

STATEMENT

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Chairwoman Sanchez, Ranking Member Souder, and Members of the Committee: It is an honor to submit this testimony to articulate why the Department of Homeland Security (DHS) supports the Mérida Initiative and to lay out the unique competencies that DHS brings to the table for this important undertaking.

The Impact of Transnational Criminal Organizations on Regional Security

Before discussing the DHS vision of the Mérida Initiative, there must be an acknowledgement of the violent and dangerous backdrop to this hearing. Nearly every day, media outlets report on the activities of transnational criminal organizations operating in Mexico and Central America: whether it is the assassination of the Acting Chief of Mexican Federal Police, or gang violence organized from within a prison and directed against persons in the United States, Mexico and Central America are beset by thugs and criminals intent on pursuing their own ideological or financial gains at the expense of everyone else.

In Mexico, drug cartels are waging wars against each other and those attempting to stop their illicit activities. These drug cartels kill with impunity; killing not only members of competing cartels, but also police officers and members of the military who are attempting to protect Mexican citizens from crime and ensure a strong and economically viable Mexico. The Administration of Felipe Calderon has taken very serious and courageous steps to combat this violence and to stem the drug trade which fuels it.

Parts of Central America have become a transit zone for human, arms, money, and narco-traffickers. Transnational criminal organizations take advantage of circumstances where governments that may otherwise have the political will to counter transnational criminal activity, lack the resources to do so. In some cases, these governments have been infiltrated by criminals resulting in corruption and inaction that puts the very security of the region at risk.

It is also increasingly the case that cross-border criminal organizations recognize that routes used to traffic narcotics and people northward can also be used to traffic guns and bulk cash southward. The result has been a surge in crime in the region and a wave of violence that is shocking.

Neither this criminal phenomenon, nor the violence that follows, recognize borders. Accordingly, the United States suffers from gang violence, crime, and the trafficking of both people and narcotics. According to Immigration and Customs Enforcement (ICE) statistics, since 2005, ICE agents across 100 field offices, working in conjunction with hundreds of federal, state and local law enforcement agencies nationwide, have arrested over 7,000 street gang members and associates, representing over 736 different gangs. These apprehensions include over 2,500 criminal arrests and nearly 5,500 administrative immigration arrests. One hundred-sixteen of those arrested were gang leaders. More than 2,500 of the arrested suspects had violent criminal histories. Through this initiative, ICE has also seized and removed over 300 firearms from the streets.

Major Mexican drug trafficking organizations maintain a working relationship with U.S. based gangs, particularly in California and Texas. The threats that cross-border criminal groups pose to the United States and the region is further compounded by the fact that the same activities used to fund criminal organizations and move contraband could possibly be utilized by terrorists to fund their activities and move dangerous weapons and people. Indeed, the threat posed by transnational criminal organizations in this region is as multi-faceted and dangerous as any this nation has faced.

This regional violence has become a border integrity issue, and the Mérida Initiative is the U.S. Government's response to the regional crime, violence, and drugs that are crossing our borders. The Mérida Initiative is a multinational, multi-agency effort to combat transnational organized crime by increasing each country's capacity to maintain security. As such, the Mérida Initiative becomes part of the solution to these problems inasmuch as it enhances work with regional partners to counter these threats. President Bush has said that we have a shared responsibility to confront transnational criminal organizations and the Mérida Initiative represents this shared responsibility.

Rationalization of the Mérida Initiative to Bring Stability and Security to the Region

Though more time could be spent describing the dangerous situation to our South, this testimony will focus on why DHS supports the Mérida Initiative and how DHS can contribute to this important partnership.

The Mérida Initiative represents an historic opportunity to transform regional security cooperation for the benefit of all and is a significant effort to confront the threat of organized crime that affects Mexico, Central America, and the United States. The Mérida Initiative seeks to integrate security from the U.S. Southwest border to Panama and strengthen our partners' capacities in three broad areas: 1) Counter-Narcotics, Counterterrorism, and Border Security; 2) Public Security and Law Enforcement; and 3) Institution Building and Rule of Law. The purpose of the Merida Initiative is to support the efforts already undertaken by our southern neighbors to end the scourge of violence, gangs, and drug trafficking that plagues their citizens and spills over into the United States.

Rather than simply giving money to foreign governments, the Mérida Initiative has been tailored to provide our foreign partners with the specific tools they each need to fight transnational organized crime and work cooperatively with the United States. Through a robust interagency working group, which facilitated discussions with Mexico and Central American officials and coordination with United States Government officials in those countries, interagency subject matter experts assessed the needs of each country and proposed specific items to aid those countries efforts against cross-border criminals.

DHS views the Mérida Initiative as a vehicle to facilitate cooperation and capacity building between the U.S. Government and our partners in the Western Hemisphere. From the DHS perspective, the Mérida Initiative is an opportunity to more fully engage our regional counterparts and more cooperatively work together to deter and dismantle cross-border criminal

organizations and the threats they pose. By working with regional partners on regional initiatives, DHS multiplies the effectiveness of its own border security efforts and helps the United States, over the long-term, develop sustainable security partnerships. In this sense, DHS sees the Mérida Initiative as a step forward in homeland security and a significant piece of a comprehensive national security plan. DHS recognizes that a regional effort—which involves multi-national cooperation—is ultimately required to ensure the security of our homeland. The United States will be most secure when the entire region is secure.

DHS has been an integral part of the Mérida Initiative because border security and protection is part of our mandate. The Mérida Initiative rightly complements existing security strategies that are owned by DHS, mention DHS expressly, or have goals that parallel DHS's mission. DHS is charged with the responsibility to protect the homeland: to control and protect the U.S. border; to investigate border violations; and to ensure the legal flow of goods and people—among the same aims of the Mérida Initiative.

For example, the *National Strategy for Homeland Security* places significant emphasis on limiting the illicit flow of people and all types of contraband, including drugs, through or between our ports of entry. The Mérida Initiative provides funding to improve our partners' ability to harden their own ports of entry through training and equipment that increases their capacity to identify and confiscate contraband. Also, the *National Strategy for Homeland Security* emphasizes the need to protect critical infrastructure. Again, the Mérida Initiative has funding set aside for critical infrastructure improvement. Later, my testimony will outline some of the specific programs that are part of the Mérida Initiative proposal which directly connect to DHS missions and operational expertise, but these general examples serve to illustrate how closely the aims of the Mérida Initiative mirror DHS missions.

In a similar fashion, Central America leaders convened and participated in the U.S.-Central American Integration System (SICA) Dialogue on Security in July of 2007. In this meeting, Central American ministers identified gangs, drug trafficking, and trafficking of arms as their most pressing security concerns. Later, the SICA group issued its regional security strategy which identified the transnational threats that Central American governments mutually agreed were most pressing and against which they were committed to undertake joint action. From its inception, the Mérida Initiative was tied directly to the SICA strategy, thus building on the articulated will and initiatives of Central American leaders. Many of the issues identified by SICA are issues within which DHS has a responsibility.

The Mérida Initiative also runs parallel to other U.S. Government strategies, like the *National Southwest Border Counter-Narcotics Strategy*, which outlines U.S. efforts to improve coordination of law enforcement activities both within the U.S. Government and with international partners, and in which DHS plays a substantial role.

DHS will also play a substantial role in many aspects of implementation of the Merida Initiative if funded. Through U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection (CBP), and the U.S. Coast Guard (USCG), DHS is charged with primary responsibility and authority when it comes to the interdiction and investigation of the vast

majority of cross-border criminal activities (including trafficking in arms and people), has significant responsibility with regard to drugs, and serves as the clearinghouse for issues related to border security enhancement. The Mérida Initiative's ultimate end goal is to increase the security of our homeland by increasing the security of the region. In that light, given that all programs within DHS share the goal of improving homeland security, nearly every DHS program in some way complements or enhances the programs of the Mérida Initiative.

As an example of how closely DHS efforts mirror the aims of the Mérida Initiative, the following is a sampling of DHS efforts that are connected directly to the Mérida Initiative.

Border Enforcement Security Task Force (BEST)

The Border Enforcement Security Task Force (BEST) program was proposed in 2005 as the Department of Homeland Security's approach to combat cross-border criminal activity and violence along our southern border with Mexico. In 2006, Secretary Chertoff adopted the BEST initiative to bring together federal, state, local and foreign law enforcement resources in an effort to identify, disrupt, and dismantle organizations seeking to exploit vulnerabilities along the southern border and threaten the overall safety and security of the American public. ICE, CBP and DHS' Office of Intelligence and Analysis (I&A) personnel work cooperatively with other law enforcement entities to take a comprehensive approach towards combating criminal organizations involved in cross-border crimes. One of the primary missions of the BEST program is to prevent the illegal exportation of firearms from the United States into Mexico, a particular concern of the Mexican Government. The Government of Mexico has agreed to assign full-time representatives to each of the BESTs.

The BEST program is one of our most highly successful southern border law enforcement programs. In Fiscal Year 2007, the BESTs were responsible for over 500 criminal arrests, over 1,000 administrative arrests, 160 indictments, and 77 convictions. The BESTs were also integral in the seizure of over 1,300 pounds of cocaine, nearly 50,000 pounds of marijuana, 150 pounds of methamphetamine, 135 pounds of heroin, 237 weapons, 12 improvised explosive devices, 178 vehicles, approximately \$2.5 million in U.S. currency, and the discovery of two cross-border tunnels used to smuggle drugs, arms, and/or persons.

In an effort to stem the flow of weapons being smuggled illegally into Mexico, ICE is also promoting a new initiative utilizing the investigative strengths of both the U.S. and Mexican representatives to the BESTs in an effort to identify, investigate, and aid the Department of Justice in prosecuting those who would seek to illegally export weapons to Mexico.

Homeland Security Intelligence Support Team (HIST)

The DHS HIST was established in the El Paso Intelligence Center (EPIC) in the Fall of 2007 to ensure the application of national intelligence capabilities to support border operations, to strengthen intelligence and information sharing across the federal, state and local partners, and to help ensure that front-line operators have access to the intelligence they need to efficiently perform their duties. In addition to the deployment of DHS Intelligence professionals to EPIC,

the DHS Office of Intelligence and Analysis is deploying both Reports Officers and classified computer networks to key locations along the Southwest border. The purpose is to enhance DHS' ability to rapidly and efficiently share critical intelligence with those who need it most, and this has significantly increased its analytic focus on border security issues to serve the Department of Homeland Security, as well as our federal partners, state, local and tribal stakeholders, and the intelligence community at large.

Operation Against Smugglers Initiative on Safety and Security (OASISS)

Since August 2005, CBP has worked closely with Mexican officials in a bilateral alien smuggler prosecutions program called Operation Against Smugglers Initiative on Safety and Security (OASISS). OASISS is a joint initiative between the United States and Mexico that enables both governments to share information and prosecute smugglers for crimes committed in the border region. Through OASISS, both governments are able to track and record prosecution efforts on both sides of the border and work together to make the strongest case against these criminals. The intent of the program is to target alien smugglers and human traffickers operating in the immediate border region. The OASISS program has had a significant and positive impact on operations, and has furthered smuggling investigations both in the United States and Mexico. Due to current expansion and awareness of the OASISS program, the number of cases generated from Fiscal Year 2006 to Fiscal Year 2007 decreased 12%, and the number of principals prosecuted decreased 70% during the same time period. As you can imagine, with success like this, we are looking to significantly expand this program under Merida.

Bulk Cash Smuggling

ICE has a number of programs to address the problem of bulk cash smuggling. One of these – “Operation Firewall” – addresses the threat of bulk cash smuggling via commercial and private passenger vehicles, commercial airline shipments, airline passengers, and pedestrians transiting to Mexico along the southern border. ICE and CBP have conducted various Operation Firewall operations with Mexican Customs and the Mexican Money Laundering Vetted Unit. ICE hopes to expand existing Operation Firewall operations to designated locations in the near future, including additional border crossing locations along the southern border with Mexico. All significant Operation Firewall seizures result in criminal investigations with the goal of identifying the source of the funds and the responsible organizations.

ICE has also recently established a Trade Transparency Unit (TTU) with Mexico, located in Mexico City. The mission of the TTU is to identify cross-border trade anomalies, which are indicative of trade-based money laundering. Under this initiative, ICE and law enforcement agencies in cooperating countries work to facilitate the exchange of import/export data and financial information. The establishment of our TTU with Mexico was completed just a few weeks ago. ICE has provided, and will continue to provide, Mexico TTU representatives with in-depth training on the Data Analysis and Research for Trade Transparency System (DARTTS). ICE has already installed the system, has provided expert technical support, and will continue to do so as needed. Once fully trained, Mexican TTU representatives will be able to use trade data to develop criminal targets involved in crimes such as tax evasion, customs fraud, and trade-

based money laundering. The establishment of the TTU in Mexico City will benefit both Mexico and the United States in their efforts to combat criminal organizations. ICE has TTUs in multiple locations around the world and continues to seek new partners.

Firearms Trafficking

CBP, ICE, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), and the Drug Enforcement Administration (DEA) have developed a joint strategy referred to as the Southwest Border Trafficking Initiative, which aims at identifying and disrupting the illicit cross border trafficking of firearms and ammunition. As part of this interagency strategy, these organizations have agreed upon broad principles to identify, investigate, and interdict the illicit cross-border trafficking of firearms and ammunition into Mexico. Discussions are ongoing to address more detailed procedures regarding the coordination of multi-agency operations and information sharing. The initiative's strategy is based on three pillars: Analysis of Firearms Related Data, Information Sharing, and Coordinated Operations. ATF has established the Southwest Border Gun Center in EPIC, which serves as a central repository for firearms-related information and intelligence.

The purpose of the Southwest Border Trafficking Initiative is to identify, dismantle and disrupt transnational criminal networks responsible for smuggling illegal weapons and ammunition from the United States into Mexico, posing a threat to the overall safety and security of both countries through seizures and the aggressive prosecution of such organizations. The initiative incorporates a vetted investigative unit that provides investigative responses to weapons seizures at Mexican ports of entry, as well as investigation of related border security vulnerabilities. In addition, ICE works in conjunction with CBP to facilitate interdiction enforcement operations based on intelligence generated through this bilateral initiative.

In furtherance of this strategy, ICE is initiating *Operation Armas Cruzadas* to combat the smuggling of weapons from the United States into Mexico. This initiative aims to facilitate bilateral interdiction, investigation and intelligence-sharing activities to identify, disrupt, and dismantle cross-border criminal networks that smuggle weapons from the United States into Mexico.

Drug Trafficking

CBP and ICE have significant responsibility in the interdiction of illicit drugs as such contraband crosses U.S. borders, whether at ports of entry or otherwise. DHS also has the means and expertise to investigate these international smuggling organizations, while working with our foreign and U.S. counterparts such as the DEA.

Bilateral Strategic Plan

In August 2007, Mexican Customs, ICE and CBP signed a Bilateral Strategic Plan to fight trans-border crime. The Bilateral Strategic Plan strengthens cooperation in matters related to law enforcement by expanding existing institutional cooperation mechanisms and establishing new

