



U.S. Immigration and Customs Enforcement

STATEMENT

OF

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REGARDING A HEARING ON

“NARCOS: TRANSNATIONAL CARTELS AND BORDER SECURITY”

BEFORE THE

U.S. SENATE COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON BORDER SECURITY AND IMMIGRATION

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2:30 p.m.
226 Dirksen Senate Office Building

Chairman Cornyn, Ranking Member Durbin, and distinguished members:

Thank you for the opportunity to appear before you to discuss Narcos: Transnational Cartels and Border Security. U.S. Immigration and Customs Enforcement (ICE) enforces 400 federal laws governing border control, customs, trade and immigration to promote homeland security and public safety. With more than 20,000 employees and over 200 offices across the United States and in 50 countries, the men and women of ICE execute our mission professionally, and always in accordance with the law. ICE has three primary directorates: Homeland Security Investigations (ICE/HSI), Enforcement and Removal Operations (ICE/ERO), and the Office of the Principal Legal Advisor.

Joint Task Forces

In 2014, former DHS Secretary Jeh Johnson directed a Department-wide Southern Border and Approaches Campaign (SBAC), a comprehensive security strategy designed to unify efforts across DHS components to address threats specifically associated with terrorism, illicit market-driven flows, and illegal migration across our Southern Border and Approaches. In furtherance of the SBAC, former Secretary Johnson commissioned three pilot Joint Task Forces (JTFs) on November 20, 2014. The three Joint Task Forces, JTF-I, JTF-East (JTF-E), and JTF-West (JTF-W), are responsible for establishing operational priorities and synchronizing capabilities in order to achieve SBAC objectives.

Two of the JTFs, JTF-E and JTF-W, are geographically focused task forces that concentrate on the southern land and maritime borders of the United States and the approaches to our border—all the way to Central and South America. As a “functional” task force, JTF-I was established to improve the investigative functions within the Department in furtherance of the SBAC Plan.

JTF-I is responsible for enhancing and integrating criminal investigations in support of the operational priorities of JTF-E, JTF-W, the Components, and DHS Headquarters. To accomplish this, JTF-I manages the DHS-wide nomination and selection process for Homeland Criminal Organization Targets (HOMECORTs), the top transnational criminal networks influencing homeland security, and then coordinates the dozens of investigations and operations targeting each HOMECORT.

HOMECORT consists of three parts. The first is a nomination and selection process for prioritizing the top transnational criminal networks that are threatening homeland security based on the specific threats prioritized and described in DHS, JTF-E and JTF-W operational priorities.

The second is the development of comprehensive knowledge about the criminal network (hierarchy, associations, activities, etc.), which is called Comprehensive Criminal Network Analysis (CCNA). The third is National Case Management, a term used to describe centralized management and support of complex and priority investigations of entire criminal networks that cross jurisdictions, programs, and interagency and international boundaries.

The ultimate goal of a HOMECORT investigation is the complete dismantlement of the criminal network that is the subject of the investigation. Dismantlement is the dismantling of the target organization's leadership, network, and financial base to the point that the organization is incapable of reconstituting itself. JTF-I consists of approximately 70 interagency investigators, analysts, and operators, primarily from ICE, U.S. Customs and Border Protection, and U.S. Coast Guard, located in ICE headquarters and embedded in National Capital Regional Centers.

Since its inception, JTF-I has had a total of 31 HOMECORT priorities. Of those, 20 are now considered dismantled or degraded to the point that they are no longer a significant threat to homeland security as they once were. Currently, there are 11 active HOMECORT criminal networks that continue to be the targets of active criminal investigations.

ICE has been designated as the executive agent of JTF-I. As the largest investigative component within DHS, ICE/HSI protects the Homeland by conducting multi-faceted, international law enforcement operations and investigations, and by partnering with foreign and domestic law enforcement counterparts to combat transnational criminal organizations (TCOs) and prevent terrorist activities.

Combatting Transnational Criminal Organizations

ICE/HSI utilizes its broad legal authorities to investigate immigration and customs violations, including those related to export control, human rights abuses, narcotics, weapons and contraband smuggling, financial crimes, cybercrime, human trafficking and smuggling, child exploitation, intellectual property theft, transnational gangs, immigration document and benefit fraud, and worksite enforcement. ICE is grateful for continued congressional support that allows ICE to maintain critical operations at home and abroad.

During Fiscal Year (FY) 2018, ICE/HSI investigations led to the disruption or dismantlement of TCOs with 34,344 criminal arrests (an all-time high), including the arrests of 3,635 transnational gang members. We also seized approximately over 1 million pounds of narcotics, made approximately 1,101 seizures for violations of export laws and regulations, and seized \$1.2 billion in currency and monetary instruments. Additionally, ICE/HSI identified and assisted 308 human trafficking victims.

Today, I will provide ICE's perspective on Transnational Cartels and Border Security, and the challenges that we face, including the sophisticated smuggling threats on our Southwest Border, the approaches that lead to our border, and some of what we do to address TCOs and their smuggling activities before contraband arrives at our borders and enters into the interior of the United States.

Cartels along the Southwest Border

The Southern Border is a diverse environment, encompassing maritime borders in both the Gulf of Mexico and the Pacific Ocean that transition to vast land border areas that include rivers, rural agricultural lands, and densely-populated urban areas along the nearly 2,000 miles of our Southwest Border. In response to these vastly different areas, cartels adapt their methods and cargo to the smuggling environment. The primary TCOs that threaten the United States and its Southwest Border 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 last year's extradition of Joaquin Guzman Loera, aka "El Chapo," to face prosecution in the United States. However, every law enforcement success against the Cartels is countered by the fact that the Cartels are highly networked organizations with built-in redundancies that adapt daily based on *their* intelligence of U.S. border security and law enforcement.

While drug smuggling remains the focal point for media and community interest, the threat and crimes associated with human smuggling are prevalent and very real. Based on investigative evidence and collected intelligence, we observe that human smuggling enterprises and the Cartels maintain a symbiotic relationship with each other. Certain members of these criminal enterprises feed the major U.S. and foreign drug markets and others control the smuggling flow across certain geographic areas of the border on behalf of their cartel. Most human smugglers are required to pay taxes and fees to Cartels for access to smuggling routes through specific geographic areas and are subject to physical violence and/or death if proper coordination and compensation are not rendered. In addition, failed coordination between the Cartels and human smuggling enterprises greatly increases the risk of unwanted law enforcement attention and investigative efforts.

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, professional money launderers, cryptocurrency, and the misuse of Money Service Businesses and emerging payment systems. The Cartels exploit vulnerabilities in the global, U.S., and Mexican financial systems 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. The U.S. government has refined our ability to target money laundering and financial crimes 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, ICE/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.

Attacking the TCOs: Border Enforcement Security Task Forces

To investigate TCOs impacting Southwest Border security, ICE/HSI has assigned more than 1,500 special agents and almost 150 intelligence research specialists to Southwest Border offices, to include the Border Enforcement Security Task Forces (BESTs), which provide a comprehensive regional response to the growing threat to border security, public safety, and national security.

The Jaime Zapata Border Enforcement Security Task Force (BEST) Act was signed into law in 2012. This law authorizes the Secretary of DHS to establish a BEST program, direct the assignment of federal personnel to the program, and take actions to aid participating agencies. BEST groups throughout the country are comprised of law enforcement officers and personnel, including ICE/HSI Special Agents, Task Force Officers, intelligence analysts, and investigative support personnel representing more than 180 federal, state, local, tribal, and foreign law enforcement agencies. The BEST model is a comprehensive response to the growing threat to border security, public safety, and national security. BESTs eliminate the barriers between federal and local investigations and closes the gap with international partners in multinational criminal investigations.

Additionally, ICE/HSI has a permanent presence in 50 U.S. embassies overseas and is uniquely positioned to utilize established relationships with host country law enforcement, to include the engagement of Transnational Criminal Investigative Units (TCIUs) and International Border Enforcement Teams (IBET). These TCIUs and IBETs are composed of DHS-trained host country counterparts who have the authority to investigate and enforce violations of law in their respective countries. We partner with TCIUs and international task forces in 12 countries around the world. TCIUs are comprised of foreign law enforcement officials, customs officers, immigration officers, and prosecutors who receive ICE/HSI training and undergo a strict vetting process to ensure that shared information and operational activities are not compromised. These partnerships enable ICE/HSI to promote direct action via information sharing and investigative leads while respecting the sovereignty of the host country and cultivating international partnerships. Since our law enforcement officers

working overseas do not possess general law enforcement or investigative authority in most countries, the use of these TCIUs enables ICE/HSI to promote direct action in its investigative leads while respecting the sovereignty of the foreign government and promoting 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.

Mexico is a key partner in the fight against TCOs. ICE's Attaché Office in Mexico City is the largest ICE presence outside of the United States and has coordinated the establishment of TCIUs in Mexico comprised of Mexican law enforcement officers. 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 (DOS) 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. ICE looks forward to continuing the important partnership with President Andres Lopez-Obrador and his administration.

National Gang Unit

The National Gang Unit (NGU) is a critical part of ICE/HSI's mission to bring the fight to transnational criminal gangs. The NGU identifies and develops intelligence on gang membership, associations, activities and international movements. It also deters and disrupts gang operations by tracing and seizing cash, weapons, and other assets derived from illicit activities.

In 2005, ICE/HSI established Operation Community Shield, an international law enforcement initiative that combines our expansive statutory and civil enforcement authorities to combat the growth and proliferation of transnational criminal street, prison, and outlaw motorcycle gangs throughout the United States. With assistance from state, local, tribal, and foreign law enforcement partners, the initiative helps ICE/HSI locate, investigate, prosecute, and, where applicable, immediately remove gang members from our neighborhoods and ultimately from the United States.

Operation Community Shield has resulted in the criminal and administrative arrests of nearly 63,000 gang leaders, members, and associates since its inception. Among those, Operation Community Shield has resulted in the criminal and administrative arrests of over 8,500 leaders, members, and associates of the international criminal street gang La Mara Salvatrucha, also known as MS-13.

In 2012, the Office of Foreign Asset Control (OFAC) designated MS-13 as a TCO, the first criminal street gang so designated. As a result of this designation, any property or property interests in the United States, or in the possession or control of U.S. persons in which MS-13 has

an interest, are blocked. In addition, U.S. persons are prohibited from engaging in transactions with MS-13. Violations are subject to civil monetary penalties or criminal penalties up to \$250,000 and imprisonment up to 20 years.

In 2016, ICE/HSI incorporated OFAC's MS-13 designation in the development and implementation of a new strategy targeting MS-13, successfully identifying, exploiting, and disrupting MS-13's global financial network by targeting their command and control structure in El Salvador simultaneously with domestic investigations into the gang. Since January 2016, with support from the Organized Crime Drug Enforcement Task Force (OCDETF), ICE/HSI has been deploying special agents to El Salvador to work with Salvadoran law enforcement partners to build their financial investigative capacity to combat MS-13 and identify MS-13's financial networks.

In 2017, ICE worked with our DHS partners to form a departmental MS-13 Working Group, including ICE/HSI, CBP, U.S. Citizenship and Immigration Service, and the Department of Justice's (DOJ) Federal Bureau of Prisons. The DHS MS-13 Working Group was formed to share intelligence, bridge intelligence gaps, eliminate redundancies, enhance collaboration, and provide visibility to all DHS entities involved in the fight against MS-13. Since July 2017, the DHS Working Group has coordinated the arrest of 18 MS-13 and 18th Street fugitives in the United States who were wanted for homicide, gang association, and other gang-related offenses in El Salvador.

In FY 2018, ICE/HSI initiated Operation Gatehouse, an initiative to expand our partnership with the Government of El Salvador's National Civilian Police by embedding their agents in gang taskforces in the United States. Salvadoran police officials will work alongside ICE/HSI Special Agents and local police officers, share their expertise on MS-13 culture, and assist in identifying gang members who may be directing illicit activity in the United States.

Law Enforcement Sharing Efforts

ICE/HSI manages several strategic/information sharing initiatives, which include:

- Biometric Identification Transnational Migration Alert program (BITMAP)
- Law Enforcement Information Sharing Initiative (LEISI)
- Criminal History Information Sharing (CHIS) Program
- Transnational Criminal Investigative Units (TCIU)
- Visa Security Program (VSP)
- Trade Transparency Units (TTUs)

In addition to leveraging domestic assets, ICE/HSI benefits from its strategically deployed personnel around the globe who use established relationships with host country law

enforcement officials and mechanisms such as Customs Mutual Assistance Agreements (CMAAs) to share information and further investigations. Mutual Legal Assistance Treaties (MLATs) are also invaluable instruments in obtaining and receiving international legal assistance, including evidence for criminal investigations.

Another ICE/HSI program, BITMAP, helps provide capability for host governments to collect biometric and biographic data on persons of interest they encounter. This information is shared with U.S. law enforcement and intelligence agencies; ICE/HSI in turn shares information, as appropriate, with foreign governments. Through this process, the United States is able to track movements of persons of interest and take joint action with partner nations to deter human smuggling through the region. Comparisons of biometric data through BITMAP serve to identify criminal persons, wanted subjects (including international fugitives), and known or suspected terrorists. BITMAP is currently deployed in multiple countries, with plans to expand to additional countries.

ICE's LEISI team serves as an active advocate in support of law enforcement information sharing both internally and externally to DHS. This includes information sharing between federal, state, local, tribal, territorial, and foreign partners. LEISI coordinates throughout the law enforcement community to improve the understanding of information needs, provide leadership in resolving policy issues that may inhibit law enforcement information sharing, and develop approaches to overcome traditional barriers to information sharing.

LEISI provides program management support and oversight to include administration of the Law Enforcement Information Sharing Strategy. For FY 2018, additional focus is on international information for initiatives such as: Preventing and Combatting Serious Crimes (PCSC); the Five Country Ministerial (FCM), which brings together senior security officials from Australia, Canada, New Zealand, the United Kingdom, and the United States, to jointly confront persistent and emerging homeland security threats; the Five Country Conference (FCC), which is Data-Sharing Protocol agreed to between FCM countries; and ERO's Criminal History Information Sharing (CHIS) program.

CHIS is an ICE/ERO-led initiative between the United States and its international partners whose purpose is to provide participating nations with criminal history information in advance of an alien's removal. In turn, foreign countries share their information with the United States. The information shared helps protect law enforcement personnel, regional security, and public safety officers all over the globe. The initiative supports efforts in immigration management, law enforcement, and national security. Countries currently participating in the CHIS initiative are: Mexico, Dominican Republic, Jamaica, the

Bahamas, El Salvador, Honduras, Guatemala, and Cape Verde, with planned expansion to the FCM partners and Argentina in FY 2019.

CHIS operates three transmission platforms, the most recent version of which enables ICE/ERO to not only exchange criminal history and wanted felon information, but provides for the exchange of known gang affiliation. Without this initiative, dangerous criminals might be able to circumvent prosecution. In FY 2018, ICE/ERO provided its CHIS partners with 100,427 outbound transmissions and advance notices, 9,080 of which contained criminal notices. ICE/ERO received 20,578 inbound responses, of which 162 responses contained international wants/warrants and 163 responses contained notice of both criminal and gang affiliation. The first two CHIS platforms provide notice of conviction for 85 criminal codes with the most recent version providing 369 criminal codes prior to an alien's removal from the United States. CHIS also allows ICE to receive additional biographic and foreign conviction data from foreign partners that previously would have gone unshared. ICE is working to migrate all partners to the current platform by the end of FY 2019.

ICE/HSI also leverages its information sharing capabilities using the VSP and TTU. Through the VSP, ICE/HSI deploys trained HSI special agents abroad to high-risk visa issuing posts to identify and investigate potential terrorist and criminal threats before they reach the United States. VSP contributes to both counter-flow and counter-network capabilities, as well as provides support for intelligence, interdiction, and engagement. VSP special agents work alongside DOS Consular Officers to provide real-time feedback on visa applicants and a unified DHS recommendation on visa eligibility prior to adjudication.

The core mission of the TTU is to aggressively target criminal organizations and individuals involved in trade-based money laundering and those perpetrating contraband smuggling and customs fraud. ICE/HSI reached out to key foreign trading partners and successfully established 16 TTUs abroad. ICE/HSI currently has partnerships with Argentina, Australia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, France, Guatemala, Panama, Paraguay, Peru, Philippines, United Kingdom, and Uruguay. These foreign partners recognize the value of information sharing, which permits the comparison of international trade and cross border movement of merchandise.

Operation CITADEL

Operation CITADEL is a multi-year, interagency effort that began in 2013 to bolster law enforcement, customs, and immigration enforcement capabilities of host nations, while also supporting ICE/HSI domestic investigations. CITADEL's focus is to identify, disrupt, and dismantle TCOs and terrorist support networks by targeting the mechanisms used to move migrants, illicit funds, and contraband throughout the Western Hemisphere. CITADEL supports the DHS Secretary's SBAC through intelligence collection, focused investigative support to the JTF-I HOMECORTs, and other priority ICE/HSI investigations.

CITADEL facilitates training and capacity building through real-time, cross-border operations with partner nation TCIUs; undercover operations; judicial wire intercepts; document and media exploitation at ports of entry and along illicit smuggling routes; sensitive site exploitation/evidence collection; BITMAP collection of special interest alien; extraterritorial criminal travel subjects; and other investigative activities.

Interagency collaboration from agencies within DHS, DOS, DOD, and the DOJ, as well as other foreign partners, has been an essential piece of Operation CITADEL's efforts to build capacity and to address identified threats. In FY 2018, Operation CITADEL expanded and synchronized the capabilities and resources of partner nation law enforcement to include; ICE/HSI, ICE/ERO, CBP, DOD, DOJ, DOS, and the Drug Enforcement Administration. Operation CITADEL successfully delivered capacity building to partner nations in Colombia, Panama, Honduras, El Salvador, Guatemala, Mexico, Ecuador, Brazil, Argentina, the Bahamas and the Dominican Republic. Together, this strengthened foreign nations' law enforcement capabilities while helping to initiate and advance collaborative, transnational investigations. Operation CITADEL provided support to numerous domestic and international investigations.

Enforcement efforts resulted in 520 criminal arrests, seven unaccompanied minors rescued, seizures of \$1,094,787 from illicit currency movements, 9,606 aliens of possible national security concern identified, and the initiation of 74 criminal investigations.

CONCLUSION

Thank you again for the opportunity to appear before you today and for your continued support of DHS, ICE, and our missions. 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. I would be pleased to answer any questions you may have.