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BEFORE

**THE COMMITTEE ON HOMELAND SECURITY
UNITED STATES HOUSE OF REPRESENTATIVES**

On

Taking Down the Cartels: Examining United States-Mexico Cooperation

APRIL 2, 2014

Introduction

Good morning Chairman McCaul, Ranking Member Thompson and Distinguished Members of the Committee. Thank you for inviting the Department of Homeland Security's (DHS) Office of International Affairs (OIA) and Immigration and Customs Enforcement (ICE) to testify on the future implications for drug trafficking organizations in Mexico and highlight the solid cooperative relationship the United States and Mexico have established.

Arrest of Joaquin "El Chapo" Guzman Loera

First and foremost, we salute the Government of Mexico for the February 22 capture and arrest of Joaquin "El Chapo" Guzman Loera, one of the most wanted men in the world. The Sinaloa Cartel contributed to the death and destruction of numerous lives across the globe. The President's Strategy to Combat Transnational Organized Crime identified Mexican drug trafficking organizations, including Sinaloa and other drug cartels, as a significant danger to the United States and other nations—we must continue our successful, bilateral, efforts to defeat these criminal organizations and reduce their power and influence within Mexico.

During his recent trip to Mexico, Secretary Johnson relayed the Administration's message directly to his counterparts: He congratulated them on this historic development; he praised the many Mexican efforts that resulted in the arrest; and he observed that this arrest and capture is emblematic of the many successes Mexico has had in the fight against transnational criminal organizations. As is the case with many complex investigations—and as Mexican officials noted—there was indeed U.S. and Mexican collaboration that led to the arrest. For many years now, U.S. and Mexican law enforcement have been working together to identify and arrest criminals. But let us be clear about this point, the arrest and capture of El Chapo was a Mexican operation and a Mexican success. Mexico deserves the credit. Secretary Johnson communicated this to his counterparts, and we would be remiss if we did not re-emphasize that point with you today. We are pleased with the level of cooperation between the Government of Mexico and the United States Government and other departments and agencies. The United States and Mexico will certainly continue to work cooperatively to dismantle drug cartels and criminal organizations.

Engagement with Mexico: More than just security

The United States and Mexico share a historically unique relationship of migration, trade, and cultural exchange. The 1,969 mile border between the United States and Mexico is the most frequently crossed border in the world. Trade between the United States and Mexico continues to grow, totaling more than \$1 billion a day, making Mexico the United States' third largest trading partner.

The United States and Mexico have strong economic ties. We are their largest trading partner and they are our second largest trading partner. But those facts only scratch the surface of our economic and trading relationship because in reality we make goods together as a product crosses the border multiple times before completion. The majority of DHS programmatic efforts with Mexico are focused on expediting the legitimate flow of goods and people and interdicting and preventing the illicit flows of people, weapons, drugs, and currency, as well as working with Mexico and Guatemala to improve security along Guatemala's northern border. Mexico and the United States have built a solid foundation and now historic levels of cooperation are on display across the spectrum of both countries' governments, and the U.S.-Mexico border is safer, more secure, and more efficient than it has ever been.

In the last 10 years, the United States and Mexico have revolutionized their security and trade relationship, achieving unprecedented levels of cooperation and success. The concerted reshaping of the U.S.-Mexico bilateral relationship, which began in earnest through the Mérida Initiative, was deepened and memorialized by the Twenty-First Century Border Management Declaration in May 2010 and the creation of the U.S.-Mexico High Level Economic Dialogue in May 2013. These developments have substantially recast the strategic partnership between the United States and Mexico as one based on the assumption of shared responsibility for, and joint management of, common issues. These principles govern our approach to securing and expediting lawful flows of persons and goods across our common border and are embodied in a series of bilateral agreements entered into by the DHS and the Secretaría de Gobernación (Secretariat of Government, or SEGOB) and Secretaría de Hacienda y Crédito Público (Secretariat of Finance and Public Credit, or SHCP).

This transformation has been largely built on a new understanding of borders within the context of flows of goods and people and not just lines in the sand; a new bi-national approach to border management in which our governments jointly address issues that affect both countries' national and economic security; and direct, sustained, bilateral engagement at the most senior levels of government, including robust DHS engagement. Though we continue to refine bilateral plans, programs, and initiatives to this end—and considerable work remains to be done—remarkable progress has been made.

Transnational crime is not the only shared concern which Mexico and the United States have an interest in addressing together. As highlighted by Presidents Obama and Peña Nieto and Canadian Prime Minister Harper at the North American Leaders Summit, our cooperative agenda includes facilitating the secure flow of people and goods across our borders, increasing economic competitiveness, and expanding educational and scientific exchanges. In each of these areas—trade and travel, security, and exchanges—Secretary Johnson expressed the desire of the United States to work with our counterparts throughout the Government of Mexico and stated the intent to maintain and deepen the relationship between U.S. agencies and their Mexican counterparts.

It is important to highlight the Declaration of Principles that Secretaries Johnson and Videgaray signed on March 20, which reaffirms the shared commitment of the United States and Mexico to collaborate on security matters and to continue to promote the economic growth and prosperity essential to both of our nations. Effective customs partnership is the linchpin in our nations' efforts to increase security and economic prosperity and nowhere is this more apparent than at our shared border. The Declaration of Principles will take us to the next level of cooperation, moving from a bi-lateral approach to a bi-national approach. It is built on the principles of shared responsibility and joint border management which underlie our engagement. And it recognizes that security and facilitation are mutually reinforcing objectives.

Through this arrangement, DHS and our Mexican counterpart will, among other things:

- Streamline information requirements and manifest processes, something we are already moving toward through President Obama's executive order to streamline the export/import process for America's businesses;
- Deepen the integration of our trusted trader programs; and
- Work with each other and the private sector on infrastructure development and improvements at the ports of entry.

Examples of Success

There are other areas in which we are working with Mexican counterparts. We would like to highlight a just a few examples of success. This will not be a comprehensive list, but is reflective of the depth and breadth of the work we do with Mexico:

- In FY 2010, ICE's international partners played a central role in Operation Pacific Rim. Working closely with the Colombian National Police, Mexican authorities, and our partners in Ecuador and Argentina, as well as the Department of Justice's Federal Bureau of Investigation and Drug Enforcement Administration, ICE led an investigation that spanned the globe and effectively disrupted one of the most powerful and sophisticated bulk cash and drug smuggling organizations in the world. This transnational drug trafficking organization was responsible for nearly half of the cocaine smuggled from Colombia into the United States between 2003 and 2009 – approximately 912 tons with an estimated street value of \$24 billion. As a result of law enforcement cooperation, both domestic and international, this operation, which eventually spanned three continents, resulted in the capture of the top leadership and other high-ranking members of the Pacific Rim Cartel, 10 convictions, 21 indictments and seizures totaling more than \$174 million in cash, 3.8 tons of cocaine and \$179 million in property
- Customs and Border Protection (CBP) is working with Mexico's Federal Police to enhance public safety in the border region through continued augmentation of the Cross Border Coordination Initiative, which began in April 2013. Through the Cross Border Coordination Initiative, a result of the Border Violence Prevention Protocols, the U.S. Border Patrol works with Mexico's Federal Police to conduct coordinated patrols of our shared border. These joint efforts, in cooperation with other relevant law enforcement agencies, focus on the crimes of criminals and organizations connected with the smuggling and/or trafficking of narcotics, weapons, persons, and bulk cash, as well as help to coordinate humanitarian efforts.
- One of the most effective methods for dismantling TCOs is to attack the criminal proceeds that are the lifeblood of their operations. DHS has worked closely with Mexican counterparts through the ICE Homeland Security Investigations (HSI)-led National Bulk Cash Smuggling Center (BCSC), and the National Targeting Center-Investigations Division (NTC-I) created in December 2013 in collaboration with CBP. Since its inception in August 2009, the BCSC has initiated more than 700 investigations, and has played an active role in more than 550 criminal arrests, 360 indictments, and 260 convictions. The increased HSI presence at the NTC, which includes HSI's Trade Transparency Unit, enhances the joint mission of CBP and HSI to enforce applicable laws, develop critical intelligence, strengthen relationships with domestic and international partners, and provide law enforcement support during national emergencies.
- In April 2013, DHS signed an agreement with the Government of Mexico creating the framework for the Interior Repatriation Initiative. This initiative is designed to reduce recidivism and border violence by returning Mexican nationals with a criminal history to the interior of Mexico, where there is a higher likelihood that they will reintegrate themselves back into their communities, rather than continue their association with criminal organizations on the border. DHS is working with Mexico to explore additional options to refine and modernize our binational approach to repatriation. Those conversations are only just beginning but we are optimistic that the outcome of the

dialogue will be a better, more effective and more efficient repatriation and re-integration process.

- And we are working with our Mexican counterparts to leverage science and technology to expedite legitimate commerce and increase supply chain security. Specifically, we are strengthening our trusted trader programs to include recognition of reusable electronic conveyance security devices as instruments of trade. DHS and Mexican counterparts plan to form a task-force to demonstrate the technology and to address any policy and regulation requirements for implementation.

Conclusion

Strengthening homeland security includes a significant international dimension. To most effectively carry out DHS's core missions—including preventing terrorism, securing our borders, and protecting cyberspace—we must partner with countries around the world. Through international collaboration—including specifically our work with Mexico—we not only enhance our ability to prevent terrorism and transnational crime, but we also leverage the resources of our international partners to more efficiently and cost-effectively secure global trade and travel. The successes in our partnership with Mexico highlight the importance of DHS's international engagement.

Thank you for the opportunity to testify today. We welcome the opportunity to address your questions.