

Statement for the Record

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By

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Regarding:

“Iran, Hezbollah and the Threat to the Homeland”

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Introduction

Chairman King, Ranking Member Thompson, and Distinguished Members of the Committee, I would like to thank you for the opportunity to testify today on the threat posed by Iran and Hezbollah on our Homeland. Last month our Nation's Director of National Intelligence testified before the Senate Intelligence Committee regarding our Intelligence Community's growing concern about Iran's ability to attack America's homeland. He used a recently foiled Iranian Quds Force plot to assassinate the Saudi Arabian Ambassador to the United States here in Washington, D.C as a key example to support his concern. The Quds Force, the special forces branch of the Iran Revolutionary Guard Corps (IRGC) responsible for clandestine foreign operations, including assassinations, attempted to recruit one or more members of the ultra-violent Los Zetas Mexican drug trafficking cartel to carry out the attack. Based on the Director's revelations, today's hearing takes on an even greater level of significance.

My comments will focus on the threat posed to our homeland by Iran's most menacing proxy, the Hezbollah, as well as the Quds Force. It is important to realize that where you find one—you find the other. The Quds Force was responsible for standing-up Hezbollah, and has leveraged and exploited the intimate relationship those groups share on countless occasions over the years. Both of these groups are now heavily involved in the global drug trade, and their participation in that effort presents them with myriad opportunities with which to build their terrorist and criminal capacity in the Western Hemisphere and elsewhere. The Hezbollah has been designated by our Department of State as a Foreign Terrorist Organization (FTO), and our Department of Treasury has declared the Quds Force as a Specially Designated Global Terrorist Organization.

We have heard about the Hezbollah for many years, while the Quds Force has lurked in the shadows for most of its existence. In the context of this hearing, it is important that we remember the Quds Force is also responsible for Iran's strategic missile program and many experts believe they will be holding the keys to the country's nuclear weapons program if it makes it off the ground. The security challenges posed by these terrorist organizations' expanding involvement in the global cocaine and heroin trade are enormous and I believe it will be abundantly clear by the end of this hearing that most of the security challenges facing our Nation by this threat are not being appropriately and adequately addressed. What is even more threatening are the broader strategic implications, the by-product if you will, this activity has, and will continue to produce.

Before entering the private sector on November 1, 2008, I served for almost four years as the Assistant Administrator and Chief of Operations of the U.S. Drug Enforcement Administration (DEA), and for one year as the Agency's Acting Chief of Intelligence. I was also assigned to a number of DEA offices throughout the United States, including service on both our Southern and Northern borders, on both our East and West Coasts, in the Midwest, and three years engaged in paramilitary operations targeting the logistical infrastructure of major Latin American drug trafficking cartels in remote and austere locations in several South and Central American countries. It is through my 34 years in law enforcement that I sit before you today, deeply concerned about Iran's growing presence in the Western Hemisphere and beyond.

You will receive a career, federal narcotic agent's perspective on how groups like the Hezbollah and Quds Force operate and work hard to build relations with organized crime, terrorist, insurgent, and smuggling organizations in permissive (under-governed or ungoverned)

environments in the Western Hemisphere and around the world, and the related dangers posed by this growing phenomenon. We must understand that the Hezbollah and Quds Force are absolute masters at building these nefarious relations in order to leverage and exploit them for what they are most worth: to help them advance their agendas far from home. If anyone thinks for one moment that these terrorist organizations do not understand that the Mexican drug trafficking cartels now dominate drug trafficking in our country, reportedly in more than 250 cities, then they are ignorant or very naïve. And these groups most assuredly recognize the strategic value of exploiting that activity, and all that has been built to support it over several decades, for moving their vision forward in our part of the world.

I have made several recommendations in my Statement for the Record and have others I would be happy to share with the members of your staffs, but one stands out more than all of the others. Well over half of the groups our government has designated as Foreign Terrorist Organizations are now involved in one or more aspects of the global drug trade. The confluence of drugs and terror is happening at speeds far faster than most in Washington, DC choose to admit, while our government's strategies for dealing with terrorism and drugs continue to drift farther apart. If we don't change that quickly, I believe we could pay a terrible price down the road.

Much of the Statement for the Record I delivered to you today reflects information contained in my Statement for the Record submitted on October 12, 2011 to the House Subcommittee on Terrorism, Nonproliferation, and Trade at a hearing focused on the growing confluence of drugs and terror, as well as in my Statement for the Record I delivered to the House Committee on Foreign Affairs at their February 2, 2012 hearing concerning Iran's expanding agenda in the Western Hemisphere.

Mr. Chairman I would like to thank you, Ranking Member Thompson and the other members of this important Committee and many of your colleagues in Congress for all you have done to support the counterterrorism and counter-narcotics efforts of our Nation and many other countries. I appreciate the fact that it is in that spirit you called us here today, to discuss the threat posed by Iran on our homeland. I look forward to contributing to this important hearing in a most positive way and to working with the outstanding professionals on your respective staffs to help you in anyway possible on this important subject.

The Threat Posed To Our Homeland by Iran, Hezbollah and Other Groups And the Growing Confluence of Drugs and Terror

By Michael A. Braun

The List of “Usual Suspects” has Grown Significantly

The nexus between drugs and terrorism is growing at a rate far faster than most policy makers in Washington, D.C. choose to admit, and far fewer will even talk about. In many ways this is not an entirely new threat; various U.S. Drug Enforcement Administration (DEA) leaders have testified before Congress on many occasions over the past thirty-five years regarding the illicit global drug trade funding terrorist organizations and insurgencies around the world.

Prior to the 9/11 attacks on our Nation, experts usually found themselves talking about the terrorist organizations based in the Western Hemisphere when making the connection between drugs and terrorism, with an occasional mention of insurgent groups such as the Burma (now Myanmar) based Shan United Army, led by the notorious heroin trafficker Khun Sa, who dominated the sourcing of heroin to the U.S. for the better part of a decade in the 1980's and 1990's. However, after 9/11 the number of U.S. designated Foreign Terrorist Organizations (FTOs) that are involved in one or more aspects of the global drug trade began to increase dramatically.

Today the Western Hemisphere's "usual suspects," the Revolutionary Armed Forces of Colombia (FARC), the remnants of the United Self Defense Forces (AUC) in Colombia, and the Sendero Luminoso (Shining Path) of Peru, all designated as FTOs by the U.S., European Union and many other countries, certainly remain involved in the drug trade, but the list has grown to include FTOs such as Hezbollah, Hamas and Al Qaeda in the Islamic Maghreb (AQIM), to name just a few.

The DEA has conservatively linked at least half of the FTOs with involvement in one or more aspects of the global drug trade, but I believe that number to be far greater, especially when considering that there are so many ways to make hundreds of millions, if not billions of dollars in the industry. Generating contraband revenue from involvement in the industry can include the taxing of farmers, taxing finished drugs and the movement of drugs and precursor chemicals across borders, providing security to traditional cartels at clandestine laboratories, cache sites and airstrips, the manufacture of drugs, the transportation of drugs, and the distribution of drugs.

The real threat posed by this activity are the countless opportunities groups like the Quds Force and Hezbollah are presented with to develop and nurture relationships with organized crime and terrorist groups here in the Western Hemisphere, in Africa, Europe and many other countries. They are provided with many opportunities to learn from the most sophisticated organized crime syndicates in the world: the Colombian and Mexican drug trafficking cartels, which include the FARC. And these relationships most likely provide the Quds Force and Hezbollah with opportunities to leverage the transportation, money laundering, arms trafficking, corruption, human trafficking and smuggling infrastructures of the Colombian and Mexican drug trafficking cartels, as well as other organized crime and terrorist groups around the world.

Two recent examples come to mind that drive home these points. The plot to assassinate the Saudi Arabian Ambassador to the U.S. that was recently foiled by the Federal Bureau of Investigation (FBI) and the U.S. Drug Enforcement Administration (DEA) qualifies as the perfect example of the threat posed by the ability of Iran's proxies to operate freely in the Western Hemisphere, and their ability to collaborate with organized crime. A member of the Quds Force and an American of Iranian ancestry hired a DEA informant, believing the source to be a member of the ultra-violent Los Zetas drug trafficking organization, to carry out the assassination of the Saudi Ambassador—on U.S. soil. Many experts in our intelligence community rushed to judgment and initially declared the plot to be far-fetched and lacking credibility, because they believed the Quds Force to be far more sophisticated in their tradecraft than that conspiracy revealed. However, let me remind you that the Director of National Intelligence, Mr. James Clapper, used this plot as an example of Iran's willingness to attack the homeland and our interests abroad just this past January when he testified before the Senate Intelligence Committee. Rest assured he used this conspiracy as his principal example during testimony because it has been assessed and heavily scrutinized from every angle and has been determined credible.

Couple that incident with the recent Department of Treasury Financial Crimes Enforcement Network (FinCEN) findings against the Hezbollah, and the Lebanese Canadian Bank based in Beirut, as well as several of the bank's affiliates for money laundering hundreds of millions of dollars of Hezbollah's cocaine dollars, and you are left with undisputable evidence that the Hezbollah and Quds Force are heavily involved in the global drug trade. The FinCEN findings are based on a long-term complex international conspiracy investigation by the DEA that is still playing out, which has also identified over 70 used-automobile dealerships here in the U.S. that are strongly suspected of supporting the conspiracy. Let me add that few, if any of those businesses existed before the 9-11 attacks on our Country. That alone should send shockwaves through our intelligence and federal law enforcement communities. Sadly, I don't think its happening.

I believe the DEA finds itself in much the same situation as its predecessor agency, the Federal Bureau of Narcotics (FBN), found itself in the 1950s when FBN Director Harry Anslinger was working hard to alert Congress, the Department of Justice and the Nation on the pervasiveness of Italian organized crime in the United States, while the Federal Bureau of Investigation's (FBI) J. Edgar Hoover was vehemently denying its existence. Many in our government, at all levels, simply do not understand the potential consequences posed by the confluence of drugs and terror; therefore, they ignore it.

Why Drugs?

More and more FTOs, just like the Hezbollah and Quds Force, are turning to the global drug trade, and to a lesser degree, other transnational criminal activity, to fund their operations, because our Country and our partners have been enormously successful in prosecuting the Global War on Terror (GWOT). There are two principal reasons for this growing phenomenon: state sponsorship for terrorist organizations continues to decline, and our government and coalition partners have succeeded in significantly disrupting the funding stream to terrorist organizations from very powerful, private donors.

There is a third motivation that appears to be unique to Al Qaeda (AQ). Our government has so disrupted AQ's ability to direct and manage (command and control) its cells and nodes around the globe, that the organization has been forced to shift from a "corporate" leadership model to a "franchise" mode of operation. In other words AQ's cells and nodes, in many ways, have been left up to their own devices to function, including self-sufficiency when it comes to funding their operations. Some of these cells and nodes are resorting to drug trafficking to do just that. The AQ cell, or affiliated cell, depending upon with whom you speak, that was responsible for the Madrid train bombings, funded that operation almost in its entirety through the sale of MDMA (3,4-methylene-dioxymethamphetamine), also known as ecstasy, and hashish.

There are myriad transnational criminal endeavors in which terrorist organizations can and do engage; however, nothing comes close to producing the kind of revenue that the global drug trade generates. The United Nations (UN) estimates that the global drug trade generates about \$322 billion dollars annually, and estimates that the revenue generated by the drug trade flowing between Mexico, the U.S. and Canada is \$147 billion dollars annually. The Office of National Drug Control Policy (the U.S. Drug Czar's office) estimates that our fellow citizens generate about \$65 billion dollars a year attempting to satisfy their insatiable appetite for drugs. By comparison, the UN estimates that the next closest illicit global market, alien trafficking, generates approximately \$32 billion dollars and that the illicit global arms trade generates about \$10 billion dollars annually. Significantly, these statistics have been hotly debated and disputed by many experts, but it is difficult to find any others that have been compiled by qualified organizations. Suffice it to say, most all of the same experts agree the illicit profits made from the global drug trade by traditional trafficking cartels and terrorist organizations alike are massive, and dwarf all additional revenue generated by other black markets.

The Impact and Importance of Permissive Environments

FTOs and drug trafficking organizations (DTO) both work hard to create permissive environments in which to operate, relying heavily on the hallmarks of organized crime, corruption, intimidation and ruthless violence, to carve out territory in certain regions of the world so that they can operate with impunity. Our military and intelligence community commonly refer to these areas as ungoverned or under-governed space.

FTOs and DTOs thrive in permissive environments, and invest hundreds of millions of dollars a year to disrupt good governance in many areas of the world by relentlessly undermining the rule of law. They often accomplish this through calculated corruption campaigns targeting the entire judicial spectrum including law enforcement, prosecutors, judges and prison officials, and security institutions consisting of military and intelligence forces, not to mention politicians at all levels. A few examples of permissive environments include the Tri-Border Area (TBA) of South America, the no-man's land where the borders of Paraguay, Argentina and Brazil come together; vast regions of West and North Africa; Afghanistan and the country's remote borders with Pakistan and Iran; Bolivia; Venezuela; and perhaps certain areas of Mexico.

When I was serving as the Chief of Operations for the DEA, I asked the Agency's Intelligence Division to plot on a world map the locations where the 43 (now 50) designated FTOs were based. I then asked them to highlight the source countries for illicit drugs, as well as the major transit routes for the flow of drugs, precursor chemicals and cash associated with the

global drug trade. I wasn't at all surprised when the end product clearly showed the FTOs and DTOs operating in the same permissive environments.

Hezbollah got their start a few years ago acquiring and shipping small 10 – 15 kilogram quantities of pure cocaine to Europe, Israel, the United Arab Emirates, Egypt and other locations where they could sell the small drug shipments for up to \$1 million dollars in profit. Hezbollah operatives and supporters working in the TBA and other areas of Latin America are now routinely acquiring and shipping multi-tons of cocaine to West and North Africa for onward movement to markets in Europe, the Middle East and elsewhere. And where you find Hezbollah, you most assuredly find Quds Force operatives working with them. Remember that it was the Quds Force that helped stand-up the Hezbollah in Lebanon, and they have been inseparable ever since.

The TBA, with a large Middle Eastern immigrant population, has long been of strategic importance to Al Qaeda, Hezbollah and Hamas, and has been a very important recruiting ground targeting disenfranchised young men who live in abject poverty. The recent Department of Treasury Financial Crimes Enforcement Network (FinCEN) findings against the Beirut based Lebanese Canadian Bank, and the Prime Bank of Gambia, centered on a long term and still active complex international conspiracy investigation by the DEA. The investigation paints a troubling picture of the Hezbollah's growing involvement in cocaine trafficking and reveals that as much as \$200 million dollars per month in drug proceeds was being laundered by the terrorist group through the financial institutions. It paints an even more troubling picture of the strong ties between Hezbollah and the Quds Force when it comes to this activity.

DEA Special Agents and the Counter Narcotics Police of Afghanistan, supported by U.S. military and Department of State assets, raided a notorious heroin trafficker's compound in 2007 in remote Eastern Afghanistan near the Pakistan border. The trafficker was also reportedly one of the five founding fathers of the Taliban Ruling Shura in Kabul. Seized during the raid were his drug ledgers, which revealed that he had sold over \$170 million dollars worth of heroin in less than one year; 81 metric tons of the poison. That trafficker was recently convicted right here in Washington, D.C. on counterterrorism and counter-narcotics charges stemming from the DEA investigation. The bottom line—no other transnational criminal activity trumps the global drug trade for generating cold hard cash, and permissive environments make it all possible.

However, these areas of the world occupied simultaneously by FTOs and DTOs create even more dangerous threats that are more strategic in nature than the two more traditional examples mentioned above. This milieu has created opportunities for operatives from FTOs and DTOs to come together—dangerously close together.

For example, the Armed Forces of Colombia (FARC), a designated FTO, has established a solid foothold in places like the West African nation of Guinea Bissau, along with other Colombian drug cartels, as well as powerful Mexican drug syndicates. These groups are all vying for the same lucrative turf offered by this extremely valuable piece of global drug trafficking real estate, which serves as an important transit point for the billions of dollars of cocaine now destined for the ever expanding cocaine markets in Western Europe, Russia and other countries.

Remarkably, very few terrorism “experts” seem to be troubled by the fact that places like Guinea Bissau and the TBA are also occupied by the likes of Al Qaeda, Quds Force, Hezbollah and Hamas. If terrorism experts believe for one minute that the operatives from these FTOs and DTOs, who are occupying the same space at the same time, are not developing relations, forming alliances, and sharing lessons learned, then they are naïve at best, or more likely, absolutely working in the dark when it comes to understanding how the real underworld operates.

Let me put it more candidly: If you want to visualize ungoverned space or a permissive environment, I tell people to simply think of the bar scene in the first “Star Wars” movie. Operatives from FTOs and DTOs are frequenting the same shady bars, the same seedy hotels and the same sweaty brothels in a growing number of areas around the world. And what else are they doing? Based on over 37 years in the law enforcement and security sectors, you can mark my word that they are most assuredly talking business and sharing lessons learned.

They are developing close interpersonal relationships that are tempered and honed in the harshest and most dangerous environments. These close interpersonal relationships developing today will most assuredly evolve into strategically important inter-organizational relationships tomorrow, because many of the brutally tough young operatives that have been dispatched to places like Guinea Bissau and the TBA by their FTO and DTO leaders will undoubtedly ascend into key leadership positions within their respective organizations in the not too distant future.

We have long known that groups like the Hezbollah and Quds Force have the ability to work with some other Middle Eastern FTOs, but what will we do when they have the ability to collaborate with a Mexican DTO that already dominates drug trafficking in scores of cities throughout our country? What do we do when they have the ability to collaboratively work with the FARC, an FTO hybrid that is already moving hundreds of tons of cocaine from the north coast of Colombia into Mexico aboard fully submersible submarines capable of operating at a depth of 60 or more feet while loaded with up to ten tons of cocaine? What else could those submarines transport?

It is not in the best interest of our National security to allow these threats to co-mingle and cohabitate anywhere on the globe, because the FTOs will only become stronger by developing alliances and sharing lessons learned with groups that are far more sophisticated organizationally and operationally than they are. The U.S. should be doing all in our government’s power, working closely with willing partners, to disrupt and ultimately dismantle these powerful threats in places like Guinea Bissau, and the TBA, but we are not. We could pay dearly for this failure to act in the future.

Instead, most U.S. federal law enforcement agencies, intelligence and military institutions have established separate counter-terrorism and counter-narcotics directorates, each having separate goals, objectives, policies and most troublesome, separate funding streams. In other words, these directorates remain stove piped ten years after 9/11, as the confluence of drugs and terror continues to grow exponentially.

I should add that there are a few instances where this is not the case. As an example, the U.S. Attorney’s Office for the Southern District of New York consistently prosecutes our Nation’s most important terrorism and international drug cases. Consequently, not long ago this district merged its international drug section with its foreign terrorism section, because U.S. Attorney

Preet Bharara and Deputy U.S. Attorney Boyd Johnson (now retired) recognized first hand the unequivocal connection between the two.

I wish the threat posed by permissive environments ended there, but it certainly does not. It is compounded even further by other nefarious relationships that typically emerge in these types of atmospheres. In Guinea Bissau for example, the Colombian and Mexican cartels have also teamed with indigenous organized crime groups, and groups like the infamous Tuareg nomads further to the north, that has controlled smuggling routes through the Sahara for centuries. The Latin American cartels needed to forge these relationships as they built their African cocaine smuggling infrastructure. As in this case, indigenous organized crime syndicates and smuggling groups are typically very unsophisticated, but they are now learning from the most sophisticated global organized crime cartels that have ever existed, the Colombian and Mexican DTOs and a hybrid FTO, the FARC.

The Colombian and Mexican cartels are paying these indigenous groups “in kind” (with cocaine product) for their services with helping to smuggle multi-ton shipments of cocaine through West and North Africa and into the soft underbelly of Europe. This phenomenon has resulted in the creation of new markets for cocaine and crack cocaine (base) in West Africa, where these homegrown groups can set and control retail market prices with the cocaine they have received as payment for their services, expand into surrounding countries, and further corrupt already weak governments.

We begin to see what I refer to as a “symbiotic destabilization of government,” much as we witnessed in Colombia several years ago, in Afghanistan today, and in other parts of the world where FTOs and DTOs occupy the same space at the same time. When the FTOs attack government forces with brutal violence, the DTOs benefit equally; when the DTOs destabilize government through physical attacks or through well planned corruption campaigns, the FTOs benefit just as much as organized crime. It is a never-ending, vicious circle that continues to degrade already weak governance. Yet our response is to invest in counter-terrorism projects to build host nation institutional capacity, or to invest in counter-narcotics programs to build competence in that realm. However, the strategies and objectives of these disparate, yet well-meaning endeavors remain unconnected or disjointed. We could accomplish so much more with a unified approach to fighting terrorism and the global drug trade that supports it. The two are inextricably connected, yet our strategy for fighting them remains disjointed.

The Emergence of the Hybrid Terrorist Organization; It’s All About the Money

The Revolutionary Armed Forces of Colombia (FARC), which has been active since 1964, was absolutely opposed to becoming involved in the cocaine trade until the early 1990s. When the Soviet Union fell and the funding stream from Cuba dried up, the FARC executive secretariat, realizing they were perfectly poised at the center of gravity for the global cocaine trade, made a corporate decision after no more than 10 minutes of debate: they were in. They really had no choice; the FARC would have to become involved in the cocaine trade if they wanted to keep their movement alive. The FARC got its start by taxing poor farmers, one of the earliest and most renowned organized crime schemes and forms of extortion. They then formed alliances with traditional drug traffickers and began providing security at clandestine drug laboratories and cache sites and the FARC also provided critical security at clandestine airstrips and on river transit routes.

They taxed the movement of drugs through their own country, as well as across clandestine smuggling routes with bordering nations. They next became involved in the full-scale production, transportation and distribution of cocaine, and are now recognized as the world's largest manufacturer and distributor of cocaine, while simultaneously recognized by our Department of State as the Western Hemisphere based FTO that poses the greatest threat to our part of the world. They are always evolving. They emerged into what I call a "hybrid terrorist organization." One part designated FTO, and one part global DTO. And groups like the Hezbollah and Taliban are following the same exact evolutionary path as the FARC.

In the context of funding a terrorist organization, it is important to understand that the cost of an actual terrorist attack is minimal. The Madrid train bombings, which were funded through drug trafficking by the Al Qaeda affiliated cell, only cost about \$70 thousand dollars to pull off. Although there is no evidence to indicate that any part of the 9/11 terrorist attack on the U.S. was paid for by drug trafficking activity, most experts agree that the 9/11 attacks only cost Al Qaeda about \$500 thousand dollars.

On the other hand, it costs hundreds of millions of dollars annually for the care and nurturing of a truly global terrorist network. Operatives must first be recruited and indoctrinated; they must be trained in all manner of clandestine activity, usually in very remote, secretive locations; they must be armed by global arms traffickers; safe-houses must be acquired and operated around the world; counterfeit documents must be acquired; alien traffickers must be paid to transport operatives across borders; terrorists cannot operate effectively without the latest in costly telecommunications and other communications and navigation equipment; and finally, they must be paid and provided with large amounts of operational funding, including huge quantities of money to corrupt government, military and intelligence officials.

The only area where FTOs and DTOs really differ is in what motivates them. DTOs have always been motivated by greed, while religious, cultural, or some other ideology has traditionally motivated FTOs. Yet when FTO leaders get a taste for the enormous amounts of revenue generated by their involvement in the drug trade, ideology quickly goes out the window. Rest assured that the hierarchy of these hybrid terrorist organizations continues to leverage ideology for what its most worth—recruiting and indoctrinating the young warriors to do the dirty work required to keep their criminal enterprises alive and healthy.

A Transition Made Easier By A Nearly-Identical Modus Operandi

The ability of FTOs to carve out a lucrative piece of the global drug trade is made all that much easier when you consider that FTOs and DTOs operate almost identically. They are both broken down into highly compartmentalized cells to thwart the effectiveness of law enforcement, military and intelligence services. If one or only a few cells are taken down, the chance of inflicting collateral damage to the greater organization is virtually impossible; all by calculated design.

Cell heads only manage the activities of their cell members, and the cell head usually receives management and direction, most often by way of telecommunications devices that are changed out every few days, from someone at a higher level who he or she knows only by a code name. And both FTOs and DTOs have the ability to quickly rejuvenate. When government experiences success in taking down a number of cells simultaneously, the threat quickly morphs into

something that does not look like or act like what government security forces were focused on just a few months earlier.

As mentioned before, they both rely heavily on the hallmarks of organized crime, corruption, intimidation and brutal violence. A survey by the DEA just a few short years ago of its top performing confidential informants (human intelligence sources) revealed that the single most important enabler to the successful operations of DTOs was their ability to corrupt. More simply put, if they cannot successfully corrupt then they cannot successfully operate, and they invest hundreds of millions of dollars annually to corrupt all levels of government.

FTOs and DTOs rely on the latest in technology to communicate and to navigate with pinpoint accuracy to anywhere on the globe. They are masters at exploiting the technological changes taking place at light-speed in the telecommunications and communications industries. These changes help FTOs and DTOs foil the best efforts of law enforcement, military and intelligence services, all of which are hindered by antiquated legislative and policy barriers, including right here at home.

The Shadow Facilitators

FTOs and DTOs rely heavily on what I call “shadow facilitators” to operate effectively: the same arms traffickers, money launderers, human traffickers, document forgers, etc.; similar to “outsourcing” in the private sector. It is efficient, and it saves money. The shadow facilitators, wittingly or unwittingly, often serve to bridge the divide between FTOs and DTOs operating in the same permissive environments around the globe. In ungoverned space, the shadow facilitators have the ability to move freely within both circles, where they often promote meetings, the formation of alliances, and the sharing of lessons learned. They are masters at creating demand for their goods and services, concurrently cashing in on the needs and requirements of the FTOs, DTOs and other organized crime threats.

Recommendations

We need to break down the barriers separating counternarcotics and counterterrorism in our government, which are usually stifled by the distinct operational authorities and sources of funding that each agency possesses and more importantly that are prohibited from being intermingled. We need a whole of government approach to building security capacity in troubled areas around the world, and the best way to do that is through the development of strategies that require interlocking CN/CT principles, goals and objectives.

Our government needs to utilize its powerful, corruption free criminal justice process to render more indictments against terrorist organizations and shadow facilitators, similar to those rendered in the Southern District of New York over the past few years. Working with the DEA, these federal prosecutors indicted the top 50 members of the FARC executive secretariat; have convicted the two most significant global arms traffickers, Victor Bout and Monzer al-Kasar; and convicted the two largest heroin traffickers in the world, Haji Bashir Noorzai and Haji Baghko, both of whom were also founding fathers of the Taliban Ruling Shura in Kabul. They have exposed these terrorist leaders and shadow facilitators for what they truly are, criminals and thugs, sending a powerful message to the world community, including vast numbers of misinformed people who view them as freedom fighters or modern-day Robin Hood figures.

Monzer al-Kasar and Victor Bout, both mentioned above as the two most prolific arms traffickers in modern times, are perfect examples of shadow facilitators. Our government needs to focus more heavily on the arms, human and counterfeit document traffickers and money launderers of the world. They often service and support both FTOs and DTOs, and can lead us in myriad directions. I believe that our government's failure to focus more heavily on the world's shadow facilitators is a significant shortfall in our GWOT strategy.

We seem to be obsessed with developing security strategies designed to "defend the one yard line," specifically on our border with Mexico. We should have a greater emphasis on developing "defense in depth" strategies when it comes to protecting our homeland. Our government does not have the resources deployed in Latin America we had prior to 9/11. We need to be identifying threats originating deep in Central and South America, as well as the Western Caribbean and Eastern Pacific, before they emerge on our doorstep. The DEA has the largest US law enforcement presence abroad, including in Latin America, but the agency is struggling to keep domestic and foreign offices open, and agents and analysts on the payroll.

After 9/11 a large percentage of our Department of Defense detection and monitoring (D&M) assets assigned to countries covered by Southern Command's area of responsibility were deployed to other parts of the world, and I have been told they have not returned. Yet Hezbollah and Quds Force operatives are pouring into Latin America, thanks in large part to Hugo Chavez in Venezuela, the undisputed gatekeeper for Middle Eastern terrorist groups seeking to enter Latin America. Most of this activity appears to be taking place south of Mexico, but there are persistent signs that Hezbollah has a strong interest in our Southwest Border and has already successfully exploited it.

Many in government fail to recognize that the most successful way of protecting our homeland from terrorists is by maintaining a relentless focus on the traditional threats at and beyond our borders: drug trafficking, human trafficking, weapons trafficking, and money laundering, including the movement of bulk cash and other proceeds. As law enforcement confronts these threats, they are far more likely to come in direct or indirect contact with terrorist operatives seeking to enter, or who have already entered our country to do us harm.

We must do a better job of following the money. No doubt, success can be experienced by a talented analyst sitting in a pod tracing the tens of millions of financial transactions that take place around the globe on a daily basis. However, a more productive way to accomplish our goals and objectives, especially when considering that most terrorist financing takes place clandestinely, is by doing business the old fashioned way: exploiting law enforcement confidential informants, judicially approved telecommunications intercepts, and complex international, multi-agency conspiracy investigations.

More leaders in our government need to understand that when we follow the money, we can go in any direction we choose. However, they must also understand that drugs are routinely traded for the most sophisticated weapons systems in the world, and they are traded for money, counterfeit documents, the services of human traffickers and other smuggling groups; I call this "the currency of contraband." There is ample evidence that the Quds Force routinely attempts to trade heroin for sanctioned equipment of military value. The numbers of times they succeed in their attempts are anyone's guess. Many in our government have lost site of the importance of

seizing drugs and precursor chemicals, thus removing them as a source of funding, and in bringing those who are responsible for trafficking them to justice.

I know this Committee most often deals with the outstanding law enforcement component agencies of the Department of Homeland Security, but I am far more familiar with the Department of Justice component agencies that also make significant contributions to the defense of our homeland and one in particular, the DEA. Many of the following suggestions would help to ensure a robust defense in depth homeland security strategy by simply building on existing, proven programs within the DEA. I am told these programs are currently facing major obstacles due to budgetary and other challenges, and may in fact be in jeopardy. I strongly recommend that you and your staffs meet with DEA executive leadership for the most accurate account of the agency's needs and requirements.

Our government broke the back of traditional Italian organized crime in the U.S. by bringing the heads of the Italian crime families, who lived in our Country, to justice in federal court. It is important for Congress to understand that the DEA needs additional extra-territorial teams and resources to work with foreign counterparts to bring the heads of the world's most powerful drug trafficking cartels and narco-terrorists to justice in the U.S., or in other competent jurisdictions. I happen to believe that the DEA needs additional extra-territorial teams working as part of the agency's Special Operations Division (SOD) (only two currently exist), Foreign-Deployed Advisory and Support Teams (FAST), and International Training Teams, and the logistical and support resources required to field them in the most remote and dangerous areas of the world.

That's where our Nation's most threatening terrorists and organized crime adversaries now live and operate and the DEA should be there as well building cases with trusted counterparts against powerful threats that want to do us harm. It was the DEA extra-territorial teams that brought some of the world's most notorious criminals to justice over the past few years, the likes of which included Haji Bashir Noorzai, Monzer al-Kasar, Haji Juma Khan, and Victor Bout, just to name a few. You can only imagine what they could do if they had more than two such teams, especially when considering that each team consists of only about 10 agents.

The DEA requires the funding and human resources necessary to open additional offices in Africa, and other austere locations where our adversaries have unsurprisingly migrated beyond the rule of law. The DEA, widely recognized as having the most robust and accurate human intelligence program in our government, requires the funding necessary to keep this critically important program in pace with growing demands.

Let me remind you that our success at foiling the plot to assassinate the Saudi Arabian Ambassador to the U.S. hinged on a DEA confidential informant who had been hired to carry out the attack—on U.S. soil. I cannot think of a better example to use in stressing the importance of additional funding for the DEA's confidential informant program than this case, and this program contributes immensely to the development of a defense in depth homeland security strategy.

The DEA has a model program developed several decades ago wherein the agency helps to select and fully vet handpicked teams of foreign law enforcement counterparts. Members of these teams undergo background investigations, polygraph and urinalysis examinations and extensive training as part of their selection process. Most important, they work shoulder-to-

shoulder with DEA Special Agents on bi-lateral investigations for several years after they are selected for these prestigious assignments, and it is under these conditions that the real vetting naturally takes place during tough and dangerous work; all of which is tempered by mutual respect, and honed by genuine, everlasting friendships. Most of these vetted officers ascend through the ranks of their respective agencies to senior leadership positions, which can only spell future success for our government in the many countries where these officers live, work and lead.

These Sensitive Investigative Unit and Vetted Unit programs allow the DEA to take highly sensitive information and intelligence, sanitize it and share it with their foreign counterparts in a timely manner so enforcement operations can be executed safely and effectively without compromising the source(s) of information from which it originated. Sadly, I have heard this program, which is the best example that I know of for the force-multiplier concept in US federal law enforcement abroad, is suffering from insufficient funding. The additional teams that are needed in various parts of the world cannot be constituted, and in some cases existing teams may have to be disbanded.

Finally, we as a government have changed directions far too many times in our battle against drug trafficking and abuse over the years, and those in harms way who are working hard to attack the problem are the ones who usually experience most of the pain stemming from Washington's well meaning ideas. There has been a recent movement to focus government resources on "Transnational Organized Crime" (TOC). The notion is that DTOs are involved in more than just drug trafficking, and I am not disputing that fact. They always have been and always will be. However, DTOs receive the vast majority of their contraband revenue from the global drug trade, and the DEA and other U.S. law enforcement agencies have all the jurisdictional authorities required to investigate other crimes the DTOs engage in, so I do not understand the reasoning behind this trend.

The DEA is engaged in far more than liaison work abroad, has trained and vetted thousands of their counterparts around the world, and has worked hard over the last 40 years to build the infrastructure needed to attack the DTOs on their own soil. The only thing that has been accomplished with the recent movement to target transnational organized crime instead of DTOs is confusion on the part of most of our foreign counterparts, and even more confusion on the part of law enforcement right here at home. As one DEA Regional Director recently said to me, "If a DTO is making over 90 percent of its revenue from the cocaine trade, why would we refer to it as transnational organized crime when they're receiving only a pittance from the low level activity they're involved in?" DTOs have always been involved with human and arms trafficking, money laundering, cartage theft, and shakedown schemes, but it is the stiff penalties they face from Title 21, United States Code convictions that break their backs. Why are we confusing the issue, yet again?

Summary

So what's the bottom line? Global DTOs and FTOs live, multiply, and operate in exactly the same ungoverned space, at exactly the same time, in exactly the same manner. More and more they contend for exactly the same money, generated by the same illicit enterprise, drug trafficking. They rely on the same shadow facilitators to operate: the arms traffickers, alien smugglers, money launderers and document counterfeiters to name just a few. When you

compress two or more of these well trained and well armed threats (FTOs/DTOs) into this space/time continuum, they are usually left with only two options: they can build alliances, or they can fight it out for supremacy, both of which undermine peace, security and stability. And providing peace, security and stability in challenged environments is the single most important thing our Country can do in its global war on terrorism. Terrorist organizations do not thrive in areas of the world where capable security institutions exist, and the rule of law is strong. Sadly, as the confluence of terror and drugs continues to grow, our counterterrorism and counter-narcotics strategies continue to drift further apart. We had better address this matter aggressively and fix it quickly with interlocking counterterrorism and counter-narcotics strategies and funding streams, or we could pay dearly for it in the future.

Professor James Fearon of Stanford University's Political Science Department conducted an exhaustive study entitled, "Why Do Some Wars Last Longer than Others," that was published in 2002. I do not want to oversimplify the study, but in summation I recall the Professor identified 128 civil wars that played out, and in some cases continued to play out, from 1945 through 2000. On average 111 of the conflicts lasted about eight years, but Professor Fearon identified 17 of the 128 that lasted on average over five times longer, or about 40+ years. The most significant difference between the two sets was the insurgent and anti-government groups involved in the 17 much lengthier conflicts generated their own contraband revenue, often through the sale of drugs. Drugs provide a never-ending funding stream straight into the war chests of terrorist and insurgent organizations that are hell bent on destroying our way of life. If we continue our war against terrorism with far greater enthusiasm and vigor than we battle drugs, we are most likely in for a very long and costly fight.

Finally, the Quds Force is responsible for Iran's Strategic Missile Program. When you couple that with the fact the Quds Force plot to assassinate the Saudi Arabian Ambassador with a car bomb right here in Washington, D.C. was deemed credible, it leaves me with just one troubling question: "Will the Quds Force also be holding the keys to Iran's future nuclear weapons arsenal?" If the answer is yes, then we had better get focused on doing something about it.