



# U.S. Immigration and Customs Enforcement

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**STATEMENT**

**OF**

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**IMMIGRATION AND CUSTOMS ENFORCEMENT  
DEPARTMENT OF HOMELAND SECURITY**

**BEFORE**

**House Government Reform Committee  
Subcommittee on Criminal Justice, Drug Policy and  
Human Resources**

**“Northern ICE: Stopping Methamphetamine Pre-cursor  
Chemical Smuggling Across the U.S.-Canada Border”**

**April 20, 2004 at 9:30 a.m.  
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Good morning, Chairman Souder and distinguished Members of the Subcommittee. I am honored to appear before you to discuss the investigative efforts and accomplishments of the Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE). Established in March 2003, ICE is the Federal Government's newest and the second largest investigative agency. Through its legacy components, ICE brings to bear significant expertise, broad statutory authorities, and innovative investigative techniques. One key mission of ICE is to disrupt and dismantle organizations involved in the smuggling of narcotics into the United States. Along with our counterparts from Customs and Border Protection, and in conjunction with the Drug Enforcement Administration (DEA), we have developed a focused and integrated strategy to combat the importation of pre-cursor chemicals used to manufacture narcotics in the United States. Specifically, ephedrine and pseudoephedrine.

The production and distribution of methamphetamine in the United States is not a new problem. For decades, outlaw motorcycle gangs controlled this criminal industry. However, the potential for high profit quickly drew others into the industry, including narco-traffickers from Mexico. As U.S. law enforcement focused its investigative efforts on domestic production and diversion, the U.S. government strengthened anti-diversion regulations. As a result, the criminal

organizations sought alternative means to obtain the precursors necessary for the production of methamphetamine. Due to the geographic proximity and the volume of trade with the United States, Canada inadvertently became a primary source of supply for these chemicals. Responding to the increase in demand, legitimate Canadian industries made available large amounts of pseudoephedrine in tablet form. Sold in the domestic Canadian market, these tablets were purchased in bulk by criminal organizations and subsequently resold or diverted to the United States.

Joint investigative efforts by ICE and DEA produced valuable intelligence on the structure and methods of operation of these criminal organizations. In particular, an analysis of seizures and arrests made in 2001 and 2002 identified a relationship between the movement of pseudoephedrine from Canada and organizations comprised primarily of Middle Eastern nationals. Between 2001 and 2002, U.S. law enforcement seized more than 127 million tablets of pseudoephedrine and ephedrine, including one seizure of more than 42 million tablets in Detroit, Michigan and another of more than 21 million tablets in Port Huron, Michigan.

The continuous pursuit of these criminal organizations, including large-scale undercover operations, border interdiction activities, controlled deliveries, and the analysis of smuggling trends, has significantly disrupted the flow of pseudoephedrine from Canada.

A key component to these investigations was the cooperation provided by Canadian law enforcement authorities, especially assistance provided by the Royal Canadian Mounted Police (RCMP) and Canada Border Service Agency. These agencies have continuously supported U.S. efforts through the exchange of intelligence and support of undercover international smuggling operations. For example, the RCMP assisted ICE and DEA in Detroit, Michigan, with an undercover investigation involving a criminal conspiracy to import 200 cases of pseudoephedrine.

In 2003, in support of law enforcement efforts, the Canadian government implemented tighter regulations, requiring licensing and permits for producers, importers, exporters, and wholesalers of ephedrine and pseudoephedrine. Aggressive bilateral investigation and enforcement action, combined with implementation of these regulations, has led to significant results.

For example, pseudoephedrine and ephedrine seizures from Canada spiked to approximately 127 million tablets between 2001 and 2002. However, after the Canadian Precursor Control Regulations were implemented, the number of tablets seized decreased to approximately 11 million tablets in 2003.

Simultaneously, the price of pseudoephedrine on the street rose. The decline in seizures and the corresponding rise in street prices suggest a causative relationship in which U.S. and Canadian efforts are making a difference.

The combined efforts of ICE, Federal Prosecutors, DEA, CBP, and our Canadian counterparts appears to have had a marked effect on the available supply of ephedrine and pseudoephedrine – making it more difficult for methamphetamine producers to acquire these chemicals. With the continuous cooperation of the Canadian government, the strengthening of regulations that govern these chemicals, and working closely with our law enforcement counterparts in this shared mission, ICE looks forward to even greater success in fighting the growing threat of methamphetamine.

## **CONCLUSION**

ICE continues to evolve to match its investigative priorities with the critical concerns of this Nation. In continuous cooperation with our counterparts at Customs and Border Protection and sharing of information with the Drug Enforcement Administration, we will continue to target the vulnerabilities that facilitate illegal activity. In conclusion, I would like to thank Chairman Souder and the Members of the Subcommittee for the privilege to testify before you today and highlight the investigative efforts and success a premier law enforcement agency. It would be my pleasure to answer any questions you may have.