



# U.S. Immigration and Customs Enforcement

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**STATEMENT**

**OF**

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**U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT  
DEPARTMENT OF HOMELAND SECURITY**

**REGARDING A HEARING ON**

***“SECURING AMMONIUM NITRATE: USING LESSONS LEARNED IN  
AFGHANISTAN TO PROTECT THE HOMELAND FROM IEDs”***

**BEFORE THE**

**U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON CYBERSECURITY, INFRASTRUCTURE  
PROTECTION, AND SECURITY TECHNOLOGIES**

**THURSDAY, JULY 12, 2012 -- 10:00 a.m.  
311 CANNON HOUSE OFFICE BUILDING**

## INTRODUCTION

Chairman Lungren, Ranking Member Clarke, and distinguished members of the Subcommittee:

On behalf of Secretary Napolitano and Director Morton, I would like to thank you for the opportunity to testify today. Improvised explosive devices (IED) are the most prevalent form of explosive employed by terrorists around the world and the single greatest threat to coalition forces in Afghanistan. According to the 2011 annual report from the North Atlantic Treaty Organization Centre of Excellence, Defense Against Terrorism, there were a total of 4,744 global IED incidents, 6,278 deaths, and 17,040 wounds from IED incidents around the world in 2011. As I will discuss today, U.S. Immigration and Customs Enforcement (ICE) is at the forefront of the nation's civilian efforts to disrupt, dismantle, and investigate the international movement of IED components and explosives precursors.

ICE's Homeland Security Investigations (HSI) directorate protects the nation by investigating criminal organizations that seek to exploit weaknesses in legitimate trade, travel, and financial systems to further their illicit enterprises. HSI special agents detect, disrupt, and dismantle transnational criminal organizations (TCO) engaged in the smuggling of people, narcotics, bulk cash, weapons and weapons-related components across our borders. HSI also has authority to investigate criminal violations of, and enforce, all U.S. export control laws related to military items, controlled "dual-use" commodities (i.e., items that have both commercial and military applications), and sanctioned or embargoed countries. Further, we have the capability to expand the scope of our investigations beyond our domestic offices to 72 international offices situated throughout the world.

## **Program Global Shield**

To combat the illicit use of precursor chemicals by terrorist and other TCOs for the manufacture of IEDs, ICE initiated Program Global Shield (Global Shield) - an unprecedented, multilateral law enforcement effort aimed at combating the illicit diversion and trafficking of precursor chemicals used in making explosives by monitoring their cross-border movements. This joint ICE and U.S. Customs and Border Protection (CBP) global project – proposed by ICE at the World Customs Organization (WCO) Enforcement Committee Meeting in Brussels, Belgium in spring of 2010 – is based on collaboration among the WCO, INTERPOL, and the United Nations Office on Drugs and Crime (UNODC). This collaboration represents the first time that the threat posed by explosives precursors has been collectively addressed by the international community.

The ultimate goal of Global Shield is to identify and interdict falsely declared precursor chemicals, initiate investigations, and uncover smuggling networks. In doing so, ICE and CBP aim to build capacity among strategic partners to detect illicit shipments of explosive precursors and promote cooperation among foreign customs and police administrations in combating the illicit diversion of explosive precursors along the global supply chain. By working together and sharing real-time information and intelligence, countries will be able to verify the legitimacy of individual shipments while identifying, disrupting, and dismantling the terrorist networks involved in the illicit procurement of these chemicals via front companies and complicit middlemen. ICE and CBP are working closely with stakeholders from across the federal government, including the U.S. Departments of State (DOS) and Defense (DOD), to accomplish these goals.

The mass production of ammonium nitrate (which can be used for a variety of legitimate purposes) and other precursor chemicals occurs largely beyond the borders of countries most afflicted by IEDs. A global effort is therefore essential to effectively combat their illicit smuggling and diversion. The government of Afghanistan took a crucial first step on September 23, 2009, by banning the importation of ammonium nitrate fertilizer and issuing a decree permitting its confiscation if stored in or transported through Afghanistan. This ban quickly achieved significant results. In November 2009, Afghanistan seized 500,000 pounds of ammonium nitrate in Kandahar – one of the largest seizures of its kind in Afghanistan.

Due to the successes of Global Shield's pilot project, which commenced operations in November 2010 and concluded in April 2011, the WCO designated Global Shield as a long-term program in June 2011. In September 2011, the Bureau of International Narcotics and Law Enforcement Affairs in DOS provided \$5.9 million in funding to the WCO to support and execute Global Shield over the next three years. This funding will support technical assistance and operational training, communications and industry outreach, and program management and quality assurance and support. To date, 79 countries and 11 international organizations participate in Global Shield. As of early June 2012, Global Shield successes include 40 enforcement actions and 41 seizures totaling 125.16 metric tons of explosives precursor chemicals.

Through Global Shield, ICE and CBP have developed a training program to develop and build capacity for foreign partners. The capacity building program can be customized based on our partners' current abilities and legal structures. The program assists our partners in customs process development, including adoption of laws and regulations, commodity identification, IED awareness, inspection of chemical shipments, seizure of illicit shipments,

investigations, and prosecution. This process not only focuses on seizing illicit shipments of precursor chemicals, but on identifying the networks responsible and dismantling or disrupting these networks. The first regional Global Shield training took place in June 2012, in Baku, Azerbaijan with nine countries participating. Additional training is being scheduled for other countries.

We believe that Global Shield provides invaluable data for trend analysis to increase the global understanding of the risk posed by precursor chemicals and their illicit movement. The program will identify best practices to combat the illicit diversion and trafficking of precursor chemicals used to manufacture explosives, as well as monitor and track legitimate shipments of precursor chemicals to assist in identifying high-risk routes for future enforcement activity. Global Shield will set the foundation for future multilateral initiatives to deny terrorists access to explosives components.

## **ICE's Counter-Proliferation Investigation Program**

ICE is at the forefront of the U.S. Government's efforts to prevent foreign adversaries from illegally obtaining U.S. military products. HSI's Counter-Proliferation Investigations (CPI) Unit targets the trafficking and/or illegal export of conventional military equipment, firearms, controlled dual-use equipment and technology, and materials used to manufacture weapons of mass destruction, including chemical, biological, radiological, and nuclear materials. HSI special agents investigate illegal exports of military equipment and dual-use items to embargoed countries, and significant financial and business transactions with proscribed countries and groups. HSI special agents provide outreach with private industry in the United States and internationally. As a capacity-building partner with the Department of State's Export Control and Related Border Security Assistance (EXBS) Program, HSI also conducts export enforcement training for foreign law enforcement and customs agencies.

The primary goal of the HSI CPI program is the detection and disruption of illegal exports and networks before any controlled items or technologies fall into the wrong hands. HSI's export enforcement program uses a three-pronged approach: detecting illegal exports, investigating potential violations, and obtaining international cooperation to investigate leads abroad. HSI relies on specially trained CBP officers stationed at ports of entry to inspect suspect export shipments. Following detection of a violation, HSI special agents deployed throughout the country initiate and pursue investigations to identify, arrest, and seek prosecution of offenders of the Arms Export Control Act of 1976, the Export Administration Regulations, the International Emergency Economics Powers Act, and other related statutes and provisions.

The international nature of proliferation networks and schemes requires a global investigative response. The HSI Office of International Affairs has 72 offices around the world that work to enlist the support of their host governments to initiate new investigative leads and to develop information in support of ongoing domestic investigations.

Due to the threat IEDs pose to the United States and our interests abroad, the HSI CPI Unit established a specialized program to initiate investigations and share law enforcement intelligence information concerning the illicit movement of IED components and precursor chemicals. To this end, HSI partnered with CBP, the DHS National Protection and Programs Directorate's Office of Bombing Prevention, and DOS and DOD (specifically with the Joint Improvised Explosive Device Defeat Organization (JIEDDO)). As part of HSI's own counter-IED strategy, these partners are currently working with our colleagues in CBP to schedule additional investigative and interdiction training for customs and law enforcement officials in Afghanistan and Pakistan. In December 2010, HSI provided training for approximately 100 customs officials from these countries.

HSI's collaboration with JIEDDO's homemade explosives working group has led to a better understanding of how transnational criminal networks are exploiting the global supply chain to illegally move IED precursor chemicals. Additionally, HSI's Attaché office in Kabul, Afghanistan worked with JIEDDO elements in country to identify networks smuggling IED precursor chemicals from Pakistan into Afghanistan.

HSI also worked with the DOS during the U.S.-Pakistan Strategic Dialogue relating to IEDs and controls of IED components and precursor chemicals. These partnerships are leading to a more holistic approach, allowing agencies to identify the most effective method to disrupt the criminal and terrorist networks procuring and using IEDs.

### **Project Shield America (PSA)**

One of the most effective tools HSI special agents use as part of HSI's larger counter-proliferation strategy is our industry outreach program, Project Shield America (PSA). Through this program, HSI special agents conduct outreach to manufacturers and exporters of strategic commodities to educate them on U.S. export control laws, discuss export licensing issues and requirements, teach them how to identify "red flag" indicators used in illegal procurement, and explain which government agencies are responsible for the licensing of different categories of export-controlled commodities and technology. By the end of 2011, HSI special agents had delivered over 20,000 outreach presentations to private industry and other entities as part of the PSA program.

### **Export Enforcement Coordination Center (E2C2)**

A part of the President's Export Control Reform Initiative is to improve law enforcement coordination to investigate violations of U.S. export control laws. In November 2010, President Obama signed an Executive Order creating the Export Enforcement Coordination Center (E2C2) – a multi-agency center housed within HSI that serves as the primary government forum for the exchange of information and intelligence related to export enforcement. Operational since April of this year, the E2C2, which is managed and operated by ICE, enhances the United States' ability to combat illicit proliferation by working to coordinate investigative and enforcement activities related to export control.

The E2C2 is staffed with full-time personnel from HSI, as well as individuals detailed from other departments and agencies including the U.S. Departments of State, Treasury, Defense, Justice, Commerce, and Energy; the Office of the Director of National Intelligence; and other Executive Branch departments, agencies or offices as designated by the President.

Specifically, the functions of the E2C2 include:

- Coordinating the de-confliction of criminal and administrative enforcement actions, and resolving conflicts among partner agencies that have not been otherwise resolved in the field;
- Serving as a primary point of contact between enforcement authorities and agencies engaged in export licensing;
- Coordinating law enforcement public outreach activities related to U.S. export controls; and
- Establishing Government-wide statistical tracking capabilities for U.S. export enforcement activities.

The E2C2 replaced HSI's National Export Enforcement Coordination Network (NEECN), which led coordination among DHS components to address challenges inherent in dismantling transnational procurement networks. Unlike the NEECN, the Executive Order requires E2C2 participation by law enforcement and the intelligence community.

## **CONCLUSION**

HSI special agents are working hard to ensure that IED components and precursors do not reach the wrong hands, and to prosecute those who subvert the rule of law and threaten our national security. Furthermore, HSI is coordinating our efforts with other U.S. and foreign

governments to enhance our and other agencies to counter IED abilities. We look forward to continuing to work with this Subcommittee on this critical national security issue.

Thank you once again for the opportunity to appear before you today. I would now be pleased to answer any questions you have.