law enforcement officers. Kidnappings in 2009 also spiked in McAllen, Texas. All of these threats are making the Southwest Border increasingly dangerous.

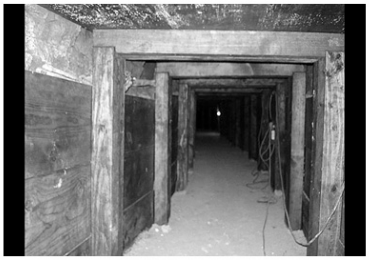
Despite these growing threats, efforts to secure the Southern Border have been mixed. Border Enforcement Security Task Forces—or BEST teams—have combined Federal, State, and local resources and had a significant positive impact since their creation in 2005, such as seizing over 13,500 weapons and investigations resulting in over 4,500 convictions. Texas Department of Public Safety initiatives have also had an effect in reducing border crime, apprehending illegal drugs, and fostering improved law enforcement relationships resulting in improved information sharing.

However, with these successes, our efforts to secure the border have experienced challenges. The most high-profile of which, the Secure Border Initiative Network or SBINet, failed to meet expectations and resulted in little return on its $1 billion dollar investment. Due to the challenges with SBINet, the administration abandoned the goal of securing the Southern Border to instead focus first on the Arizona Border. But we still may be years away from effectively securing Arizona and no definite time frame for securing the rest of the Southern Border exists. DHS reported in late 2011 that it could respond to illegal activity along 44 percent of the Southwest Border, leaving 7,500 border miles inadequately protected.

Given all of the threats outlined in the subcommittee's report, this approach is unacceptable. The 9/11 Commission wisely cautioned us about a failure of imagination and this criticism should be considered when securing our border. The next Congress and administration need to develop an achievable plan to comprehensively secure our Southern Border. By identifying the threats to our border and developing a plan to better secure our borders, this hearing can be a first step towards a significant issue that we will need to address in the next Congress: Reforming our immigration system. I hope our witnesses today can share specific ideas on how we can better secure our borders and mitigate the grave threats from Iran and Latin American drug cartels.

Hezbollah mosque (high rise) in Tri-Border Area of Brazil, Paraguay, and Argentina

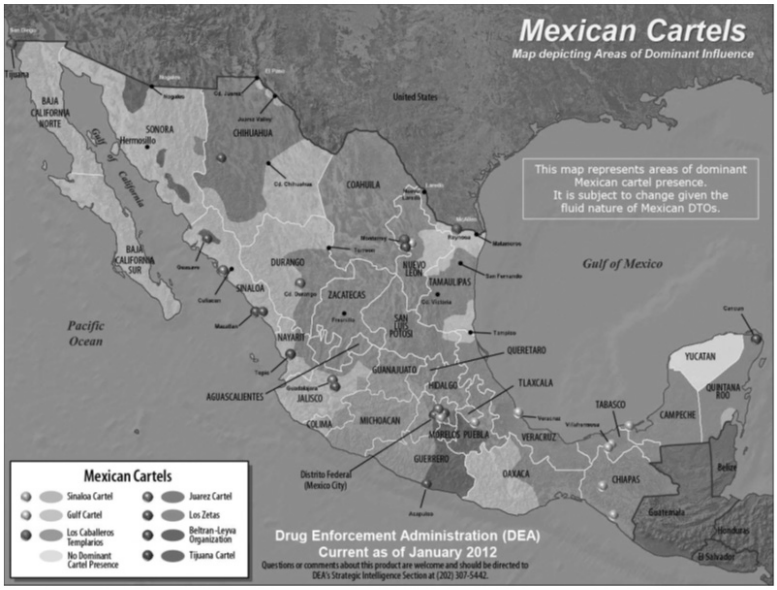




(Left) Unknown tunnel under Southwest border.
Source: U.S. Immigration & Customs Enforcement

(Right) Tunnel under Southwest border near Calexico,
CA. Source: U.S. Drug Enforcement Agency

Semi-submersible narco-trafficking vessel seized by authorities in Colombia



Map of DTO Areas of Dominant Influence in Mexico by DEA
Source: U.S. Drug Enforcement Agency

Mr. KEATING. Thank you, Mr. Chairman.

Thank you for your kind remarks, and it has been a pleasure this Congress. I think we have set some record for the number of hearings, and I think we have had some fruitful results.

The purpose of today's hearing is to examine the multitude of threats that must be considered when securing our Nation's borders. From keeping illegal goods and contraband out of our country to ensuring that our border communities are shielded from the violence spurred by drug-trafficking organizations occurring in Mexico and serving as the last line of defense between our country and its neighbors, the work that occurs at our borders on a daily basis is nothing short of phenomenal.

Putting things in perspective, by all accounts, our borders are safer now than they have been. In the past 3 years, the U.S. Customs and Border Protection has increased the number of Border Patrol agents from approximately 9,100 in 2001 to more than 18,500 today, and border apprehensions have decreased by 53 percent.

The brave men and women who work tirelessly to ensure our border security are indeed to be commended.

I would like to especially thank and honor those who have paid the ultimate sacrifice while working to keep our borders safe and secure.

Two threats that our witnesses will discuss in particular are whether spillover violence from Mexico has impacted the United States and whether Iranian-sponsored terrorism has found roots in

Latin America. Statistics and evidence show that in many respects progress has been encouraging. According to the Federal Bureau of Investigation's and anecdotal evidence from communities across the border States, U.S. border communities are safer places than they were a short time ago. The crime rates that are there are less than some of our own cities here in the country, particularly even here in the District of Columbia.

Furthermore, the U.S. Department of State in its 2009 and its 2011 country reports on terrorism has maintained that, "there are no known operational cells of Hezbollah or al-Qaeda in the Western Hemisphere." Activities of the Iranian Revolutionary Guard, however, worldwide and including possible Latin American activities bear continued scrutiny. We must not divert our attention overall from the threat of homegrown terrorist threats, and we should be mindful of General Barry McCaffrey's testimony in front of this committee on the importance of comprehensive immigration reform and its relationship to border security.

Therefore, the likelihood that terrorists will seek to enter the country via the Southwest Border cannot be ruled out, but it is lower on the probability scale. In fiscal year 2006 through fiscal year 2011, only .5 percent of aliens apprehended at the Southwest Border were from special-interest countries.

While progress has been made, we must remain vigilant and never rest on our laurels. That is why I would like to thank our witnesses for appearing today.

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

Mr. MCCAUL. I thank the Ranking Member.

Other Members are reminded opening statements may be submitted for the record. We have a very distinguished panel of witnesses here today. I would like to go ahead and introduce them.

Mr. MCCAUL. First, we have Ambassador Roger Noriega, former assistant secretary of state for western hemisphere affairs and a former U.S. Ambassador to the Organization of American States. He coordinates the American Enterprise Institute's program on Latin America and writes for the institute's Latin American Outlook Series.

Next, we have Mr. Frank Cilluffo, who is an associate vice president at the George Washington University, where he directs the Homeland Security Policy Institute. Shortly after the terrorist attacks of September 11, he was appointed by the President to the Office of Homeland Security and served as a principal adviser to Secretary Tom Ridge.

Next, we have Mr. Douglas Farah, who is the International Assessment and Strategy Center senior fellow of financial investigations and transparency. He specializes on transnational criminal organizations and armed groups in their efforts on states and corruption, terrorism, terror finance and proliferation, illicit financial flows in the Western Hemisphere.

Last, we have Dr. Marc Rosenblum. He is a specialist in immigration policy at the Congressional Research Service and associate professor of political science at the University of New Orleans. At CRS, Dr. Rosenblum focuses on policies related to immigration enforcement at the border and within the United States.

I would like to thank all of you for being here today.

The Chairman now recognizes Ambassador Noriega for his testimony.

STATEMENT OF ROGER F. NORIEGA, VISITING FELLOW, AMERICAN ENTERPRISE INSTITUTE

Mr. NORIEGA. Thank you very much, Mr. Chairman. I have a full statement, and I will summarize briefly. I applaud the subcommittee for its continued efforts to study and expose the menacing cooperation between narco traffickers and Islamic terrorist group Hezbollah.

Focus on the border is essential, of course, but we need to look down-range to find the roots of some of these problems. There is a growing body of evidence, for example, that this narco-terrorist collaboration in this hemisphere is aided and abetted by the hostile governments of Venezuela and Iran.

To put it bluntly, this is not just criminal activity, Mr. Chairman; it is asymmetrical warfare being supported by two very determined foes of the United States.

So how is it being waged? Hezbollah conspires with drug-trafficking networks in Mexico, Central America, and South America and really around the world, as a means of raising funds, sharing tactics, and reaching out and touching U.S. soil. One instructive example of the complexity and scale of these operations is the pending criminal case again Lebanese drug lord Ayman Jouma. Jouma was indicted in November 2011 for managing a sophisticated cocaine-smuggling and money-laundering scheme that channeled millions of dollars per month to Hezbollah as well as back to the cartels. His network involved Colombian narco-traffickers, the deadly Mexico gang Los Zetas, and other criminal associates, businesses, or banks in the United States, Mexico, Panama, Venezuela, Africa, Europe, and Lebanon.

But traditional threats persist as well as. In recent years, Mexico has arrested numerous individuals associated with Hezbollah engaging in criminal activities, including smuggling of persons across the Southwest Border of the United States. Just in September, Mexicans intercepted a Lebanese-born U.S. citizen who was convicted in 2010 of channeling $100,000 to Hezbollah. That same man is suspected of working with Hezbollah operatives in Central America.

Far from our border, Venezuela serves as a significant role as a nexus for narco and terrorist collaboration. On Venezuela's Margarita Island, for example, Hezbollah agents operate numerous businesses and safe houses. In addition to fundraising activities, Hezbollah provides terror training on the island for recruits from Venezuela and other Latin American countries. It is not well-known that the world's most powerful cocaine smuggler and head of Mexico's Sinaloa cartel, Joaquin Archivaldo "El Chappo" Guzman, conducted his business from Venezuela for much of the year 2010, living in a suburb of Caracas and on Margarita Island until early last year under the protection of security officials of the Venezuelan government.

Margarita Island is not an isolated example of how Venezuela serves as a platform for this cooperation.

Using that country as a safe haven, two parallel terrorist networks proselytize, fundraise, recruit, and train operatives on behalf of Hezbollah in many countries in the Americas. Hezbollah operatives and their co-conspirators hold senior positions in the Venezuela government from which they launder millions of dollars using regional banks and state-run enterprises in Venezuela to provide—as well as providing travel documents—weapons and logistical support to terrorist operatives and cocaine smugglers throughout the hemisphere and right up to our border. The Venezuelan state-owned airline Conviasa helps move personnel, weapons, and contraband in and out of our hemisphere from Damascus and Tehran.

Mr. Chairman, Hugo Chávez is an able broker between Hezbollah and the narco-traffickers because I believe his regime is a narco-state. To be precise, U.S. officials have fresh compelling information implicating Chávez himself, his National Assembly president, his former minister of defense, his army chief, his newly-appointed deputy minister of interior and dozens of other senior military officials in cocaine-smuggling and money-laundering activities. These cartels engage routinely in lucrative schemes involving Hezbollah front companies that operate in Venezuela.

Chávez is also a strategic ally, as you mentioned, with Iran, and he carries out, helps them carry out their asymmetrical battle to our doorstep through its proxy Hezbollah. They have laundered about $30 billion to the Venezuelan economy to evade international sanctions and 70 companies, some of which have been sanctioned by Western authorities for their involvement in supporting Iran's illicit program, operate suspicious industrial facilities in various locations throughout Venezuela. That is the tip of the iceberg, Mr. Chairman.

So what are some of the recommendations for addressing this problem? Very, very briefly, I think we need a strategy, we need the adequate resources, and we need action.

This summer, the House passed Representative Jeff Duncan's bill to require the Executive branch to provide Congress with a strategy for countering this threat. The Senate is expected to make small changes and return that measure within days to the House for final approval. I hope it passes. Once the Executive branch produces the required strategy, I hope Congress will appropriate law enforcement and intelligence agencies the resources they need to respond urgently and effectively.

As an immediate measure, further administrative action can be taken now to sanction banks for on-going money-laundering schemes. Also, the involvement of Venezuelan officials and state-run entities in drug trafficking and terrorism must be publicized and punished in the form of Federal indictments. After years of work on the subject, I think it is fair to ask the Justice Department who or what is holding up these indictments. Congress is right to demand answers, Mr. Chairman.

Thank you.

[The prepared statement of Mr. Noriega follows:]

PREPARED STATEMENT OF ROGER F. NORIEGA

NOVEMBER 16, 2012

Mr. Chairman, I applaud you and other Members of the subcommittee for your continued efforts to study and expose the evolving threats to the U.S. homeland that are developing beyond our borders. The subcommittee's published reports on this subject contain a sobering and insightful appraisal of the menacing cooperation between narcotraffickers and the Islamic terrorist group Hezbollah in our hemisphere.

As a visiting fellow at the American Enterprise Institute for Public Policy Research, I head a project to examine and expose the dangerous alliance between the Venezuelan regime of Hugo Chávez and Iran. To date, we have conducted dozens of interviews with experts from throughout the world and with eyewitnesses on the ground in the region regarding Hezbollah's offensive in the Americas. We also have obtained reams of official Venezuelan and Iranian documents, only a few of which we have published to support our conclusions. In addition, I have worked for most of my professional life to understand and obstruct the illicit production and distribution of illegal narcotics and associated crimes of deadly drug syndicates.

While much attention has been paid to the bloody confrontation between authorities in Mexico and several Central American countries with the transnational narcotrafficking organizations, there is virtually no recognition of the simple fact that, for the last 6–7 years, much of the cocaine from South America makes its way northward with the material support of the government of Venezuela.

Also, although some have taken note of anecdotal evidence about the troubling links between narco-traffickers and global terrorist group Hezbollah, most observers have failed to follow that evidence to Iranian-backed Hezbollah elements that operate throughout Latin America, right up to our Southwest Border, from a safe haven in Venezuela.

Some may assess this narco-terrorist phenomenon as a marriage of convenience between different criminal elements or just another modus operandi of powerful international drug syndicates. In my view, such interpretations overlook a growing body of evidence that this narco-terrorist alliance in our neighborhood is aided and abetted by Venezuela and Iran—two regimes bound together by a relentless hostility against U.S. security and interests. In other words, it is not just criminal activity—it is asymmetrical warfare.

Focusing on improving security at our borders is important, but far from sufficient. This narco-terrorism will exact an increasingly terrible price from our neighbors and our Nation until our National security establishment recognizes that the mayhem on our border is being sponsored by hostile states. Once our policymakers face this fact, they can begin to fashion a more effective response.

KEY OBSERVATIONS

Allow me to describe some of the elements of this narcoterrorist network, followed by a fuller discussion to provide the necessary context to understand why this threat is extraordinarily dangerous.

- Hezbollah conspires with drug-trafficking networks in Mexico and Central and South America as a means of raising funds, sharing tactics and "reaching out and touching" U.S. territory.
  - The criminal case against Lebanese drug lord Ayman Jouma is very instructive. Jouma was indicted in November 2011 for a sophisticated cocaine-smuggling and money-laundering scheme benefiting Hezbollah.[1] His network involves criminal associates and corrupt businesses in Colombia, the United States, Mexico, Panama, Venezuela, and Lebanon. In June 2012, Venezuelan-Lebanese dual citizens Abbas Hussein Harb, Ali Houssein Harb (sic), and Kassem Mohamad Saleh and several Venezuelan and Colombian companies were sanctioned by the U.S. Treasury Department for their role in Jouma's narco-terrorist operation.[2]
  - In recent years, Mexico has arrested numerous individuals associated with Hezbollah engaging in criminal activities—including smuggling of persons

[1] "Ties Between Hezbollah and Mexican Drug Cartels Revealed," by Rebecca Anna Stoil, *The Jerusalem Post,* December 15, 2011 *http://www.jpost.com/International/Article.aspx?id=249684.*

[2] "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America," U.S. Department of the Treasury press release, June 27, 2012 *http://www.treasury.gov/press-center/press-releases/Pages/tg1624.aspx.*

across the U.S. Southwest Border.[3] For example, in September, a Lebanese-born U.S. citizen, convicted in 2010 for a credit card scheme that raised $100,000 for Hezbollah, was arrested in Mérida by Mexican authorities. Rafic Mohammad Labboun Allaboun, an imam from a mosque in San Jose, California, was traveling with a falsified passport issued by Belize. He was extradited to the United States.[4]

- In Venezuela, our sources report that Hezbollah cells and representatives of the Mexican Sinaloa cartel operate in key cocaine transit corridors in that South American country. Margarita Island, best known as a Caribbean tourist destination, is a safe haven for terrorists and drug smugglers. We believe that it is here that Mexican kingpins and Hezbollah chiefs have planned their collaboration.
- It is a little-known fact is that the world's most powerful cocaine smuggler and head of the Sinaloa cartel, Joaquín Archivaldo "El Chapo" Guzmán conducted his business from Venezuela for much of 2010, living in a suburb of Caracas and on Margarita Island until early last year under the protection of Venezuelan security officials working for Chávez.
- Not coincidentally, Hezbollah agents operate numerous businesses and safe houses on Margarita Island. In addition to fund-raising activities, Hezbollah provides terror training on the island for recruits from Venezuela and other Latin American countries.

- Margarita Island is not an isolated example of this cooperation. Two Hezbollah networks proselytize, fund-raise, recruit, and train operatives on behalf of Iran and Hezbollah in many countries in the Americas.
  - One of these parallel networks is operated by a Lebanese-Venezuelan clan, and another is managed by Mohsen Rabbani, a notorious agent of the Qods Force of the Iranian Revolutionary Guard Corps who is wanted for his role in the 1992 and 1994 Buenos Aires bombings against the Israeli Embassy and Jewish community center, respectively.
  - Hezbollah operatives and their radical anti-Semitic allies hold important senior positions in the Venezuelan government and run a network that provides logistical and material support to terrorist operatives.
  - In recent years, the Chávez regime has sent weapons to Hezbollah (ammunition, grenades, rockets, etc., intercepted in 2009 by Israeli commandos)[5] and shipped refined fuel to Iran and Syria.[6]
  - Thousands of authentic Venezuelan travel documents have been provided to persons of Middle Eastern descent in the last decade, and numerous Latin American governments have detained many Iranian and Lebanese persons carrying Venezuelan passports.[7]
  - The Venezuelan state-owned airline, Conviasa, operates regular service from Caracas to Damascus and Tehran—providing Iran, Hezbollah, and associated narco-traffickers a surreptitious means to move personnel, weapons, contraband, and other materiel.
- Hugo Chávez is able to broker ties between Hezbollah and narco-traffickers, because his regime has become a narco-state.
  - To be precise, U.S. officials have fresh, compelling information implicating Chávez, his head of the National Assembly (Diosdado Cabello Rondón), his former Minister of Defense (Henry de Jesús Rangel Silva), his army chief (Cliver Alcalá Cordones), and his newly-appointed deputy Minister of Interior (Hugo Carvajal), and dozens of other senior military officials in trafficking in cocaine.
  - These elected officials and active-duty and retired military officers are responsible for transporting tons of cocaine to Central America, Mexico, the Caribbean, the United States, west Africa, and Europe.
  - It is no surprise that corrupt Chavista officials, including Chávez's closest advisors, engage routinely in lucrative schemes involving Hezbollah front com-

---

[3] "Exclusive: Hezbollah Uses Mexican Drug Routes into the U.S.," *Washington Times,* March 27, 2009.

[4] "Mexico Extradites Suspected Hezbollah Member," September 11, 2012 *http://latino.foxnews.com/latino/news/2012/09/11/mexico-extradites-suspected-hezbollah-member/*.

[5] *http://articles.latimes.com/2009/nov/05/world/fg-israel-arms-boat5*.

[6] *http://www.nytimes.com/2012/02/23/world/americas/chavez-appears-to-use-venezuelan-fuel-to-help-syrias-assad.html*.

[7] One of the 9/11 attackers had ties to a man traveling on an authentic Venezuelan passport bearing the name "Hakim Mohamed Ali Diab Fattah." Diab Fattah was detained by the FBI and deported to Venezuela; when the FBI asked the Venezuelan government for access to this man, authorities there claimed that he never entered the country.

panies, Colombian guerrillas, narco-traffickers, Venezuelan financial institutions and even powerful state-run entities.

- Chávez also is a key ally of the Islamic Republic of Iran, which is carrying its asymmetrical battle to our doorstep. Since Mahmoud Ahmadinejad paid his first visit to Caracas in September 2006, Venezuela has become one of Iran's most important allies in the world—certainly Tehran's closest partner in our neighborhood.
  - Venezuela has helped Iran launder at least $30 billion to evade international sanctions. Seventy Iranian companies—many of them fronts for the IRGC that have been sanctioned by Western governments for their support for Iran's illicit nuclear program—operate suspicious industrial facilities in Venezuela co-located with military and petrochemical installations.
  - The two governments also cooperate in nuclear technology and the exploration for uranium, notwithstanding U.N. sanctions.

DISCUSSION AND BACKGROUND

VENEZUELA'S PIVOTAL ROLE

In light of the pivotal role being played by the Venezuelan regime in sustaining this narcoterrorist threat, it is important to bear in mind that this is not just another developing country that is unable to control its territory. Venezuela is an oil-rich state that has collected about $1.1 trillion in oil revenue in the last decade. It also is not just an isolated hostile state led by a bombastic populist: Venezuela has collected more than $25 billion in loans from China in the last 18 months, and has purchased at least $9 billion in arms from the Russians in the last decade.

Chávez's diplomats have systematically undermined the region's oldest political forum while creating others that consciously exclude the United States. He also has used "checkbook diplomacy" to create a loose alliance of nearly two dozen states in the region that either share his radical views, are dependent on his largesse, or both.

With the success of the U.S.-backed Plan Colombia, about 6 or 7 years ago, South American narco-traffickers had to adjust their smuggling routes. They had to look no farther than Caracas. Chávez doled out lucrative drug-trafficking deals as a means to secure the loyalty of military subordinates and to generate billions in revenue and make them complicit in his corrupt regime. As described above, dozens of senior military officials closely associated with Chávez have been implicated in narco-trafficking crimes. The Venezuelan Cártel del Sol is headed by Diosdado Cabello, National Assembly president and ruling party vice chairman, and other active-duty and retired military officers who are among Chávez's closest collaborators.

That military syndicate operates parallel to a civilian network known as the Cártel Libanés, which was formed by Walid Makled García. According to journalist and narco-terror expert, Douglas Farah, "The supplier of the cocaine [to the Makled cartel] was the FARC in Colombia . . . Venezuelan sources say Makled was also the a key tie in the corruption and drugs world to the Shiite Muslim communities in Isla Margarita and the Guajira, groups that have a strong financial relationship with Hezbollah."[8] Makled is wanted in the United States for cocaine smuggling; after being detained in Colombia, he gave a series of media interviews implicating dozens of Venezuela officials in cocaine smuggling. Colombia surprised many observers by extraditing Makled to Venezuela, where his closed-door trial began in April 2012.[9]

Even before Chávez won power in 1998, he established intimate links to the Colombian guerrilla group FARC (Fuerzas Armadas Revolucionarias Colombianas)—which wages a terrorist war against a democratic government and ally of the United States. For many years, FARC commanders and troops have operated in and out of Venezuela with the complicity of the Chávez regime. A principal activity of the FARC today is the transportation of cocaine to safe havens operated by the Venezuelan military for transport to the United States and other countries.

In September, pursuant to section 706(2)(A) of the Foreign Relations Authorization Act of 2003, President Obama determined that Venezuela was one of three countries in the world (along with Bolivia and Burma) that "failed demonstrably

[8] "The Further Narco-Terrorist Ties of the Chávez Government," by Douglas Farah, November 12, 2010 *http://www.douglasfarah.com/article/543/the-further-narco-terrorist-ties-of-the-chavez-government*.

[9] "5 Things to Watch for in Venezuelan Kingpin Walid Makled's Trial," by Elyssa Pachico, *Latin America Monitor,* July 31, 2012 *http://www.csmonitor.com/World/Americas/Latin-America-Monitor/2012/0731/5-things-to-watch-for-in-Venezuelan-kingpin-Walid-Makled-s-trial*.

during the previous 12 months to adhere to their obligations under international counternarcotics agreements . . . "[10]

In the last 4 years, the Russians have sold at least $9 billion in arms to Venezuela and will complete construction of a factory in Maracay that can produce about 25,000 assault rifles per year. The latest $4 billion Russian line of credit announced in June will go toward arming Chavista militias—shock troops loyal only to him and meant to intimidate the opposition.

Venezuela's internal security apparatus has been organized and directed by Cuba, a country designated by the U.S. State Department as a state sponsor of terrorism. That same report cited Venezuela's "economic, financial and diplomatic cooperation with Iran . . . "[11] Chávez's aides make no secret of on-going oil shipments to a third terrorist state, Syria. A regime with intimate ties to three of the world's four terror states would have to try quite hard not to be a threat. Just as Hezbollah, Cuba, Syria, and Iran are considered terrorist threats to U.S. National security interests, Venezuela's crucial support for each of them should be, too. Although this support may not pose a classical conventional threat, it is precisely the kind of asymmetrical tactics that our enemies favor today.

Chávez also has served as the principal interlocutor on Iran's behalf with other like-minded heads of state in the region, primarily Rafael Correa (of Ecuador) and Evo Morales (of Bolivia), both members of the Chávez-sponsored Bolivarian Alliance for the Peoples of Our America (ALBA) and both of whom have established dubious networks with criminal transnational groups.[12] According to recent Congressional testimony by investigative journalist Doug Farah, this has led to "the merging of the Bolivarian Revolution's criminal-terrorist pipeline activities and those of the criminal-terrorist pipeline of radical extremist groups (Hezbollah in particular) supported by the Iranian regime."[13] Such ties are invaluable to groups like Hezbollah, as they afford them protection, safe havens in which to operate, and even diplomatic status and immunity.

IRAN'S DANGEROUS GAMBIT NEAR OUR BORDERS

To comprehend what Iran is up to, we must set aside conventional wisdom about its ambitions, strategies, and tactics and follow the evidence where it leads. For example, in the aftermath of a bizarre plot discovered in October 2011 in which Iranian agents conspired with supposed Mexican drug cartel leaders to commit a terrorist bombing in the heart of our Nation's capital,[14] Director of National Intelligence, James R. Clapper, revealed that "Iranian officials" at the highest levels "are now more willing to conduct an attack in the United States . . . " General Clapper also reported that Iran's so-called "supreme leader" Ali Khamenei was probably aware of this planning.

Iranian officials have made no secret of the regime's intention to carry its asymmetrical struggle to the streets of the United States. For example, in a May 2011 speech in Bolivia, Iran's Defense Minister Ahmad Vahidi promised a "tough and crushing response" to any U.S. offensive against Iran.[15] At the same time that Iran caught the world's attention by threatening to close the Strait of Hormuz, Mahmoud Ahmadinejad announced a five-nation swing through Latin America aimed at advancing its influence and operational capabilities on the U.S. doorstep.[16]

The intelligence community's fresh assessment of Iran's willingness to wage an attack on our soil leads to the inescapable conclusion that Tehran's activities near our homeland constitute a very real threat that can no longer be ignored.

---

[10] See the September 14, 2012, Presidential Memorandum at this site: *http://www.whitehouse.gov/the-press-office/2012/09/14/presidential-memorandum-presidential-determination-annual-presidential-d.*

[11] *http://www.state.gov/j/ct/rls/crt/2011/195546.htm.*

[12] José R. Cárdenas, "The Chávez Model Threatens Ecuador," AEI Latin American Outlook (March 2011), *www.aei.org/outlook/101037;* Douglas Farah, *Into the Abyss: Bolivia under Evo Morales and the MAS* (Alexandria, VA: International Assessment and Strategy Center, 2009), *www.strategycenter.net/files/2011/10/06/20090618_IASCIntoTheAbyss061709.pdf* (accessed September 27, 2011).

[13] Douglas Farah, "Hezbollah in Latin America: Implications for U.S. Security," Testimony before the House Committee on Homeland Security Subcommittee on Counterterrorism and Intelligence, July 7, 2011, *www.homeland.house.gov/sites/homeland.house.gov/files/Testimony%20Farah.pdf* (accessed September 27, 2011).

[14] "Notorious Iranian Militant has a Connection to Alleged Assassination Plot Against Saudi Envoy," by Peter Finn, *The Washington Post,* October 14, 2011.

[15] "Sanction shows U.S. weakness, says Iran minister," *Iranian Students' News Agency,* June 1, 2011; "Iran Warns of Street War in Tel Aviv If Attacked," *Fars News Agency,* November 8, 2011.

[16] "Iran Seeking to Expand Influence in Latin America," by Joby Warrick, *The Washington Post,* January 1, 2012.

Bracing for a potential showdown over its illicit nuclear program and emboldened by inattention from Washington in Latin America, Iran has sought strategic advantage in our neighborhood. It also is preparing to play the narco-terrorism card—exploiting its partnership with Venezuelan operatives, reaching into Mexico, and activating a decades-old network in Argentina, Brazil, and elsewhere in the region.

Today, a shadowy network of embassies, Islamic centers, financial institutions, and commercial and industrial enterprises in several countries affords Iran a physical presence in relatively close proximity to the United States. Iran is well-positioned to use its relationships with these countries to pose a direct threat to U.S. territory, strategic waterways, and American allies. Iran also has provided the Venezuelan military with weapon systems that give Chávez unprecedented capabilities to threaten its neighbors and the United States.

Notably, a half-dozen Iranian companies sanctioned by the United Nations, U.S. or European authorities have built suspicious industrial installations at various sites in Venezuela.[17] These facilities were important enough to attract secret visits by Iranian Major General Amir Ali Hajizadeh, the Revolutionary Guard Corps aerospace commander who previously headed Iran's missile program, in July 2009 and November 2011.

VENEZUELA'S HEZBOLLAH-NARCO NEXUS

It is said that wherever Iran goes, Hezbollah is not far behind. In the case of Venezuela, Hezbollah blazed the trail in Venezuela, establishing a network of commercial enterprises meant to raise and channel funds and hide its financial tracks. These activities have exploded in the last 6–7 years, as Hezbollah's activities in the region gained the active complicity of the Venezuelan government, the backing of Iranian security forces and notorious Muslim radicals, and the cooperation of powerful Mexican and narco-trafficking syndicates that reach onto U.S. soil.

Research from open sources, subject-matter experts, and sensitive sources within various governments has identified at least two parallel, collaborative terrorist networks growing at an alarming rate in Latin America. One of these networks is operated by Venezuelan collaborators, and the other is managed by the Qods Force of the Iranian Revolutionary Guard Corps. These networks encompass more than 80 operatives in at least 12 countries throughout the region (with their greatest areas of focus being Brazil, Venezuela, Argentina, and Chile).

The Nassereddine Network.—Ghazi Atef Nassereddine Abu Ali, a native of Lebanon who became a Venezuelan citizen about 12 years ago, is Venezuela's second-ranking diplomat in Syria. Nassereddine is a key Hezbollah asset because of his close personal relationship to Chávez's Justice and Interior Minister, Tarik El Aissami, and because of his diplomatic assignment in Damascus. Along with at least two of his brothers, Nassereddine manages a network to expand Hezbollah's influence in Venezuela and throughout Latin America.

Nassereddine's brother Abdallah, a former member of the Venezuelan congress, uses his position as the former vice president of the Federation of Arab and American Entities in Latin America and the president of its local chapter in Venezuela to maintain ties with Islamic communities throughout the region.[18] He currently resides on Margarita Island, where he runs various money-laundering operations and manages commercial enterprises associated with Hezbollah in Latin America. Younger brother Oday is responsible for establishing paramilitary training centers on Margarita Island. He is actively recruiting Venezuelans through local circulos bolivarianos (neighborhood watch committees made up of the most radical Chávez followers) and sending them to Iran for follow-on training.

The Rabbani Network.—Hojjat al-Eslam Mohsen Rabbani, who was the cultural attaché at the Embassy of the Islamic Republic of Iran in Buenos Aires, Argentina, oversees a parallel Hezbollah recruitment network.[19] Rabbani is currently the inter-

[17] Iranian companies sanctioned on repeated occasions by the U.S. Treasury, the Office of Foreign Assets Control, the U.N. Security Council (United Nations Security Council Resolutions 1747, 1803, 1929), the European Union (2008, 2010, 2011), the United Kingdom (2007, 2008), Germany (2005), and Japan.

[18] This organization was founded in Argentina in 1972 to unite Muslims, namely the Syrian and Lebanese communities, in Latin America and has spread rapidly throughout Latin America, with offices in Argentina, Chile, Brazil, Cuba, Venezuela, Guadalupe Island, Antigua, and Uruguay. It is overtly anti-Israel; supportive of anti-American regimes in the Middle East and Latin America; and used as a platform for Hezbollah to raise money, recruit supporters, and solicit illegal visas.

[19] "Reis-Jomhour-e Arzhantin Dar Sazeman-e Melal: Tehran Ba Mohakemeh-ye Maqamatash Dar Keshvar-e Sales Movafeqat Konad" [The President of Argentina: Tehran Should Accept

Continued

national affairs advisor to the Al-Mostafa Al-Alam Cultural Institute in Qom, which is tasked with propagation of Shia Islam outside Iran.[20] Rabbani, referred to by the important Brazilian magazine Veja as "the Terrorist Professor,"[21] is a die-hard defender of the Iranian revolution and the mastermind behind the two notorious terrorist attacks against Jewish targets in Buenos Aires in 1992 and 1994 that killed 144 people.[22]

At the time, Rabbani was credentialed as Iran's cultural attaché in the Argentine capital, which he used as a platform for extremist propaganda, recruitment, and training that culminated in the attacks in the 1990s. In fact, he continues to exploit that network of Argentine converts today to expand Iran's and Hezbollah's reach—identifying and recruiting operatives throughout the region for radicalization and terrorist training in Venezuela and Iran (specifically, the city of Qom).

At least two mosques in Buenos Aires—Al Imam and At-Tauhid—are operated by Rabbani disciples. Sheik Abdallah Madani leads the Al Imam mosque, which also serves as the headquarters for the Islamic-Argentine Association, one of the most prominent Islamic cultural centers in Latin America.

Some of Rabbani's disciples have taken what they have learned from their mentor in Argentina and replicated it elsewhere in the region. Sheik Karim Abdul Paz, an Argentine convert to Shiite Islam, studied under Rabbani in Qom for 5 years and succeeded him at the At-Tauhid mosque in Buenos Aires in 1993.[23] Abdul Paz is now the imam of a cultural center in Santiago, Chile, the Centro Chileno Islamico de Cultura de Puerto Montt. Another Argentine convert to radical Islam and Rabbani disciple is Sheik Suhail Assad, who lectures at universities throughout the region and recruits young followers to the cause.[24]

A key target of the Rabbani network—and Hezbollah in general—is Brazil, home to some 1 million Muslims. Rabbani travels to Brazil regularly to visit his brother, Mohammad Baquer Rabbani Razavi, founder of the Iranian Association in Brazil.[25] Another of his principal collaborators is Sheik Khaled Taki Eldyn, a Sunni radical from the Sao Paulo Guarulhos mosque. Taki Eldyn, who is active in ecumenical activities with the Shia mosques, also serves as the secretary general of the Council of the Leaders of the Societies and Islamic Affairs of Brazil.[26] A sensitive source linked that mosque to a TBA network cited by the U.S. Treasury Department as providing major financial and logistical support to Hezbollah.[27] As far back as 1995, Taki Eldyn hosted al-Qaeda leader Osama bin Laden and 9/11 mastermind Khalid Sheik Mohammed in the TBA region.

According to Brazilian intelligence sources cited by the magazine Veja, at least 20 operatives from Hezbollah, al-Qaeda, and the Islamic Jihad are using Brazil as a hub for terrorist activity.[28] The fact that Brazil is set to host the FIFA World Cup tournament in 2014 and the Summer Olympics in 2016 makes it an inviting target for international terrorism. U.S. officials should be approaching Brazilian officials to discuss the potential threat of Venezuelan-Iranian support for narcoterrorism. Unfortunately, most U.S. diplomats are as indifferent to this reality as their Brazilian counterparts.

CONTINUED CONGRESSIONAL LEADERSHIP REQUIRED

Mr. Chairman, our project has shared substantial information about these aforementioned threats with U.S. Government officials—either directly or through Members of Congress. Too often the attitude we have encountered in the Executive branch has been one of skepticism or indifference.

Trial of Its Authorities in a Third Country], Asr-e Iran (Tehran), September 25, 2010, www.asriran.com (available in Persian, accessed September 29, 2011).

[20] "Din va Siasat Dar Amrika-ye Latin Dar Goftegou Ba Ostad Mohsen Rabbani" [Religion and Politics in Latin America in Conversation with Professor Mohsen Rabbani], Book Room (Tehran), May 3, 2010.

[21] "The Terrorist 'Professor,'" Veja (Brazil), April 20, 2011.

[22] Marcelo Martinez Burgos and Alberto Nissman, Office of Criminal Investigations: AMIA Case (Buenos Aires, Argentina: Investigations Unit of the Office of the Attorney General, 2006), *www.peaceandtolerance.org/docs/nismanindict.pdf* (accessed September 27, 2011).

[23] "Goftegou Ba Sarkar-e Khanom-e Ma'soumeh As'ad Paz Az Keshvar-e Arzhantin" [Conversation with Lade Ma'soumeh As'ad Paz From Argentina], Ahlulbayt (Tehran), June 13, 2011.

[24] Marielos Márquez, "'El Islam es una forma de vida': Sheij Suhail Assad," DiarioCoLatino, August 27, 2007.

[25] "Sourat-e Jalaseh" [Agenda], Iranianbrazil (Brazil), March 17, 2010.

[26] "Aein-ha-ye Ramezani Dar Berezil" [Ramadan Traditions in Brazil], Taghrib News (Qom), September 5, 2010.

[27] U.S. Department of the Treasury, "Treasury Designates Islamic Extremist, Two Companies Supporting Hizballah in Tri-Border Area," news release, June 10, 2004.

[28] "The Terrorist 'Professor'" *Veja* (Brazil), April 20, 2011.

Apparently, this indifference has left senior U.S. officials uninformed on the subject. For example, President Obama told a Miami journalist in July 11, "[M]y sense is that what Mr. Chávez has done over the last several years has not had a serious National security impact on us." U.S. General Douglas Fraser (USAF), regional commander of U.S. Southern Command, subsequently supported the appraisal that Venezuela does not represent a threat to U.S. National security.[29] "As I look at Iran and their connection with Venezuela," said Fraser, "I see that still primarily as a diplomatic and economic relationship." Mr. Chairman, I believe the foregoing discussion of the facts on the ground will lead most reasonable observers to a very different conclusion.

Important exceptions to Executive branch neglect is the work of the Drug Enforcement Administration (DEA) and the Office of Foreign Assets Control (OFAC) of the Department of the Treasury to sanction numerous Venezuelan officials and entities for their complicity with and support for Iran and international terrorism; in addition, U.S. Attorney for the Southern District of New York, Preet Bharara, has investigated and prosecuted key cases to attack this international conspiracy. Inexplicably, according to law enforcement sources, State Department officers systematically resist the application of sanctions against Venezuelan officials and entities, despite the fact that these suspects are playing an increasingly important role in Iran's operational capabilities near U.S. territory.

Mr. Chairman, I am convinced that Congressional attention, such as this hearing, is essential to encourage Executive branch agencies to act. For example, sanctions against Venezuela's state-owned petroleum company for transactions with Iran were the direct result of pressure by the House Committee on Foreign Affairs, acting in part on information uncovered by AEI's project.

This summer, the House passed H.R. 3783, "Countering Iran in the Western Hemisphere Act of 2012," legislation authored by Representative Jeff Duncan (R–SC), to require the Executive branch to report to Congress on Iran's activities in a host of areas and to provide a strategy for countering this threat. I understand that this bill enjoys bipartisan support in the U.S. Senate—where Senator Robert Menendez (D–NJ) is a leader on this issue—and the bill may be approved with several amendments before Congress recesses.

I believe that such a thorough, Congressionally-mandated review will require the Executive branch to apply additional needed intelligence resources to collect on subject matters in Venezuela, Mexico, Bolivia, Ecuador, Central America, and beyond. Once National security officials study the scope and depth of the problem, I hope for a whole-of-Government response to protect our security, our interests, and our allies against the threat posed a narco-terrorist network in the Americas. Once Congress receives this report, perhaps this challenge will be treated as a budgetary priority so that law enforcement and intelligence agencies have the resources required to respond urgently and effectively.

Of course, our project at AEI is prepared to cooperate with this policy review by providing the subcommittee documents and analysis regarding suspicious transactions and installations operated by Iran in Venezuela, Mexico, Ecuador, Bolivia, and elsewhere in the region.

RECOMMENDATIONS

- The involvement of Venezuelan officials and state-run entitites in drug trafficking and terrorism must be publicized and punished in the form of federal indictments. Sanctions by the Department of the Treasury's Office of Foreign Assets Control are good interim measures. However, in the case of Venezuelan officials and state-run entities, indictments are much more meaningful. The Department of Justice headquarters should be asked to explain why such prosecutorial actions have failed to meet this extraordinary lawlessness by the Venezuelan narcostate.
- Congress should demand U.S. diplomats be more cooperative with law enforcement and intelligence efforts aimed at exposing and punishing criminal behavior and terrorist activities in the region. Specifically, the Department of State must be more cooperative in raising this phenomenon with our neighbors. We also must find a way to talk about this problem with our friends in a way that it is not misunderstood as an accusation against those governments that are trying to confront the problem.

[29] "Top U.S. General: Venezuela not a Threat," by Frank Bajak, *The Associated Press,* July 31, 2012 *http://bigstory.ap.org/article/top-us-general-venezuela-not-threat.*

- Congress should give U.S. intelligence and security agencies the resources required to expand their capabilities to confront extra-regional threats and cross-border criminality.
- U.S. National security agencies, led by the Department of State, should increase the dialogue and cooperation with regional and European military, intelligence, and security agencies on the common threat posed by the Venezuelan-Iranian alliance.
- Congress should use its oversight functions to determine if U.S. Northern and Southern Commands, the U.S. Coast Guard, and the Drug Enforcement Administration have adequate programs and funding to support U.S. anti-drug cooperation with Mexico and Central America.

CONCLUSION

As I stated before another panel of this committee 16 months ago, the "Hezbollah/Iranian presence in Latin America constitutes a clear threat to the security of the U.S. homeland . . . In addition to operational terrorist activity, Hezbollah also is immersed in criminal activity throughout the region—from trafficking in weapons, drugs, and persons . . . If our Government and responsible partners in Latin America fail to act, I believe there will be an attack on U.S. personnel, installations, or interests in the Americas . . . " as a result of this dangerous conspiracy.

The narco-terrorism on our doorstep, backed by Venezuela and Iran, demands a response from those whose job it is to keep us safe. Our Government must take effective measures—unilaterally and with willing partners—to disrupt and dismantle illicit operations and neutralize unacceptable threats.

Mr. McCAUL. Thank you, Mr. Ambassador. It is certainly a real honor to have such a man of distinction as yourself at this hearing.

Next, the Chairman calls on Mr. Cilluffo for his testimony.

STATEMENT OF FRANK J. CILLUFFO, DIRECTOR, HOMELAND SECURITY POLICY INSTITUTE, THE GEORGE WASHINGTON UNIVERSITY

Mr. CILLUFFO. Thank you, Mr. Chairman, Mr. Keating, Mr. Davis, Mr. Long, Mr. Marino, I appreciate the opportunity to appear before you today.

The topic of the hearing and what I consider your excellent report, "A Line In the Sand," are unquestionably issues of National importance, and they do indeed have significant implications for U.S. National security.

I am often amazed by the way how little attention the Americas seems to get, whether good news, bad news, but especially the troubling situation in the region seems to get inside the Beltway, and to me, I hope this helps ring a bit of a bell that we need to focus more of our time and effort on some of these challenges.

I have got an awful lot of territory to cover in a very short period of time, 5 minutes. As you probably noted, I just came under the wire on the maximum length on my prepared remarks; that rule is probably created for me or people like me since I have never had an unspoken thought. But I will try to be very brief and pick up on a couple of points because everybody here brings an awful lot to the table.

First, my views are highly consistent with the findings and recommendations of your report, but I want to elaborate on a couple of very brief points. The fact that terrorists exploiting our borders, whether by air, land, or sea, has long been a profound concern of our National security community. If we just look back to the 1999 plot, Ressam's plot, the Millennium plot; obviously, after 9/11, you saw how hijackers were able to exploit our aviation systems. One of the things that is interesting is after these attacks, and by no

means perfect, but we have put a lot of effort into enhancing our aviation security and improving our intelligence, terror travel data, and the like. But I think we need to think about borders a little differently today.

Mr. Chairman, you mentioned lack of imagination. When you deal with cyberspace, for example, traditional concepts of border are irrelevant; they are moot in many cases where someone can anonymously cloak and step foot and come to this country without ever stepping foot into this country.

Mr. Keating, you mentioned I think a very important point; we have to remember that there been over 50 plots of homegrown Jihadi-based terrorism in the United States that didn't necessarily—some were foreign fighters, they traveled overseas to receive training—but many of whom reside in the United States. I might note CRS did an excellent report and some of the colleagues are here to discuss that further.

But the bottom line is drug-trafficking organizations, there is an old joke. The old joke was if you want to smuggle in a tactical nuclear weapon, just wrap it in a bale of marijuana. The reality is, is our ability to seize drugs is not as robust as we would like it to be. We are seeing what I consider, and conventional wisdom went along the following when you are dealing with drug-trafficking organizations and foreign terrorist organizations, drug-trafficking organizations would not bring about more heat because they are financially motivated by working with foreign terrorist organizations, who are obviously ideologically motivated. I would argue in most cases that is still the reality. But not in all.

You mentioned the assassination plot on Ambassador al-Jubeir. The reality is you are seeing a fractioning to one extent or another of both drug-trafficking organizations and foreign terrorist organizations. It is this divergence that I think we need to really keep our eyes on and the convergence.

You increasingly see foreign terrorist organizations turning to criminal activity, kidnapping and ransom, drug trafficking, organized crime activity, probably best exemplified by al-Qaeda and the Islamic Maghreb, the broader Sahel in Africa. I mean, it is a whole swoop from east to west where you have a hybrid of criminal enterprises, drug-trafficking organizations and Jihadi-based foreign terrorist organizations. Look at the Haqqani network in the FATA. Right here, is that a state? Is it a state within a state? In essence, they have usurped authorities of a state. Basically, you have got a narco-state. Guinea-Bissau, same thing in the Sahel, Mauritania, Mali, these are all countries that are falling under the power and sway of criminal enterprises.

But you are also seeing drug cartels turning to terrorist tactics to achieve their objectives. If you see the beheadings, if you see the violence, if you see the TTPs, terrorist tactics, techniques and procedures, they are increasingly learning, increasingly engaging in terrorist activities. This is a big concern.

So you have both of those trends occurring while at the same time, you have the potential for convergence and hybrid threats. If you just think about the reach that these drug-trafficking organizations have in the United States, remember smuggling is smuggling is smuggling is smuggling whether you are smuggling drugs, weap-

ons, people; those same routes can be exploited by the same individuals.

The question is, is: How do we keep the heat? How do we keep disrupting? How do we ensure that we don't see that marriage—that ugly marriage—that is, in fact, occurring between these organizations?

I am already over my time. I promised I never had an unspoken thought, but Lebanese Hezbollah, big issue, we have done a lot of work on the government of Iran, and I am happy to get into that during Q and A.

The one other point I would like to make is the Caribbean. It is not only the Southwest Border. The Caribbean gateway is a big concern. If you look back to the Dudus Coke case, he had distribution routes from Miami through New York. He had protection inside Jamaica. It was very difficult to be able to seize him and arrest him.

Then you have got Abdullah el-Faisal. Abdullah el-Faisal is one of these so-called Jihadi rock stars, a bridge figure. His fingerprints can be found on multiple foreign terrorist cases aimed at the United States.

So I just put a little caution there; it is not just the Americas, it is also the Caribbean gateway, and we have got to think about these issues differently.

Thank you, sir.

[The prepared statement of Mr. Cilluffo follows:]

PREPARED STATEMENT OF FRANK J. CILLUFFO

NOVEMBER 16, 2012

Chairman McCaul, Ranking Member Keating, and distinguished Members of the subcommittee, thank you for the opportunity to testify before you today. The subject matter of this hearing and of the subcommittee's report titled, "A Line in the Sand: Confronting Crime, Violence, and Terror at the Southwest Border," are unquestionably issues of National importance. Your sustained focus on these challenges, especially at a time when the U.S. and global economies dominate the headlines, is to be appreciated. My own written remarks address the hemispheric threat and its implications for the U.S. homeland; and include proposed recommendations for action to meet the threat, moving forward. I think you will find that our respective conceptualizations of the threat and the means and methods of combating it, as reflected in your Report ("A Line in the Sand") and in my statement below, are in sync and complement one another. Indeed, we are clearly jointly concerned about Iran/Hezbollah's presence in the Americas, the relationship of same with Mexican drug cartels, the potential for future and more nefarious such cooperation and collaboration, and the significant sources of threat and already-existing challenges in this country that emanate from the U.S.-Mexico border—just to name a few points of agreement and intersection. Likewise, a mix of both strategic and tactical steps are needed in order to address the threat ecosystem more effectively, including an approach that encourages and leverages enhanced interagency cooperation.

DEFENDING U.S. BORDERS: EVOLUTION OF THOUGHT AND THREAT

The exploitation of American borders—by land, sea, and air—has long been of profound concern to U.S. authorities and the general public alike. Consider the Millennium plot of December 1999 in which Ahmed Ressam sought to enter the United States from Canada by car in a plot to blow up Los Angeles International Airport. Thanks to the vigilance of an astute U.S. border official at the tip of the spear, the attack did not materialize. Such a mixture of luck and skill saved the day in that case; but what is needed is a system that offers defense-in-depth and that keeps the threat as far away as possible from the Continental United States in the first place. This is all the more challenging an end-state to achieve at a time in history when the nature of borders has changed, due in part to technological advances. Indeed,

to the extent that our borders ever created watertight compartments, they are now more porous in character than ever. Consider cyberspace, where traditional conceptions of border security simply do not translate. In a domain without traditional physical checkpoints, our adversaries can cloak themselves in anonymity and seek to do us harm, often without tipping off the target or stepping foot into that country. Though the United States has begun to direct substantial resources toward redressing its vulnerabilities in this area, much remains to be done. Correspondingly, we have invested much in aviation security and in supporting measures and tools such as travel data and intelligence. While an imperfect situation, we have made substantial strides over time in terms of shoring up our posture in these areas. However, the task at hand must not be underestimated, especially because the threat also emanates from within. Over 50 "homegrown" jihadist plots have been discovered since 9/11.

In addition to an evolution in the manner in which to think about borders, a separate but related phenomenon, not new but intensified, has occurred—a convergence of the forces of crime and terror. According to conventional thinking and analysis, terrorists (motivated by ideology) and criminals (motivated by money/profit) would not cooperate and collaborate. Why? Because criminals such as drug traffickers seek to do business, and associating with terrorists could jeopardize that goal by drawing the full attention of U.S. (and other) law enforcement authorities dedicated to counterterrorism. While terrorists and criminals may have undertaken their operations separately in past and often continue to do so at present, there are today significant and concerning counter-examples. Consider the thwarted 2011 plot, sponsored by Iran, to assassinate the Saudi Arabian Ambassador to the United States, with Mexican drug cartel hit-men serving as the hired killers. This case is in fact indicative of a broader trend in which terrorists are turning increasingly to crime/criminals and criminals such as drug cartels are increasingly turning to terrorist tactics. Grisly news reports from Mexico in recent months, that highlight beheadings and other brutal violence perpetrated by the cartels, have offered ample evidence of the latter proposition. As to the former, we have seen foreign terrorist organizations (FTOs) turn more and more to drug trafficking, kidnapping, and organized crime in order to support terrorist activities. This phenomenon is best exemplified by al-Qaeda in the Islamic Maghreb (AQIM) and the larger Sahel region of Africa, as well as the Haqqani Network (HQN) operating in Pakistan's Federally Administered Tribal Areas (FATA). For its part, HQN has effectively become a state within a state, usurping the traditional prerogatives of government. One of the upshots of the power that HQN, AQIM, and other terrorist groups have accumulated (at the expense of government authorities) is that the lucrative Golden Crescent—the drug routes from Asia/Africa into Europe—is firmly under their control.

For the U.S. homeland, this convergence of the forces of crime and terror is particularly concerning because the pipelines and pathways used to smuggle drugs into this country can also be used to smuggle in people (including terrorists) and weapons. Put another way, smuggling is smuggling is smuggling. Terrorists can tap the distribution networks and routes that drug trafficking organizations (DTOs) have established. The reach of DTOs is expansive and stretches throughout the Continental United States. An old joke, which still serves as a stark reminder of the dangers that we face today, is that the easiest way to smuggle a tactical nuclear weapon into the United States is to wrap it in a bale of marijuana. The threat picture grows yet more complex and vivid when we contemplate further just which terrorist organizations are now heavily involved in the drug trade. Consider Lebanese Hezbollah (Iran's chief proxy) which has expanded its illegal narcotics activities from its original foothold in the Bekaa Valley to the Tri-Border Area of South America, west Africa, and Europe. With this kind of reach, Hezbollah is well-poised to do Iran's dirty work (or its own)—including in the Americas.

Relationships between and among terrorist groups are also becoming more overt and strategic in nature. There exists substantial evidence of cooperation and collaboration between and among groups with U.S. and Western targets ever more in their sights and aspirations. These terrorist groups include al-Qaeda affiliates in Yemen, the Sahel, and Somalia, as well as jihadist forces based elsewhere in Africa, Pakistan, and beyond. Despite U.S. and allied counterterrorism efforts that have yielded a good measure of success, these terror affiliates remain committed to carrying forward the mantle of bin Laden, and to exploiting both ungoverned and under-governed spaces. The latter tactic pre-dated the Arab Spring, but evidenced reinforcement and magnification thereafter. The tragic violence in Benghazi, directed against U.S. personnel and interests (and those of allies) further proves this point. As the Commander of U.S. Africa Command, General Carter Ham, stated earlier this week,

" . . . it appears to me very likely that some of the terrorists who participated in the attack in Benghazi have at least some linkages to AQIM."[1]

SPOTLIGHT: HEZBOLLAH, IRAN, AND THE AMERICAS

There is thus little cause for complacency as toxic forces converge and cooperate in multiple spots across the globe, more than ever before. As the former head of operations for the U.S. Drug Enforcement Administration (DEA) testified earlier this year, both Iran's Quds Force and Hezbollah "are now heavily involved in the global drug trade . . . Their participation in that effort presents them with myriad opportunities with which to build their terrorist and criminal capacity in the Western Hemisphere and elsewhere."[2] Likewise, the Commander of U.S. Southern Command, General Douglas M. Fraser, has observed convergence—based on convenience—between terrorist and criminal organizations in the Tri-Border Area of Argentina, Brazil, and Paraguay.[3] Unfortunately, these developments are matched by a disturbing (even if understandable) shortcoming on the U.S. side. For the past decade, U.S. Government analysts have focused on al-Qaeda, resulting in a lesser reservoir of U.S. intelligence on, and perhaps even a blind spot, regarding Hezbollah and their networks and activities.[4]

As an astute analyst of these issues, Matthew Levitt, has observed, Hezbollah's "expansion into the South American narcotics industry began in the early-1980s but grew significantly in the following decades." Hezbollah now derives "major funding" from these activities and "facilitates drug trafficking for other smuggling networks, including those of the Colombian terrorist group FARC." Former assistant administrator for intelligence in the DEA, Anthony Placido, reinforced the point in 2010 testimony noting, "Drug trafficking organizations based in the tri-border area have ties to radical Islamic organizations such as Hizbullah." And as Levitt writes further, "Over time, Hizbullah leveraged its criminal ties to support operational objectives, including trading drugs for intelligence from Arab-Israeli (and sometimes Jewish-Israeli) criminals and, . . . moving weapons or explosives through drug smuggling networks." Cross-fertilization of forces is also noted in the 2011 State Department *Country Reports on Terrorism,* which underscored that "ideological sympathizers in South America and the Caribbean continued to provide financial and ideological support to . . . terrorist groups in the Middle East and South Asia."[5]

These developments draw warranted attention to the risk posed by hybrid threats, where an adversary acquires from a third party the necessary access, resources, or know-how needed to attack or threaten a target—all of which could be used strategically against the United States. Against this background, the New York City Police Department has expanded its decade-plus focus on core al-Qaeda (AQ), affiliates, and the homegrown threat (inspired by AQ), to include Iran and Hezbollah.[6] In doing so, NYPD continues its efforts to build a robust and independent counterterror posture for the City of New York. In turn, the Los Angeles Police Department recently elevated the Government of Iran and its proxies, notably Hezbollah, to a Tier I threat.[7]

Clearly, much as we might wish state-sponsored terrorism to have fallen off the map, it has not. Indeed, both the Director of the National Counterterrorism Center and the Director of National Intelligence have underscored concern about Iran and their proxies, suggesting respectively in recent testimony that "Iran remains the

---

[1] "US Commander: Libya attack linked to Qaeda in Maghreb," *Reuters* (November 14, 2012) *http://www.trust.org/alertnet/news/us-commander-libya-attack-linked-to-qaeda-in-maghreb*.

[2] Joby Warrick, "In Iran, drug trafficking soars as sanctions take bigger bite," *The Washington Post* (November 1, 2012) citing Michael Braun *http://www.washingtonpost.com/world/national-security/in-iran-drug-trafficking-soars-as-sanctions-take-bigger-bite/2012/10/31/12ff0930-1d81-11e2-b647-bb1668e64058_story.html*.

[3] Statement before the Senate Armed Services Committee (March 6, 2012) *http://www.armed-services.senate.gov/statemnt/2012/03%20March/Fraser%2003-13-12.pdf*.

[4] Frank J. Cilluffo, Sharon Cardash, and Michael Downing, "Is America's view of Iran and Hezbollah dangerously out of date?" FoxNews.com (March 20, 2012) *http://www.foxnews.com/opinion/2012/03/20/is-americas-view-iran-and-hezbollah-dangerously-out-date/*.

[5] Matthew Levitt, "Hizbullah narco-terrorism: A growing cross-border threat" *IHS Defense, Risk and Security Consulting* (September 2012) citing Placido, and State Department *http://www.washingtoninstitute.org/uploads/Levitt20120900_1.pdf*.

[6] Testimony of Mitchell D. Silber before the U.S. House of Representatives Committee on Homeland Security, *Iran, Hezbollah, and the Threat to the Homeland* (March 21, 2012) *http://homeland.house.gov/sites/homeland.house.gov/files/Testimony-Silber.pdf*.

[7] Cilluffo, Cardash, and Downing. "Is America's view of Iran and Hezbollah dangerously out of date?"

foremost state sponsor of terrorism";[8] and that Iran is "now more willing to conduct an attack in the United States."[9] Concern about Iran and its proxies, as reflected above, is all the more disturbing given Iran's on-going drive to achieve nuclear weapons capability, and the recent statement of Lebanese Hezbollah leader Sayyed Hassan Nasrallah to the effect that there will be no distinction drawn between Israel and the United States in terms of retaliation, should Israel attack Iran to halt its progress toward the nuclear goal: "If Israel targets Iran, America bears responsibility."[10]

Note that Hezbollah's nexus with criminal activity is greater than that of any other terrorist group. In the United States, there were 16 arrests of Hezbollah activists in 2010 based on Joint Terrorism Task Force investigations in Philadelphia, New York, and Detroit. And the organization has attempted to obtain equipment in the United States including Stinger missiles, M–4 rifles and night vision equipment.[11] These links, including with drugs and cartels, generate new possibilities for outsourcing, and new networks that can facilitate terrorist travel, logistics, recruitment, and operations. After all, the distribution routes are the same regardless of what is being moved illicitly. Authorities have noted significant terrorist interest in tactics, techniques, and procedures used to smuggle people and drugs into the United States from Mexico. According to Texas State Homeland Security Director, Steve McCraw, Hezbollah operatives were captured trying to cross the border in September 2007.[12] Thus, the old assumption that Hezbollah and others would avoid linking up with drug traffickers, in order to avoid drawing attention (and potentially heat) from law enforcement officials, no longer applies.

Instead we have seen a troubling hybridization and convergence of such forces, pursuant to which "terrorists look to criminals" and vice versa, while "criminals emulate businesses." Regrettably, as noted more than a decade ago, "The linkage between terrorists and narcotics is strong, and getting stronger . . . Suffice it to say narcotics provide a substantial source of funding and have deepened the connection between terrorists and organized crime. Kidnapping is also nothing new to terrorists. They have been taking hostages since day one to gain media attention and ransom money. But there is a new twist—more and more terrorists take hostages for money—not for publicity. Kidnapping has become big business. The $64,000 question is how much money is going into their coffers to further their terrorist campaigns and how many of these organizations are transforming into outright criminal enterprises."[13] The cross-walk between terror and crime may therefore be murky. By way of example, "Abu Sayyaf is a good example of an ideologically-driven group that have transformed into a criminal enterprise."[14]

Also noteworthy, particularly with an eye to the future, is the growing activity among the Bolivarian axis states of Ecuador, Bolivia, Nicaragua, and Venezuela—and between them and external actors, including Iran and Russian organized crime.[15] Such is another dangerous variation on the theme of convergence and cooperation between state and non-state actors with postures that are hostile to the West generally and to the United States in particular. For example, Venezuelan President Hugo Chávez and Iranian President Mahmoud Ahmadinejad established the IRISL (Islamic Republic of Iran Shipping Lines) Group to facilitate and obscure activity between the two countries and third-party criminal enterprises—including

---

[8] Matthew G. Olsen, "Understanding the Homeland Threat Landscape" *Hearing before the House Committee on Homeland Security* (July 25, 2012) *http://homeland.house.gov/sites/homeland.house.gov/files/Testimony-Olsen.pdf.*

[9] James R. Clapper, "Unclassified Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community for the Senate Select Committee on Intelligence" (January 31, 2012) *http://intelligence.senate.gov/120131/clapper.pdf.*

[10] Reuters, "Nasrallah: Iran could strike U.S. bases if attacked" *The Jerusalem Post* (September 3, 2012) *http://www.jpost.com/IranianThreat/News/Article.aspx?id=283706.*

[11] Immigration and Customs Enforcement, Department of Homeland Security, "Indictment charges 4 with conspiracy to support Hezbollah 6 others charged with related crimes," *Press Release* (November 24, 2009) *http://www.ice.gov/news/releases/0911/091124philadelphia.htm.*

[12] "Terrorists have been arrested on the border, security chief says," *Associated Press* (September 13, 2007).

[13] Statement of Frank J. Cilluffo before the U.S. House of Representatives, Committee on Oversight and Government Reform, Subcommittee on National Security, Veterans Affairs, and International Relations (April 3, 2001) *http://www.gwumc.edu/hspi/policy/testimony4.3.01_cilluffo.pdf.*

[14] Statement of Frank J. Cilluffo before the U.S. House of Representatives, Committee on the Judiciary, Subcommittee on Crime (December 13, 2000) *http://www.gwumc.edu/hspi/policy/testimony- 12.13.00_cilluffo.pdf.*

[15] Douglas Farah, "Transnational Organized Crime, Terrorism, and Criminalized States in Latin America: An Emerging Tier-One National Security Priority" *U.S. Army War College Strategic Studies Institute Monograph* (August 2012).

drug trafficking organizations. Although the IRISL Group and its offshoots are on the radar of the United States and its allies (having already been blacklisted by the Treasury Department), this is a threat that bears careful and active watching, in order to remain ahead of the curve and on proactive rather than reactive footing.[16]

Spillover effects from Mexico are also in evidence in the United States, up to and including the northeast and northwest regions of this country, where Mexican drug trafficking organizations have established a presence. As noted in the subcommittee's Report, "A Line in the Sand," Mexican cartels now have an established presence in more than 1,000 U.S. cities. If not challenged by action on our part, there is no logical reason why we should expect that number to decrease. In fact, it will grow. Narco-trafficking in Mexico is big business, and the Mexican drug cartels have become so powerful that they threaten, if not effectively supplant, the state in certain parts of the country. If we continue to observe an increase in the strength and position of the cartels in Mexico, we should expect to observe an increase in their reach into the United States. Alone, the drug threat poses a serious threat to the United States. That threat becomes truly grave, however, when you consider its potential to move beyond narcotics. Mexico now grapples with a triple threat—a mixture of crime, terrorist tactics, and insurgency—that is at once adaptive, lethal, and determined.[17] Cartels and other criminals there have adopted the violent tactics, techniques, and procedures of terrorists. Meanwhile terrorist groups have undertaken a range of illicit activities. This convergence of forces with differing motivations (profit, ideology, etc.) has already yielded a case in which a "controversial imam" was smuggled across America's Southwestern Border by smugglers based in Mexico.[18] And as the subcommittee's Report ("A Line in the Sand") notes, intelligence from the 2011 raid on bin Laden's compound found evidence that bin Laden wanted to exploit Mexican smuggling routes into the United States. The concern among U.S. security and intelligence officials is that this type of activity could become more institutionalized, for instance if major Mexican drug cartels were to ally and partner with terrorists. Recall the plot targeting Ambassador Al-Jubeir.

Mexico, however, is not the only avenue of approach. If you were to take a map of the Americas and trace the points of origin, transit routes, and destinations of drug trafficking and other illicit smuggling operations, you would see a spider-web of conduits—including some that pass through U.S. territory. The DEA has noted that Puerto Rico is becoming a principal entry point for drug trafficking into the United States. From the perspective of the cartels and terrorists, Puerto Rico is a perfect target and opportunity. As a U.S. border, the island is under-protected, receiving too little resources and attention—a fact evidenced by a growing drug-related murder rate (more than five times the National average); and the fact that for the second time in 3 years, major smuggling rings were recently uncovered at San Juan's Luis Muñoz Marín International Airport. These rings were responsible for shipments to New York, New Jersey, Florida, Pennsylvania, Maryland, and Massachusetts; and highlight the fact that once drugs, weapons, individuals, or materials make it to the island, they are within the United States—just hours from the major population centers of the East Coast.[19]

In addition, we are also witnessing growing hybrid threats in the Caribbean. At times, the hybrid threats emanate from a blending of criminal activity and community resources. Witness the case of the Jamaican drug lord Christopher "Dudus" Coke. Coke rose to his position after the death of his father, a gang leader with considerable influence in the Jamaican Labour Party. In Jamaica, "Dudus" Coke controlled the Tivoli Gardens neighborhood of Kingston and exercised considerable influence within Jamaican populations both on and off the island. Eventually Coke leveraged this community of influence to establish a global trafficking ring that connected Kingston, Miami, and New York. Before being convicted earlier this year in New York, he pleaded guilty to charges that included the trafficking of more than 3 tons of marijuana and 30 pounds of cocaine; Coke effectively ran a state within

---

[16] Douglas Farah, "Hezbollah in Latin America: Implications for U.S. Security" Testimony before the House Committee on Homeland Security (July 2011) *http://www.strategycenter.net/research/pubID.249/pub_detail.asp*. Sandra Warmoth, "Iran's Expanding Footprint in Latin America." *Small Wars Journal* (May 2012) *http://smallwarsjournal.com/jrnl/art/irans-expanding-footprint-in-latin-america*.

[17] Sharon L. Cardash, Frank J. Cilluffo, and Bert B. Tussing, *Mexico and the Triple Threat* (October 20, 2011) *http://www.gwumc.edu/hspi/policy/issuebrief_MexicoTripleThreat.pdf*.

[18] Richard Marosi, "Controversial Muslim cleric is arrested while sneaking into the U.S." *Los Angeles Times* (January 27, 2011) *http://articles.latimes.com/2011/jan/27/local/la-me-border-cleric-20110127*.

[19] CNN Wire Staff, "Drug raid targets baggage handlers, airline workers in Puerto Rico" *CNN* (June 7, 2012) *http://www.cnn.com/2012/06/06/us/puerto-rico-airport-arrests/index.html*.

a state—a fact that landed him on the Department of Justice's list of most dangerous drug traffickers.[20]

At other times, the hybrid threat represents a blending of criminal activity with terrorist narrative and incitement. For example, Jamaica is also home to Abdullah al-Faisal, a prominent jihadist imam who preaches violence and calls for the murder of Americans, Jews, and Hindus. A jihadi "rock star" on YouTube and other internet sites, al-Faisal inspired Zacarias Moussaoui, Richard Reid (the failed shoe bomber), Jermaine Lindsay (one of the 7/7 bombers that struck London), and Faisal Shahzad (who sought to detonate a car bomb in Times Square); and likely others too.[21] It is also worth noting the Caribbean ties present in the 2007 plot to bomb the jet fuel artery at New York's JFK airport. Two of the perpetrators were from Trinidad and Tobago, but more importantly, the plotters repeatedly travelled to Trinidad for moral and financial support from the extremist Muslim group Jamaat al-Muslimeen.[22]

This last point brings variants of the threat back to and within the United States, where bin Laden's ideology and narrative continues to inspire a small but dangerous constituency. As indicated above, well over 50 home-grown U.S. jihadi terrorism plots have been discovered since 9/11. In addition, as foreign fighters return to their respective homelands (U.S. included) battle-hardened and armed with Western passports—10 feet tall in the eyes of those who admire their exploits—these returned fighters pose a direct threat to Western security given their familiarity with potential targets they may select to attack. Where foreign fighters are concerned, so-called "bridge figures" are of special importance, as they ensure that the fighter pool is replenished, by helping to inspire, radicalize, and motivate. These figures exude charisma, and exhibit cultural and linguistic fluency as well as other skills that propel them to positions of leadership, guidance, and prominence. This was the role Abdullah al-Faisal played.[23] He and others like him, illustrate both the actuality and potential for the Caribbean to serve as a threat gateway to the United States. A concerted and comprehensive U.S. effort to counter our adversaries' narrative is the largest missing dimension of our counterterrorism statecraft.

THE CYBER THREAT—WHICH KNOWS NO BORDERS

The threat has also taken hold in the cyber domain, where our adversaries may be surfing in the wake of "Anonymous" and other such groups in order to learn from and perhaps also exploit their actions. Here, foreign states—China, Russia, North Korea, Iran—are our primary concern. What Iran may lack in cyber capability (notwithstanding heavy investment in that area) it makes up for in intent. Together with cash, Iran and others who wish to do us harm can go far, simply by buying or renting the cyber weapons and tools they need or seek. Bear in mind that cyber threats manifest in nanoseconds. Protecting critical infrastructure and building re-

---

[20] "Manhattan U.S. Attorney Charges Jamaican-Based Drug Kingpin with Narcotics and Firearms Trafficking Crimes." Press Release. U.S. Attorney for the Southern District of New York (2009) *http://www.justice.gov/usao/nys/pressreleases/August09/cokechristophermichaelidictmentpr.pdf. United States of America* v. *Christopher Michael Coke.* Sealed Indictment S15 07 Cr. 971 (RPP) (2009) *http://www.americanthinker.com/Christopher%20Coke-%20Indictment.pdf.* Kareem Fahim, "Jamaica Strains to Fill Void Left by Gang Bosses" *The New York Times* (2010) *http://www.nytimes.com/2010/06/01/world/americas/01jamaica.html?_r=1&ref=christopher_coke.* Carlin DeGuerin Miller, "Christopher "Dudus" Coke Extradited, Pleads Not Guilty in U.S. Court" *CBS News* (2010) *http://www.cbsnews.com/8301-504083_162-20008897-504083.html.* Richard Esposito, Mark Schone, & Luis Martinez. "U.S. Report: Jamaican Prime Minister Is 'Known Criminal Affiliate' of Hunted Drug Lord." *ABC News* (2010) *http://abcnews.go.com/Blotter/jamaica-christopher-dudus-coke-escaped-security-forces-assault/story?id=10737428.* Jason Horowitz, "Renewed Questions about Firm's Involvement in Jamaican Extradition Case" *The Washington Post* (2010) *http://www.washingtonpost.com/wp-dyn/content/article/2010/05/26/AR2010052604233.html.* Ed Pilkington, "Christopher 'Dudus' Coke handed 23-year U.S. jail term for drug trafficking" *The Guardian* (2012) *http://www.guardian.co.uk/world/2012/jun/08/christopher-dudus-coke-jail-term.*

[21] "Profile: Sheikh Abdullah al-Faisal" *BBC News* (2007) *http://news.bbc.co.uk/2/hi/uk_news/6692243.stm.* Madeleine Gruen, "Abdullah al-Faisal: Extremist Ideologue with Influence in the West." *NEFA Backgrounder.* New York, NY; The NEFA Foundation (2009) *http://www.nefafoundation.org/miscellaneous/FeaturedDocs/nefa_alfaisal1009.pdf.*

[22] Cara Buckley and William K. Rashbaum, "4 Men Accused of Plot to Blow Up Kennedy Airport Terminals and Fuel Lines" *The New York Times* (2007) *http://www.nytimes.com/2007/06/03/nyregion/03plot.html.* Jerome P. Bjelopera, "American Jihadist Terrorism: Combating a Complex Threat." Washington, DC; Congressional Research Service (2011) *http://www.fas.org/sgp/crs/terror/R41416.pdf.*

[23] Frank J. Cilluffo, Jeffrey B. Cozzens, and Magnus Ranstorp, *Foreign Fighters: Trends, Trajectories & Conflict Zones* (October 1, 2010) *http://www.gwumc.edu/hspi/policy/report_foreignfighters501.pdf.*

silience in relation to it, should therefore be at the top of our priority list. Consider, for example, "reports that Iranian and Venezuelan diplomats in Mexico were involved in planned cyber-attacks against U.S. targets, including nuclear power plants."[24] The scenario is especially concerning, keeping in in mind that Hurricane Sandy and other recent storms have highlighted this country's shortcomings in terms of resilience. Mother Nature may be a formidable adversary, but just imagine the level of damage and destruction that a determined and creative enemy could wreak.

RECOMMENDATIONS AND POTENTIAL SOLUTIONS

To fight back effectively against the complex multi-dimensional threat outlined above, a multi-dimensional response that incorporates law enforcement, intelligence, diplomatic, and other measures, is needed.

- *Mexico's Triple Threat and U.S. Spillover*.—There is more that the United States could do in terms of border security and enforcement, with the aim of tackling spillover effects of Mexico's triple threat of crime, terrorist tactics, and insurgency. Whether it is drugs or weapons being trafficked, the illicit enterprise operates like a business. This presents opportunities for U.S. and counterpart authorities to exploit for the purpose of counter-attack. For example, careful and comprehensive mapping of the movement of weapons and funds by Mexican drug-trafficking organizations operating with the United States would generate additional opportunities to disrupt and seize flows of arms and money. As a prerequisite to capitalizing on these potential opportunities, we would need to develop the intelligence needed to better track, locate, and seize cash and weapons before they reach the border—at which point the task of intercepting them is much harder since efforts to conceal are then at their peak.[25]

  In addition to this type of painstaking and patient work that supports operations, we must also do the hard strategic thinking required to further develop a comprehensive—meaning multi-dimensional and multi-instrument—plan to work with Mexico to help create and reinforce the institutional and social foundations and developments needed to achieve strategic success in the long run. On this there is, perhaps, a window of opportunity. On December 1, President-elect Enrique Peña Nieto of Mexico will be sworn in. Although Nieto's campaign promises to lower the level of drug-related violence gave rise to concerns about his willingness to tackle the threat posed by the cartels, his appointment of retired Colombian police chief General Oscar Naranjo as a security advisor suggests that Nieto is committed to a broad strategic fight against the cartels. Naranjo is a veteran of Colombia's drug war and led that country's intelligence efforts against the cartels. President-elect Nieto seems intent on bringing the lessons learned from success in Colombia (efforts this country supported) to Mexico.[26] As we did in Colombia, we must work with our Mexican allies, as well as allies across Central and South America, and the Caribbean, to combat this threat and strengthen regional security writ large.

  This undertaking will be especially challenging at a time of domestic and international economic turbulence and restraint. Although policy without resources is rhetoric, we must try to work smarter and better. Strategy and doctrine in Mexico, in the United States, and in the region, must evolve and keep pace with the triple threat that is lethal and determined. Until our thinking ripens across the board, so as to lay the groundwork for a posture that is powerfully suited to the threat climate the United States, Mexico, and our regional allies will continue to play catch-up to the mix of forces at play. The challenge is further magnified because facts on the ground will continue to change and there will no doubt be other important developments that shake up the equation moving forward. Against this background, the best and most effective thing that we can do at this point is increase our awareness through better region-wide intelligence and analysis. We must have a rich picture of what is happening in the Americas and the Caribbean. We must be able to look beyond our own borders.
- *Iran/Hezbollah*.—Disruption should be our goal here, though Iran and its proxies are no doubt expecting as much. Keeping eyes and ears open at home and abroad to glean indications and warnings (I&W) of attack will be fundamental,

[24] Shaun Waterman, "U.S. authorities probing alleged cyberattack plot by Venezuela, Iran" *The Washington Times* (December 13, 2011) *http://www.washingtontimes.com/news/2011/dec/13/us-probing-alleged-cyberattack-plot-iran-venezuela/?page=all*.

[25] Cardash, Cilluffo, and Tussing, *Mexico and the Triple Threat*.

[26] Steven Dudley, "Can Colombian expert reform Mexico's troubled police force?" *The Christian Science Monitor* (July 13, 2012) *http://www.csmonitor.com/World/Americas/Latin-America-Monitor/2012/0713/Can-Colombian-expert-reform-Mexico-s-troubled-police-force*.

as will outreach to and partnership with State and local authorities and communities, where the rubber meets the road. Searching for I&W will require fresh thinking that identifies and pursues links and patterns not previously established by U.S. officials. In part, this entails hitting the beat hard, with local police tapping informants and known criminals for leads—bearing in mind the interconnections between Iran/Hezbollah and gangs/cartels. As criminal and terrorist networks increasingly support and reinforce one another, the post-9/11 shift of U.S. law enforcement resources away from drugs and thugs toward counterterrorism may be in need of some recalibration, to better serve both counterterrorist and counter-narcotics aims.

At minimum, red-teaming and the production of additional threat assessments should be pursued, to include modalities of attack (such as cyber, see more below) and potential consequences. The upside of today's grim operating presumptions, including the perception that the United States is fair game as subject of attack, is that the intersection of threat vectors (terrorists, drug traffickers, etc.) provides additional opportunities to U.S. intelligence and law enforcement authorities to exploit for collection and other purposes.[27]

- *Counter-Radicalization in a Borderless World*.—Addressing specific outbreaks of violent Islamist extremism will not prevent its virulent spread—including to and among Americans ("home-grown" terrorist cases)—unless the underlying extremist ideology is exposed, unpacked, dissected, and combated. Government agencies currently involved in various aspects of the mission of combating violent Islamist extremism (CVIE) do not represent systemic failures so much as the complete lack of a system at all. Without clear interagency directives instructing how to distribute resources and coordinate aspects of the mission, individual, and broader agency efforts are improvised. As a result, an inconsistent and haphazard approach to dealing with the force underlying today's terrorist threat is all but guaranteed.

  Counter-radicalization is an essential complement to counterterrorism. Elements of a cohesive National strategy could incorporate a range of approaches that have proven effective in other contexts. The power of negative imagery, as in a political campaign, could be harnessed to hurt our adversaries and further chip away at their appeal and credibility in the eyes of their peers, followers, and sympathizers. A sustained and systemic strategic communications effort aimed at exposing the hypocrisy of Islamists' words versus their deeds could knock them off balance, as could embarrassing their leadership by bringing to light their seamy connections to criminal enterprises and drug trafficking organizations. Imagine the groundswell that could be achieved if the tragic attack on Pakistani teenager Malala Yousufzai, and the many others who have been similarly targeted by al-Qaeda and the Taliban, were similarly recognized world-wide—and the impact of these incidents thus multiplied thousands-fold. Brokering infighting within and between al-Qaeda, its affiliates, and the broader jihadi orbit in which they reside, will damage violent Islamists' capability to propagate their message and organize operations both at home and abroad. Locally-administered programs are especially significant, as many of the solutions reside outside the U.S. Government and will require communities policing themselves. In the last year or 2, the United States has made some headway on these fronts, including through the efforts of the Department of State's Office of Strategic Counterterrorism Communications—but we could do more and we could (and should) hit harder, especially when our adversaries are back on their heels. Indeed, now is the time to double down rather than ease up on the pressure. In short, we must encourage defectors, delegitimize and disaggregate our adversaries' narrative, and above all, remember the victims.[28]
- *Securing Cyberspace, the Borderless Domain*.—Cyber threats manifest in nanoseconds. Our response measures must be almost as quick. This means developing and implementing an "active defense" capability to immediately attribute and counter attacks and future threats in real-time. Despite multiple incidents that could have served as galvanizing events to shore up U.S. resolve to formulate and implement the changes that are needed, and not just within Government, we have yet to take those necessary steps. Officials in the homeland secu-

[27] Statement of Frank J. Cilluffo before the U.S. House of Representatives, Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence; and Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies (April 26, 2012) *http://www.gwumc.edu/hspi/policy/Iran%20Cyber%20Testimony%204.26.12%20Frank%20Cilluffo.pdf*.

[28] Statement of Frank J. Cilluffo before the U.S. Senate Committee on Homeland Security and Governmental Affairs (July 11, 2012) *http://www.gwumc.edu/hspi/policy/Testimony%20-%20SHSGAC%20Hearing%20-%2011%20July%202012.pdf*.

rity community should therefore undertake contingency planning that incorporates attacks on U.S. infrastructure. At minimum, "red-teaming" and additional threat assessments are needed. The latter should include modalities of attack and potential consequences. Working together with DHS Intelligence and Analysis colleagues, the Department's National Protection and Programs Directorate (NPPD) could and should do more in terms of threat and intelligence reporting, especially in relation to critical infrastructure, where DHS is well-positioned to add real and unique value given the Department's relationship with and responsibilities towards the private sector.

The United States should also develop and clearly articulate a cyber-deterrence strategy. Such a deterrence policy should apply generally, and also in a tailored manner that is actor/adversary-specific. A solid general posture could serve as an 80 percent solution, neutralizing the majority of threats before they manifest fully. This, in turn, would free up resources (human, capital, technological, etc.) to focus our limited resources and bandwidth on the high-end of the threat spectrum and on those which are most sophisticated and persistent. To operationalize these recommendations, we must draw lines in the sand. Preserving flexibility of U.S. response by maintaining some measure of ambiguity is useful, so long as we make parameters clear by laying down certain markers or selected redlines whose breach will not be tolerated. More investment needs to be made in our offensive capability as well, in order to support the foregoing proposals in terms of practice and at the level of principle (to signal a credible commitment). Cybersecurity by definition is transnational in nature and will require some level of transnational solutions, yet it must not be approached like an arms control treaty (i.e., attribution and verification are still a ways away).[29]

It is my privilege to have been afforded the opportunity to tender the above thoughts for consideration by Congress and the next administration. Thank you to both the subcommittee and its staff for your leadership and hard work on the pressing issues before us today and covered in your Report, "A Line in the Sand." I would be pleased to try to answer any questions that you may have.

Mr. MCCAUL. Thank you, sir.

I just want to agree with you, state for the record we actually had a hearing on the Caribbean, calling it the third border and the threat from that region. They are not just going across land borders. They are going by sea as well.

With that, the Chairman now recognizes Mr. Farah for his testimony.

STATEMENT OF DOUGLAS FARAH, SENIOR FELLOW, INTERNATIONAL ASSESSMENT AND STRATEGY CENTER

Mr. FARAH. Thank you, Chairman McCaul, and Ranking Member Keating, for the opportunity to participate in this. I have spent a lot of time on the ground in Latin America, particularly Central America and northern South America, and what I am seeing closely tracks with what your excellent report came up with.

I would like to step back a little bit from what Ambassador Noriega said to perhaps a little larger lens view. I believe what we are seeing today is something that is fundamentally reordering the threat to the U.S. homeland, and that is the emergence of multiple, criminal state actors in Latin America, primarily grouped into the self-identified Bolivarian alliance led by Venezuela, now operating in conjunction with transnational organized crime groups, extraregional actors, such as Iran and terrorist groups. States such as Iran, that traditionally have had little interest or influence in Latin America, have become important players, as you have noted,

[29] Statement of Frank J. Cilluffo before the U.S. House of Representatives, Committee on Homeland Security (September 20, 2012) *http://www.gwumc.edu/hspi/policy/testimony9.20.12__Cilluffo.pdf*.

led by Hugo Chávez and including Rafael Correa of Ecuador, Evo Morales of Bolivia, and Daniel Ortega in Nicaragua.

The intentions of Iran in the region have long been subject of debate, but today, it is clear the goal of Iran's presence is at least at a minimum two-fold, to develop the capacity and capability to wreak havoc in Latin America and possibly the U.S. homeland if the Iranian leadership views this as necessary to the survival of its nuclear program and to develop and expand ways to avoid international sanctions that are increasing crippling their economic life.

With the emergence of criminalized states, we face the prospect of transnational organized crime networks facilitating weapons of mass destruction for terrorists under the protection of one or more states, thus greatly increasing their chances of success.

Chávez and his allies have allowed Iran to open financial facilities, front companies and dedicated shipping lines to evade sanctions on its nuclear program. At the same time, Iran is carrying out multiple mining activities that directly benefit its missile and nuclear programs in Latin America while moving aggressively to expand intelligence-gathering capabilities and military access. Ecuador, Venezuela, Bolivia, and Nicaragua have all granted hundreds of Iranian citizens passports from their respective countries, freeing these individuals to travel in almost untraceable ways as agents of the Iranian region.

While Iran's revolutionary rulers view the 1979 revolution in theological terms, as a miracle of divine intervention in which the United States as the Great Satan was defeated by the Allah, the Bolivarians view it from a secular point of view, as a road map to defeat the United States, the evil empire, through asymmetrical warfare.

Iran's revolution serves as a model for how asymmetrical leverage, when applied by Allah or humans, can bring the equivalent of David defeating Goliath on the world stage. I go into some detail on the relationship of this in my full testimony in the role that Carlos the Jackal, one of the most wanted terrorists in the world until his arrest in 1994, has played since his conversion to Islam in prison, where he is serving a life sentence, infusing the concept of radical Shi'a Islam and Marxist revolutionary dialectic together into something that President Hugo Chávez has picked up on and gone forward with.

The emerging military doctrine of the Bolivarian revolution, officially adopted in Venezuela and now spreading to Bolivia and Ecuador, explicitly embraces the use of weapons of mass destruction and nuclear weapons against the United States. This is occurring at a time when Hezbollah's presence in Latin America is growing and when Chávez announced his successful completion of a project to build drones in Venezuela with Iranian help.

Chávez has adopted as his military doctrine the concepts and strategies articulated in this book, "Peripheral Warfare and Revolutionary Islam: Origins, Rules, and Ethics of Asymmetrical Warfare," by the Spanish politician and ideologue Jorge Verstrynge. The tract is an explicit endorsement of the use of WMD for the destruction of the United States. Chávez liked the Verstrynge book so well that he had a special pocket-sized edition printed and distributed to his Armed Forces as part of their official military doc-

trine. You can see here the Venezuelan flag and officer corps in there, and it is pocket-sized, so they can carry it with them and study.

The road ahead will require enhanced resources in this time of scarcity and a much better understanding of the ground game of those who wish us harm. They have the clearly-stated intention of carrying out asymmetrical attacks against us. It would be foolish to assume that the capacity lags far behind.

In addition to the vulnerabilities presented by having states granting legitimate travel documents to hostile state and nonstate actors, the Southwest Border in the Caribbean, as noted, remained relatively easy points of entry. The almost unlimited pool of violent, well-armed, and increasingly well-traced members of gangs both in Central America and Mexico, which are truly now by bidirectional and binational, present an almost unlimited labor supply for those who wish to do us harm as well.

I think one of the things that you mentioned, Mr. Chairman, in the opening was the submersibles, which also present now the ability to carry 10 tons of cargo, any cargo, any place, all the way from Ecuador to northern—past California into northern United States, presents an extraordinary challenge because we simply cannot find the submersibles.

Expanded human intelligence and advanced field research by experts in the region are, I think, fundamental. Given the hundreds of billions of dollars in legitimate commerce and the legal flows of millions of people across our border, the task of finding and interdicting illicit products, weapons, or individuals at the border itself is more daunting than finding a needle in a haystack. Intelligence generated before they arrive at the border area is vital. This intelligence-driven effort must combine law enforcement, the intelligence community, and the capacities of the Special Operations Command and other DOD entities with the international cooperation channeled through the State Department.

Thank you.

[The prepared statement of Mr. Farah follows:]

PREPARED STATEMENT OF DOUGLAS FARAH

NOVEMBER 16, 2012

Chairman McCaul, Ranking Member Keating, thank you for the opportunity to participate in this important hearing on the threats to our Nation's borders. It is a matter of utmost importance to the security of the United States, and something that has long been the subject of my on-going field research in Central and South America. My own investigations in recent months have led me to many of the same concerns your report raises, particularly relating to the activities of Iran and Hezbollah in the region.

I believe that what we are seeing today is the emergence of multiple criminalized state actors in Latin America, primarily grouped into the self-identified Bolivarian Alliance led by Venezuela, now operating in conjunction with Transnational Organized Crime groups (TOCs), extra regional actors such as Iran, and terrorist groups.

In recent months there has been increased awareness of the flow of South American cocaine through Venezuela to West Africa, particularly through Mali, Guinea Bissau, and other fragile states—possibly benefitting not only the traditional regional TOC structures and their Colombian and Mexican allies, but several terrorist

entities including al-Qaeda in the Islamic Maghreb (AQIM), Hezbollah,[1] and the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia-FARC).[2]

As the subcommittee's report notes, the case of Ayman Joumaa, the Lebanese national and Hezbollah supporter, provides clear evidence of new types of overlap among criminal and terrorist groups which, in years past, did not easily mix. Yet, Joumaa was able to work on behalf of Latin America TOCs, including Los Zetas, and Hezbollah, dealing in both cocaine and weapons. These "alliances of convenience" among highly-trained groups with complementary skill sets, with the new levels of State protection being offered, presents a much more dangerous and volatile panorama in the hemisphere, and specifically for our borders, than we have traditionally confronted.

Just as telling, as the committee's report notes, is the willingness of at least some senior members of the Iranian government to engage the services of a person they thought belonged to Los Zetas, Mexican drug trafficking organization in order to kill the Saudi ambassador to the United States on U.S. territory; an act of war. This is something that should give us pause. It speaks to willingness of the Iranian regime to cross U.S. borders, and the sense that it can do so with impunity. It also shows their awareness of the abilities of Mexican organizations to carry out operations inside the United States, and the willingness of some in the Iranian regime to make a significant leap to work through a criminal organization with which it has no religious or political affinity at all. This shows that many of the "lines in the sand" that we thought existed (the U.S. border; terrorist and TOC group divisions) have been largely erased.

As I recently wrote in a monograph published by the U.S. Army War College, which addresses some of the same issues this subcommittee's report does:

"This (emerging Latin American) threat includes not only traditional TOC activities such as drug trafficking and human trafficking, but others, including the potential for WMD-related trafficking. These activities are carried out with the participation of regional and extra-regional state actors whose leaders are deeply enmeshed in criminal activities. These same leaders have a publicly-articulated doctrine of asymmetrical warfare against the United States and its allies that explicitly endorses as legitimate the use of weapons of mass destruction.

"This emerging combination of threats comprises a hybrid of criminal-terrorist, and state- and non-state franchises, combining multiple nations acting in concert, and traditional TOCs and terrorist groups acting as proxies for the nation-states that sponsor them. These hybrid franchises should now be viewed as a tier-one security threat for the United States. Understanding and mitigating the threat requires a whole-of-Government approach, including collection, analysis, law enforcement, policy, and programming. No longer is the state/non-state dichotomy viable in tackling these problems, just as the TOC/terrorism divide is increasingly disappearing.

"These franchises operate in, and control, specific geographic territories, which allow them to function in a relatively safe environment. These pipelines, or recombinant chains of networks, are highly adaptive and able to move a multiplicity of illicit products (cocaine, weapons, humans, bulk cash) that ultimately cross U.S. borders undetected thousands of times each day. The actors along the pipeline form and dissolve alliances quickly, occupy both physical and cyber space, and use both highly-developed and modern institutions, including the global financial system, as well as ancient smuggling routes and methods.

"Most of the goods and services that generate this wealth pass through geographic regions that are often described as 'stateless' or 'lawless.' However, these regions are far from ungoverned. In fact, they represent a powerful component of the threat from TOCs and other non-state actors which control them, either at the expense of

[1] For a detailed look at this development see: Antonio L. Mazzitelli, "The New Transatlantic Bonanza: Cocaine on Highway 10," Western Hemisphere Security Analysis Center, Florida International University, March 2011.

[2] The FARC is the oldest insurgency in the Western hemisphere, launched in 1964 out of Colombia's Liberal Party militias, and enduring to the present as a self-described Marxist revolutionary movement. For a more detailed look at the history of the FARC see: Douglas Farah, "The FARC in Transition: The Fatal Weakening of the Western Hemisphere's Oldest Guerrilla Movement," NEFA Foundation, July 2, 2008, accessible at: *http://www.nefafoundation.org/miscellaneous/nefafarc0708.pdf*.

weak host states and their neighbors, or in alliance with stronger ones which host them, tolerate them, or use them as instruments of statecraft."[3]

States that traditionally have had little interest or influence in Latin America have emerged as important players over the past decade, primarily at the invitation of the self-described Bolivarian states seeking to establish "21st Century Socialism." This bloc of nations—led by Hugo Chávez of Venezuela, includes Rafael Correa of Ecuador, Evo Morales of Bolivia, and Daniel Ortega of Nicaragua—seeks to break the traditional ties of the region to the United States. To this end, the Bolivarian alliance has formed numerous organizations and military alliances—including a military academy in Bolivia to erase the vestiges of U.S. military training—which explicitly exclude the United States.[4]

Iran, identified by successive U.S. administrations as a state sponsor of terrorism, has expanded its regional political alliances, diplomatic presence, trade initiatives, and military, intelligence, and informational programs via the Bolivarian axis.

The intentions of Iran in the region have long been a subject of debate; but today there is a much clearer indication available, to both the intelligence community and investigators on the ground, that the goal of Iran's presence in the region is twofold: To develop the capacity and capability to wreak havoc in Latin America—and possibly the U.S. homeland—if the Iranian leadership views this as necessary to the survival of its nuclear program; and, to develop and expand the ability to avoid international sanctions that are increasingly crippling the regime's economic life.

As DNI James Clapper recently stated, "some Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived U.S. actions that threaten the regime. We are also concerned about Iranian plotting against U.S. or allied interests overseas."[5]

A recent Univision documentary *La Amenaza Iraní* (The Iranian Threat) showed Iranian diplomats in Mexico, working with their Venezuelan and Cuban counterparts, to try to develop the capacity to carry out a sophisticated cyber attack against U.S. military, nuclear, and economic targets. The documentary shows military training provided by Hezbollah to Venezuelan militias directly under the control of Chávez, with weapons and ammunition provided by the Venezuelan military. It also identifies by name the leaders of Hezbollah in Venezuela.[6]

This press for expanded ties comes despite the almost complete lack of cultural or religious ties to the region, linguistic affinity, or traditional economic logic and rationale in the relationships.

While it is true that TOC penetration of the state threatens the rule of law, as the administration's TOC strategy released in July 2011 notes,[7] it also poses significant new threats to the homeland. Criminalized states frequently use TOCs as a form of statecraft, bringing new elements to the "dangerous spaces" where non-state actors intersect with regions of weak sovereignty and alternative governance systems.[8] This fundamentally alters the structure of global order.

The possibility of TOC networks facilitating the transfer of weapons of mass destruction for terrorists, as described in the NSC strategy document, is very troubling, but assumes that the TOC groups and terrorists are in confrontation with states and their multiple law enforcement and intelligence tools. With the emer-

---

[3] Douglas Farah, "Transnational Organized Crime, Terrorism and Criminalized States in Latin America: An Emerging Tier-One National Security Priority," Strategic Studies Institute, U.S. Army War College, Carlisle Barracks, PA, pp. 1–2.

[4] These include recently founded Community of Latin American and Caribbean States (Comunidad de Estados Latinoamericanos y Caribeños—CELAC), and the Bolivarian Alliance for the Peoples of Our America (Alianza Bolivariana para los Pueblos de Nuestra América—ALBA), as well as the ALBA Defense School, inaugurated in 2011 in Warnes, Bolivia, to develop a joint military doctrine and training.

[5] James R. Clapper, Director of National Intelligence, "Unclassified Statement for the Record: Worldwide Threat Assessment of the U.S. Intelligence Community for the Senate Select Committee on Intelligence, January 31, 2012, p. 6.

[6] Univisión, *La Amenaza Iraní,* aired December 8, 2011.

[7] National Security Council, "Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security," Office of the President, July 2011. The Strategy grew out of a National Intelligence Estimate initiated by the Bush administration and completed in Dec. 2008, and is a comprehensive Government review of transnational organized crime, the first since 1995.

[8] The phrase "dangerous spaces" was used by Phil Williams to describe 21st Century security challenges in terms of spaces and gaps, including geographical, functional, social, economic, legal, and regulatory holes. See: Phil Williams, "Here be Dragons: Dangerous Spaces and International Security," *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty,* Anne L. Clunan and Harold A. Trinkunas editors, Stanford University Press, 2010, pp. 34–37.

gence of criminalized states, we face the prospect of TOC networks facilitating such transfers under the explicit or implicit protection of one or more states, thus greatly increasing the chances of success. Parts of this pipeline are already being developed in Latin America.

As the state relationships consolidate, the recombinant criminal-terrorist pipelines become more rooted, and more dangerous. Rather than being pursued by state law enforcement and intelligence services in an effort to impede their activities, TOC groups (and perhaps terrorist groups) are able to operate in a more stable and secure environment, something that most businesses, both licit and illicit, crave.

Rather than operating on the margins of the state, or seeking to co-opt small pieces of the state machinery, the TOC groups in this construct operate in concert with the state on multiple levels. Within that stable environment a host of new options open up. These range from the sale of weapons, to the use of national aircraft and shipping registries, easy use of banking structures, the use of national airlines and shipping lines to move large quantities of unregistered goods, the acquisition of diplomatic passports and other identification forms; and, access to sensitive law enforcement, military, and intelligence information and capabilities, to include those shared with the United States, Interpol and, other international entities.

We are already seeing multiple other types of transfers that greatly benefit terrorist organizations and their state sponsors.

Each leader in the Bolivarian bloc of nations has publicly and privately supported the FARC rebels in Colombia—a prototypical hybrid organization that is both a designated terrorist organization and TOC group that produces some 90 percent of the cocaine consumed in the United States. This support, in the form of money, weapons, sanctuary, and joint business enterprises helps FARC-produced cocaine flow to the outside world, and helps the FARC to survive the military battering it has undergone at the hands of the Colombian military and police.[9]

Chávez and his allies have allowed Iran, a state sponsor of terror, to open financial facilities, front companies, and dedicated shipping lines to evade sanctions on its nuclear program. At the same time, Iran is carrying out multiple mining activities that directly benefit its missile and nuclear programs in Latin America, without normal transparency, and with no public scrutiny, while moving aggressively to expand intelligence-gathering capacities and military access.[10]

Several hundred Iranian citizens have been given Ecuadoran cédulas or national identity cards, which allow them to travel to many places in Latin America as Ecuadoran rather than Iranian nationals. Ecuador, Venezuela, Bolivia, and Nicaragua have all granted hundreds of Iranian citizens passports from their respective countries, freeing those individuals to travel in almost untraceable ways. It also gives the individuals access to the Colón Free Trade Zone (CFTZ) in Panama, and to other relatively unmonitored FTZs in the region, which has greatly enhanced Iran's ability to circumvent international sanctions aimed at crippling the Iranian nuclear program.

The most common assumption among those who view the Iran-Bolivarian alliance as troublesome (and many still do not see it as a significant threat at all), is that points of convergence of the radical and reactionary theocratic Iranian government and the self-proclaimed socialist and progressive Bolivarian revolution are: (1) An overt and often stated hatred for the United States and a shared belief in the need and methods to destroy this common enemy; and (2) a shared acceptance of authoritarian state structures that tolerate little dissent and encroach on all aspects of a citizen's life.[11]

These assumptions are true, but do not necessarily recognize the broader underpinnings of the relationship. While Iran's revolutionary rulers view the 1979 revolution in theological terms as a miracle of divine intervention in which the United States, the "Great Satan," was defeated, the Bolivarians view it from a secular point of view as a roadmap to defeat the United States as the Evil Empire.

---

[9] For a look at the weapons transfers see: "Los 'rockets' Venezolanos," Semana (Colombia), July 28, 2009. For a look at documented financial and logistical support of Chávez and Correa for the FARC see: "The FARC Files: Venezuela, Ecuador, and the Secret Archives of 'Raúl Reyes,'" An IISS Strategic Dossier, International Institute for Strategic Studies, May 2011. To see FARC connections to Evo Morales see: Douglas Farah, "Into the Abyss: Bolivia Under Evo Morales and the MAS," International Assessment and Strategy Center, 2009: *http://www.strategycenter.net/docLib/20090618_IASCIntoTheAbyss061709.pdf*.

[10] Douglas Farah, "Iran in Latin America: Strategic Security Issues," International Assessment and Strategy Center, Defense Threat Reduction Agency Advanced Systems and Concepts Office, May 2011.

[11] For a more detailed look at this debate see: *Iran in Latin America: Threat or Axis of Annoyance?,* op cit., in which the author has a chapter arguing for the view that Iran is a significant threat: *http://www.strategycenter.net/research/pubID.204/pub_detail.asp*.

To both, Iran's revolution has strong political connotations, serving as a model for how asymmetrical leverage, when applied by Allah or humans, can bring the equivalent of David defeating Goliath on the world stage.

I want to go into some detail on this issue because I believe it is fundamental to understanding why this threat we face must be taken seriously, and to underscore that this threat has direct bearing on our border security.

Among the first to articulate the possible merging of radical Shite Islamic thought with Marxist aspirations of destroying capitalism and U.S. hegemony was Illich Sánchez Ramirez, better known as the terrorist leader 'Carlos the Jackal', a Venezuelan citizen who was, until his arrest in 1994, one of the world's most wanted terrorists. He converted to Shite Islam in prison.

In his seminal 2003 book *Revolutionary Islam,* written from prison where he is serving a life sentence for killing two French policemen, Sánchez Ramirez praises Osama bin Laden and the 9/11 attacks on the United States as a "lofty feat of arms" and part of a justified "armed struggle" of Islam against the West. "From now on terrorism is going to be more or less a daily part of the landscape of your rotting democracies," he writes.[12]

In this context, the repeated, public praise of Chávez for Sánchez Ramirez can be seen as a crucial element of the Bolivarian ideology and an acceptance of his underlying premise as important to Chávez's ideological framework. Acolytes of Sánchez Ramirez continued to develop his ideology of Marxism and radical Islamism rooted in the Iranian revolution.

The emerging military doctrine of the "Bolivarian Revolution"—officially adopted in Venezuela and rapidly spreading to Bolivia, Nicaragua, and Ecuador—explicitly embraces the radical Islamist model of asymmetrical or "fourth-generation warfare," with its heavy reliance on suicide bombings and different types of terrorism, including the use of nuclear weapons and other WMD. This is occurring at a time when Hezbollah's presence in Latin America is growing and becoming more identifiable,[13] and when Chávez has announced the successful completion of a project to build drones in Venezuela with Iranian help.[14]

Chávez has adopted as his military doctrine the concepts and strategies articulated in *Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare* (Guerra Periférica y el Islam Revolucionario: Orígenes, Reglas y Etica de la Guerra Asimétrica), by the Spanish politician and ideologue Jorge Verstrynge.[15] The tract is a continuation of and exploration of Sánchez Ramirez's thoughts, incorporating an explicit endorsement of the use of weapons of mass destruction to destroy the United States. Verstrynge argues for the destruction of United States through series of asymmetrical attacks, like those of 9/11, in the belief that the United States will simply crumble when its vast military strength cannot be used to combat its enemies.

Although he is not a Muslim, and the book was not written directly in relation to the Venezuelan experience, Verstrynge moves beyond Sánchez Ramirez to embrace all strands of radical Islam for helping to expand the parameters of what irregular warfare should encompass, including the use of biological and nuclear weapons, along with the correlated civilian casualties among the enemy.

Central to Verstrynge's idealized view of terrorists is the belief in the sacredness of the willingness of the fighters to sacrifice their lives in pursuit of their goals. Before writing extensively on how to make chemical weapons and listing helpful places to find information on the manufacture of rudimentary nuclear bombs that "someone with a high school education could make," Verstrynge writes:

"We already know it is incorrect to limit asymmetrical warfare to guerrilla warfare, although it is important. However, it is not a mistake to also use things that are classified as terrorism and use them in asymmetrical warfare. And we have super terrorism, divided into chemical terrorism, bioterrorism (which uses biological and

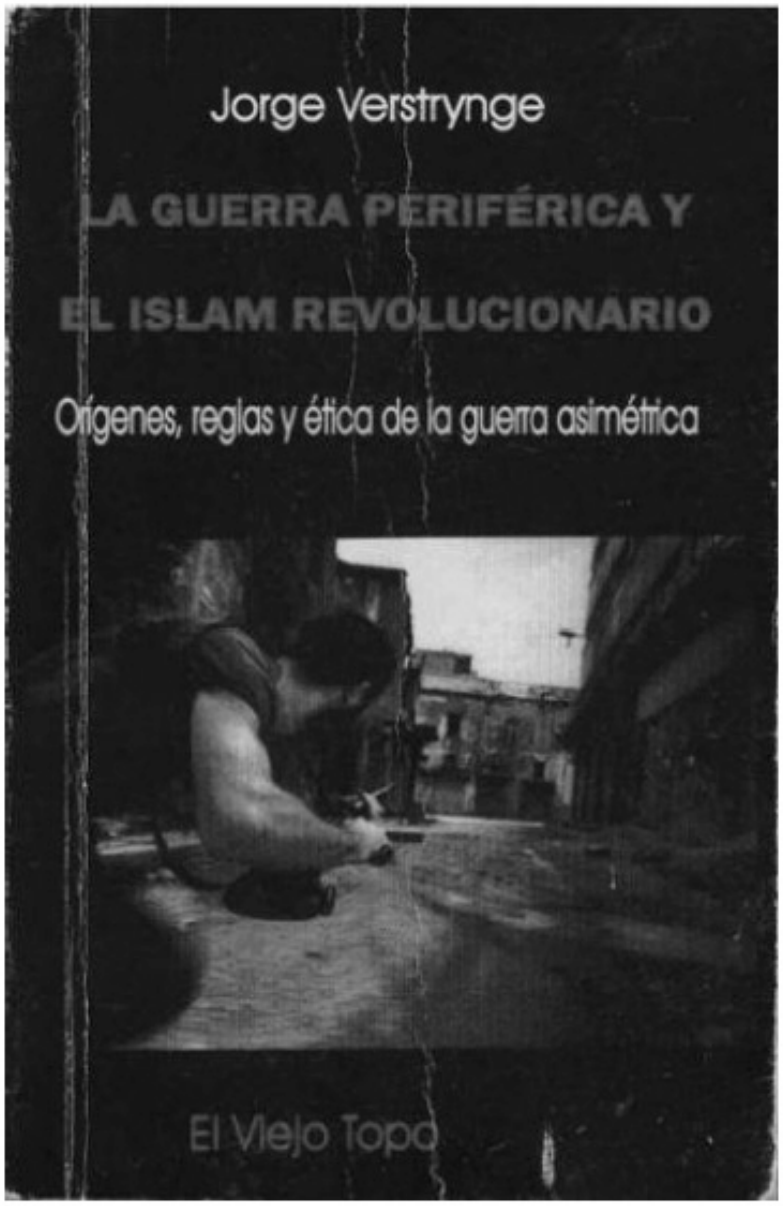
[12] "'Jackal' book praises bin Laden," *BBC News,* June 26, 2003.

[13] In addition to Operation Titan there have been numerous incidents in the past 18 months of operatives being directly linked to Hezbollah who have been identified or arrested in Venezuela, Colombia, Guatemala, Aruba, and elsewhere in Latin America and the Caribbean.

[14] Brian Ellsworth, "Venezuela Says Building Drones with Iran's Help," *Reuters News Agency,* June 14, 2012, accessed at: *http://www.reuters.com/article/2012/06/14/us-venezuela-iran-drone-idUSBRE85D14N20120614.*

[15] Verstrynge, born in Morocco to Belgian and Spanish parents, began his political career on the far right of the Spanish political spectrum as a disciple of Manuel Fraga, and served as a national and several senior party posts with the Alianza Popular. By his own admission he then migrated to the Socialist Party, but never rose through the ranks. He is widely associated with radical anti-globalization views and anti-U.S. rhetoric, repeatedly stating that the United States is creating a new global empire and must be defeated. Although he has no military training or experience, he has written extensively on asymmetrical warfare.

bacteriological methods), and nuclear terrorism, which means 'the type of terrorism uses the threat of nuclear attack to achieve its goals.'"[16]



In a December 12, 2008 interview with Venezuelan state television, Verstrynge lauded Osama bin Laden and al-Qaeda for creating a new type of warfare that is "de-territorialized, de-stateized, and de-nationalized," a war where suicide bombers

[16] Verstrynge, op cit., pp. 56–57.

act as "atomic bombs for the poor."[17] In his interview with Univisión, Verstrynge said his model was specifically drawn from Hezbollah's experience.

Chávez liked the Verstrynge book so well that he had a special pocket-sized edition printed and distributed to the armed forces officer corps with express orders that it be read cover to cover. It has since been adopted as official Venezuelan military doctrine. Even more worrisome, copies of the book have been found over the past year, for the first time, in FARC camps in Colombia, indicating the doctrine is being passed on to Venezuela's non-state proxy.

To further ingrain this teaching, and explicitly to eradicate any vestiges of U.S. military doctrine in the region, Chávez and other Bolivarian leaders, in conjunction with Iran, have recently opened a new military academy to teach Bolivarian military doctrine, operating in Santa Cruz, Bolivia. The ALBA Defense School is going to teach the "beautiful projects and experiences that unite our military," said Nicolás Maduro, Venezuela's foreign minister. This includes, he said, the doctrines of José Martí, the hero of Cuban independence; Simón Bolivar, the hero of South American independence; Eloy Alfaro, an Ecuadoran revolutionary; and, Augusto César Sandino, a Nicaraguan revolutionary.[18]

Bolivian President Morales, speaking at the inauguration of the facility, said the School would prepare the peoples of the region to defend against "imperialist threats, which seek to divide us." He said that the "Peoples of the ALBA are being besieged, sanctioned, and punished by the imperial arrogance just because we are exerting the right of being decent and sovereign." He added that, "We must not allow that the history of colonization repeats and that our resources are the loot of the empire."

Figure 1: ALBA School, Warnes, Santa Cruz, Bolivia

Iran's interest in the project, which it supports financially, was made clear when Iranian defense minister Ahmad Vahidi arrived in Bolivia for the school's inauguration, despite having an Interpol Red Notice issued for his arrest as a result of his alleged participation in the 1994 AMIA bombing in Buenos Aires. His public appearance at a military ceremony the day before the school's inauguration set off an international scandal and sharp protests from Argentina, which had asked Interpol to emit the Red Notice. Vahidi quietly slipped out of Bolivia.[19]

---

[17] Bartolomé, op cit. See also: John Sweeny, "Jorge Verstrynge: The Guru of Bolivarian Asymmetric Warfare," *www.vcrisis.com,* Sept. 9, 2005; and "Troops Get Provocative Book," *Miami Herald,* Nov. 11, 2005.

[18] Juan Pauliler, "Que busca la academia military del ALBA?" *BBC Spanish Service,* June 15, 2011.

[19] Robin Yapp, "Iran defense minister forced to leave Bolivia over 1994 Argentina bombing," *The Telegraph (London),* June 1, 2011.

This is not an encouraging panorama and it has many direct implications for U.S. National security. Where, in the not distant past, drug traffickers, coyotes, and bulk-cash smugglers routinely crossed our Southwest Border, today a much larger group of illicit actors are opening up multiple new ways to cross our border undetected.

The traditional human smuggling routes continue to function efficiently under the control of Los Zetas, the Mara Salvatrucha (MS–13) gang, and other increasingly violent actors whose primary, if not sole, motivation is economic. The budding alliances among Mexican gangs such as the Barrio Azteca and the Central American gangs such as the MS–13 along with the expanding reach of Los Zetas in the human smuggling business all auger ill for border security.

Figure 2: Figure 3: Bolivian President Evo Morales and Iranian defense minister Ahmad Vahidi at a military ceremony in Santa Cruz, Bolivia

The traditional border vulnerabilities remain while new ones continue to arise. The willingness of multiple criminalized and corrupt states in the region to issue legitimate passports (including diplomatic passports) to officials and agents of a state sponsor of terrorism such as Iran makes securing the U.S. border ever more complex. As the relationships among traditional TOC's and terrorist groups mature in places like Venezuela, Ecuador, and Bolivia, and relationships are built and knowledge exchanged, it will become a significantly more complex challenge to detect and deter those seeking to cross our borders to do us harm.

The road ahead will require enhanced resources in a time of scarcity, and a much better understanding of the "ground game" of those who wish to hurt us. They have a clearly stated intention to carry out asymmetrical attacks against us; it would be foolish to assume the capacity lags far behind.

The demonstrated willingness of the Iranian government to reach out to Mexican TOCs in order to perpetrate attacks inside the United States shows just how blurry many of the TOC-Terrorist lines have become, and they are likely to get blurrier. The implications of this new paradigm are often still not clearly understood by policy makers and often are dismissed by some who do not understand the pace at which the world is changing. Hearings like this one are a necessary first step in advancing a debate that is very late in getting started.

In addition to the vulnerabilities presented by having states granting legitimate travel documents to state and non-state actors who are plotting attacks against the United States, the Southwest Border remains a relatively easy point of entry. The almost unlimited pool of violent, well-armed, and increasingly well-trained gang members who operate daily from our border, south to the Northern Triangle of Cen-

tral America (Honduras, El Salvador, Guatemala), is truly bi-directional and bi-national. Not only do members cross the border regularly, as the report notes, but they also maintain structures in hundreds of U.S. cities (as well as in Canada), giving them broad reach to carry out harmful activities on behalf of whomever will meet their price.

Expanded human intelligence and advanced field-based research by experts in the region's cultural and political history are necessary to further understand the challenges, predict their evolution, and suggest countermeasures. Many of the TOCs and terrorist groups use low-tech methods to plan, communicate, and move their resources. Given the hundreds of billions of dollars in legitimate commerce, and the legal flow of millions of people across the border, the task of finding and interdicting illicit products, weapons, or individuals at the border itself is more daunting than finding a needle in the haystack. Intelligence generated before they arrive at the border area is vital to successful interdiction (and to minimizing the disruption and negative economic consequences on legitimate movements). Such intelligence will not always be electronic, nor will it likely derive from a single agency, source, or data stream. Timely warning and interdiction will increasingly require a more whole-of-Government coordinated approach, as opposed to a lane or command-centric one.

This intelligence-driven effort must combine law enforcement, the intelligence community, capacities of the Department of Defense, and international cooperation through the Department of State. The Drug Enforcement Administration (DEA), which has been a leader in this field, was able to detect the attempted attack on the Saudi ambassador before it happened through an informant on the ground. Other parts of the law enforcement and intelligence communities were then able to broaden out the information and take action. Iran's broader actions in the hemisphere can only be curtailed by working with partner nations such as Colombia, Brazil, Peru, and Mexico to scale back Iran's illicit activities, limit their sanctions-busting efforts, and create an environment in which they do not have unfettered access.

Thank you.

Mr. McCAUL. Thank you, Mr. Farah.

The Chairman now recognizes Dr. Rosenblum for his testimony.

STATEMENT OF MARC R. ROSENBLUM, PH.D., SPECIALIST IN IMMIGRATION POLICY, CONGRESSIONAL RESEARCH SERVICE

Mr. ROSENBLUM. Thank you, Mr. Chairman, Ranking Member Keating, Members of the subcommittee. It is an honor to be here today to testify on behalf of the Congressional Research Service.

I also have a full statement that I would like to submit for the record, and it includes a couple of figures that I hope you have in front of you because I will refer to them in my spoken remarks.

My statement draws on a new report that I am co-authoring with my colleagues, Jerome Bjelopera and Kristin Finklea.

I want to also thank them for their help.

My statement will discuss key threats to U.S. borders, including terrorists, transnational criminals, and unauthorized migrants. I will describe a model to evaluate threats, and I will discuss some policy options Congress may consider.

While certain border threats are overlapping, Congress and DHS face trade-offs in how they allocate enforcement resources. How members understand and evaluate border risks may shape their policy preferences for enforcement at versus away from the border, between versus at ports of entry, at the Southwest versus other borders and related questions.

With respect to border threats, unauthorized migration mainly from Mexico and illegal drug flows, mainly from Latin America, emerged as major policy concerns in the late 1960s. The 1993 World Trade Center bombing made counterterrorism a third focus, and it became the top concern after 9/11. The 2002 Homeland Secu-

rity Act charged DHS with preventing the entry of terrorists, enforcing immigration laws, preventing illegal drug flows and criminal activity and securing U.S. borders, among other responsibilities.

As Figure No. 1 in my statement illustrates, these elements in DHS's mission are distinct but partially overlapping. At the core of the diagram, all three circles overlap, describing convergent threats, such as drug traffickers, unauthorized migrants, and terrorists who use the same smuggling routes or techniques. Yet the peripheral areas of the figure are important because particular policy responses may be more appropriate to combat unique threats.

For example, most unauthorized migrants do not fall into the other categories. None of the 9/11 hijackers or known post-9/11 interests entered the United States illegally. While most migrants enter between ports of entry or by overstaying non-immigrant visas, illicit drugs are often smuggled into the United States hidden within cargo containers or in private vehicles. As a result, enforcement tools targeting illegal migration likely do not reduce drug smuggling and vice versa.

Another set of enforcement measures may be ideally designed to combat terrorism. Analysts rely on risk models to evaluate different threats. A basic model describes risk as the function of the likelihood of an event and its potential consequences.

Figure No. 2 in my statement illustrates unlikely events that would have modest consequences are especially low-risk threats. A likely event with severe consequences is a high-risk threat. The model doesn't provide unambiguous risk assessments, however, because our estimates of likelihood are highly uncertain and because consequences are complex, uncertain, and often subjective.

In addition, because all of these threat actors are strategic and may adapt their behavior in response to enforcement, any particular risk assessment only represents a snapshot at a point in time.

Despite these challenges, many would agree that the threat of terrorists bringing a weapon of mass destruction into the United States is a relatively low likelihood risk but could have catastrophic consequences. Conversely, many would describe unauthorized migration as a higher probability but lower consequence threat.

Immediately after 9/11, the convergence of immigration control, the war on drugs and the urgency attached to the war on terror meant that DHS could take an all-of-the-above approach to border security. But questions about how to allocate scarce resources are more pressing in the current fiscal climate. Members of Congress may ask whether policies should aim to prevent unauthorized migration in general or whether policies should target terrorists and criminal organizations?

Certain border security policies appear designed with the more generalized set of goals in mind. Indeed, the Secure Fence Act defines zero illegal inflows as part of DHS's statutory mission. Some analysts doubt that goal can ever be achieved.

Where can DHS reap the greatest return on enforcement investments? Lawmakers concerned about illicit drugs may favor increased spending for more CDP officers, scanners, and drug-sniffing dogs at ports of entry and for efforts to disrupt money laun-

dering and to detect and prevent southbound flows of money and guns. For counterterrorism, priorities might include intelligence collection, as everybody here as discussed, and investments in DHS information systems, such CDP's automated targeting system and US–VISIT. Some Members may emphasize resiliency to an attack. Counterterrorism and counternarcotics work may involve partnerships with allies abroad.

With respect to migration, some have argued for years that the greatest deficiency in America's immigration control system involves employment verification and work-site enforcement rather than border security. With net unauthorized migration flows now around zero, two key questions are how recent enforcement policies have contributed to this recent trend and how unauthorized flows will respond as the U.S. economy recovers.

These are the types of policy choices that may be informed by an assessment of border threats.

I thank the subcommittee again for this opportunity and look forward to your questions.

[The statement of Mr. Rosenblum follows:]

PREPARED STATEMENT OF MARC R. ROSENBLUM

NOVEMBER 16, 2012

Chairman McCaul, Ranking Member Keating, Members of the committee: Thank you for the opportunity to testify today on behalf of the Congressional Research Service. My statement draws on a new report that I am co-authoring with my CRS colleagues Jerome Bjelopera and Kristin Finklea; and I want to thank them and acknowledge their role, along with several other colleagues at CRS, in preparing this statement.

Pursuant to the committee's request, my statement today will consist of three parts. First, I will discuss key threats to U.S. borders. Second, I will describe selected threat scenarios. Third, I will discuss some policy options Members of Congress may consider with respect to border security in the next 4 years and beyond.

THE COMPLEXITY OF THE BORDER SECURITY MISSION

America's National security concerns at the border long predate the post-9/11 focus on "homeland security," though the nature of border threats has changed over time. The first Federal immigration laws, passed in 1798, authorized the President to arrest or deport any alien deemed dangerous to the United States, and any adult male alien from a country at war with the United States.[1] Over the course of the 20th Century, laws expanded to exclude anarchists (in 1903), aliens considered a threat to public safety during times of war (1918), communists (1950), and terrorists (1990).[2]

The mission and focus of U.S. border enforcement has also changed over time. The Border Patrol was established in 1924 and focused initially on preventing the entry of Chinese migrants and on preventing alcohol inflows during prohibition, with the majority of agents stationed on the Northern Border.[3] Unauthorized migration, mainly from Mexico, emerged as a major policy concern beginning in the late

[1] The Aliens Act of June 25, 1798 (1 Statutes-at-Large 570), and the Alien Enemy Act of July 6, 1798 (1 Statutes-at-Large 577), respectively. Three laws passed prior to June 1798 concerned Federal naturalization provisions.

[2] Respectively, the Immigration Act of March 3, 1903 (32 Statutes-at-Large 1213); the Act of May 22, 1918 (40 Statutes-at-Large 559); the Internal Security Act of 1950 (64 Statutes-at-Large 987); Immigration Act of 1990 (Pub. L. 101–649).

[3] See U.S. Customs and Border Protection (CBP), "Border Patrol History," *http://www.cbp.gov/xp/cgov/border_security/border_patrol/border_patrol_ohs/history.xml.* Also see Tony Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security* (Westport, CT: Praeger Security International, 2006).

1960s.[4] The year 1970 also marked the beginning of America's "war on drugs."[5] Border Patrol staffing climbed eleven-fold between 1975 and 2011,[6] and the Drug Enforcement Administration's (DEA) budget expanded about five-fold (in constant dollars) during the same period.[7] Despite these increases, however, the estimated unauthorized population in the United States grew from about 1.7 million in 1979 to about 12.1 million in 2007, before declining to about 11.5 million in 2011.[8] About 22.5 million individuals were current (past month) illegal drug users in 2011, representing a slight per capita increase since 2002, but a decline of about one-third since the 1970s.[9]

With the first World Trade Center bombing in 1993, the Oklahoma City bombing in 1995, and the interception of the millennium bomber in 1999, counterterrorism became a third important focus of U.S. border security during the 1990s—and the top concern after September 11, 2001. Thus, the Homeland Security Act of 2002 created the Department of Homeland Security and charged the new agency with, among other responsibilities, preventing the entry of terrorists and terrorist weapons, securing U.S. borders, immigration enforcement, and customs enforcement (including preventing illegal drug flows).[10]

As Figure 1 illustrates, these elements in DHS' border security mission are distinct but partially overlapping. The "criminal networks" circle in Figure 1 includes characteristics that are unique to that threat, including trafficking organizations that specialize in drug smuggling. The circle intersects with "unauthorized migrants" where these threats relate, as in the case of drug trafficking organizations (DTO) that expand into migrant smuggling. At the core of the diagram all three circles overlap, describing convergent threats—DTOs, unauthorized migrants, and terrorists who use the same smuggling routes or techniques, for example.

---

[4] See CRS Report R42560, *Mexican Migration to the United States: Policy and Trends,* coordinated by Marc R. Rosenblum.

[5] See CRS Report R41535, *Reauthorizing the Office of National Drug Control Policy: Issues for Consideration,* by Lisa N. Sacco and Kristin M. Finklea.

[6] Calculations from data available at CRS Report R42138, *Border Security: Immigration Control Between Ports of Entry,* by Marc R. Rosenblum; and Syracuse University Transactional Records Access Clearinghouse, "National Trends in Apprehensions and Staffing," *http://trac.syr.edu/immigration/reports/141/include/rep141table2.html.*

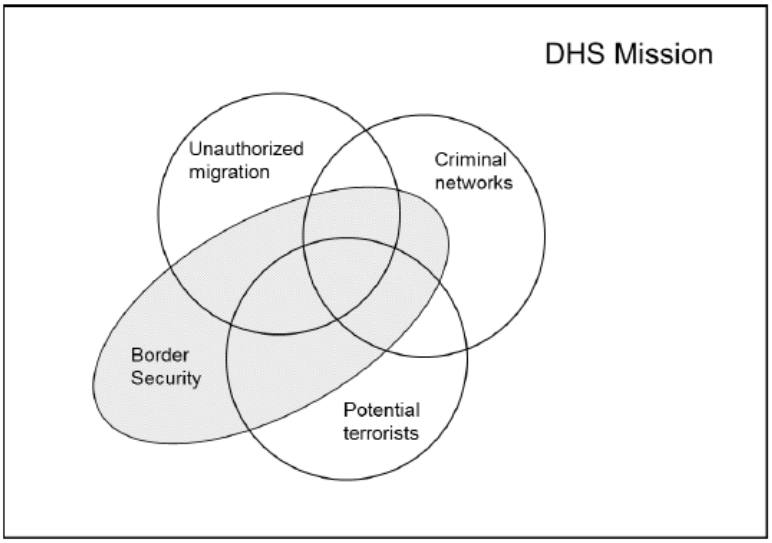
[7] Calculations from data available at Department of Justice, "Drug Enforcement Administration," *http://www.justice.gov/archive/jmd/1975_2002/2002/html/page100-103.htm;* and CRS Report R42440, *Commerce, Justice, Science, and Related Agencies: FY2013 Appropriations,* by Nathan James, Jennifer D. Williams, and John F. Sargent, Jr., Coordinators.

[8] See CRS Report R42560, *Mexican Migration to the United States: Policy and Trends;* CRS Report RL33874, *Unauthorized Aliens Residing in the United States: Estimates Since 1986,* by Ruth Ellen Wasem.

[9] Substance Abuse and Mental Health Services Administration, *Results from the 2011 National Survey on Drug Use and Health: Summary of National Findings,* September 2012, *http://www.samhsa.gov/data/NSDUH/2k11Results/NSDUHresults2011.pdf;* The White House, Office of National Drug Control Policy, "Remarks by Director Kerlikowske before the Inter-American Drug Abuse Control Commission," *http://www.whitehouse.gov/ondcp/news-releases-remarks/remarks-by-director-kerlikowske-before-the-inter-american-drug-abuse-control-commission.*

[10] Pub. L. 107–296, § 402.

Figure 1: DHS Border Security Mission



Note: Figure is schematic, and not drawn to scale.

Source: CRS Analysis.

While one may be drawn to the core of Figure 1, the peripheral areas of each circle are also important because threats encompass distinct features, and certain policy responses may be more appropriate to combat particular threats. For example, while there is some degree of overlap among unauthorized migrants, drug smugglers, and potential terrorists, the great majority of unauthorized migrants do not fall into the other categories. None of the 9/11 hijackers or known post-9/11 terrorist threats (e.g., Richard Reid, the "shoe bomber"; Umar Farouk Abdulmutallab, the "underwear bomber"; and Faisal Shahzad, the "Times Square bomber") entered the United States illegally. And while most unauthorized migrants enter the country between ports of entry or by overstaying nonimmigrant visas,[11] many illicit drugs are smuggled into the United States hidden within cargo containers, private vehicles, or in other non-commercial vehicles.[12] As a result, the enforcement tools targeting unauthorized migration—personnel and infrastructure between ports of entry, worksite enforcement, Secure Communities—likely do little to reduce narcotics smuggling, and vice versa. Another set of enforcement measures may be ideally designed to combat terrorism, and yet another to prevent other border threats, such as fraudulent goods.

TYPES OF THREATS AT U.S. BORDERS

Border threats may be divided into actors and goods.

Threat Actors

Any person who intends to harm the United States, or whose presence may lead to harmful consequences, may be a threat and a potential target for border enforcement policies. Three general types of threat actors are terrorists, transnational criminals, and unauthorized migrants,[13] although certain actors may fall into more

[11] CRS Report RL33874, *Unauthorized Aliens Residing in the United States: Estimates Since 1986,* by Ruth Ellen Wasem.

[12] U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment 2011,* pp. 13–16, *www.justice.gov/archive/ndic/pubs44/44849/44849p.pdf.*

[13] Some people may object to describing unauthorized migrants as "threats to border security." Nonetheless, illegal migration flows threaten certain U.S. interests, even if people disagree about the scope or gravity of the threat. In addition, given that DHS' mission includes preventing the entry of terrorists, illegal drugs and contraband, and unauthorized migrants, a com-

than one category.[14] These actors may be broadly distinguished and categorized by their motives and their behavior.

- Terrorists.—A defining feature of terrorists is that they are motivated by particular grievances about aspects of the societies that surround them,[15] and they articulate their views "on moral grounds."[16] Based on their grievances and ideologies, terrorists generally have goals other than personal monetary gain.[17] Terrorists often seek to instill fear among a targeted population to "destroy the collective confidence individuals invest in social institutions and . . . national leadership."[18] Terrorists use violent tactics to direct public attention toward their grievances, gain recruits, or coerce people.[19] Terrorists also promote their causes by fashioning propaganda.
- *Transnational criminals*.—In contrast with terrorists, criminals generally are non-ideological, and fundamentally motivated by the pursuit of profit.[20] People also participate in criminal organizations for reasons that involve other sorts of personal gain, such as "belonging to a powerful and even prestigious entity,"[21] or because of kinship, ethnic ties, or friendship.[22] Profit incentives drive criminals to "provide goods and services that are illegal, regulated, or in short supply."[23] They devote resources to enhancing their market-related activities, which can involve carving out and defending turf, devising novel smuggling techniques, managing and protecting supply chains, eliminating rivals, laundering money, and shielding their secrets from "competitors" (such as rival gangs and law enforcement).[24] Violence plays a key role in criminal behavior, but it is rarely ideologically-driven.[25] In addition, criminals may secure access to markets by corrupting or intimidating public officials or gaining influence over state activity.[26]
- *Unauthorized migrants*.—In addition to terrorists and certain criminals, the Immigration and Nationality Act (INA) defines as inadmissible, among others, any alien present in the United States without being admitted or paroled, arriving at an illegal time or place, or not in possession of a valid unexpired visa or other entry document.[27] Unauthorized migrants—like legal migrants—may be motivated by some combination of employment opportunities, a general desire to improve their economic circumstances, family connections, and dangerous or

---

mon framework for understanding these inflows may be helpful for making border policy and allocating DHS resources.

[14] In addition, some people may threaten U.S. interests without falling into any of these categories, including for example a legal migrant who (knowingly or unknowingly) carries a virus that threatens U.S. public health.

[15] Anthony F. Lemieux and Victor H. Asal, "Grievance, Social Dominance Orientation, and Authoritarianism in the Choice and Justification of Terror Versus Protest," *Dynamics of Asymmetric Conflict,* vol. 3, no. 3, (November 2010), p. 196. See also: Ryan Hunter and Danielle Heinke, "Radicalization of Islamist Terrorists in the Western World," *FBI Law Enforcement Bulletin,* (September 2011), pp. 27–29, *http://www.fbi.gov/stats-services/publications/law-enforcement-bulletin/september-2011.*

[16] Louise Richardson, *What Terrorists Want: Understanding the Enemy, Containing the Threat* (New York: Random House, 2007), p. 16. Also see Marc Sageman, *Leaderless Jihad: Terror Networks in the Twenty-First Century* (Philadelphia: University of Pennsylvania Press, 2008), pp. 72–75.

[17] Richardson, *What Terrorists Want,* p. 13.

[18] Thomas F. Ditzler, "Malevolent Minds: The Teleology of Terrorism," in *Understanding Terrorism: Psychosocial Roots, Consequences, and Interventions,* ed. Fathali M. Moghaddam and Anthony J. Marsella (Washington, DC: American Psychological Association, 2004), p 197.

[19] Robert A. Pape, *Dying to Win: The Strategic Logic of Suicide Terrorism* (New York: Random House, 2005), pp. 9–10.

[20] Frank E. Hagan, "'Organized Crime' and 'organized crime' Indeterminate Problems of Definition," *Trends in Organized Crime,* vol. 9, no. 4 (Summer 2006), p. 135. See also James O. Finkenauer, "Problems of Definition: What Is Organized Crime?" *Trends in Organized Crime,* vol. 8, no. 3 (Spring 2005), pp. 65.

[21] Diego d'Andria, "Investment Strategies of Criminal Organisations," *Policy Studies,* vol. 32, no. 1 (January 2011), p. 3.

[22] Klaus von Lampe, "Re-Conceptualizing Transnational Organized Crime: Offenders as Problem Solvers," *International Journal of Security and Terrorism,* vol. 2, no. 1 (2011), p. 11.

[23] Finkenauer, "Problems of Definition," p. 67.

[24] Toine Spapens, "Macro Networks, Collectives, and Business Processes: An Integrated Approach to Organized Crime," *European Journal of Crime, Criminal Law, and Criminal Justice,* vol. 18 (2010), pp. 210–212.

[25] See for example, Phil Williams, "The Terrorism Debate Over Mexican Drug Trafficking Violence," *Terrorism and Political Violence,* vol. 24, no. 1 (April 2012).

[26] See: Moisés Naím, "Mafia States: Organized Crime Takes Office," *Foreign Affairs,* vol. 91, no. 3, (May/Jun 2012), pp. 100–111.

[27] INA §§ 212(a)(6)–(7); 8 U.S.C. §§ 1227 (a)(6)–(7). Also see CRS Report R41104, *Immigration Visa Issuances and Grounds for Exclusion: Policy and Trends,* by Ruth Ellen Wasem.

difficult conditions in their home countries, among other factors.[28] Apart from immigration-related offenses such as illegal entry or the use of fraudulent documents to obtain employment, some unauthorized aliens never commit a criminal offense.[29]

The differences among terrorists, transnational criminals, and "regular" unauthorized migrants are summarized in Table 1.

Table 1: Types of Threat Actors

Terrorists	Transnational Criminals	Unauthorized Migrants
Motivations—*Ideological*—Achieve socially transformative change or narrower, specific ends. Typically not focused on controlling turf or underground markets but react to particular grievances.	**Motivations**—*Profit Driven*—Create and maintain illicit wealth and prestige. Defend criminal markets and turf. Stave off "enemies" including law enforcement, other state actors, and rival criminal groups.	**Motivations**—*Personal Opportunity*—Some combination of factors such as employment opportunities, a general desire to improve their economic circumstances, family connections, and dangerous or difficult conditions in their home countries.
Means—*Propaganda and Violence Featuring Symbolic Dimension*—Justify violence in moral terms. Intend it to restore a particular sense of justice in a society perceived as unjust. Propaganda used to justify cause, recruit and raise support.	**Means**—*Engage in Violence and Corruption Aimed at Goals Tied to Illicit Markets*—Use violence to intimidate officials and rivals to protect operations. Corrupt public officials and people in the private sector. Use violence to exploit innocent victims. Tend to act in obscurity. Occasionally use propaganda to besmirch rivals.	**Means**—*Illegal Entry into the United States*—Apart from immigration-related offenses such as illegal entry or the use of fraudulent documents to obtain employment, most unauthorized aliens never commit a criminal offense. Some become involved with transnational criminals during the course of their migration or while obtaining employment.

Source: CRS Analysis.

Illegal Goods

Any good that is smuggled in or out of the country is illegal and may pose security risks. Illegal goods fall into two categories distinguished by their inherent illegitimacy: Goods that are always illegal and categorically prohibited, and those that are potentially legal but illegitimate because they are smuggled to avoid enforcement of specific laws, taxes, or regulations.

- *Categorically prohibited goods include certain weapons, illegal drugs, and counterfeit goods*.—Among illegal weapons, "high-consequence weapons of mass destruction (WMD)" are considered one of the primary threats to homeland security.[30] Concerns over WMDs entering the United States generally involve worries over terrorists' use of these weapons, yet some have raised concerns that criminal networks may—for the right price—attempt to smuggle WMDs or related materials. Illegal drugs comprise another set of illicit goods that challenges U.S. border security, as many drugs consumed in the United States are

[28] See for example, Elizabeth Fussell, "Space, Time, and Volition: Dimensions of Migration Theory," in *Oxford Handbook of International Migration,* ed. Marc R. Rosenblum and Daniel J. Tichenor (New York, NY: Oxford University Press, 2012), pp. 25–52.

[29] See CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens,* by Marc R. Rosenblum and William Kandel. Also see for example, Lesley Williams Reid, Harald E. Weiss, and Robert M. Adelman, et al., "The Immigration-Crime Relationship: Evidence Across U.S. Metropolitan Areas," *Social Science Research,* Vol. 34, no. 4 (December 2005: pp. 757–780.

[30] Department of Homeland Security, *Quadrennial Homeland Security Review Report: A Strategic Framework for a Secure Homeland,* February 2010, p. 6, *http://www.dhs.gov/xlibrary/assets/qhsr_report.pdf.*

produced abroad and smuggled into the country.[31] The smuggling of counterfeit and pirated goods into the United States has also been identified as a threat to border security.[32] This smuggling violates intellectual property rights (IPR) and "threaten[s] America's economic vitality and National security, and the American people's health and safety."[33]

- *Illegal via Smuggling*.—Goods that are not categorically prohibited are still illegal if they are smuggled into or out of the United States. For instance, alcohol and cigarettes, while generally legal and regulated in the United States, are sometimes smuggled to circumvent taxes or to evade other laws. Proceeds from the smuggling of cigarettes have been linked to the financing of terrorist operations abroad.[34] Other legal products, such as textiles or agricultural products, may be mislabeled to avoid tariffs or circumvent quotas. Illegal outflows are also a concern, particularly as they relate to transnational criminal organizations. Bulk cash smuggling[35] is one of the primary means by which criminals move their illicit proceeds out of the United States.[36] Between $20 billion and $25 billion in bank notes may be smuggled across the Southwest Border into Mexico each year.[37] Analysts also believe that Mexican DTOs purchase firearms in the United States and smuggle these weapons to Mexico, where they may contribute to trafficking-related violence.[38]

UNDERSTANDING BORDER THREATS AND RISK

A fundamental challenge for border security policymaking is the uncertainty and fear surrounding border threats: Many different threats exist, threat actors do not announce their intentions or capabilities, and our understanding of the underlying issues is imperfect. Thus, rather than attempting specific predictions about where, when, and how border threats will be realized, analysts often rely on probabilistic risk models as a framework for analyzing different types of potential threats.[39]

The standard components of many risk models include estimates of the likelihood of a threat (or adverse event) and the potential consequence of the event. Risk is modeled as a positive function of these two components, so that risk increases with the likelihood and potential consequences associated with a particular threat (see Figure 2). Put another way, this model of risk may be understood as "as the statistical expect[ed] value of an unwanted event that may or may not occur."[40]

---

[31] CBP seized an average of 13,717 pounds of drugs each day in fiscal year 2011; see Customs and Border Protection, *On a Typical Day in Fiscal Year 2011,* March 7, 2012, *http://cbp.gov/linkhandler/cgov/about/accomplish/typical_day_fy11.ctt/typical_day_fy11.pdf.*

[32] See CRS Report RL34292, *Intellectual Property Rights and International Trade,* by Shayerah Ilias and Ian F. Fergusson.

[33] U.S. Customs and Border Protection, *Intellectual Property Rights Fact Sheet, http://www.cbp.gov/linkhandler/cgov/newsroom/fact_sheets/trade/ipr_fact_sheet.ctt/ipr_fact_sheet.pdf.* In fiscal year 2011, ICE and CBP had 24,792 seizures of counterfeit goods—25% more than in fiscal year 2010; see U.S. Customs and Border Protection, *IPR Seizure Statistics, http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/ipr_communications/seizure/.*

[34] International Tax and Investment Center, *The Illicit Trade in Tobacco Products and How to Tackle It, http://www.kangaroogroup.eu/DB_beelden/booklet_illicit_trade_tobacco_products.pdf.* Bureau of Alcohol, Tobacco, Firearms, and Explosives, *Cigarette Smuggling Linked to Terrorism,* June 18, 2004, *http://www.atf.gov/pub/gen_pub/cigarettesmuggling.pdf.*

[35] Cross-border movement of money is not inherently illegal, but certain practices are. In general, the movement of $10,000 or more out of the United States is illegal unless it is declared and reported; see 31 U.S.C. § 5332, 31 C.F.R. § 103.23(a).

[36] Office of National Drug Control Strategy, *National Southwest Border Counternarcotics Strategy,* June 2009, p. 25, *http://www.whitehousedrugpolicy.gov/publications/swb_counternarcotics_strategy09/swb_counternarcotics_strategy09.pdf.*

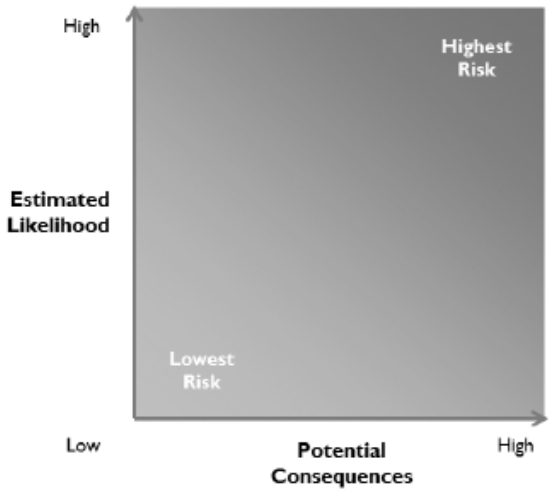
[37] William Booth and Nick Miroff, "Stepped-Up Efforts by U.S., Mexico Fail to Stem Flow of Drug Money South," *Washington Post,* August 25, 2010, *http://www.washingtonpost.com/wp-dyn/content/article/2010/08/25/AR2010082506161.html.* In fiscal year 2011, CBP seized an average of $345,687 in undeclared or illicit currency each day—over $126 million total; Customs and Border Protection, *On a Typical Day in Fiscal Year 2011,* March 7, 2012, *http://cbp.gov/linkhandler/cgov/about/accomplish/typical_day_fy11.ctt/typical_day_fy11.pdf.*

[38] See CRS Report R40733, *Gun Trafficking and the Southwest Border,* by Vivian S. Chu and William J. Krouse; and CRS Report RL32842, *Gun Control Legislation,* by William J. Krouse.

[39] See for example, DHS, *Risk Management Fundamentals: Homeland Security Risk Management Doctrine,* Washington, DC, April 2011.

[40] Sven Ove Hansson, "From the Casino to the Jungle: Dealing with Uncertainty in Technological Risk Management," *Synthese,* no. 168 (2009), p. 424.

Figure 2: A Standard Risk Model



Source: CRS Analysis.

Thus, as Figure 2 illustrates, events that are unlikely to occur, and that would have low consequences if they did occur, are especially low-risk threats. Conversely, an event that is likely to occur, and that would have severe consequences, is an especially high-risk threat. Threats exist between these two extremes, including high-likelihood, low-consequence threats and low-likelihood, high-consequence threats.

DHS employs this general framework for many of its risk management programs, including for example the Homeland Security Grant Program and the Strategic National Risk Assessment. Some experts have raised questions about whether this type of risk model is the right approach to understanding border threats.[41] An alternative approach, based on game theory, places more emphasis on strategic planning by terrorists and other threat actors, who may attempt to exploit weakness in U.S. defenses.[42]

Likelihood of Border Threats

Historical data may allow analysts to calculate past frequencies and use them to estimate probabilities. In the case of unauthorized migration, for example, CBP and the legacy INS have used apprehensions of unauthorized migrants by the Border Patrol as a proxy to estimate unauthorized inflows.[43] Apprehensions and survey data also may offer insight into illegal drug flows, in this case by analyzing drug seizures and data on the availability of illegal drugs within the United States.[44]

Yet deriving probabilities from historical observations is problematic because measures of past frequencies are only of known frequencies and not actual flows. For instance, while data from the National Seizure System indicate that over 1.7

[41] See for example, National Research Council, Committee on Methodological Improvements to the Department of Homeland Security's Biological Agent Risk Analysis, *Department of Homeland Security Bioterrorism Risk Assessment: A Call for Change* (Washington, DC: National Academies Press, 2008). Also see Barry Charles Ezell, Steven P. Bennett, and Detloff von Winterfeldt, et al., "Probabilistic Risk Analysis and Terrorism Risk," *Risk Analysis,* vol. 30, no. 4 (2010).

[42] Ibid.

[43] See CRS Report 42138, *Border Security: Immigration Enforcement Between Ports of Entry,* by Marc. R. Rosenblum.

[44] See for example, the White House, "Drug Availability Estimates in the United States, 2012," *http://www.whitehouse.gov/sites/default/files/page/files/daeus_report_final_1.pdf.*

million kilograms of illegal drugs were seized along the Southwest Border in 2010,[45] this is not indicative of the total amount of illicit drugs smuggled across the Southwest Border and into the United States for that time period. Any estimates of illegal inflows—whether of drugs, unauthorized migrants, or some other illicit flow—are just that: Estimates.

Learning from past history is even more problematic when it comes to extremely rare events like attempted terrorist attacks. Probability models based on historical frequencies are poorly equipped to describe one-in-a-million chances, or to distinguish among, say, probabilities of one-in-a-million versus one-in-a-billion or one-in-one-hundred-thousand.[46] Especially when the stakes are high, as with terrorism, rare event probability models may not generate precise predictions about future likelihood.[47] Partly for this reason, the intelligence community often describes likelihood in terms of qualitative ranges, such as "remote," "unlikely," "probable," etc.[48]

More generally, historical analysis is limited because "past performance is no guarantee of future results." Changes to the underlying model may invalidate long-term probabilities. Scientists use long-term frequencies to calculate the probability of severe weather, for example; but some people believe that rising temperatures and sea level may have altered climate dynamics so that probability models describing "500-year" floods and "100-year" storms may no longer be accurate. Similarly, some social scientists believe changes in U.S. and Mexican labor markets and demographics, along with the decades-long escalation in U.S. enforcement, may have fundamentally altered regional immigration dynamics.

Analysts may improve upon historical frequencies by relying on subject field experts to make more informed predictions about the expected frequency of future events. With respect to the threat of terrorism, for example, Federal law enforcement, security agencies, and elements within the intelligence community use intelligence analysis to estimate the likelihood of a terrorist attack. This involves many factors aside from historical frequency, such as probing and evaluating the motives of threat actors, their organizational structures, and their capabilities, as well as estimating the impact of broad social, political, or economic forces on these actors. Analysts may look at similar data along with U.S. market forces to estimate the future likelihood of illegal drug flows and other contraband; and they may examine market and social forces to model future migration flows.

The Strategic Adversary Problem

Regardless of the methodology, a fundamental challenge to estimating the likelihood of border threats is that threat actors like unauthorized migrants, transnational criminal organizations, and potential terrorists are strategic adversaries who may adapt their behavior in response to U.S. border enforcement efforts.[49] In this regard, risk models for border security differ in important ways from risk models for natural disasters, industrial failures, or financial markets, for example. The strategic adversary problem means that any effort to describe the likelihood of a given threat must account for given security conditions. And any particular risk assessment can only represent a "snapshot" at a single point in time within a constantly evolving dynamic system.

Potential Consequences of Border Threats

Border threats may result in a range of potential consequences, and policymakers may disagree about how to evaluate them. The process of evaluating consequences includes at least three discrete tasks: Defining the scope of a threat (i.e., the types of consequences), measuring the potential impact, and attaching value to the impact.

- *Defining consequences*.—The first step in evaluating the potential consequences of a given threat is to define its scope: What type of impact may occur? Many traditional risk assessment methodologies limit their analysis to concrete criteria, including in particular direct economic costs and loss of life.[50] An advan-

[45] Data provided to CRS by the National Drug Intelligence Center. Data cover seizures of cocaine, heroin, marijuana, MDMA, and methamphetamine.

[46] Mark Jablonowski, *Precautionary Risk Management: Dealing with Catastrophic Loss Potentials in Business, the Community, and Society* (New York: Palgrave MacMillan, 2006).

[47] Ibid.

[48] See for example DHS Risk Steering Committee, *DHS Risk Lexicon,* p. 20, *http://www.dhs.gov/dhs-risk-lexicon.*

[49] NRC, *DHS Risk Assessment;* Ezell et al., "Probabilistic Risk Analysis."

[50] See for example, Charles Meade and Roger C. Molader, *Considering the Effects of a Catastrophic Terrorist Attack,* RAND Center for Terrorism Risk Management Policy, Santa Monica, CA, 2006, *http://www.rand.org/pubs/technical_reports/2006/RAND_TR391.pdf;* also see

Continued

tage to defining consequences narrowly in this way is that both of these criteria are easy to quantify (i.e., in dollars and in the absolute number of lost lives). An alternative approach considers a wider scope of consequences. In its Strategic National Risk Assessment, for example, DHS has conceptualized six broad categories of potential consequences: Loss of life, injuries and illness, direct economic costs, social displacement, psychological distress, and environmental impact.[51] An advantage to adopting this more expansive definition is that, for certain types of threats, these additional consequences may be at least as important as economic and mortality effects. On the other hand, psychological and sociological effects may be far more difficult to define and quantify.

- *Measuring consequences*.—Within any given category of consequences, a second challenge is how to measure the impact of a given threat. How close in time and space must a given consequence be to attribute it to a particular security incident? For example, what are the economic consequences of a transnational retail crime network?[52] Retailers incur direct economic costs from the loss of the pilfered goods, and also may incur second-degree costs from security spending to prevent merchandise loss. There may be third-degree costs if the criminal network sells the stolen products and use the proceeds to further additional criminal operations.[53] Are economic costs limited to the duped retailer, or do they also include the costs to public and private security agencies charged with investigating the crimes and related criminal activities? Partly for these reasons, analysts disagree—often by wide margins—about the potential consequences of different types of threats. In the case of unauthorized migration, for example, even when the analysis is limited to the narrowest economic question of fiscal impact,[54] estimates of net effects vary by wide margins.[55]
- *Valuing Consequences*.—How one evaluates consequences depends on who is making the judgment. For example, the smuggling of counterfeit medication impacts a range of individuals from law enforcement officers, to individuals consuming the counterfeit drugs, to the legitimate manufacturer. Consumers may place the greatest value on the potential health consequences of consuming the counterfeit product, while manufacturers may perceive the issue primarily in economic terms based on lost sales revenues and reputational costs. A distinction also may be drawn in terms of the motives of threat actors.[56] What is more threatening: Terrorists who intend to harm U.S. interests, drug traffickers who intend to earn illicit profits but cause mayhem in the process, or an infectious disease outbreak that is not motivated by malicious intent? Ultimately, how one defines the scope of a threat (i.e., what categories of consequences are considered) and how one weighs each category are inherently subjective considerations. There is no "correct" way to value the loss of a human life, for example, or the destruction of a particular ecological habitat, or disregard for the rule of law.

DISCUSSION OF SELECTED THREAT SCENARIOS

Lawmakers may use information about estimated likelihood and potential consequences of threat scenarios to develop their own "maps" of border risks in order to set enforcement priorities. At a general level, for example, many people would agree that certain threat scenarios involving terrorist attacks against the United

---

Sara Clucking, "DHS S&T Bioterrorism Risk Assessment (BTRA)," *International Symposium on Bioterrorism Risk,* October 6, 2009, *http://www.biosecurity.sandia.gov/ibtr/subpages/pastConf/20082009/albuquerque/6dhs3.pdf.*

[51] Department of Homeland Security, *The Strategic National Risk Assessment in Support of PPD 8: A Comprehensive Risk-Based Approach Toward a Secure and Resilient Nation,* December 2011, p. 5, *http://www.dhs.gov/xlibrary/assets/rma-strategic-national-risk-assessment-ppd8.-pdf.*

[52] For more information on organized retail crime, see CRS Report R41118, *Organized Retail Crime,* by Kristin M. Finklea.

[53] For instance, Federal law enforcement has reputedly traced the illicit proceeds from the theft and resale of infant formula to terrorist organizations and insurgent groups, including Hezbollah; see testimony by David Johnson, Section Chief, Criminal Investigative Division, Federal Bureau of Investigation, before the U.S. Congress, House Committee on the Judiciary, Subcommittee on Crime, Terrorism, and Homeland Security, *Combating Organized Retail Crime: The Role of Federal Law Enforcement,* 111th Cong., 1st sess., November 5, 2009.

[54] Fiscal impacts are just one of three main types of economic effects, along with the effect of migration on native-born wages and its effect on economic growth.

[55] See CRS Report R42053, *Fiscal Impacts of the Foreign-Born Population,* by William A. Kandel.

[56] For a discussion of motive or purpose, see: Gregory F. Treverton, *Intelligence for an Age of Terror* (Cambridge: Cambridge University Press, 2009), pp. 22–23.

States are low likelihood risks but could have very high consequences, while the threat of unauthorized migration flows is more likely, but has lower consequences.[57]

With respect to the likelihood of terrorist threats at the Southwest Border, the State Department reports no known operational cells of Hezbollah or al-Qaeda in the Western Hemisphere;[58] and CRS is not aware of any publically available evidence of ties between Mexican DTOs and homegrown terrorists. Terrorists may see crossing the Southwest Border between ports of entry as a high-risk strategy, because 30–50% of unauthorized Mexican border crossers are apprehended at least once while attempting to enter the United States.[59] The apprehension rate is about twice as high for aliens crossing between ports of entry as for those who attempt to enter through a port without inspection or using a fraudulent document.[60] And anecdotal evidence suggests that apprehension rates are probably lower still at the Northern Border and coastal borders. Thus, some analysts consider other modes of entry to be at greater risk of terrorist incursion.[61] This intuition is backed up by data on apprehensions of unauthorized aliens from special interest countries: 2.3% of aliens apprehended at the Northern Border in fiscal year 2006–fiscal year 2011 were from special interest countries, compared to 0.05% of aliens apprehended at the Southwest Border.[62]

A terrorist attack involving WMD may be particularly unlikely because of the technical and practical challenges to obtaining WMD materials and designing a delivery system.[63] Yet the potential consequences of a successful WMD attack on U.S. soil are sufficiently catastrophic that lawmakers may take such a threat very seriously. One estimate suggests that a 10 kiloton nuclear detonation at the Port of Long Beach, CA would kill 60,000 people in its immediate aftermath and cost more than $1 trillion dollars.[64] The release of a lethal biological agent in an unprotected population could cause untold number of deaths and economic costs exceeding $1 trillion dollars.[65] Even without WMD, the 9/11 attack claimed 2,753 lives in New York City alone, and has been estimated to have caused $55 billion in destroyed and damaged property. The broader economic impacts likely ranged between $40 billion and $122 billion.[66]

On the other hand, with respect to the likelihood of unauthorized migration, even in a year in which apprehensions of unauthorized migrants fell to a 4-decade low,

---

[57] See for example, testimony by Michael Fisher, Chief, U.S. Customs and Border Protection Office of Border Patrol, before the House Homeland Security Committee, Subcommittee on Border and Maritime Security, *Measuring Border Security: U.S. Border Patrol's New Strategic Plan and the Path Forward,* 112th Congress, 2nd sess., May 8, 2012.

[58] U.S. Department of State, "Country Reports on Terrorism 2011," July 31, 2012, *http://www.state.gov/j/ct/rls/crt/2011/index.htm.* On terrorism in Latin America, see CRS Report RS21049, *Latin America: Terrorism Issues,* by Mark P. Sullivan and June S. Beittel. In addition, out of 40 post-9/11 terrorist plots identified in one recent study, none had a nexus with the Southwest Border; see James Jay Carafano and Jessica Zuckerman, "40 Terror Plots Foiled Since 9/11: Combating Complacency in the Long War on Terror," *The Heritage Foundation,* backgrounder No. 2604, September 7, 2011 *http://www.heritage.org/research/reports/2011/09/40-terror-plots-foiled-since-9-11-combating-complacency-in-the-long-war-on-terror.*

[59] Over 90% of Mexicans attempting to cross the border eventually succeed after a first apprehension; see David Fitzgerald and Rafael Alarcón, "Migration: Policies and Politics" in *Mexico and the United States: Strengthening the Partnership,* edited by Andrew Selee and Peter H. Smith. New York: Lynne Rienner Publishers, forthcoming.

[60] Ibid.

[61] See for example testimony by Alan Bersin, Commissioner, U.S. Customs and Border Protection, before the Senate Judiciary Committee, Subcommittee on Immigration, Refugees, and Border Security, *Improving Security and Facilitating Commerce at America's Northern Border and Ports of Entry,* 112th Congress., 1st sess., May 17, 2011. Also see Stewart M. Powell, "Are Potential Terrorists Crossing into Texas from Mexico?" *Houston Chronicle,* December 2, 2011 *http://www.chron.com/news/houston-texas/article/Are-potential-terrorists-crossing-into-Texas-from-2341185.php.*

[62] CRS analysis of data provided by U.S. Border Patrol Office of Legislative Affairs. Special-interest countries are defined based on a list of 35 special interest countries identified by CBP in 2004. These numbers should be interpreted with caution because the vast majority of aliens from special-interest countries have no ties to terrorist groups, and because these data do not reflect aliens from special-interest countries who evade detection.

[63] See CRS Report RL33787, *Maritime Security: Potential Terrorist Attacks and Protection Priorities,* by Paul W. Parfomak and John Frittelli.

[64] Charles Meade and Roger C. Molader, *Considering the Effects of a Catastrophic Terrorist Attack,* RAND Center for Terrorism Risk Management Policy, Santa Monica, CA, 2006, *http://www.rand.org/pubs/technical_reports/2006/RAND_TR391.pdf.*

[65] The White House, *National Strategy for Countering Biological Threats,* November 2009, *http://www.whitehouse.gov/sites/default/files/National_Strategy_for_Countering_-BioThreats.pdf.*

[66] "The Reckoning: America and the World a Decade After 9/11." *New York Times,* September 8, 2011, *http://www.nytimes.com/interactive/us/sept-11-reckoning/viewer.html.*

the U.S. Border Patrol apprehended 340,252 unauthorized migrants in fiscal year 2011.[67] This number overstates the number of unique individuals apprehended, since it includes an unknown number of repeat apprehensions; but it may understate unauthorized inflows because it excludes people who successfully enter the United States (by crossing the border between ports of entry, being smuggled without inspection through a port, using fraudulent documents to enter through a port, or entering legally and then overstaying or otherwise violating the terms of a visa).

Yet the consequences of unauthorized migration may be considered less severe that those associated with terrorist threats and some other illegal flows.[68] From an economic perspective, for example, while research on fiscal effects reaches conflicting findings,[69] the weight of economic research suggests that the overall impact of unauthorized migration is not highly significant.[70] Likewise, from a public safety perspective, while a large proportion of Federal inmates are foreign-born, research by CRS and others suggests that the overall criminality rate among the foreign-born (i.e., including legal and unauthorized migrants, at the Federal, State, and local level) likely is no more than—and possibly is below—the native-born rate.[71] Even within the border region, while violence has increased on the Mexican side of the border, violent crime rates have not significantly increased in U.S. border cities or in other metropolitan areas where there has been an identified presence of Mexican DTOs. And there was no significant difference between average violent crime rates in border and non-border metropolitan areas in fiscal year 2000–fiscal year 2010.[72]

POLICY OPTIONS

Immediately after the 9/11 attacks, the convergence of immigration control, the war on drugs, and the urgency attached to the war on terror meant that DHS took an all-of-the-above approach to border security. But even when budgets are expanding, Congress and DHS face trade-offs among the different elements of DHS' mission. As budgeting has grown tighter in the current fiscal climate, policymakers face increasingly hard questions about how to set priorities and where to allocate scarce resources.

Members of Congress may ask whether border security and other DHS policies should be designed to prevent unauthorized migration in general, or whether policies should be tailored to target terrorists, transnational gang, or illegal drugs.[73] While DHS prioritizes counterterrorism, certain border security and immigration control policies may have been designed with a more generalized set of goals. Indeed, the Secure Fence Act defines zero illegal inflows as part of DHS' statutory mission.[74] Many analysts doubt that an open country in a globalized economy can ever achieve a 100% interdiction rate—and some question whether such a standard is even worth aspiring to.[75] Moreover, even at current interdiction levels, the population of unauthorized migrants in the United States has declined by about a million

---

[67] U.S. Border Patrol, "Apprehensions/Seizure Statistics—Fiscal Year 2011," *http://www.cbp.gov/linkhandler/cgov/border_security/border_patrol/usbp_statistics/fy_profile_-2011.ctt/fy_profile_2011.pdf.* This number includes an unknown number of repeat apprehensions, so the number of unique individuals apprehended likely was substantially less than 340,000.

[68] This discussion does not include an analysis of the social, psychological, and cultural effects of a terrorist attack or of unauthorized migration. These effects are subjective and difficult to quantify, but some people may view them as important.

[69] See CRS Report R42053, *Fiscal Impacts of the Foreign-Born Population,* by William A. Kandel.

[70] One recent study concludes that the overall economic impact of unauthorized migration is "close enough to zero to be essentially a wash"; see Gordon Hanson, "The Economics and Policy of Illegal Immigration in the United States," Migration Policy Institute, Washington, DC, December 2009, *http://www.migrationpolicy.org/pubs/Hanson-Dec09.pdf.*

[71] See CRS Report R42057, *Interior Immigration Enforcement: Programs Targeting Criminal Aliens,* by Marc R. Rosenblum and William Kandel. Also see for example, Lesley Williams Reid, Harald E. Weiss, and Robert M. Adelman, et al., "The Immigration-Crime Relationship: Evidence Across U.S. Metropolitan Areas," *Social Science Research,* Vol. 34, no. 4 (December 2005): pp. 757–780. Available data make it difficult to estimate the criminality rate exclusively among unauthorized migrants.

[72] CRS analysis of Federal Bureau of Investigation (FBI) data; also see CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence,* by Kristin M. Finklea.

[73] As noted above, uncertainty about the likelihood of different illegal flows and inherent subjectivity about their consequences mean there is no "right" answer to this question.

[74] See Pub. L. 109–367, § (2)(b).

[75] See for example, testimony by Doris Meissner, Director, U.S. Immigration Policy Program, Migration Policy Institute, before the U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *Securing the Border: Building on the Progress Made,* 112th Cong., 1st sess., March 30, 2011.

people since 2007, and net inflows apparently have declined to about zero or become somewhat negative.[76] In contrast, illegal drug flows do not appear to have declined over this period.[77] It is difficult to estimate changes in the likelihood that terrorists will cross the Southwest Border.

In addition to setting overall priorities, Members of Congress may consider where DHS may get the most effective return on future enforcement investments. Lawmakers concerned about illegal drug flows, for example, may favor increased investments at ports of entry, such as more CBP officers, non-intrusive inspection scanners, and drug-sniffing dogs. In addition, DHS and other law enforcement agencies may combat traffickers' business models by taking additional action to disrupt DTO money-laundering schemes and to detect and prevent southbound flows of money and guns.

For Members focused on counterterrorism, priorities might include continued investments in DHS information systems, such as the CBP Automated Targeting System, US–VISIT, and the Automated Commercial Environment, along with investments in intelligence collection programs to ensure that the right data are being analyzed. In addition to terrorism prevention, some Members may also emphasize investments in resiliency, or the ability to survive and manage a terrorist attack. With respect to both counterterrorism and counternarcotics efforts, some of the most important work may involve bilateral and multilateral partnerships with allies abroad.

With net unauthorized migration flows at around zero, two key questions for Members concerned about unauthorized migration are how recent DHS policies like increased border personnel, CBP's consequence delivery system, and ICE's Secure Communities program have contributed to these recent trends; and the degree to which unauthorized flows will increase as the U.S. economy recovers and new hiring resumes.[78] For many years, some have argued that the greatest deficiency in America's immigration control system involves employment eligibility verification and worksite enforcement, rather than border control.[79] And some believe that it will be impossible to achieve further reductions in unauthorized migration without revisions of existing visa categories and avenues for certain unauthorized migrants to qualify for legal status—though others believe that enforcement should be further strengthened before Congress considers broader immigration reforms.

CONCLUDING COMMENT

In sum, DHS' border security mission is broader than any single type of border threat. And policies to combat terrorism, criminal networks, unauthorized migration, and other illegal flows likewise are broader than border security per se, as they include enforcement within the United States and abroad. Understanding the differences among these threats, their relative risks, and how policies may be designed to respond to them is a logical starting point for a conversation about how to allocate scarce enforcement resources.

I thank the committee again for this opportunity to testify and look forward to your questions.

Mr. MCCAUL. Thank you Dr. Rosenblum.

---

[76] See Michael Hoefer, Nancy Rytina, and Bryan Baker, "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2011," DHS Office of Immigration Statistics, March 2012, *http://www.dhs.gov/xlibrary/assets/statistics/publications/ois_ill_pe_2011.pdf;* Jeffrey Passel, D'Vera Cohn and Ana Gonzalez-Barrera, "Net Migration from Mexico Falls to Zero—and Perhaps Less," Pew Hispanic Center, May 3, 2012, *http://www.pewhispanic.org/2012/04/23/net-migration-from-mexico-falls-to-zero-and-perhaps-less/;* Scott Borger, Gordon Hanson, and Bryan Roberts "The Decision to Emigrate From Mexico," presentation at the Society of Government Economists annual conference, November 6, 2012.

[77] Total illegal drug seizures along the Southwest Border increased from 1.1 to 1.7 kilograms in 2005–2010; see CRS Report 41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence,* coordinated by Kristin M. Finklea. According to the National Institute on Drug Abuse (NIDA), 8.9% of Americans aged 12 or older used an illicit drug in 2010, the latest year for which data are available, up from 8.3% in 2002; see NIDA, "Drug Facts: Nationwide Trends," *http://www.drugabuse.gov/publications/drugfacts/nationwide-trends.*

[78] One recent study found that illegal inflows fell about 60 percent between 2004 and 2010, with 40% of the reduction due to a stronger Mexican economy, 30% of the reduction due to increased U.S. border enforcement, and 30% of the reduction due to the weaker U.S. economy; see Scott Borger, Gordon Hanson, and Bryan Roberts "The Decision to Emigrate From Mexico," presentation at the Society of Government Economists annual conference, November 6, 2012.

[79] See for example, U.S. Commission on Immigration Reform (Jordan Commission), *U.S. Immigration Policy: Restoring Credibility* (Washington, DC: U.S. Government Printing Office, 1994).

The Ranking Member has to leave here shortly so he will be recognized for 5 minutes.

Mr. KEATING. Thank you, Mr. Chairman. Thank you for just allowing me to do that.

I had two areas I just wanted to focus on, it is very hard—you covered so much ground—to focus in on areas. But one of them that I think you will have some concern with is the issue the challenges we face with different Federal agencies and how they coordinate and don't coordinate with each other as well, how some have greater abilities to deal with these issues and others don't. For instance, DEA has some I think some statutory abilities that other agencies don't have, to follow some of these things.

I just want to ask the panelists, whoever wants to step up, how best can we coordinate these different agencies so that we are working together on this issue? I think it is an important issue. That is why I want that to be the really one of my two questions.

Mr. NORIEGA. Sir, if I could take the first stab at that. Well, you are exactly right. The DEA does have authorities that Congress wisely provided to them to treat the terrorism issue as it runs parallel with drug trafficking. They have a task force that brings all of the various agencies, intelligence, law enforcement, and others together to coordinate some of their work.

It has to be treated, though, as a higher priority.

I think Representative Duncan's legislation, which passed unanimously in the House and enjoys bipartisan support in the Senate, would be an important part of getting all of the agencies to do a whole-of-Government assessment and produce a strategy and hopefully elevate this as a priority. You see some U.S. Attorneys putting in vast hours on these things, and unless Justice treats it as a priority, you are not going to see indictments coming forward. So I would just suggest that that is extraordinarily important.

Then the State Department, really, I worked there for 10 years, some of these people are long-time friends, at least acquaintances, and if they, if you did a report on the State Department, you would title it "head in the sand" because they completely—they drag their feet. They prevent law enforcement from doing its work, and I have specific examples of all that. If they said there aren't operational cells, it isn't lack of imagination; it is lack of vision that is being on display there. I have seen that statement before, and I just have to disagree with it.

Mr. CILLUFFO. Mr. Keating, if I can also expand on that really quickly.

In addition to looking at the alphabet soup in the various agencies and departments at the Federal level, obviously, State and local play a significant role here. When you look at LAPD, they would probably have a better position on some of the government of Iran and the Lebanese Hezbollah activities in the United States. So we have got to continue to the support and look to ways that we can improve our fusion centers between Federal, State, local.

But let me also add one other set of issues. In addition to the agencies, you have got doctrinal challenges. Is this a counterterrorism issue? Is it a counterinsurgency issue? Is it a counter-crime issue? The reality is, it is all of the above. What you want to be able to do is bring out the best of all of those entities. So, however

we structure it, we have got to start thinking doctrinally how do we address these issues as well.

I would just add, the Drug Enforcement Administration, DEA, I would argue is, if not the top, is one of the top agencies in the world when it comes to human intelligence. I will tell you all the technology in the world we need to bring to bear, it is going to take multiple intelligence disciplines and sources. But at the end of the day this is still a humint business. It is about human intelligence. I would like to see that tapped in a greater way to get at the priority that Ambassador Noriega discussed.

Mr. KEATING. I know we did grant them greater authority, and they do have ability to talk about and to investigate some of the issues we have talked about in terms of laundering and other issues, and that information could be valuable if it is transferred successfully among agencies.

I do want to just touch base on the second thrust I have. As a committee, we have to have a way of measuring resources in how we go forward. I am worried about when you have so many diverse issues all coming together, I am worried that the metrics that are involved may not be such that we can look at things. Are we always going to be looking at apples and oranges? Could you comment on how effective the metrics are—how effective that is now in being able for us to utilize that to see if resources are being effective or not, or how they could be changed to make us, put us in a better position so we can evaluate where our resources go?

Maybe, Dr. Rosenblum, I can start with you.

Mr. ROSENBLUM. Thank you. I know this is a question that many Members of Congress have been focused on, and I think it is an important and good question. I can speak most directly to immigration control metrics and that component of border security. DHS for almost 10 years now has been building its biometric database, US–VISIT, that tracks people who are apprehended anywhere along the border, and they have developed much better capacity to measure, for example, how people who come through different enforcement pipelines, what their recidivism rate, what their re-apprehension rate is, although those data aren't public, but it is something that Congress has expressed an interest in, and I hope that we will have a chance to look at those data and to be able to evaluate programs through those data.

I think as you get into these more complex threats and certainly with terrorism and the nexus in Latin America, again, it comes down to intelligence because on those kinds of issues, what we have to measure—with migration we have got people to count, we can count apprehensions. So the measurement is less of a problem, and it is the analysis. With some of these more uncertain things, we need the intelligence so that we know we are looking at the right things.

Mr. KEATING. I would just, a final comment. I am glad that I don't know which one of our witnesses just a moment ago had said that local law enforcement has to be a part of this. I agree that it does.

We were in the port of Houston with one of our field visits that came back to us very strongly that COPS programs, other ways to make sure there are resources at the local level, make sure they

are available, are important front-line issues for intelligence and enforcement, but particularly for intelligence purposes. So I am glad you brought that point up.

With that, Mr. Chairman, I thank you for taking me out of turn, and I yield back my time.

Mr. MCCAUL. Thank you as well.

Let me first commend the committee staff for putting together this report, which we had written this 5 years ago. This is the second volume, if you will, of "A Line in the Sand."

I would like to submit it, without objection, into the record,* as well as a letter that we sent to the administration, to the Assistant to the President for National Security Affairs, after we took a delegation, led a delegation down to Latin America to look at the very issues that we are discussing here today. I would like to enter that into the record as well. Also state that this letter was sent on October 5, and we have yet to receive any sort of response from the administration.

[The information follows:]

LETTER FROM CHAIRMAN MICHAEL T. MCCAUL TO THOMAS DONILON

OCTOBER 5, 2012.

Mr. THOMAS DONILON,
Assistant to the President for National Security Affairs, Eisenhower Executive Office Building, Washington, DC 20501–0005.

DEAR MR. DONILON: We recently returned from a bipartisan Congressional Delegation (Codel)[1] overseas, which included stops in Mexico, Colombia, Paraguay, and Argentina. Based on this trip the Delegation developed several observations and recommendations listed below for your consideration.

The purpose of the trip was to examine the Iranian and Hezbollah presence in South America, the threat to the Southwest Border from terrorists and drug cartels, and to acquire information about the terrorist pipeline from the Middle East into South America. In each country we met with the U.S. country team, foreign leaders, and other key officials to gain more insight on this evolving threat, which ultimately affects the security of our homeland.[2]

MEXICO

OBSERVATION.—The Government Accountability Office concludes only 873 miles of our 1,969-mile border with Mexico is under operational control and only 129 miles are under full control. This problem is compounded by the fact that the Mexican government does not have the capacity to effectively control much of their side of the border. Recognizing this concern, the Mexican government passed a law to build its border patrol capacity. However there is no funding available for this initiative.

RECOMMENDATION.—The U.S. Government should redirect some of the Mérida initiative funds to help Mexico build its capacity to control their side of the border.

RECOMMENDATION.—The U.S. Government should pursue with Mexico a bilateral strategy deploying unused U.S. Department of Defense assets returned from

* The information has been retained in committee files.

[1] Congressmen Michael T. McCaul (TX–10) Henry Cuellar (TX–28), Tom Graves (GA–09), Jeff Duncan (SC–03), and Robert Turner (NY–09).

[2] *Mexico*.—(Mexico City) U.S. Ambassador to Mexico Anthony Wayne and Country Team; National Security and Investigations Center (CISEN) Director Jaime Domingo López Buitrón and staff; and Secretary of Public Security, Genaro Garcia Luna and staff. *Colombia*.—(Bogota) U.S. Ambassador to Colombia Peter Michael McKinley and Country Team; Narcotics Affairs Eradication Chief Alexandra Z. Tenny; Narcotics Affairs Aviation Chief Ted Harkin; Major General Jose Perez Mejia, Chief of Defense; Melgar Base Commander Col Losada; Pijaos Base Commander Col Ramirez; Narcotics Affairs Interdiction Chief Michael Schreuder; Narcotics Affairs Jungla Advisor William Worley; and Narcotics Affairs Rural Police Advisor Roberto Valles. *Paraguay*.—(Ciudad Del Este) U.S. Ambassador to Paraguay James Thessin and Country Team; and Chief of Paraguayan National Police—Counter Terrorism Unit Carlos Humberto Benitez Gonzalez. *Argentina*.—(Buenos Aires) Charge d'Affaires Alexis Ludwig and Country Team; Argentine Israelite Mutual Association (AMIA); and Minister for Foreign Affairs Héctor Marcos Timerman.

Iraq and Afghanistan such as unmanned aerial vehicles, tethered aerostats, and integrated fixed towers along each side of the border. The information gathered by these shared technologies should be symmetrical, managed respectfully, and have clear protocols concerning how it will be used.

RECOMMENDATION.—Continue to foster cooperation between the Governments of Colombia and Mexico so that Mexico has the benefit of Colombia's experience dealing with drug cartels. The U.S. Government should help facilitate regular meetings between the two countries.

RECOMMENDATION.—Continue pursuing with Mexico a shared biometric system that could be used to track human smuggling of Special Interest Aliens (SIAs).

OBSERVATION.—Qods Force and Hezbollah are in Mexico and fully aware of the porous border between the United States and Mexico. The Mexican government shares our concerns. Mexico considers the Arbabsiar case a success story because it highlighted the close information-sharing relationship between the United States and Mexico. The Mexican government stated the case was an "eye opener;" the threat is still here, but it's not known how large.

Qods Force and Hezbollah are actively researching human smuggling routes and establishing relationships with drug cartels who have knowledge of known routes into the United States. These relationships between Iran, Hezbollah, and organized criminal organizations could potentially assist in strikes against the homeland.

RECOMMENDATION.—U.S. intelligence agencies, in conjunction with CISEN, should develop as a priority mission with additional resources and authorities targeting Iran and Hezbollah operatives in Mexico and throughout the region. This priority targeting should help provide U.S. operational entities some advance notice of possible terrorist attacks against the homeland.

COLOMBIA

OBSERVATION.—Although Plan Colombia has had considerable success in combating the Revolutionary Armed Forces of Colombia (FARC), a narco-terrorist organization, the war has yet to be won, and challenges remain. The FARC continues to adapt and rebuild itself along the borders with Venezuela, Brazil, and Ecuador. There does not appear to be a strategy to combat the emerging threat of FARC operations in other countries such as Ecuador and Bolivia. Additionally, activity by smaller drug and criminal organizations has increased in the region.

RECOMMENDATION.—The United States should increase efforts to assist Colombia interdict and eradicate cocaine, enhance information sharing, provide continued resources for Colombia's special operation forces, and send advisors to assist Colombian officials reform their judicial system.

OBSERVATION.—Cocaine is the "Center of Gravity" in Colombia's fight against the FARC. Cocaine funds terrorist organizations. South America is considered a "cash cow" for terrorist operations. 92% of FARC activity occurs where cocaine is grown. The FARC is the first leg in the supply chain for cocaine bound for the United States and operates and owns complete supply lines into the United States.

An example of the nexus between the FARC and the Mexican drug cartels is the November 2011 indictment of the Ayman Joumaa network. Joumaa is the alleged leader of an international drug-trafficking and money-laundering network that coordinated multi-ton shipments of cocaine from Colombia to the Los Zetas Mexican drug cartel. He also laundered hundreds of millions of dollars in drug proceeds back to the Colombian suppliers and Hezbollah. These actions underscore major links between terrorist organizations and major South American narcotics money-laundering organizations.

RECOMMENDATION.—As cocaine use in the United States is a large funding source for terrorist organizations, the administration should expand telegraphing this fact to the American public, and make the point that those who use cocaine fund terrorists.

OBSERVATION.—Venezuela is a safe haven for not only Iran and Hezbollah, but also the FARC. The Colombian government has evidence of a Venezuelan Army helicopter providing operational support to the FARC. The Colombian government also has evidence of Venezuelan government officials working for the FARC narco-terrorist organization. Additionally, Hezbollah is connected to communities in Colombia where the FARC is operating, which provides support back to the terrorist organization. Hezbollah is also purchasing cocaine from the FARC. FARC weapons were found to be from Russia and Venezuela.

From these observations, we conclude the FARC is operating with Iran and Hezbollah in Venezuela, and the Venezuelan government is complicit in these operations.

RECOMMENDATION.—The U.S. Government should consider designating Venezuela a state sponsor of terrorism.

PARAGUAY

OBSERVATION.—The Tri-Border region is identified as a center that finances Islamic terrorism. Hezbollah has a well-known and established presence in the Tri-Border region. Additionally, Iranian government officials have been found entering Paraguay with Venezuelan passports and meeting with Hezbollah operatives. Shops are owned and operated by Hezbollah and in one particular mall you must be a Hezbollah sympathizer in order to rent space in that location. A sizable amount of profits from these shops go to the Middle East to fund terrorists.

While the region is mainly known for illicit financing and money-laundering activities, it was reported in December 2006 that Ali Muhammad Kazan, a leader in Hezbollah's political structure and who served as a commanding member of counter-intelligence for Hezbollah was present in the Tri-Border region. According to the 2011 State Department Country Reports on Terrorism, the Barakat Network in the Tri-Border area is another example of drug money being funneled to Hezbollah. Although the total amount of money being sent to Hezbollah is difficult to determine, the Brakat network provided, and perhaps still provides, a large part of the $20 million sent annually from the Tri-Border Area to finance Hezbollah and its operations around the world.

Unfortunately, high levels of corruption within law enforcement and the judicial system, along with weak terrorism-related laws, continue to exacerbate and allow these terrorist organizations to operate in the region.

RECOMMENDATION.—The U.S. Government should increase resources and work more closely with the Paraguayan government to aid in building a more trusted and capable law enforcement and legal system and establish more effective terrorism-related laws related to financing of terrorist organizations.

RECOMMENDATION.—While the Codel was in Paraguay, the Brazilian government recently announced they plan to send 10,000 troops to the lawless Tri-Border region in part to address these transnational criminal and terrorism-related security threats. The U.S. Government should support these efforts and work with the Brazilian government in sharing information that could target and dismantle these Hezbollah financing operations.

ARGENTINA

OBSERVATION.—Hezbollah and Iran launched two terrorist attacks from the Tri-Border region in 1992 and 1994, which destroyed the Israeli embassy and the Jewish Cultural Center in Buenos Aires. These terrorist attacks were against soft targets. The planners of the attacks have not been brought to justice. Of the six Iranian citizens accused of plotting these attacks, one suspect in particular, the Minister of Defense of Iran, was recently in Bolivia to open up a military school. The Bolivian government apologized and claimed to not have known about the connections between the Iranian Minister of Defense and the terrorist attacks.

RECOMMENDATION.—The U.S. Government should work with Argentina to bring to justice the individuals alleged to have carried out the terrorist attacks against the Israeli Embassy and Jewish Cultural Center.

RECOMMENDATION.—With these terrorist bombings serving as an example, the U.S. Government should recognize the reality of Hezbollah and Iran's capability to leverage sympathizers in Latin America to become operational and attack soft targets without difficulty.

OBSERVATION.—There are indications that bimonthly flights are still occurring between Iran and Venezuela. Interpol has not been able to learn what cargo is on these flights. Clearly these flights are a direct pipeline between the two countries that could be used to transfer weapons, nuclear material, and terrorists.

RECOMMENDATION.—The U.S. Government should regularly monitor these continuing claims of flights between Iran and Venezuela, and arbitrate its frequency, potential cargo, and other suspicious activities. Additionally, the United States should demarche the Venezuela government and request they abide by transparent flight requirements.

OBSERVATION.—There have been indications that Iran is proactively reaching out to many countries in Latin America, including Argentina, to establish relationships, increase trade, fund infrastructure projects, spread its ideology, and build stronger cultural ties in the region. Although publicly denouncing Iran, there is increased concern Argentina will be more open in its relationship and establish larger trade with the Iranian regime. In addition, Iran has stated its intention of opening up companies in Argentina.

RECOMMENDATION.—The U.S. Government should closely monitor Iran's activity throughout Latin America and work with our allies in the region.

We are deeply concerned Iran and its surrogates are conducting operations in the Western Hemisphere. The alarming connections between Iran, Venezuela, Hezbollah, the FARC, drug cartels, criminal organizations, and Iranian sympathizers throughout Latin America could be leveraged by Iran to carry out terrorist attacks in the United States and against our allies in the region. Given Iran's recent efforts to intervene in Latin American affairs, the U.S. Government should not downplay the implications of the recent decision on June 5, 2012 by Bolivia, Ecuador, Nicaragua, and Venezuela to be removed from the Inter-American Treaty of Reciprocal Assistance, also known as the Rio Treaty of 1947. This Western Hemispheric defense doctrine recognizes that an attack on a Western Hemispheric nation is an attack against us all, and any unraveling of a Western Hemispheric defensive treaty threatens the sovereignty of the United States and our allies throughout the Western Hemisphere. In accordance with the Monroe Doctrine, the United States should send a strong signal to the world that any effort by Iran and its surrogates to enroot operations in the Western Hemisphere is dangerous and a threat to our peace, safety, and prosperity.

We welcome the opportunity to discuss these matters with you more fully. If you have any questions or would like additional information on these observations and recommendations, please contact Dr. R. Nicholas Palarino, Staff Director or Mr. Brett DeWitt, Professional Staff Member for the Subcommittee on Oversight, Investigations and Management, House Homeland Security Committee, who accompanied us on the Codel.

Sincerely,

MICHAEL T. MCCAUL,
Chairman, Subcommittee on Oversight, Investigations, and Management.

Mr. MCCAUL. This is an area that I know Mr. Duncan shares my concerns. I believe, Mr. Cilluffo, as you stated, this is an area that has gone largely ignored, overlooked, and yet it is right in our backyard, and we talk about the Middle East a lot. We talk about North Africa and Egypt and Libya. Yet some things are happening not too far from here that I think the American people just have no idea the threat level that it presents to us. As you look at the tension between Israel and Iran right now and how that has heightened to a flash point that I don't think I have seen as great in my lifetime. As that tension heightens, so does the tension across the world and in this hemisphere. If, God forbid, there is a strike from Israel into Iran, the retaliation will be certain, and it will be swift, not just against Israel but in the entire Middle East, and it will also expand into this hemisphere. It will light up Hezbollah operatives I think in Latin America. It will also light up Hezbollah cells in the United States. Many people don't even realize that there are Hezbollah cells in the United States.

When I was a former AUSA chief of counterterrorism that was our job to find out where they are. You don't know what you don't know. Where are these cells? What we found was Hezbollah is actually pretty sophisticated and, in some ways, more so than al-Qaeda.

They are certainly probably better-financed. So when we went down to Latin America, Mr. Duncan and I, we went to the Tri-Border Area, Paraguay, Brazil, Argentina, and we saw a huge Hezbollah presence, billions of dollars being sent from that area, that region, to Hezbollah to Iran.

We also saw that there are satellite nations of Iran in Latin America, certainly Venezuela being one of the biggest, and then Bolivia and Ecuador and Cuba. They are even talking about disavowing a treaty from 1947 that deals with the Monroe Doctrine where an attack on one is an attack against all. Why would these

states want to violate that treaty or get out of that treaty? It is because of the influence of Iran in the region?

So I guess my question is that we were always told, and Ambassador Noriega, I think you put it, you hit the nail on the head by saying, when it comes to the State Department, it is the head in the sand. Because when we were down there, we got briefings from the chief of station, which were pretty good, but the local security guys, better, and then we went to the Jewish community center that was blown up by Hezbollah, and these guys probably gave us the best briefing that we got down there, most likely wired into Israeli intelligence, which is probably the best when it comes to Iran.

But then when we talked to our own State Department, amazing how the threat is downplayed, how the terrorism word is not even used. I think it has been taken out of their vernacular, and even though you have this large Hezbollah presence down there, they don't seem to care. It is like diplomacy outweighs threat; diplomacy outweighs looking at this as a counterterrorism issue. So I think that was to me the line in the hearing, the head in the sand. They need to get their head out of the sand and look at this problem.

So my question to the panel is: We were always told, you know, yeah, Hezbollah is down there, but they are just finance support cells; it is nothing to get too worried about, so don't overblow this problem. It is not really a problem.

Well, then we saw the Qods Force operative in Mexico, the aligning with what he thought was a Los Zetas cartel member to assassinate the Saudi ambassador in Washington and to hit the embassies in Argentina, both the Israeli and Saudi embassies. The first time we are seeing this theory that there couldn't possibly be a threat to suddenly seeing an operative, an operation.

So I guess, again, my final question is: Can you discuss the sort-of unholy alliance that we are seeing now and marriage between these Hezbollah Qods Force, more radical Islamic groups, and the drug cartels, that are largely finance and I understand that, but discuss that and then also is it possible that they could become operational in the future, particularly in light of the situation between Israel and Iran currently?

Mr. CILLUFFO. If I could jump in, well, Mr. Chairman you are exactly right, Ahmad Vahidi is the minister of defense of Iran. He said, if Iran were attacked by anyone, that there would be a tough and crushing response. He said that on May 2011, in Bolivia, where he was inaugurating an academy on asymmetrical warfare that is being funded by Iran. Just one example, Mohsen Rabbani is a cleric who is wanted for his role in the 1992 and 1994 bombings in Buenos Aires. He travels on documents provided him by Venezuela. He is not supposed to be able to travel at all because there is a red notice, an Interpol red notice, but he travels in this hemisphere on a regular basis, and we have been able to place him through our sources at least a couple times in the last 18 months. So that exists.

The Jouma case that I referred to involves all of these different criminal elements and really a global enterprise, where Jouma played a role bringing Colombian cocaine to the Los Zetas through Central America, taking the money there, commingling it with a

used car enterprise, those cars, that value was then exported to Africa, converted to cash, so you launder the resources, and then flown back to the Western Hemisphere. This is a terrifically sophisticated mechanism that is going to reach out and touch us in a serious way if we don't get ahead of the curve and start to block some of these moves on their part.

Mr. MCCAUL. Thank you.

Mr. Cilluffo.

Mr. CILLUFFO. Mr. Chairman, to build on one of the previous questions as well regarding metrics, I think before jumping in the specifics, it is worth remembering the terrorism, what gets measured gets done, but are we measuring what matters? But more importantly, terrorism is a small numbers business. If you look back to 9/11, we weren't talking about hundreds of thousands of people, so it is worth factoring in the vulnerabilities that can be exploited. You don't need big numbers to cause catastrophic effect.

So in terms of the Lebanese Hezbollah marriage in the Tri-Border Area, I think General Fraser, head of Southern Command put it best, they are working together mostly alliances of convenience, but it is those alliances of convenience that can cause real significant damage to our U.S. National interest, our National security.

I might note that LAPD recently elevated the government of Iran and its proxies to a Tier I threat, at par and even to al-Qaeda, its affiliates, and those inspired by al-Qaeda. That is a significant development.

NYPD has done much the same.

In addition to the points that Ambassador Noriega brought up, Nasrallah, the head of Lebanese Hezbollah has stated himself and his quote was, if Israel targets Iran, America bears responsibility. So clearly, they are going to light up and tap some of those networks.

I might also note there have been a number of arrests, JTTF arrests in the United States. In 2010, there were 16 significant arrests of Hezbollah sympathizers trying to access stinger missiles, night vision equipment. So this isn't something that we need to be worrying about. This has occurred.

So the question is, if you see these pieces come together and should a triggering event cause, yes, I think that is a significant issue the United States needs to be concerned about.

I might also note that they are pretty sophisticated in terms of trade craft, so that is just something to bear in mind.

Mr. MCCAUL. Mr. Farah.

Mr. FARAH. I would echo what Ambassador Noriega said. I think that but if you look at Iran's history in the region, we tend to look at the attack on, the attempted attack on, the Saudi Ambassador as sort of a crossing or a sea change in how they behave. But it is not really. If you look at the 2007 attempted attack on the JFK fuel facilities, that was also an Iranian plot. It didn't get a lot of publicity, but the Irani connection, but Mr. Kadir who was running, involved in the plot out of Guyana was sent to the western hemisphere at the same time Mohsen Rabbani was and he was working the northern tier as Mohsen Rabbani was working Argentine sphere, and part of the money for that, and it is documented

in our core documents, for that attack were put into the mosque that Mr. Kadir was running in Guyana.

So I think they have been waging an asymmetrical campaign against us for a long time, and we are not taking it seriously.

The other thing that one has to pay attention to is simply the breadth of their activities. Many of them are small, but taken together, they are quite significant. The number of businesses that are opening in Panama in the Colon Free Trade Zone is astounding. They are buying Panamanian citizenship for $10,000; as Panamanian citizens, then opening businesses in the Colon Free Trade Zone, with extremely broad capabilities for acquiring dual-user, moving whatever they want through that particular area.

If you look at the Univision report from last year on "La Amenaza Iraní," they documented and filmed Iran's attempts to hack our major National security networks from a Mexican university in conjunction and with Venezuela asking for anything that was taken to be shared back with them.

So I think that we at least—our assumption is that this is all starting now, when in reality, there was a meeting in Tehran in 1983, where they made the decision to expand into Latin America using guns, automatic weapons, grenades, fusiles, y grenadas, you know, weapons and grenades to take over the region. So I think that the idea that they are somehow unprepared or that this is a new thing for them and they are suddenly scrambling to position themselves is nonsense. They have been doing this for 20 years. They are in places where we are only beginning to look to see where they are. I think the potential to light us up if they felt necessary is huge.

Mr. MCCAUL. Let me follow up. This isn't about cyber, but there was an attack recently by Iran, a cyber attack on Aramco in the Saudi peninsula, 30,000 computers compromised, and at the same time, an attack against our financial institutions in the United States. So it really is astounding, and you are correct; it is not some science fiction thing. It is happening right now.

Then these flights going back between Caracas to Tehran. What is on those planes? We can't monitor those planes. Speculation uranium is on these flights. What if it came back weapons grade into this hemisphere and smuggled across the border? That is a nightmare scenario for a lot of us.

Mr. FARAH. I would say perhaps even more dangerous than those flights are the unregulated shipping, which have much more significant capacity and are even less monitored than the flights are, in their ability because of state-to-state transaction, there is no way of knowing what is on those planes as they leave.

Mr. MCCAUL. Just one last question, Ambassador, you said you have a lot of friends in the State Department. So given all this mounting evidence, why do they continue to have their head in the sand on this?

Mr. NORIEGA. Well, I should add I had a lot of friends in the State Department about 20 minutes ago, but maybe fewer.

Mr. MCCAUL. Sorry, they are not still there.

Mr. NORIEGA. Well, they conflate this, Mr. Chairman, with other issues that we have with these countries.

For example, Venezuela, they don't want to mud wrestle with Hugo Chávez, and they think that if we do, it elevates him. It is a wonderful theory. Seven years ago it might have had some validity, but it has been disproven, as we see that we try to studiously ignore him, that he is galloping forward at this staggering alliance with Iran, for that matter with PRC, buying $9 billion of weapons from the Russians. The Cubans essentially run the internal security apparatus. I don't know what else he could do if we were to try to provoke him.

The other thing is there are countries like Mexico and Brazil that are just so sensitive about talking about this issue, and part of it is every time we raise it, they read it, misread it, as an accusation. The fact is we can all up and down this table give examples of the things the Mexicans have done right in fighting this issue. But for some reason, we can't, they are not doing their job at the State Department to find a way to have a serious dialogue about this, so but the Mexicans are more open and the Brazilians are more open.

The Brazilians are going to host the Olympics and the World Cup in the next 3 or 4 years, both events. If you ask a lot of these foreign ministry types in Brazil, they will tell you the terrorism is an invention of the United States Government to intervene in our internal affairs. Well, it is going to come unfortunately in the manifestation, it will manifest itself in another way if they don't do something serious to address this issue.

Mr. McCAUL. The Brazilians, when we were down there, absolutely right, did not want to acknowledge any of this, but at the same time, while we were there, sent 10,000 troops to the Tri-Border Area. So it is not a threat, but we are going to send 10,000 troops to the Tri-Border Area, while you are there.

Mr. NORIEGA. Mr. Chairman, some of the best work being done on this is by the Brazilian police, by the Brazilian security agencies. But at the political level, it is completely Sergeant Schultz; they know nothing about anything.

One other example, Argentina, a country where 144 people were the victims of Hezbollah violence not so far in the distant past, is engaging in talks right now with the Iranians. What are they up to? Well, there have been vast transfers of cash, at least a quarter of a billion dollars from Venezuela to Argentina. We know that Ahmadinejad asked Chavez to intervene with Nestor Kirchner, the former president of Argentina, to turn back on the sort of a nuclear cooperation that he had they had back in the 1990s before those bombings.

Now these talks are, I believe, to launder the reputations of two potential candidates for president of Iran to succeed Ahmadinejad, who are indicted by Argentina.

So mark my words, this will involve some sort of transaction, very high-priced soybean exports from Argentina to Iran, and you are going to see Argentina find a way to lift those indictments so they don't have a black mark against the next president of Iran. This is the sort of stuff the State Department needs to know about and engage on.

Mr. McCAUL. Everybody needs to know about it. I can tell you, meeting with the ambassador from Argentina was hardly a friendly experience as well. Very anti-American, was my sense.

So I have gone way past my time.

I would like to now recognize the gentleman from Illinois, Mr. Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman.

Mr. Cilluffo, you indicated, I believe, that our efforts to seize drugs is not as robust as perhaps they could and should be.

How intertwined is drug trafficking with the whole threat and engagement of terrorism in the areas?

Mr. CILLUFFO. Thank you, Mr. Davis.

Looking at the Americas specifically or—I mean, if you look globally, you are starting to see more and more foreign terrorist organizations engaging in criminal activity, from drug trafficking all the way through to organized crime activity, kidnapping and ransom. I mean, if you look at the Sahel and the Maghreb, a lot of examples there. If you look at FATA, if you look at all these un- and undergoverned spaces.

In the Americas, in particular, I wouldn't say it is—they have different aims and objectives, for the most parts. But that is almost missing the real question.

The real question is, is: Will they exploit some of those networks, distribution networks and opportunities? I think the answer is yes. Because you do see a Lebanese Hezbollah presence in the Tri-Border Area, and even in Colombia, and in other places. You do have drug trafficking organizations who can smuggle, you name the good; if there is the demand, they will find the way to get it through.

I actually think back to Kosovo, during the campaign there. I wrote a long piece that was politically incorrect, I guess. It was titled "And the Winner is . . . the Albanian Mafia." Here you had criminal entities smuggling both Serbs and Croats for the same amount of money. They put a tax, another 10 percent on when the tides turned and others were—asked to be smuggled out.

So at the end of the day, the way I think you look at it, look at it as a business enterprise, look at it as a P&L, and in this case, very specifically, movement of product. If you add those together, and if you have flare points that can trigger that, that is a pretty toxic and dangerous blend.

Mr. DAVIS. So let me ask the panel, given the fact that there is such a serious opportunity and relationship between the two, is there any way that we can attack the issue from another vantage point of looking at the drug problem as much as we look at the threat of terrorism and how we can impact one by perhaps impacting the other?

Mr. FARAH. If I might, I would say, in relation to your previous question, I would say that the other—you now have clear—for the first time it has been—we have had anecdotal evidence for a long time, but I think now in judicial cases that Hezbollah is directly engaging with the FARC, which is another designated terrorist organization, to move cocaine for the Mexican cartels. So it is much more than a passing relationship. They are now integrally involved in the movement and transshipment.

If you look at the Lebanese Canadian Bank case, which is the outgrowth of the Joumaa case that you mentioned in your—you look at in your paper, that is a multibillion-dollar enterprise that

was collapsed by taking the cocaine trade out of it. So I think that multimillion enterprise for Hezbollah collapsed when you took the cocaine out of it. So I think that the relationship there is profound and deep.

I think if you want to get at that, I think the best model you have is the Special Operations Division of the Drug Enforcement Administration. They are able to use specific authorities, unique authorities to go after, in a judicial manner also—and judicialize what they find and what they are able to collect from some of their foreign colleagues on the same targets and use that in judicial court systems to bring about indictments and in many cases convictions.

So I think that that, coupled with some of the special authorities that the Special Operations Command has in the region, the ability, the resources they provide on the intelligence-gathering front, particularly, have to be melded and expanded. I think right now we have sort of little stovepipes of excellence that need to be broadened out and can be broadened out considerably to make that joint fight. I don't think you have to choose either/or. I think if you—because you see them so often together that if you use the hybrid model the DEA has done so well, you can actually do both at the same time.

Mr. CILLUFFO. Mr. Davis, I mean, a hybrid threat does require a hybrid response. It is all of the above. We have to attack it from all fronts. There is a CT component, a counternarcotics component, a counterinsurgency component, and we have to address the demand issues as well. So we need to look at it holistically.

The problem is, is we are not moving quickly enough or treating it with the urgency I believe it deserves.

Mr. DAVIS. I guess one of the reasons that I asked the question is that I believe that sometimes money is just as potent a rationale as ideology; that there are some individuals who become a part of the action based upon ideology in terms of what they believe and there are others who are recruited because there is the resource. I mean, there is the lure of money which attracts them just as easily as an ideological bent.

So thank you very much. I yield back.

Mr. MCCAUL. Just to make a brief clarification.

We met with the Argentinean Minister of Affairs—of Foreign Affairs, not the Ambassador. So just to make that clarification for the record.

Mr. CILLUFFO. Did you get a phone call?

Mr. MCCAUL. Yes. It was still—still was not a very friendly meeting, though.

With that, now recognize the gentleman from Pennsylvania, Mr. Marino.

Mr. MARINO. Mr. Chairman, I have no questions.

Mr. MCCAUL. Okay. I know Mr. Duncan was here. I know he certainly would have many questions for you. If we could just wait just a minute.

Okay, great.

Mr. FARAH. Sir, if I could just add, Mr. Davis, to your comment on the money.

I think the money over time has become the defining motivator for the vast bulk of these transactions. If you look at how groups evolve, particularly the FARC in Colombia, it went from being a very ideological organization until it got into the drug trade and it is now essentially a major drug cartel with very little ideological content left in them. The reason for joining the Zetas or any number of the organizations in Mexico is entirely devoid of ideology. If you look at how these groups operate, I would argue that, although Hezbollah, I think, was quite successful for many years in not becoming de-ideologicized through the drug trade, it now has as well.

Mr. CILLUFFO. If I could just say, there are actual foreign terrorist organizations—Abu Sayyaf in the Philippines went from a very ideological organization to a huge criminal enterprise. Islamic Movement of Uzbekistan, you have got camps, some of whom are criminally motivated, financially motivated. But Willie Sutton said: Why rob banks? That is where the money is. So, yeah.

Mr. MCCAUL. See Mr. Duncan has arrived. The Chairman now recognizes him for questions.

Mr. DUNCAN. Thank you, Mr. Chairman.

Let me just say again how much your leadership on this issue has meant. It is an issue I have been following, as the panel knows, for a very long time. We will talk in a minute about the threat assessment bill I have residing over in the Senate.

But it was a very informative trip when we went down to investigate this issue. You are spot on when the Chairman says, you know, we hear one thing from the Department of State, but when we talk with the boots on the ground, so to speak, whether it is the Paraguayan police force or the folks in Argentina, the Israelis and the Jewish community, it is a different story. I walked away from that CODEL wondering why it is a different story. Why we are hearing the "head in the sand"-type analogy from State and why we are hearing something different from the folks who are actually impacted.

I raise awareness to what I believe, if I remember correctly, we just discovered a Hezbollah training camp in Nicaragua. What we were told in South America, that most of the Hezbollah activity was financial transactions. But we saw tremendous money, financial transactions happening in the tri-border region and Cuidad del Este.

My thought is, I don't believe that training camp in Nicaragua was training bank tellers or folks on financial transactions.

So it is—there is more going on in South America and Latin America and in this Western Hemisphere than just financial transactions that are going to assist Hezbollah's activities, terrorist activities around the world.

The Iranians and their proxies are here in this hemisphere for a reason. It is time for America to truly get their head out of the sand and raise awareness to the issue and start understanding the issue and come up with a counterterrorism strategy to address that real threat.

I think the Chairman was right, if Israel does take some action to assess or address their existential threat in that region, I believe we will see some activity here and we better be aware of it and better know how to deal with it.

So I went down after that hearing, after that trip to Latin America to assess this, I went down to the border, because I wanted to understand the United States-Mexican border. From South Carolina, you are a long ways removed from that. So I went to Arizona and tried to understand the threats, the challenges that CBP has down there. I walked away with a tremendous respect for what they are trying to do.

Because when we think of the Southern Border in South Carolina, we think of flat desert terrain, easy to put fences up. What I saw was a different topography with the mountains and the corridors. The fencing comes up to the foots of the mountain and we have basically corridored the bad guys coming into this country to have to come through the mountains. But when we helo'd over those same mountains, I looked down and I saw what looked like cow paths through the mountains. I asked, "Well, what kind of animals, what kind of cattle ranches are in this area?" They said, "No, Congressman, the trails you see are the bad guys. These are the smugglers and the folks coming into this country."

The challenges are real. We have got to figure out a way to address those challenges. I think the first step in really addressing the threat of terrorism would be countering the Iranian threat in the Western Hemisphere bill. Appreciate the ambassador mentioning that. I would encourage anyone that can contact the Senate and see if we can get this thing hotlined over there to pass.

So on to my question.

Do you have—and I guess this is for Ambassador Noriega—do you have any recommendations for ways we can go about strengthening our relationships with our fellow stakeholders in Latin America? See, I met with the Honduran government officials here in Washington last spring and that was the conversation I had.

I think that the Chairman mentioned the distrust—or maybe it was Mr. Farah mentioned, if we bring this subject up with Mexico or with some of the Latin America countries, they think we are questioning their integrity or questioning something else.

So how do we strengthen that? How do we get them to be willing allies with us and show that this is a neighborhood, we are all residents in this neighborhood and we have got to work together to address that threat? So how do we go about doing that?

Mr. NORIEGA. Well, Congressman Duncan, you were out of the room when I addressed that same point and made the point that you just made, which was that when we raise these issues with Mexico or Brazil, they see it as an attack on their integrity. We can all cite examples where the Mexicans have done precisely the right things to fight terrorism and want to be on the same side with us.

The Brazilians, the best informed on these issues are Brazilian security folks. But if you talk to the political folks and certainly the people in the Foreign Ministry, the problem doesn't exist.

This is what diplomacy is all about, quite frankly, and we have to communicate what we know about this threat and why it is important to them.

Another thing, just vis-á-vis Mexico, lot of people talk about Mexico's drug war. It is not Mexico's drug war, it is our drug war. Mexico is fighting it. If we had the kind of political leadership across the political spectrum talking in those terms, the Mexicans,

frankly, their confidence in us as an ally—they would be treated as a wartime ally, quite frankly—would go up exceedingly. It would open this kind of serious dialogue about the dimensions of this threat. So that certainly has to happen.

In the cases of other countries, they think we have everything wired. If you go talk to security officials in Peru or Chile or Colombia, they think the United States knows everything and that it must not be a problem, particularly when our ambassadors don't raise it. So we have to change that.

I think, quite frankly, bipartisan Congressional leadership, like we have seen behind the legislation that you are moving, will make a difference. It has to be bipartisan leadership to say: Look, we are not making accusations against the State Department. What do you need to do a better job in engaging these countries on this threat?

Because Hezbollah is here for—in the Western Hemisphere—for one reason: Because we are here. We are the target. Menacing Nicaragua is not their objective. It is to threaten us.

So we have to—I think the appraisal is part of that. The only thing—only concern I have about your bill is it gives them 6 months to come up with a strategy. I know they will need it. It is going to be an eye-opening experience for a lot of these folks.

But we need a strategy today. There are some—some action-oriented things that we can do right now. We can bring indictments, we can expose the Venezuelan state as a narco-state. The U.S. attorneys have, you know, hundreds of man-hours in on this.

You have an oil company in Venezuela that has taken in a trillion dollars over the last dozen years. That can be used to hide—that entity in itself can be used to hide vast transactions.

If we can put those indictments forward, it will signal not only to the bad guys, but to the good guys that we are serious about this problem.

It may have serious consequences, which is important. The administrative actions are not sufficient because, let's note, Chávez has promoted people who the Treasury Department has on their list of supporters of terrorism and narco-trafficking. He promoted his Minister of Defense, head of his army after they were designated by the U.S. Treasury Department. So those are not enough, we need to get serious with indictments.

Mr. FARAH. Could I just add, sir? I think that Ambassador Noriega is right. But I think that you see a sea change in Brazil relating to Bolivia particularly. They have a strong alliance. Why? Because they now recognize 90 percent of the cocaine they are receiving, and they are the second-largest consumer nation in the world, is coming from Bolivia. So suddenly the ideological affinity is diminishing and they are suddenly saying: Holy cow, we now know where this is coming from. They are taking much stronger actions against Bolivia.

So to go to the point of Ambassador Noriega, I think when it is in their self—when they understand yourself what is in their self-interest, they will take on these issues. We have been very unwilling or unable to communicate what their self-interest—why it is not just our problem, but their problem. I can't tell you how many times, even with the Colombians, with whom we have a very good

relationship, when I was talking about the Iranian issue, I said: What does the U.S. Embassy say about them? They say: Nothing. I say: Why not? They say: Well, we never gave it to them. I said: Why not? They said: Because they never asked for it. It wasn't that they were trying to hide it, it was just there was no interest so it doesn't go anyplace.

I think that that is—that lack of curiosity on our part diminishes greatly our ability to understand the regional context.

Mr. DUNCAN. That is right.

Well, my time has expired. I just would say for the record, Mr. Chairman, I believe the Brazilians sent 10,000 troops up to the Tri-Border region when they heard you were there.

Mr. MCCAUL. Thanks for that confidence in my strength.

You know, it was also interesting to see the FARC given safe haven in Venezuela. When we were in Colombia, they would go across the border, not unlike in Pakistan, and they would protect them. The Iranian influence between Venezuela and the FARC is very real, and it is clear.

I think these training camps that you mentioned, that is not for financial purposes. They are here for a reason, and I don't think it is to be in Nicaragua or Bolivia or Ecuador, it is because we are here. We have to be aware of this threat.

So I want to thank my colleagues for being here.

Mr. Duncan, your intense interest in this issue, and the bill that I co-sponsored, I sure hope we can get that passed through the Congress and signed by the President.

So I want to thank the witnesses for being here today. The committee now stands adjourned.

[Whereupon, at 10:24 a.m., the subcommittee was adjourned.]

○