



U.S. Immigration and Customs Enforcement

STATEMENT

OF

PETER T. EDGE
EXECUTIVE ASSOCIATE DIRECTOR
HOMELAND SECURITY INVESTIGATIONS

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

REGARDING A HEARING ON

*“SECURING THE BORDER:
UNDERSTANDING THREATS AND STRATEGIES FOR THE MARITIME BORDER”*

BEFORE THE

UNITED STATES SENATE
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Wednesday, July 15, 2015

342 Dirksen Senate Office Building

Introduction

Chairman Johnson, Ranking Member Carper, and distinguished members:

Thank you for the opportunity to appear before you today to discuss the efforts of U.S. Immigration and Customs Enforcement (ICE) to improve security along the maritime border of the United States.

As the largest investigative agency within the U.S. Department of Homeland Security (DHS), Homeland Security Investigations (HSI) leverages its broad statutory authority to support border enforcement by working in close coordination with U.S. Customs and Border Protection (CBP) and the U.S. Coast Guard (USCG) in a unified effort with our U.S. interagency partners to target transnational criminal organizations (TCOs). Today, I would like to highlight HSI's enforcement activities and successes in the maritime environment, the unique smuggling methods used by TCOs, and operational challenges that we encounter.

Overview of Maritime Smuggling Methods

TCOs and individuals continuously seek to smuggle illicit merchandise through America's international borders. In the maritime border environment, they attempt to evade detection by concealing contraband in sea freight or in commercial fishing vessels. As a result of the sheer volume of international vessels entering U.S. seaports daily, law enforcement agencies face challenges in detecting smuggling concealment methods and targeting freight that is being moved through sophisticated facilitation schemes.

In addition, as federal, state, local, and tribal agencies augment their interdiction efforts along the U.S./Mexico land border, drug and human smuggling organizations are increasingly

shifting their operations to maritime routes as an alternative to land routes in order to transport contraband into the United States.

To illustrate, Mexican smuggling organizations have a history of utilizing various methods to enter the United States via maritime routes. One notable scheme is their use of small wooden fishing vessels, which are known as pangas. Pangas are simple in nature, with no inside floor, no cockpit, and no extraneous markings. However, they are efficient, cost effective, have superior handling, and are difficult to detect and often travel at night in order to avoid detection. As a result of increased patrols by CBP and the USCG, as well as a coordinated law enforcement response to this threat, these smuggling organizations have identified routes further out to sea and travel further north up the California coast (as far north as the San Francisco Bay Area) to circumvent interdiction efforts and to maintain their illicit smuggling operations.

Border Enforcement Security Task Force

ICE created the Border Enforcement Security Task Force (BEST) to identify, investigate, disrupt, and dismantle existing and emerging TCOs and other criminal organizations posing significant threats to border security. The BEST program seeks to promote cooperation and coordination across the lines between federal, state, local, and tribal investigations, and close the gap with international partners in investigating complex TCOs in an effort to diminish vulnerabilities exploited by these organizations in the past. Currently, HSI has 37 BEST units located across 16 states and Puerto Rico and, of these, 19 maintain maritime units.

To facilitate these cooperative networks, ICE designates customs authority to partner agencies. ICE is authorized to designate customs officer authority under Section 1401 of Title 19 of the U.S. Code to other federal, state, local, and foreign law enforcement officers. This

designation is often referred to as “cross-designation” because the designated law enforcement officers are already empowered with the authorities granted by their home agency. Cross-designation enhances the ability of BEST agents and officers to investigate a wide range of complex criminal cases.

In order to minimize threats, the BEST program focuses on three key areas: investigations, interdiction, and intelligence. First, BESTs apply a risk-based approach to identify targets for disruption and dismantling. Targets identified as posing the most significant risk to border security, public safety, and national security are prioritized accordingly. Likewise, BESTs combine and leverage intelligence and interdiction successes in a comprehensive approach to investigate, disrupt, and dismantle TCOs involved in border related crime. These activities culminate with the proactive use of actionable intelligence and investigative leads by BESTs to target, intercept, and disrupt the illicit actions of TCOs attempting to exploit border security vulnerabilities.

BESTs offer diverse methods to combat TCOs, and many serve several specialized missions targeting illicit cross-border tunnels, maritime smuggling (contraband and human) through the use of modified fishing vessels (pangas), and illegal international flights using ultralight aircraft for smuggling narcotics. Likewise, BEST investigations also extend beyond the physical border. These units investigate cases of money laundering and financial crimes, the violation of intellectual property rights, identity and benefit fraud, child exploitation, and sex trafficking.

Co-location is another crucial aspect to the success of the BEST program. It enables all members of a BEST to work side-by-side on a daily basis under HSI supervision in a single

location. BEST members working in the same workspace promotes maximum cohesion and collaboration.

Created in 2005, the BEST program has provided a proven and flexible platform for DHS to investigate and target TCOs attempting to exploit perceived vulnerabilities at our nation's borders. BEST units differ from other task forces due to the BEST units' proximity to the borders and the program's focus on cross-border criminal activity. Congress codified the establishment of the program by passing the Jaime Zapata Border Enforcement Security Task Force Act, which was signed into law by President Obama in December 2012.

HSI Maritime Operation and Landscape Challenges

HSI has been designated as the executive agent for developing the DHS Joint Task Force Investigations (JTF-I), and other DHS components are supporting this joint, integrated task force focused on common goals and objectives to secure the southern border and approaches, including the maritime border. JTF-I has the responsibility of identifying top tier criminal investigations and to support JTF-East and JTF-West.

The success of the JTF-I and the BESTs in these diverse environments depends upon the 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. An example of this effort is the high-impact operation called Joint Operation Panama Express (PANEX). PANEX is a U.S. interagency strike force with significant HSI participation that is charged with identifying, targeting, and interdicting multi-ton quantities of cocaine being transported in the international maritime environments from South America through Central America and/or the Caribbean and into the United States.

PANEX is split into two separate task forces, one focusing on the Caribbean and one on the Pacific: PANEX N (Western Caribbean) and PANEX S (Eastern Pacific). HSI plays a critical role in the success of PANEX through its investigative authorities and augmentation of interagency resources in both the domestic and foreign arenas. HSI, the Drug Enforcement Administration (DEA), and the Federal Bureau of Investigation (FBI) share investigative responsibilities for these international maritime interdictions. However, these agencies also rely heavily on the resources and analytical support of the USCG, CBP, Department of Defense (DoD), Intelligence Community, and multiple state and local partners in order to achieve success. In Fiscal Year (FY) 2014, PANEX was responsible for the interdiction of upwards of 36 tons of cocaine and more than 100 arrests of maritime facilitators and coordinators responsible for these shipments. Also, in FY 2014, PANEX dismantled three drug trafficking organizations and disrupted over 100 illicit activities of criminal organizations.

Another example of this effort is HSI Miami's Operation Bay Islands. Operation Bay Islands was initiated in July 2009 to target Honduran-based maritime transportation coordinators responsible for the movement of hundreds of tons of cocaine annually into Honduras for distribution to various Mexican cartels. Over the past six years, HSI led joint efforts with its federal, state, local, and foreign partners, and leveraged DoD and Intelligence Community capabilities, to completely dismantle one of the largest illicit maritime transportation networks operating in Central America. This HSI operation contributed to the arrests, indictment, and subsequent extradition of two Honduran nationals, the first Honduran nationals to be extradited from Honduras to the United States, since Honduras amended its constitution.

The cases were facilitated by four USCG maritime drug interdictions that helped build the cases. Since these charges and significant seizures of assets were effected, U.S. authorities

have witnessed a significant decrease in maritime cocaine movement into Honduras. This operation is a great example of HSI applying a whole of government approach to targeting TCOs at the source of the problem and preventing them from continued adverse impact on U.S. border security.

The individual BESTs located in maritime environments face unique challenges along the shoreline because of the surrounding geography. The following three BEST locations exemplify some of these maritime geographical challenges faced by these units.

Louisiana hosts two maritime BEST locations: New Orleans and Houma. Established in April 2015, the Houma BEST operates in a remote environment along the open coast of the Gulf of Mexico, and covers approximately 250 miles of uninhabited Gulf Coast sea border. Access to land is gained through six major waterways consistently traversed by large commercial vessels. These expansive, remote terrestrial areas and open major waterways are conducive environments for TCOs to smuggle illegal merchandise.

Within the BEST Houma area of responsibility, the Port of Morgan City has the second-highest number of vessel entries of any port in the nation due to the oilfield industry and its off-shore operations. Vessel entries into the Port of Morgan City increased over 11 percent from 4,561 in FY 2013 to 5,083 in FY 2014. Helicopter flights into the Port of Morgan City from off-shore oil platforms also increased over 45 percent, from 4,837 entries in FY 2013 to 7,052 entries in FY 2014.

The Louisiana Offshore Oil Port (LOOP) is located in Lafourche Parish, with its docking station 18 miles off the coast of Grand Isle, Louisiana. The LOOP alone is responsible for the delivery of as much as 18 percent of the nation's oil and is connected by pipeline to 50 percent of

the nation's oil supply. The LOOP is the only port in the United States capable of offloading Ultra Large Crude Carriers and Very Large Crude Carriers.

The establishment of BEST Houma has afforded HSI the opportunity to engage drug trafficking organizations exploiting these emerging Caribbean ports for maritime smuggling activity within the Gulf Coast. Modes of maritime transportation used to smuggle narcotics include containerized cargo, commercial vessels, crewmembers smuggling drugs, non-commercial fishing, and sailing vessels. BEST Houma is observing a dramatic increase in the use of fraudulent travel documents by aliens within the oilfield community.

In Virginia, the Hampton Roads BEST monitors facilities in Norfolk and Newport News. Hampton Roads is the third-largest container port along the Atlantic coast and seventh busiest in the United States. A majority of the commercial traffic in Hampton Roads is centered on four major seaport container terminals. Containerized traffic is expected to increase not only from the Panama Canal expansion project but also from the Heartland Corridor project, which will increase containerized rail traffic between the East Coast and the Midwest. The area also has a very large military presence, including the world's largest naval base. The port also has two cruise ship terminals that are increasing in passenger volume. TCO activity in the Port of Hampton Roads area of responsibility has included intellectual property enforcement seizures of counterfeit goods originating in China, illicit export of weapons destined to Africa, and stolen vehicles shipped to Eastern Europe, Africa, and the Middle East.

Lastly, the Port of Charleston is also a major transportation hub and is home to Charleston BEST. The top trading regions with the port are Europe, Asia, and Latin America, with Europe and Asia as the top markets. In all, 150 nations are served by 30 ocean carriers out of the Port of Charleston. There are also numerous privately-owned terminals in the Charleston

area providing services for the steel, petroleum, and paper industries. The Port of Charleston also supports cruise passenger traffic that has seen an infrastructure enhancement to support additional cruise traffic and passengers. The port is a major cargo facility for the U.S. military with an out-load operations site located in North Charleston, and is ranked one of the top strategic ports in the U.S. for military cargo movement.

Successful BEST Maritime Cases

Partnerships with our international law enforcement partners are vital to identifying, disrupting, and dismantling TCOs. HSI strives to coordinate with our global counterparts beyond our border. Such collaborative relationships are demonstrated through these notable case examples.

The Newark BEST established a federally-led carjacking task force in response to the dramatic increase in luxury vehicles being violently carjacked in New Jersey, then smuggled through the Ports of Newark and Elizabeth, New Jersey to various West African countries to fund illicit TCO activity. BEST special agents and task force officers (TFOs) arrested 29 defendants following the dismantling of a major international carjacking and stolen vehicle trafficking ring. The ring procured luxury cars that were either stolen or violently taken through carjacking in New Jersey and New York and shipped the cars in containers to West Africa, where they were resold for large profits. Approximately 180 stolen vehicles worth more than \$10 million were recovered during Operation Jack in the Box, a 10-month Newark BEST investigation that used multiple investigative techniques.

The Honolulu BEST has a remote area of responsibility – the Hawaiian Island chain – requiring cooperative law enforcement partnerships in order to complete the BEST mission of

identifying, dismantling, and prosecuting criminal organizations. Every partner agency must share the investigative burden equally, and disparate agency priorities must be set aside to serve the unit and its mission as a whole. The Honolulu BEST is pursuing several notable investigations to include narcotics interdiction, export violations, and intellectual property rights, and has provided direct support to many significant state and local cases related to the seaport environment. For instance, the Honolulu BEST received information from the Honolulu Police Department on the recovery of five stolen vehicles with altered and/or removed Vehicle Identification Numbers (VINs). The stolen vehicles had the VINs swapped with salvaged vehicles similar in make and model to avoid law enforcement and regulatory detection.

The Houston BEST maintains the Mexico Corridor Initiative (MCI), which leverages law enforcement and DoD resources. The unit also focuses on TCOs operating in the Caribbean and the maritime threat from Central and South America. In one example, our Houston BEST tracked a commercial freighter vessel from the Dominican Republic that had docked in Venezuela, and then traveled to Puerto Rico. The Houston BEST collaborated with HSI Puerto Rico and CBP's Office of Air and Marine Operations in the Caribbean to intercept a Zodiac boat launched from the ship. This partnership resulted in two arrests and the seizure of 1,774 kilograms of cocaine. That same ship launched a second boat, resulting in an additional seizure of 1,056 kilograms of cocaine and several arrests. The USCG made an additional 11 arrests and the freighter was eventually seized by the U.S. Government.

The Los Angeles BEST represents a true "task force" model, where each agency supports the team effort by bringing their combined resources to the table. This task force's success is largely due to the unit's philosophy that all agencies share the credit equally and that all the partner agencies' priorities are the priorities of the Los Angeles BEST. The unit has investigated

several notable cases in the areas of narcotics and human smuggling, gun trafficking, and export violations, and has provided direct support to many significant state and local cases related to the seaport including murders, gang violence, and cargo theft investigations. The Los Angeles BEST is quickly becoming the model of how to combat the growing trend of maritime drug and human smuggling via pangas and private recreational crafts along the Mexico-California coast.

Co-located with the BEST is the Los Angeles/Long Beach Regional Intelligence Group, which coordinates directly with BEST special agents and TFOs. In FY 2014, a Los Angeles BEST-led Organized Crime Drug Enforcement Task Force (OCDETF) investigation resulted in the interdiction of a panga piloted by two Mexican nationals while the USCG patrolled the Southern California Coast. The panga contained bulk marijuana weighing approximately 2,560 pounds, cell phones, a satellite radio, and a maritime radio. The special agents seized all of these materials, and the subjects were charged with violations of maritime and narcotics laws.

Similarly, the San Diego BEST Marine Task Force (MTF) has been successful in combatting TCOs exploiting the openness of the Southern California Coastline to smuggle drugs and people from Mexico into the United States. The San Diego BEST MTF is a vital component of the San Diego Regional Coordinating Mechanism and provides tactical intelligence to patrol and interdiction assets. It also responds to and investigates all maritime smuggling events. San Diego BEST MTF is the lead agency of one OCDETF investigation. The unit itself is an initiative of the Southwest Border High Intensity Drug Trafficking Area (HIDTA) – California Region, so all narcotics investigations are HIDTA-related. In a joint San Diego BEST and OCDETF investigation dubbed Operation Baja Maelstrom, HSI targeted a large-scale maritime smuggling organization operating out of Baja California, Mexico. The BEST special agents and TFOs learned that the organization planned to land along the coast of California between San

Diego and San Francisco. Since its initiation in 2012, Operation Baja Maelstrom has resulted in a significant increase in interdictions spanning multiple judicial districts. In FY 2014 alone, the operation yielded over 30 interdictions and 95 arrests, as well as the seizure of 81,000 pounds of marijuana and 30 pounds of crystal methamphetamine.

These are just a few of the successful operations involving our maritime BESTs.

Conclusion

HSI investigative and intelligence personnel are working tirelessly in coordination with DHS and our interagency counterparts to identify, disrupt, and dismantle TCOs that subvert the rule of law, violate our immigration and customs laws, destabilize our communities, and threaten national security. We commit substantial resources to secure not just the northern and southern borders, but our maritime borders as well. Our considerable efforts, in coordination with our partners at CBP and the USCG, are part of our comprehensive strategy known as the Southern Border and Approaches Campaign Plan, which focuses on securing the nation's borders, dismantling the infrastructure supporting cross-border criminal activity, and identifying and seizing the illicit criminal profits.

BESTs are continuing to identify and disrupt TCO activity and dismantle these organizations cell by cell. This success stems from the partner agencies acting as a force multiplier, with all of their resources, which have allowed BESTs to engage and more effectively target criminal activity perpetrated by TCOs. BEST special agents and TFOs continue to present successful criminal investigations for prosecution at the federal and state levels.

We are dedicated and committed to this mission, and we look forward to continuing to work with this Committee on these efforts. Thank you again for the opportunity to appear before you today.

I would be pleased to answer any questions.