

**A DANGEROUS AND SOPHISTICATED ADVERSARY:  
THE THREAT TO THE HOMELAND POSED BY  
CARTEL OPERATIONS**

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**HEARING**  
BEFORE THE  
**SUBCOMMITTEE ON  
BORDER AND  
MARITIME SECURITY**  
OF THE  
**COMMITTEE ON HOMELAND SECURITY**  
**HOUSE OF REPRESENTATIVES**  
**ONE HUNDRED FIFTEENTH CONGRESS**  
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## **A DANGEROUS AND SOPHISTICATED ADVERSARY: THE THREAT TO THE HOMELAND POSED BY CARTEL OPERATIONS**

**Thursday, February 16, 2017**

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

The subcommittee met, pursuant to notice, at 10:19 a.m., in room HVC-210, Capitol Visitors Center, Hon. Martha McSally [Chairwoman of the subcommittee] presiding.

Present: Representatives McSally, Rogers, Duncan, Hurd, Rutherford, Vela, Correa, Demings, and Barragán.

Also present: Representatives Katko and Jackson Lee.

Ms. MCSALLY. The Committee on Homeland Security, Subcommittee on Border and Maritime Security will come to order. Let me first apologize for being a little bit late. We need to clone ourselves around here. I was in an Armed Services Committee hearing, very important on the F-35 and the way ahead for our troops, so appreciate your patience.

The subcommittee is meeting today to examine the threat posed by drug cartels and transnational criminal organizations. I will recognize myself for an opening statement.

First, I would like to welcome the newest Member of our subcommittee, the gentleman from Florida, Mr. Rutherford. Welcome. I look forward to working with you and other new Members of the committee.

As we begin the 115th Congress, let me be clear from the outset. I hope, over the course of this Congress, we can engage in thoughtful and productive conversations that lead to legislation and partnerships that will help secure our homeland.

One of my goals this year as Chair of the subcommittee is to drill down on the threat that an unsecured border poses to our fellow Americans, which will be the focus of our conversation today. At our next hearing, we will hear from leaders of the Border Security Joint Task Forces, authorized by this committee last Congress, to examine the Nation's counter-network approach to combatting this threat.

Protecting our borders is a multi-faceted effort. The job of securing the land border falls primarily to U.S. Border Patrol, while the job of the U.S. Coast Guard is to secure our maritime border.

We do have Office of Field Operations, an important role of securing more than 300 ports of entry, and Air and Marine Oper-

ations carries out air and marine maritime environment activities and admissions to detect and interdict unlawful people and cargo approaching our borders.

Finally, HSI, Homeland Security Investigations, supports National security through its investigatory authorities and responsibilities.

These are not simple or easy tasks. The Southwest Border is a dynamic place with sometimes unforgiving terrain: Rugged mountains, scorching desert, high cliffs, canyons, and more than 1,000 miles of river.

The maritime border is more than 4.5 million square miles of vast ocean patrolled by a limited number of assets, providing cartels with enormous expanses of territory to which to conduct their illicit activities.

Congress has appropriated billions of dollars to shore up our border defenses. Today, we have an impressive array of technology, infrastructure, and personnel deployed to keep the Nation safe. Despite our best efforts, we have seemingly made little progress, though, over the last few years to secure the border.

Most recent reports and testimony suggest that between our ports of entry we are a little more than 50 percent effective at stopping people from crossing the border illegally, and narcotics continue to pour into our communities unabated.

But on the other side of the border, the adversary, Mexican drug cartels, operate a wide-reaching network. Nothing moves in or out unless the cartel plaza boss says so.

Cartel presence, influence, and power throughout Mexico is ubiquitous. Corruption is endemic. Local law enforcement in Mexico often find themselves ill-equipped to handle the vast amount of cartel activity.

Smuggling drugs and people is a billion-dollar business, and the individuals in charge have one goal in mind: Make as much money as possible delivering illicit narcotics, people, and other assets across the border and into the United States.

Obscene profits incentivize the cartels to be entrepreneurial and innovative in the tactics they use to successfully smuggle their illicit cargo. For instance, we know they conduct extensive counter-surveillance activities against our agents. They place spotters or scouts on hilltops and use the high ground to guide the drug loads away from agents and other detection assets.

Sophisticated and deep tunnels that include the use of ventilation systems and railcars to expedite the movement of drugs have also been used. We have seen a proliferation of unorthodox methods of smuggling, such as the use of propane-powered double-barrel cannons in my district and around in other areas to shoot hundreds of pounds of drugs over the fences and barriers.

Ultralight aircraft, difficult to detect on radar, have been used under the cover of darkness to fly drugs over the border, dropping it very quickly and then returning undetected to Mexico.

In my district, authorities broke up a complicated smuggling ring recently in Cochise County. The criminal network specialized in drive-through operations that used vehicle convoys laden with thousands of pounds of drugs to cross remote parts of the border.

They used scouts, encrypted communications, specialized codes to avoid detection.

It was not an amateur operation by any means. To the contrary, it was a sophisticated criminal enterprise with advanced tactics designed to thwart law enforcement at every turn. This is the nature of the adversary that we are facing along the border.

San Diego was once one of the busiest sectors for illicit traffic in the Nation, but concerted efforts in the 1990's and early 2000's, included additional barriers and manpower, brought the situation under control.

But nonetheless, because the cartels are nimble, they responded by using small open-hold vessels called panga boats to push the drug loads farther and farther off the coast of California—I am sure we will hear about that from you today, Admiral—and making them more difficult to detect, track, and ultimately interdict.

Semisubmersibles, painted blue to blend in with the ocean, barely visible above the waterline, have been used to deliver multi-ton cocaine loads to Mexico. Their ultimate destination is cities and towns across our Nation.

As we increase our focus this Congress on securing the border, which I welcome, we have to be clear-eyed about the dangerous and sophisticated threat that we face from these adversaries on the other side. Rest assured, the cartels will not sit idly by while we increase manpower, technology, infrastructure, or adjust our strategy, and that will threaten their business model.

They will adapt. They will innovate like they always do, and just plain sometimes outsmart us if we do not leverage the full power of all of us together to focus on countering the cartel network.

I want to thank the witnesses for being here today this morning. I really look forward to your testimony and the discussion ahead.

Before I recognize the Ranking Member, I ask unanimous consent that the gentleman from New York, Mr. Katko, be permitted to participate in today's hearing. Without objection, so ordered.

[The statement of Chairwoman McSally follows:]

#### STATEMENT OF CHAIRWOMAN MARTHA MCSALLY

FEBRUARY 16, 2017

First, I would like to welcome the newest Member of our subcommittee, the gentleman from Florida, Mr. Rutherford. I look forward to working with you and the other new Members of the committee. As we begin the 115th Congress, let me be clear from the outset, I hope that over the course of this Congress we can engage in thoughtful and productive conversations that lead to legislation that will help secure our homeland.

One of my goals this year as Chair of this subcommittee is to drill down on the threat that an unsecure border poses to our fellow Americans, which will be the focus of our conversation today. At our next hearing, we will hear from the leaders of the border security joint task forces, authorized by this committee last Congress, to examine the Nation's counter-network approach to combating the threat.

Protecting our borders is a multi-faceted effort. The job of securing the land border falls primarily to the U.S. Border Patrol, while it is the job of the U.S. Coast Guard to secure our maritime border. The Office of Field Operations has the important role of securing more than 300 ports of entry while Air and Marine Operations carries out air and maritime environment missions to detect and interdict unlawful people and cargo approaching our borders.

Finally, Homeland Security Investigations supports National security through its investigatory authorities and responsibilities.

These are not simple or easy tasks.

The Southwest Border is a dynamic place with unforgiving terrain—rugged mountains, scorching desert, high cliffs, canyons, and more than a thousand miles of river. The maritime border is more than 4.5 million square miles of vast ocean, patrolled by a limited number of assets, providing cartels with enormous expanses of territory in which to conduct illicit activities.

Congress has appropriated billions of dollars to shore up our border defenses. Today we have an impressive array of technology, infrastructure, and personnel deployed to keep the Nation safe. Despite our best efforts, we have seemingly made little progress over the last few years to secure the border. Most recently reports and testimony suggest that, between our ports of entry, we are little more than 50% effective at stopping people from crossing the border illegally, and narcotics continue to pour into our communities unabated.

But on the other side of the border, our adversary, the Mexican drug cartels, operate a wide-reaching network. Nothing moves in or out unless the cartel plaza boss says so. Cartel presence, influence, and power throughout Mexico is ubiquitous. Corruption is endemic, and local law enforcement in Mexico often find themselves ill-equipped to handle the vast amounts of cartel activity. Smuggling drugs and people is a billion dollar business and the individuals in charge have one goal in mind: Make as much money as possible delivering illicit narcotics and people across the border and into the United States.

Obscene profits incentivize the cartels to be entrepreneurial and innovative in the tactics they use to successfully smuggle their illicit cargo. For instance, we know that they conduct extensive counter-surveillance against our agents. They place spotters, or scouts, on mountains, and use the high ground to guide the drug loads away from agents and other detection assets.

Sophisticated and deep tunnels that include the use of ventilation systems and rail cars to expedite the movement of drugs have also been used. And we have seen a proliferation of unorthodox methods of smuggling, such as the use of propane-powered double barrel cannons to shoot hundreds of pounds of drugs over the fence.

Ultralight aircraft, difficult to detect on radar, have been used under the cover of darkness to fly marijuana over the border—dropping it very quickly and then returning undetected to Mexico.

In my district in Arizona, authorities broke up a complicated smuggling ring in Cochise County. The criminal network specialized in drive-through operations that used vehicle convoys laden with thousands of pounds of drugs to cross remote parts of the border. They used scouts, encrypted communication, and specialized codes to avoid detection. It was not an amateur operation by any means. To the contrary, it was a sophisticated criminal enterprise with advanced tactics designed to thwart law enforcement at every turn.

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Nonetheless, because the cartels are nimble, they responded by using small open-hulled vessels called “panga boats” to push drug loads farther and farther off the coast of California, making them more difficult to detect, track, and ultimately interdict. Semi-submersibles, painted blue to blend in with the ocean, and barely visible above the water line, have been used to deliver multi-ton cocaine loads to Mexico. Their ultimate destination is cities and towns across our country.

As we increase our focus this Congress on securing the border, we have to be clear-eyed about the dangerous and sophisticated threat that we face from our adversaries on the other side.

Rest assured, the cartels will not sit idly by while we increase manpower, technology, and infrastructure that threaten their business model. They will adapt, innovate, and just plain out-smart us if we do not leverage the full power of the Government to focus on countering the cartel network. I thank the witnesses for being here this morning and look forward to their testimony.

Ms. MCSALLY. The Chair now recognizes the Ranking Member of the subcommittee, the gentleman from Texas, Mr. Vela, for a statement he may have.

Mr. VELA. Thank you, Chairwoman, for calling this very important hearing.

As we have discussed, I think this is one area where many of us can agree that we are going to be able to work together to achieve our ultimate goal, which is to do as much as we can to impact the



negative work that the cartels do in South America, Mexico, and all throughout the United States and, at the same time, do what we can to take drugs off our streets.

I would first like to welcome and introduce our newest Members to the Subcommittee on Border and Maritime Security. Congressman Lou Correa represents California's 46th Congressional District and most recently served in the California State Senate.

Congresswoman Val Demings represents Florida's 10th Congressional District and previously served as the chief of the Orlando Police Department, the first woman to hold that position.

Congresswoman Nanette Barragán, an experienced attorney, represents the 44th Congressional District, which includes the Port of Los Angeles.

I would also like to recognize my colleague, Mr. Richmond, who is a senior Member in the committee and has joined us on this subcommittee for the first time. I look forward to working with all of you in the coming months, because each of you bring a unique perspective and expertise regarding border and maritime security to this subcommittee.

The subject of our hearing today is one of particular interest to me given that, like Congresswoman McSally, I represent a border district, and mine is in the Rio Grande Valley of Texas. For years now, Tamaulipas, Mexico, the state across from my Congressional district, has been coping with serious security issues due to cartel violence.

In fact, this coming Thursday, my Mexican colleagues at the Federal level in the state of Tamaulipas and I will be launching a social media effort to help promote the idea of bringing peace to the state of Tamaulipas.

As Mexican cartels have fought for control of smuggling corridors within Mexico and along our Southern Border, communities on the Mexican side have seen record levels of drug-related homicides and violence.

The threat is not confined to our Southern Border. Cartels use criminal networks within the United States to traffic illicit drugs, weapons, and other contraband. The security and prosperity of all of our districts and so many communities across the Nation depend in part on security and prosperity across the border.

I want to continue to be supportive of United States' efforts to that end. I am also appreciative of Secretary Kelly's recent comments with respect to what he would like to do to address the issue of demand in this country.

I hope to hear from you today about how the various components within DHS are coordinating with our counterparts in Central America and Mexico to combat transnational criminal organizations and enhance border security.

I would ask all of our witnesses to speak to the subcommittee about how the threat has evolved and changed over time, what you need to address this threat, and what we as Members of Congress can do to support all of your efforts. Border communities, like the ones that many of us represent, and our neighbors in Mexico are counting on us to get this right.

Madame Chairman, thank you for holding this hearing, and I appreciate our witnesses joining us today. I look forward to a produc-

tive Congress with you and all the Members of the subcommittee. I yield back the balance of my time.

Ms. MCSALLY. OK, thanks. Other Members of the committee are reminded opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

FEBRUARY 16, 2017

Today, the matter before the subcommittee is one where I expect there to be a great deal of bipartisan agreement. Drug cartels seek to exploit our borders to smuggle narcotics into the United States and bulk cash and weapons out of this country.

The Department of Homeland Security and its Federal partners are charged with combatting the cartels and securing America's borders, ports, and waterways from their contraband.

This is no easy task, to be sure. The cartels are sophisticated operations with thousands of members, the best technology, and almost limitless resources to spend on their illicit activities.

That is why we need to use our border security resources wisely. Why waste billions on walls that we know cartels are already defeating by sending their drugs over, under, or through, or by concealing in conveyances at ports of entry?

Instead, we need to dedicate funding to the personnel, technology, and assets that will help DHS interdict illicit drugs and identify, disrupt, and dismantle the organizations responsible for bringing drugs into our country.

For example, Customs and Border Protection is thousands of officers and agents short of what the agency's own staffing models say is necessary to carry out its operations. Simply saying you are going to hire more agents pays lip service to the problem, but does nothing to address the underlying issues that have prevented CBP from recruiting, hiring, and retaining personnel.

Also, Coast Guard's air and maritime assets are woefully outdated and in dire need of recapitalization. Even so, through the dedication and hard work of its men and women, the Coast Guard is credited with seizing tons of cocaine in the source and transit zones each year.

Imagine what they could do with the right kind of modern assets and the proper number of personnel to carry out the drug interdiction mission that Congress has charged them with.

These are the kinds of things we, as a country, need to invest in if we want to be serious about combatting the cartels and achieving meaningful border security.

Real border security does not come from vaguely worded, politically charged Executive Orders or fancy signing ceremonies, but rather by providing the right personnel and tools to get the job done. I look forward to hearing from our witnesses today about how we can do just that.

Ms. MCSALLY. We are pleased to be joined today by four distinguished witnesses to discuss this important topic.

Vice Admiral Charles Ray assumed duties as the Coast Guard deputy commandant for operations in August 2016. In this role, Admiral Ray is responsible for the development of operational strategy, policy, guidance, and resources that address the Coast Guard's National priorities.

Admiral Ray has previously served as a Pacific area commander and in the Middle East as the director of Iraq training and advisory mission for the Ministry of Interior.

Commander Paul Beeson is the commander of the Joint Task Force—West, Arizona and chief of the U.S. Border Patrol's Tucson sector. As commander of JTF—West, Arizona, he is responsible for implementing strategic guidance from Joint Task Force—West, and commissioner of U.S. Customs and Border Protection, or CBP, through command, control, and coordination of CBP operational functions within the State of Arizona.

In addition to those roles and responsibilities, Commander Beeson has oversight of the Tucson sector, encompassing the tactical and strategic operation of eight stations and approximately 420 personnel, many of which are in my district.

Mr. Matthew Allen is the assistant director for investigative programs for Homeland Security Investigations within the U.S. Immigration and Customs Enforcement. Mr. Allen is responsible for programmatic oversight of HSI's strategic planning, National policy implementation, and the development and execution of operational initiatives.

Mr. Allen previously served as a special agent-in-charge of Homeland Security Investigations in Arizona, where he had oversight of the full spectrum of ICE investigative activities and led more than 500 personnel assigned to offices throughout the State.

Ambassador Luis Arreaga—did I pronounce that correctly?—was appointed deputy assistant secretary of state for the Bureau of International Narcotics and Law Enforcement Affairs in November 2013.

In this role, he is responsible for State Department programs combating illicit drugs and organized crime, as well as support for law enforcement and rule of law in the Western Hemisphere. Prior to this appointment, Ambassador Arreaga served as United States Ambassador to the Republic of Iceland from 2010 to 2013.

The witnesses' full written statements will appear in the record.

The Chair now recognizes Admiral Ray for 5 minutes to testify.

**STATEMENT OF VICE ADMIRAL CHARLES W. RAY, DEPUTY  
COMMANDANT FOR OPERATIONS, U.S. COAST GUARD**

Admiral RAY. Good morning, Chairwoman McSally, Ranking Member Vela, Members of the subcommittee. Thank you for the opportunity to testify on the Coast Guard's role in combating transnational criminal organizations and the continued threat it poses to the homeland.

I am particularly pleased to testify alongside three of our most important partners in the fight against transnational crime: CBP, ICE, and the Department of State. I would like to thank Chief Beeson, Assistant Director Allen, and Ambassador Arreaga for their leadership in this effort.

Before I continue, I will just draw your attention to the exhibit over there of the North America, Central America, and South America. When I talk about the transit zone, I am generally speaking to that and when we speak of the maritime transit zone, it is that area between South America, Central America, and Southern Mexico.

We continue to face a significant threat from transnational criminal networks whose drug transit routes lead to the southern approach of the United States. The Coast Guard protects the maritime border not just here at home, but also off the coast of South and Central America as part of our layered security strategy.

As Secretary Kelly stated just a few days ago, the defense of the Southwest Border really starts about 1,500 miles south of there, when transnational violent transnational criminal organizations harm economies and threaten governments and citizens throughout the hemisphere.

They are agnostic to borders, engage in all manners of illicit activity, and they actually destabilize Latin America. The widespread violence they employ has reached epidemic levels, is spreading, and drives the continued flow of migrants from Central America and Mexico who attempt to illegally enter the United States.

As one of the Nation's five Armed Forces and the only one with broad law enforcement authority, the Coast Guard is uniquely positioned to attack these criminal networks where they are most vulnerable—at sea.

In the offshore transit zones, the Coast Guard employs an interdiction package consisting of a cutter, an airborne use of force-capable helicopter, high-speed pursuit boats and, of course, highly trained boarding teams.

We seize multi-ton loads of drugs at sea before they are broken into small quantities, which are extremely difficult to detect and cause devastation at each step of their journey as they make their way to North America.

Beyond our own capabilities, we leverage over 42 maritime law enforcement bilateral agreements, 29 of which are in the Western Hemisphere, to enable partner nation interdiction and prosecutions. In many affected areas, we are the only maritime presence to enforce universal criminal statutes with our maritime neighbors.

Our Coast Guard personnel assets are effective. Coast Guard and partner agencies interdicted more cocaine at sea in 2016 than was interdicted in all the land and across our country by all Federal, State, and locals combined, because we did it in bulk quantities offshore, sometimes in the thousands of kilos. By doing so, we pushed the border south, protect the Nation, and significantly impact the transnational criminal organizations.

Beyond demonstrating our effectiveness, these statistics indicate that cocaine and illicit trafficking of all kinds are, unfortunately, on the rise. However, resource constraints and the lack of capable surface assets allow the U.S. Coast Guard to only attack or target 30 percent of the known cases.

We have good intelligence, really high-confidence intelligence. As a result of a lack of resources last year, we were prevented from getting after 580 known smuggling events, and those shipments made their way on north.

Unfortunately, the other significant National security demands on our great Navy now preclude their participation in this area of operations. In his testimony before the committee, Secretary Kelly noted there hasn't been a significant sustained Navy presence in the Caribbean and Eastern Pacific for almost 4 years.

In that time, our Coast Guard has doubled down our presence in the region, and we are your armed force in the maritime approaches to the United States. We continue to look for ways to increase our offshore cutter presence. As I have said, we just don't have the assets to address all the intelligence that we have.

For that reason, recapitalizing our medium-endurance cutter fleet with our off-shore cutter patrol program is a must to enable the Coast Guard to meet mission demand. We appreciate the support thus far, and continued support from this Congress will be essential as we move on to commission our first off-shore patrol cutter in 2021. These new assets will make us more effective.

Just like the other Armed Forces, we are also facing significant readiness challenges with our aging assets and infrastructure and a strained work force. Like our fellow service chiefs, the commandant has said he believes it will stay this way as long as the Budget Control Act is in effect.

We will continue to use risk-based approach to allocate our resources. We have an outstanding and dedicated group of professional women and men, as evidenced by the 201 metric tons of cocaine we seized in 2016. It is a Coast Guard record.

Thank you for the opportunity to testify before you today and for all you do for the women and men of the Coast Guard. I look forward to addressing your questions and concerns. Thank you.

[The prepared statement of Admiral Ray follows:]

PREPARED STATEMENT OF CHARLES W. RAY

FEBRUARY 16, 2017

#### INTRODUCTION

Good morning Madam Chairwoman and distinguished Members of the subcommittee. It is a pleasure to be here today to discuss the Coast Guard's role in combating transnational organized crime and specifically how we address the drug smuggling methods of these networks.

Drug trafficking has destabilized regional States, undermined the rule of law, terrorized citizens, and driven both families and unaccompanied children to migrate to the United States. To be clear, the flow of illicit drugs funds Transnational Organized Crime (TOC) networks, which pose a significant and growing threat to National and international security.

Today's Coast Guard is a direct descendant of the Revenue Cutter Service, created by Alexander Hamilton in 1790, to stem the flow of maritime contraband into our newly-formed Republic. It is one of the Nation's five Armed Services, and the only branch of the military within the Department of Homeland Security (DHS). While our missions and responsibilities have grown significantly since then—addressing a full range of security, safety, and stewardship concerns—our anti-smuggling roots continue to be an essential part of our service to the Nation. The Coast Guard is the lead Federal maritime law enforcement agency, the lead Federal agency for drug interdiction on the high seas, and the only agency with both the authority and capability to enforce National and international law on the high seas, outer continental shelf, and shoreward from the U.S. Exclusive Economic Zone (EEZ) to our inland waters.

For over two centuries, the Coast Guard has built a reputation as one of the most agile and adaptive agencies within the Federal Government; these qualities have served the Coast Guard well in its efforts to combat smugglers' ever-evolving conveyances and tactics. The modern role of the Coast Guard in this fight can be traced to the demand for a variety of illegal drugs. From 1973 through 1991, the Coast Guard removed over 26 million pounds of marijuana, targeting and interdicting a variety of smuggling conveyances including commercial fishing vessels, ocean-going cargo freighters, and pleasure craft. Beginning in the late 1990's, through the present day, cocaine has been the predominant drug being trafficked via maritime routes, bringing with it shifts in smuggling tactics. Cartels initially began using some of the very same conveyances used by marijuana smugglers, which included multi-ton loads of cocaine vulnerable to interdiction by Coast Guard forces. Cartels quickly adapted to Coast Guard efforts and began expanding tactics to include the ubiquitous "go-fast vessel," as well as more modern conveyances including the purpose-built self-propelled semi-submersible (SPSS), to disperse loads onto more numerous and harder-to-detect conveyances.

Today we face a sophisticated and well-funded adversary that leverages high-tech conveyances such as low-profile vessels and semi-submersibles, employs multiple go-fast vessels to outnumber interdicting forces, and deploys GPS beacons if forced to jettison bales of contraband to allow later relocation; all are advanced and coordinated means to avoid detection and evade apprehension.

The change in flow of cocaine toward the United States from South America from 2015 to 2016 was the largest increase the service has observed to date. The rise of cocaine production is attributed to the largest single-year increase of coca cultivation

in Colombia ever recorded (immediately following the second-largest single-year increase in more than a decade). To meet this growing threat, the Coast Guard has dedicated additional focus and assets to the Western Hemisphere Transit Zone<sup>1</sup>, and is investing in the people and platforms necessary to carry out an aggressive interdiction effort, in addition to helping build regional partner capabilities.

#### CURRENT THREAT: TRANSNATIONAL ORGANIZED CRIME, VIOLENCE, AND INSTABILITY

One of the goals of the Coast Guard's drug interdiction program is to interdict illicit traffic as close to the source zone as possible. This helps to stem the flow of drugs from reaching Central America, Mexico, and the United States. Over the past 5 years, Coast Guard cutters and aircraft have removed more than 630 metric tons of high-purity cocaine from the high seas, with a wholesale value of nearly 18 billion dollars.<sup>2</sup> Our annual seizures at sea amount to more than three times the quantity of cocaine seized at our borders and within the United States, combined. Despite these successes, TOC networks operate throughout Central America, vying for power through drug-fueled violence and corruption of Government officials; in fact, eight out of the world's ten countries with the highest per capita rates of homicide are along the cocaine trafficking routes in the Western Hemisphere.<sup>3</sup>

In response, the Coast Guard released its Western Hemisphere Strategy that identifies three priorities for the maritime domain in the Western Hemisphere: Combating Networks, Securing Borders, and Safeguarding Commerce. To meet these priorities, the strategy emphasizes the importance of a robust off-shore airborne use-of-force (AUF)-enabled cutter capability, which is supported by fixed-wing maritime patrol aircraft and sophisticated intelligence capabilities.

#### COMBATING TOC NETWORKS—A LAYERED APPROACH TO DRUG INTERDICTION

The Coast Guard uses a “maritime trident” of cutters, boats, and aircraft in a layered approach to combat TOC networks as they transport illicit goods from the source zone, through Central America and Caribbean islands, into the United States. This approach maintains operational control by confronting the threat beyond our land borders, beyond Mexico, and beyond Central America on the high seas where traffickers are most exposed and vulnerable to interdiction by the United States. This layered approach begins overseas, spans the off-shore regions, and continues into our territorial seas and our ports of entry.

The Coast Guard is the major maritime interdiction asset provider to Joint Inter-agency Task Force—South (JIATF-S), which executes the Department of Defense statutory responsibility for the detection and monitoring of illicit drug trafficking in the air and maritime domains bound for the United States in support of law enforcement agencies such as the Coast Guard. Our most capable force package is flight deck-equipped major cutters with embarked Airborne Use of Force (AUF)-capable helicopters and deployable pursuit-capable boats, supported by fixed-wing maritime patrol aircraft, along with Coast Guard law enforcement detachments embarked on U.S. and allied ships. When they are able to target cases, they have been 80–90 percent effective in disrupting drug shipments.

As an example of their effectiveness, Coast Guard Cutter HAMILTON, the fourth and newest of nine National Security Cutters (NSC) to be built for the Coast Guard, returned to her homeport of Charleston, South Carolina from her inaugural patrol on December 16, 2016. On deck, she carried more than 24 metric tons of high-purity cocaine from 27 different interdictions by U.S. forces with a street value of nearly \$700 million.<sup>4</sup> These interdictions also netted 111 suspects bound for U.S. prosecution.

Our interdicting capabilities continue to prove their value against TOC networks' conveyance of choice—the go-fast vessel. In 2016, our Helicopter Interdiction Tactical Squadron (HITRON) of AUF-capable helicopters—along with partner aircraft from the U.S. Navy, the Netherlands, and United Kingdom operating under our law enforcement authority with Coast Guard precision marksmen—set a record 63 at-sea interdictions, netting over 44 metric tons of cocaine.

<sup>1</sup>The maritime portion of the Western Hemisphere Transit Zone is a 6 million-square-mile area, roughly twice the size of the continental United States. The Transit Zone includes the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

<sup>2</sup>U.S. Department of Justice, Drug Enforcement Administration, *2013 United States Illicit Drug Prices*, DEA Intelligence Report, DEA-DCW-DIR-012-15, January 2015.

<sup>3</sup>United Nations Office on Drugs and Crime (UNODC), UNODC Research and Trend Analysis Branch, *Global Study on Homicide 2013*.

<sup>4</sup>U.S. Department of Justice, Drug Enforcement Administration, *2013 United States Illicit Drug Prices*, DEA Intelligence Report, DEA-DCW-DIR-012-15, January 2015.

In addition, the Coast Guard began providing high-speed pursuit boats and crews to U.S. Navy Patrol Coastal class ships operating in the transit zone in 2016 to increase interdiction opportunities. Coupled with Coast Guard Law Enforcement Detachments, this innovative force package capability netted 11 interdictions and removed 6.5 metric tons of cocaine in just a few months. In total for fiscal year 2016, the Coast Guard removed 201 metric tons of cocaine (7.1 percent of estimated flow)<sup>5</sup> and 52,600 pounds of marijuana from the transit zone, worth an estimated wholesale value of \$5.7 billion.

The importance of interdictions transcends the direct removal of drugs taken off the high seas; when the Coast Guard apprehends suspects from drug smuggling cases, they disclose information during prosecution and sentencing that is used to help indict, extradite, and convict drug kingpins in the effort to disrupt and dismantle TOC networks. Interdictions also take profits out of the pockets of criminal networks by denying them financial resources. Additionally, they contribute to actionable intelligence on future events, producing follow-on seizures and intelligence. TOC networks cause much of the corruption and violence that spurs the increased migrant flow seen in recent years.

While more than 90 percent of our 2016 interdictions were cued by intelligence, the Coast Guard's aging major cutters limit our ability to respond to all intelligence-cued events. Critical acquisitions like the National Security Cutter (NSC) and Off-shore Patrol Cutter (OPC) are essential to our long-term success in our fight against TOC networks.

#### INTERNATIONAL COOPERATION

In coordination with JIATF-S, the Coast Guard is engaging with partner nations in Central and South America, and Mexico, leveraging their capabilities and local knowledge to improve maritime governance in the littoral regions being exploited by TOC networks. Among the efforts to foster international cooperation and build partner capacity, Coast Guard personnel are posted as attachés, liaisons, and drug interdiction specialists at several of our embassies in the Western Hemisphere. These personnel develop strategic relationships with partner nations that facilitate real-time operations coordination, confirmation of vessel registry, waivers of jurisdiction, and disposition of seized vessels, contraband, and detained crews. The Coast Guard's law enforcement, legal, and regulatory expertise are in high demand from Central American partners, whose Navies more closely resemble the U.S. Coast Guard than the U.S. Navy. Coast Guard International Training teams, as well as Coast Guard units deployed in the region increase professional interaction, shiprider activities, and training in conjunction with operations, and also execute maritime exercises coincident with port visits and patrols.

Working in conjunction with the Departments of State and Justice, the Coast Guard has negotiated, concluded, and maintains over 40 counterdrug bilateral agreements and operational procedures with partner nations throughout the world, the majority of which are in the Western Hemisphere. These agreements enable the Coast Guard to rapidly gain authority to board suspect vessels, prevent suspect vessels from using under-patrolled territorial waters of partner nations as safe havens, and coordinate interdiction and apprehension operations in the transit zone. Highlighting their importance to Coast Guard counterdrug efforts, 59 percent of all Coast Guard interdictions in fiscal year 2016 involved the use of a bilateral agreement or operational procedures agreement.

#### THE ARRIVAL ZONE

Closer to United States shores, Coast Guard operational commanders work with the other operational components within DHS and across the interagency to provide a robust presence in the U.S. maritime approaches by deploying Fast Response Cutters, high-speed pursuit boats, medium-range fixed-wing aircraft, and land-based AUF-capable helicopters. To achieve Unity of Effort, the Coast Guard is a major contributor to DHS's Southern Border and Approaches Campaign Plan. The Coast Guard Atlantic Area Commander, Vice Admiral Karl Schultz, serves as the director of Joint Task Force—East overseeing coordination efforts for DHS components operating in the maritime approaches in the Caribbean Sea, Gulf of Mexico, and eastern Pacific Ocean.

<sup>5</sup> U.S. Department of Homeland Security, Office of Inspector General, *Review of U.S. Coast Guard's Fiscal Year 2016 Drug Control Performance Summary*, OIG Report, OIG-17-33, February 1, 2017.

## CONCLUSION

The Coast Guard endeavors to secure our vast maritime border by identifying emergent threats, countering them in a layered approach, utilizing strong international relationships, and maximizing domestic and regional partnerships; this approach has been key to combatting TOC networks. The Coast Guard stands ready to meet off-shore, coastal, and inland drug trafficking threats in the maritime domain posed by TOC networks.

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

Ms. MCSALLY. Thank you, Admiral Ray.

The Chair now recognizes Commander Beeson to testify for 5 minutes.

**STATEMENT OF PAUL A. BEESON, COMMANDER, JOINT TASK FORCE—WEST, ARIZONA, U.S. DEPARTMENT OF HOMELAND SECURITY**

Chief BEESON. Good morning, Chairwoman McSally, Ranking Member Vela, and the distinguished Members of the subcommittee. Thank you for the opportunity to appear today on behalf of U.S. Customs and Border Protection to discuss the evolving drug smuggling tactics and techniques used by transnational criminal organizations and how CBP is working to address this threat and secure our Nation's borders.

I began my career as a Border Patrol agent in 1985, and in my 32 years of service I have seen the border change from a barbed wire fence and a Nation-wide work force of just a few thousand Border Patrol agents, to today, with over 600 miles of fencing and almost 20,000 Border Patrol agents on duty.

The border has changed and become more complex. Over the course of my career, I have seen the creation of the Department of Homeland Security, funding increases and decreases, and the committed evolution of criminals who seek to exploit our borders.

I have also seen CBP and the legacy offices that make up CBP work with Congress to improve the border environment. Personnel, resources, technology, and tactical infrastructure have shaped the border that we see today.

We have realized greater situational awareness and significant reductions in activity from a high of over 1.6 million arrests in fiscal year 2000 to just over 400,000 arrests last fiscal year. Throughout my career, I have seen TCOs demonstrate unending resolve in their intent to exploit the border for their own gain.

They have used nimble and innovative tactics to illegally cross our borders and smuggle both people and contraband. TCOs operate throughout the border environment, including at and between the ports of entry in the various domains such as land, air, and sea.

CBP has met and combated these illegal activities, but TCOs continue in their intent to circumvent border security measures. Drug smuggling is a part of many TCO enterprises, and today these groups smuggle drugs by foot, vehicle, air, tunneling, and even through the use of projectile-type systems.

TCOs also rely on scouting and counter-surveillance, concealment and logistical support to further their illegal drug smuggling operations. While illegal drug smuggling still occurs, CBP continues to take steps in combatting their efforts.



In fiscal year 2016, CBP officers seized or disrupted more than 3.3 million pounds of narcotics. In addition to interdictions and seizures, CBP has also disrupted the manner in which TCOs attempt to smuggle drugs.

As an example, prior to fencing and technology deployments in the Tucson sector area of operations, over 1,000 vehicle drive-throughs were recorded in 2006, and last year, only 18 such events recorded. While ramping and drive-throughs still occur, the efforts of CBP have diminished their probability of success and shaped these illicit operations.

What I have seen in over 30 years of law enforcement is that TCOs remain persistent in their intent to engage in illegal cross-border activity. I have also seen CBP, through collaboration and coordination with law enforcement partners, make progress in improving the security of our borders.

This is the result of investments over the years in our border security, and in the blood, sweat, and tears of the men and woman who are engaged in the daily battle to secure our borders. With continued support from Congress, CBP, in coordination with our partners, we will continue to further refine and enhance the effectiveness of our detection and interdiction capabilities.

While TCOs may be intent in their smuggling operations, CBP is no less determined to safeguard the borders of this great country with vigilance, service, and integrity.

Chairwoman McSally, Ranking Member Vela, and distinguished Members of this subcommittee, thank you for the opportunity to testify today and I look forward to your questions.

[The prepared statement of Chief Beeson follows:]

PREPARED STATEMENT OF PAUL A. BEESON

FEBRUARY 16, 2017

#### INTRODUCTION

Chairwoman McSally, Ranking Member Vela, and distinguished Members of the subcommittee, thank you for the opportunity to appear today on behalf of U.S. Customs and Border Protection (CBP) to discuss the evolving drug smuggling tactics and techniques used by transnational criminal organizations (TCO) and how CBP is working to address this threat and secure our Nation's borders.

CBP is responsible for America's front-line border security and has a significant role in the Nation's efforts to combat the cross-border criminal activity of cartels and other TCOs. Thanks to the support of Congress, in the past decade, the Department of Homeland Security (DHS) has deployed more personnel, resources, technology, and tactical infrastructure for securing our borders than at any other time in history. As America's front-line border agency, CBP protects the United States against terrorist threats and prevents the illegal entry of inadmissible persons and contraband, while facilitating lawful travel and trade. CBP's mission demands we examine all border security threats, from human smuggling to drug smuggling. TCOs continue to exploit the border environment for their own gains, employing various capabilities to carry out illegal operations. We continue to meet and combat these capabilities.

CBP plays a critical role in the effort to keep dangerous drugs from illegally entering the country. Specifically, by leveraging a comprehensive, multi-layered, intelligence driven, and threat-based approach to enhance the security of our borders, we can diminish the effectiveness of TCO drug operations, as well as other border security threats. This dynamic approach to security both reduces the vulnerability of any single operational approach and extends our zone of security to include the avenues of approach, allowing threats to be addressed before they reach our borders. By leveraging international partnerships, we can ensure that our physical borders are not the first or last lines of defense.

## THE CURRENT BORDER ENVIRONMENT

The border environment today is both challenging and complex. TCOs continually adjust their operations to circumvent detection and interdiction by law enforcement, and are quick to take advantage of technology advances, cheaper transportation and improvements to distribution methods, and improving fabrication and concealment techniques. Also, while the threats of illegal immigration and drug smuggling continue to be the principal criminal concerns in the border environment, TCOs continue to maintain a diverse portfolio of crimes to include fraud, weapons smuggling, kidnapping, and extortion. DHS, with the support of Congress, has made significant improvements to the physical security infrastructure along the Southwestern Border and has invested in personnel, training, and information sharing. These investments have been valuable in combating the TCOs and have helped shape the current border environment.

In fiscal year 2016, CBP officers and agents seized and/or disrupted more than 3.3 million pounds of narcotics across the country<sup>1</sup> including approximately 46,000 pounds of methamphetamine, 4,800 pounds of heroin, and 440 pounds of fentanyl. The vast majority of CBP drug interdictions occur along the Southwest land border from all environments and transportation modes.

Much of the illegal drug trafficking encountered by CBP officers and agents is facilitated by TCOs operating in Mexico. The reach and influence of Mexican cartels, notably Los Zetas, and the Gulf, Juarez, Jalisco New Generation, and Sinaloa Cartels, stretches across and beyond the Southwest Border, operating through networks and loose affiliations with smaller organizations in cities across the United States. According to a 2016 Drug Enforcement Administration report, Mexican TCOs pose the greatest criminal drug threat to the United States. These criminal organizations traffic heroin, methamphetamine, cocaine, and marijuana throughout the United States, using established transportation routes and distribution networks.<sup>2</sup> TCOs also maintain influence over U.S.-based gangs as a way to expand their domestic distribution process. Gang members are heavily involved in the domestic distribution of narcotics and, to a lesser extent, the actual movement of contraband across the Southwest Border.

## TCO OPERATIONS

In examining TCOs, it is apparent that they continue to seek ways to exploit the border environment. These TCOs pose a significant threat to both U.S. and international security. The illegal operations of TCOs affect both public safety and economic stability. Not only are these criminal networks resilient, but they maintain illicit pathways through foreign countries and toward the U.S. border, which could be exploitable by terror organizations to move personnel and assets into the United States. Furthermore, their operations are often diversified with separate operational cells, and with TCO participants often having the capability to participate in multiple roles. These TCOs are highly mobile and maintain sophisticated cross-border networks and are involved in a wide range of organized criminal activities including firearms trafficking, drug smuggling, and alien smuggling (See Exhibit 14). Additionally, TCOs operate throughout the spectrum of the border environment including at and between the ports of entry (POE), and in the various domains such as land, air, and sea.

The vast expanses of remote and rugged terrain between our POEs, and the large volume of trade and traffic at our POEs, continue to be targeted for exploitation by TCOs. These groups use a wide range of ever-evolving methods to move illicit goods into the United States. Some of these techniques include the movement of drugs by foot, conveyance, tunneling, and even through the use of projectile-type systems. These groups also rely on supporting tactics such as countersurveillance, concealment, and logistical support to further their illegal drug smuggling operations.

The Southwest land border POEs are the major points of entry for illegal drugs, where smugglers use a wide variety of tactics and techniques for concealing drugs. CBP officers regularly find drugs ingested, concealed in body cavities, taped to bodies (body carriers), hidden inside vehicle seat cushions, gas tanks, dash boards, tires, packaged food, household and hygiene products, in checked luggage, and concealed in construction materials on commercial trucks. While many smuggling attempts

<sup>1</sup>Fiscal Year 2016 Border Security Report, U.S. Customs and Border Protection, <https://www.cbp.gov/sites/default/files/assets/documents/2016-Dec/CBP-fy2016-border-security-report.pdf>.

<sup>2</sup>Drug Enforcement Administration, 2016 National Drug Threat Assessment Summary, "Mexican Transnational Criminal Organizations", page 1, DEA-DCT-DIR-001-17, November 2016. <https://www.dea.gov/resource-center/2016%20NDTA%20Summary.pdf>.

occur at POEs, the mail and express consignment environment, as well as maritime cargo also remain attractive options for smugglers.

TCOs have increased both the number and the sophistication of smuggling tunnels (See Exhibits 11–13). The tunnel threat consists of four categories of tunnels: Conduit, rudimentary, interconnecting, and sophisticated. In the Arizona border regions specifically, TCOs also continue to attempt “drive-throughs”—incursions into U.S. territory by driving vehicles on ramps over the fence, or by attempting to cut the fence to drive vehicles containing illegal drugs across the border. Drive-through incursions generally involve large loads of illegal drugs, an expansive network of individuals (to include scouts), strategic logistics, and sophisticated communications equipment. TCOs have also improved their capabilities in passing drugs over existing fencing. Whereas TCOs previously threw, by hand, small loads of drugs over the border fence, they now utilize compressed air cannons to launch bundles of illicit narcotics in excess of 100 pounds over the border fence. These illegal operations are indicative of the ever-evolving and persistent intent of TCOs to exploit the border environment.

As interdiction and enforcement efforts along the U.S.-Mexico border have become more effective, TCOs continue to use maritime and air smuggling routes to transport contraband into the United States. TCOs use a variety of methods to enter the United States via maritime routes, including the use of small open vessels known as “pangas.” These small, wood or fiberglass, home-made fishing vessels cross the border at night, attempting to use their relatively high-speed and small radar signature to evade detection by CBP and U.S. Coast Guard (USCG) patrol vessels and aircraft. TCOs also use pleasure boats or small commercial fishing vessels—Sometimes equipped with hidden compartments—and attempt to blend in with legitimate boaters and transport contraband during broad daylight. Smuggling operations using this technique rely on the sheer number of similar boats on U.S. waters on any given day to elude detection. TCOs have also turned to new methods of smuggling by air with the emergence in recent years of the use of ultralight aircraft (See Exhibit 1). Under the cover of darkness, ultralights fly across the Southwest Border and air-drop drugs to waiting ground crews.

TCOs regularly use countersurveillance tactics. This type of activity ranges from the use of scouts, individuals performing surveillance activity against law enforcement agencies, to more complicated activity such as interception of law enforcement communication. Scouts embed deep in the remote, rugged, terrain as well as urban communities, watching and reporting on border law enforcement activities. TCOs who deploy these scouts utilize a robust, highly technical, communication method—with the deliberate intent of concealing their communication from law enforcement (See Exhibits 2–5). While some of these operations are illegal in their execution (such as attempts to illegally obtain Law Enforcement Sensitive information) others simply exploit the public venues from which, and within which, law enforcement operates (such as monitoring the coming and going of patrol vehicles from a Border Patrol station).

As TCOs involved in smuggling continue to explore new tactics and techniques to attempt to evade detection and interdiction, CBP, our Federal partners, and other law enforcement entities continue to adapt and increase our enforcement resources, enhancing our capabilities, and refine our strategies to anticipate and disrupt TCO activity.

#### CBP EFFORTS, RESOURCES, AND CAPABILITIES TO COUNTER TCO S

Addressing the TCO threat necessitates a united, comprehensive strategy and an aggressive approach by multiple entities across all levels of government. In close coordination with local, State, Tribal, international, and Federal law enforcement partners—specifically U.S. Immigration and Customs Enforcement (ICE) and the USCG—CBP’s continued efforts to interdict illegal aliens, drugs, cash, and weapons at the border are a key aspect of U.S. border security efforts. We must also concentrate on increasing our understanding and identification of transnational criminal networks in order to identify, interdict, investigate, and prosecute TCOs and their criminal activity.

#### *Along U.S. Borders*

Since 2004, the number of Border Patrol agents has nearly doubled, from approximately 10,800 in 2004 to over 19,500 agents today. Along the Southwest border, DHS has increased the number of law enforcement on the ground from approximately 9,100 Border Patrol agents in 2001 to more than 16,000 today. At our North-

ern Border, the force of 500 agents that we sustained 15 years ago has grown to over 2,000.<sup>3</sup>

To combat the threat of TCO drug smuggling activities along the Southwest Border between the POEs, CBP relies on a network of systems comprising of information, integration, personnel, technology, and infrastructure. CBP has deployed sophisticated detection technology, including fixed towers, mobile surveillance units, ground sensors, and thermal imaging systems to increase the ability to detect illegal cross-border activity and contraband and maintains 654 miles of border fencing and other tactical infrastructure in key trafficking areas. The CBP ReUse effort utilizes Department of Defense (DOD) technologies, including aerostat technology, spectrometers, land, air, and maritime radar, and night-vision equipment that are not needed by DOD but can be used to satisfy critical border security missions with minimal up-front costs for DHS. These resources are matched with personnel of various skill sets who work with other Federal, State, and local law enforcement agencies to interdict TCO drug smuggling operations.

As part of its efforts to prevent the illicit smuggling of drugs and other contraband, CBP maintains a high level of vigilance on avenues of egress from our Nation's borders. TCOs deploy a sophisticated network of scouts into rough and remote terrain as well as highly-populated urban areas along the Southwest Border, making the identification and disruption of scout activity highly challenging. CBP utilizes predictive analysis, available technology, targeted enforcement, and the ability to rapidly readjust counter surveillance activities to affect and degrade the ability of scouts to operate in a given environment. When the location of a scout is discovered, we work quickly to counter the scout's ability to take advantage of major vantage points and force spotter displacement or relocation; thus forcing them into more costly, vulnerable, and continuous reorganization.

When tunnels are detected and investigated, each U.S. Border Patrol (USBP) sector follows established protocols for coordination, confirmation, assessment, investigation, exploitation, and remediation. The USBP is an active participant in ICE Homeland Security Investigations' (HSI) tunnel task forces. Since 2010, CBP has operated a Tunnel Detection and Technology Program, to integrate the efforts of CBP, ICE, the DHS Science and Technology Directorate (S&T), and the Drug Enforcement Administration (DEA), to address tunnel-related activities and technology.

As an example of further CBP counter tunnel efforts, in March of 2016, collaboration through the cross-border coordination initiative and bi-national tunnel teams led Mexican officials to alert USBP agents in Nogales, Arizona, that a tunnel entrance in Nogales, Sonora had been located. During their investigation, USBP discovered that the incomplete cross-border tunnel extended approximately 30 feet into the United States. Since agents discovered the first illicit tunnel in 1990 in Douglas, Arizona, there have been 195 illicit cross-border tunnels discovered—194 along the Southwest Border and one discovered along the Northern Border near Lynden, Washington. Investigating a cross-border tunnel is a particularly dangerous task that requires an agent to crawl into what is usually a dark and confined space of unknown structural integrity and the potential to encounter a variety of threats. In some of the most narrow, dangerous tunnels, the Nogales tunnel team deploys a wireless, camera-equipped robot to investigate the passages. After a tunnel is investigated, the passage must be thoroughly remediated, or blocked to prevent further use.

#### *At U.S. Ports of Entry*

To support CBP's evolving, more complex mission since September 11, 2001, the number of CBP officers ensuring the secure flow of people and goods into the Nation through POEs has increased from 17,279 customs and immigration inspectors in 2003, to over 21,000 CBP officers and 2,400 agriculture specialists today. At POEs, the Office of Field Operations (OFO) utilizes CBP officer expertise and experience, technology, such as non-intrusive inspection (NII) X-ray and gamma ray imaging systems, and canine teams to detect the illegal transit of drugs hidden on people, in cargo containers, and concealed in conveyances (See Exhibit 6 and 8–10).

As of February 1, 2017, 313 Large-Scale (LS)-NII systems are deployed to, and in between, our POEs. In fiscal year 2016, LS-NII systems were used to conduct more than 6.5 million examinations resulting in more than 2,600 seizures and over 359,636 pounds of seized narcotics. NII systems are particularly valuable in detecting concealed contraband in vehicles. Two months ago, CBP officers working at the World Trade Bridge in Laredo, Texas, referred a driver and vehicle for secondary inspection. Using both non-intrusive inspection equipment and a narcotics-detection canine, CBP officers discovered and seized 201 pounds of alleged crystal meth-

<sup>3</sup> As of January 7, 2017.

amphetamine concealed in fiberglass pottery, with a street value of more than \$4 million.<sup>4</sup>

Personal vehicles are not the only means by which TCOs attempt to smuggle illegal drugs. In April 2016, CBP officers used non-intrusive inspection equipment to discover approximately 121 pounds of heroin and 8 pounds of cocaine in a shipping container of vegetables transiting from Ecuador to Miami, Florida, through the Red Hook Container Terminal in Brooklyn, New York.<sup>5</sup> TCOs also move drugs—especially hard drugs such as heroin and methamphetamine—in smaller quantities to try to evade detection. This past December, CBP officers working express consignment operations in Cincinnati intercepted a shipment containing 53.46 pounds of methamphetamines concealed in decorative concrete sculptures shipped from Mexico.<sup>6</sup>

The OFO National Canine Program (NCP) deploys specialized detection canine teams throughout the Nation. OFO's 489 canine teams are trained to detect narcotics, currency, firearms, and concealed humans. The majority of the canine teams are concentrated in four field offices along the Southwest Border. Of those 489 canine teams, 49 of these teams also trained to detect firearms and currency. During fiscal year 2016, OFO canine teams were responsible for the seizure of 533,783 pounds of narcotics, \$38,629,557 in seized property, and \$21,530,795 in currency seized. The currency/firearms detection canine program was also responsible for 154 firearms and 14,000 rounds of ammunitions seized.

Because TCOs are also known to use legitimate commercial modes of travel and transport to smuggle drugs and other illicit goods, CBP partners with the private sector to provide anti-drug smuggling training to air, sea, and land commercial transport companies (carriers). The overall goals of these programs and their training component are to encourage commercial carriers to share the burden of stopping the flow of illicit drugs; to deter smugglers from using commercial carriers to smuggle drugs; and to provide carriers with the incentive to improve their security and their drug smuggling awareness. The Carrier Initiative Program is a voluntary training program directed at employees of carriers with route systems that are high-risk for drug smuggling. The Super Carrier Initiative Program is for those carriers that face an extraordinarily high-risk from drug traffickers. Participating carriers sign agreements stating that the carrier will exercise the highest degree of care and diligence in securing their facilities and conveyances, while CBP agrees to conduct site surveys, make recommendations, and provide training. CBP and various carriers have signed over 3,800 Carrier Initiative Agreements and 27 Super Carrier Agreements.

#### *In the Air and the Sea*

To advance counternarcotic efforts in the air and at sea, CBP deploys capable and effective aerial and marine assets, including manned aircraft, unmanned aircraft systems and strategic and tactical aerostats, providing critical surveillance coverage and domain awareness (See Exhibit 7). CBP's Air and Marine Operations (AMO) employs high-speed Coastal Interceptor Vessels specifically designed and engineered with the speed, maneuverability, integrity, and endurance to intercept and engage a variety of suspect non-compliant vessels in offshore waters, including the Great Lakes on the Northern Border.

CBP AMO P-3 Orion Aircraft (P-3s) have also been an integral part of the successful counternarcotic missions operating in coordination with Joint Interagency Task Force-South (JIATF-S). The P-3s patrol in a 42 million-square-mile area known as the Source and Transit Zone, which includes more than 41 nations, the Pacific Ocean, Gulf of Mexico, Caribbean Sea, and seaboard approaches to the United States. In fiscal year 2016, CBP's P-3s operating out of Corpus Christi, Texas, and Jacksonville, Florida, flew more than 6,100 hours in support of counternarcotic missions resulting in 129 interdiction events of suspected smuggling vessels and aircraft. These events led to the total seizure of 87,657 kg of cocaine with an estimated wholesale value of \$2.5 billion.<sup>7</sup>

In the air domain, AMO detects, identifies, investigates, and interdicts potential air threats to the United States including general aviation (GA) aircraft involved in

<sup>4</sup><https://www.cbp.gov/newsroom/local-media-release/cbp-officers-seize-more-4-million-crystal-meth-world-trade-bridge>.

<sup>5</sup><https://www.cbp.gov/newsroom/local-media-release/cbp-officers-seize-approximately-121-pounds-heroin-and-8-pounds-cocaine>.

<sup>6</sup><https://www.cbp.gov/newsroom/local-media-release/cincinnati-cbp-seizes-stone-statue-filled-meth>.

<sup>7</sup>Drug Enforcement Administration, 2013 United States Illicit Drug Prices, page 7, DEA-DCW-DIR-012-15, January 2015. 2013 National Price Range, Cocaine, Approximately \$28,700 per kilogram.

the transit of contraband. The Air and Marine Operations Center (AMOC), a state-of-the-art law enforcement surveillance center, monitors complex airway traffic to identify illicit use of aircraft and those attempting to blend in with legitimate traffic. CBP's eight Tethered Aerostat Radar Systems (TARS) form a network of long-range radars deployed along the border, which can identify and monitor low-altitude aircraft and vessels. TARS and hundreds of other domestic and international radar data are integrated through AMOC, located in Riverside, California, to identify and track suspect aircraft incursions. Also, AMO actively participates in Operation Martillo, an international counter illicit trafficking initiative whereby U.S. and regional partner nations' military and law enforcement agencies patrol the air and sea environments in the Caribbean Sea, Gulf of Mexico, and the Eastern Pacific on a year-round basis.

#### INTELLIGENCE AND INFORMATION SHARING

Substantive and timely information sharing is critical in targeting and interdicting TCOs involved with drug-trafficking along the Southwest and Northern borders. CBP contributes to several initiatives to improve and integrate the combined intelligence capabilities of multiple Federal entities—including DHS, the intelligence community, and DOD—as well as our State, local, Tribal, and international partners. For example, CBP participates in the Office of National Drug Control Policy-led Southwest Border Counternarcotics Strategy implementation effort, which includes a focus on the improvement of intelligence and information sharing among law enforcement agencies on the Federal, State, local, and Tribal levels. From the use of labs to improved relationships with partners, we are committed to the creation of an intelligence and information enterprise for the benefit of all those combating drug smuggling. Improved technology and enhanced capabilities have expanded the collection, analysis, and dissemination of information among law enforcement partners working to dismantle TCO networks.

For example, the CBP Laboratories and Scientific Services Directorate uses advanced techniques to provide qualitative identification and quantitative determination as well as analysis of heroin, cocaine, marijuana, and methamphetamine to assist with identifying potential drug smuggling routes. In addition, S&T is working to develop, test, and pilot new technology for securing and scanning cargo, improving surveillance of the Southern border, and enhancing detection capabilities for radar-evading aircraft. S&T is also pursuing and fielding new technology to monitor storm drains, detect tunnels, track low-flying aircraft, monitor ports, and enhance current mobile/fixed radar and camera surveillance systems to increase border security. S&T-developed technology recently put into operational use at the U.S.-Mexico border includes a new general aviation aircraft scanner in Laredo, Texas, and a new Brownsville-Matamoros Rail Non-Intrusive Inspection Microwave Data Transmission System.

CBP also hosts monthly briefing/teleconferences with Federal, State, and local partners regarding the current State of the border—the Northern Border and Southwest Border—in order to monitor emerging trends and threats and provide a cross-component, multi-agency venue for discussing trends and threats. The monthly briefings focus on narcotics, weapons, and currency interdictions and alien apprehensions both at and between the POEs. These briefings/teleconferences currently include participants from the government of Canada, the government of Mexico; ICE; USCG; DEA; FBI; U.S. Northern Command; Joint Interagency Task Force-South; Bureau of Alcohol, Tobacco, Firearms, and Explosives; U.S. Attorneys' Offices; Naval Investigative Command; State and Major Urban Area Fusion Centers; and other international, Federal, State, and local law enforcement as appropriate.

CBP also contributes to the whole-of-Government effort to combat narcotics-related threats by sharing critical information on travelers and cargo with investigative and intelligence partner agencies to identify and disrupt sophisticated routes and networks. Recognizing the need for open and sustainable channels to share information with our law enforcement and intelligence partners, personnel are co-located at the National Targeting Center to support efforts to combat narcotics and contraband smuggling by integrating real-time intelligence and all-source information into CBP targeting efforts and enforcement actions.

Information exchange with our partners within the Government of Mexico, facilitated by the CBP Attache office in Mexico, has allowed for an unprecedented exchange of real-time information through deployments of personnel between our countries. Representatives from Mexican Customs (Servicio de Administracion Tributaria) are deployed at the CBP National Targeting Center in Sterling, Virginia, to share information and assist in targeting narcotics and other contraband. Likewise, CBP personnel are assigned to Mexico City and Panama under the Joint

Security Program where we exchange alerts on suspicious TCO movements through the monitoring of our Advance Passenger Information System.

Enhancing counternarcotic information sharing in the air and maritime environments, the AMOC integrates data from multiple sensor sources to provide real-time information on suspect targets to responders at the Federal, State, and local levels. AMOC's capabilities are enhanced by the continued integration of DHS and other Federal and Mexican personnel to increase efforts to identify, interdict, and investigate suspected drug trafficking in the air and maritime domains.

#### OPERATIONAL COORDINATION

A whole-of-Government approach that leverages interagency and international partnerships as a force multiplier has been and will continue to be the most effective way to keep our border secure. Providing critical capabilities toward the whole-of-Government approach, CBP works extensively with our Federal, State, local, Tribal, and international partners to address drug trafficking and other transnational threats along the Southwest Border, Northern Border, and coastal approaches. Our security efforts are enhanced through special joint operations and task forces conducted under the auspices of multi-agency enforcement teams, composed of representatives from international and U.S. Federal law enforcement agencies who work together with State, local, and Tribal agencies to target drug and transnational criminal activity, including investigations involving National security and organized crime.

Under the Department's Unity of Effort initiative, and with the establishment of three new DHS Joint Task Forces (JTFs), CBP is enhancing our collaboration with other DHS components—specifically ICE and USCG—to leverage the unique resources, authorities, and capabilities of each agency to more effectively and efficiently execute our border security missions against transnational criminal organizations, drug-trafficking, and other threats and challenges. The operation of the JTFs increases information sharing with Federal, State, and local law enforcement agencies and improves border-wide criminal intelligence-led interdiction operations to disrupt and dismantle TCO operations. CBP, together with our international, Federal, State, local, and Tribal partners, is committed to reducing the risk associated with TCOs by addressing threats within the Southern Border and Approaches Joint Operating Area.

Joint Task Force—West (JTF-W), with CBP as executive agent, developed specific security objectives to frame and focus operations against prioritized TCOs, including integrating and aligning our intelligence capabilities; institutionalizing integrated counter-network operations to identify and target TCOs and illicit networks; prioritizing investigative efforts to disrupt, degrade, and dismantle TCOs and illicit networks; and strengthening international, prosecutorial, and deterrent efforts against TCO enterprises and significant activity impacting the JTF-W Joint Operating Area. Additionally, JTF-W continues to plant the seed for the next evolution of border security by targeting priority TCOs and their supporting illicit networks in ways never done before. As a result of the joint infrastructure that has been established during this past year, JTF-W is now able to plan, coordinate, and execute integrated counter network operations beyond traditional DHS component operational capabilities and the immediate border. The ability to leverage the full spectrum of DHS intelligence, interdiction, and investigative efforts has maximized consequence application to illicit network members exploiting our operational seams, prosecutorial thresholds, and those abusing current immigration benefits.

TCO activity is a global problem and CBP continues to work with our international partners, especially the government of Mexico to share information and leverage resources to combat this threat. Through the 21st Century Border Management Initiative, the U.S. Government, and the government of Mexico are working to strengthen our collaborative relationship and efforts to secure and facilitate the cross-border flows of people and cargo. International Liaison Units (ILU) facilitate cooperation between U.S. and Mexican law enforcement authorities as part of a multi-layered effort to target, disrupt, and dismantle criminal organizations.

The Cross Border Coordination Initiative (CBCI) provides an operational framework to enhance public safety and degrade and disrupt the ability of TCOs to engage in the smuggling of illegal drugs, currency, weapons, ammunition, and people. CBP works with the government of Mexico to deliver targeted consequence strategy through patrols, interdictions, prosecution, investigations, and intelligence. In fiscal year 2016, USBP and the Mexican Federal Police conducted 1,584 coordinated patrols. Additionally, bi-national operations, such as Operation Double Threat/Blue Thunder, are innovative and mutually beneficial mirrored patrols that are key to border security and safety for both countries. Operation Double Threat/Blue Thun-

der took place between USBP and Mexican Federal Police on April 17–30, 2016, in Sonora and Nogales, Arizona. During the time of the operation, entries and arrests dropped by almost 50 percent in the targeted zone, and 3,504 kg of marijuana, 727g of cocaine and 55g of methamphetamine were seized.

On Eastern Pacific and Western Caribbean waters, CBP partners with the USCG and the Mexican Navy (SEMAR) to conduct maritime operations on both sides of the border and maintain a dynamic presence. For example, AMO along with DOD's Air Forces North (AFNORTH) have partnered to deploy International Air and Marine Operations Surveillance Systems (I-AMOSS) to SEMAR locations. This system has proven to be an invaluable part of their anti-cartel mission and contributes to CBP/USCG/SEMAR joint planning. As such, efforts to expand this capability to other SEMAR locations are under way. Moreover, AMO supports SEMAR with Operation Albatros, providing maritime patrol aircraft over the Eastern Pacific with a SEMAR host-nation-rider on-board acting as a mission commander. Albatros patrols target cocaine-laden vessels transiting from the source and transit zone to the shores of Mexico.

CBP is committed to working with the government of Mexico to identify and prosecute TCOs, and is working with Mexico Attorney General (PGR) to explore additional areas where CBP and the government of Mexico can target and degrade TCOs. For example, the Operation Against Smugglers Initiative on Safety and Security (OASISS) is a bi-national prosecutorial program with the PGR that is focused on combating human smuggling across the Southwest Border, by identifying and prosecuting Mexican nationals arrested for alien smuggling in the United States. Since the implementation of OASISS in August 2005 to October 2016, a total of 2,556 cases have been generated in the United States. From these cases, a total of 3,009 principals have been presented to the government of Mexico for prosecution, and 2,196 of those principals were accepted for prosecution. In fiscal year alone, 99 criminal cases were generated in the United States with a total of 111 principals and 70 of those principals were accepted by the government of Mexico for prosecution.

AMOC's coordinating efforts with the government of Mexico and the deployment of shared surveillance technology continue to enable the government of Mexico to focus aviation and maritime enforcement efforts to better combat TCO operations in Northern Mexico and the contiguous U.S.-Mexico border. AMOC's joint collaboration with the government of Mexico leverages intelligence and operational capabilities to further both air and maritime domain awareness. During fiscal year 2016, this improved collaboration resulted in 15 Mexico-based seizures, six of which were mixed loads of narcotics. Smuggling events involved aircraft, semi-submersibles, pleasure craft, and panga-type conveyances. The most recent example of these efforts was in October 2016, when AMOC detected and tracked an aircraft to a landing in Baja California, Mexico and alerted Mexican authorities. Mexican air and ground forces responded and reported the seizure of a Cessna 206, one vehicle, and 504 lbs. of methamphetamine.

In January 2016, AMO's Tucson Air Branch participated in Operation "El Diablo Express," a HSI-led investigation, resulting in a multi-agency operation that utilized HSI, DEA, FBI, Arizona DPS, Scottsdale PD, other CBP components, and Mexican government agents. The operation was designed to combat Mexican drug cartels operating in Sonora, Mexico, south of Arizona. AMO air crews were instrumental in escorting Mexican Government aircraft and personnel through Arizona airspace on the day of mission, and provided real-time information to them as they covertly crossed the border back into Mexico to conduct an early morning raid on a suspected drug cartel location, leading to multiple arrests and seizures.

It is important to acknowledge the significant strides that Mexico has taken in recent years to address transnational organized crime generally and narcotics smuggling specifically. Our relationship with Mexican counterparts is stronger today than it has ever been and their officers face the same challenges and threats that CBP experiences. We receive information from Mexican authorities on a daily basis that helps us better target narcotics smugglers at the border. In 2016, CBP's commissioner participated in a high-level bilateral and interagency security cooperation meeting in Mexico City, where senior Mexican officials committed to working with the U.S. Government even more closely—including expanding efforts to combat heroin cultivation, production, and trafficking, and sharing more information on smuggling routes and networks. CBP will continue to work in close cooperation with our counterparts in Mexico as we seek to identify, interdict, investigate, and prosecute TCOs.



## CONCLUSION

CBP, through collaboration and coordination with our many Federal, State, local, Tribal, international government, and other partners, has made great strides in protecting the integrity and security of our borders. The investments over the years in our border security have been valuable and have helped shape the current border environment. Vulnerabilities have been addressed and this has led to the reduction of illicit activity in many areas along the border. CBP continues to maintain a vigilant watch on the changing dynamics of border security threats.

With continued support from Congress, CBP, in coordination with our partners, will continue to refine and further enhance the effectiveness of our detection and interdiction capabilities to combat transnational threats and the entry of illegal drugs into the United States. Furthermore, through the JTFs, we will continue to work with the intelligence community and our law enforcement partners to improve the efficiency of information sharing with relevant partners, to guide strategies, identify trafficking patterns and trends, develop tactics, and execute operations to address the challenges and threats posed by TCOs to the safety and security of the American public. The establishment of JTFs marks a renewed commitment to seek out and coordinate optimal, multi-component authorities, capabilities, competencies, and partnership expertise to combat all threats to the homeland.

Chairwoman McSally, Ranking Member Vela, and distinguished Members of subcommittee, thank you for the opportunity to testify today. I look forward to your questions.

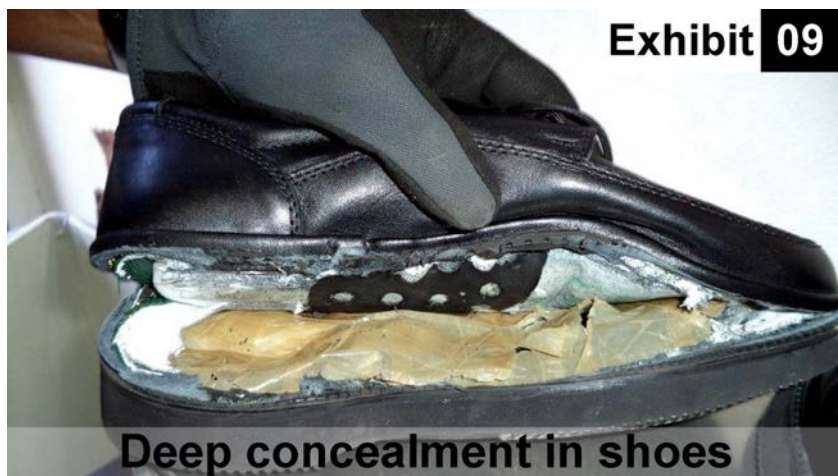








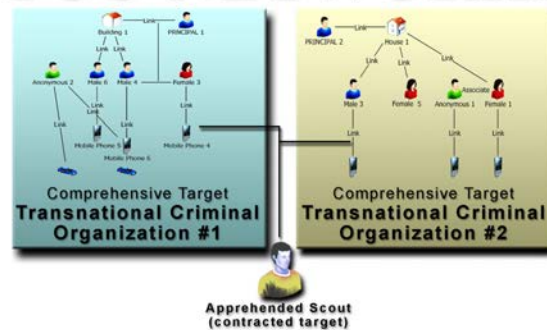










**Exhibit 14****TCO NETWORKS**

Ms. MCSALLY. Thank you, Commander Beeson.  
The Chair now recognizes Mr. Allen for 5 minutes.

**STATEMENT OF MATTHEW C. ALLEN, ASSISTANT DIRECTOR  
FOR HSI INVESTIGATIVE PROGRAMS, HOMELAND SECURITY  
INVESTIGATIONS, U.S. DEPARTMENT OF HOMELAND SECUR-  
ITY**

Mr. ALLEN. Good morning, Chairwoman McSally, Ranking Member Vela, and distinguished Members. Thank you for the opportunity to appear before you today to discuss the threats posed by transnational criminal organizations, and the efforts of the U.S. Immigration and Customs Enforcement to identify, target, investigate, disrupt, and dismantle these criminal elements.

Today I will provide ICE's perspective on the sophisticated smuggling threats that we face on our Southwest Border, the approaches that lead up to our border, and what we do to address TCOs and their smuggling activities before contraband arrives at our borders and even once it makes it to the interior of the United States.

I have brought with me today a troubling graphic that represents the interagency assessment of the areas of influence of the major Mexican transnational criminal organizations in the United States. I want to thank the Drug Enforcement Administration for sharing that and its use today.

The Mexican cartels, notably Sinaloa, Jalisco New Generation, Los Zetas, and the Gulf Cartels, stretch across and beyond the Southwest Border, operating through networks and loose affiliations with smaller organizations in cities across the United States.

As many of you know first-hand, the Southwest Border is a very diverse environment with vast maritime and land border areas where the cartels have adapted their methods and the cargo to the local environment.

From an operational point of view, this means that there is not a single strategy, tactic, or technology that will succeed in eliminating the smuggling threat on every part of the Southwest Border.



To give you a sense of the variety of smuggling challenges that we collectively face, it is important to start by talking about the specific drug threats such as heroin, fentanyl, cocaine, methamphetamine, and marijuana.

Mexican-produced heroin has become the most significant drug consumed in the United States. The purity of Mexican-produced heroin makes it marketable because it can be smoked or snorted, as well as injected intravenously.

The Mexican cartels have also quickly added fentanyl to their inventory in response to the explosion of opioid abuse in the United States. The smugglers include fentanyl in contraband loads also containing heroin and our methamphetamine, reinforcing the poly drug nature of the cartels.

Mexico is a transit country for South American-sourced cocaine, which is most exclusively seized at the ports of entry in modified compartments of privately-owned vehicles, or deeply concealed within commercial conveyance and cargo shipments.

The majority of methamphetamine consumed in the United States is now produced in Mexico using precursor chemicals that come from Asia. Methamphetamine is almost exclusively seized in modified compartments of personally-owned vehicles. The second-most common method of smuggling methamphetamine is by pedestrians.

Last, marijuana which is cultivated by Mexican cartels, makes Mexico the largest foreign supplier of marijuana to the U.S. drug market. The majority of the marijuana seized by the DHS agencies is seized as it is being smuggled between the ports of entry.

When marijuana is seized at U.S. ports of entry it is most often found concealed among commercial cargo. Recognizing that the border in Southern California is different than the border in Arizona, New Mexico, and Texas, the cartels adapt their smuggling methods to suit a specific area, blending into normal traffic in a given area in order to avoid law enforcement attention.

The cartels conduct surveillance on law enforcement operations along the border, principally focusing on U.S. Customs and Border Protection operations at and between the POEs.

As the Department changes its tactics and techniques or introduces new technology and infrastructure, the cartels adapt their operations to undermine our border security efforts.

One of the major factors allowing the cartels to sustain their existence and proliferate is public corruption in both Mexico and the United States. The cartels rely on corrupt Mexican and U.S. law enforcement officials to operate and avoid seizures and arrest.

In response to the smuggling threats along the Southwest Border, ICE has assigned more than 1,500 special agents and 150 intelligence research specialists to our Southwest Border offices. Additionally, ICE leads and participates in a number of task forces focusing on investigating this criminal element.

Our relationship with Mexico has also proven to be an important partnership in the fight against TCOs. For example, taking down the cartels' top leadership as evidenced by the recent extradition of Joaquín Guzmán Loera, aka El Chapo, demonstrates how binational cooperation can affect cartel leadership.

Thank you again for the opportunity to appear before you today and for your continued support of ICE and its law enforcement mission. ICE is committed to stemming cross-border criminal organizations through the various efforts I have discussed today, and I look forward to your questions.

[The prepared statement of Mr. Allen follows:]

PREPARED STATEMENT OF MATTHEW C. ALLEN

FEBRUARY 16, 2017

Chairman McSally, Ranking Member Vela, and distinguished Members: Thank you for the opportunity to appear before you today to discuss threats posed by Transnational Criminal Organizations (TCOs) and the efforts of U.S. Immigration and Customs Enforcement (ICE) to identify, target, investigate, disrupt, dismantle, and bring to justice these criminal elements.

ICE Homeland Security Investigations (HSI) leverages its broad authority, unique investigative tools, and global footprint to secure our borders. We work in close coordination with U.S. Customs and Border Protection (CBP), the U.S. Coast Guard (USCG) and many other domestic and international law enforcement and customs partners to target TCOs. Today, I will provide ICE's perspective on the sophisticated smuggling threats that we face on our Southwest Border, the approaches that lead up to our border and some of what we do to address TCOs and their smuggling activities before contraband arrives at our borders, and even in the interior of the United States.

THE CARTELS ALONG THE SOUTHWEST BORDER

The primary TCOs that threaten the Southwest Border of the United States are Mexican Drug cartels (the cartels). Over the last decade the United States, working with our Mexican law enforcement and military counterparts, has had sustained success in attacking cartel leaders, as evidenced by the recent extradition of Joaquín Guzmán Loera, aka "El Chapo", to face prosecution in the United States. However, every law enforcement success against the cartels is challenged by the fact that the cartels are highly networked organizations with built-in redundancies that adapt on a daily basis based on their intelligence about U.S. border security and law enforcement.

I have brought with me today a troubling graphic that represents the interagency assessment of where the various cartels in Mexico operate and the "approaches" or "corridors" that each controls along the U.S. Southwest Border. Mexican cartels, notably Sinaloa, Jalisco New Generation, Los Zetas, and the Gulf cartels, stretch across and beyond the Southwest Border, operating through networks and loose affiliations with smaller organizations in cities across the United States. The areas controlled by each cartel have evolved over time, often as a result of U.S. or Mexican law enforcement successes that have weakened cartel influence in certain areas, and as alliances between cartel leadership shifts over time.

In addition to drug smuggling, another criminal threat that we face along our Southwest Border is human smuggling. One of the questions we are often asked is whether human smuggling organizations are part of the cartels or operate as distinct criminal enterprises. Based on HSI investigations and intelligence, it is our opinion that, although alien smuggling organizations pay taxes and fees to the cartels to smuggle in a specific geographic area, they are generally run as distinct criminal enterprises in both Mexico and the United States. Certain members of these criminal enterprises control the major drug markets and others control a portion of the border on behalf of their cartel. We believe that these drug cartel leaders and associates play a coordinating role in the immediate border areas, dictating when and where human smugglers will be allowed to cross the border. This coordination ensures human smugglers and their human cargo do not bring unwanted law enforcement attention, particularly in the United States, to their smuggling efforts. Our investigations have shown that when human smugglers do not heed warnings from drug smuggling organizations about where and when they smuggle, they can be targeted for physical violence, including murder, by cartel members.

SMUGGLING TRENDS ALONG THE SOUTHWEST BORDER

As many of the Members of this subcommittee know first-hand, the Southwest Border is a very diverse environment, starting with a maritime border in the Gulf of Mexico and on the Pacific Ocean that transitions to vast land border areas that

include rivers, rural agricultural lands and densely populated urban areas along the nearly 2,000 miles of our border. In response to these vastly different areas, the cartels adapt their methods and cargo to the smuggling environment. From an operational point of view, this means that there is not a single strategy, tactic, or technology that will succeed in eliminating the smuggling threat on every part of the Southwest Border.

Mexico is a major source and transit country for illicit drugs destined for the United States, including marijuana, cocaine, methamphetamine, heroin, and, more recently, fentanyl. Intelligence reports indicate that Mexico is not only a source country for the production of fentanyl, it is also a transit country for fentanyl originating from Asia. Finally, in the last two decades, Mexico has also become the largest transit country for South American-sourced cocaine destined for the United States.

As a result of Mexico's dominant role as either a source or transit point for illicit drugs destined for the United States, it has also become a primary destination for the illicit proceeds that the cartels earn from the distribution networks in the United States. Mexican cartels use a variety of techniques to repatriate illicit proceeds, from bulk cash smuggling to sophisticated trade-based money laundering schemes. Many of the more complex techniques rely on third-party money launderers and corrupt financial institutions.

To give you a sense of the variety of smuggling challenges that we collectively face, it is important to start by talking about the specific drug threats, smuggling methods, and modes used across the spectrum of the Southwest Border.

#### *Heroin*

Mexico has become the most significant source of heroin consumed in the United States, and according to the 2016 National Drug Threat Assessment Summary, the U.S. Government estimated that Mexican cartels' potential production of heroin was 70 metric tons in 2015, a 66 percent increase from 2014. The purity of Mexican-produced heroin has also increased over time, making it more marketable because it can be smoked or snorted as well as injected intravenously.

#### *Fentanyl*

The Mexican cartels have quickly added fentanyl to their smuggled drugs in response to the explosion of opiate abuse in the United States. Based on recent seizures it has been learned that smugglers are mixing fentanyl in contraband loads also containing heroin and/or methamphetamine, reinforcing the poly drug nature of the cartels. While U.S. law enforcement continues to assess how much of the fentanyl market in the United States is supported by Mexican-sourced fentanyl, the size of individual seizures and the proximity of Mexico to the U.S. drug market is a troubling sign.

#### *Cocaine*

Mexico is a transit country for South American-sourced cocaine. Cocaine is almost exclusively seized at Ports of Entry (POEs) in non-factory compartments of privately-owned vehicles (POVs). Alternatively, the cocaine may be deeply concealed within commercial conveyances and cargo shipments.

#### *Methamphetamine*

The majority of methamphetamine consumed in the United States is now produced in Mexico using precursor chemicals from Asia. Methamphetamine is almost exclusively seized in non-factory compartments of POVs. The second most common method of smuggling methamphetamine is by pedestrians who secrete it on their bodies or within body cavities. Methamphetamine is seized in both crystalline and liquid forms.

#### *Marijuana*

As I mentioned earlier, the Mexican cartels cultivate marijuana, with Mexico being the largest foreign supplier of marijuana to the U.S. drug market. The majority of the marijuana seized by DHS agencies is seized as it is being smuggled between the POEs. When marijuana is seized at U.S. POEs it is most often found concealed among commercial cargo shipments.

#### *Southwest Border Smuggling Methods and Related Challenges*

Recognizing that the border in Southern California is different than the border in Arizona, New Mexico, and Texas, the cartels adapt their smuggling methods to suit a specific area. The unifying goal of all smugglers is to try to blend into normal traffic in a given area in order to avoid law enforcement attention. On a daily basis the cartels conduct surveillance of law enforcement operations along the border,

principally focusing on CBP operations at and between the POEs. As the Department changes its tactics and techniques, or introduces new technology and infrastructure, the cartels adapt their operations and probe our border security to determine the best way to accomplish their goals.

#### *Land Ports of Entry*

At POEs along the Southwest land border, smugglers use a wide variety of tactics and techniques for concealing drugs. Our special agents work every day with CBP officers from the Office of Field Operations to identify, seize, and investigate drug smuggling organizations that attempt to exploit POEs to introduce drugs into the United States. Within the POE environment there are three distinct threat areas exploited by the cartels: Pedestrians; POVs; and Commercial Cargo. Pedestrians are primarily used to smuggle cocaine, heroin, and methamphetamine on or within their bodies. POVs are used to smuggle cocaine, heroin, fentanyl, methamphetamine, and marijuana, often using deep concealment methods like non-factory compartments, gas tanks, and other voids. At Commercial POEs, the cartels utilize commercial tractor trailers to commingle narcotics with legitimate commercial goods or to conceal the narcotics within the tractor trailers themselves.

The cartels also attempt to exploit CBP programs that facilitate the expedited entry of travelers and cargo into the United States. CBP seizures and ICE investigations have documented smuggling organizations' attempts to exploit the Secure Electronic Network for Travelers Rapid Inspection (SENTRI) and Free and Secure Trade (FAST) Programs.

The cartels also use spotters/scouts and counter-surveillance techniques both at and between the POEs in order to increase their chances of success in smuggling ventures. Spotters/scouts watch and report on border law enforcement activities.

#### *Between the Ports of Entry*

The cartels use the areas between the POEs primarily to smuggle marijuana in bulk. In these areas, the cartels use a variety of techniques that are tailored to the terrain and other environmental factors. In Texas, the Rio Grande River creates a natural barrier that poses unique challenges for the U.S. Border Patrol.

Outside of urban areas along the land border, one tactic used by the cartels is vehicle incursions, or "drive-throughs," whereby smugglers breach the border by either going over or through border fences. Smugglers move vehicles over the fence using ramps or, on more rare occasions, lift vehicles over the fence using cranes. Going through the fence involves cutting fence panels and lifting them up or creating a gate in the fence allowing a vehicle to pass through. Vehicle incursions often rely on networks of scouts that are staged on the area's highest points to warn them of U.S. Border Patrol or other law enforcement presence.

In areas where the cartels cannot conduct vehicle incursions, they have experimented with ways to throw or launch marijuana bundles over the fence to co-conspirators waiting in the United States. Recently, we have seen cartel attempts to use air or propane cannons to launch bundles of marijuana weighing more than a hundred pounds over the border fence.

Another tactic cartels use in remote areas between the POEs is to have backpackers carry bundles of marijuana on their backs using improvised backpacks made of burlap or other materials. Backpackers often travel in groups and have been known to travel for days before getting to pre-designated locations where they are picked up by other members of the organization in the United States.

Smuggling by general aviation aircraft from Mexico has not been a significant threat since the late 1990's. However, in the last decade we have seen the cartels experiment with the use of ultralight aircraft to smuggle marijuana in Arizona and eastern California. More recently we have also seen the cartels experiment with the use of small recreational drones to smuggle very small quantities of drugs, often just a couple of pounds.

In 1990 the first cross-border tunnel was discovered in Douglas, Arizona. Since that time a total of 194 tunnels (both completed and in progress) have been located along the Southwest Border, primarily in Arizona and Southern California. The discovery of illicit subterranean tunnels is evidence that smugglers are moving away from traditional smuggling techniques due to enhanced law enforcement efforts. In recognition of the significant smuggling threat present in Arizona and San Diego, ICE leads two Tunnel Task Forces in San Diego and Nogales under the auspices of the Border Enforcement Security Task Force (BEST) Program, described in more detail below.

#### *Maritime Smuggling*

As infrastructure, technology, and staffing have been added to the border in the San Diego area, we have seen an increase in maritime smuggling of marijuana from

Mexico to California coastal areas north of San Diego. The cartels use pleasure boats or small commercial fishing vessels known as “pangas” that are able to achieve relatively high speeds under the cover of darkness to attempt to evade detection by CBP and USCG surface patrol vessels and patrol aircraft. Bulk quantities of cocaine are seized along the maritime approaches to our border during the transportation phase through either the Eastern Pacific Ocean or the Caribbean Sea prior to being broken down into much smaller loads for transport along land routes through Central America and Mexico.

#### *Corruption*

One of the major factors allowing the cartels to sustain their existence and proliferate is public corruption in both Mexico and the United States. In Mexico, the cartels rely on corrupt Mexican law enforcement and other public officials at every level of government to operate. U.S. law enforcement is not immune to corruption by the cartels, who have used corrupt law enforcement officers from CBP, ICE, and other Federal, State, and local law enforcement agencies to avoid seizures and arrests.

#### ATTACKING TRANSNATIONAL CRIMINAL ORGANIZATIONS (TCOS)

In response to the smuggling threat along the Southwest Border, we have assigned more than 1,500 special agents and almost 150 intelligence research specialists to our Southwest Border offices.

In fiscal year 2016, HSI drug smuggling investigations conducted by the five HSI Special Agent in Charge Southwest Border offices resulted in 5,659 criminal arrests, 3,941 indictments, 3,383 convictions, and 330 administrative immigration arrests. We have continued to collaborate with our partners in Federal, State, and local law enforcement agencies to identify, target, investigate, disrupt, and dismantle the cartels. The following is a list of the various initiatives we use to combat TCOS:

#### *DHS Joint Task Forces*

In 2015 the Secretary of DHS created three Joint Task Forces (JTFs) to address the smuggling threats identified in the Southern Border and Approaches Campaign Plan. Two of the JTFs, JTF-East (JTF-E) and JTF-West (JTF-W), are geographically-focused task forces that concentrate on the southern land and maritime border of the United States and the approaches to our border all the way to Central and South America. HSI has provided Senior Executives to serve as the Deputy Directors of JTF-E and JTF-W, as well as staff-level support in the JTF-E and JTF-W Joint Staffs.

ICE has been designated as the executive agent for the third Joint Task Force, Joint Task Force Investigations (JTF-I), with other DHS components supporting. JTF-I is a joint, integrated, “functional” task force that has the responsibility of targeting top-tier criminal investigations and supporting JTF-E and JTF-W. The success of JTF-I in these diverse environments depends upon a high level of cooperation among HSI and our Federal, State, local, and foreign partners in consolidating resources and leveraging unique international maritime authorities in combating TCOS.

#### *Border Enforcement Security Task Forces (BEST)*

Our BEST units employ a threat-based/risk mitigation investigative task force model that recognizes the unique resources and capabilities of all participating law enforcement partners. This model enables each unit to apply a comprehensive approach to combating TCOS, while recognizing the distinctive circumstances and threats facing the various border environments, be it land borders, seaports, or airports. Additionally, BEST units are designed to incorporate other DHS-partner agencies, including CBP and the Transportation Security Administration, and are vehicles for establishing unity of effort, the cornerstone of a successful DHS mission. BEST units further solidify HSI's role as the primary investigative entity for DHS.

We continue to expand the BEST program, which currently operates in 44 locations throughout the United States. BEST leverages more than 1,000 Federal, State, local, and foreign law enforcement agents and officers representing over 100 law enforcement agencies. BEST also provides a co-located space that allows for collaboration in conducting intelligence-driven investigations aimed at identifying, disrupting, and dismantling TCOS that operate in the air, land, and sea environments. In fiscal year 2016, the BEST program accounted for 3,710 criminal arrests, 991 administrative arrests, and prosecutors obtained 2,248 indictments and 1,923 convictions.

### *Money-Laundering Efforts*

The cartels move illicit proceeds, hide assets, and conduct transactions globally. Among the various methods cartels use to transfer and launder their illicit proceeds are bulk cash smuggling, trade-based money laundering, funnel accounts and professional money launderers, and misuse of money service businesses (MSB) and emerging payment systems. The cartels exploit vulnerabilities in the financial system and conduct layered financial transactions to circumvent regulatory scrutiny, which presents difficulties for authorities attempting to distinguish between licit and illicit use of the financial system. HSI has refined our ability to target money-laundering and financial violations through various techniques, to include interagency investigations, training and capacity-building, targeted financial sanctions, and direct engagement with at-risk financial institutions and jurisdictions.

U.S. Anti-Money Laundering laws and regulations impose customer identification, recordkeeping, and reporting obligations on covered financial institutions that help deter criminals from moving illicit proceeds through the financial system. These preventive measures also create valuable evidentiary trails for law enforcement to employ during an investigation. As such, HSI has an abundance of investigative tools in our arsenal to disrupt and dismantle cartel money laundering operations as well as to discourage new actors from engaging in illicit activity.

Our National Bulk Cash Smuggling Center (BCSC), located in Burlington, Vermont, generates long-term, multi-jurisdictional bulk cash investigations by analyzing incident reports and conducting intelligence-driven operational support to field offices. When contacted by Federal, State, and local law enforcement for support, the BCSC assists that jurisdiction as much as possible by engaging the full scope of its law enforcement intelligence data sources and referring requests for assistance to local HSI field offices for immediate response. Since its inception in August 2009, the BCSC has initiated or substantially contributed to over 1,428 investigative leads, which have yielded 1,182 criminal arrests, 747 indictments, 546 State or Federal convictions, and seizures of bulk cash totaling over \$326.5 million.

### *HIDTA—High-Intensity Drug Trafficking Area Task Forces*

The High-Intensity Drug Trafficking Area (HIDTA) Program was initiated in 1990 by the Office of National Drug Control Policy (ONDCP) in order to designate certain geographical areas as having especially high concentrations of drug trafficking activities such as distribution, transportation, and smuggling. The HIDTA Program provides these areas with Federal funding, which supports coordinated law enforcement counter drug efforts.

The ONDCP designates geographic areas as HIDTAs and allocates Federal resources to establish formal cooperative law enforcement efforts between local, State, and Federal drug enforcement agencies. HSI, using its combined immigration and customs authorities, leads several HIDTA initiatives along the Southwest Border.

The OCDETF Program allows our Special Agents to partner and collaborate in investigations using our unique and far-reaching authorities to enforce and regulate the movement of carriers, persons, and commodities between the United States and other nations. We have dedicated personnel on all 11 OCDETF co-located Strike Forces. These Strike Forces logically extend the OCDETF program beyond the creation of prosecutor-led task forces that join together on case-specific efforts and then disband at the end of the investigation. Now, permanent task force teams work together to conduct intelligence-driven, multi-jurisdictional operations against the continuum of priority targets. We also participate in the OCDETF Fusion Center, which support investigations of TCOs through interagency coordination.

### *International Partners and Cooperation*

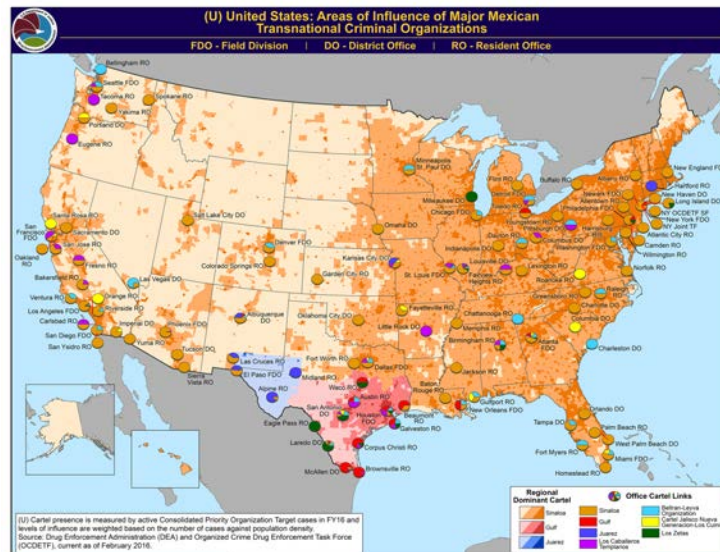
ICE HSI works closely with our Federal law enforcement and international partners to disrupt and dismantle TCOs. We have 63 offices in 47 countries and are uniquely positioned to utilize established relationships with host country law enforcement, to include the engagement of Transnational Criminal Investigative Units (TCIUs). These TCIUs are composed of DHS-trained host country counterparts who have the authority to investigate and enforce violations of law in their respective countries. Since our law enforcement officers working overseas do not possess general law enforcement or investigative authority in most host countries, the use of these TCIUs enables ICE to promote direct action in its investigative leads while respecting the sovereignty of the host country and cultivating international partnerships. These efforts, often thousands of miles from the U.S.-Mexico border in countries like Colombia and Panama, essentially act as an outer layer of security for our Southwest Border.

### *Working with Mexican Authorities*

Mexico has proven to be an outstanding partner in the fight against TCOs, taking down the cartels' top leadership and helping in efforts to dismantle these organizations. ICE's attaché Office in Mexico City is the largest ICE presence outside of the United States. ICE has coordinated the establishment of TCIUs in Mexico comprised of Mexican law enforcement officers. Through our attaché in Mexico City and associated sub-offices, HSI assists in efforts to combat transnational drug trafficking, weapons smuggling, human smuggling, and money-laundering syndicates in Mexico. ICE attaché personnel work daily with Mexican authorities to combat these transnational threats. Additionally, ICE—along with other DHS components—actively works through the Department of State to provide training and technical assistance to our Mexican counterparts. The spirit of collaboration and joint effort between DHS components and our counterparts in Mexico is unprecedented.

### CONCLUSION

Thank you again for the opportunity to appear before you today and for your continued support of ICE and its law enforcement mission. ICE is committed to stemming cross-border criminal organizations through the various efforts I have discussed today. I appreciate your interest in these important issues.



Ms. MCSALLY. Thank you Mr. Allen.

The Chair now recognizes Ambassador Arreaga for 5 minutes.

### **STATEMENT OF LUIS E. ARREAGA, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. ARREAGA. Thank you very much. Chairwoman McSally, Ranking Member Vela, distinguished Members of the subcommittee, thank you for the opportunity to appear before you to discuss the Department of State's efforts to combat transnational organized crime in the Western Hemisphere.

With your permission, I have a formal statement which I would like to submit for the record.

As this committee knows well, transnational crime undermines our border security, inflicts harms in our communities and threat-

ens the rule of law. The Department of State's Bureau of International Narcotics and Law Enforcement Affairs, INL, which I have the honor to represent, leads our country's efforts to combat crime overseas.

We do this by supporting U.S. law enforcement agencies' efforts to strengthen the capacity of partner governments' criminal justice system. The fact is that we need strong and effective partners overseas to combat narcotics and production and trafficking.

We advance our efforts through four partnerships, the Mérida Initiative, the Central America Regional Security Initiative, the Caribbean Basin Security Initiative, and our long-standing partnership with Colombia.

Under the Mérida Initiative, we are working to strengthen the capacity of Mexican institutions to identify, investigate, and dismantle criminal networks to uphold the rule of law and to protect our shared border.

Since 2007, the United States has delivered nearly \$1.6 billion in assistance. This includes inspection and detection equipment, which is now deployed along Mexico's border, as well as training and equipping to enhance the capacity of Mexican officials to identify and dismantle clandestine drug laboratories and to carry out complex investigations of organized crime.

Our investments, and I emphasize this, have fostered unprecedented collaboration between American and Mexican law enforcement authorities. In Central America, violence from gangs and other drug trafficking criminal networks are driving citizens to leave their home in search of safety, opportunity, and family living abroad.

Many travel through Mexico in an attempt to reach the United States. Our programs in Central America help governments strengthen border security and fight narcotraffickers, transnational gangs, and human smugglers.

In 2016, Central American security units, many of which are supported by U.S. law enforcement agencies, reported seizing over 116 metric tons of cocaine. On the corruption front, Honduras fired nearly 2,000 corrupt police officers, while in Guatemala the attorney general is bringing corruption charges against former and current high-level government officials.

In the Caribbean, approximately 10 percent of cocaine movement is destined for the United States transit region. Our program supports maritime interdiction by training and equipping law enforcement agencies in partner countries. In 2015, reported cocaine seizures in partner countries reached 24 metric tons, a 152 percent increase over the previous years.

Let me conclude with Colombia. Colombia remains the world's largest producer of cocaine and is the origin of approximately 90 percent of the amount seized in the United States.

In light of the troubling increase in coca cultivation since 2013, we know that we need to deepen our collaboration with our Colombian partners. The good news is that Colombia, with our support, has intensified their interdiction efforts. In fact, cocaine seizures increased 42 percent in 2016.



The Colombian government has been our steadfast partner in the fight against crime and narcotics since before the start of Plan Colombia in 1999. We are confident that this partnership will endure.

Let me close by reiterating our commitment to continue working with our partner governments to protect our homeland. But it must be said that achieving lasting change will be neither easy nor quick. We are encouraged however by results to date and remain confident that a sustained investment will benefit the security of the United States.

Chairwoman McSally, Ranking Member Vela, again, thank you for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Arreaga follows:]

PREPARED STATEMENT OF LUIS E. ARREAGA

FEBRUARY 16, 2017

Chairwoman McSally, Ranking Member Vela, distinguished Members of the subcommittee: Thank you for the opportunity to appear before you today to discuss the work of the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) to combat transnational organized crime and drug cartels in the Western Hemisphere. As this subcommittee knows well, the United States is deeply affected by crime and violence perpetuated by transnational criminal organizations, including drug cartels, whose smuggling networks undermine our border security, inflict harm in our communities, and threatens the stability of our allies in the region. Today, the trafficking by drug cartels of illicit fentanyl, heroin, and other opioids into this country is fueling a National epidemic with fatal consequences. The CDC reports between 2000 and 2015, the rate of heroin-related overdose deaths in the United States more than quadrupled. The impact of transnational crime is felt, too, by American businesses and financial institutions who suffer when crime disrupts legitimate commercial sectors, depriving workers of a level playing field to compete globally. The cartels that operate today are more fluid, more nimble, more diverse than ever before and effectively combatting them requires a comprehensive, committed, and well-coordinated approach.

INL leads the Department's efforts to combat transnational organized crime by strengthening the capacity of foreign governments' law enforcement and criminal justice systems, combatting narcotics production and trafficking, and fighting corruption. Our efforts abroad complement those of, and are closely coordinated with, the efforts of our U.S. interagency colleagues, including those represented here today from the U.S. Coast Guard (USCG), U.S. Customs and Border Protection (CBP), and U.S. Immigration and Customs Enforcement (ICE).

INL does not approach today's challenges at point zero. Decades of experience and lessons learned teach us that eradicating drug crops in Latin America, in and of itself, is not sufficient; it must be coupled with robust alternative development efforts in order to take hold over the long term. In addition, the growing threat of synthetic drugs like fentanyl—which are not produced from illicit crops—limits the effectiveness of eradication on today's drug threat. Interdiction is critical to reducing the flow of drugs to our communities, but traffickers adapt quickly and shift their routes and methods. Taking down the leadership of cartels and other criminal organizations disrupts drug flows in the short-term, but also often exacerbates violence and leaves room for criminals to vie for power. To address these challenges, INL executes two mutually supportive lines of effort—building cross-border law enforcement cooperation and building stronger, more transparent criminal justice systems. To deny safe havens to criminal networks, INL assistance strengthens governments' ability to enforce their laws and to serve as reliable, trusted partners to U.S. law enforcement. INL programming throughout the hemisphere, including in Mexico, Colombia, Central America, and the Caribbean, is guided by this two-pronged approach, coupling law enforcement efforts to deny transnational criminal organizations the ability to operate, with building stronger, more accountable institutions that reduce corruption and bring criminals to justice. Building strong, effective institutions capable of confronting and stopping transnational organized crime before it reaches U.S. borders is a long-term endeavor that requires a sustained commitment. Cartel operations today present a complex set of national security challenges that

do not lend themselves to simple solutions but the strategic approach we have put in place provides a solid foundation for strengthening security over time.

#### MEXICO

The flow of illicit narcotics across our shared border with Mexico threatens citizen security in both countries. Mexico is the primary source country for heroin and methamphetamine consumed in the United States and a key transit country for cocaine from South America. Since 2008, under the Mérida Initiative, the \$1.9 billion appropriated for International Narcotics Control and Law Enforcement (INCLE) funding has provided training, equipment, and technical assistance to complement Mexico's much larger investment in building the capacity of Mexican institutions to counter organized crime, uphold the rule of law, and protect our shared border from the movement of illicit drugs, money, and goods. This includes more than \$130 million in fixed and mobile non-intrusive inspection equipment and related detection devices provided at Mexico's border crossings, checkpoints, and ports of entry, and for which CBP, USCG, and ICE provided training and technical assistance. INL provided over 500 canines to Mexican law enforcement and military units—many of which CBP helped to train—to ensure they have a vital, sustainable capability to detect, interdict, and deter the illicit movement of illegal drugs, cash, and other contraband headed for the United States. Under Mérida, INL works closely with ICE, CBP, the USCG, and the U.S. Drug Enforcement Administration (DEA) to train and equip Mexican law enforcement officials to identify and safely dismantle clandestine drug laboratories used to produce methamphetamine, heroin, and synthetic drugs and to better track and prevent the shipping of precursor chemicals used to manufacture these drugs. From April 2014 to September 2015, Mexico seized over 1,346 metric tons (MT) of marijuana (a 45 percent increase from this period 2013 to 2014), two MT of opium gum (a 43 percent increase), 26.5 MT of methamphetamine (a 74 percent increase), 10.2 MT of cocaine (a 183 percent increase) and 653 kg of heroin and closed 272 clandestine laboratories (a 90 percent increase). Included in these statistics is 238.9 MT of illicit drugs Mexico seized using equipment and resources provided through the Mérida Initiative. Mexican security forces have also carried out a series of successful raids of methamphetamine laboratories in recent months and made significant arrests in confrontations with drug trafficking organizations.

Our programs also strengthen the intelligence analysis and investigative capabilities of Mexican law enforcement agencies to carry out complex investigations against organized crime. Mérida provides equipment and training to Mexico's specialized law enforcement units that combat kidnapping, money laundering, human trafficking, and narcotics trafficking. Strengthening these units diminishes drug trafficking organizations' funding sources. Over \$300 million of targeted assistance via Mérida supported Mexico's reforms to its justice system across every facet of the criminal justice system, including police, prosecutors, judges, and corrections. When fully implemented, Mexico's reformed accusatory justice system will more effectively reduce corruption and impunity and bring transnational criminals to justice. In coordination with Mexican authorities, Mérida programming continues to expand to address shared challenges. Our U.S. investment has fostered unprecedented collaboration with Mexico's national security actors to address irregular migration and stem the flow of illegal drugs. In partnership with DHS, we are currently contributing \$78 million to the development of a communications network and \$75 million to a national biometric system to enhance the ability of Mexican officials to apprehend criminals and share critical information with U.S. law enforcement before a threat reaches the United States. We also partner with ICE and CBP to train and mentor Mexican migration and customs officials. Under Mérida, the United States is an essential partner in Mexico's reform efforts to address criminal organizations and insecurity that affect Mexico and the United States.

#### CENTRAL AMERICA

In Central America, gangs perpetuate violence and foster conditions that drive people to leave their homes in search of safety, opportunity, and family abroad, often traveling through Mexico in an attempt to reach the United States. Under the Central America Regional Security Initiative (CARSI) as part of our overall Central America Strategy, INL programs assist governments in their fight against narco-traffickers, transnational gangs, and human smugglers by assisting Central American nations in improving investigative and border security capacity. The result is a more stable and prosperous Central America. We are helping Central American governments seize record levels of narcotics and build justice institutions throughout the region which are strong enough to prosecute, convict, and imprison criminals. An estimated 90 percent of documented northbound cocaine movements transit

the Central America and Mexico corridor before reaching the United States. To target this threat, INL works with U.S. interagency and international partners to train, advise, and equip police task forces, vetted units, and maritime law enforcement. In 2016, Central American governments seized over 116 metric tons of cocaine. Many of the seizures were conducted by police units and security forces vetted or supported by INL, working in coordination with CBP, ICE, the DEA, and FBI. INL is also increasing its partnership with the USCG to more effectively interdict maritime routes often used to transport illicit goods. Corruption and limited partner government resources and capacity continue to pose challenges in the fight against narcotics trafficking and other forms of transnational crime, but we are seeing positive developments. In Honduras, an INL-supported police vetting program dismissed 1,946 corrupt officers, and is continuing to conduct investigations. In Guatemala, the Attorney General is bringing corruption charges against former and current high-level government officials.

This is a unique moment in our relationship with these countries. Governments in Central America are increasingly willing to work with the United States to arrest and extradite drug traffickers. INL will continue to leverage this strong political will to effectively target the most at-risk people and places, and to help the governments extend their presence and services. Drug trafficking is a major source of revenue for organized crime groups in Central America and irregular migration is again on the rise. INL is addressing the underlying conditions driving irregular migration through crime prevention and community policing programs, while strengthening border security, and disrupting human smuggling and trafficking networks to minimize the impact on the U.S. Government and Americans.

#### CARIBBEAN

Approximately 10 percent of documented cocaine movements from the source zone to the United States transit the Caribbean. Through the Caribbean Basin Security Initiative (CBSI), INL supports countries with the training and equipping of vetted maritime law enforcement interdiction units. These efforts contribute to increased drug interdictions, particularly in the waters surrounding the Dominican Republic, helping to stop the flow of drugs before they reach the United States. Cocaine seizures in all CBSI countries increased 152 percent, from 9.6 metric tons in 2014 to 24.3 metric tons in 2015.

#### COLOMBIA

Colombia is the world's largest producer of cocaine and is the origin of approximately 90 percent of the cocaine seized in the United States. As cocaine makes the long journey from Colombia to the United States, it fuels violence and instability as it passes through the transit zones of Central America, Mexico, and the Caribbean. Between 2013 and 2015, we witnessed a troubling increase in the amount of coca cultivated in Colombia—an increase of nearly 100 percent. Unfortunately, we expect this upward trend to continue. Working hand-in-hand with our Colombian partners, INL assistance supports the government of Colombia in its robust interdiction efforts against trafficking organizations and criminal networks on land and at sea; last year alone, the Colombian government reported seizing 421 metric tons of cocaine and cocaine base, a 42 percent increase over 2015, and the destruction of more than 4,800 drug labs.

However, we must do more to combat the tremendous growth of coca cultivation in Colombia. Together with our Colombian partners, we must increase forced eradication and provide for crop substitution and robust rural development. Now, at a time the Colombian government is implementing a peace accord with the FARC, we have an important opportunity to work with the Colombian government on focused counternarcotics support. We understand they are reassigning police and military units to increase eradication of coca. To restrict the ability of transnational criminal organizations, narcotics producers and traffickers from continuing to operate in the rural regions of the country, we must also continue our long-term efforts to support the expansion of Colombia's rule of law. The Colombian government has been our steadfast partner in the fight against crime and narcotics since before the start of Plan Colombia in 1999. We are confident that we will continue to effectively work together to tackle the considerable challenges before us.

#### CONCLUSION

Achieving lasting change is not easy, nor quick, but INL has programs and partnerships that, over time and with concerted effort, work to keep us safer by strengthening the capacity of our foreign partners to combat transnational organized crime before it reaches U.S. borders.

Ms. MCSALLY. Thank you Ambassador Arreaga.

I now recognize myself for 5 minutes for questions and since we started late I am going to start off by yielding to my vice chair, Mr. Hurd from Texas, and I will go at the end of our colleagues.

Mr. HURD. Thank you, Chairwoman. And to our esteemed panelists, appreciate you all being here today and for all the work that you and the men and women in your organizations do. I recognize the difficulty of the task.

Admiral Ray, my first question is to you. In your opening remarks, you talked about how 30 percent of the intelligence is action on this high confidence intelligence. What would you need to get that number to 100?

Admiral RAY. Sir, thank you for the question. I don't know if we will ever get it to 100, but to raise it to the levels that we would like to see it, it is pretty straightforward. You need more Coast Guard cutters on the water and the package that goes with them, the airborne use of force helicopter, the overhead maritime patrol aircraft.

When you raise that number—right now, our current numbers down in that transition region are about 6.0 cutter presence and usually we have four airborne use-of-force helicopters. So that is why we are able to action the 30 percent to raise it up.

You double that and you would make a pretty good dent. That is why our off-shore patrol cutter program which is a recapitalization is so important for that.

Mr. HURD. Can you give us some context of how it would—you know, let us say, you were able to double your resources. How long would it take to actually make that operational?

Admiral RAY. Well, once we put the resources in theater, sir, the long pole in the tent is building the ships out. The first off-shore patrol cutters we have—with the support of the Congress, we have got it on our budget—or excuse me—on contract, and she will be commissioned in 2021. That is a fleet of 25.

Now, there are more bills to pay on that, and that is why we appreciate your support in advance. Soon as they are commissioned we put them down range. That is our highest priority mission area or one of our highest.

Mr. HURD. We have the folks? We have the people?

Admiral RAY. Well, they would come with the ships, sir. We would be recruiting those and building the forces as the ships came on-line.

Mr. HURD. Good. Copy. My next question is to Chief Beeson and Mr. Allen. My sense is that when it comes to, let us call it the ground war, we are having the opposite issue that we have on the seas, where the level of intelligence that is coming out of the TCOs and the groups operating from in Mexico and the rest of Central America can be increased.

I have always said that when you look at the 19 criminal organizations that are operating in Mexico alone, that we are not making them a National intelligence priority. Do you disagree with that assessment? Would you like to see more NSA collection, more CIA collection on the threat in order to drive your operations?

Chief Beeson, I will let you go first.

Chief BEESON. Thank you, Congressman. We do work with the intelligence community to get information. So my experience most recently has been as the chief of the Tucson sector and as the commander of that task force there in Tucson.

We have been able to synthesize, if you will, if that is the right word, the intelligence that we received from the intelligence community and then take action against it.

We work very closely with Homeland Security Investigations. They have personnel assigned to our facility where we handle that type of information.

When there is an interdiction based on that type of information that we have been able to do parallel construction on and such, we will hand that off to them and they will, of course, take it to fruition with regard to the investigation.

We are always looking for ways to improve on our intelligence capabilities and that is something that we continue to work at is to get better and better at the intelligence.

Mr. HURD. Mr. Allen, what would be helpful to improve the intelligence collection?

Mr. ALLEN. I would, you know, echo Chief Beeson's comments. You know, we work on a daily basis with the intelligence community. No one is going to turn down any more assistance or more information.

I think our biggest challenge, and I think what we, you know, what we are seeing in our investigations that we have that I think the ICE could really help us with is what I would call network identification and identifying the networks that are out there.

More and more, I think the challenges that we face is the ability to kind-of illuminate the network and figure out and connect people and events in ways that we could use, you know, prosecution.

I think, you know, there has always been a challenge in turning intelligence into evidence because in the end, you know, our primary focus is criminal investigations and our goal is to present cases for prosecution.

While it is great to know and there is a not-so-fine-line difference between intelligence and evidence, in our world we need to be able to turn intelligence into evidence.

Mr. HURD. Good copy. Thank you.

I yield back.

Ms. MCSALLY. Thanks. The Chair now recognizes the Ranking Member Vela for 5 minutes.

Mr. VELA. Thank you.

Admiral Ray, just want to point out that your personnel have been tremendous over the last 4 years, as I have been on this committee. There is nothing like seeing it for yourself, and they have consistently worked with our office and reached out to show us what they do.

I would just, you know, let you know that with respect to our newer Members, to the extent that you can do the same thing in the regions that they represent, that it is a very helpful experience. Thanks for everything you do.

I think my first question is for Chief Beeson and Mr. Arreaga, and if you could comment, you referred to the eradication efforts in Colombia.

If you could maybe go first Chief Beeson, just generally summarize where we are with respect to eradication efforts in Colombia and the other two South American countries where we see cocaine production? Then maybe briefly comment on that as it pertains to poppy production in Mexico.

Chief BEESON. So the Border Patrol, Customs and Border Protection, we are really working on the capability. So what we are doing is working to interdict the narcotics, the contraband, things like that, that are being smuggled across the border.

We are not heavily involved in eradication and so——

Mr. VELA. So maybe this is a better question——

Chief BEESON [continuing]. I am going to punt to the State Department.

Mr. VELA. Yes, I was going to suggest that.

Mr. ARREAGA. Yes. On the issue of coca plantings in Colombia, indeed there has been a doubling of the area cultivated since 2013. This is the result of a number of factors. No. 1, there was a WHO report which the Colombian courts used to ask for the end of aerial eradication. That is one reason.

Another very important reason is as our aerial eradication continues quite successfully, the coca planters took countermeasures to cultivate in areas where aerial eradication was made difficult, to plant it in areas where aerial eradication was not allowed. But for instance, some of the indigenous areas, some of the border areas, some of the mountain areas.

Then the third factor is that we believe the FARC actually encourage farmers to plant, anticipating that perhaps there was going to be a peace process where coca farmers would be compensated for eradicating their crops. So those are the main reasons as to why there was an increase.

Nonetheless, the Colombian authorities are very much committed to eradicate manually, to eradicate voluntarily. We are in very intense conversations with them to figure out how we can support those efforts.

There is also the interdiction part, but that refers mostly to the actual action to produce cocaine.

Mr. VELA. Well, and in the future, I think what I would like to do is explore that issue and compare eradication efforts in the other countries and, for example, pocket production in Mexico.

But I will go ahead and move to my next question for Mr. Allen, but I think this is something perhaps probably deserving of a hearing in and of itself.

But Mr. Allen, my question for you is how would you, with respect to our cooperative efforts in Mexico and with law enforcement in Mexico and the United States, how would you describe the State of that cooperative effort today? What would you like to see in the future?

Mr. ALLEN. I think the one word answer is “good,” and I would expand on it by saying “growing.” You know, I talked earlier about, you know, our goal being criminal investigations and criminal prosecutions.

The largest HSI presence outside the United States is actually in Mexico. That is where we have the largest number of agents deployed internationally.

I think if we are going to become more effective and impact the TCOs and the cartels in particular, we need to grow that presence and the relationships that we have with the Mexican Federal police, with Mexican customs, with the Mexican military, and ANOME in Mexico that focuses on migration through Mexico to the United States.

So, you know, we have a good relationship, but we need to continue to work to grow it.

Mr. VELA. Real quickly Chief Beeson, on the trends on the TCO chart of the influence of Mexican TCOs across the United States, I know it looks like the Sinaloa Cartel has quite a presence along the East Coast. Can you tell us about that? How do they extend that deeply?

Chief BEESON. I have got to remember the button. It is through the use of networks. They are leveraging their networks, the transportation infrastructure.

Ms. MCSALLY. OK.

The Chair will now recognize other Members of the subcommittee for questions they have for the witnesses. In accordance with the committee rules and practice, I plan to recognize a Member present at the start of the hearing by seniority on the subcommittee. Those coming in later will be recognized in order of arrival.

The Chair now recognizes Mr. Rutherford from Florida.

Mr. RUTHERFORD. Thank you, Madam Chair, and thank you panel for being here today. Thank you for all the service that you have provided in the past and will in the future to keep our country safe.

I want to shift the focus just a little bit though if I could? Admiral Ray, you know, we have talked a lot about the drugs and the harm that that brings to our country. But also, the United States Coast Guard interdicted several migrants from former Eastern Bloc countries in fiscal year 2015 and 2016.

Could you please discuss how it is not just South and Central Americans that these cartels are smuggling into the United States, but also people from other countries?

In addition to that, could you address the potential of foreign terrorists utilizing these cartels to utilize the maritime domain to gain entry to the United States and do us harm?

Admiral RAY. Thank you, Congressman Rutherford. Thank you for your years in law enforcement service, sir.

Mr. RUTHERFORD. Thank you.

Admiral RAY. It is an honor to take a question from you. The Coast Guard last year, we interdicted over 6,000 primarily Cubans at sea and they were in the straits of Florida and certainly in the eastern approaches to Florida. A few, a handful over on the West Coast, which was a big year. The biggest year since 1994.

Like I say, it is primarily Cubans. With regards to what we call special interest aliens, those from countries associated with terrorism, small numbers in the maritime approaches right now. You know, less than 20 over the course, each year of the last couple of years. So not a great threat vector there at present.

However, to address your, kind-of, the real question is, are these transnational criminal organizations capable and would they? There is no doubt in my mind.

They are sophisticated smuggling organizations, which start in the southern reaches of our hemisphere, and as the chief addressed and the graphics addressed, go all the way to New York City. They work for profit, and I don't think they check passports before they pick people up. So I think they will do anything for a profit.

We have not seen evidence of terrorist connections right now, Congressman. But I don't think anybody is—we must maintain vigilance on that. So with that.

With regards to people from other nations that are not special interest, sir, we get them. Just last week, we had a boat seized off of the Bahamas en route to the United States that had a dozen Chinese people on-board.

Mr. RUTHERFORD. Well.

Admiral RAY. So the tales of these migrants that come from all over the world trying to get to America, there are plenty of them.

Mr. RUTHERFORD. See, and I think the potential, Admiral, highlights the fact that Mr. Hurd brought up earlier about the gap that is created between our abilities now and the recapitalization of the fleet and your capabilities down the road. We certainly have a gap there.

That is one reason I want to salute, Madam Chairman, the United States Navy who made the decision just yesterday to locate the MQ4C Triton Program in Jacksonville at the Mayport Naval Station, which will give us that unmanned aerial vehicle capability that I hope will certainly be used to fill some of that gap that was created when the Navy did away with their frigate program which, you know, certainly increased the gap.

So, I bring that up to also ask, kind-of following up on Mr. Hurd's question, I know that the President has made it clear that one of his top priorities will be rebuilding the Navy to 350-plus ships but I believe this effort also should include the U.S. Coast Guard. That is why I think you are here today.

As Secretary Kelly told us during the full committee hearing, many of your ships are very, very old. In fact the Valiant in Jacksonville, I think, is 50 years old. But one of those ships—can you give us your—I know you talked about this a little earlier but, how long will it be before we get those 25? Is that wasn't the 2019 you were talking about, correct?

Admiral RAY. Yes, sir. Well, thanks for the question. The off-shore patrol cutter, we have got them under contract now, and it is a multi-year contract. The first one is supposed to be commissioned in 2021.

So we are maintaining our medium-endurance cutters. As you said, some of them, in fact, almost all of them are older than the parents of the young men and women that are serving on them. That is just kind-of a data point.

So we have got other medium-endurance cutters that are averaging in the 35-year length. We will be able to stretch those out for another 15 years until we get on-board. That is why our off-shore patrol cutter is so important to get back in service, or to get in service.



Mr. RUTHERFORD. Thank you. I certainly hope that the Triton program will be of great assistance to you as well.

Thank you Madam Chair, and I yield back.

Ms. MCSALLY. This Chair now recognizes Mr. Correa from California for 5 minutes.

Mr. CORREA. Thank you, Madam Chair. First of all, gentleman, I appreciate your being here today. I represent Southern California. I am a father of four children. So to me, drugs and keeping that poison away from our children is top priority. I have been blessed. My children have avoided those scourges, but a lot of my neighbors have not.

You know, drugs are something we can all agree on stopping from getting to our communities. Yet as I look at our Mexican border, when I was State senator I chaired the California Mexico Select Committee. You begin to realize the tremendous, huge trading partnership that we have with Mexico, our biggest or second-biggest trading partner that we have in the world.

That border is the most traveled cross-border in the world. I have always advocated for smart borders, meaning you can check folks, you can check merchandise before it gets to the border so we can make sure things flow smoothly, effectively, and we stop the negativity.

Vice Admiral Ray, you said something that really bothered me, and that is that you had intelligence on 500 events—500 events—and you did not have the assets to stop them from possibly reaching our shores. So I am going to repeat the same question that has been asked of you is, what do you need and where?

As I look at that chart on the side, I look at those red lines. Given that Colombia is now at peace with FARC, I think those red lines are going to get thicker in the very near future. So where do you need those assets? Do you need them in the United States or do you need them somewhere in Latin America to stop all of that cocaine production from coming in to our shores?

Admiral RAY. Thank you, sir. Those assets would be based in the United States, hopefully in one of your districts, and they would sail from there and go anywhere we need them. But primarily right now where we need them and where they could be most effective is in that area between South America and Central America.

You know, that is a huge area. It is as big as the continental United States. So covering that is difficult. However, with the intelligence we have now that is what let us know who is out there.

We know on a given morning, and we do this on a 24-hour cycle and we create these packages, and we know who is there, who we can get after. Of those, we literally had to let 580 of them—we couldn't take a pass at them because we didn't have sufficient assets.

So as I have mentioned to Congressman Rutherford earlier, or Congressman Hurd about doubling down on the amount of assets we have in that transit zone, that is how you get after them. That is how you affect them.

Mr. CORREA. So that would be your priority, sir, in terms of investment.

Mr. Allen, you also mentioned that you have a tremendous working relationship or a better working relationship with the Mexican government.

A number of years ago I had the opportunity to go down to Mexico City and look at one of their central intelligence monitoring stations where they were looking at almost every vehicle coming across their Southern Border. That information would be digitalized, sent to Mexico City, and I presume that was sent eventually to Langley, Virginia.

My question is what else do you need? What is it that we need to do to increase, enhance our partnership with Mexico to make sure that these drugs don't reach our shores and our borders?

Mr. ALLEN. Well, as I said, and I think, you know, building the capacity of Mexican agencies and, you know, increasing the rule of law in Mexico is a key part of that. Our role is a liaison role and increasing our footprint in Mexico and making sure that we can have good, productive relationships with our Mexican—

Mr. CORREA. So what do you need from us to do that?

Mr. ALLEN. More people. You know, one of the things we haven't talked about today is the, you know, the President's Executive Orders which calls for 10,000 more ICE employees. Some of those, I think, if the Secretary gets his way, will be special agents. Our plan would be to deploy some of those outside the United States.

So coming up—

Mr. CORREA. Outside the United States and within Mexico and other countries as well?

Mr. ALLEN. Absolutely, yes, sir.

Mr. CORREA. Final question to Chief Beeson. In terms of folks, people of interest, do you have a number of how many of those have been apprehended crossing the Southern Border versus the Northern Border?

Chief BEESON. So when we talk about—we would use the term "special interest alien." We are looking at folks and their travel patterns, where they have been, that would lead us to have some concern about those individuals.

So that is information that we do keep. I do not have it with me here today, so I would have to take that back for the record.

Mr. CORREA. Thank you.

Madam Chair.

Ms. MCSALLY. OK. The Chair now recognizes myself for questions.

Chief BEESON. Director Allen, I mentioned in my opening statement a sophisticated drive-through operation that was recently broken up in Cochise County, Arizona.

According to press accounts anyway, looks like they successfully smuggled large quantities of drugs through Arizona for years, not days or weeks or months, but for years before they were actually caught.

These drive-through operations are something that I hear from my constituents and border residents often about. We have seen encrypted communication, you know, special code words, other tactics to avoid detection.

The last breach that I personally saw on the border was where they used pretty sophisticated blowtorch and, you know, welding

equipment to be able to cut through, basically, a gate in the barrier with hinges.

So they were able to prep that in advance through their spotters and scouts. They knew when they weren't going to be detected or where they weren't going to be detected.

If you actually went by it, you wouldn't be able to see the breach. But then at the time and place of their choosing, they open it up, put the ramp, drive through, shut it, and go through essentially undetected.

So just giving that case study of them being able to conduct these operations for years in Cochise County, do you think this is the level of sophistication is like the new, you know par, this is the new normal for cartel operations?

Are there additional tools or authorities that we need to give you in order to detect and interdict these types of operations so they don't go on for years before they are detected?

I congratulate them being rolled up and a number are being prosecuted right now, but, you know, what could we learn from it and do you need any additional tools or authorities?

Chief.

Chief BEESON. So we do have this phenomenon, if you will, of the drug trafficking organizations and their smuggling. They certainly are very sophisticated in their approaches.

They have the benefit of time. So they have got plenty of time to wait and seek the right opportunity to engage in their illegal activity.

They use scouting networks, as you have mentioned. They utilize encrypted communications. They are utilizing, of course, these vehicles, sometimes very rudimentary vehicles. It looks like a car carrier, and then they just use it to ramp over the fence.

For us to combat that, we are continuing to work on situational awareness, making sure that we are improving our detection capabilities along the Southwest Border.

Very critical for us to continue to engage with our law enforcement partners, certainly with Homeland Security Investigations to make sure that we are all sharing the same information, know about who the networks are, who is operating in the area.

Then, of course, getting information from the intelligence community that is going to provide us with the pre-event intel so that we can take action against these folks as they are——

Ms. MCSALLY. Are there any, and I know we have been out there visiting. Are there any additional tools specifically related to or authorities related to intercepting or cracking the encrypted comms? Or you know, we introduced a bill last Congress related to the scouts, that oftentimes, when you roll them up, you can't prosecute them for anything unless you can tie them to a specific drug load.

So we made that a Federal crime. It didn't make it into law, but we are going to keep pushing that issue. But are there any additional tools or authorities you would need in order to get out in front of their decision loop and their techniques?

Chief BEESON. So we have had some success against scouts. As you mentioned, we have been able to prosecute some of them. It does require some effort, right? I mean, good solid police work to

sit there and investigate and do that. We are certainly happy to do that and do that very well, I think.

We have been having what I think is a really good relationship with the U.S. Attorney's Office in terms of being able to present these cases and for them to take a prosecution on individuals that really don't have any narcotics with them but they are still able to prove conspiracy and take those cases.

We are going to continue to plug away on technology, certainly on the tactical infrastructure, the barriers, and we need to keep applying those things to really improve the situational awareness that we need along the border.

Ms. MCSALLY. Mr. Allen.

Mr. ALLEN. You know, the one thing I would add to Chief Beeson's picture there is the foreign piece. There was a very good example last year, just south of your district, or in your district but on the Mexican side where by having a good relationship with our Mexican counterparts we were able to make sure that the border was not actually a barrier.

When we had information about a failed drive-through or a drive-through that had been thwarted, we were able to cue Mexican law enforcement to go and take law enforcement action on the Mexican side.

I think that is another piece that we need to continue to work on to make sure that, you know, when we do develop intelligence about a drive-through, you know, if we can't action that on the U.S. side of the border we can action it on the Mexican side.

Ms. MCSALLY. Great. Can I follow up on that? In all of your testimony, most of your testimonies, you talked about better coordination with authorities in Mexico, yet endemic corruption, you know, through their government and law enforcement.

How do you balance those two and cooperating but not tipping them off related to the elements of corruption that would be involved in your partner agencies?

Mr. ALLEN. I will start on that. Some of it, you know, first of all, you have to go in with your eyes wide open. You have to, you know, acknowledge right up front that corruption is a challenge. But some of it comes down to who you talk to and where and at what level of government.

Our best relationships are often in Mexico City away from the border. As an example, to kind-of demonstrate how important that can be, last year HSI and CBP and State and local law enforcement authorities in Arizona did a somewhat unprecedented operation in which we identified targets in northern Sonora that we had—or indictments on, in the United States and we wanted to get.

We enlisted the support of the Mexican Federal Police and got them to send more than a hundred law enforcement officers and stage on the U.S. side of the boarder, in Arizona and conduct, frankly, an air mobile assault into Mexico from the United States, fully armed, coordinated amongst all the U.S. agencies from the State Department through all law enforcement very successfully.

It was not compromised because we worked with, you know, U.S.-trained, U.S.-vetted law enforcement units that made that possible. I think that is the way we want to continue to move.

Ms. MCSALLY. Great, thanks. I will have another round of questions, but my time has expired.

So the Chair now recognizes Ms. Barragán from California for 5 minutes.

Ms. BARRAGÁN. Thank you.

Gentlemen, thank you for your service, and thank you for being here today.

I want to start with you, Vice Admiral Ray. There has been a lot of talk of building a wall on the Southern Border and investing \$25 billion or so in it. If that is done, do you think that is going to increase and shift more focus onto the seas and our maritime ports of entry?

Admiral RAY. I think there is a highly likelihood of that, ma'am. You know, we found that when determined, illegal traffickers meet a hard barrier on the land then there is a percentage of them that will go to sea and try their hand there.

We see it on both sides of the country when it comes to illegal smuggling and when it comes to human trafficking. So I think there is a reasonable potential for that.

Ms. BARRAGÁN. You also testified about if you had resources it may be a good place to put it in the seas between, I guess, the United States and Central and South America.

What about, do you foresee any increased threats coming into the west side of the U.S. coast? Or is there a greater need down in that area—

Chief BEESON. Well—

Ms. BARRAGÁN [continuing]. That you mentioned?

Chief BEESON. We would do both, ma'am, in answer to your question. We have an on-going operation just south of Los Angeles between, well, from San Diego north, called Baja Tempestad, where we work with our partner agencies.

We have had a big effect and quite a few seizures of marijuana trafficking going along there and illegal smuggling. We have been doing that on-going for the last 4 years.

So that is an on-going right at our border, operation. When I talk about the down-range, further down closer to Central America, that is where we have the effect because that cocaine is bound for Central America where it causes all the unrest and criminal activity.

It is just fuel for the fire there in those violent countries. That is what drives the young people out of there. That is why they show up on our border. So it is both of those.

Ms. BARRAGÁN. Great. The last question I have is for everybody. We have been hearing a lot from—all the panelists talk about the importance of the U.S.-Mexico relationship, the importance of the role they play in helping us address and deal with the drug cartels and the criminal organizations.

Yet we have been hearing from this administration lots of talk about building a wall, about having Mexico pay for the wall, even about talks of a possible tariff of 20 percent on Mexico. One of my concerns is all this talk is going to weaken the cooperation between the United States and Mexico, having us become more of a—less of a partner, I should say, between the two.

Can you comment on what would be the impact if we had that? If we had the United States and Mexico weaken the cooperation,

what that will do on the impact to the drug cartels and us having the ability to fight that threat?

Chief BEESON. So I will just say that, you know, I have been doing this job for a long time now, you know, over 30 years. It is certainly we have enjoyed throughout the course of that time what I think is a good relationship with the government of Mexico. That relationship has gotten better and better and better throughout the years.

We have a number of operations, as the ones that Director Allen mentioned, we engage with local authorities on a regular basis to address border violence, to address cross-border communication so that we both understand what the threat is that is operating in that area because we both want a secure border.

We look forward to continued relationship with the government of Mexico. It is important for us. What we are doing from a law enforcement perspective is paying dividends on the border security front.

Ms. BARRAGÁN. Chief, so just so I want to make sure you answer my question, and that is, what will the impact be if there is less cooperation with the United States and Mexico? Because I understand what you are saying. I completely agree with you.

My concern is that a lot of the rhetoric we are hearing from this administration only leads to less cooperation. I want to know what the harm will be on less cooperation to this fight, this very important fight, against the drug cartels and the criminal organization. Can you address what that impact might be?

Mr. ALLEN. You know, I think the short answer is that it would hurt it. But I think, as Chief Beeson has mentioned, and I think our experience would illustrate as well, you know, we have weathered similar storms before in our relationships. Fortunately we deal very well, law enforcement to law enforcement, with our Mexican counterparts.

So we have not seen any degradation in our relationship. I think we will be able to soldier on and make our way through it.

Mr. ARREAGA. I agree with my fellow panelists. We have not detected any deterioration, but naturally we work on the basis that partner governments want to work with us. Without it, we couldn't accomplish much.

Ms. MCSALLY. OK. The gentlewoman's time has expired.

The Chair now recognizes Mrs. Demings from Florida.

Mrs. DEMINGS. Thank you very much, Chairwoman.

To all of you, thank you so much for your service, but not just to you, but to the men and women who also serve with you.

Mr. Allen, we have heard quite a bit of talk, and I do believe we have a very strong relationship with Mexico. I am thankful for that. But what about our working relationship with your counterparts in Central America? Could you talk a little bit about that?

Mr. ALLEN. Absolutely. While we definitely have focused a lot on our relationship with Mexico, you know, HSI has attaché offices throughout Central America and into South America. A lot of the same relationships that we enjoy with our Mexican law enforcement counterparts we also share with our Central American and South American counterparts.

In my written testimony one of the things we talk about are our transnational criminal investigative units where we work cooperatively with U.S.-trained investigators from host countries that allow us to project our priorities and our authorities into the areas that provide that land bridge to the United States, whether it is drug trafficking or illegal migration.

And we see those relationships as just as important as our relationships with our Mexican counterparts because, in the end, the further we can push out that border and identify bad things or bad people that are coming to the United States, the better off that we are by pushing out that border.

Mrs. DEMINGS. What do you think can be done to better improve or enhance that relationship? You talked about the number of agents that you have on the ground in Mexico. What could be done to enhance that relationship in Central and South America?

Mr. ALLEN. I would say continuing to help them build their capacity, you know, working with the Department of State, in particular INL, who often funds a lot of our relationships and that the U.S. training that we provide to our foreign counterparts is often funded through INL.

So increasing that, the ability to help them improve their capabilities which, in turn, helps us protect our border is a key part of that relationship.

Mrs. DEMINGS. OK.

Chief Beeson, in previous years, many agents have complained or requested communication systems that would allow them to better communicate and share information with their law enforcement partners. Is this still a challenge for you? If so, what can be done to improve communications, intercommunications between those partners?

Chief BEESON. We work, I think, very hard at improving relationships with our law enforcement partners. I mean, this is really, for us, we look at it as a whole-of-Government approach. We want to make sure that law enforcement agencies that are able to work with us on these border security issues, that we have got good communication.

We will engage in task force operations with them. Oftentimes, those task forces are led by Homeland Security Investigations. We will—of course we do have car-to-car communications, you know, assuming that our radios are compatible. There are still from time to time, some challenges with compatibility on radios.

Oftentimes we are able to overcome that now, especially nowadays with the advent of cell phones and things like that. Always working on ways to improve communication.

We enjoy what I think is a very good relationship with the law enforcement community and something that we look forward to continuing in the years to come.

Mrs. DEMINGS. Have you had any challenges with the security of the communications?

Chief BEESON. So our communications are encrypted and so we are continually assessing the viability of the encryption and looking forward to, you know, we want to make sure that they remain that way.

We do lose radios from time to time or they get stolen. Generally when that happens we are able to inhibit the radios and as long as we are aware that that has happened, but that is something that we are always looking at.

Mrs. DEMINGS. OK. Thank you.

I yield back.

Ms. MCSALLY. The gentlelady yields back.

The Chair now recognizes Mr. Katko from New York for 5 minutes.

Mr. KATKO. I appreciate the Chair for allowing me to come in and ask a few questions here.

I want to thank the panel for being here. I started out my career as a Federal organized crime prosecutor in El Paso, Texas. I saw first-hand on the border the profound problems that we confront. I finished my 20-year career on the Northern Border.

My concern, at times, is that, well, there is not enough attention being paid to the Northern Border. There have been some recent articles to that effect, that everyone is focusing on the Southern Border and no one is really paying attention to the Northern Border, at least from our standpoint. I am not saying law enforcement—from our standpoint.

I can tell you, the Northern Border is largely a sieve. We have an Indian reservation in the northern district of New York that straddles both sides of the border and is involved in hundreds of millions of dollars a year, at a minimum, in cocaine and marijuana trafficking and smuggling of aliens.

Many people view the Northern Border as far more vulnerable to a terrorist infiltration than the Southern Border.

With that being said, I would just ask that at some point that the Chairman maybe schedule a hearing so we can dedicate an entire hearing to the Northern Border issues, because they are profoundly different than the Southern Border. But they do merit more attention.

I am a Chair of the Homeland Security Subcommittee for Transportation Security. As we saw this week, there are still gaping holes in the drug trafficking components at our airports.

We saw a case in Puerto Rico that has spanned now more than a decade, and they smuggled more than 20 tons of cocaine onto aircraft from Colombia through Puerto Rico into the United States. That, to me, is a profound problem, and that is another border-type issue.

So for Director Allen, as you are well aware of this instance, I would like to hear from HSI as to whether you have enough resources to fund these types of investigations at our Nation's airports. That is not the first time we have had this at the airports with HSI, and I am concerned about that.

Second, how can TSA or the FBI or other State and local partners better support your efforts? I don't want FBI to be at odds with you, running separate investigations at airports. I want you to coordinate better with Homeland Security. So if you could answer that, I would appreciate it.

Mr. ALLEN. Sure. Well, I will probably not talk about the Puerto Rico investigation since it is a pending prosecution. I am happy to



talk about what we often refer to as internal conspiracies, whether they be at airports or seaports and looking at that insider threat.

You are correct. They present a tremendous challenge for law enforcement and everything from a counterterrorism point of view, the ability to get a firearm or other explosive device onto an aircraft by using an insider threat certainly falls well within the scope of our counterterrorism responsibilities at the Department.

But from a drug trafficking point of view as well, we are well aware that drug trafficking organizations want to use that inter-State ability to move commercially to get their products from point A to point B.

In terms to your question about resources and our ability to work on that challenge, the vehicle that we use for that is the Border Enforcement Security Task Forces. We have been expanding the BESTs, as we refer to them. We have now——

Mr. KATKO. Yes, I helped stand one up on Massena, New York before I left.

Mr. ALLEN. Exactly, yes. So we now have four airport-focused BESTs, one of them in Puerto Rico, that are chartered to focus on that internal conspiracy threat.

Our goal would be to expand them and increase the number of BESTs we have around the United States that can focus both on the physical land border, but also on other chokepoints, in this case in airports and seaports.

Mr. KATKO. What about, I know FBI, for example, the FBI has headed up some major operations Nation-wide. The example was the Dallas-Fort Worth case where—that was a multi-airport case there. How would you, kind-of, make FBI's efforts jibe with yours better, if you could?

Mr. ALLEN. I think, for us, that all comes down to, you know, coordination and deconfliction. I think one of the things that I have seen change in my career, certainly accelerated after 9/11 and a huge transformation in Federal law enforcement, is the willingness and openness of agencies to coordinate and deconflict investigations.

I think as long as all of us are doing that and we know that someone is working an issue and that if resources are needed from the Bureau or the Bureau needs resources from any of the DHS components, that we are standing by to do that. As long as we are talking and coordinating and deconflicting our investigations, we are on the right track.

Mr. KATKO. Thank you. Very quickly, I have 20 seconds so I can't help it, but I am going to have to ask a Northern Border question of the Vice Admiral, and that is the Shiprider Program which you use up on the Northern Border has been, I think, a very good success.

You marry the Canadian law enforcement with American law enforcement. I think it is a good way to patrol the Great Lakes and the St. Lawrence as best you can. How is that program doing? Is there any discussion about possibly expanding it?

Admiral RAY. As you stated, sir, that program is doing great. They have done about 900 boardings since that has been stood up, several arrests. It closes seams on the border with the Royal Cana-

dian Mounted Police who are real proud of it: St. Lawrence, Great Lakes, and also out in Puget Sound.

What it needs is more people and that is really what it—you know, operations and maintenance money. There is not a—it is boarding team members, carrying a gun, being trained, and operating with the Canadians, and that is what we are short of.

Mr. KATKO. I appreciate that, and hopefully we can have another hearing on this if the Chairman is so inclined.

I just wanted to note two things for the record here. These are reports on FBI, two articles, one recently, titled “FBI Reports Show Terror Suspects Coming from Canada While Trump Stares at Mexico.”

The other one is from *The Daily Caller*, another article about illegal refugees are now streaming across the Quebec/New York border. That was recently done this week. I ask both of them be entered into the record.

Ms. MCSALLY. Without objection.

[The information referred to follows:]

ARTICLE SUBMITTED FOR THE RECORD BY HON. JOHN KATKO

FBI REPORTS SHOW TERROR SUSPECTS COMING FROM CANADA WHILE TRUMP STARES AT MEXICO

*Jana Winter 02.07.17 1:13 AM ET*

<http://www.thedailybeast.com/fbi-reports-show-terror-suspects-coming-from-canada-while-trump-stares-at-mexico>

*Documents reviewed by The Daily Beast show way more suspected terrorists encountered at the northern border than at the southern one. Why is Trump so eager to build a wall down there?*

Donald Trump keeps talking about the threat from the U.S.-Mexico border. But he may be looking in the wrong direction. FBI reports reviewed by The Daily Beast reveal that far more suspected terrorists try to enter the country from the northern border with Canada than from the south.

Seven FBI Terrorist Screening Center “monthly domestic encounter reports” dating from April 2014 to August 2016 detail the number, type, and location of encounters with known or suspected terrorists across the United States. The encounters are based on information in various watchlist databases. In all seven reports, the numbers of encounters at land border crossings were higher in northern states than southern.

“We are looking the wrong direction,” said a senior DHS official familiar with the data. “Not to say that Mexico isn’t a problem, but the real bad guys aren’t coming from there—at least not yet.”

On Monday, press secretary Sean Spicer told reporters he would not disclose evidence behind the President’s claims that jihadis are “pouring” into the country. “I’m not going to get into specific information that the President has,” he said.

The FBI reports obtained by The Daily Beast provide data on known or suspected terrorists attempting to enter the country, or who are already in the United States.

These reports show hundreds of watchlisted passengers encountered on domestic flights—meaning they are already in the country—and a smaller percentage crossing the border over land.

Those encounters are reported back to the FBI’s Terrorist Screening Center and used to compile the monthly domestic encounter overview reports, which are classified “Law Enforcement Sensitive.”

Newly installed Department of Homeland Security Secretary John Kelly traveled to Texas last week to survey the border in the Rio Grande Valley with local law enforcement. He is scheduled to testify Tuesday morning at a House Homeland Security Committee hearing on threats to the southern border.

But the FBI data shows concerns about terrorists crossing into the U.S. from Canada may be a more immediate concern, or is at least worthy of considerable attention, according to border and Congressional officials.

“We often hear about security concerns on the southern border, but bad actors intent on entering our country will always seek the path of least resistance, so we must have the necessary tools and resources to secure both the northern and southern borders,” Sen. Gary Peters (D-MI) said in a statement to *The Daily Beast*.

In August 2016, for example, more than twice as many watchlisted individuals were encountered at land border crossings in northern U.S. border states than in all states on the Mexican border combined.

The reports do not say whether the land border crossings were attempts or successful entries into the United States. (Being watchlisted does not necessarily prevent you from entering the country.) The people documented in these encounters can include people holding valid visas, applying for asylum, or caught between ports of entry by U.S. law enforcement.

From Aug. 1 to Aug. 31, 2016, the Terrorist Screening Center recorded 538 encounters with known or suspected terrorists in the U.S. or at its borders. That includes incidents on domestic and incoming international flights, at land and maritime border crossings, during law-enforcement investigations, at Customs and Border Protection inland checkpoints, and in the process of administrative work including vetting for visa and refugee applicants.

Of those, only 68 happened at land borders. Michigan alone had 26 such encounters; New York had 17. Arizona and Texas had none at all—even Vermont and Washington state had more—and California had 19.

FBI Terrorist Screening Center monthly reports from 2014 and 2015 tell a similar tale. New York, Michigan, and Washington have the most encounters with suspected terrorists at land border crossings. North Dakota and Vermont encounter one or two per month on average. The numbers at the southern border were comparatively small. In April 2014, for example, there were 12 border encounters in California and Texas combined and 17 in Washington, New York, Michigan, and Vermont. In the same month the following year, southern states reported two encounters; northern states: 18.

In some months, some southern states had higher encounter numbers overall, but fewer at land border crossings.

In April 2014, for example, there 141 encounters overall in California, but just five at the land borders. (New York, by contrast, had 154 overall and seven at the land border.)

“So often there’s just talk about the southern border, but we can’t ignore the northern border,” Sen. Heidi Heitkamp, a North Dakota Democrat, said in a statement to *The Daily Beast*. “When I brought then-Deputy Secretary of Homeland Security Mayorkas to Pembina, North Dakota, we heard about issues ranging from recruiting and retaining quality border patrol workers to inefficient or out-of-date technologies.”

(The Department of Homeland Security referred requests for comment to Customs and Border Protection headquarters, which did not respond to *The Daily Beast*.)

Canada Embassy spokesperson Christine Constantin told *The Daily Beast* in a statement “it is relevant to note that no terrorists have ever been successful in attacking the United States coming through America’s northern border.” Constantin also highlighted “robust security measures” on the border including integrated U.S.-Canada law enforcement teams.

A new threat assessment report by the Texas Department of Public Safety, released just days before Trump signed his refugee and immigration executive order, describes terrorists’ potential use of existing Latin American human-smuggling routes that “have long transported Syrians, Iraqis, and other immigrants from countries where terrorist groups operate to our land border with Mexico, where they often seek asylum too,” sometimes fraudulently. It does not say this network is currently being utilized in this fashion. (In fact, this report and others say that the more pressing issue may be terrorist sympathizers crossing the U.S. border into Mexico—a dozen of whom have been arrested over the last four years—to evade the U.S. no-fly list as they make their way to joining ISIS overseas.)

This DPS report is being widely circulated among White House and Congressional policy makers close to the administration, Congressional, White House, and border security officials said. And it is being relied heavily upon for immigration-related policy decisions. DHS Secretary Kelly met privately with the Texas DPS last week to discuss aspects of the report.

But Aaron Heitke—U.S. Border Patrol Grand Forks sector chief patrol agent, who oversees all Customs and Border Protection activities in North Dakota, Minnesota, Wisconsin, Kansas, Missouri, Iowa, South Dakota, and Nebraska—thinks all the attention to the southern border may be a bit myopic.

After all, the northern border is the longest land border in the world, stretching 5,525 miles and 120 border crossings. The U.S. shares 1,933 miles with Mexico, according to information on CBP's website.

In an interview with The Daily Beast, Heitke said the numbers of watchlist encounters have been consistently higher in northern states, though he said he's seen more steady numbers than the sharp uptick suggested by the nationwide FBI reporting.

"It's been reasonably steady," he said.

He and other border sources noted that the northern U.S. hosts more large immigrant populations that often come under scrutiny by federal authorities. For example, Minneapolis has a large Somali community; it can sometimes be more convenient for a passenger traveling from Somalia to Michigan to travel to Canada first, and then cross into the United States.

He also stressed that the northern border doesn't get as much overall traffic as the southern one, and border patrol efforts in the northern are aided by portions of near impossible to traverse terrain and a "fantastic" relationship with Canada.

In contrast, a senior border official based in Texas said the increasingly hostile relationship with Mexico will only make securing that border more difficult. The official would not speak on the record, citing concerns over incurring the wrath of President Trump and the new administration from whom CBP is requesting vast increases in resources. The official was unaware of data contained in the FBI terrorist encounter reports. When asked if surprised that the number of encounters was higher on the northern border, the official said "yes, a bit," before adding that this did not mean the danger of terrorists entering the U.S. from the south was any less.

This official and Heitke both suggested that the attention from the President and in the press on the Mexican border could inspire an increase in future attempts to enter the country undetected through Canada.

"While all eyes are on Mexico the bad actors will take another look at Canada," said the DHS official. "Unless you're incredibly stupid you're not going to try to sneak into the country where everyone is looking. You'd put on a coat and head to Canada."

Editor's Note: This story was updated with a response from the government of Canada.

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ARTICLE SUBMITTED FOR THE RECORD BY HON. JOHN KATKO

#### ILLEGAL REFUGEES NOW STREAMING ACROSS QUEBEC-NEW YORK BORDER

*Posted by David Krayden Contributor 12:23 PM 02/14/2017*

<http://dailycaller.com/2017/02/14/illegal-refugees-now-streaming-across-quebec-new-york-border/>

Despite all the media reports of refugees illegally entering Canada from the U.S. at remote Manitoba crossings, more are actually getting through along the Quebec-New York border—and it can be just as cold as the temperatures reported along the prairies that have sometimes induced frostbite.

The Canadian Border Security Agency says Quebec is now the flashpoint for "asylum seekers" or double refugees who first entered the U.S. as refugees and are now fleeing there and trying to sneak into Canada over fears that President Donald Trump will have them deported.

The numbers speak for themselves, with 42 asylum claimants showing up at the Quebec border last weekend alone and 452 for January—a 230 percent increase from the year before.

RCMP spokesman Cpl Camille Habel told CBC News that he attributes the popularity of the Quebec border to its relative closeness to major U.S. cities like New York and Washington, D.C. and the fact that international airports are nearby.

"Bigger cities on each side can mean more people trying to cross here."

The "refugees" are deliberately crossing illegally so they can bypass the Safe Third Country Agreement, which is supposed to prevent people seeking asylum from choosing more than one "safe" destination when they flee their country of origin. The U.S. and Canada are both considered safe under this international legislation. But, paradoxically, the act only applies at legal border crossings; so double refugees are crossing illegally in order to avoid their official refugee status from being questioned.

Should refugees be stopped from crossing into Canada?

But the agreement only holds at official border crossings, so people crossing illegally into Canada are able to apply for asylum here, even if they arrived in the U.S. first.

Julie Lessard, who specializes in business immigration law, told the CBC that the current illegal flow of refugee claimants that is spreading across the longest undefended border into the world is fast becoming the status quo.

"People are just trying to get better lives, so if the ban comes back in another form—and because of the insecurity that it all created—well definitely, there was an increase in the last couple of weeks of the number of people trying to cross the border," Lessard said.

"I don't see it ending at this point in time."

Mr. KATKO. Thank you.

Ms. MCSALLY. I look forward to working with you and the potential for future discussions on the Northern Border.

OK. We are going into round two here. Vice Admiral Ray, as much as you can in an open setting, can you share some perspectives on increased sophistication of cartel activities in the maritime domain?

We have heard about them armoring their engines to avoid being shot out, or using infrared technology, night vision devices, submersibles, those types of things. Can you share some other examples of what you have seen of their evolving tactics and sophisticated technology?

Admiral RAY. Yes, ma'am. I will have to think my way through what I can talk about in this setting, but they are, without a doubt, as all the panel members have said, they are an innovative, adaptive, agile organization. As you said in your opening statement, it is sophisticated operations.

If you can buy it in the open market, they have got the funds to buy it. If it is anything that has to do with locating illicit goods, communicating via satellite, they are doing it and they get that.

When it comes to their ingenuity on the maritime, it is really impressive that they can build in a ditch in the jungle in Ecuador a craft capable of sailing about the distances going from Florida to Washington State and carrying about 7,000 or 8,000 pounds of cocaine. I mean, that is pretty impressive.

So incredibly innovative, incredibly resourceful, and so, that is what makes the problem so tough, they are adaptable.

Ms. MCSALLY. Great, thanks.

Chief Beeson, we talk a lot about situational awareness and operational control. So on the land border, there has been much discussion today about pushing the border south and disrupting the networks, and that is all an important part of the strategy.

But as any sort of breaches come to the border, whether it is going to go over, through or under or around, you know, we have got to make sure we have got the situational awareness that those breaches are happening and then the ability to have operational control to intercept those breaches as close to the border as possible. We have had many discussions about this.

In a previous hearing last Congress, Acting Chief Vitiello said that the situational awareness on the 2,000-mile Southern Border, if something breaches, if it moves, being able to see it real time is a little over 50 percent, 56 percent.

Do you agree with that number? Has any of that changed? What do we need to do in order to increase situational awareness so that if something moves, you see it?

Chief BEESON. So Chief Vitiello, I think, was referring to deployment density, and that encompasses situational awareness among other things, how you are, you know, putting down your resources and things like that.

From my perspective, that has gotten better. We have implemented integrated fixed towers in Nogales. As you know, we have got a system coming on-line in your district any day now, should becoming operational in Douglas.

We have another system that will be going operational in Sonoyta in the very near future. Then let's not forget the value of men and women in the Border Patrol, and certainly within Customs and Border Protection of the field office as well, being on the line and being able to observe and report what they are seeing.

You know, the barriers that we have deployed and that we will continue to deploy, the technology that we have deployed. All of that has to have a response element built into it, and that is the men and women.

So we need to make sure that we are continuing to deploy personnel, and certainly our objective is to get them down as close to the border as possible.

Obviously, we want to push it south. We would like to get the traffic before it ever gets to us. Absent our ability to do that, we want to get it at the border.

But then we do not want the border to become a single point of failure, and so we do need to be able to respond appropriately should something get past us on the line.

Ms. MCSALLY. Thanks, Chief. Additionally, we have talked a lot about the strategy of defense-in-depth in the rural areas, like my community, where we have fixed checkpoints which still—no real measurements of effectiveness there, but just really allowing the cartels to traffic through communities for hours, days, miles, you know, before they are potentially intercepted, which is a public safety threat.

As we are coming with a, you know, new leadership, is there going to be a fresh look at that strategy and trying to, you know, push closer to the border as opposed to where we have had, you know, almost 50 percent of the interceptions in the Tucson sector, as you know, are north of 5 miles from the border. There are a lot of people who live in that area. That is a continuous public safety concern.

Chief BEESON. So we are constantly assessing our strategy and looking for ways to improve upon it. As I mentioned, our objective, really, we want to work and push the border south as far as we can.

I think we have had some pretty good success stories, a couple of which Director Allen mentioned here today. Working with the government of Mexico to really get some of these bad things before they are even crossed into the United States.

We are continuing to deploy the men and women down to the border with the objective that we are going to make the arrests as close to the border as possible. On the whole, when you look at it, that is occurring in a wide number of areas.

There are some areas where we still have challenges with access to the border. You know, there are some environmentally-sensitive

areas. There are areas where there are no roads. So those are areas where that is a challenge for us, and so we are continuing to work.

Really, we want it as close to the border. We want to prevent it in the first place. Then, of course, absent our ability to do that, which does happen, then we want to make sure that we do not allow the border to become that single point of failure. We want to make sure that we have got the capability to interdict anything that does make it across.

Ms. MCSALLY. Thanks, Chief. So let's talk barriers for a minute. There is the 2,000-mile Southern Border. Seven hundred miles is land and about 1,300 is water. We have got some level of barriers in 654 miles.

Secretary Kelly testified last week that he would be listening to you and the troops on the ground to hear in different sectors where barriers need to be replaced or added. In your assessment, where do we need additional barriers or different types of barriers?

I will tell you, even some of the replacements going on in my district are causing some responses from local residents who are living on the border and their concerns.

So could you just comment on your perspective, which Secretary Kelly said he would be listening to on what we actually need?

Chief BEESON. Secretary Kelly did come down to the border. He has been to my sector. He has also been to the San Diego sector. Subsequent to the visit with us, he went to San Diego and did receive briefings from us on what our current laydown is, and some of the areas where we would look to enhance that when given the opportunity.

Customs and Border Protection and the Border Patrol, we have a process. The acronym for it is, because we love acronyms, the CGAP analysis.

So what we are doing with that is looking at what our critical needs are, where there are gaps, and then making sure that we have the plans moving forward on where we want to put these things. So we can, I think, provide you with another briefing—

Ms. MCSALLY. Great.

Chief BEESON [continuing]. To, kind-of, give you a better idea of where exactly we would like to put up barriers.

Ms. MCSALLY. I appreciate that.

All right, the Chair now recognizes Mr. Correa for 5 minutes.

Mr. CORREA. Thank you, Madam Chair. Very quickly, gentlemen, wanted to say that, you know, during the Obama administration, we had a record number of deportations, I believe, under Obama. Deportations were more than the last few Presidents combined.

So my question to all of you is it is my understanding that the folks migrating north from Mexico has really slowed down tremendously. Assuming that is the case, how much of that is due to a growing Mexican economy, growing middle class, growing number of jobs in Mexico that provide for folks to stay and essentially find a living in Mexico?

Mr. ALLEN. For me, that is more of an economics question. A little outside my area of expertise. So I pass on that one.

Mr. CORREA. Everybody pass on that one?

Admiral RAY. Well, I—

Mr. CORREA. It is an economics question, but I think it is a relevant one when we are looking at possibly putting tariffs on imports. That is really a monetary policy that could reduce economic growth south of the border.

But the other question I have, one is a sensitive one which is on the issue of corruption on our side. Do we have any reports? I know we have had some newspaper articles in the past about some of our border agents, unfortunately, you know, looking the other way. Any update on that? Any status on the corruption on our side of the border?

Mr. ALLEN. I don't have any numbers, and I refer to it both in my written and my oral statement. You know, the reality is that U.S. law enforcement is not immune to corruption.

While I think anecdotally it is certainly at a much lower level in the United States than it is in Mexico, you know, back to the question about internal conspiracies in the air environment, that we face that same challenge, that insider threat challenge, on our borders as well.

It is ICE is not immune. CBP is not immune. State and local law enforcement in the United States is not immune. It is something that we have to focus on and acknowledge.

Mr. CORREA. I say that because there is so much money involved in this business of drugs that nobody is immune. At the same time, let me take the opportunity to thank all of the men and women in uniform who do protect our borders, who do protect our citizens, because you do a darn good job.

My final question is really kind-of a comment. Got a chance to go into Mexico about 4 or 5 months ago. I went through some of the small villages, and the issue of public safety is a big one. Folks won't go out of their homes after the sun goes down because they fear for their lives.

It was very interesting. A few days before I got there, the Mexican marines came in and swept up the whole area. It is my understanding, unofficially, about 40 casualties. Forty of the bad guys were actually taken out.

But I want to encourage you to continue to cooperate with the Mexican authorities because you notice when Mexican marines go in with U.S. leadership they do make a difference when it comes to folks living in those small villages throughout Mexico. So please continue to do a good job.

Ms. MCSALLY. The gentleman yields back.

The Chair now recognizes Mr. Rutherford from Florida for a second round. No? OK. Great. Just a few more questions.

Admiral Ray, have you seen—can you share any changes in trends from the change to the wet foot, dry foot policy as far as Cubans trying to head north?

Admiral RAY. Yes, ma'am. As I said, last year was a record year in terms of growth of Cuban immigration, illegal immigration, since 1994, the biggest year we have had. After the wet foot, dry foot was repealed last month, we saw a dramatic downturn.

Now some of this is not really the season, right, this time of year when the weather and other things. So we are certainly not letting our guard down now because there is always the threat.



Certainly the conditions in Cuba and the conditions in America haven't changed. So we see the threat is still out there, but the facts on the water as of right now since that was repealed, there is a lot less attempts that we have seen thus far.

Ms. MCSALLY. Great, thanks. Can any of you comment on we have had a number of States in the country that are now legalizing marijuana, and whether that is impacting the business model of the cartels and changing from marijuana to other drugs or human trafficking related to the supply-and-demand issue?

Mr. ALLEN. I think that might fall into, you know, what we could call the intelligence gap. But, you know—and we talked earlier about heroin. In my mind, there is no mistaking the explosive, you know, growth in the cultivation of poppies in Mexico and the transition to, you know, heroin as one of their primary drugs that they are exporting to the United States.

Ms. MCSALLY. So, I mean, correlation doesn't mean causality, so there is——

Mr. ALLEN. Correct.

Ms. MCSALLY [continuing]. Probably a couple of different elements in that to include the increased demand and the opioid addictions——

Mr. ALLEN. Absolutely.

Ms. MCSALLY [continuing]. In the country. I do want to talk about that. Despite all the amazing efforts that you gentlemen represented today and all the individuals that are doing the job every single day in order to defeat these networks and intercept the activity, we still have a drug epidemic going on in our country.

The price of drugs is still, unfortunately, affordable for people to be ruining their lives. So that has not changed. The hard drugs coming through the ports of entry, primarily, most of you have testified to.

Mr. Allen, what else do we need to do at the ports of entry related to these hard drugs that are making their way through? There are pretty innovative techniques, as you have testified to and many of you have testified to.

Mr. ALLEN. Well, I think, you know, CBP has done a tremendous job in refining and improving how they target, you know, at the ports of entry.

I think focusing more, you know, resources on that problem set. You know, the reality is that CBPOs who are on the border have a very, very short time to make a decision about whether they should admit somebody or refer a vehicle or a person to secondary for further inspection.

So I think, you know, giving them the resources and the capabilities to target as effectively as they can, both in the, you know, kind-of the personally-owned vehicle and pedestrian environment, and then in commercial cargo, is key to that. That is certainly an interagency problem.

You know, ICE and HSI contribute, you know, information that helps refine targeting. But, you know, giving them as much good information to use to target is where we want to go.

Ms. MCSALLY. Is there additional technologies that are needed or technologies that have been proven that are not deployed to each of the ports of entry?

Mr. ALLEN. I would defer to Chief Beeson on that.

Ms. MCSALLY. Chief.

Chief BEESON. I will have to take that back, for the record.

Ms. MCSALLY. OK.

Chief BEESON. I will have to ask my—

Ms. MCSALLY. OK.

Chief BEESON [continuing]. Field ops, Congresswoman.

Ms. MCSALLY. Great, thanks. I will say I agree with many of the comments made by my colleagues here today that, you know, we have got to make sure that the legitimate economic activity that comes north and south continues to be able to flow while we are intercepting the illegitimate activity and the drugs and the human smuggling and what has been talked about today that happens both between the ports of entry and at the ports of entry.

If we are talking about border security, we have got to look at that in its completeness: The maritime domain, the air domain, the land domain, but then at the ports of entry. So we have seen in my community, the Douglas port of entry, just as an example, is one that is old, is not capable for addressing the commerce.

But also it is a security issue, right? Because they need upgrades to be able to address the illegitimate activity that is coming through the ports of entry. My hope would be—we had a hearing on this last time but, you know, upgrades to the ports of entry have been somehow—they are involved in other Federal buildings and priorities related to GSA.

I think we need to look at this more holistically as a security issue. When we are talking about infrastructure in this Congress and with the administration, I think we need to be focused at our ports of entry both for economic drivers and for security drivers, and I don't think that should be lost.

So that is more of a statement. I don't know if anybody has a comment on that, but I think somehow we, you know, often just talk about between the ports of entry, but the security at the ports of entry is just as critical. All right.

The Chair now recognizes my colleague for any last statements.

Mr. CORREA. Thank you very much. Again, I want to thank everybody for being here today, and I also concur with our chair that—very good discussion. Learned a lot today.

I just wanted to leave, again, focusing what our Madam Chair has said, ports of entry, inland ports. This is a concept I picked up from my colleagues in Texas, that checking our cargo, checking those things that are about to cross the border a few miles before they get to the border be sealed.

So that once you get to the border, your jobs is a whole lot easier than they are now. Has there been any further thought about working on those inland ports of entry?

Chief BEESON. So CBP has engaged in several different pilot programs. The one that I think you are referring to was in California. Most recently in Arizona they have a program, a joint customs program, with Mexican customs that has been working quite well for them. They speak very highly of it. So it is something that, you know, we continue to assess.

Ms. MCSALLY. Great. I want to thank the witnesses for their valuable testimony and the dialog and the questions and answers today. I thank the Members for their questions as well.

The Members of the committee may have some additional questions for the witnesses. I would ask you to respond to these in writing. Pursuant to committee rule VII(D), the hearing record will be open for 10 days. Without objection, the committee stands adjourned.

[Whereupon, at 11:51 a.m., the subcommittee was adjourned.]

