

Question#:	1
Topic:	Freight Forwarding
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: Freight forwarding of drug shipments may involve bundling or consolidating several kinds of items into one shipment. Is Homeland Security Investigations (HSI) using manifest data from consignment carriers about patterns of freight forwarding?

If so, what changes would you suggest?

Response: Yes, U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), in collaboration with U.S. Customs and Border Protection (CBP), uses manifest data from consignment carriers to target and interdict shipments containing contraband and narcotics based on post seizure analysis. A suggested change would be mandatory disclosure of individual manifest data to CBP for each individual parcel within consolidated shipments.

In Fiscal Year (FY) 2017, the ICE HSI Memphis Border Enforcement Security Task Force (BEST) initiated approximately 282 controlled deliveries to ICE HSI offices throughout the world. One example of these cases occurred in August 2017 when ICE HSI Memphis BEST seized 4.7 grams of highly potent carfentanil destined for Brockton, Massachusetts. ICE HSI Memphis BEST collaborated with ICE HSI Boston who accepted the package and substituted sham product for controlled delivery purposes. Subsequent to the sham delivery, special agents executed a search warrant resulting in the seizure of multiple firearms, cocaine, and heroin. One of the seized firearms was matched to an unsolved shooting in the Brockton, Massachusetts, area. In FY 2018, ICE HSI BEST Memphis initiated 204 controlled deliveries throughout the world that resulted in 46 criminal arrests, 24 indictments, 10 convictions, 149 additional seizures, 29 search warrants, and 1 administrative arrest.

ICE HSI BEST JFK has further capitalized on its participation in the Organized Crime Drug Enforcement Task Force Program by leading a Heroin Initiative, which targets parcels suspected of containing illicit narcotics smuggled through voluminous e-commerce shipping routes. In FY 2018, ICE HSI BEST JFK seized 243 fentanyl-laden parcels weighing 85 pounds that resulted in 219 referrals for controlled deliveries.

ICE HSI Houston, National Targeting Center-Investigations, and the U.S. Postal Inspection Service developed an initial target list of parcels suspected of containing illicit substances destined for U.S.-based recipients. The initial target list was shared with other cooperating agencies for potential interception and execution of controlled deliveries. These operations resulted in the seizure of 72 parcels containing some form of illicit

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substances, including illicit fentanyl. Based on the contents of the 72 parcels seized, a common link in the flow of these illicit drugs to the United States was identified.

Question#:	2
Topic:	Dark Web Challenges
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: How is the dark web more of a law enforcement challenge than rogue internet pharmacies on the open web?

Response: ICE HSI has observed a continuously accelerating increase in the level of criminal activity facilitated via the dark web, which is an underground online safe haven for a myriad of illicit activity including illegal drugs.

Since the infiltration of Silk Road, the number of dark web illicit market users has increased rapidly. With crypto currencies serving as mediums of exchange to operate entirely within a digital economy, these underground markets offer access to a vast amount of illicit goods and services without the risk of being easily uncovered and arrested.

In contrast, rogue internet pharmacies do not typically use the same anonymization and security measures as dark web markets, as such rogue internet pharmacies generally attempt to portray an image of legitimacy. As internet pharmacies are on the open web, they are easily detectible and more accessible to the public and law enforcement. Additionally, crypto currencies are not as commonly utilized by rogue internet pharmacies, making the tracing of financial transactions easier for law enforcement. Customers of such rogue internet pharmacies are also more likely to cooperate with law enforcement as they are often victims of criminal activity.

Question#:	3
Topic:	Dark Web Use
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: How has the use of the dark web changed the way in which our intelligence and law enforcement communities have had to approach combatting narcotics, such as fentanyl?

Response: ICE HSI is the principal investigative component of the Department of Homeland Security. ICE HSI Special Agents are utilizing their unique combination of customs and immigration authorities in their investigations to identify, infiltrate, interdict, and dismantle the organizations that utilize the dark web for criminal activity. The dark web's technical composition has posed challenges for law enforcement in combating illicit fentanyl and other illegal narcotics as it has added layers of anonymity to criminals. Law enforcement has had to adapt investigative techniques and utilize new technologies to counter these added layers of anonymity.

ICE HSI works with private industry, academia, and international partners in an effort to expand and enhance emerging computer technology and proactively uses these new technologies to investigate criminal activity in dark net markets. ICE HSI has been very successful in developing methods to track and trace digital cryptocurrency, which is often used as the payment system for illicit online opioid transactions, through several means such as exploiting choke points like bitcoin exchanges and blockchain analysis.

The ICE HSI Cyber Crimes Unit (CCU) within the ICE Cyber Crimes Center has a variety of investigative resources and tools to facilitate and support casework and investigators in the field. Some of these resources include:

- Blockchain and cryptocurrency analytical tools utilized to detect criminal activities and suspicious financial connections in cryptocurrencies;
- Website and social media scraping tools to assist in the search, collection, and archiving of information used to facilitate a wide variety of investigations;
- Undercover website development and backstopping; and
- Technical guidance, programs, and networks associated with high-tech investigations.

The Joint Criminal Opioid and Darknet Enforcement Team (J-CODE) is a Department of Justice sponsored initiative that was established in January 2018 to combat the proliferation and distribution of fentanyl and other opioids via illicit dark net marketplaces. As an active J-CODE member agency, ICE HSI leverages its investigative authorities with those of other law enforcement agencies to combat illicit fentanyl and

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other illegal opioids utilizing a collaborative approach. The ICE HSI CCU has actively participated in coordination meetings with J-CODE team members to receive and distribute target packages to ICE HSI field offices to initiate joint opioid investigations with other J-CODE member agencies.

Additionally, and in response to the President's initiative in reduction of opioid demand in the United States, ICE HSI developed a cyber-training curriculum with a focus on dark net investigations and illicit payment networks, associated with fentanyl smuggling and distribution. This training has been successful in improving collective law enforcement capabilities against online marketplaces and tools for illicit trafficking. This course provides law enforcement with technical knowledge and in-depth case briefings to assist criminal investigations involving the dark net and cryptocurrency related crimes, which facilitate the international distribution channels related to opioid smuggling.

In FY 2018, ICE HSI delivered its Online International Opioid Smuggling training course in over 25 locations worldwide to more than 4,500 federal, state, local, and international law enforcement personnel.

Question#:	4
Topic:	Combatting Dark Web
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
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Committee:	ENERGY AND COMMERCE (HOUSE)

Question: What successes has HSI had in combatting the use of the dark web for the sale and purchase of fentanyl?

Response: Silk Road, Alpha Bay, and Dream Market were all dark net marketplaces that were successfully taken down through the collaborative efforts of multi-federal law enforcement agencies leveraging their intelligence and resources to combat dark net marketplaces where fentanyl was being sold.

Most recently, ICE HSI, through Operation Dark Gold, took down the largest unlicensed cryptocurrency exchanger and money launder on the dark net and led to the deanonymization and subsequent take down of some of the largest dark net market fentanyl vendors. Operation Dark Gold resulted in the seizure of approximately \$20,000,000 US Dollars in cryptocurrency.

Question#:	5
Topic:	Bitcoin Financing
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: Many of the fentanyl sources operate on the dark web and use bitcoin for financing. Is the U.S. Drug Enforcement Administration DEA or HSI seeing any evidence that credit card companies, consignment carriers, or domain registrars are accepting bitcoin as payment?

Response: Although Bitcoin and other cryptocurrencies are now used worldwide to carry out day-to-day financial transactions, ICE HSI does not have any evidence that credit card companies or consignment carriers are accepting Bitcoin or other cryptocurrencies for payment.

Question#:	6
Topic:	Combat Trafficking
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: Are credit card companies, consignment carriers, and internet service providers (ISP) helping law enforcement to combat fentanyl trafficking on the dark web?

Response: Yes, U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), in collaboration with U.S. Customs and Border Protection (CBP), uses manifest data from consignment carriers to target and interdict shipments containing contraband and narcotics based on post seizure analysis. A suggested change would be mandatory disclosure of individual manifest data to CBP for each individual parcel within consolidated shipments.

Credit card companies and internet service providers have both been cooperative with ICE HSI and have complied with requests to produce records and data upon being served with the appropriate legal process.

Question#:	7
Topic:	Shut Down Supply Chains
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: How have the dark web and crypto currency complicated attempts to target and shut down these supply chains? What is being done to overcome these difficulties?

Response: Cryptocurrency by design is pseudo-anonymous. By applying traditional investigative techniques as well as using advanced blockchain tracing tools, law enforcement can de-anonymize some cryptocurrency wallets and identify the purchaser of fentanyl or contraband on dark net markets.

Anonymity-enhanced cryptocurrencies such as Monero, Dash, and ZCash, among others, are designed specifically to protect privacy and currently pose the greatest challenge for law enforcement. To overcome these difficulties, Homeland Security Investigations has partnered with blockchain tracing companies, as well as cryptocurrency exchangers and financial institutions, to bolster our knowledge in these evolving technologies and work collaboratively in countering the fentanyl crisis.

Question#:	8
Topic:	Data Collection
Hearing:	Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl
Primary:	The Honorable Brett Guthrie
Committee:	ENERGY AND COMMERCE (HOUSE)

Question: How can data collection be improved to bolster your agency's intelligence and ability to interdict packages or seize narcotics, such as fentanyl?

Response: Intelligence data collection and consolidation into Department of Homeland Security holdings can improve U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigation's (HSI) ability to target, interdict, and investigate suspect packages. ICE HSI works closely with the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation, U.S. Customs and Border Protection, United States Postal Inspection Service, the Food and Drug Administration, and other federal partners to deconflict intelligence and investigative efforts combating transnational criminal organizations, which are not only focused on the interdiction, but also on dismantling the supply chain of illicit narcotics. Much of this information sharing is currently being done at the National Targeting Center, the Organized Crime Drug Enforcement Task Forces fusion center, and through the DEA Special Operations Division, focusing on a one law enforcement approach.

Data collection can be improved and bolstered through greater collaboration and information sharing with private sector entities. This can be done at both the agency headquarters and field levels through targeted outreach efforts specifically focused on industries that have data and product holdings that can be used for the production of illicit fentanyl and other "hard" narcotics. An example of this are companies that manufacture and ship legal precursor chemicals that could be used by Drug Trafficking Organizations to produce illegal narcotics. Collection and manipulation of this information could lead to more specific targeting efforts to interdict the chemicals and/or allow investigative agencies to follow them to their foreign source (clandestine laboratory, etc.).