



# Department of Justice

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**STATEMENT OF**

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**BEFORE THE**

**SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS  
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**ENTITLED**

**“TRANSNATIONAL DRUG ENTERPRISES (PART II): THREATS TO GLOBAL  
STABILITY AND U.S. POLICY RESPONSES”**

**PRESENTED**

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**Statement of Anthony P. Placido**  
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**Before the House Oversight and Government Reform**  
**Subcommittee on National Security and Foreign Affairs**  
**March 3, 2010**

**“Transnational Drug Enterprises (Part II): Threats to Global Stability  
And U.S. Policy Responses”**

**INTRODUCTION**

Chairman Tierney, Ranking Member Flake, and distinguished members of the Subcommittee, I want to thank you for your continued support of the men and women of the Drug Enforcement Administration (DEA), as well as for the opportunity to testify today on the threat transnational drug enterprises represent to global stability and U.S. national security.

**OVERVIEW**

Drug trafficking and abuse exacts a significant toll on the American public. More than 31,000 Americans – or approximately ten times the number of people killed on September 11, 2001, die each year as a direct result of drug abuse. Approximately seven million people who are classified as dependent on, or addicted to, controlled substances squander their productive potential. Many of these addicts abuse or neglect their children and commit a variety of crimes under the influence of, or in an attempt to obtain, illicit drugs. Tens of millions more suffer from this erstwhile “victimless” crime, as law-abiding citizens are forced to share the roads with drugged drivers, pay to clean up toxic waste from clandestine laboratories, rehabilitate addicts, and put together the pieces of shattered lives. However, in order to calculate the true cost of this threat we must go further and examine the impact that transnational drug crime plays in corrupting government institutions, undermining public confidence in the rule of law, fostering violence, fueling regional instability, and funding terrorism.

Drug Trafficking is a global enterprise that, according to the U.N. Office on Drugs and Crime, generates approximately \$394 billion per year. This figure dwarfs the proceeds from other forms of organized criminal activity and provides a revenue stream for insurgents, terrorists, and other nefarious activity. To put this sum in perspective, the proceeds of the global drug trade exceed the gross domestic product of many national governments and provide ample motivation to those who peddle poison for profit. Some argue that legalization and regulation – even at the cost of untold human suffering and misery – would at least strip the traffickers of these enormous profits. Both common sense and history have taught that those who are displaced from the drug trade do not move into corporate life; they morph into other areas of criminality. We face an ongoing effort to mitigate the damage done by criminals who put personal profit above all else.

Those who organize, finance, direct and control this criminal enterprise thrive in areas where government control is weak. While the drug trade fuels corruption and instability in America, as well as in foreign countries, it is no coincidence that the so-called “kingpins” who run this global trade do not reside in the U.S. where they would be most exposed to our highly effective criminal justice system. Rather, they operate from locations which they perceive to be safe havens and direct the activity of subordinates and surrogates who supply drugs to the U.S. market. This model is intended to not only frustrate attempts to successfully prosecute these criminals, but also to maximize the autonomy of these organizations in the countries where they are headquartered.

Perhaps the most prescient example of the relationship between drug trafficking and national security can be found just south of our border. A stable and secure Mexico is in the best interests of both the U.S. and Mexico, but the violent actions and corrupting influence of drug trafficking organizations threatens that security. Since President Calderon took office in December 2006 and immediately set out to break the power and impunity of these cartels, his government has deployed more than 45,000 military troops to assist police in combating cartel influence and related violence. Despite these heroic efforts, there have still been approximately 17,900 drug-related murders in that country since President Calderon began his counter offensive against the cartels in 2007. More troubling is the fact that many of these brutal murders were committed with the specific intent to intimidate the public and influence government to suspend action against the cartels. Fortunately, the Calderon Administration has been resolute and steadfast in its commitment to break the power and influence of these criminals.

The Calderon Administration also has aggressively investigated allegations of corruption within the government, arresting hundreds of officials for taking bribes from the cartels. Even the deputy attorney general responsible for prosecuting traffickers was allegedly protecting them, for a fee of \$450,000 a month. The problems uncovered in Mexico during the past few years reflect increasing threats to the rule of law and regional stability. The concept of “plato o plomo” (bribes in silver or lead bullets) is well documented in Mexican drug trafficker culture and refers to the choice public and police officials must make when first confronted by this powerful criminal element. The confluence of brutal violence and corruption makes it difficult to enforce drug laws and undermines public confidence in government. Left unchecked, the power and impunity of these criminal bands could grow and become an even greater threat to the national security of Mexico. This is why our partnership with Mexico under the Merida Initiative and our shared responsibility to contend with this threat is so vital.

Parts of Central America and West Africa are increasingly becoming havens where traffickers pursue illicit activities largely undeterred by law enforcement or the local government. Drug traffickers use these regions for the transshipment, storage, cultivation and manufacture of narcotics. Violent traffickers are relocating to take advantage of these permissive environments and importing their own brand of justice. Unfortunately, areas with limited or poor governance are also the breeding grounds for other types of criminal activity, to include terrorism.

Eighteen of 44 designated international terrorist groups have been linked to some aspect of the international drug trade. In the 1990s, the Revolutionary Armed Forces of Colombia (FARC), a U.S.-designated foreign terrorist organization (FTO), began taxing all aspects of the cocaine trade within its geographic control. Today, the FARC is funded primarily through drug trafficking. The FARC purchases or produces multi-ton quantities of cocaine and uses the proceeds to purchase weapons and military equipment for use in their decades-long fight to topple the legitimate government.

Similarly, insurgents in Afghanistan and Africa fund their terrorist activities through the drug trade. The DEA estimates that over a period of years, hundreds of millions of dollars in proceeds from drug trafficking flow directly to the Taliban. The Taliban taxes opium poppy farmers, brokers, and laboratories that process opium into heroin, as well as traffickers passing through Taliban-controlled areas. They also collect donations from drug traffickers and sell drugs themselves to finance arms and munitions for their continued fight against U.S.-led forces in Afghanistan. In Africa, international terrorist organizations such as Al-Qaeda in the Islamic Maghreb (AQIM) rely on independent, transnational criminal specialists closely linked to the drug trade for money laundering, document forgery, transportation, security, weapons, strategic corruption, and other criminal activities.

From the War on Terror to our southwest border, drug trafficking threatens the security of Americans abroad and at home. U.S. soldiers in Afghanistan are fighting an insurgency whose primary goal is to kill Americans that is substantially funded by the Afghan and regional drug trade. In our own hemisphere, ever-increasing rates of violence threaten the security of our borders and those of our allies. The consequences of drug trafficking have never been higher for the international community.

## **GLOBAL REACH OF THE DEA**

As the lead U.S. law enforcement agency responsible for enforcing the drug laws of the United States, DEA has been at the forefront of U.S. efforts to work with foreign law enforcement counterparts in confronting the organizations that profit from the global drug trade. DEA recognizes that in order to effectively attack the international drug trade it has to forward deploy its personnel into the foreign arena. DEA has the largest federal law enforcement presence overseas. DEA has 83 offices in 62 countries and works with host governments in assessing drug threats, gathering intelligence, targeting major drug trafficking organizations (DTOs), and, in coordination with the Department of State, assisting host governments in developing comprehensive counternarcotics strategies. DEA agents understand the importance of working to establish relationships of trust with host nation governments in order to accomplish DEA's mission.

### ***Organizational Attack***

The nexus between drugs and terrorism is well established, and the threat to our national security is evident. This is not a new phenomena, there have been numerous links identified between drugs and terrorism in recent years. In order to prioritize and maximize the use of DEA's manpower and financial resources, DEA works with partners within the Department of

Justice (DOJ), Department of Homeland Security, Department of State, and Department of the Treasury to identify those organizations having the most significant impact on international drug availability. The result of this collaboration has been the identification and targeting of the full scope of an organization's criminal activities.

In FY 2009, 24 of the 55 organizations on the Consolidated Priority Organization Target (CPOT) list—a unified list of the most significant international drug and money laundering targets around the world that affect the supply of illegal drugs in the United States—have been identified as being associated with terrorist organizations. DEA also has identified 41 percent (18 of 44) of the organizations on the FTO list as having ties to some aspect of the drug trade. Terrorist-linked DEA Priority Target Organization investigations increased from 55 cases in FY 2004 to 103 through the first quarter of FY 2009, an 87 percent increase.

### ***International Drug Flow Attack Strategy***

A key element in combating international drug trafficking is the concerted and coordinated efforts of the inter-agency community to jointly identify chokepoints vulnerable to enforcement efforts and simultaneously direct assets to vigorously target the identified chokepoints on a coordinated and sustained basis. To this end, DEA developed an International Drug Flow Attack Strategy, which has the primary objective to cause major disruption to the flow of drugs, money, and chemicals between the source zones and the United States. The strategy includes an integrated intelligence-enforcement process that rests on four pillars: intelligence-driven enforcement, sequential operations, predictive intelligence, and law enforcement deception campaigns. To stem the flow of drugs into the U.S., DEA will continue to implement this successful Drug Flow Attack Strategy by expanding enforcement initiatives with the Intelligence Community, our global law enforcement partners, and the U.S. military.

### ***Financial Attack***

The principal reason terrorist organizations engage in the narcotics trade is money. Terrorist groups are increasingly using monies from drug trafficking to fund their ideological agenda. The UN World Drug Report affirms that the global illicit drug trade is as lucrative as it is poisonous. This global illicit drug trade generates far more than the estimated profits from international human trafficking, arms trafficking, and diamond smuggling combined. To make a significant impact on the drug trade in the U.S. and internationally, DEA is tracking and targeting illicit drug money back to the sources of supply before it can be used to finance the next production cycle of illegal drugs. DEA's financial investigations are driven by strategies designed to inflict permanent damage against DTOs. By denying DTOs the revenue from the distribution of illegal drugs, the drug traffickers' capability to acquire or produce additional drugs and support their organizations is hampered. DEA's perspective on the money laundering threat is two-fold: first, DEA is focused on proceeds generated by the illegal drug industry; second, DEA is addressing the threat that drug proceeds represent as a means of financing international terrorist organizations.

### *Extra-territorial Authority*

DEA has the legal authority to investigate and charge drug traffickers with extraterritorial offenses under U.S. Code Title 21 § 959. Section 959 gives DEA extra-territorial jurisdiction to investigate and prosecute drug offenses with a nexus to the U.S. even though the drugs in question have not actually entered the United States. The 959 statute has proven to be an invaluable investigative tool in pursuing drug trafficking organizations overseas where we can satisfy the requirement for a nexus to the U.S.

Additionally, Title 21 U.S.C § 960a gives DEA an enforcement tool for narco-terrorism. Like Section 959, Section 960a gives DEA jurisdiction to investigate and prosecute extra-territorial offenses if a link between the drug offense and a specified act of terrorism or a terrorist organization can be established. Under this statute, the prescribed punishment is twice the punishment provided for the underlying drug offense. Significantly, there is no requirement for a nexus to the U.S. for the underlying drug offense, a concept that is particularly important in cases involving heroin from Afghanistan, and could also be applied to international terrorists involved in the African drug trade.

Sections 959 and 960a and traditional conspiracy charges under 21 U.S.C. §§ 846 and 848, provide the legal authority to prosecute transnational DTOs, and the robust sentencing provisions in these statutes provide incentive for defendants to cooperate with investigators, promoting success in investigations.

In 2006, DEA initiated an investigation targeting the head of a Kabul-based DTO operating a major heroin-processing laboratory in Afghanistan and as the source of supply for heroin groups in West Africa and Europe. During undercover (UC) operations in Ghana and Afghanistan, DEA agents negotiated a 100-kilogram heroin deal, which was intended for distribution in the U.S. In the fall of 2007, the principal target and an associate were arrested by Ghanaian authorities based on a U.S. request for their expulsion or, alternatively, provisional arrest. The United States based its request on an arrest warrant issued under a Title 21, Section 959 indictment from the Eastern District of Virginia. A Ghanaian court issued an expulsion order for both defendants, who were transferred to U.S. custody and returned to Virginia to face charges. Based on their conviction, in June 2008, the subjects of the investigation received prison sentences of 24 and 17 years, respectively. This investigation is very significant as it disrupted the West African trafficking operations of a major Afghan heroin DTO, included successful DEA UC operations in Ghana and Afghanistan, and was the first time Title 21 / Section 959 authority has been used by DEA in Africa.

## **NARCOTICS TRADE AND TIES TO TERRORISM AND TRANSNATIONAL CRIME**

A narco-terrorist organization is an organized group that is complicit in the activities of drug trafficking to further or fund premeditated, politically motivated violence to influence a government or group of people. Although the DEA does not specifically target terrorists, some of the powerful international drug trafficking organizations we have targeted have never hesitated to use violence and terror to advance their political interests.

### *Mexico*

The United States and Mexico are committed to cooperative action to reduce the drug threat from which both nations suffer. Mexico is a drug producing, drug transit, and drug consuming country, in large part as a result of its strategic location between South America and the United States. It is confronting entrenched cross-border smuggling operations; and diversified, poly-drug, profit-minded drug trafficking organizations. On our side of the border, an appetite for illicit drugs causes billions of U.S. dollars and an unknown number of weapons to enter Mexico annually. Many of the smuggled weapons are used against the Mexican security forces. The single objective of those who ply the drug trade is profit: for Mexican traffickers, that profit is estimated by NDIC at \$18-\$39 billion per year. For all of these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug trafficking.

The drug trade in Mexico has been rife with violence for decades. Without minimizing the severity of the problems we are confronted with today, it is nonetheless critical to understand the background of the “culture of violence” associated with Mexican DTOs and the cyclical nature of the “violence epidemics” with which Mexico is periodically beset. Though no previous “epidemic” has exacted as grisly a toll as 2009, we do not have to go very far back in history to recall the cross-border killing spree engaged in by Gulf Cartel Zeta operatives in the Laredo-Nuevo Laredo area during 2004-2005. But one thing must remain clear in any discussion of violence in Mexico, or violence practiced by Mexican traffickers operating in the United States: drug gangs are inherently violent, and nowhere is this more true than in Mexico, where Wild West-style shootouts between the criminals and the cops, and/or elements of opposing trafficking groups is far too common. In fact, according open source reporting and the PGR, over 90 percent of the homicides in the past few years have been of DTO or cartel members or associates vying for market share.

The United States is engaged in cooperative efforts with Mexican law enforcement to provide information, training, and equipment that will allow Mexican authorities to capture these dangerous criminals. The Calderon Administration is taking the fight directly to the cartels. The quantifiable impact of huge drug, weapons, and money seizures presents an incomplete picture. While more difficult to measure, the enormous psychological impact of high-level arrests and record numbers of extraditions completes the picture. No other action by the Government of Mexico strikes quite so deeply at cartel fears than an arrest and extradition... Beginning only weeks after his inauguration, President Calderon began extraditing high-profile criminals to the United States. In January 2007, President Calderon took the politically

courageous step of extraditing 15 individuals to stand trial in the United States, including notorious Gulf Cartel head, Osiel Cardenas-Guillen.

Since that day, the Government of Mexico has extradited in excess of 280 criminals to the United States, including a group of 10 in December 2008. These criminals were associated with some of the most notorious Mexican drug trafficking organizations – the Gulf Cartel, the Arellano Felix Organization and the Sinaloa Cartel. Also, on February 25, 2009, Miguel Angel Caro-Quintero, who assumed control of the family organization after the arrest of his brother Rafael Caro-Quintero, who was complicit in the kidnapping, torture, and murder of DEA Special Agent Enrique Camarena. During the past year, the GOM has achieved unprecedented success in apprehending high value targets (HVT) based in the country of Mexico.

For example, in March of 2009, Sinaloa Cartel leader and DEA fugitive Vicente Zambada Niebla (son of Ismael Zambada Garcia) was located and arrested in Mexico City. On February 19, 2010, Zambada Niebla was extradited to the United States. In October of 2009, Sinaloa Cartel leader and DEA fugitive (CPOT) Oscar Nava Valencia aka "El Lobo" was apprehended and arrested near Guadalajara, Mexico. Nava is also currently incarcerated pending extradition to the United States. In December 2009, the "Boss of bosses" CPOT Arturo Beltran Leyva aka "Barbas" was located and killed in Cuernavaca, Mexico after a two-hour gun battle with GOM forces. Beltran was considered one of the most powerful drug lords in Mexico. And finally, on January 12, 2010, DEA and U.S. Marshals Service personnel on the ground identified the residence of one of Mexico's most wanted fugitive's and co-leader of the AFO cartel, Teodoro Garcia Simental (a.k.a. "El Teo"), who was responsible for the majority of the homicides, kidnappings, and tortures in Tijuana. The Secretaría de Seguridad Pública (SSP) Policia Federal Sensitive Investigative Unit (SIU), with support from the Grupo de Operaciones Especiales (Mexican Army Special Operations Group, GOPES), initiated the search and arrest of El Teo at the target location; he was arrested without incident.

All these high-impact actions – seizures, arrests and extraditions serve to make one important point: drug traffickers are inherently violent, but desperate, vulnerable drug traffickers operating under unprecedented stress are exceedingly violent.

### ***South America***

The U.S. Department of State has designated the National Liberation Army (ELN), the FARC, and the former United Self-Defense Groups of Colombia (AUC) as Foreign Terrorist Organizations. Overall, the former AUC members who have not demobilized, ELN, and FARC all benefit as organizations and derive some proceeds from the drug trade, as well as other illegal activities such as kidnapping, extortion, and robbery.

One of the most prominent regions where the drug and terrorism nexus is at its strongest is the Tri-border Area in Latin America, where the borders of Brazil, Argentina, and Paraguay align. The relatively small quantity of drugs being smuggled out of the tri-border area would not necessarily be a top priority for the DEA when contrasted with the multi-ton shipments transiting the Eastern Pacific and Caribbean corridors. However, with the cost of drugs being far lower in



this region they can be resold in other countries for large profits desired by those seeking funds to further terrorist activity such as Hezbollah.

DEA continues to assist its Latin American host nation counterparts through interagency coordination and bilateral agreements to combat money laundering and terrorist financing. Some DTOs based in the Tri-border Area have ties to radical Islamic terrorist groups such as Hezbollah. It is important to note that this is not an emerging threat per se, but one that has existed since the late 1980s or early 1990s. Investigations into these groups as part of DEA's Drug Flow Prevention Strategy reveal DTOs are exporting cocaine from South America to Europe and the Middle East. There are numerous reports of cocaine proceeds entering the coffers of Islamic Radical Groups (IRG) such as Hezbollah and Hamas in Europe and the Middle East. The danger of DTO's and IRG's profiting from the lucrative cocaine trade can lead to an unlimited source of cheap and easy revenue to carry out potential terrorist acts.

DEA's primary efforts against these groups focus on the identification, targeting, disruption, and dismantlement of DTO's in the Tri-border Area. We are also attempting to identify the cocaine sources of supply from the Andean Ridge, identify any arms-for-drugs nexus, and identify and track IRG networks in Latin America, Europe and the Middle East, which are reaping the financial benefits from the lucrative European and Middle East cocaine markets. Key to these efforts will be to attack the financial narcotic nexus.

DEA reporting indicates that persons affiliated with the FARC, and to a lesser extent the remnants of the former AUC, are working with Mexican and Central American trafficking organizations to facilitate cocaine transshipments through the region. Consistent with these reports, a Government of Mexico (GOM) official recently stated that members of the former AUC and the FARC are carrying out drug-trafficking activities in Mexico. There have been numerous instances of drugs-for-weapons exchanges occurring in the region, particularly in Central America, that are exemplified by the November 2002 takedown of Operation WHITE TERROR which resulted in the dismantling of an international arms and drug trafficking network linked to the AUC. DEA continues to work with host nation counterparts in Latin America to pursue and disrupt the drug trafficking activities of these vast traditional criminal networks providing financial support to the AUC and the FARC.

### ***Afghanistan***

There is a clear and direct link between the illicit drug trade and insurgent groups in Afghanistan. The Taliban and other anti-government elements exploit the illicit drug trade to facilitate their financial, logistical, and political objectives and thereby jeopardize the prospect of long-term security and stability, reconstruction, and effective governance. Drug trafficking in Afghanistan has provided over 90 percent of the world's opium, fueled an insurgency characterized by death and destruction, corrupted public officials, undermined political stability, and diminished respect for the rule of law. Due to the significant role that the trafficking of opium, morphine, heroin, and hashish play in destabilizing Afghanistan, the DEA is in a unique position to assist the Government of the Islamic Republic of Afghanistan (GIROA), the United States mission in Afghanistan, the entire region, and the international community.

Illustrating how profitable the drug trade can be, a drug ledger seized in Afghanistan showed ten months of transactions yielding \$169 million from the sale of eighty-one tons of heroin. Whether in Afghanistan or South America, drugs facilitate massive revenues that go into the pocket of terrorist organizations and the networks that support and harbor them.

As insurgents and terrorists become more heavily involved in the drug trade, hybrid organizations are emerging. These hybrids have morphed into one part terrorist organization, one part global drug trafficking cartel. The Taliban and FARC are two perfect examples, and they are, in essence, the face of 21<sup>st</sup> century organized crime. They represent the most significant security challenge facing governments worldwide. The DEA has tracked the evolution of drug cartels and terrorist organizations for a long time, and estimates that the Taliban is currently at the organizational level of operations at which the FARC operated ten years ago.

### *Africa*

The threat of narco-terrorism on the African continent is a real concern, having the presence of international terrorist organizations, such as Al-Qaeda. In addition, DEA investigations have identified elements of Colombia's FARC as being involved in cocaine trafficking in West Africa. In a large number of African countries, there also are insurgent/anti-government groups undermining stability, the rule of law, and the central governments, all of which are conditions exploited by international drug and precursor chemical trafficking organizations. The weak economies throughout Africa make drug trafficking one of the more profitable ways for criminal organizations to generate money, a point not overlooked by terrorist and insurgent organizations. The transportation, money laundering and logistical infrastructures utilized by DTOs in Africa are vulnerable, wittingly or unwittingly, for use by terrorist organizations.

Drug trafficking and terrorist organizations often rely on independent transnational criminal specialists for money laundering, document forgery, transportation, security, weapons, strategic corruption, and other criminal activity. These "shadow facilitators" have been a link between drug trafficking and terrorist organizations.

## **THE DESTABILIZING EFFECTS OF THE DRUG TRADE ON GOVERNMENTS**

Over the past decade, international drug law enforcement efforts have focused principally on the major source and transit countries involved in delivery of illegal drugs to the United States. Limited resources have been dedicated to other areas impacted by the global drug trade, such as the African continent. The versatility of transnational criminal organizations is well known, as is their penchant for finding and exploiting vulnerable regions of the world to further their illicit activities. Unfortunately, there are several key areas of the world that we find such environments, with strategic geographic locations, and, in many instances, weak governments, endemic corruption, and ill-equipped law enforcement agencies.

Our ability to operate in these challenging environments is made possible principally through our SIU programs. The mission of the SIU program is to cooperatively train, equip, and support specialized units within host nation police forces and military commands with law enforcement authority, in order to develop and share intelligence to target, disrupt, dismantle and prosecute major international drug trafficking organizations impacting the United States. SIUs members undergo robust background investigations and polygraph examinations.

### ***South America***

Many areas within Bolivia and Venezuela have become extremely challenging environments, with official cooperation from both governments reaching the lowest levels in recent history. The corruptive influence of the drug trade makes it difficult to successfully investigate drug movements and conduct bilateral investigations with host nation counterparts. Additionally, when DEA is able to conduct successful investigations that have led to a U.S.-based indictment, further obstacles exist in bringing these accused to justice. Despite these handicaps, DEA has managed to work within the parameters established by the Government of Venezuela and maintains a presence in the country.

Bolivian President Evo Morales rose to power as the leader of the coca growers union and established a high-profile opposition to the U.S.-funded eradication of coca crops. After a gradual downslide in U.S.-Bolivian relations, the respective ambassadors were expelled. The U.S. also determined that Bolivia had “failed demonstrably” to adhere to its obligations under international counternarcotics agreements, but provided Bolivia with a national security waiver to enable certain foreign assistance programs to continue. On September 26, 2008, the U.S. suspended the Andean Trade Promotion and Drug Eradication Act (ATPDEA) trade preferences for the country, again based primarily on Bolivia’s failure to adhere to international counternarcotics obligations.

On November 1, 2008, President Morales suspended DEA operations in Bolivia and delivered a diplomatic note requesting immediate departure of all DEA personnel. On November 25, 2008, President Bush signed a proclamation that suspended the designation of Bolivia as a beneficiary country under the Andean Trade Preference Act (ATPA) and ATPDEA. The suspension, which took effect on December 15, 2008, was the result of Bolivia's failure to adhere to its international narcotics obligations.

Finally, on January 29, 2009, all DEA employees departed Bolivia ending a 35-year presence in that country. Although DEA no longer has a presence in Bolivia, DEA offices located in countries bordering Bolivia continue to mount an “outside in” investigative strategy to bring to justice Bolivia-based DTOs that continue to supply the U.S. and international drug markets. DEA also has initiated an internal U.S.-based Bolivia Strategy Group (BSG) to coordinate all foreign and domestic investigations with links to Bolivian DTOs.

### *Afghanistan*

The current situation in Afghanistan is illustrative of the challenges posed by a deadly mix of drug trafficking, terrorism, and a developing criminal justice system. Opiate production has reached record heights and its role as the leading opiate producer in the world is unchallenged. Afghanistan is the world’s leading producer of illicit opiates, accounting for over 90 percent of the global supply, according to a 2009 estimate by the United Nations Office on Drugs and Crime (UNODC). The Taliban continues to receive substantial funding from the Afghan and regional drug trade, enabling them to challenge the ability of the GIROA to enforce the rule of law and effectively govern the country through the use of force and corruption. Additionally, these monies fuel attacks on U.S. and coalition military personnel and interests.

DEA's presence in Afghanistan reduces the amount of illicit drugs that are trafficked from the country, helps develop the capacity of the Afghans to conduct counterdrug operations themselves and supports and augments U.S. efforts against insurgents and terrorism, all of which aid in the long-term stabilization of the country and the region.

### *Africa*

Africa, plagued by decades of political unrest and economic stagnation, is comprised of perhaps more ungoverned areas than any other continent. Drug traffickers are adept at manipulating the dire circumstances of failing nations to push drugs on a global scale. The current political and economic environment presents an unprecedented opportunity for drug traffickers and terrorists to flourish and expand their operations in Africa.

The proliferation of ungoverned areas in Africa threatens the U.S. Rapid destabilization in multiple African nations demonstrates that failed, and failing, states can become complicit hosts to both drug trafficking organizations and even terrorists. These developments pose critical threats to Europe, other U.S. interests (including our African allies) and ultimately the U.S. itself. Left unchecked, DTOs will overtake many of the fragile countries in Africa, undercutting U.S. efforts to counteract and eliminate significant drug and terror threats.

Africa is experiencing an unprecedented rise in drug trafficking and the growth of organized crime in Africa is increasing, moreover criminal groups are exploiting governmental weakness. There are obvious signs that Africa’s instability and vulnerability are being exploited by some of the world’s most dangerous DTOs, from South American groups moving multi-ton quantities of cocaine through West Africa to Mexican Cartels diverting multi-ton shipments of methamphetamine precursor chemicals through central and southern Africa. The global

expansion of West African drug trafficking syndicates, such as Nigerian DTOs, has been documented from Bangkok to Kabul; Nairobi to Cape Town; and Lima to Detroit. This expansion would not be possible without safe bases of operation on the African continent.

In July 2008, Sierra Leone authorities seized approximately 600 kilograms of cocaine from a twin-engine airplane that landed at Lungi International Airport in Freetown. The aircraft was marked with the Red Cross emblem and had originated in Venezuela. The flight crew fled the area upon landing; however, Sierra Leone officials quickly apprehended the flight crew and subsequently arrested other South American nationals in Sierra Leone involved in the smuggling operation. The investigation revealed the defendants and cocaine were linked to a major South American DTO. DEA worked with international partners and Sierra Leone officials to develop a criminal prosecution against those involved. In April 2009, 15 individuals involved with this DTO in Sierra Leone were convicted on narcotics charges, several of which were subsequently expelled to the U.S. to face charges under Title 21, U.S.C. § 846.

### **THE IMPACT OF THE GLOBAL DRUG TRADE ON U.S. NATIONAL SECURITY**

DEA's drug trafficking and money laundering enforcement initiatives support and augment U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to FTOs, and by preventing the barter of drugs for munitions destined to support terrorism. The information obtained through DEA investigations (debriefings, surveillance, undercover operations, wiretaps, etc.) is used to directly support the prosecution of drug trafficking figures worldwide. However, information collected from DEA investigations also contains valuable intelligence that can be of value to our national security. DEA has a number of key initiatives to coordinate terrorism-linked investigative information with the interagency.

In February 2006, the Attorney General and the Director of National Intelligence (DNI) signed a Joint Memorandum designating the DEA's Office of National Security Intelligence (NN) as a member of the Intelligence Community (IC). NN's membership was reaffirmed in Executive Order 12333, as amended in July 2008. One of NN's primary functions is to identify, analyze, and report to a wide audience, DEA information that is of value to national security. Fully exploiting DEA investigative and intelligence information is significantly enhancing the amount and quality of intelligence that is analyzed and provided to national level policy makers. In FY 2002, DEA formally established what is now called the Counter-Narco-terrorism Operations Center (CNTOC) within the Special Operations Division (SOD). The CNTOC is DEA's central hub for addressing the increase in narco-terrorism related issues and coordinates all DEA investigations and intelligence linked to narco-terrorism. Let me cite just a few recent examples in which DEA investigations led to the arrest of major narco-terrorists and international arms traffickers:

- Khan Mohammed was captured for drug trafficking in October 2006 by the National Interdiction Unit of the Counter Narcotics Police – Afghanistan and DEA's Foreign-deployed Advisory and Support Team (FAST) in Nangarhar Province. On May 15, 2008, Khan Mohammed was convicted on charges in violation of 21 USC 959 and 960a. Mohammed was sentenced to two life sentences. This represented the first instance in

which a defendant was convicted in U.S. federal district court of narco-terrorism since the statute was enacted in 2005.

- October 23, 2008, Indonesian authorities arrested and expelled Haji Juma Khan (HJK) based on a U.S. request for his lawful return, based on a U.S. arrest warrant stemming from a narco-terrorism (21 USC 960a) indictment in the Southern District of New York. HJK was placed into DEA custody and transported to New York where he awaits trial. HJK is one of the world's most significant heroin and opium traffickers, who provided direct support to the Taliban from his drug trafficking revenue.
- Since the early 1970s, Monzer Al Kassar has supplied weapons and military equipment to armed factions engaged in violent conflicts in Nicaragua, Brazil, Cyprus, Bosnia, Croatia, Somalia, Iran, and Iraq. Some of these factions have included known terrorist organizations, such as the Palestinian Liberation Front. In June 2007, based on a multinational DEA investigation coordinated by DEA's Special Operations Division, Al Kassar was arrested in Madrid, Spain on U.S. charges of conspiring to sell millions of dollars worth of weapons to the Revolutionary Armed Forces of Columbia (FARC). Al Kassar was extradited from Spain to the U.S. in June 2008 and his November 2008 trial concluded with his conviction on all counts. Of note, Al Kassar financed and supplied the weapons that were used in the 1985 Achille Lauro cruise ship highjacking. These weapons were used to shoot wheelchair bound U.S. citizen, Leon Klinghoffer, in the head. His body was then dumped overboard. Until Al Kassar's conviction on November 2008, none of the terrorists involved in Mr. Klinghoffer's murder had been brought to justice in the United States. On February 24, 2009, Al Kassar was sentenced to 30 years in prison. Furthermore, Al Kassar was ordered to forfeit all foreign and domestic assets, including his mansion in Marbella, Spain.
- Viktor Bout first became known in the 1990s as a major weapons trafficker to a number of wars and armed conflicts in Africa. More recently, he was suspected of supplying weapons to the Taliban and Al Qaeda. In March 2008, Bout, also known as the "Merchant of Death", met with DEA cooperating sources in Bangkok, Thailand and agreed to a multi-million dollar deal that involved the sale of weapons to the Colombian narco-terrorist group, the FARC. Thai authorities arrested Bout, based on a U.S. request for his provisional arrest under the U.S.-Thailand Extradition Treaty. DEA's nine-month investigation into Bout spanned multiple countries, including Curacao, Copenhagen, Romania, Russia, and Thailand. In May 2008, Bout was indicted by a Federal Grand Jury in the Southern District of New York on charges of conspiracy to kill U.S. nationals and U.S. officers or employees, to acquire and use an anti-aircraft missile, and to provide material support or resources to a designated foreign terrorist organization. The United States is actively pursuing Bout's extradition from Thailand. Though a lower court has found Bout not extraditable, that decision is on appeal. The United States continues to actively pursue Bout's extradition from Thailand.
- On December 16, 2009, Oumar Issa, Harouna Toure and Idriss Abelraham were arrested by DEA's Ghanaian counterparts based upon a United States arrest warrant stemming from a narco-terrorism (21 USC 960a) indictment in the Southern District of New York.

All three suspects were placed into DEA custody and transported to New York where they await trial. Issa, Toure and Abelraham are suspected members and facilitators for Al Qaeda in the Islamic Magreb (AQIM), reportedly transporting drugs throughout Africa for another Drug Trafficking Organization. This investigation demonstrates Al Qaeda's willingness to use drug proceeds to fund operations, as well as their willingness to support other terrorist organizations who oppose Western ideals.

- On March 1, 2006, a federal grand jury in the U.S. District Court for the District of Columbia returned a one-count indictment against 50 leaders of the FARC on charges of importing more than \$25 billion worth of cocaine into the United States and other countries. Included in this indictment were FARC 24th Front Commander and member of the FARC's Estado Mayor Jorge Rodriguez Mendieta, and FARC 1<sup>st</sup> Front Commander Gerardo Aguilar Ramirez. Rodriguez-Mendieta allegedly directed the purchase of hundreds of thousands of kilograms of cocaine base and transmitted billions of Colombian pesos in cocaine proceeds to other FARC officials. Ramirez was captured during a 2008 covert Colombian Army operation that freed fifteen hostages, including three American contractors. On December 16, 2009, both Ramirez and Mendieta pled guilty to conspiring to import ton-quantities of cocaine into the U.S. To date, four of the fifty FARC members named in the indictment have been extradited to the United States. One has been captured and is awaiting extradition and six were killed in Colombian military operations or are presumed dead. In addition, the two founders of the FARC, Pedro Antonio Marin and Martin Villa, died of natural causes.

Although DEA has experienced major successes in bringing to justice some of the most significant criminals that control organizations which threaten the security of the U.S., its allies, and partner nations, several key areas of the world remain of principal concern in terms of the impact of the global drug trade on U.S. national security.

## CONCLUSION

The road ahead for DEA is full of complex challenges, and the DEA is committed to disrupting and dismantling the world's most significant drug trafficking organizations, particularly those that seek to undermine the security of the U.S. The DEA brings unique authorities and capabilities to the fight against international drug trafficking and its resultant threats to national security. Working with our host nation counterparts, DEA brings a wealth of experience to bolster bilateral investigations. DEA agents develop investigations with the goal of having these criminals extradited and prosecuted in the U.S. or other competent jurisdiction. While enforcement programs alone cannot curb the seemingly insatiable appetite for illicit drugs, they can transform national security threats into problems which can be managed as traditional criminal justice matters; they can also prevent criminal justice matters from escalating to the level of national security crises. In the turbulent post September 11, 2001 era, we cannot allow organized criminals to grow in power or operate with impunity, thereby gaining a foothold in any region of our increasingly interconnected world.

Thank you for the opportunity to appear before you today to discuss these important issues. I will be happy to answer any questions you may have.