U.S. Immigration and Customs Enforcement

STATEMENT

OF

ALONZO PENA

DEPUTY ASSISTANT SECRETARY FOR OPERATIONS

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
DEPARTMENT OF HOMELAND SECURITY

REGARDING A HEARING ON

"U.S. -MEXICO SECURITY COOPERATION: NEXT STEPS FOR THE MERIDA INITIATIVE"

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON BORDER, MARITIME AND GLOBAL COUNTER-TERRORISM AND THE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE WESTERN HEMISPHERE

THURSDAY, MAY 27, 2010 -- 10:00 a.m.
311 CANNON HOUSE OFFICE BUILDING

INTRODUCTION

Chairmen Cuellar and Engel, Ranking Members Miller and Mack, and distinguished Members of the Subcommittees:

I would like to thank you for the opportunity to discuss the role of U.S. Immigration and Customs Enforcement (ICE) in the nation's coordinated international response to southwest border violence. ICE conducts intelligence-driven investigations through collaboration with our federal, state, local and foreign partners. These multi-agency investigations are enabled by robust, cross-border coordination and information sharing with Mexico. ICE has the largest force of investigators in the Department of Homeland Security (DHS), and we protect our borders—north and south—by investigating groups who exploit weaknesses in our legitimate trade, travel, and financial systems. With more than 6,500 special agents worldwide, ICE works to detect, disrupt, and dismantle cross-border criminal networks engaged in the smuggling of people, narcotics, bulk cash, and weapons across our borders.

As Secretary Napolitano has testified before, the criminal activities and violence of the drug trafficking organizations in Mexico is not only an international threat; it is a homeland security issue in which all Americans have a stake. ICE is focused on countering the illicit activities that occur related to our shared border with Mexico. Assistant Secretary Morton and I remain firmly committed to ensuring that our borders are secure and curbing the bilateral flow of contraband including, guns, money and drugs.

Before accepting the position as ICE's Deputy Assistant Secretary for Operations, I served as the DHS Attaché at the U.S. Embassy in Mexico City. In that position, I was the Department's senior representative and liaison to the government of Mexico. It was my responsibility to foster greater law enforcement cooperation with Mexico and other partners in the region. Before that, I was the Special Agent-in-Charge (SAC) of the ICE Office of Investigations in Phoenix, Arizona, where I oversaw all ICE investigative activities in one of the nation's busiest smuggling corridors. Immediately prior to my position in Phoenix, I served as the SAC of the ICE Office of Investigations in San Antonio. Based on my previous experiences, I am very familiar with today's subject, and I look forward to discussing it with you.

Before addressing our Mérida activities, I will address our efforts to protect our homeland and secure our southwest border.

Summer Surge Operations

Over a third of ICE's personnel are currently located in offices along the southwest border. At the direction of Secretary Napolitano, ICE will dramatically increase its personnel along the southwest border beginning on June 1 as part of a global strategy to counter cartel operations and enhance border security. These added resources will increase the ability of our border offices to not only respond to CBP interdictive activity, but also to conduct proactive investigations targeting transnational criminal organizations. Specifically, ICE personnel will:

- Deploy to the Border Violence Intelligence Cell (BVIC) and Field Intelligence Groups (FIGs) to collect intelligence against cartel leadership in support of Border Enforcement Security Task Force (BEST) and Special Agent in Charge (SAC) operations.
- Conduct immigration enforcement surge operations aimed at identifying, arresting, detaining, and expeditiously removing violators of U.S. immigration laws along the southwest border.
- Enhance BEST investigations and operations focused on targeting cartel leaderships and their smuggling corridors.
- Temporarily assign ICE personnel to the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center to assist the 11 BESTs (10 along the southwest border and Mexico City) with cartel related investigations.
- Target the movement of illicit proceeds between the U.S. and Mexico through ports of entry and by electronic methods (i.e. banks, money service businesses, etc.) through Operation Overload in conjunction with the Government of Mexico; and
- Focus on gang activity and arresting gang members who facilitate criminal activity for the cartels through Operation Community Shield.

Let me take this opportunity to note, however, that ICE investigative activity takes place not only along the physical border, but also throughout the U.S. and in its 43 Attaché offices worldwide. Because the activities of transnational criminal organizations affect the entire United States, every one of our offices throughout the country and the world plays a critical part in ICE's mission and contributes every day to securing our homeland. That said, I would like to specifically address our activities along the southwest border.

Dismantling Cross-Border Criminal Networks through BESTs along the Southwest Border

ICE continues to expand the BEST program, which currently operates in ten locations in the U.S. along the southwest border. Depending on the unique law enforcement needs within ICE's various areas of responsibility, BESTs often include members from other federal agencies such as CBP, DEA, ATF, the FBI, as well as state and local law enforcement agencies. A number of BEST locations also include foreign law enforcement, including Mexican officers.

Last August, Secretary Napolitano announced the formation of the first-ever Mexico-based BEST. When fully operational, the Mexico City BEST will be a bilateral, multi-agency taskforce that enhances the sharing of information and expertise between ICE and the Government of Mexico's investigations.

From November 19, 2009, through March 12, 2010, ICE BESTs seized 3,514 pounds of cocaine, 17,689 pounds of marijuana, 176 pounds of methamphetamine, 23 pounds of crystal

methamphetamine, and 254 pounds of ecstasy. Over the same period, ICE BESTs seized 296 weapons, 125 vehicles, and $965,000 in United States currency and monetary instruments.

Our efforts to dismantle cross-border criminal organizations are producing results. For instance, in the area of weapons smuggling, in April 2009, the El Paso BEST, in collaboration with the El Paso Police Department and ATF, arrested two individuals identified as working for a drug trafficking organization in Mexico. BEST agents conducted an undercover meeting in which two Mexican individuals provided a list of weapons and a good faith deposit of $148,000 for the firearms. The purchase wish-list included 20 revolvers, 75 semi-automatic handguns, 320 rifles, 300 machine guns, 52 grenade launchers, and several thousand rounds of ammunition. The individuals agreed to pay $1.9 million in United States currency for the weapons. A total of four people were indicted in the investigation. Three have been sentenced; the fourth is a fugitive believed to be hiding in Mexico.

Intelligence Support to ICE Investigations along the Southwest Border

A robust intelligence and information sharing mechanism is critical to dismantling transnational criminal organizations operating along the southwest border. ICE draws on its intelligence programs, such as the BVIC and its FIGs, to execute its law enforcement operations successfully. Over the past year, ICE deployed additional intelligence analysts and officers to our offices along the southwest border, Mexico, and to the El Paso Intelligence Center (EPIC). These key personnel support ICE investigations with their subject matter expertise on transnational criminal organizations engaging in money laundering, narcotics trafficking, human trafficking, alien smuggling, and counter-proliferation.

ICE's BVIC has served as a centralized mechanism to support operations conducted through the BEST teams and with the Government of Mexico. ICE co-located the BVIC at EPIC to enhance information sharing between our law enforcement partners. ICE's partnership with ATF's EPIC Gun Desk, for example, has helped coordinate firearms tracing efforts and identified smuggling routes between the United States into Mexico.

With the recent upsurge in violence in Juárez, the BVIC is actively developing actionable intelligence on drug cartels and their associates, and is working with our interagency partners. For example, on March 31, BVIC research worked in concert with the EPIC Airwatch Command to positively identify a known drug trafficker who was seeking to purchase a plane for ostensibly illicit purposes. The information resulted in the seizure of a small aircraft valued at $1.1 million.

ICE's FIGs also play a critical role in building actionable intelligence against the DTOs. FIG El Paso, for example, supports DRO, BEST El Paso, and BEST Las Cruces. Following the murders of the persons associated with the United States Consulate in Ciudad Juarez, FIG El Paso was instrumental in identifying Barrio Azteca (BA) gang members who crossed into the United States following the murders. Additionally, Intelligence Officers assigned to support Operation Knockdown were responsible for arresting a high level BA member based on actionable intelligence.

In furtherance of information sharing to support ICE's law enforcement initiatives, ICE created a Weapons Virtual Task Force (WVTF). This cyberspace task force, comprised of ICE

and Government of Mexico personnel, will post investigative information through a Homeland Security Information Network (HSIN) portal. This initiative intends to use the HSIN WVTF portal as the primary mechanism for sharing firearms-related investigative information and intelligence that will lead to ready identification and the routine disruption of illicit trans-border activities that support weapons smuggling between the United States and Mexico.

ICE is committed to partnership in this critical area. To facilitate bilateral sharing of law enforcement information, ICE is supporting the Department's efforts to develop a stand-alone web-based tool, Law Enforcement Information Sharing Service International (LSI). This tool will allow task force personnel to better understand patterns and trends in international organized crime and promote early detection of organized crime threats. In addition, LSI will provide better identification of partner countries impacted by U.S.-based criminal organizations, resulting in earlier collaboration and better investigations.

Targeting Transnational Criminal Organizations and Pursuing Money Laundering and Bulk Cash Smuggling Investigations

Transnational criminals attempt to exploit lawful movement and transportation systems to create alternative, illicit pathways through which people and narcotics, illicit proceeds, and weaponry can cross the border. As DHS's largest investigative agency, ICE plays a critical role in the layered approach to border security. Our anti-smuggling operations, including Operation Armas Cruzadas and Operation Firewall, are critical to the identification, disruption, and dismantling of transnational gangs.

On August 11, 2009, ICE officially launched the Bulk Cash Smuggling Center (BCSC), which is co-located at the Law Enforcement Support Center (LESC) in Williston, Vermont. The BCSC is a 24/7 investigative support and operations facility providing real-time tactical assistance to the field. Since its inception, the BCSC has initiated 167 bulk cash smuggling investigations, which have resulted in over 35 additional arrests and over 70 additional seizures.

The final point on ICE's efforts in developing intelligence-driven investigations must include a mention of a key study launched in October 2009 by the DHS Office of Counternarcotics Enforcement in collaboration with ICE. The study was done in conjunction with the Government of Mexico and received significant contributions from the DEA. This study was commissioned to examine the movement of illicit proceeds between the United States and Mexico. I am pleased to report that the study was just recently completed and it provides a critical strategic overview of the criminal proceeds "supply chain." It identifies key nodes and vulnerabilities that we can use to disrupt bulk cash smuggling and money laundering. This first-ever bilateral study will assist United States law enforcement in developing strategic approaches to dismantling the financial infrastructure of transnational criminal organizations. The study's factual findings and results will be released at a joint United States/Mexico Money Laundering Strategy Planning meeting on June 2.

Operation Armas Cruzadas

Operation Armas Cruzadas is a comprehensive, collaborative, intelligence-driven, systematic effort in partnership with the Government of Mexico to identify, disrupt, and dismantle the criminal networks that illicitly transport arms across the border. From March 25, 2009, through March 12, 2010, Armas Cruzadas yielded the seizure of 125 firearms, 13,386 rounds of ammunition, and several criminal arrests. Since its creation, the Operation has resulted in the seizure of 3,877 weapons, 396,414 rounds of ammunition, and nearly $10.5 million in U.S. currency and monetary instruments, as well as in the criminal arrests of 749 individuals. This bilateral law enforcement and intelligence-sharing operation between United States and Mexican law enforcement agencies has helped to curtail drug cartels and criminal organizations that seek to acquire powerful and dangerous firearms that perpetuate the violence in Mexico along the southwest border.

Operation Firewall

ICE's Operation Firewall disrupts the movement and smuggling of bulk cash en route to the border, at the border, and internationally. Through partnerships and collaboration with federal, state and local law enforcement officers, and international law enforcement partners such as Mexico, ICE targets the lifeblood of these criminal organizations. During fiscal year 2009, Operation Firewall efforts in Mexico resulted in nine seizures totaling over $18 million and the arrest of five individuals by Mexican authorities. Thus far in calendar year 2010, Operation Firewall efforts at the Mexico City International Airport have resulted in five seizures totaling $3.1 million. ICE Attaché Mexico City is receiving robust support from the Government of Mexico in conducting Operation Firewall. Since its inception in 2005, Operation Firewall has resulted in 3,946 seizures totaling more than $302 million and the arrests of 679 individuals. These efforts include 205 international seizures of more than $112 million and 140 international arrests.

In September 2009, ICE agents and our international partners made the largest bulk cash container seizure in Colombian and U.S. history. More than $41 million in U.S. currency secreted in shipping containers found in ports in Mexico and Colombia was seized as a result of this ICE-led investigation. Bilateral cooperation with our foreign law enforcement partners has significantly furthered ICE's mission to disrupt the criminal organizations that are smuggling narcotics into the United States, and smuggling bulk cash shipments out.

Investigations informed by operational intelligence continue to produce successful criminal prosecutions. For example, in March, a vehicle stop was initiated by St. Louis County, Missouri law enforcement based on surveillance of a vehicle that was suspected of transporting illicit currency. The BCSC was contacted to provide real time tactical intelligence to support the interdiction officers on scene. Ultimately, the information developed assisted officers in the seizure of $283,080.00 and the indictment of four suspects with ties to Mexico. ICE's BCSC is able to quickly cross-check information received on bulk cash seizures against its various systems that provide access to financial violations, border encounters, immigration status, and other criminal intelligence information. Information regarding bulk cash seizures is now shared between ICE's BCSC and the National Seizure System (NSS) at EPIC.

Transnational Gangs

Transnational gangs perpetrate numerous violations within ICE's purview, including human smuggling and trafficking, narcotics smuggling and distribution, identity theft and benefit fraud, money laundering, weapons smuggling and arms trafficking, cyber crimes, kidnapping, extortion, and export violations. These gangs often conspire with other dangerous criminal organizations, which allow them to mature from small autonomous criminal groups into larger, international criminal enterprises.

The key to ICE's success against gangs is our ability to use a multifaceted approach to attacking violent crime by applying appropriate investigative strategies and law enforcement authority. For example, in November 2009, under ICE's Operation Community Shield Program, ICE agents initiated "Project Big Freeze" to combat street gangs, prison gangs, and outlaw motorcycle gangs in the United States specifically conducting business on behalf of DTOs, including those that operate along the southwest border.

The impetus for Project Big Freeze was the National Drug Threat Assessment report by the Justice Department's National Drug Intelligence Center (NDIC). This 2009 report identified gangs as a significant threat to the United States. The report classified 28 gangs as exceedingly dangerous due to their involvement with cross-border criminal activity linked to Mexican and Asian DTOs.

Project Big Freeze involved more than 115 law enforcement agencies at the federal, state, and local levels, and resulted in the arrest of 517 gang members and associates from 88 gangs across 83 cities throughout the United States. Forty-one of the arrested individuals were present illegally in the United States and 240 were from 15 gangs affiliated with Mexican DTOs. As part of this initiative, agents seized 725 pounds of marijuana, 7 kilograms of cocaine, 142 grams of heroin, 87 grams of crack cocaine, 29 grams of methamphetamine, 47 firearms, and more than $100,000.

Finally, dismantling criminal organizations also requires robust criminal prosecution. To assist United States Attorneys with increased caseloads resulting from ICE's increased enforcement, we are loaning ICE attorneys to serve two-year terms as Special Assistant United States Attorneys (SAUSAs). Currently, ICE has six SAUSAs stationed along the southwest border. ICE has developed an agreement with the Department of Justice to increase this number in the coming months.

ICE's Efforts in Ciudad Juárez

ICE recognizes the severity of the violence and illicit activity in Ciudad Juárez. We intend to use, to the greatest extent possible, all of our available resources to address this problem strategically, following the lead of the Mexican Government. Since March 3, 2010, ICE has suspended until further notice the removal of Mexican nationals with criminal records to Ciudad Juárez. Temporary cessation of the removal of criminal aliens to Ciudad Juárez can reduce the number of individuals susceptible to recruitment or exploitation by cartels and

criminal gangs upon repatriation to Mexico. The El Paso BEST is working collaboratively with Mexico's Tactical-Operative Intelligence Unit (UNITO) Juárez taskforce, and will address the following four primary threats in the El Paso-Juárez corridor: 1) narcotics smuggling; 2) weapons violations; 3) money laundering; and 4) human smuggling/trafficking.

ICE is leading the DHS Unity of Effort in El Paso. To this end, ICE is working intimately with CBP and our state and local partners to design a comprehensive enforcement strategy to both secure the El Paso area and support the Government of Mexico's efforts to stop the violence in Ciudad Juárez.

I would like to share an example of the real results ICE and its law enforcement partners are achieving in El Paso. ICE agents in El Paso participated in "Operation Knockdown," a coordinated effort by DEA, FBI, and El Paso law enforcement agencies targeting BA gang members from March 18-21, 2010. BA gang members are allegedly responsible for the murders of three individuals associated with the United States Consulate in Ciudad Juárez on March 13, 2010. BA gang members are also involved in smuggling drugs from Mexico into the United States for distribution throughout the country, and are suspected of committing assassinations for the Juárez Cartel. ICE agents have made a total of 23 criminal arrests of United States citizens and Mexican nationals for violations of federal and state law.

Initiatives with the Government of Mexico

Now I'd like to turn to ICE's work related to the Mérida Initiative. The Mérida Initiative institutionalizes our partnership with Mexico and provides the framework to: disrupt organized criminal groups; strengthen institutions; create a 21st century border; and build strong and resilient communities. Our success in battling the violence on the southwest border hinges on this partnership, both at home and abroad. I want to stress that our working relationship with fellow law enforcement and civilian agencies in Mexico is extremely positive and well-coordinated. We have forged productive working relationships, and President Calderón's commitment to defeat drug cartels provides strong leadership for the Government of Mexico and the Mexican public. In coordination with the Department of State, ICE is expanding its law enforcement training and outreach programs in Mexico and strengthening its efforts to curb illicit activity at or related to the border.

In April 2010, ICE expanded the Illegal Drug Program (IDP) to El Paso, Texas. The program began last fall as a pilot program in Nogales, Arizona, with protocols between the Mexican Office of the Attorney General (PGR), ICE, and CBP. The IDP enables PGR to prosecute cross-border drug smugglers when the United States Attorney's Office determines that Mexico is a more suitable jurisdiction for prosecution, often due to evidentiary issues. The program became operational on October 24, 2009, and has already produced results in Nogales, Arizona. Since its inception, 24 defendants were arrested as a result of 17 separate seizures, with a total combined weight of 887.71 pounds of marijuana, 52.31 pounds of cocaine, and 6.11 pounds of heroin. The 24 defendants were referred for prosecution in Mexico. On March 11, 2010, the PGR notified ICE that the first two completed cases had resulted in a 10-year prison sentence for each defendant. This partnership has enabled us to increase enforcement against individuals directly involved with drug trafficking organizations (DTOs) operating in the area.

In August 2007, the Mexican Tax Administration Service (SAT), Mexican Customs, CBP, and ICE signed a Bilateral Strategic Plan to fight cross-border crime. This plan strengthened our collaboration by expanding institutional cooperation mechanisms. Secretary Napolitano recently signed a Declaration of Principles with the Mexican Minister of Finance, and DHS, ICE, CBP, SAT and Mexican Customs signed an updated version of the corresponding Bilateral Strategic Plan, which identifies several priority initiatives. Under the December 2009 plan, ICE will begin next month an unprecedented investigative training course for Mexican Customs-enforcement personnel, modeled after the ICE Special Agent training, which is scheduled to be completed in June 2010. Funded by the Merida Initiative, this comprehensive curriculum will prepare Mexican Customs officials to assume expanded investigative responsibilities and graduates will better understand United States and Mexican customs laws and law enforcement best practices. Increased investigative capabilities will support the prosecution of criminal customs violations in Mexico and will improve bilateral information sharing and investigative efforts. These new capacities will help the Government of Mexico to stem the abuse of the international shipping systems that enables organized crime to bring contraband into the United States.

ICE participates in a bilateral arms working group, Grupo de Coordinacion-Armas, with United States Embassy law enforcement partners and the Government of Mexico. This working group focuses on efforts to combat arms trafficking/smuggling. Every two weeks, the ICE Attaché office in Mexico City obtains seizure summaries, including names of suspects and lists of arms and munitions seized, and provides that information to analysts.

ICE is also sharing critical information with Mexican authorities to assist them in their fight against the DTOs. On March 23, 2010, Secretary Napolitano signed an unprecedented arrangement with Governance Secretary Gomez-Mont and Secretary of Public Safety General Garcia Luna in Mexico that memorializes DHS's effort to share criminal history information electronically with Mexican law enforcement about Mexican nationals who are being repatriated from the United States and who have been convicted of certain felonies in the United States. Our technical team is working with the Ministry of Public Safety (Secretaría de Seguridad Pública) (SSP) to finalize the technological requirements to enable live electronic exchange of this information.

As previously mentioned, ICE is in the process of building its Mexico City BEST unit, which is being supported by Mérida funding and will be a bilateral task force. This elite unit will support Mexican Government investigations into a wide variety of criminal activity in Mexico and support ongoing U.S.-based investigations.

Finally, ICE is enabling Mexican law enforcement officials to perform their duties more effectively by providing training and technical assistance. For instance, among other programs, we have provided training on arms trafficking, cyber crimes, basic criminal investigative methods, special investigative techniques to SSP officers, as well as global trafficking in persons, child sex exploitation, and information-sharing platform training. We have also planned trainings in ethics and gang investigations. We remain committed to our cross-training efforts to build the investigative capacity of Mexican law enforcement entities.

All of these programs and initiatives are examples of our growing collaboration with the Government of Mexico. The challenge of fighting transnational crime is enormous, and one that

we share. Our Mexican colleagues have brought incredible creativity and dedication to these efforts. We are optimistic that we are heading in the right direction by working together and finding new and inventive ways to combat transnational threats.

CONCLUSION

Enhancing public safety along the southwest border remains an enormous priority for the Department and ICE. We have taken important steps to improve security along the border by instituting several initiatives and pursuing strong partnership with other federal agencies, state and local law enforcement, and the Government of Mexico. We are beginning to see real results from our efforts, and we will continue to prioritize this important mission. I assure you that ICE takes this issue very seriously. We will continue to utilize our broad jurisdiction and ability to forge strategic partnerships with our fellow law enforcement agencies, both here and abroad. As the Mérida Initiative heads into a new era, ICE will remain a strong partner for the U.S. interagency and our Government of Mexico counterparts.

Thank you for your continued support of ICE and our homeland security mission. Your support is vital to the work of ICE. Moreover, your continued interest and oversight of our actions is important to the men and women at ICE, who work each day to ensure the safety and security of the United States.

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