



# U.S. Immigration and Customs Enforcement

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STATEMENT

OF

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REGARDING A HEARING ENTITLED

“DEFEATING A SOPHISTICATED AND DANGEROUS ADVERSARY: ARE THE NEW  
BORDER SECURITY TASK FORCES THE RIGHT APPROACH?”

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON HOMELAND SECURITY  
SUBCOMMITTEE ON BORDER AND MARITIME SECURITY

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2:00 p.m.

210 Capitol Visitor Center

Chairman McSally, Ranking Member Vela, and distinguished members:

Thank you for the opportunity to appear before you today to discuss the Department of Homeland Security's (DHS) solutions to threats posed by Drug Cartels and Smugglers, and the efforts of the DHS Joint Task Forces (JTFs). As a Senior Executive of U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI), the primary criminal investigators of DHS, I serve as Director of Joint Task Force – Investigations (JTF-I). ICE has been designated as the executive agent of JTF-I.

Former Department of Homeland Security Secretary Jeh Johnson announced the Department's new Unity of Effort Initiative in April of 2014. On May 8, 2014, former Secretary Johnson announced and directed our Department-wide Southern Border and Approaches Campaign (SBAC) Plan. The SBAC is part of a comprehensive security strategy designed to unify efforts across DHS components to address threats specifically associated with terrorism, illicit market-driven flows, and illegal migration across our Southern Border and Approaches. In furtherance of the Department-wide SBAC, former Secretary Johnson commissioned three pilot Joint Task Forces (JTFs) on November 20, 2014. The three Joint Task Forces, JTF-I, JTF-East (JTF-E), and JTF-West (JTF-W), are responsible for establishing operational priorities and synchronizing capabilities in order to achieve SBAC objectives.

Two of the JTFs, JTF East (JTF-E) and JTF West (JTF-W), are geographically focused task forces that concentrate on the southern land and maritime borders of the United States and the approaches to our border—all the way to Central and South America. As a "functional" task force, JTF-I was established to improve the investigative functions within the Department in furtherance of the SBAC Plan. JTF-I uses a Department-wide process that prioritizes and integrates support for criminal investigations along the U.S. Southern Border and Approaches to mitigate the risk of terrorism, dismantle transnational criminal organizations (TCOs), prevent their reconstitution, and reduce illicit flows.

JTF-I operates within the diverse mission space of the SBAC. JTF-I's ability to facilitate cross-cutting partnerships between components with overlapping mission responsibilities allows the SBAC to operate with a higher level of cooperation, transparency, and effectiveness. By consolidating resources and refining duplicative efforts, the JTF-I leverages unique domestic and international authorities that are integral to the elimination of targeted TCOs. JTF-I's coordination has led to the successful disruption of several smuggling networks, which I describe in detail below.

We leverage HSI's broad authority, unique investigative tools, and global footprint to secure our borders, working in close coordination with U.S. Customs and Border Protection (CBP), the U.S. Coast Guard (USCG), Joint Task Forces East and West, and many other domestic and international law enforcement and customs partners to target TCOs. Today, I will provide JTF-I's perspective on the solutions to the sophisticated smuggling threats that we face on our Southwest Border, the approaches that lead up to our border, and some of what we do to

address TCOs and their smuggling activities before contraband arrives at our borders, and even in the interior of the United States.

### **The Cartels along the Southwest Border**

The primary TCOs that threaten the Southwest Border of the United States are Mexican Drug Cartels (the Cartels). Over the last decade, the United States, working with our Mexican law enforcement and military counterparts, has had sustained success in attacking Cartel leaders, as evidenced by the recent extradition of Joaquin Guzman Loera, aka “El Chapo”, to face prosecution in the United States. However, every law enforcement success against the Cartels is countered by the fact that the Cartels are highly networked organizations with built-in redundancies that adapt on a daily basis based on *their* intelligence of U.S. border security and law enforcement.

While drug smuggling remains the focal point for media and community interest, the threat and crimes associated with human smuggling are prevalent and very much real. Based on investigatory evidence and collected intelligence, we observe that human smuggling enterprises and the Cartels maintain a symbiotic relationship with each other. Certain members of these criminal enterprises control the major U.S. and foreign drug markets and others control the smuggling flow across certain geographic areas of the border on behalf of their cartel. Some/Most Human Smugglers are required to pay taxes and fees to Cartels for access to smuggling routes through specific geographic areas and are subject to physical violence and/or death if proper coordination and compensation are not rendered. In addition, failed coordination between the Cartels and human smuggling enterprises greatly increases the risk of unwanted law enforcement attention and investigative efforts.

The Cartels move illicit proceeds, hide assets, and conduct transactions globally. Among the various methods Cartels use to transfer and launder their illicit proceeds are bulk cash smuggling, trade-based money laundering, funnel accounts, professional money launderers, and the misuse of Money Service Businesses (MSB) and emerging payment systems. The Cartels exploit vulnerabilities in both the U.S. and Mexican financial system and conduct layered financial transactions to circumvent regulatory scrutiny, which presents difficulties for authorities attempting to distinguish between licit and illicit use of the financial system. The U.S. government has refined our ability to target money laundering and financial violations through various techniques, to include interagency investigations, training and capacity-building, targeted financial sanctions, and direct engagement with at-risk financial institutions and jurisdictions.

U.S. Anti-Money Laundering laws and regulations impose customer identification, recordkeeping, and reporting obligations on covered financial institutions that help deter criminals from moving illicit proceeds through the financial system. These preventive measures also create valuable evidentiary trails for law enforcement to employ during an investigation. As such, HSI has an abundance of investigative tools in our arsenal to disrupt and dismantle Cartel money laundering operations as well as to discourage new actors from engaging in illicit activity.

### **Smuggling Trends along the Southwest Border**



The Southwest Border is a diverse environment, including maritime borders in both the Gulf of Mexico and on the Pacific Ocean that transition to vast land border areas that include rivers, rural agricultural lands, and densely populated urban areas along the nearly 2,000 miles of our southern border. In response to these vastly different areas, the Cartels adapt their methods and cargo to the smuggling environment.

Mexico is a major source and transit country for illicit drugs destined for the United States. It is a primary source of marijuana, methamphetamine, and heroin, and a key transit area for cocaine.

As a result of Mexico's dominant role as either a source or transit point for illicit drugs destined for the United States, it has also become a primary destination for the illicit proceeds that the Cartels earn from their distribution networks in the United States. Mexican Cartels use a variety of techniques to repatriate illicit proceeds, from bulk cash smuggling to sophisticated trade-based money laundering schemes. Many of the more complex techniques rely on third party money launderers and corrupt individuals at financial institutions.

### **Attacking the TCOs**

To investigate TCOs impacting Southwest Border security, ICE has assigned more than 1,500 special agents and almost 150 intelligence research specialists to Southwest Border offices, to include the Border Enforcement Security Task Forces (BESTs), which provide a comprehensive regional response to the growing threat to border security, public safety, and national security. This includes border security at land, maritime, and international airports. In fiscal year (FY) 2016, ICE drug smuggling investigations conducted by the five HSI Special Agent in Charge offices along the Southwest border resulted in 5,659 criminal arrests, 3,941 indictments, 3,383 convictions, and 330 administrative immigration arrests.

JTF-I prioritizes these and other DHS Component investigations, to best focus on an integrated approach transcending border centric activities, into broad counter network operations. These networks are comprised of international, border, and domestic elements conspiring together that require a multitude of investigations from a variety of offices.

In addition to leveraging domestic assets, we work closely with Attaché personnel deployed to 66 offices in 49 countries that are uniquely positioned to utilize established relationships with host country law enforcement, to include the engagement of Transnational Criminal Investigative Units (TCIUs). These TCIUs are composed of DHS-trained host country counterparts who have the authority to investigate and enforce violations of law in their respective countries. Since our law enforcement officers working overseas do not possess general law enforcement or investigative authority in most host countries, the use of these TCIUs enables ICE to promote direct action in its investigative leads while respecting the sovereignty of the host country and cultivating international partnerships. These efforts, often thousands of miles from the U.S.-Mexico border in countries like Colombia and Panama, essentially act as an outer layer of security for our Southwest Border.

Mexico has proven to be an outstanding partner in the fight against TCOs, taking down the Cartels' top leadership and working to dismantle these organizations. ICE's Attaché Office in Mexico City is the largest ICE presence outside of the United States and has coordinated the establishment of TCIUs in Mexico comprised of Mexican law enforcement officers. ICE Attaché personnel work daily with Mexican authorities to combat these transnational threats. Additionally, ICE—along with other DHS Components—actively works through the Department of State to provide training and technical assistance to our Mexican counterparts. The spirit of collaboration and joint effort between DHS Components and our counterparts in Mexico is unprecedented.

JTF-I is responsible for enhancing and integrating criminal investigations in support of the operational priorities of JTF-East, JTF-West, the Components, and DHS Headquarters. To accomplish this, JTF-I manages the DHS-wide nomination and selection process for Homeland Criminal Organization Targets (HOMECORTs), the top transnational criminal networks impacting homeland security, and then coordinates the dozens of investigations and operations targeting each HOMECORT.

HOMECORT consists of three parts. The first is a nomination and selection process for prioritizing the top transnational criminal networks that are threatening homeland security based on the specific threats prioritized and described in JTF-E and JTF-W operational priorities. The second is the development of comprehensive knowledge about the criminal network (hierarchy, associations, activities, etc.), which is called Comprehensive Criminal Network Analysis (CCNA). The third is National Case Coordination, a term used to describe centralized management and support of complex and priority investigations of entire criminal networks that cross jurisdictions, programs, and interagency and international boundaries. The ultimate goal of a HOMECORT investigation is the complete dismantlement of the criminal network that is the subject of the investigation. Dismantlement is defined as destroying the target organization's leadership, network, and financial base to the point that the organization is incapable of reconstituting itself.

HOMECORT criminal networks typically cross international boundaries, prosecutorial jurisdictions, agency missions, programs, and operations areas; and, as a result, are linked to scores of U.S. and foreign partner investigations, operations, prosecutions, seizures, and apprehensions. HOMECORT cases are the most serious and complex criminal investigations conducted by the federal government, as they typically involve all functions of federal policing and governance including investigations, patrol, inspections, immigration, citizenship, finance, justice, public integrity, public health and safety, trade, and diplomacy.

JTF-I consists of over 60 interagency investigators, analysts, and operators, primarily from ICE, CBP, and Coast Guard, located in ICE headquarters and embedded in National Capital Regional Centers. As members of an ICE HSI-led Task Force, these detailees have full access to Investigative Case Management systems, analytical tools, and other unique and useful investigative information that they typically would not have at their own agency. JTF-I staff provides over 3,500 hours of monthly analytical support to HOMECORT investigations and SBAC and JTF priorities while developing and improving best practices related to joint investigations, analysis, and targeting.



By filling a gap in the coordination of national level cases and leveraging the broad knowledge, skills and capabilities of its interagency detailees, JTF-I achieved significant successes disrupting several transnational criminal networks (involving hundreds of criminal investigations) that threatened homeland security. Equally important, JTF-I coordination has helped overcome many of the obstacles to information sharing, investigative integration with operational forces, tactical cueing, and intelligence support that previously plagued other task forces, interagency initiatives, and national programs.

Over the last twenty months, JTF-I coordinated and supported the targeting of 14 HOMECORT criminal networks, comprised of several hundred individual criminal investigations. Presently, 11 of these 14 criminal networks have been dismantled to the point they no longer threaten homeland security. The eleven networks include human smugglers, sex traffickers, drug smugglers, money launderers, bulk cash smugglers, weapons smugglers, and smugglers of special interest aliens. The three other HOMECORT criminal networks continue to be the targets of active criminal investigations. Efforts against current and future HOMECORT criminal networks will be enhanced by Executive Order 13773, Enforcing Federal law with Respect to Transnational Criminal Organizations and Preventing International Trafficking (the EO). Among other things, the EO directs the entire executive branch to strengthen its enforcement of Federal law to thwart TCOs, prioritize and dedicate sufficient resources to disable and dismantle TCOs, develop strategies to counter the crimes committed by TCOs, and otherwise pursue and support efforts to defeat TCOs. Solidifying HOMECORT as the DHS-wide process for identifying and prioritizing the top criminal networks impacting homeland security will help to fulfill all of these objectives. The EO also directs DHS to use HOMECORT to identify and describe homeland security threats to the National Security Council's Threat Mitigation Working Group. And, the EO supports further JTF-I engagement with foreign partners to build investigative capacities through operations such as HSI's CITADEL, an investigative surge operation to identify, disrupt and dismantle Transnational Criminal Organizations (TCOs), Drug Trafficking Organizations (DTOs) and terrorist networks by targeting the mechanisms they use to move people, illicit funds, and contraband through the Central America (CENTAM) corridor. CITADEL integrates each of the JTF-I HOMECORT cases and associated targets with International Operations, as well as other HSI priority cases. Specifically, CITADEL focuses on leveraging HSI and Partner Nation (PN) authorities and subject matter expertise to dismantle priority TCO targets involved in human and bulk cash smuggling, as well as narcotics smuggling. .

### **CONCLUSION**

Thank you again for the opportunity to appear before you today and for your continued support of DHS and its mission. JTF-I is committed to stemming cross-border criminal organizations through the various efforts I have discussed today. I appreciate your interest in these important issues.

I would be pleased to answer any questions you may have.