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CONTROLLED SUBSTANCES: FEDERAL POLICIES AND ENFORCEMENT

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STATEMENT OF DEREK S. MALTZ

INTRODUCTION:

Chairman Jerrold Nadler, Ranking Member Jim Jordan, Chairwoman Sheila Jackson Lee, Ranking Member Andy Biggs and distinguished members of the committee, I would like to thank you for this opportunity to speak with you today about America's devastating drug epidemic and impact to all citizens. I am grateful for the opportunity to share my experience and thoughts as America faces complex challenges and an unprecedented drug crisis. I had a long rewarding 28-year career as a Special Agent in the Drug Enforcement Administration (DEA) enforcing the Federal Controlled Substances Act, Title 21 United States Code. I retired from the DEA in July 2014 but remain actively involved in the private sector supporting law enforcement agencies around the world as they aggressively target Transnational Criminal Organizations (TCO) causing death and destruction in communities throughout the country.

During the last 10 years of my career, I was the Agent in Charge of the DEA's Special Operations Division (SOD) in Northern Virginia. In that capacity, I ran the SOD operational coordination center with 30 participating agencies, to include representatives from Canada, Australia and the United Kingdom. SOD's primary mission is to support and synchronize the investigative efforts of federal, state, local and international law enforcement agencies. Since the Mexican cartels are one of the biggest TCO threats to the United States, SOD focused substantial resources on the Mexican TCO's. SOD was instrumental in supporting the Mexican government and the U.S. agencies to capture the leader of the Sinaloa cartel, El Chapo Guzman, on two occasions, and coordinating the worldwide investigations against the cartel. (CBS 60 Minutes, 2018). SOD also has a long history of coordinating the efforts of agencies around the world disrupting and dismantling major criminal networks.

Unfortunately, I watched the threat of the Mexican TCO's grow over the years as they took control of the importation and distribution of heroin, cocaine, methamphetamines, marijuana and now fentanyl. I remain committed to work with Congress, my colleagues in the government agencies and fellow citizens who have lost their loved ones to the drug epidemic to help develop recommendations and solutions to build more effective approaches to eliminate the crisis. Too many Americans are dying from drug overdoses and citizens all over the United States are impacted by the Mexican TCO's. It is time to work together using all the expertise to save lives. Law enforcement has the important responsibility to enforce the laws of America to keep our citizens safe and needs the full support of congress.

According to the recent provisional overdose data published by the Centers for Disease Control and Prevention's (CDC) National Center for Health Statistics (NCHS) reflects that

approximately 83,000 drug overdose deaths occurred in the United States in the 12-months ending in July 2020 which represents a worsening of the drug overdose epidemic in the United States and is the largest number of drug overdoses for a 12-month period ever recorded. These disturbing numbers represent a significant increase from 2019 with over 70,000 people who died from overdoses. (Network, 2020)

Over the last few years, I participated in the production of several films and media segments to help educate the public and bring needed awareness to the dangerous and evolving drug crisis. As a patriotic American who lost his brother Michael, fighting for America during Operation Enduring Freedom in the U.S. Air Force, I am familiar with the pain and suffering of losing a loved one. However, nothing is more difficult in life than losing a child and I remain committed to this fight. I will continue to engage with families who lost children to this crisis as well as participate in national news media to push the important trends and messages to the public.

In addition to the troubling news on the drug overdoses, there are also dangerous connections between the criminal activity of the Mexican TCO's and terrorist groups like Hezbollah. The threats posed by the TCO's is global and is growing as they make billions of dollars. The topic of narco-terrorism has been a priority of mine for many years, and the United States Government must use all tools of national power to combat and decimate these complex threats.

As the former Special Agent in Charge of SOD in Virginia, the Chief of the New York Drug Enforcement Task Force in New York City and DEA Special Agent working investigations around the globe, I had the privilege of collaborating with numerous local, state, federal and international law enforcement agencies. I have witnessed the incredible results and positive impact to communities when law enforcement works together in a professional manner enforcing the controlled substances act of the United States.

To be clear, the drug crisis can't be solved with law enforcement alone. This complex and emerging problem requires more than a "whole of government approach", but rather a "whole of America approach". The U.S. needs more focus and resources on drug education, treatment and rehabilitation in addition to law enforcement. This is an unprecedented public health, national security and community safety matter that also has huge mental health ramifications for the addicted as well as their families. There are many great American patriots working in the medical, education, addiction, science, technology, financial, and other private sector industries that can help develop comprehensive strategies and plans to deal with this matter. The status quo is an unacceptable option as too many lives are on the line.

OVERVIEW:

Over the last 34 years, I have been honored to be an active participant of the DEA and now in the private sector to work with some of the best and brightest investigators around the globe. I have always been committed to DEA's mission focusing enforcement efforts on the entire criminal organization. I remain very concerned that our collective efforts have some significant challenges as the Mexican TCO's have expanded their product line and have formed a lethal partnership with Chinese organized crime networks. They use the latest and greatest technology and innovation as well take advantage of antiquated laws and policies in the U.S. to thwart law enforcement efforts. Sadly, this has resulted in increased violence and more overdose deaths.

Based on the current opioid epidemic, drug crisis and the related death and destruction caused by the Mexican TCO's, I am pleased to be here today to discuss the growing threats in the United States related to the Mexican TCO's, their illicit drug trade and the ongoing southwest border crisis. The Mexican groups are a tremendous threat to public health, safety and national security. In my view based on experience, the Mexican cartel syndicates are one of the greatest criminal threats to America. I'm thankful for the brave men and women of law enforcement who continue to dedicate themselves to fighting these very dangerous threats.

The DEA released its 2020 National Drug Threat Assessment (NDTA) and highlighted several drug trends and critical information to the public. Christopher Evans, Acting DEA Administrator said, "this year's report shows the harsh reality of drug threats facing communities across the United States." He went on further to say, "While the COVID-19 pandemic plagues this nation, so, too, do transnational criminal organizations and violent street gangs, adjusting to pandemic restrictions to flood our communities with dangerous drugs. DEA and our local, state and federal partners continue to adapt to the ever changing landscape, remained focused on current threats and looking to the horizon for emerging threats. We will always defend the American people against illicit substances that ruin lives, devastate families and destroy communities. (Drug Enforcement Administration, 2021)

The DEA listed the following significant findings from in their annual NDTA report:

- Mexican Transnational Criminal Organizations (TCOs) remain the greatest criminal drug threat in the United States.
- Illicit fentanyl is one of the primary drugs fueling the epidemic of overdose deaths in the United States, while heroin and prescription opioids remain significant challenges to public health and law enforcement.
- Mexican cartels are increasingly responsible for producing and supplying fentanyl to the U.S. market. China remains a key source of supply for the precursor chemicals that Mexican cartels use to produce the large amounts of fentanyl they are smuggling into the United States.
- Drug-poisoning deaths and seizures involving methamphetamine have risen sharply as Mexican TCOs increase the drug's availability and expand the domestic market.

The Mexican cartels and the dangerous drugs impact the safety and security of all Americans. Despite the overwhelming issues related to the drug crisis, DEA along with many other law enforcement partners, remain engaged and will continue to enforce the controlled substance act. Those who push the poisonous drugs to the communities of America and violate the laws of this great nation will be held accountable. During Project Python and Operation Crystal Shield, DEA working closely with their partners, produced substantial results as highlighted in the assessment for 2020 with the seizure of 28,000 pounds of methamphetamines, millions of counterfeit pills containing fentanyl and hundreds of firearms. They also arrested over 2600 targets for violating the laws.

Law enforcement agencies have also worked together on several substantial drug seizures that highlights the dangerous trends in America. During fiscal year 2020, U.S. Customs and Border Protection, (CBP), Office of Field Operations and Border Patrol, reported the total drug seizures (U.S. Customs and Border Protection, 2020):

- Cocaine: 62,005 lbs.
- Heroin: 5,768 lbs.
- Marijuana: 582,413 lbs.
- Methamphetamine 177,696 lbs.
- Fentanyl: 4776 lbs.

In October 2020, DEA Acting Administrator Timothy J. Shea and Los Angeles Field Division Special Agent in Charge Bill Bodner announced the seizure of 893 pounds of cocaine, 13 pounds of heroin, and 2,224 pounds of crystal methamphetamine, which is the largest domestic seizure of crystal methamphetamine in DEA history. (Drug Enforcement Administration, 2020)

Also, in October 2020, U.S. Customs and Border Protection officers at the Otay Mesa commercial facility Friday seized more than 3,100 pounds of methamphetamine, fentanyl powder, fentanyl pills and heroin as part of the second largest methamphetamine bust along the southwest border in the history of the agency, based on information developed by DEA, working jointly with HSI. (U.S. Customs and Border Protection, 2020)

In January 2021, DEA Dallas Division reported the largest seizure of methamphetamine and heroin in the division’s history. DEA working with partners seized 1,950 pounds of methamphetamine valued at \$45 million during a traffic stop involving a refrigerated tractor-trailer in Denton County on Oct. 8, 2020. The drugs were contained inside a secret compartment of the truck. The enormous seizure was split into 633 packages, and DEA determined the drugs would have been repackaged for distribution in Texas, Chicago, St. Louis and Atlanta. (Jimenez, 2021)

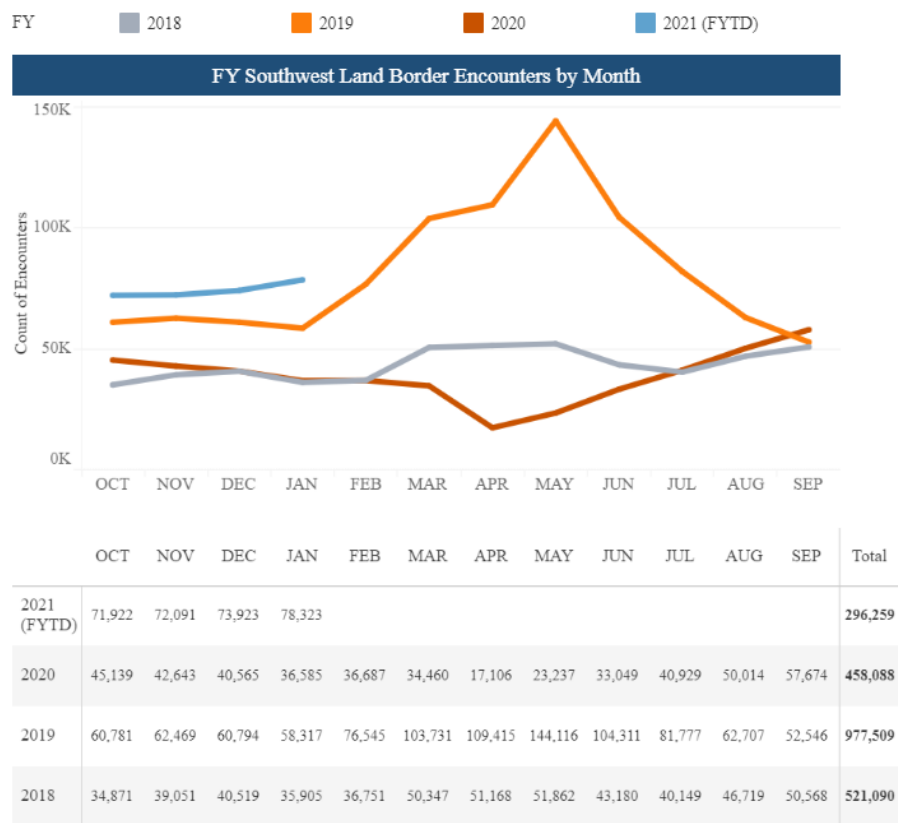
These tremendous law enforcement successes highlight the magnitude of the growing crisis involving the Mexican TCO’s as the agencies are making record level seizures of these dangerous drugs in America. The Mexican TCO’s are producing record amounts of drugs as they have a vast supply of pre-cursor chemicals coming into Mexico from China. This dangerous trend involving pre-cursor chemicals can be further understood when you look at the 2007 seizure of \$207 million, U.S currency, in Mexico City, Mexico from a Chinese national who owned a pharmaceutical wholesale business based in Mexico and was importing massive methamphetamine pre-cursor chemicals. “With the arrest of Zhenli Ye Gon, we’ve apprehended not only the man behind the money, but the man behind the meth. He may never have touched the drugs, but he made it all possible, facilitating the massive meth trade by brokering chemicals to kingpins,” said DEA Administrator Karen P. Tandy. (Drug Enforcement Administration, 2007)

Mexican drug cartels dominate the drug business in the United States and are operating in over 50 countries around the world and most cities in the United States. They operate like a fortune 500 company in many ways but employ devastating violence as well. They have major hubs in Southern California, Arizona, Chicago, Texas, New York and Atlanta. The cartels have expanded business around the U.S. as they developed a huge customer market with their high purity products that are killing Americans at an unprecedented level. As an example, Franklin County, Ohio coroner Doctor Anahi Ortiz reported that fatal overdoses jumped 73% in the first half of 2020, with 437 deaths. She further reported that 85% of overdoses involved fentanyl alone or combined with other drugs and that methamphetamine related fatalities increased in 2020. (Holm, 2020)

In my view, the major cartels that seem to have the most substantial impact in America are the Sinaloa and the Jalisco New Generation Cartel. Even though Chapo Guzman was convicted on all counts after outstanding law enforcement and prosecution efforts, and will spend his life in U.S. prison, the Sinaloa and Jalisco cartels remain a huge threat and seem to be growing daily as many migrants are walking across the porous border establishing business with the cartels in U.S. cities.

The TCO's are taking full advantage of the antiquated U.S. laws and latest technology. They also take advantage of the vulnerabilities at the border as the brave CBP officials unfortunately must transition their responsibilities from a border security role to migrant care due to the massive influx of migrants. The TCO's recognize the lack of CBP manpower to patrol areas of the border so they capitalize and move drugs north into the U.S. and money and weapons south into Mexico.

When you review the CBP's fiscal year southwest land border encounters by month, you can see the very disturbing trend. In fiscal year 2021, there is a growing amount of encounters every month. There is an indication from CBP that in February 2021, the number of encounters is around 101,535. When you further compare the first 4 months of the fiscal years 2019, 242,361 encounters, and 2021, 296,259, there was a 22% increase. (U.S. Customs and Border Protection, 2021)



Due to the increasing threats around America, the Department of Justice (DOJ) previously initiated multi-agency task force groups focusing on the top TCO threats to America. The Sinaloa Cartel, the Cartel Jalisco New Generation, Lebanese Hezbollah, MS-13 and Clan del

Golfo were designated as the most significant crime threats to the United States. The Attorney General's TOC Task Force is composed of experienced prosecutors and investigators. DOJ formed subcommittees for each of the target groups and has had several successes. (Department of Justice, October)

Most recently, the DOJ led task force had an unprecedented success charging 14 of the world's highest-ranking MS-13 leaders who directed MS-13's violence and criminal activity around the world for almost two decades. This exceptional effort is an example of what can be accomplished when law enforcement and prosecutors work side by side to protect the American public. The groundbreaking indictment charges the defendants with conspiracy to provide and conceal material support to terrorists, conspiracy to commit acts of terrorism transcending national boundaries, conspiracy to finance terrorism and narco-terrorism conspiracy in connection with the defendants' leadership of the transnational criminal organization over the past two decades from El Salvador, the United States, Mexico and elsewhere. Keep in mind the motto of MS-13 is "Kill, Rape, Control" (Department of Justice, 2021)

The current opioid crisis has a disturbing history, and the Washington Post did several outstanding investigative reports documenting the evolving opioid crisis in America as the "Big Pharma" industry distributed 100 billion opioids into America from 2006-2014. The Washington Post reporters analyzed the information from a data analytics company working on behalf of the plaintiff's lawyers in a massive lawsuit against the opioid industry. "In excess of 100 billion pills is simply jaw-dropping," said a lawyer for the plaintiffs from Pensacola, Fla. "The data demonstrates that every community in the country has been negatively impacted." The data released traces the path of pills from manufacturers and distributors to pharmacies across the country. (Steven Rich, 2020)

Unfortunately, as many Americans got addicted to the powerful pharmaceutical opioids, the Mexican TCO's took advantage of this greater business opportunity with a larger customer base throughout America. The Mexican TCO's first started to distribute very high-quality white heroin to areas of America with significant opioid addiction issues. Building on their opportunities to make huge amounts of money, the Mexican TCO's then engaged with companies in China to acquire very pure fentanyl and pre-cursor chemicals to make fentanyl in large scale operations in Mexico. The Mexican TCO's realized the tremendous demand in America and started to produce counterfeit oxycontin pills like "Mexi 30 blue pills" containing fentanyl. At first, the cartels would buy kilogram quantities of fentanyl for around \$3-5000 which would yield profits up to \$1.5-2 million per kilogram. As a result of this "Perfect Storm" of addiction and the Mexican TCO's, America now has a very complex crisis with multiple facets to deal with.

Another important factor with the Mexican TCO's impacting America's national security is the level of violence they engage in daily. Murders in Mexico edged up to a new record high in the first half of 2020. Mexico has seen increased gang violence for many years, with successive governments failing to tackle the problem. According to the latest data available, more than 34,600 murders were registered last year, a record. (Reuters, 2020)

The murder rates in Mexico are very misleading due to the number of disappearances every year. There are disappearances at record numbers in Mexico as the ruthless cartels employ criminals like the "Stew Maker". (Ley, 2017). Based on the unprecedented violence, deaths to Americans

and criminal activities, a sound case can be made to designate the Mexican cartels as foreign terrorist organizations pursuant to the U.S Department of State criteria. The Mexican cartels have left a trail of blood using intimidation and terrorist acts of ruthless violence. The cartels engage in beheadings, car bombings, dissolving humans in acid, mass murders, torture, bombings and political assassinations. Their actions are consistent with the behaviors of traditional terrorists and they have infiltrated the highest levels of the Mexican government with bribes and corruption. Despite these trends, people refer to the Mexican cartels as only transnational organized criminals even though they operate like terrorists and wreak havoc all over their country, United States and Canada.

The cartels routinely conduct beheadings, in which corpses and heads are hung on public display. They are known for kidnapping, torturing and dismembering their targets. They conduct killings of innocent people and cartel rivals for satanic sacrifices. Innocent women and children are not impervious to cartel violence, as they kill have killed indiscriminately to scare the general population into submission and subservience.

Similar to terrorists' organizations like ISIL and Al Qaeda, Mexican drug cartels also utilize social media sites to install fear into the general public by posting videos, and photographs of individuals being decapitated and tortured. (Hastings, 2013) They have also routinely killed politicians who oppose cartel violence or who publicly announced their dissent.

The United States Government currently mistakenly views the Mexican drug cartels as only TCO organizations and its current strategy and policies are insufficient to end the Mexican drug cartels chaos and deaths to Americans. Look at the massive amounts of overdoses and addiction to cocaine, methamphetamines and heroin by our citizens. The production is on the rise and the supply of these poisonous drugs are vast. The United States must accept and come to the realization that the cartels are terrorist organizations. The government leaders must also understand the culture and mindset of the cartels.

The Mexican drug cartel ideology is influenced by their culture and religious beliefs which provide moral justification for their actions. Some Mexican drug cartels have utilized techniques which focus on mind manipulation and behavioral modification commonly utilized by organizations such as Al-Qaeda. As an example, The La Familia Cartel's indoctrination process is described as a 6-8-week program which incorporates texts and videos to assist with brainwashing, periodic vows of silence and days without talking to enhance spiritual concentration, solidarity and loyalty to the Cartels leadership.

Another aspect of indoctrination utilized by the Mexican drug cartels, consist of enlisting young recruits into training camps where they are under the guidance and tutelage of hit men or "Sicario's". Child soldiers are desensitized through vigorous training in which recruits are taught and ordered to kill and dismember their victim, while conduct kidnappings, assassinations and carry out car bombings. The operatives are taught how to utilize and operate both basic and advanced weapon systems and devices such as assault weapons, pistols and at times even explosives. Upon the completion of training, recruits are sent on domestic and international missions to establish cells of Sicario's where they are subsequently called upon to carry out acts of violence on behalf of the cartels. (MOST, 2015)

The Mexican cartels are not typical crime groups as they conduct acts of terrorism not solely in furtherance of drug trafficking but for the purpose of instilling fear in the public and influencing

the policy of government. They are responsible for utilizing terror tactics to silence, torture and kill civilians, government officials and advocacy groups such as Catholic priests, who publicly speak out against the violence inflicted by the Mexican drug cartels. The Mexican cartels have become Mexico's insurgency's and have utilized terror tactics. They have corrupted and radicalized religion to undermine the Mexican government and the rule of law. The Mexican drug cartels have recruited hundreds of trained law enforcement and military personnel who now carry out executions and assassinations on behalf of the cartels. Paramilitary organizations such as the Los Zetas Cartel, who were previously trained by the U.S. military and have become one the most feared and violent terrorist organizations society has ever seen.

The cartels are fearless and operate with a sense of impunity. For example, in May 2015, the Jalisco Nuevo Generacion cartel (CJNG), blocked more than 30 roads with smoldering tankers, set ATMs and banks on fire then proceeded to shoot down a military helicopter with a rocket propelled grenade (RPG); killing several Mexican military soldiers. (Córdoba, 2015)

In 2011, Immigration and Customs Enforcement (ICE) Special Agent's Jaime Zapata and Victor Avila were traveling in a bullet proof vehicle containing Diplomatic license plates on Highway 57 in San Luis Potosi, MX, when a group of armed men from the Los Zetas Cartel forced their vehicle to the side of the road. After identifying themselves as U.S. Diplomats and refusing to exit the vehicle, the group of armed men forcibly opened the vehicle door and opened fire into the vehicle killing SA Zapata and wounding SA Avila. (Hsu, 2017)

The Mexican drug cartels have proven that they will kill discriminately and indiscriminately in order to expand and their influence throughout the country. In May of 2011, representatives from the Department of Homeland Security (DHS) and the Department of Justice (DOJ) declined a proposal by several U.S. Congressmen including U.S. Rep Michael McCaul, to classify several Mexican drug cartels as terrorist organizations. (McCaul Seeks to Classify Mexican Drug Cartels as Terrorists, 2011)

They stated the mechanisms and laws already in place in the U.S. to deal with drug trafficking are enough and the proposed terrorist classification wouldn't be unnecessary. The U.S. and Mexico efforts and strategy against the Mexican drug cartels have been proven to be ineffective in its ability to curtail and significantly reduce the level of drug trafficking and violence inflicted by the cartels. Look at the statistics alone. The purpose of reclassifying Mexican drug cartels as terrorist organizations is to not only address the problem of drug trafficking, but to ultimately confront the level violence and terror carried out by the cartels.

A designation would also provide the U.S. government with additional options when combating the Mexican TCO's that would not be limited to the capabilities of law enforcement. Instead, it would help bridge the gap between the law enforcement, military and intelligence community, thus providing more resources and capabilities to combat the Mexican drug cartels. The cartels utilize and have been found to be in possession of weapons such as assault rifles, pistols, grenades, RPG rocket launchers, claymore anti-personnel mines and man portable air defense systems (MANPADS). (Bunker, 2016)

The Mexican cartels have taken control of Mexico through active means of terrorism. They have consistently killed Mexico mayors who have opposed the illegal activities and violence inflicted by the cartels. They have corrupted thousands of government officials, police officers and military personal through financial means or through intimidation by means of death to them and

their loved ones. They have also posed a threat to Mexico's oil infrastructure. Siphoning incidents on pipeline networks have become the norm and drug cartels have continuously threatened to kidnap and extort employees involved in oil operations. (Woody, 2018)

During "Project Cassandra", SOD's focused attack on major drug cartels and Hezbollah's role in a very large-scale terror finance operation. Hezbollah was identified as a top threat by the DOJ led inter-agency group pursuant to the President's TCO strategy. SOD's Counter Narco Terrorism Operations Center (CNTOC), initiated a project with multiple agencies to investigate the connectivity between Hezbollah and the drug cartels.

As the Director of SOD for several years, I witnessed unprecedented results as the CNTOC Task Force and exposed elements of the terrorist group Hezbollah, who were being funded by worldwide cocaine sales. During 2008, the U.S. cooperative investigation with Colombia culminated with over 130 arrests, to include many of the senior-level operatives, and \$23 million was seized. (ROTELL, 2008) This case identified the scope and the alliance between South American drug traffickers to money laundering operations in Hong Kong, Central America, Mexico, Africa and Canada, and a connection to several Lebanese criminals associated with a global organized crime network.

Based on the substantial information developed during this phase of Cassandra and very alarming and emerging trends exposed, CNTOC with representatives from numerous agencies, spearheaded a focused investigation with the field offices on the Middle Eastern money launderers working with the drug traffickers who were shipping multi-ton quantities of cocaine into West Africa for distribution around the world. During this initiative, DEA identified the leader of this sophisticated network who coordinated multi-ton shipments of cocaine from Colombia to Los Zeta's Mexican drug cartel and was laundering hundreds of millions of dollars in drug proceeds back to Colombia. The main operative also established a very sophisticated network in West Africa to move currency via couriers back to Lebanon.

In February 2011, The Department of Treasury with DEA announced the identification of the Lebanese Canadian Bank (LCB) as a financial institution of primary money-laundering concern under section 311 of the USA Patriot Act. This was the first time ever the 311 Action was used in a drug case. The organized crime network was moving large shipments of drugs from South America, Central America and Mexico to Europe and the Middle East via West Africa and laundering hundreds of millions of dollars to accounts held at LCB as well as through trade base money-laundering involving consumer goods throughout the world, including used car dealerships in the U.S. LCB was helping Hezbollah through the Joumaa network. (US Treasury, 2011)

Subsequently in December 2011, there was a complaint filed in the Southern District of New York exposing this Lebanese money-laundering scheme which investigators documented over \$300 million into United States for the purchase and shipment of used cars to West Africa. The complaint alleged that the assets of LCB, Hassan Ayash Exchange and Elissa Holding, along with the assets of approximately 30 U.S. car buyers and a U.S. shipping company and related entities that facilitate the scheme, are forfeitable as the proceeds of violations of the International Emergency Economic Powers Act (IEEPA).

Through this investigation, the task force of agencies exposed the LCB as money-laundering for Hezbollah through a very aggressive financial attack against the network. The federal complaint

was seeking penalties totaling \$483 million. During the December 2011, the Eastern District of Virginia announced the indictment of Ayman Joumaa for coordinating the shipment of tens of thousands of kilograms of cocaine from Colombia to Los Zetas Drug Cartel for distribution into the United States over an eight-year period. Joumaa was also charged with laundering millions of dollars in drug proceeds for the organization. It was estimated that the terror scheme was moving \$200 million per month. Joumaa's organization was further exposed through the OFAC sanction. (U.S. Charges Alleged Lebanese Drug Kingpin with Laundering Drug Proceeds for Mexican and Colombian Drug Cartels, 2011)

In August 2012, the Southern District of New York (SDNY) filed a 981K action against five corresponding banks in the United States that were doing business with Banque Labano Francais. This Lebanese bank received \$150 million from the Lebanese Canadian bank after they were exposed with their international money-laundering business. As a result of this very successful 981K action, the United States settled a civil forfeiture action against the Lebanese Canadian bank and the settlement required LCB to forfeit \$102 million to the United States. This was an unprecedented action targeting Hezbollah and their worldwide illicit activities. The settlement also identified to the world that international money-launderers for terrorists and narco-traffickers will face serious consequences even when the activity is outside the US (Justice, 2012) (York, 2013) (Manhattan U.S. Attorney Announces \$102 Million Settlement of Civil Forfeiture and Money Laundering Claims Against Lebanese Canadian Bank, 2013)

The DEA continues to investigate the dangerous nexus between terrorist groups and the Mexican TCO's. Project Cassandra has resulted in numerous other U.S. government high level arrests, seizures, extraditions, prosecutions and U.S. Treasury actions.

CONCLUSION:

Mexican TCO's currently operate throughout the U.S. and are the primary cause for the heroin/fentanyl/opioid and methamphetamine crisis we are combating today. The country is inundated with crime, drugs and violence fueled by the Mexican TCO's. The TCO's are taking advantage of the massive addiction and the demand for opioids and methamphetamines all over the United States.

Terrorists will continue to tap into the incredible amounts of money generated from drug trafficking and many other criminal activities such as human trafficking, counterfeiting, weapons sales and sex trafficking so it's imperative that our hard-working law enforcement and other U.S. government personnel get the resources and support to enforce the laws and keep Americans safe. We need the leadership of the Attorney General, the Secretary of the Department of Homeland Security (DHS), Executives from the Department of Defense (DOD) and the Intelligence Community (IC) to unite and battle these growing adversaries. We also need to work closely with our state and local counterparts who are under resourced trying to deal with this crisis on the front lines. We must also stop the unfair treatment of law enforcement professionals around America. The vast majority of law enforcement personnel wake up in the morning and go to work with the goal to protect all citizens. They respond to "911" calls and proactively investigate TCO's, gangs and criminal networks trying to keep the public safe from these growing threats. There is going to be "bad apples" in all professions, but it's unfair to paint any

profession with a “broad brush” based on the actions of a few. We need to unite our agencies and thank them for their dedicated service as the complexity of the threats continues to grow.

The threats to this great country are moving at lightning speed and we need a sense of urgency at this point. Chinese organized crime and the Mexican TCO’s have formed a bond that’s growing daily. In DEA testimony of DEA’s Chief of Operations, it’s clear that fentanyl has emerged as a tremendous threat to America with the influence of the Chinese and cartels. (DEA, 2019)

Under U.S. federal law, fentanyl is a Schedule II controlled substance, which is lawfully produced and distributed in the United States by manufacturers of prescription drugs approved by the Food and Drug Administration (FDA) and is widely used in medicine. It is an extremely potent analgesic, used for anesthesia and for pain control in people with serious pain problems; in such pain control cases, it is generally indicated only for use in people who have a high opioid tolerance. Illicit fentanyl, fentanyl-related substances, and their immediate precursors are often produced in China. From China, these substances are shipped primarily through express consignment carriers or international mail directly to the United States, or, alternatively, to TCOs in Mexico, Canada, and the Caribbean. Once in the Western Hemisphere, fentanyl and fentanyl-related substances are prepared for mixing into the heroin supply, other non-opioid drugs, or pressed into a tablet form, and then moved into the illicit U.S. market, where demand for prescription opioids and heroin remain at epidemic proportions. In some instances, drug trafficking organizations have industrial pill presses shipped directly into the United States from China, which allows them to press fentanyl pills domestically. Mexican TCOs have seized upon this business opportunity because of the profit potential of synthetic opioids and have invested in growing their share of this market. Because of its low dosage range and potency, one kilogram of fentanyl purchased in China for \$3,000 - \$5,000 can generate upwards of \$1.5 million in revenue on the illicit market. Such is the potency of fentanyl, that consumption of as little as 2 milligrams of fentanyl can result in a fatal overdose, meaning that a kilogram of fentanyl has the potential of causing lethal overdoses of 500,000 people.” (UNPRECEDENTED MIGRATION AT THE U.S. SOUTHERN BORDER:, 2019)

It’s evident that the TCO groups like the Mexican cartels are moving extremely fast while our investigators and assets are getting “stuck in the mud” of politics, bureaucracy and antiquated laws. In my view, fentanyl is a chemical weapon and the narco-terrorist Mexican TCO’s are destroying our country. We need to step up the game with a sense of urgency. Law enforcement will continue to do their best in enforcing the laws, but America needs congress to further engage on these growing issues. The death rates are spiking and impacting republicans, democrats and independents. We must come together and develop updated strategies to combat these threats.

Thank you for the opportunity to speak on these important topics impacting our national security and public safety.



(Chart made by Derek Maltz to depict the complexity of crime in America)

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