



Homeland Security Investigations

STATEMENT OF

KATRINA W. BERGER
EXECUTIVE ASSOCIATE DIRECTOR

HOMELAND SECURITY INVESTIGATIONS
U.S. DEPARTMENT OF HOMELAND SECURITY

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Good afternoon, Chairman Biggs, Ranking Member McBath, and distinguished Members of the Subcommittee: On behalf of the women and men of Homeland Security Investigations (HSI), I wish to express our deepest condolences on the passing of former Ranking Member Sheila Jackson Lee. Representative Jackson Lee valiantly and steadfastly served our nation and the State of Texas, leaving an enduring legacy for future generations.

Thank you for the opportunity to discuss the incredible and tireless efforts that HSI performs to safeguard our nation's security, public health, and economy by identifying, disrupting, and dismantling transnational criminal organizations (TCOs).

The diverse and ever-emerging threats we face as a nation underscore the complexity and scope of the HSI mission. HSI's people are guided by the principles of Honor, Service, and Integrity, and I am honored to have this opportunity to discuss the vital work they perform across the country and around the world.

Homeland Security Investigations History and Role

HSI was established by the Homeland Security Act of 2002 and the subsequent merger of the investigative elements of the former U.S. Customs Service and the Immigration and Naturalization Service. The mission of HSI is to investigate, disrupt, and dismantle TCOs and national security threats seeking to exploit the customs and immigration laws of the United States. As the principal investigative component of the U.S. Department of Homeland Security (DHS), HSI is vested with broad legal authority to conduct criminal investigations into the illegal cross-border movement of people, drugs, money, goods, technology, and other contraband throughout the United States.

HSI's workforce consists of more than 8,700 employees, including over 7,000 special agents, supported by criminal analysts, mission support personnel, and contract staff, in 235 domestic and 93 international offices across 56 countries. This global presence, the largest within DHS, allows HSI to extend its investigative reach beyond our nation's borders and foster enhanced collaboration with foreign government partners in advancement of HSI's mission worldwide.

HSI's unique combination of legal authorities encompass more than 400 federal criminal statutes under the United States Code: Customs Duties (Title 19), Crimes and Criminal Procedure (Title 18), Money and Finance (Title 31), Foreign Relations and Intercourse (Title 22), War and National Defense (Title 50), Aliens and Nationality (Title 8) as well as a delegated authority from the Drug Enforcement Administration (DEA) regarding the enforcement provisions of Food and Drugs (Title 21). HSI leverages these authorities to investigate a wide array of transnational crimes, including terrorism, national security threats, narcotics and contraband smuggling, transnational gang activity, child exploitation, human smuggling and trafficking, illegal exports of controlled technology and weapons, money laundering, financial fraud, cyber and cyber-financial crimes, intellectual property theft, trade fraud, organized retail crime, identity and benefit fraud, and human rights violations, including war crimes.

In collaboration with strategic partners located both within the homeland and abroad, HSI special agents build criminal cases against TCOs, terrorist networks and facilitators, and other criminal

elements that threaten the United States. Working closely with prosecutors, HSI seeks to indict and arrest violators, execute judicially authorized enforcement actions, and seize and forfeit criminally derived assets. HSI's efforts to identify, disrupt, and dismantle TCOs operating around the globe are vital to protecting national, border, and economic security and ensuring the safety of American communities.

I proudly serve as the Executive Associate Director for HSI, overseeing nine divisions, 11 specialized centers, and a budget exceeding \$2.4 billion. The centers consist of the HSI-led DHS Center for Countering Human Trafficking, the DHS Cyber Crimes Center (C3), the Cross-Border Financial Crime Center (CBFCC), the Angel Watch Center, the Export Enforcement Coordination Center (E2C2), the Human Rights Violators and War Crimes Center, the Forensic Lab, the Innovation Lab, the National Bulk Cash Smuggling Center, the National Intellectual Property Rights Coordination Center, and the National Lead Development Center.

The concerted efforts of HSI thwart TCOs, preserve the integrity of commercial industries and the financial sector, protect our most vulnerable populations, and prevent the importation of illicit substances. In Fiscal Year (FY) 2023, HSI's global efforts led to approximately 29,500 criminal investigations producing more than 33,000 criminal arrests, 16,500 indictments, and 11,250 convictions. Additionally, HSI's FY 2023 efforts resulted in the seizure of more than 20,000 weapons, \$940 million in currency and physical assets, and \$145 million in virtual assets.

Transnational Poly-Criminal Organizations

TCOs, which had traditionally focused on a single criminal enterprise, have now morphed into poly-criminal organizations engaged in multiple illicit activities, often simultaneously. Disrupting and dismantling these organizations demands a collaborative effort by HSI and its partners. For example, the CBFCC brings together federal law enforcement, international partners, and private sector stakeholders to disrupt illicit cross-border financial activities. The CBFCC strengthens the U.S. anti-money laundering infrastructure by educating private sector stakeholders on trends and techniques used to facilitate illicit cross-border financial activity. The center's work enhances information sharing between the U.S. government and the private sector and supports the disruption and prosecution of kleptocrats, oligarchs, professional money laundering organizations, and other criminal actors who violate U.S. laws.

The CBFCC has identified increasing collaboration between Chinese money laundering organizations (CMLOs) and Mexican drug trafficking organizations. The CMLOs need large quantities of U.S. currency to operate informal money transfer systems which are commonplace within Chinese diaspora communities; the Mexican organizations need to launder criminal proceeds, repatriate drug proceeds across borders, and sustain drug trafficking activity. This symbiotic criminal relationship also benefits corrupt People's Republic of China (PRC) officials and criminal organizations by making U.S. dollars available outside of China, while circumventing the PRC's strict foreign currency exchange restrictions.

HSI continues to build on the success of its El Dorado Financial Crimes Task Force (EDTF) model, originally established by the U.S. Customs Service in 1992. The EDTF is a multi-agency initiative that brings together federal, state, Tribal, and local law enforcement to disrupt and

dismantle transnational money laundering organizations. These task forces focus on complex, high-priority financial investigations, engaging private sector partners and leveraging federal as well as state statutes to achieve successful prosecutions. Over the last decade, EDTF investigations have resulted in over 2,100 arrests and the seizure of more than \$2.68 billion in illicit proceeds. HSI has approved the expansion of the EDTF model to all 30 of its domestic Special Agent in Charge offices to further enhance the U.S. government's ability to investigate and prosecute TCOs and their associates who engage in sophisticated money laundering schemes and illicit financial activity.

HSI's Third-Party Money Laundering (3PML) program further targets professional money launderers. Since its inception in 2013, the 3PML program has initiated over 400 criminal investigations. HSI's 3PML designated investigations resulted in seizure of more than \$100 million in criminal proceeds and over 200 arrests in FY 2023.

Breaking the Fentanyl Supply Chain

HSI remains dedicated to combating TCOs involved in the illicit trafficking of controlled substances, synthetic precursor chemicals, and pharmaceutical manufacturing equipment. HSI works closely with the DEA, which provides approximately 4,600 of HSI's special agents with authorities to enforce the criminal provisions found within Title 21 when there is clearly articulable nexus to the United States border or ports of entry.

The past decade has seen a dramatic increase in the illicit production and trafficking of fentanyl. According to U.S. Center for Disease Control and Prevention provisional data, in the 12-month period ending in April of 2024, approximately 101,168 Americans died from drug overdoses, with fentanyl and other synthetic opioids responsible for over two-thirds of these deaths.¹ 's efforts to combat this public health crisis include enforcement operations such as Operation Hydra and Operation Chain Breaker.

Operations Hydra and Chainbreaker were initiated after HSI identified shifts in fentanyl trafficking trends, showing an increase of synthetic opioid production in Mexico. Both operations focus on disrupting the supply chain of Mexican and Chinese criminal organizations by identifying and targeting shipments of precursor chemicals and pill presses from China. HSI's combined efforts under Operations Hydra and Chainbreaker have resulted in the seizure of over 76,000 pounds of fentanyl, the interdiction of more than 3.4 million pounds of synthetic precursor chemicals and over 2,500 illicit pharmaceutical manufacturing devices, and the dismantlement of over 30 fentanyl labs. These operations have also led to over 225 arrests, 135 indictments, and 20 convictions to date.

The Border Enforcement Security Task Force (BEST) program, established in 2006, is another critical component of HSI's strategy. With 98 BEST units located across the U.S. and its territories, the program leverages the resources of over 200 federal, state, local, Tribal, and international law enforcement agencies to identify, disrupt, and dismantle organizations exploiting vulnerabilities at the border, at airports and seaports.

¹ Provisional Drug Overdose Death Counts, National Center for Health Statistics September 11, 2024), [Products - Vital Statistics Rapid Release - Provisional Drug Overdose Data \(cdc.gov\)](#).

In 2022, HSI established specialized investigative groups – called the Fentanyl Abatement and Suppression Team (FAST) – embedded within BESTs. HSI has established 46 FAST teams whose mission is to target geographic areas where the impact of fentanyl is most significant. In FY 2024 alone, FAST teams have initiated over 200 federal investigations that have resulted in 191 criminal arrests and the seizure of over 1,100 pounds of fentanyl. Many of these investigations are ongoing. The dedicated HSI investigative personnel work diligently to illuminate illicit fentanyl supply chains and the criminal networks that manufacture, distribute, and profit from the opioid epidemic.

Crimes of Victimization and Exploitation

Every year, an increasing number of children fall victim to heinous crimes such as sexual exploitation, abuse, commercial sex trafficking, extortion, and forced labor. HSI is deeply committed to safeguarding children in the United States and worldwide and has established itself as a global leader in the investigation, disruption, and dismantling of criminal actors that exploit vulnerable populations, often via electronic means.

The HSI Child Exploitation Investigations Unit, a component of the HSI-led DHS C3, plays a crucial role in this effort. HSI employs a victim-centered approach to ensure investigations prioritize the identification, rescue, and care of victims in addition to the prosecution of offenders. HSI collaborates with international law enforcement partners to infiltrate networks in Southeast Asia, where traffickers offer child victims to foreign offenders for abuse which is then streamed via social media and video chat platforms, to disrupt these networks and rescue victims.

Another growing concern is the victimization of children and teens who are coerced into sending explicit images online and then extorted for money. In 2022, HSI and the National Center for Missing and Exploited Children (NCMEC) noticed a pattern of sextortion referrals where the offenders originated from Côte d'Ivoire and Nigeria. HSI, in collaboration with NCMEC and the Federal Bureau of Investigation (FBI), agreed to divide the referrals, with HSI investigating those originating from Côte d'Ivoire and the FBI handling those from Nigeria. As of 2024, HSI has identified and rescued over 675 domestic victims of West Africa-based sextortion schemes. We believe financial sextortion is a preventable crime. Earlier this year, the Department launched Know2Protect: Together We Can Stop Online Child Exploitation, a national public awareness campaign to educate and empower children, teens, parents, trusted adults, and policymakers to prevent and combat online child sexual exploitation and abuse (CSEA), provide information on how to report, and offer resources for victims, survivors, and supporters. Led by HSI, Know2Protect has educated over 82,900 adults and children and completed over 1,000 events and presentations to spread awareness and prevention tactics about online CSEA through our in-person and virtual trainings.

HSI's commitment to combating human trafficking is further reinforced by the work of the HSI-led DHS Center for Countering Human Trafficking (CCHT), established in 2020 and expanded under the Countering Human Trafficking Act of 2021. This center integrates investigative operations, victim assistance, intelligence, outreach, and training to address human trafficking on a global scale. The CCHT is a DHS-wide effort, comprised of 16 supporting offices and

components, and is the first unified, inter-component coordination center for countering human trafficking and the importation of goods produced with forced labor. A component of the CCHT, the Sex Trafficking Investigations Unit (STIU), is responsible for supporting worldwide criminal investigations of sex trafficking by providing subject matter expertise, investigative support, and operational resources. STIU also supports DHS enforcement efforts with intelligence by conducting lead development and validation and case support, with an emphasis on analyzing organizational structures to identify traffickers and victims.

HSI remains dedicated to protecting children, adult workers, and the American labor market through its Labor Exploitation Program. This program prioritizes the identification and prosecution of employers who exploit noncitizens based on their lack of lawful immigration status. HSI also focuses on ensuring that victims receive services and support through the Victim Assistance Program and the Parole and Law Enforcement Programs Unit.

By targeting and dismantling the infrastructure exploiting vulnerable populations, such as fraudulent document mills and smuggling organizations, HSI promotes lawful employment and seeks to prevent the exploitation of children and other workers.

Trade Crimes, Export Enforcement, and Sanctioned Entities

Intellectual property (IP) theft, counterfeiting, and trade fraud are critical global challenges that threaten economic stability and public safety. The Organization for Economic Co-operation and Development estimates that approximately 2.5 percent of global trade—equivalent to \$464 billion annually—consists of counterfeit and pirated goods.² Beyond financial loss, these illicit activities pose significant risks to the health and safety of consumers. TCOs exploit counterfeit activities to finance other illegal operations, such as human trafficking, money laundering, and forced labor. TCOs often view counterfeiting as a low risk, high reward income stream.

The World Health Organization reports counterfeit medications cause up to 1 million deaths annually. Amid growing concerns over and evidence of the infiltration of counterfeit and substandard goods into the U.S. Government supply chain, HSI sought and received appropriated funding from Congress to establish a standalone unit charged with combating the compromise of government supply chains. The Government Supply Chain Investigations Unit (GSCIU) was established in June 2023 within the HSI Global Trade Division. The GSCIU operates as a federal task force, to strengthen the efforts of HSI to identify, disrupt, and dismantle TCOs infiltrating the supply chain with counterfeit or substandard goods known to adversely impact defense readiness, national security, the U.S. economy, and the health and safety of our citizens and those who serve them. Ballistic personal protective equipment, to include ballistic helmets, plates, shields, weapons, weapon components, optics, uniforms, pharmaceuticals, and medical devices are a few examples of counterfeit or substandard products introduced into the government supply chain which can gravely impact citizens and agencies of the United States. The GSCIU team is comprised of more than 20 special agents, program managers, and analysts from HSI, components of the Department of Defense, the Department of Justice, numerous Offices of Inspector General, other public and private sector partners, and academia, to combine and

² OECD/EUIPO (2019), *Trends in Trade in Counterfeit and Pirated Goods*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/g2g9f533-en>.

leverage varying expertise and authorities, representing a whole of government approach to overall U.S. Government supply chain security.

The GSCIU has initiated 4 successful programs and has enhanced multi-agency deconfliction and coordination mechanisms. Collectively, members of the GSCIU have provided outreach and training to more than 6,400 people from both the public and private sectors. Since inception, more than 40 multi-agency leads have been distributed to 33 field offices and more than 65 investigations have been supported by the GSCIU resulting in numerous arrests and indictments. The GSCIU is housed at the National Intellectual Property Rights Coordination Center (IPR Center).

The HSI-led IPR Center is instrumental in combating trade crimes through a comprehensive, whole-of-government approach. Established in 2000 and codified via the Trade Facilitation and Trade Enforcement Act of 2015, the IPR Center leads the federal government's efforts in enforcing IP laws. The IPR Center coordinates activities from over 20 federal agencies, international law enforcement bodies, academic institutions, and private industry entities. These relationships have been instrumental in enhancing investigative support, training, and outreach efforts, bolstering the center's mission to thwart IP theft and counterfeiting.

The IPR Center further serves as a centralized repository for lead evaluation and subsequent dissemination. This is a critical function as the IPR Center receives in excess of 30,000 leads annually from industry partners and U.S. Customs and Border Protection (CBP). Throughout the lead evaluation process, HSI works closely with CBP, the FBI, and the National Cyber-Forensics and Training Alliance to research trends and identify linkages. This collaboration allows HSI to leverage proprietary databases, further deconflict law enforcement efforts, and identify network associations between TCOs.

HSI continues its longstanding focus on enforcing export violations, drawing on authority and expertise that dates back to the creation of the U.S. Customs Service in 1789. HSI is dedicated and committed to targeting the illegal movement or export of U.S.-origin sensitive technology, military equipment, and weapons to prevent the acquisition of these items by terror networks, state-sponsored actors, and TCOs.

The HSI Counter-Proliferation Investigations program is designed to safeguard the U.S. export control system, prevent the unlawful export of sensitive U.S. commodities, and counter threats posed by foreign adversaries, terrorists, and criminal networks. In addition to investigations, HSI also leads the E2C2. Established by Executive Order in 2010, E2C2 promotes a whole-of-government approach to export enforcement by coordinating efforts across agencies and strengthening ties between law enforcement, intelligence, and export licensing entities.

Export enforcement is crucial in the face of growing threats from adversaries who seek U.S. technology. An analysis of Russian military equipment seen in its war against Ukraine highlights Russia's dependence on Western, and particularly U.S., technology. Similarly, Iranian-made drones used by Russian forces have been discovered to include U.S.-origin microchips and global positioning components.

Russia's illicit methods to acquire U.S. technology have led to an 85 percent increase in HSI investigations tied to Russian exports and sanctions. Following Russia's invasion of Ukraine in February 2022, HSI coordinated efforts to target Russian state-owned industries, financial institutions, and individuals who disregarded U.S. export controls. Furthermore, in support of the Department of Justice's Task Force KleptoCapture, HSI works to identify, locate, and bring to justice those individuals who enable the Russian regime to continue its unprovoked invasion of Ukraine. HSI continues to use its civil and criminal asset forfeiture authorities to seize and forfeit assets linked to sanctioned individuals and/or proceeds of unlawful conduct that empower the Russian Government to continue the Russia-Ukraine war.

Iran employs an expansive network of shell companies to avoid sanctions, exploit the U.S. financial system, and generate revenue to fund and support Iranian-backed terrorist groups, ballistic missile and nuclear weapons development, and the acquisition of technology for the Iranian regime. To counter these evolving threats, HSI investigates the sale of Iranian-origin petroleum products in violation of U.S. and United Nations sanctions. To date, HSI and its partners have seized 4.8 million barrels of embargoed petroleum products, with an estimated value of \$289 million, from eight tankers. Additionally, approximately \$11 million of other assets related to the illicit sale of petroleum products were frozen by the Treasury Office of Foreign Assets Control and seized by HSI when the assets were discovered transiting the U.S. financial system.

In response to the Israel-Hamas conflict, HSI, through E2C2, established an initiative to address Hamas and Hezbollah procurement networks attempting to obtain U.S.-controlled commodities. This initiative provides analytical support to investigating agencies through a review of trade data to identify anomalies or suspicious patterns and provide insight into shipping networks.

HSI Support to DHS Components

In addition to its core mission of criminal investigations, HSI often performs other roles in support of other DHS components and mission areas, for example, HSI's historical and continued support to CBP, the U.S. Secret Service (USSS), and the Federal Air Marshal Service (FAMS). HSI frequently provides personnel to augment USSS-led National Special Security Events (NSSEs) and protective detail assignments. In the past five years, HSI special agents have worked more than 700,000 hours in support of NSSEs and/or protective detail assignments at a cost of over \$22.8 million.

HSI has provided support to CBP in furtherance of its programs and initiatives related to fentanyl trafficking and the migration of noncitizens along our nation's Southwest Border (SWB). Since April of 2022, HSI has provided 2,876 special agents in support of Operation Expanded Impact. HSI's support of this effort has included assignment at CBP Enhanced Centralized Processing Centers and transporting detained noncitizens.

HSI detailed more than 500 personnel to support Operation Blue Lotus, in coordination with CBP, to increase targeted inspections for illicit fentanyl at ports of entry along the Southwest Border.

Additionally, HSI has historically provided surge support to the FAMS as needed to ensure the safety and security of the American public on domestic carriers.

Development and Use of Critical Technology

HSI allocates significant financial and human capital resources to the development, operation, and maintenance of advanced technological platforms which are deployed as official systems of record, proprietary cutting edge investigative and analytical tools, and an optimized digital case management system to greater enable enhanced transparency and interoperability. HSI's Innovation Lab develops proprietary analytic capabilities, tools, and enhanced business processes to support special agents and criminal analysts in the field. The Innovation Lab's primary technology platform, the Repository for Analytics in a Virtualized Environment (RAVEN), centralizes HSI's numerous data holdings and hosts a suite of data analytics tools. These tools aim to enhance investigative processes by automating manual tasks and enabling personnel to identify links across data sets. The Innovation Lab has also invested in the development of the RAVEnGO (RGO) mobile application which provides access to investigative and analytical tools on mobile devices.

HSI currently uses the Investigative Case Management system as its official system of record. However, the contract for this system and its back-end data services is set to sunset in 2027, and HSI is actively pursuing the development of an advanced digital case management system.

Conclusion

HSI's customs and immigration authorities, combined with its global footprint, make it uniquely capable of disrupting and dismantling the sophisticated groups and networks that we now face. That capability is driven by a workforce committed to taking down those who seek to do Americans harm and who exploit and prey on the most vulnerable, whether in person or online.

Chairman Biggs, Ranking Member McBath, and Members of the Subcommittee, thank you again for the opportunity to testify today, and for your continued support of HSI.