

**Statement of Roger Mackin**  
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**Department of Homeland Security**  
**Before the**  
**House Government Reform Committee and the**  
**Select Committee on Homeland Security**  
**Subcommittee on Criminal Justice, Drug Policy and Human Resources and**  
**the Subcommittee on Infrastructure and Border Security**

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**Introduction**

Chairman Souder, Chairman Camp, and distinguished members of the Government Reform and Homeland Security subcommittees, it is a distinct privilege to appear before you today and testify as the Counternarcotics Officer of the Department of Homeland Security and the US Interdiction Coordinator, a position I have held since being designated in March 2003.

Chairman Souder, the importance of the position you created for a senior-level official within the Department of Homeland Security (DHS) to coordinate counternarcotics matters cannot be overstated. In the face of very real terrorist threats and the Department's responsibility to secure our nation from them, the position has helped keep the Department dedicated to its mission to interdict the entry of illegal drugs into the United States and to track and sever connections between illegal drug trafficking and terrorism. The President, Secretary Ridge and I are grateful for your continuing efforts and steadfast leadership in the prosecution of this critical mission. Thank you for your unwavering support to the Department of Homeland Security, its mission, and personnel.

## **Overview**

The Department of Homeland Security continues to sustain a high level of activities against the flow of illicit drugs to the United States. While simultaneously addressing the increased terrorist threat, the Department remains strong in its commitment to improve and expand its counterdrug interdiction capabilities and those of our allies against the drug threat. Interdiction resources have remained effective against efforts of international drug trafficking organizations to smuggle illicit narcotics into our country. Enhancement to our border security and increased intelligence in the transit zone are yielding greater results for the counterdrug mission. For example, drug seizure rates for FY 04 are significantly higher than for the same period in FY 03 and are on pace to eclipse the record end-of-year totals of FY 03. The Department continues to assess the current drug threat carefully and to adjust in its plans for the optimal application of interdiction resources.

## **Terrorism vs. Drug Interdiction**

The Department is aware of linkages and potential linkages between terrorist organizations, narcotics trafficking, weapons smuggling, and alien smuggling networks.

Terrorist groups such as the FARC, ELN, and AUC in Colombia derive significant revenue from 'drug related' activities. The Department of Homeland Security, with its counterparts in the Department of State, the Department of Defense, the Department of Justice and other government agencies, seeks to disrupt and dismantle drug trafficking networks both to halt the flow of drugs into the United States and to bolster the broader war on terrorism.

Countering terrorism and countering narcotics are synergistic rather than competing. An action or capability focused on one of the threats simultaneously strengthens our security against the other. The strong posture that the

Department of Homeland Security maintains against drugs directly strengthens our nation's security against all border threats, especially since terrorists can use already-established drug smuggling pathways to threaten our homeland. The initiatives that the Department has taken to prevent terrorists, terrorist weapons and related threats from entering the United States have strengthened our abilities to interdict drugs. And the same is true for our capabilities to interdict drug traffickers and their contraband. As President Bush has stated, "If these methods are good enough for hunting criminals, they're even more important for hunting terrorists."

No one, not this Congress, the American public, nor drug traffickers or other criminals should misinterpret the Department of Homeland Security's focus on terrorism as a weakening of its resolve against illegal drugs. We have strengthened our commitment as we have intensified our overall presence along America's border, in the Transit Zone and abroad. Our heightened state of security has strengthened, not weakened, our counternarcotics efforts. In FY 03, for example, the Department's components seized more than 2.31 million pounds of illegal drugs -- about 6 percent higher than for FY 02 -- and made some of the largest individual seizures ever recorded.

## **Activities of the CNO/USIC**

In connection with describing more specifically what the Department, has achieved, the following is a brief review of the activities the Department of Homeland Security has pursued. I have served as the Department's Counternarcotics Officer, and, concurrently, as the US Interdiction Coordinator.

### **The Drug Threat & DHS Management**

- Secretary Ridge, the Deputy Secretary, the Undersecretaries and the rest of the DHS Leadership Team fully appreciate the dimension of the illicit drug threat and its impact on the US populace. In my role as Counter Narcotics Officer for the Department, I ensure that these

senior officials remain informed on current developments relating to the flow of illicit drugs into the US from the principal source countries, Mexico and Colombia, and the impact these drugs are having on US society.

### **The Broad Value of the US Counterdrug Posture**

- My Office, working with the Secretary and DHS components, has focused on improving the preparedness of the drug interdiction community, in particular DHS resources -- personnel staffing on the border, ships at sea, forward-deployed Maritime Patrol Aircraft (MPA), and the Air and Marine Operations Center in California. These resources greatly enhance the ability of our nation to engage a terrorist organization attempting to smuggle people and contraband into the US. For example, the highly successful Joint Interagency Task Force - South (JIATF-S) - which was created before September 11 to manage the detection and monitoring of suspect maritime and air smuggling efforts, and process the vast US counterdrug international intelligence capabilities that support that activity, - became a potent resource, post 9/11, to defend against approaches from the south by aggressive terrorist organizations. Hence, our nation is now more secure because of our earlier development of a joint counterdrug law enforcement and military interdiction structure to secure our southern approaches and the corresponding negotiation of complex bilateral agreements with our hemispheric neighbors.

### **Maritime Patrol Aircraft**

- In 2003, long before the current shortage of Maritime Patrol Aircraft (MPA) hours became a critical problem, I responded to the Director, JIATF-S' call for more P-3 flight hours from DHS. With Secretary Ridge's support, I immediately recommended that DHS seek FY 05

funding to triple the number of P-3 hours provided to JIATF-S each month.

- With the 2004 discovery that DOD P-3 aircraft had experienced wing erosion and that many P-3 airframes would have to be retired, I convened an interagency Working Group to seek ways to address the critical loss. This Working Group has helped to focus the whole interdiction community on the problem, and some short-term remedies are now in place. ICE and USCG have temporarily increased their MPA flying hours, U.S. Southern Command is adjusting forward logistics support to increase “On Station” hours, and the United Kingdom is extending the scheduled deployment of its NIMROD MPA aircraft to the Caribbean this fall. We will consider additional ideas to be presented at the USIC Summit on 28-29 July 2004.

#### **Tethered Aerostat Radar System (TARS)**

- In late 2003, questions arose regarding the utility of the Tethered Aerostats Radar System and who should operate it. It is my belief that the TARS is an important interdiction detection and monitoring capability that should be sustained - it provides the only capability to detect low-altitude aircraft attempting to illegally penetrate the southern border of the United States. In my role as US Interdiction Coordinator, and with a special focus on DHS, my office spent considerable time working to ensure continued operations of TARS. After considerable discussion and deliberation, our efforts resulted in DOD agreeing to continue to maintain the TARS in their counternarcotics program. In fact, DOD formally requested that Congress fully support the President’s funding request for this program.

### **Raising Interdiction Success Rate**

- At an October 2003 USIC Summit Conference, I urged the interdiction community to look for ways to raise the number of interdiction successes from an average of 8 per month to 10. The Department sought to increase the interdiction rate in the Transit Zone to hit the Drug Trafficking Organizations harder there than ever before. The Interdiction Community responded. Since the start of CY 2004, by optimizing operational efficiency and forward-deploying key resources, the Coast Guard has surged the number of aircraft hours and maritime hull days it commits to JIATF-S. In addition, DoD sustained its high rate of maritime and air resource commitment to the Transit Zone while fighting two wars. As a result, cocaine interdiction in the Transit Zone is higher for the first half of CY 2004 than ever before achieved for a six-month period. We believe this has compounded the impact of the increasingly successful coca crop eradication program in Colombia.

### **Better Intelligence in the Transit Zone**

- ***Support to Panama Express:*** Recognizing that success in any campaign against adversaries is contingent on good intelligence, I have stumped hard to expand US and international interdiction intelligence information collection and analysis capabilities. For example, I focused the attention of the Interdiction Community on the very productive interagency Panama Express project. As a result Panama Express has gained valuable additional personnel, funding and technical support from DHS.
- ***Border Interdiction Support Center (BISC):*** While intelligence is collected by the various US organizations that work on our Southwest Border, there is a need for greater coherence for the totality of the effort. Accordingly, the Department convened an interagency working

group composed of the senior law enforcement operations and intelligence directors. The interagency group unanimously agreed that we should create a "Border Interdiction Support Center" that has its first goal to aggregate all available tactical intelligence on the Southwest Border, analyze it, and distribute leads and reports to all federal, state and local law enforcement organizations having a need for such information. I hosted numerous interagency meetings and video teleconferences to develop the concept. We are now about to get it started. In order to get it established quickly, I have approached DEA about co-locating the Center in DEA's El Paso Intelligence Center (EPIC). DEA has generously responded and it appears likely that the BISC will be co-located in the EPIC. It is important to note that the BISC will complement and augment the counterdrug activities of the EPIC by aggregating, fusing, and analyzing all drug-related information relative to the Southwest Border, an important function not currently fulfilled by any agency. The BISC shall report to the DHS, but will provide highly valuable counterdrug support to the DEA's EPIC, to other interdiction-focused resources that secure the Southwest Border, and to the US military as appropriate.

- ***Drug Intelligence M.O. System (DIMOS):*** Understanding that the clever and highly structured major drug trafficking organizations are in fact businesses, albeit illegal ones, is essential to developing strategies and tactics to defeat them. Currently, there has been little research into that facet of the drug trade, i.e., the business plans. But there is a great deal of unpublished information available among counterdrug investigators and analysts on the business practices of trafficking organization. Departmental staff designed a Web-based, unclassified but secure information collection management system that DOD's DISA has implemented on its ADNETU page (Anti-Drug Network - Unclassified). Any screened/pre-approved investigator or analyst – at

the federal, state, or local level - can access the site to contribute information in response to collection requirements listed therein. The requirements are tailored to the structure of likely business plans used by trafficking organizations. And those with approved access can read all of the reports that have been submitted in response to those requirements. This system will be used by the BISC to collect, store and distribute information from-to US personnel operating along the SW border and others who need to study such information.

### **Better Overall Counterdrug Intelligence Support**

- ***National Drug Fusion Center:*** There is a need for national-level aggregation, fusion and analysis of intelligence on major drug trafficking organizations. The current DEA Administrator recognized this when she led the Organized Crime Drug Enforcement Task Force Program. She conceived the creation of a national drug fusion center that would collect together and analyze all available information on CPOT's (Consolidate Priority Organization Targets) from the 7 leading counterdrug investigation agencies. The Center would feed the analysis back to organizations investigating the CPOT's as well as identifying intelligence gaps to be collected against. This would greatly improve our national performance against the top drug cartels. In recognition of the importance of the concept and since it meshed well with Secretary Ridge's goal for DHS to lead the federal community in collaboration and information sharing, I detailed from my office two DHS world-class counterdrug investigative experts to be key participants in planning and structuring an interagency national drug fusion center. They are making important contributions to setting up the Center. The FY 2005 President's Budget requests funding for eight DHS agents positions to support the OCDETF Fusion Center

## **Tracking and Severing the Terrorist Nexus**

- As noted above, the national Center will gather together for analysis huge amounts of drug-related investigative and intelligence information. This will become the nation's largest holding of such information. As a basic part of the concept, the Center's "supercomputer" database will be linked to the FBI's Federal Terrorist Tracking Task Force (FTTTF) database in order to automatically identify connections between terrorists and drug trafficking organization. This is the most comprehensive and effective approach I know of to match counterdrug information with intelligence on terrorist organizations and activities in order to identify and sever connections between the two. Never before has our nation undertaken such a potentially powerful counterdrug intelligence endeavor, and DHS is playing a pivotal role in its creation.

## **Drug Revenue Denial**

***Black Market Pesos Exchange:*** The most effective way to deter/deny drug traffickers is to prevent the return of their drug revenues to them. Nothing hurts a business more than the inability to collect accounts receivable. With this in mind, in 2003 the department created the interagency Revenue Denial Working Group, chaired by ICE, and charged with determining how best to attack the Colombian Black Market Pesos Exchange (BMPE). ICE, DEA, Treasury, and FinCEN elements have recently started jointly implementing this program.

Note: The BMPE is a currency transfer scheme run by illegal Colombian Peso Brokers who buy, at a discount, bulk drug proceeds in the United States from Colombian drug traffickers and pay the

traffickers immediately in Colombia with pesos. Colombian businessmen need US dollars to pay US exporters for commodities to be shipped to Colombia. Colombian law requires that US dollars be purchased through official Colombian channels at officially established exchange rates. But it is cheaper for Colombian businessmen to buy the dollars from the blackmarket pesos brokers. So, much of the commodities imported into Colombia is paid for with US dollars obtained illegally. Colombia has asked the US Government for assistance in eliminating the BMPE.

The Revenue Denial Working Group has developed an approach to help the Colombian financial investigators gain information on Colombian businessmen who use the BMPE (and on the Colombian drug traffickers who benefit by it). ICE has provided the Colombian-equivalent of our IRS and its financial investigation affiliates with powerful computer servers and software that aid in tracking US-Colombian trade transactions. With professional US training and guidance, the Colombians will be able to identify users of the BMPE and, hopefully, prosecute them to deter the current widespread use of this system.

- ***Financial Attack Center (FAC):*** Under the National Security Presidential Directive 25, the Departments of Homeland Security, Justice and the Treasury, and the Office of National Drug Control Policy collaborated to draft the first National Counterdrug Financial Attack Plan, which also directs the creation of a National Financial Attack Center (FAC) that will bring about a true collaboration of the financial investigative resources of those departments. Information on the most valuable leads and most important drug revenue financial

systems will be pooled and prioritized to support joint law enforcement operations. The FAC, housed at DEA's Special Operations Division and with ICE in a lead role per agreement of the involved agencies, will greatly raise the effectiveness of our efforts in cutting off the flow of illegal drug revenues to narcoterrorists.

### **Mexico and the Drug Threat**

- **Importance of Mexico:** The National Drug Threat Assessment (created annually by the National Drug Intelligence Center), the DCI's illicit crop and drug production estimates on Mexico (done by the Crime and Narcotics Center), and the Consolidated Counterdrug Database (CCDB) highlight very clearly the major role Mexico and Mexican Drug Trafficking Organizations play in the overall drug threat to the US. These analytic tools estimate that:

- ✓ Analysis of the Consolidated Counterdrug Database (CCDB) indicates that from 75 to 80 percent of cocaine shipped from South America to the US is vectored through Mexico. Some amounts of South American heroin enter the US from Mexico.
- ✓ Despite the Mexican government's concerted and productive efforts to destroy opium poppy and marijuana grown there, Mexico remains historically the second largest exporter of heroin to the US and is the principal foreign source of marijuana sold in US illicit markets (estimate that 4,500 metric tons of Mexican marijuana is successfully smuggled into the US each year).
- ✓ Of 13 primary illicit drug markets identified in the US Mexican DTO's dominate shipments to 11. In effect, Mexican DTO's run most of the transportation and distribution networks for cocaine in US. Most of the heroin consumed west of the Mississippi is

produced in Mexico and brought to the US market places by Mexican DTO's.

- ***Strengthening Mexican Counterdrug Activities:*** My Office has devoted considerable effort toward increasing the US Counterdrug Community's attention and resource commitment to Mexico. The focus is on strengthening the US Mission's commendable and increasingly successful programs to aid the Mexican Government in building effective non-corrupt law enforcement institutions. Toward this goal I have:
  - ✓ ***Strengthened the impact of the US-MX Bilateral Interdiction Working Group (BIWG):*** The BIWG focuses on improving the effectiveness of joint US-Mexican activities against the flow of illicit drugs through Mexico and into the US. Mexican delegations and US meet every 2 to 3 months. Issues are ironed out; plans for increasing effectiveness are made. Improvements in coordination have been achieved. There is greater candor when addressing difficult issues, leading to better understanding of the interests and needs of both nations. After a year of such efforts there is increased potential for improving the interdiction of illicit drugs in Mexico. A recent assessment of the current capabilities and long-term potential of the Mexican Attorney General's (AG) law enforcement organizations was very positive. The AG's record of apprehensions of senior Mexican drug cartel figures is impressive. The collection and analysis of law enforcement intelligence information that made these achievements possible merit praise. The amounts of in-country drug crop eradication are commendable.

## **Conclusion**

These are the activities and achievements of the DHS CNO and the USIC and supporting staff since March 2003. I would like to thank the Chairmen and the members of the subcommittees for this opportunity to report to you, and for the support you have provided the Department. Like you and all the distinguished members of these subcommittees, the Department of Homeland Security recognizes both the direct and indirect threats that illicit drug trafficking poses to our national security and our nation. The Department of Homeland Security remains committed to using our skills, resources, capabilities and superb personnel to continue disrupt, deter and destroy the organizations that attempt to steal the lives of our children with the lure of illicit drugs.

I thank you for your continued support and will be happy to answer any questions you have.