



U.S. Immigration and Customs Enforcement

STATEMENT

OF

RAYMOND VILLANUEVA

ASSISTANT DIRECTOR

INTERNATIONAL OPERATIONS

HOMELAND SECURITY INVESTIGATIONS

REGARDING A HEARING ENTITLED

*"COMBATTING TRANSNATIONAL CRIMINAL THREATS IN THE WESTERN
HEMISPHERE"*

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON WESTERN HEMISPHERE

Wednesday, May 23, 2018
2:00 p.m.
2172 Rayburn House Office Building

Chairman Cook, Ranking Member Sires, and distinguished members:

Thank you for the opportunity to appear before you today to discuss the mission of U.S. Immigration and Customs Enforcement (ICE), including: its efforts to identify, disrupt, and dismantle transnational criminal organizations (TCOs), such as transnational gangs, drug cartels, and smugglers; and its information-sharing initiatives dedicated to combatting these threats. ICE enforces approximately 400 federal laws governing border control, customs, trade, and immigration to promote homeland security and public safety. With more than 20,000 employees and over 200 offices across the United States and in 50 countries, the men and women of ICE execute our mission humanely, professionally, and always in accordance with the law. ICE has three primary directorates: Homeland Security Investigations (HSI), Enforcement and Removal Operations (ERO), and the Office of the Principal Legal Advisor. As a Senior Executive of ICE/HSI, I serve as the Assistant Director of ICE/HSI International Operations.

As the largest investigative component in the U.S. Department of Homeland Security (DHS), ICE/HSI protects U.S. borders by conducting multi-faceted, international law enforcement operations, and by partnering with foreign and domestic counterparts to combat criminal organizations and prevent terrorist activities.

ICE/HSI International Operations has a network of over 400 personnel, including over 180 special agents deployed to 67 attaché offices in 50 countries, who conduct investigations against TCOs, terrorists, and other criminal organizations that threaten our national security. ICE/HSI leverages its international footprint and partnerships to disrupt and dismantle TCOs that seek to exploit America's legitimate trade, travel and financial systems; and enforces U.S. customs and immigration laws at and beyond our Nation's borders to prevent threats from entering the United States.

ICE/HSI manages several strategic/information-sharing initiatives, which include:

- Transnational Criminal Investigative Units (TCIU)
- Biometric Identification Transnational Migration Alert Program (BITMAP)
- Visa Security Program (VSP)
- Trade Transparency Units (TTUs)
- Criminal History Information Sharing (CHIS) Program

ICE/HSI, domestically and abroad, focuses on critical investigative areas, which include:

- National Security
- Counter-Proliferation of Arms and Export-Controlled Technology
- Human Smuggling and Trafficking
- Financial Crimes
- Child Exploitation
- Commercial Fraud and Intellectual Property Rights Violations

- Criminal Gang Enforcement
- Narcotics Smuggling
- Identity and Benefit Fraud
- Worksite Enforcement
- Cybercrimes
- Human Rights Violators and War Crimes

ICE/ERO identifies, arrests, and removes aliens who present a danger to national security or are a risk to public safety, as well as those who enter the United States illegally, or otherwise undermine the integrity of U.S. immigration laws and border control efforts. ERO upholds America's immigration laws at, within, and beyond its borders through efficient enforcement and removal operations. ERO also develops investigative leads through the foreign fugitive program and provides support in locating and arresting foreign nationals wanted for crimes committed abroad who are now at-large in the United States.

ICE/ERO removal operations require complex coordination, management, and facilitation efforts to successfully remove or return aliens from the United States to their country of origin. ERO has enforcement officers strategically deployed to 19 locations around the world and leverages resources available through our foreign law enforcement partners, including INTERPOL, Europol and the ICE Attaché corps.

Combatting Transnational Criminal Organizations

ICE/HSI utilizes its broad legal authorities to investigate immigration and customs violations, including those related to export control, human rights abuses, narcotics, weapons and contraband smuggling, financial crime, cybercrime, human trafficking and smuggling, child exploitation, intellectual property theft, transnational gangs, immigration document and benefit fraud, and worksite enforcement. ICE is grateful for continued congressional support that allows ICE to maintain critical operations at home and abroad and increase our efforts to target and combat dangerous transnational gangs and other criminal organizations.

During Fiscal Year (FY) 2017, ICE/HSI investigations led to the disruption or dismantlement of TCOs with more than 32,958 criminal arrests, including arrests of more than 4,818 transnational gang members. ICE/HSI also seized 981,586 pounds of narcotics, made 1,205 seizures for violations of U.S. export laws and regulations, and seized nearly \$307 million in currency and monetary instruments. Additionally, ICE/HSI identified and assisted 518 human trafficking victims and more than 904 child exploitation victims.

During the last two decades, transnational criminal organizations have expanded dramatically in size, scope, and impact, which poses a significant threat to national security. ICE/HSI takes this threat very seriously, and together in coordination with the Department of Justice including the Drug Enforcement Administration (DEA) and Federal Bureau of Investigation (FBI) targets TCOs at every critical location in the cycle: internationally, in cooperation with foreign counterparts, where transnational criminal organizations operate; and domestically, both at our nation's physical border and ports of entry, in coordination with U.S. Customs and Border Protection (CBP), where the transportation cells attempt to exploit

America's legitimate trade, travel, and transportation systems; and in our cities throughout the United States, where criminal organizations earn substantial profits off their illicit activities.

As directed by the President's Executive Order 13773, *Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking*, ICE will continue to give a high priority and devote sufficient resources to dismantling TCOs and subsidiary organizations. ICE will continue to focus on cooperative work with other federal agencies, as well as with foreign counterparts, by sharing intelligence and law enforcement information when appropriate and permitted by law.

Joint Task Forces

In 2014, the Department announced its new Unity of Effort Initiative 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 SBAC, the Department commissioned three Joint Task Forces (JTFs) in November 2014. The three Joint Task Forces, JTF-East (JTF-E), JTF-West (JTF-W), and JTF-Investigations (JTF-I), are responsible for establishing operational priorities and synchronizing capabilities in order to achieve SBAC objectives.

Two of the JTFs, JTF-E and JTF-W, are geographically focused task forces that concentrate on the southern land and maritime borders and approaches to the United States all the way to Central and South America. JTF-I is a "functional," multi-component task force that employs National Case Management to identify and prioritize top TCOs affecting homeland security, manage investigations and operations to dismantle them, and identify weaknesses or gaps in our practices and technology.

To address these gaps, JTF-I created and implemented HOMECORT (Homeland Criminal Organization Target), the DHS-wide process for identifying and prioritizing the top criminal networks affecting homeland security.

In order to manage and unify U.S. Government efforts against these HOMECORT criminal networks, JTF-I developed three complementary processes:

1. National Case Management to manage, integrate and support all the investigations and operations related to the targeted criminal network;
2. Comprehensive Criminal Network Analysis to provide knowledge of the criminal network; and
3. Integrated Action Planning to establish the business rules for conducting National Case Management and producing Comprehensive Criminal Network Analysis.

Through the sharing and fusing of each other's information, these JTF-I processes allow DHS components to:

- Identify and prioritize the top criminal networks impacting homeland security;
- Tie together and manage all the investigations, operations, arrests, and seizures (covering multiple countries, jurisdictions, areas of responsibility and programs) related to all the activities (smuggling, money laundering, corruption, etc.) of a criminal network (see complementary processes below);
- Move towards a complex common goal through a formal integrated action planning process.

Since its inception, JTF-I's interagency delegates managed and supported the targeting of 21 HOMECORT criminal networks, comprised of more than a thousand criminal investigations. To date, 13 of those networks have been dismantled to the point they no longer threaten homeland security. The networks included money launderers, human smugglers, sex traffickers, drug smugglers, bulk cash smugglers, and weapons smugglers. The remaining HOMECORT designated criminal networks continue to be the targets of active criminal investigations.

Another example of a successful joint task force model is the Border Enforcement Security Task Force (BEST) initiative. BEST teams are ICE/HSI-led, multiagency task forces that target illicit movement of people and contraband through border areas. Other DHS entities, particularly CBP and the United States Coast Guard, also participate. There are a total of 62 BEST teams total, many of which focus on the U.S.-Canada border and U.S.-Mexico border. Canadian and Mexican (multiagency) law enforcement partners work directly with DHS and other U.S. counterparts on investigative and interdiction missions. Canadian officials are often cross-designated as U.S. law enforcement officers (under U.S. Code Title 19) to promote full sharing of law enforcement information. These units are housed on the U.S. side of the border. In FY 2017, the BEST teams initiated 4,034 investigations and effected 4,967 criminal arrests.

Additionally, HSI partners with the Department of Justice in its Extraterritorial Criminal Travel Strike Force (ECT) to proactively target, disrupt and dismantle international criminal human smuggling networks that pose national security or organized crime concerns. ECT uses dedicated intelligence, investigative, and prosecutorial resources to focus on those who facilitate special interest alien travel, including document providers, corrupt officials, transporters, harborers, and financiers. In this effort, HSI leverages its own Attaché offices and foreign law enforcement partners.

Also, as a result of close coordination with JTF-I, HSI's San Diego Field Office, the San Ysidro Human Smuggling BEST team, DHS's Human Smuggling Cell, CBP's National Targeting Center, and the Department of Justice's Human Rights and Special Prosecutions Section, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) on April 18, 2018 designated a human smuggling network, the Barakat Transnational Criminal Organization (Barakat TCO), under Executive Order 13581 "Blocking Property of Transnational Criminal Organizations" – the first time that authority was used for that type of criminal organization. The Barakat TCO, headed by Nasif Barakat, is a human smuggling organization based in Homs, Syria, that facilitates the smuggling of Syrian and Lebanese nationals to the Southwest border of the United States using a variety of travel routes. Barakat and members of his TCO operate a global network of human smugglers that coordinate the smuggling of foreign nationals to the United States for an average cost of approximately \$20,000; this sum includes

fees to obtain fraudulent and/or counterfeit documents. This is a meaningful example of dedicated professionals across the U.S. government building on an ICE/HSI initiative to take joint disruptive action against a network posing a direct threat to U.S. national security.

National Gang Unit

The National Gang Unit (NGU) is a critical part of ICE/HSI's mission to bring the fight to transnational criminal gangs. The NGU identifies and develops intelligence on gang membership, associations, activities, and international movements. It also deters and disrupts gang operations by tracing and seizing cash, weapons, and other assets derived from illicit activities.

In 2005, ICE/HSI initiated Operation Community Shield, an international law enforcement initiative that combines ICE/HSI's expansive statutory and civil enforcement authorities to combat the growth and proliferation of transnational criminal street gangs, prison gangs and outlaw motorcycle gangs throughout the United States. With assistance from state, local, tribal, and foreign law enforcement partners, the initiative helps ICE/HSI locate, investigate, prosecute, and where applicable, immediately remove gang members from our neighborhoods and ultimately from the United States.

Operation Community Shield has resulted in the criminal and administrative arrests of nearly 63,000 gang leaders, members, and associates since its inception. Among those arrests, Community Shield operations have resulted in the criminal and administrative arrests of over 8,500 leaders, members, and associates of Mara Salvatrucha-13 (MS-13), the international criminal street gang.

In 2012, ICE worked with the OFAC to designate MS-13 as a TCO, the first criminal street gang so designated. As a result of the designation, any property or property interests in the United States, or in the possession or control of U.S. persons in which MS-13 has an interest, are blocked. In addition, U.S. persons are prohibited from engaging in transactions with MS-13. Violations are subject to civil monetary penalties or criminal penalties up to \$250,000 and imprisonment up to 20 years.

In 2016, ICE/HSI utilized the 2012 OFAC designation to develop and implement a new strategy targeting MS-13. ICE/HSI recognizes that TCOs need funding to maintain and expand their criminal organizations, and has been successfully identifying, exploiting, and disrupting MS-13's global financial networks. Part of ICE/HSI's new strategy is to address the threats posed by MS-13 in the United States by targeting their command and control structure in El Salvador simultaneously with our domestic investigations into the gang. Since January 2016, with support from the Organized Crime Drug Enforcement Task Force (OCDETF), ICE/HSI has been deploying special agents to El Salvador to work with our host country law enforcement partners to build their financial investigative capacity to combat MS-13 and identify MS-13's financial networks within El Salvador. In addition, the deployment allows the free flow of actionable intelligence between ICE/HSI and our host country law enforcement partners.

In 2017, ICE worked with our DHS partners to form a departmental MS-13 Working Group, including ICE, CBP, U.S. Citizenship and Immigration Services (USCIS), and the Department of Justice's Bureau of Prisons (BOP). The DHS MS-13 Working Group was formed to share intelligence, bridge intelligence gaps, eliminate redundancies, enhance collaboration, and provide visibility to all DHS entities involved in the fight against MS-13. The ultimate goal of the DHS MS-13 Working Group is to develop and implement a DHS enterprise enforcement strategy to disrupt and dismantle MS-13's global criminal networks. Since July 2017, the DHS MS-13 Working Group has coordinated the arrest of 15 MS-13 and 18th Street fugitives in the United States who were wanted for gang crimes in El Salvador, including homicide.

In FY 2018, ICE/HSI initiated Operation Gatehouse which addresses the MS-13 threat through our partnership with police officers from El Salvador's Policia Civil Nacional (PNC) embedded with our gang taskforces in the United States. PNC advisors will work alongside HSI Special Agents and local police officers in an advisory role, sharing their expertise on MS-13 culture and assisting in identifying gang membership in El Salvador that may be directing illicit activity in the United States. In turn, HSI and local law enforcement will educate and train the foreign advisors on U.S. gang investigative techniques and methodologies. We hope to expand this program to additional gang taskforces in FY 2019.

As of May 4, 2018, ICE/HSI maintains 135 open investigations targeting MS-13 members and their criminal organizations globally, including in Massachusetts, New York, New Jersey, Maryland, the District of Columbia, North Carolina, Texas, Tennessee, Ohio, California, Washington, and the Northern Triangle countries of Guatemala, Honduras and El Salvador through Racketeer Influenced and Corrupt Organizations, Violent Crimes in Aid of Racketeering, and criminal-conspiracy prosecutions. The vast majority of these investigations have direct links to the targeting of MS-13 leadership in El Salvador. Without information sharing and partnering with our federal, state, local, and foreign law enforcement partners, ICE/HSI would not be nearly as successful at battling MS-13 and other gangs.

Illicit Finance and Proceeds of Crime Unit

The Illicit Finance and Proceeds of Crime Unit (IFPCU) develops investigative techniques and typologies to identify and eliminate vulnerabilities in the U.S. financial systems and criminally pursue perpetrators of financial crimes. The IFPCU enhances cooperation and forges partnerships with domestic and foreign law enforcement, regulatory agencies, and non-governmental bodies. The IFPCU then leverages these partnerships to enhance ICE/HSI's financial investigations and various Anti-Money Laundering (AML) programs. The IFPCU also participates with the U.S. Department of Treasury, Financial Action Task Force and other government entities to provide AML assessments, training, best practices and lessons learned in the fight against global money laundering.

ICE/HSI through the IFPCU continues to expand its outreach work with the Money Service Business (MSB) industry. MSBs are widely used for international movement of money and, and particularly by TCOs across several different categories of criminal activity that ICE/HSI investigates, including opioid smuggling, narcotics smuggling, human smuggling & trafficking, intellectual property theft, transnational gangs and child exploitation.

To further their illicit activities, TCOs accept payments via the MSB industry. Employing various investigative methods and tools to disrupt and dismantle these criminal organizations, HSI is also actively identifying individuals and entities who receive payments on behalf of these illicit suppliers and subjects worldwide. Through bilateral relationships with MSBs, HSI is positioned to aggressively target criminal organizations and will continue all liaison efforts to provide HSI programmatic areas with invaluable access to information that can be exploited to develop strategic intelligence based on trends and methodologies.

In FY 2017, ICE/HSI initiated 4,061 new financial cases operating under the national programmatic scope of IFPCU which resulted in 2,942 criminal arrests, 2,007 indictments and 1,329 convictions as well as the seizure of \$306,782,043 in illicit currency and proceeds. Already to date in FY 2018, ICE/HSI financial investigations have initiated approximately 2,415 new financial cases which have resulted in approximately 1,409 criminal arrests, 873 indictments and 603 convictions.

Law Enforcement Information Sharing Efforts

In addition to leveraging domestic assets, ICE/HSI uses its strategically deployed personnel around the globe to use established relationships with host country law enforcement officials and mechanisms such as Customs Mutual Assistance Agreements (CMAAs) to share information and further its investigations. Mutual Legal Assistance Treaties (MLATs) are also invaluable instruments in obtaining and receiving international legal assistance, including evidence, for criminal investigations and prosecutions.

ICE/HSI International Operations also partners with TCIUs and international task forces in 12 countries around the world. TCIUs are comprised of foreign law enforcement officials, customs officers, immigration officers, and prosecutors who receive ICE/HSI training and undergo a strict vetting process to ensure that shared information and operational activities are not compromised. Partnering with these TCIUs enables ICE/HSI to promote direct action via information sharing and investigative leads while respecting the sovereignty of the host country and cultivating international partnerships.

In alignment with the President's Strategy to Combatting Transnational Organized Crime, TCIUs identify targets, collect evidence, share intelligence, and facilitate the prosecution of TCOs both in-country and in the United States. These efforts, which often occur thousands of miles from the U.S. borders, essentially act as an outer layer of security for the United States.

Another ICE/HSI program, BITMAP, helps provide infrastructure and capability for host governments to collect biometric and biographic data on persons of interest they encounter. This information is shared with U.S. law enforcement and intelligence agencies; HSI in turn shares information, as appropriate, with host governments regarding these individuals. Through this process, ICE/HSI, in collaboration with CBP and Department of Defense, is able to track movement towards the United States, take joint action with partner nations along the route, and deter human smuggling through South and Central America. Comparisons of biometric data through BITMAP serve to identify criminal persons, wanted subjects (including international

fugitives), and known or suspected terrorists. BITMAP is currently deployed in multiple countries, with near-term plans to expand to additional countries.

ICE/HSI also leverages its information sharing capabilities through the use of the Visa Security Program (VSP) and Trade Transparency Units (TTU). Through the VSP, ICE/HSI deploys trained HSI special agents abroad to high-risk visa issuing posts to identify and investigate potential terrorist and criminal threats before they reach the United States. VSP contributes to both counter-flow and counter-network capabilities, as well as providing support for intelligence, interdiction and engagement. VSP special agents work alongside Department of State Consular Officers to provide real-time feedback on visa applicants and a unified DHS recommendation on visa eligibility prior to adjudication. Deployed VSP agents are supported by automated screening and vetting of visa applicants through the Pre-Adjudicated Threat Recognition and Intelligence Operations Team (PATRIOT), an interagency endeavor with CBP.

The core mission of the TTU is to aggressively target criminal organizations and individuals involved in trade-based money laundering (TBML) and also those perpetrating contraband smuggling and customs fraud. In order to achieve this mission, ICE/HSI reached out to key foreign trading partners and successfully established (16) TTUs abroad. TTU currently has partnerships with Argentina, Australia, Brazil, Chile, Colombia, Dominican Republic, Ecuador, Mexico, France, Guatemala, Panama, Paraguay, Peru, Philippines, United Kingdom, and Uruguay. These countries are highly dependent upon value added taxes (VAT) on commodities, which served as a motivating factor in the establishment of TTUs. These foreign partners recognize the value of information sharing, which permits the comparison of international trade and cross border movement of merchandise.

The United States and its foreign TTU partners currently exchange trade data which allows HSI investigators and analysts to detect anomalies which may be indicative of criminal activity such as TBML, contraband smuggling, and trade/customs fraud. This information sharing allows for the cross referencing of trade data with other pertinent information such as Bank Secrecy Act (BSA) reports. The ultimate goal of most criminal organizations is financial gain either to promote ongoing illicit activity or as the finality of this activity, hence trade-based money laundering is often the primary means by which they launder proceeds for their criminal enterprises.

ICE's Law Enforcement Information Sharing Initiative (LEISI) team serves as an active advocate in support of law enforcement information sharing both internal and external to DHS. This includes information sharing between federal, state, local, tribal, territorial, and foreign partners. LEISI coordinates throughout the law enforcement community to improve the understanding of information needs, provide leadership in resolving policy issues that may inhibit law enforcement information sharing, and develop approaches to overcome traditional barriers to information sharing.

LEISI provides program management support and oversight to include administration of the Law Enforcement Information Sharing Strategy. For FY 2018, additional focus is on international information for initiatives such as: Preventing and Combatting Serious Crimes

(PCSC), the Five Country Ministerial (FCM), the Five Country Conference (FCC), and ERO's Criminal History Information Sharing (CHIS) program.

CHIS is an ICE-led initiative between the United States and its international partners whose purpose is to provide participating nations with criminal history information in advance of an alien's removal. In turn, foreign countries share their information with the United States. The information shared helps protect law enforcement personnel, regional security, and public safety officers all over the globe. The initiative supports efforts in immigration management, law enforcement and national security. Countries currently participating in the CHIS initiative are: Mexico, Dominican Republic, Jamaica, the Bahamas, El Salvador, Honduras and Guatemala, with planned expansion to additional countries in FY 2018.

CHIS enables ICE to identify wanted felons, including gang members, who fled to the United States to avoid prosecution in their home countries. Without this initiative, dangerous criminals might be able to circumvent prosecution. In FY 2017, CHIS sent 84,067 outbound notices of removal and ICE's foreign partners returned 21,434 positive responses, including 2,810 foreign criminal history records, 93 foreign criminal warrants and information related to 199 transnational gang members.

During FY 2017, ICE achieved significant successes in Latin America and the Caribbean through the development of programs that bolstered the law enforcement, customs, and immigration enforcement capabilities of international partners. These successes included the joint interagency execution of Operation CITADEL, which focused efforts on building partner nation capacity in identifying, disrupting and dismantling TCOs, including those designated as drug trafficking organizations and terrorist support networks. Interagency information sharing and collaboration from agencies within DHS, the Department of State, the Department of Justice (including the Federal Bureau of Investigation), and the Department of Defense, as well as participating partner nations, has been an essential piece of Operation CITADEL's efforts to build capacity and to address identified threats. Operation CITADEL provided resources to enhance foreign partners' investigative capabilities to counter transnational threats and organized crime that, in turn, provided ICE the ability to expand domestic and international investigations well beyond the U.S. borders and to more effectively target the illicit pathways exploited by TCOs.

In FY 2017, Operation CITADEL trained 809 partner national personnel and support to partner nations contributed to the following results: 231 criminal arrests, 54 indictments, nine convictions, 2,005 BITMAP enrollments, seizure of \$252,235 in currency, 18,224 pounds of narcotics, seizure of 27 firearms, and encountered 3,669 aliens of possible national security concern.

In support of Operation CITADEL 2018, ICE/HSI is deploying 12 agents to the following countries: Honduras; Guatemala; El Salvador; and Panama. The deployment began on April 9, 2018 and is scheduled to conclude on July 15, 2018. In addition, ICE/HSI is in the process of implementing phase two of Operation CITADEL 2018, deploying 20 additional agents to Brazil, Dominican Republic, Ecuador, Argentina and SOUTHCOM. This second phase of Operation CITADEL 2018 is scheduled to commence on or about the first week of July

2018. To date, Operation CITADEL 2018 has resulted in 148 arrests, 51 search warrants, 41 firearms seizures, 75 rounds of ammunition, \$452,030.00 U.S. currency, 8,600 lbs. of cocaine, collected biometric data on 1,131 subjects, initiated 7 foreign judiciary wire intercepts, and have trained 56 foreign nationals.

CONCLUSION

Thank you again for the opportunity to appear before you today and for your continued support of DHS and ICE and their missions. ICE is committed to continuing its successful practice of sharing information with domestic and foreign partners and leveraging its resources around the world to stem cross-border criminal organizations. I appreciate your interest in these important issues and the efforts I have discussed today.

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