

Testimony of

# The Honorable Orrin Hatch

May 20, 2003

I want to welcome everyone to this important hearing to examine the issue of narco-terrorism.

The problems of terrorism, drugs and international organized crime pose new and significant challenges to our country. As everyone knows, these problems occur across borders, and are less and less subject to control by nation states. Terrorists around the world, and in every region, appear to be increasing their involvement in the trafficking of illegal drugs, primarily as a source of financing for their terrorist operations.

Narco-terrorists participate directly or indirectly in the cultivation, manufacture, transportation or distribution of controlled substances. Several terrorist groups provide security for drug traffickers transporting their products through territories under the control of terrorist organizations or their supporters. No matter what form it takes, or the level of involvement in drug trafficking, several significant terrorist groups are reported to be relying on drug money as one of several significant funding sources.

In the mid-1990s, I became concerned about the nexus forming between international organized crime, political movements and terrorism rising out of certain ungovernable areas of the world. Terrorist organizations developed relationships with illicit narcotics traffickers. In areas such as Afghanistan, a fundamentalist regime became wholly dependent on opium production at the time it became the host to Usama Bin Laden and Al-Qaida. In other parts of the world, such as Colombia, the connection was made through international organized crime, activities which are inconsistent with the ideological basis for terrorist activities.

Today, United States and coalition forces have successfully removed the Taliban from power, but we have not succeeded in stabilizing Afghanistan. Our policy is to support President Karzai, but his Tajik-dominated government has alienated the majority of the Pashtun population, who live in most of the opium producing areas of Afghanistan. This alienation of the Pashtuns has led to instability in Afghanistan that has resulted in fundamentalist and Al-Qaida resistance to U.S. forces and an increase in opium production. The Bush Administration recognizes that the situation in Afghanistan remains unresolved, and I urge the Administration to maintain its commitment to the future of Afghanistan, if we are to root out Al-Qaida and begin to reduce the opium production there.

The reach of narco-terrorism extends across the globe to other areas in Asia, the Middle East, and Latin America.

In South America, the narco-terrorist threat is well documented, including terrorist organizations such as the Revolutionary Armed Forces of Columbia (FARC), the National Liberation Army (ELN), and The United Self-Defense Groups of Columbia (AUC). Terrorist groups in Columbia rely on cocaine trafficking, transportation and storage of cocaine and marijuana, as well as taxing traffickers and cocaine laboratories, in order to support their civil war, terrorist attacks and the hostage-taking of Americans.

The connection between Middle Eastern terrorist groups, such as Hizballah and HAMAS, and Latin American drug trafficking, has been reported in the Tri-Border area of Argentina, Brazil and Paraguay, which has long been characterized as a regional hub for radical Islamic groups which engage in arms and drug trafficking, contraband smuggling, money laundering and movement of pirated goods.

I would note that, in a recent arrest reported just last week, the cousin of extremist Assad Ahmad Barakat, head of Hizballah in the Tri-Border area, was arrested in Paraguay with 2.3 kilograms of cocaine powder, which he intended to sell in Syria, to benefit the Hizballah terrorist organization. The cousin was reportedly a mule hired by Barakat, as part of the narco-terrorist financing operations needed to support Barakat and Hizballah.

I want to commend the Administration for its continuing efforts to fight narco-terrorism world-wide. Using tools provided in the PATRIOT Act, particularly those involving money laundering and intelligence gathering, the Bush Administration has demonstrated its commitment to fighting not only terrorists, but individuals and organizations which provide critical financing to terrorist groups.

We should make no mistake about it: the impact of global narco-terrorism on our own communities is significant.

- In the District of Columbia, in November 2002, three separate indictments were announced, charging 11 members of the FARC with the murder of three individuals, hostage taking, and drug trafficking involving the distribution of cocaine bound for the United States.

- In Houston, Texas, in November 2002, four members of The United Self-Defense Groups of Columbia (AUC) were caught trying to exchange \$25 million of cash and cocaine for weapons, such as shoulder-fired anti-aircraft missiles, 53 million rounds of ammunition, 9000 rifles, rocket-propelled grenade launchers, along with almost 300,000 grenades, to be used by AUC operatives.

- In San Diego, California, in November 2002, two Pakistani nationals and one United States citizen were charged with attempting to exchange 600 kilograms of heroin and 5 metric tons of hashish for cash and four anti-aircraft missiles to supply to the Taliban and Al Qaeda associates.

- Recently, in April 2003, the FBI and DEA disrupted a major Afghanistan-Pakistani heroin smuggling operation with the arrest of 16 individuals, in which heroin was being shipped to the United States, profits from the sale of the heroin were laundered through Afghan and Pakistani owned businesses in the United States, and then sent back to finance terrorists.

If we really want to win the war against terrorism, we need to continue and expand our commitment to cutting off all sources of terrorism financing, including drug trafficking. By doing so, we will not only cut off an important source of funding for terrorists, but we will reduce the amount of illegal drugs that poison our communities.

I look forward to hearing from today's witnesses.

I want to turn it over to Senator Biden who is serving as the Ranking Minority Member today for his opening remarks.

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