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U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

**AD HOC SUBCOMMITTEE ON STATE, LOCAL AND PRIVATE SECTOR
PREPAREDNESS AND INTEGRATION**

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

U.S. SENATE

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Chairman Pryor, Ranking Member Ensign, distinguished Senators, thank you for the opportunity to discuss the work of the Department of Homeland Security (DHS) Office of Inspector General (OIG) regarding our investigative efforts. As Assistant Inspector General for Investigations, my office is responsible for investigating all allegations of DHS employee criminal misconduct.

Our mission is to strengthen the effectiveness and efficiency of DHS by conducting investigations and exercising oversight that will help to:

- Secure and Protect the Nation from Dangerous People and Dangerous Things;
- Protect the Civil Rights and Liberties of the Citizens, Immigrants, and Non-immigrants in the United States; and
- Protect and Enhance Departmental Programs.

As intended by federal legislators and the stewards of good government, the OIG is an independent and objective investigator of criminal and other serious misconduct. We report both to the Secretary and the Congress and our position provides the necessary objectivity to inspire the public trust and the confidence of the DHS workforce, especially when dealing with matters of corruption. The DHS OIG has statutory authority and responsibility to conduct criminal investigations into allegations of employee misconduct within the DHS. We investigate 100% of all allegations of serious criminal misconduct involving DHS employees. We investigate all allegations of corruption of DHS employees related to the security of the nation's borders including the smuggling of drugs, weapons, and people. We have a staff of highly trained and experienced criminal investigators deployed in 25 offices throughout the U.S., complimented by a staff of audit and inspection professionals.

Border related corruption is not limited to one DHS component, but, unfortunately, could involve employees and contractors from across DHS, from Customs and Border Protection (CBP) to the Transportation Security Administration (TSA), Citizenship and Immigration Services (CIS) and others.

In Fiscal Year (FY) 2009, the Office of Inspector General (OIG) received about 12,458 allegations of fraud and initiated over 1,085 investigations. Our investigations resulted in 313 arrests, 293 indictments, 281 convictions and 59 administrative actions. Additionally, we reported over \$85.7 million in fines, restitutions and administrative cost savings and recoveries.

Specific to employee corruption on the border, since 2003, we have made 129 arrests of corrupt Customs and Border Protection Officers and Border Patrol Agents. In FY 2009, we opened 839 allegations involving DHS employees:

- 576 CBP;
- 64 CIS;
- 35 TSA, and
- 164 ICE

Without discounting the excellent work of our own agents, much of our success is due to our collaboration with law enforcement partners. A key component of our investigative strategy is to leverage our limited resources and share intelligence. Our participation on various federal, state, and local task forces, such as the Federal Bureau of Investigations (FBI) Border Corruption taskforces, allows us to achieve greater economy and efficiency. We recognize that streamlining of operations is essential in any government program today. We embrace this logic and use well established relationships with the Drug Enforcement Agency (DEA), Immigration and Customs Enforcement (ICE), the FBI and others to achieve success.

Scope of Border Corruption Issues

Border corruption is a complex investigative matter. In recent years, federal, state and local law enforcement agencies on the border have increased personnel and redeployed resources in an effort to assert more effective controls. CBP staff and funding levels have increased dramatically since 2003, creating the largest uniformed federal law enforcement agency in the country, an agency that, along with ICE, occupies the front line in the prevention of smuggling and illegal border crossings.

Law enforcement has long recognized that the smuggling of people and things across the nation's borders is a large scale business venture dominated by organized criminal enterprises. In part, the structured nature of these drug trafficking organizations is a necessary response to the success of our Departmental strategy. As the Department becomes more efficient and successful in deploying techniques, technologies and manpower to disrupt traditional smuggling routes and networks, the smuggling organizations have redoubled their efforts to evade our efforts by using alternative tactics, including bribing DHS employees and engaging in fraudulent schemes to acquire immigration benefits. We have found the tactics used by the drug trafficking organizations in their corruption activities are similar to the processes or tactics used by foreign intelligence services as they attempt to recruit or otherwise compromise our officers and agents.

The corruption activities of drug trafficking organizations are not limited to those employees such as customs inspectors and border patrol officers whose duties are posting and patrolling the physical border, but encompass almost every layer of the DHS border security strategy. We have had investigations involving DHS employees who were posted away from the border but who were targeted for corruption because of their value

in providing access to sensitive law enforcement information or their ability to convey immigration benefits or otherwise assist drug trafficking organizations in evading our enforcement efforts.

ICE employees, including sworn law enforcement officers, have been targeted and recruited, as have other federal, state and local law enforcement officers, because of their access to sensitive law enforcement intelligence or operations. Drug trafficking organizations have purchased intelligence information, and have utilized their access to our government law enforcement databases to vet drug trafficking organization members, track investigative activity, and identify individuals cooperating with the government.

TSA employees have been a corruption target as well, because organized criminal enterprises need to securely move their bulk product further inland away from the border areas or move cash proceeds or weapons out of the U.S. If you have an international airport in your District, or an interstate highway for that matter, you can have border corruption. We have arrested TSA employees for their participation in moving narcotics and weapons through security screening and even for the sale of baggage screening tags.

CIS employees have been corruption targets because drug trafficking organizations need to have personnel operating inside the U.S. to facilitate their business ventures or infiltrate U.S. government agencies. Drug trafficking organizations or even foreign governments, use immigration fraud to obtain U.S. citizenship or other immigration benefits to place conspirators in position to assist their criminal enterprise - even as government employees or contractors. We have investigated and arrested CIS employees for their role in such schemes.

DHS OIG Corruption Investigations with Law Enforcement Partners

Some examples of our investigative work and partnership with other law enforcement agencies include:

1) The DHS OIG field office in McAllen, TX, initiated an investigation into two U.S. Customs and Border Protection Officers (CBPOs) in Brownsville, TX, who were assisting an illegal alien and narcotic smuggling organization. In partnership with the FBI and ICE, we began a surveillance of the Brownsville Port of Entry to monitor the CBPOs' interaction with each other and with suspected members of a smuggling organization. Our undercover operations resulted in the arrest of illegal aliens and seizure of narcotics that were moving through the port.

After DHS OIG agents and agents from our law enforcement partners arrested one of the CBPOs for alien smuggling and narcotic smuggling, we searched his residence and found \$85,250. When questioned, the officer admitted to smuggling. He was indicted and pleaded guilty to alien smuggling and narcotics smuggling. He forfeited the \$85,250 and was sentenced to 135 months federal confinement and 60 months supervised release.

2) Agents of the DHS OIG and other federal law enforcement agencies developed information that indicated that a CBPO in Detroit, MI, was conspiring to smuggle aliens into the U.S. from Canada with a Lebanese national who was a U.S. permanent resident. We obtained a court-ordered wiretap on the permanent resident's cellular telephone and evidence was developed that indicated that the CBPO, the permanent resident, and other suspects were actively planning several smuggling operations at the Detroit/Windsor Tunnel Port of Entry (POE.)

Agents and officers of the DHS OIG, FBI, Royal Canadian Mounted Police and Detroit Police Department conducted surveillance at the Detroit/Windsor Tunnel and interceded in the smuggling of an inadmissible Lebanese national. Subsequent to the apprehension, numerous conversations between the permanent resident and the CBPO were recorded.

When interviewed, the CBPO, who confessed to smuggling and resigned. He was indicted along with the permanent resident, and the resident's father and another person for conspiracy, alien smuggling, and improper entry by an alien. The father and third person pleaded guilty to and were sentenced to 6 months incarceration. The former CBPO pleaded guilty and was sentenced to 24 months incarceration, 24 months probation and was fined \$4,000.

3) The DHS OIG was contacted by a U.S. Border Patrol Agent who served as a Sector Lead Intelligence Officer in Arizona. The Border Patrol Agent reported that the Chief of Police of a small Mexican border town attempted to bribe him to assist in the importation of narcotics from Mexico into the United States through a remote border area on an Indian reservation in southern Arizona.

In an undercover capacity, the Agent assisted the DHS OIG and we were able to monitor phone calls. We recorded several meetings between the Agent and the Chief. At those meetings, the Chief offered the Agent \$25,000 per load of marijuana that was smuggled and gave him a deposit of \$100,000 up front for the first four vehicles. At the final undercover meeting, the Chief gave the Agent a bag containing \$80,020 as a down payment. During the meetings the Chief was accompanied by one of his subordinate police officers.

After his arrest by agents from DHS OIG, FBI and ICE, the Mexican Police Chief pleaded guilty to bribery of a public official. He was sentenced to 90 months imprisonment, to be followed by removal from the United States. The Mexican Police Officer who assisted the Chief, pleaded guilty to Misprision of a Felony, and was sentenced to time served (approximately one year.) He was ordered removed from the United States.

4) A CIS District Adjudication Officer (DAO) was paid \$100,000 to allow a foreign couple into this country based on fraudulent work visas. The DAO was found guilty by a federal jury of bribery and conspiracy to encourage and induce aliens to come and reside in the United States. The DAO was sentenced to 40 months in prison.

5) Our investigation revealed that an ICE Supervisory Special Agent who was assigned overseas as an ICE Attaché and later became a Headquarters official, solicited bribes to steer an armored vehicle contract to a foreign vendor. He also improperly vouched for foreign nationals who were seeking U.S. immigration visas. He was sentenced to 90 months of confinement after pleading guilty to bribery, money laundering, wire fraud, and honest services fraud.

6) We investigated an ICE Supervisory Immigration Enforcement Agent who was arrested at an airport after ten pounds of marijuana was discovered in his carry-on luggage. When interviewed, he admitted using his government credentials to bypass security for marijuana smuggling on five previous occasions. Following a guilty plea to conspiracy to distribute a controlled substance, he was sentenced to 25 months in prison followed by 24 months of supervised release. We were assisted in this investigation by the DEA.

7) We investigated a Transportation Security Officer (TSO) at an international airport who was illegally selling TSA security stickers. The stickers are used to mark passenger baggage that has already undergone screening. The stolen stickers were then used to facilitate the transportation of narcotics. Using an undercover agent, we purchased a reel of 399 TSA stickers from the TSO for \$200 in order to transport what the TSO believed to be a shipment of cocaine from Miami to New York City. The TSO was arrested and pleaded guilty to theft of government property. He was terminated from TSA and was sentenced to 36 months probation and 150 hours of community service.

8) We investigated a Supervisory TSO who participated in the smuggling of narcotics through a checkpoint at a U.S. international airport. Our investigation determined that the Supervisory TSO conspired with a conspirator who was not employed by DHS, and who was the main organizer of an international smuggling operation. The Supervisory TSO was indicted and pleaded guilty to one count of attempt to distribute and possess a controlled substance and was sentenced to 135 months imprisonment. The organizer was sentenced to 262 months imprisonment.

9) We investigated a U.S. Coast Guard Petty Officer (First Class) who portrayed himself as an immigration official and said he could help an illegal alien avoid capture and deportation from the United States. The family of the illegal alien paid the Petty Officer more than \$30,000 in bribe money. Substantial evidence was obtained through numerous undercover operations, recorded telephone conversations, and a search warrant. The Petty Officer pleaded guilty to extortion and received 24 months incarceration, 12 months probation, and a \$2,500 fine.

Areas for Continued Improvement

We have identified the following issues as areas where continued improvement could help the department address employee corruption: (1) Employee Suitability; (2)

Monitoring and Oversight; (3) Ongoing Employee Training (4) Enforcing Administrative Action; (5) Hotline Allegations; and (6) Improved Information and Intelligence Sharing.

Employee Suitability - In the area of employee suitability, the Department has a number of component based internal affairs offices, which compliments our collective mission to help ensure the integrity of the DHS workforce by conducting administrative investigations, enforcing departmental and agency procedures and policies, and screening prospective employees. Additional tools DHS components can use are improved background and suitability testing using tools such as the polygraph, and drug testing.

Monitoring and Oversight - As employees come onboard the importance of monitoring and oversight is critical. For example, DHS should monitor their workforce for erratic behavior or questionable performance and develop and deploy integrity training and periodic financial screening mechanisms. This ongoing monitoring should detect the tell-tale signs of corruption such as living beyond one's means or other unusual or erratic behavior. We intend to continue to oversee the departmental internal affairs agencies to ensure efficiency and effectiveness.

Ongoing Employee Training - We rely on DHS internal affairs components to compliment the OIG's criminal enforcement mandate by carrying out its mission to help ensure the integrity of the DHS' workforce. We recently embarked on a joint initiative with ICE to provide integrity briefings and training for DHS employees. Similarly, in 2008, we helped CIS produce a high quality employee integrity video, which highlighted our investigation and successful prosecution of a CIS employee.

Enforcing Administrative Action - In addition to the deterrent effect, the Department must take enforcement action against employee misconduct. Once a decision has been made concerning misconduct DHS components must take swift and appropriate administrative action against employees to demonstrate its commitment to continued professional excellence.

Hotline Allegations - In accordance with the Inspector General Act, all DHS components must ensure that all allegations are promptly and efficiently referred to the OIG hotline for review.

Improved Information and Intelligence Sharing - We must all cooperate and continue to share information and intelligence concerning corruption information to maximize our resources by avoiding duplication of effort. Every leaking faucet starts as a drip. Prevention, detection, deterrence, and early interdiction are key to stopping employee corruption.

We appreciate the attention and focus on this effort. We will continue to work in partnership within the Federal, State and Local law enforcement community to aggressively attack the corrupt and greed-driven criminal schemes that threaten our border security.

Mr. Chairman, this concludes my prepared statement. I will be pleased to answer any questions you or the Members may have.