



U.S. Immigration and Customs Enforcement

STATEMENT

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*“UNPRECEDENTED MIGRATION AT THE U.S. SOUTHERN BORDER: FRONTLINE
PERSPECTIVE”*

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Chairman Johnson, Ranking Member Peters, and distinguished members of the committee, Committee 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 Drug Enforcement Administration (DEA), and many other domestic and international law enforcement and immigration 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 into 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 disrupting Cartel leaders and prosecuting them in the United States, as evidenced by the recent conviction of Joaquin Guzman Loera, aka "El Chapo." 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 regularly adapt based on their highly-sophisticated intelligence capability about U.S. border security and recent law enforcement arrests and seizures.

Mexican Cartels, notably Sinaloa, Jalisco New Generation, Los Zetas, and the Gulf Cartel, 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 impacted Cartel influence in certain areas, and as alliances between Cartel leadership shifts over time.

In addition to drug smuggling, other criminal threats that we face along our Southwest Border are human smuggling and human trafficking. Human smuggling and trafficking are two distinctly different crimes. Human trafficking is exploitation-based, with or without a border crossing, and requires force, fraud, or coercion compelling someone into labor or commercial sex, or causing a minor to engage in commercial sex. Conversely, human smuggling is transportation-based, requires the crossing of a border, and involves individuals who seek help in gaining illegal entry into the U.S. Human smuggling can transition and develop into trafficking once force, fraud, or coercion are introduced into the scheme to induce participation in forced labor or commercial sex.

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 worldwide and in both Mexico and the United States. Certain associates of drug cartels 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 smuggling efforts. Our investigations have shown that when human smugglers do not heed warnings from drug smuggling organizations about where and when they smuggle, Cartel members can target them for physical violence, including murder.

Another crime that stems from the border is human trafficking. During our investigations, we have not identified traffickers coming across the Southwest Border with victims, but we know that some individuals that are smuggled across the Southwest Border are transitioned into human trafficking victims. These crimes are detrimental to the national security and safety of the United States.

Smuggling Trends along the Southwest Border

As many of the members of this Committee know firsthand, 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, there is no 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. We have learned from seizures that smugglers are comingling 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 U.S. 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 regularly 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 U.S. 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, Arizona, New Mexico, and Texas are vastly different, 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 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 law enforcement activities at the border.

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 both the Cartels and 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 other members of the organization in the United States pick them up.

Smuggling by general aviation aircraft from Mexico has not been a significant threat since the late 1990s; 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, 243 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 U.S. Coast Guard (USCG) surface patrol vessels and patrol aircraft.

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 1,700 special agents and 180 intelligence research specialists to our Southwest Border offices.

In fiscal year (FY) 2018, HSI drug smuggling investigations conducted by the HSI Special Agents in Charge of five Southwest border offices resulted in 4,561 criminal arrests, 3,523 indictments, 3,173 convictions, and 153 administrative immigration arrests. We continue to collaborate with our partners in federal, tribal, international law enforcement, 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 Homeland Security 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 (TSA), 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 65 locations throughout the United States. BEST leverages more than 1,200 federal, state, local, tribal, and foreign law enforcement agents and officers representing over 200 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 FY 2018, the BEST program nationally accounted for 5,574 criminal arrests, 1,579 administrative arrests, from which prosecutors obtained 3,205 indictments and 2,419 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. In furtherance of existing efforts to combat money laundering operations, HSI has implemented a national program to assist field offices in their efforts to identify the means and methods used by Cartels to move, launder, and conceal illicit proceeds. This program provides investigators with funding, training, and specialized investigative support with an emphasis on targeting professional money launderers throughout the world. In addition to its ongoing support of field investigations, HSI continues to work with domestic and foreign law enforcement, regulatory agencies, and non-governmental organizations to enhance cooperation and improve efforts to target money laundering operations and the criminal networks they support.

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 2,062 investigative leads, which have yielded 2,010 criminal arrests, 1,147 indictments, 677 state or federal convictions, and seizures of bulk cash totaling over \$1.59 billion.

High Intensity Drug Trafficking Area Task Forces

The High Intensity Drug Trafficking Area (HIDTA) Program is administered by the Office of National Drug Control Policy (ONDCP), and provides designated areas with federal funding to support coordinated Federal, state, local, tribal and territorial law enforcement activities that address drug trafficking threats.

HSI, using its combined immigration and customs authorities, leads several HIDTA initiatives along the Southwest Border.

The Organized Crime Drug Enforcement Task Forces (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 15 out of 16 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.

Extraterritorial Criminal Travel Strike Force Program

The HSI Human Smuggling Unit is responsible for managing the Extraterritorial Criminal Travel Strike Force (ECT) program. The ECT Strike Force was created in June 2006 as a joint partnership between HSI and the U.S. Department of Justice, Criminal Division, Human Rights and Special Prosecutions Section (HRSP) to address U.S. security risks posed by transnational human smuggling organizations. The ECT Program is designed to disrupt and dismantle the international and domestic operations of human smuggling organizations, through aggressive investigation and prosecution of criminal travel networks that pose potential threats to U.S. national security and public safety.

The ECT Program focuses on networks meeting certain criteria, including organizations operating in specified geographic locations, prosecutorial viability, national security risk, significantly evolved methods of operation, and links with corrupt foreign government officials or organized crime.

The ECT Program utilizes intelligence methodology to identify and target human smuggling organizations that meet certain criteria. Specifically, those organizations responsible for the smuggling of special interest aliens who may potentially threaten U.S. national security and public safety.

International Partners and Cooperation

ICE HSI works closely with our federal law enforcement and international partners to disrupt and dismantle TCOs. We have 68 offices in 51 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 special agents working overseas do not possess general law enforcement or investigative authority in host countries, the use of these TCIUs enables ICE to promote direct action in its investigative leads and criminal prosecutions 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, and look forward to answering your questions.