

STATEMENT

OF

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BEFORE THE
UNITED STATES SENATE
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS

“SECURING THE BORDER: ASSESSING THE
IMPACT OF TRANSNATIONAL CRIME”

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Before the U.S. Senate Committee on
Homeland Security and Governmental Affairs
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Chairman Johnson, Ranking Member Carper, and distinguished Members of the Committee:

It is my privilege to address you today on behalf of the Arizona High Intensity Drug Trafficking Area’s (HIDTA) Executive Board concerning the current drug threats in Arizona and how these threats affect the rest of the country.

The Arizona HIDTA region is approximately 64,443 square miles and includes 372 miles of contiguous international border with Sonora, Mexico. The international border area consists of inhospitable desert valleys and rugged mountainous terrain, which are ideal for drug smuggling. The Arizona/Sonora corridor is comprised of six international land ports of entry (POEs) situated in Nogales (Mariposa and DeConcini), Naco, Douglas, Sasabe, Lukeville, and San Luis.

The Arizona HIDTA is comprised of nine counties that encompass the Phoenix and Tucson metropolitan areas, with a combined population of approximately 6,082,367 residents. Of the 21 Native American Reservations in Arizona, 17 are in the Arizona HIDTA region.

Six main interstate highways run through Arizona and connect Arizona to California, New Mexico, Nevada, Colorado, and/or Utah: I-8, I-10, I-15, I-17, I-19, and I-40. Due to Arizona’s geographical location and shared border with Mexico, all highways and roadways are exploited by Mexican drug trafficking organizations (DTOs) to transport large quantities of illicit drugs.

On an annual basis, the Arizona HIDTA Investigative Support Center's Threat Production Unit conducts a comprehensive intelligence study to identify the new and continuing trends in the Arizona region. The purpose of the yearly Threat Assessment is to provide strategic intelligence to the Arizona HIDTA and its partners to assist in the development of drug enforcement strategies.

The Threat Assessment found that the Sinaloa Cartel presents the primary operational threat to Arizona, possessing vast resources to source, distribute, transport, and smuggle large amounts of cocaine, marijuana, heroin, and methamphetamine in and through Arizona. The Sinaloa Cartel and affiliated Mexican DTOs exploit well-established routes and perfected smuggling methods to supply drug distribution networks based in Arizona cities, which in turn supply drug networks throughout the United States. The Mexican State of Sonora is home to key drug trafficking plazas controlled by the Sinaloa Cartel. The plazas are used for the staging of drugs, money, and weapons. Smuggling organizations, based on both sides of the Arizona/Mexico border, are hired to smuggle drugs through or between the Arizona POEs.

Arizona HIDTA investigations reveal several operational components to the drug business as it relates to Arizona. First, drugs are smuggled from Mexico into Arizona through the POEs, or between the POEs, through remote desert areas; then drugs are either transported directly to stash houses in Tucson or Phoenix or temporarily staged on the Arizona side of the border before landing in Tucson or Phoenix stash houses. Because Arizona is essential to the Sinaloa Cartel, law enforcement operations that successfully disrupt and/or dismantle Arizona-based drug organizations directly impact other U.S. drug markets, i.e., drug availability, price and purity, methods of operation, and shifting trends.

The metropolitan and surrounding areas of Phoenix and Tucson are command and control hubs for far-reaching Mexican drug distribution networks. The distribution networks supply ton quantities of marijuana, methamphetamine, cocaine, and heroin to large-scale customers located in Northwest, Midwest, Southeast, and East Coast cities. The Arizona Threat Assessment found that according to the El Paso Intelligence Center (EPIC) National Seizure System (NSS), from FY 2012 through FY 2014, 451 drug seizures occurred outside of Arizona but had a documented Arizona nexus. Specific to the 451 drug seizures, 315 seizures resulted in the seizure of 10,223 kilograms of marijuana; 74 seizures resulted in

the seizure of 202 kilograms of methamphetamine; 42 seizures resulted in the seizure of 141 kilograms of cocaine; and 20 seizures resulted in the seizure of 37 kilograms of heroin. The sheer volume of seizures with an Arizona nexus, along with investigative data, further confirms how vital Arizona is to Mexican DTOs.

The smuggling organizations that operate along the Arizona/Mexico border deploy an assortment of transportation methods to defeat law enforcement border defenses, such as tractor-trailer trucks and vehicles outfitted with deep hidden compartments; stolen vehicles; all-terrain-vehicles (ATVs); underground tunnels; ultralight aircraft; backpackers; and scouts and spotters to assist backpackers hiking through the desert.

Privately-owned automobiles and tractor-trailer trucks with hidden compartments are used prevalently for POE smuggling operations. POE seizures reveal the use of gas tanks, quarter panel door panels, and other natural voids in vehicles. Some of the more sophisticated concealment methods involve false oil pans, gas tanks, fire wall compartments, engine manifold areas, drive shafts, transmissions, and compartments built into the vehicle frame. Just recently, nearly 13,000 pounds of marijuana were seized from a Mexican national driving a tractor-trailer through the Nogales POE. The marijuana was inside boxes commingled with mechanical components. Another example is from an Arizona HIDTA long-term investigation that culminated in April 2013 and resulted in an Arizona record seizure of 137 pounds of methamphetamine; 107 pounds of heroin; and \$50,000, concealed in 140 PVC pipes in rear axles of nine semi-tractor trailers. The targeted smuggling organization utilized a specific method whereby semi-tractor-trailer trucks, already loaded with drugs concealed in PVC pipes, were driven from Nogales, Sonora, Mexico, through the Nogales POE by Mexican drivers to truck yards in Nogales, Arizona. At the Nogales, Arizona truck yards, U.S.-based drivers would take control and drive these same trailers, still loaded with drugs concealed in PVC pipes, to Phoenix or Los Angeles, for further transport to Atlanta, Georgia.

Arizona drug smuggling groups use pedestrian body carriers and oftentimes exploit children and their families to transport illicit drugs through the POEs. HIDTA investigations reveal ties between body carriers who crossed the border as pedestrians, then boarded commercial shuttles or buses destined for Tucson and/or Phoenix, Arizona. In addition to adult pedestrians carrying drugs through

the POEs, the Arizona HIDTA Threat Assessment reports the use of car seats, strollers, and the body area of infants and young children to conceal marijuana, cocaine, heroin, and methamphetamine. The organizations use grade school, middle school, and high school students. These methods are perceived by the smuggling organizations to be less likely identified by law enforcement.

Transportation and smuggling activities between the POEs in inhospitable desert valleys separated by rugged mountainous terrain are equally important and ideal for drug smuggling. Mexican smuggling groups often use backpackers, ATVs, and vehicles equipped to traverse washes, valleys, and pipeline roads, thus avoiding law enforcement checkpoints and smuggling sensors. An extensive system of scouts armed with radios, solar-powered radio repeaters, cellular phones, and weapons situated on high points along drug trafficking routes are vital to the smuggling groups. Located in strategic positions in Mexico and as far as 75 miles into Arizona, scouts protect drug loads from law enforcement and rip-crews and re-direct backpackers and vehicles to avoid law enforcement operations. The scout networks rely on sophisticated two-way radios and cellular phones for communication. Radios have complex, digital encryption technology, thus making it more difficult for law enforcement to detect and decode the frequencies used during smuggling operations. The remote activation and GPS capabilities of these radios allow for “smuggling supervisors” to monitor the progress and security of smuggling groups. Scouts also use high-powered optical devices and technical surveillance methods to observe law enforcement and coordinate smuggling operations along the border and through the desert valleys. The scouting network allows for the organization to have a continuous view of law enforcement presence on both sides of the border, making it easier to direct loads around any law enforcement presence. The scout’s role is fundamental to the drug organization’s success in supplying drugs to U.S. cities.

Tribal land located along the Arizona/Mexico border is a key smuggling corridor for illicit drugs. The territory of the Tohono O’odham Nation consumes approximately 71 miles, 19% of the Arizona/Mexico border. Tribal lands are used to stash large quantities of drugs prior to delivery to Arizona distribution networks and subsequently to U.S. drug markets. Specifically, the Tohono O’odham Indian Reservation, which straddles the Mexico/Arizona border, is exploited by the smuggling groups. Tribal members with family ties to Mexican drug organizations are used to facilitate drug movement, transport illicit drugs to

Phoenix and Tucson stash houses, and recruit other tribal members to support trafficking activities. Support activities include providing temporary stash locations and delivering food and water to backpackers. Arizona HIDTA investigative reporting indicates illicit drugs moved through the Nation are transported on Federal Routes 1, 34, 15, 21, and 19.

Vehicle incursions are employed as a method to move illicit drugs through Arizona border areas. Sometimes vehicle incursions are assisted by crews, brush clearers, and fence cutters. Additionally, cranes and ramps have been observed along the border. Most importantly, vehicle incursions present a potential threat to law enforcement because drivers are often aggressive and drive at high rates of speed to avoid detection.

Marijuana is regarded as the greatest drug threat to the Arizona HIDTA region. It remains a cash crop for Mexican drug trafficking organizations. The Arizona/Sonora corridor is the most significant marijuana trafficking route for both the Sinaloa Cartel and large-scale, Sonora-based DTOs. The majority of the marijuana smuggled into Arizona is destined for other parts of the U.S. According to the EPIC NSS, despite a 27% decrease in Arizona marijuana seizures, from 608,075 kilograms seized in Calendar Year (CY) 2012 to 445,871 kilograms in CY 2014, Arizona still accounts for 39% of all marijuana seized in the Southwest Border states. As recently as February 2015, an Arizona HIDTA investigation resulted in the seizure of 4,700 pounds of marijuana in Bisbee, Arizona, which led to the discovery of a tunnel at a residence in Naco, Arizona.

Methamphetamine is supplied to Phoenix and Tucson distribution networks by the Sinaloa Cartel and other Mexican-based sources at unprecedented levels. According to the Arizona HIDTA Threat Assessment, it is the second greatest drug threat in the Arizona HIDTA region. The EPIC NSS shows Arizona methamphetamine seizures increased from 1,877 kilograms in CY 2012 to 2,523 kilograms in CY 2014, a 34% increase. Arizona HIDTA methamphetamine seizures show similar trends, increasing 30% from 685 kilograms seized in CY 2012 to 890 kilograms in CY 2014. The overwhelming availability of methamphetamine is confirmed by the prices, which have been on the downturn for the past five years, from approximately \$8,000 per pound to \$3,000 per pound. Methamphetamine in solution is an emerging trend facing Arizona law enforcement. The Arizona HIDTA Threat Assessment found that methamphetamine in solution seizures have

increased in Arizona. Methamphetamine in solution is concealed in the gas tank and windshield wiper fluid reservoir areas of transportation vehicles and in tequila bottles, beer bottles, and soda bottles. The abundance of methamphetamine in Arizona is directly correlated to increased methamphetamine production in Mexico by the Sinaloa Cartel and other Mexican DTOs.

Most often, the drug trafficking trends occurring within the Arizona HIDTA region set the trends for other United States regions. For example, the June 2014 Arizona HIDTA Threat Assessment Heroin Study reported that circa 2007, Mexican “white” heroin first surfaced in Arizona, and investigations increasingly showed direct connections between Mexico-based sources and wholesale heroin buyers in East Coast, Midwest, and Northwest cities. In 2009, Federal, state, and local law enforcement entities began to observe an increase in the amount of heroin seized in Arizona. The number of Arizona HIDTA investigations whereby heroin exhibits were seized increased 36% from 140 in CY 2013 to 190 in CY 2014. EPIC NSS shows Arizona heroin seizures increased from 486 in CY 2013 to 507 in CY 2014; however, looking further back, approximately 180 kilograms of heroin were seized in 2010, showing an astounding 181% increase from CY 2010 to CY 2014.

Seizing the opportunity to profit from the growing appetite for heroin pursuant to the prescription drug epidemic, the Sinaloa Cartel and other Mexican DTOs adapted to meet the growing heroin demand by producing, smuggling, transporting, and distributing wholesale quantities of Mexican white, brown powder, and black tar heroin to the expanding Northeast, Midwest, and Northwest heroin markets through Arizona-based trafficking networks. The Arizona HIDTA Heroin Study shows from CY 2012 through June 2014, approximately 163 heroin seizures totaling 575 kilograms occurred outside of Arizona but linked to distribution networks operating in Arizona. In June 2014, an Arizona HIDTA investigation into a Mexico heroin organization resulted in the seizure of 89 pounds of white heroin. The investigation revealed the Tucson-based Mexican distribution cell was supplying multi-pound quantities of heroin to Las Vegas, Nevada, Denver, Colorado, and Portland, Oregon.

The Arizona HIDTA is uniquely qualified to combat the immense drug trafficking threat facing Arizona, for this threat is too big for one single agency. Intelligence is an integral component of the infrastructure of the Arizona HIDTA Program.

Through the systematic collection, analysis, and dissemination of secure, accurate, and timely intelligence, there is increased inter-agency communication, coordination, and deconfliction, which heightens officer safety, eliminates duplication of effort, and enhances investigations. Coordination through shared intelligence is critical to combating the tremendous threat posed by the Sinaloa Cartel and Mexican drug trafficking organizations. The Arizona HIDTA philosophy of cooperation and coordination is based upon enhanced information and resource sharing through co-located and/or collaborative Task Force Initiatives strategically stationed throughout the region. Under the coordination umbrella of the Arizona HIDTA, the participating law enforcement agencies eliminate duplicative operational and investigative programs and facilitate tactical, operational, and strategic intelligence sharing. The extent of inter-agency cooperation supported by the Arizona HIDTA illustrates that all Initiatives are working investigations in an efficient and effective manner. The Arizona HIDTA approach demonstrates that when traditional organizational barriers are overcome, Federal, state, local, and tribal law enforcement entities can better focus investigative and intelligence resources in dismantling and disrupting the most dangerous and prolific drug trafficking organizations.

Thank you for the opportunity to appear before you and for the Subcommittee's continued support of the HIDTA Program. The Arizona HIDTA remains committed to facilitating cooperation among Federal, state, local, and tribal law enforcement through the sharing of intelligence and to supporting coordinated law enforcement efforts.

I will be glad to address any questions you may have at this time.