U.S. Immigration and Customs Enforcement

STATEMENT

OF

ROBERT A. SCHOCH
DEPUTY ASSISTANT DIRECTOR
NATIONAL SECURITY DIVISION
OFFICE OF INVESTIGATIONS

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON NATIONAL SECURITY, EMERGING THREATS AND INTERNATIONAL RELATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 28, 2006
WASHINGTON, D.C.

INTRODUCTION

Chairman Shays, Ranking Member Kucinich, and distinguished Members of the Subcommittee: It is an honor for me to appear before you today to discuss how the men and women of U.S. Immigration and Customs Enforcement (ICE) protect the American people by identifying and closing critical border, homeland and other national security vulnerabilities.

THE ICE MISSION

Among the Department of Homeland Security (DHS) law enforcement agencies, ICE has the most expansive investigative authorities and the largest force of investigators. Our mission is to protect the American people by combating terrorists and other criminals who seek to exploit our Nation's borders to threaten us here at home. The men and women of ICE accomplish this by investigating and enforcing the Nation's immigration and customs laws. Working overseas, along the Nation's borders, and throughout the Nation's interior, ICE agents and officers are demonstrating that our unified customs and immigration authorities constitute an effective mechanism to identify, disrupt, and dismantle criminal and other threats that arise from our Nation's borders.

By leveraging the full enforcement potential provided by our unique, unified blend of customs and immigration authorities, ICE agents and officers are making it more difficult for potential terrorists and transnational criminal groups to move themselves, their supporters, or their weapons across the Nation's borders through traditional human, drug, contraband, or financial smuggling networks, routes, and methods. As a result, ICE's border and homeland security work contributes directly to national security

ICE STRUCTURE

ICE is presently comprised of four operating divisions, including the Office of Investigations (OI), Office of Detention and Removal (DRO), Federal Protective Service (FPS) and the Office of Intelligence. ICE/OI has approximately 5,600 1811-series special agents posted in 26 domestic Special Agent-in-Charge field offices and 56 international Attaché offices. ICE special agents investigate violations of our Nation's

immigration and customs laws including, but not limited to: financial crimes (such as money laundering, bulk cash smuggling, and illegal money remittance), export violations related to defense munitions items and strategic dual-use technology, drug and contraband smuggling, human smuggling and trafficking, identity document and immigration benefit fraud, visa violations, worksite enforcement, and intellectual property and trade-related commercial fraud.

ICE'S NATIONAL SECURITY WORK

Protecting national security is at the heart of ICE's work and the principal focus of our operations and mission. While the bulk of the work conducted by our agents and officers involves traditional immigration and customs enforcement cases, global terrorist attacks on and since September 11, 2001 -- New York, Washington, Madrid, London, Bali and others -- underscore the highly dangerous intersection between terrorism and travel. The speed and ease with which legitimate travelers now move worldwide affords potential terrorists with global access. Additionally, the massive international flow of tourists and immigrants also affords potential terrorists with unparalleled opportunities for concealment. This emergent reality was recognized by the 9/11 Commission which found "(i)n their travels, terrorists use evasive methods, such as altered and counterfeit passports and visas, specific travel methods and routes, liaisons with corrupt government officials, human smuggling networks, supportive travel agencies, and immigration and identity fraud." In direct response, ICE seeks to identify and close vulnerabilities in our immigration and customs systems before the vulnerabilities manifest into or support lethal national security threats, as well as investigating violations of immigration and customs laws.

To illustrate how ICE investigations contribute directly to the national security, I have included the following extracts from our case files:

- In January 2006, based upon information developed by the ICE Special Agent-in-Charge (SAC) in San Diego along with the Operational Alliance Tunnel Task Force, we discovered a highly sophisticated cross border tunnel that extended

nearly a half-mile from a warehouse in Tijuana, Mexico into a warehouse in Otay Mesa, California. Equipped with lighting, ventilation and a cement floor, this tunnel was designed to support drug smuggling. Substantial criminal proceeds were invested in this tunnel, which reached a depth of 81 feet in some areas to avoid detection. This tunnel carried significant national security implications due to its potential use to support illegal and covert entry of persons or weapons into the United States.

- On September 8, 2004, pursuant to arrest warrants obtained in the U.S. District Court for the District of Columbia, ICE SAC Washington D.C. agents arrested Neeran ZAIA and Basima SESI. The ZAIA human smuggling organization specialized in the smuggling of Iraqi, Jordanian, and Syrian nationals and was responsible for the movement of over 200 aliens throughout the investigation. Smuggling organizations like this one pose threats to our national security. This ICE-led investigation was initiated when a confidential informant familiar with the organization reported ongoing smuggling activities by ZAIA, who had been previously convicted for alien smuggling. Investigative efforts revealed that the aliens were smuggled from the Middle East to staging areas in Central and South America. Once in these staging areas, the conspirators would arrange to smuggle the aliens from these sites into the U.S. or its territories. The use of undercover investigative techniques resulted in the indictment of five conspirators and the significant disruption of the organization's ability to move and smuggle aliens. The defendants were charged with several violations to include 8 USC 1324(a)(2)(B)(ii)-Bringing Unauthorized Aliens to the U.S. for Commercial Advantage or Private Financial Gain and 18 USC 371-Conspiracy. This case in particular vividly demonstrates how ICE identified and closed a border vulnerability caused by a traditional criminal conspiracy that could be exploited by extremists and present a potential national security threat

- In October 2004, after an extensive ICE-led multi-national investigation Babar AHMAD and AZZAM PUBLICATIONS were indicted in the Federal District of

Connecticut on charges of conspiracy, money laundering and providing material support to terrorists among other charges. This investigation was initiated as part of Operation Green Quest when the ICE Resident Agent-in-Charge (RAC) in New Haven in conjunction with the FBI learned that a web site, AZZAM.COM (and its mirror sites QUOQAZ.NET, and AZZAM.CO.UK), had encouraged "jihad" against the United States and provided information on how to provide financial assistance to the Taliban and others. Specifically, the AZZAM web site detailed how one might bypass U.S. currency reporting requirements and deliver funds to the Taliban via Pakistan. Babar AHMAD was arrested in England based on an U.S. Provisional Arrest Warrant issued from the District of Connecticut. Search warrants executed at the residences of AHMAD, his parents, and sister, as well as AHMAD's university office in England resulted in discovery of terrorism related materials including: computers with numerous terrorism related files, documents, a balaclava, two manuals on guerilla warfare techniques, and a manual on constructing silencers for weapons. AHMAD has remained in custody pending the resolution of U.K. extradition proceedings. OI's vast experience and expertise in cyber crime and financial investigations played a central role in this very significant national security investigation.

- In June 2004, the ICE SAC New Orleans Port Security Group initiated an investigation into narcotics smuggling activities by passengers and crewmembers of cruise ships arriving at the Port of New Orleans. During the course of this investigation, ICE SAC New Orleans identified Cedric CARPENTER, a United States citizen, and Lamont RANSON, a United States citizen and former member of the United States military, as being involved in drug smuggling/distribution activities as well as the manufacture and sale of false documents. Through consensually monitored telephone calls and meetings with ICE confidential informants (CIs), CARPENTER and RANSON agreed to produce false birth certificates, social security cards, and driver's licenses for individuals they believed to be members of Abu Sayyaf, a State Department designated foreign terrorist organization with ties to Al-Qaida. In addition, CARPENTER and

RANSON believed that the individuals to whom they were to provide the fraudulent documents were on "watch lists." CARPENTER and RANSON requested to be paid $50,000 in cash and $50,000 in heroin in exchange for producing five sets of fraudulent documents. CARPENTER and RANSON claimed that they had associates in Mississippi and Oklahoma who provide them with "real papers" to utilize during the document production stage. CARPENTER informed a CI that he then "steals identities" to complete the process.

On August 27, 2004, a criminal complaint was issued by the United States District Court in the Southern District of Mississippi charging CARPENTER and RANSON with a violation of Title 21, United States Code, Section 846 - Attempt and conspiracy – controlled substance. On February 24, 2005, Lamont RANSON and Cedric CARPENTER waived indictment and were arraigned on superseding information, charging them with conspiracy to provide material support to members of a designated foreign terrorist organization (Abu Sayyaf), in violation of 18 U.S.C.§ 2339B, as well as other offenses.

These investigations highlight the dangerous intersection between traditional transnational criminal activities, such as human or drug smuggling, and other threats to national security.

ICE/OI has launched an intensive effort since 2003 to strengthen existing and, where necessary, develop new programs aimed directly at closing the specific vulnerabilities exploited by the 9/11 conspirators -- and other vulnerabilities that may be ripe for future exploitation by potential terrorists. This is in direct response to the major findings following the 9/11 attacks. Specifically, the 9/11 Commission in its final report found "that had the immigration system set a higher bar for determining whether individuals are who or what they claim to be – and ensuring routine consequences for violations – it could have excluded, removed, or come into further contact with several hijackers who did not appear to meet the terms for admitting short-term visitors." ICE's effort to block organized criminal business enterprises and potential terrorists who seek to exploit our

immigration and customs systems is a critical contribution to national security. Success for ICE is defined as preventing the criminal threat axes along our borders from supporting or advancing a subsequent terrorist attack.

Some examples of these programs include:

- The National Security Division's Compliance Enforcement Unit (CEU) receives information about, and assigns leads for field investigation concerning foreign student violators and those who overstay/violate the terms of their admission to United States.

- Within the CEU, is the Threat Analysis Section (TAS). Detailed and dedicated, analysis of DHS data (the role of the TAS) may have been able to establish connections between hijackers legally present in the United States and those who had been watch listed or who had violated their immigration status. For example, connections between several of the hijackers could have been made based on similar backgrounds, shared addresses, and common travel itineraries identified from DHS databases such as the National Security Entry Exit Registration System (NSEERS).

- Several of the 9/11 hijackers, as well as prior terrorists convicted in the first World Trade Center bombing and a conspiracy to blow up New York landmarks, committed immigration fraud. The Smuggling and Public Safety Division's Benefit Fraud Units work in close coordination with U.S. Citizenship and Immigration Services (USCIS) to protect the integrity of the legal immigration system by identifying fraudulent applications, systematic vulnerabilities and fraud trends. When fraudulent applications or trends are identified, the information is passed to the SAC Offices for further investigation and possible prosecution.

- The Visa Security Program, which is operated by OI's Office of International Affairs, provides law enforcement and investigative expertise to our consular

officers. Establishing this program in countries deemed by DHS to be high threat is a Department priority and is responsive to our visa security mandate under Section 428 of the Homeland Security Act of 2002. Working collaboratively with the Department of State (DOS) Consular Officers at overseas posts, ICE Visa Security Officers conduct in-depth investigative vetting of visa applications that raise security or visa fraud concerns, and they provide advice and training on security issues to DOS consular officers.

- The ICE Law Enforcement Support Center (LESC) is a national, single point of contact, law enforcement center that provides timely immigration status and identity information and real-time assistance to the entire local, state and federal law enforcement community on aliens suspected, arrested or convicted of criminal activity. The LESC operates 365 days a year, 24 hours a day assisting law enforcement agencies with information gleaned from DHS databases, the National Crime Information Center (NCIC), the Interstate Identification Index (III) and state criminal history indices. Three of the 9/11 pilots had been stopped by state and local law enforcement in the weeks and months leading up to the terrorist strikes in Washington, New York City Pennsylvania.

- The ICE Forensic Document Laboratory (FDL) is dedicated to the detection and deterrence of travel and identity document fraud. Its forensic function is closely integrated with an operational support and training division. The FDL is fully accredited by the American Society of Crime Laboratory Directors/Laboratory Accreditation Board.

ICE MISSION MANAGEMENT

As an integral part of ICE's planning and mission management, ICE continuously works with other agencies within the Department of Homeland Security, most particularly Customs and Border Protection (CBP), U.S. Citizenship and Immigration Services (USCIS), and the United States Coast Guard (USCG), to determine optimal application of

resources and share top priorities to ensure a coordinated response to protecting national security.

For example, most recently the Department's Secure Border Initiative (SBI) has served as a focal point for the joint planning and development of the investigative priorities in securing our border. In addition, ICE works closely with the Department of Justice on joint initiatives and assessments to ensure that ICE's investigative resources will result in cases the United States Attorney's Offices will accept for prosecution and cases that are focused on what those offices see as the core vulnerabilities in our national security. ICE routinely conducts comprehensive threat, vulnerability and consequence risk assessments of the customs and immigration systems to determine optimal application of resources to ensure the maximum contribution to national security. A number of recent examples include:

- In fiscal year 2004, the ICE/OI Financial and Trade Division tasked the Special Agent-in-Charge field offices (SAC's) with conducting extensive financial threat assessments within their areas of responsibility (AORs). Financial and Trade Division national program managers analyzed the results of the threat assessments to establish national priorities for the financial investigations program. The newly established national priorities, in turn, were then communicated back to the SACs as guidelines to set local investigative priorities. As a result of the threat assessment, ICE/OI identified unlicensed money service businesses and bulk cash smuggling as newly emerging threats.

- In fiscal year 2004, the ICE/OI Smuggling and Public Safety Division tasked SAC offices with conducting a threat assessment of criminal street gangs within their AOR. As a result of the assessment, ICE/OI initiated Operation Community Shield identifying the trans-national street gang Mara Salvatrucha (MS-13) as one of the most significant gang threats with a large foreign-born membership. Community Shield has since expanded upon the initial scope of its operation as additional threats have been identified and to date has resulted in the arrest of over

2,300 street gang members.

- In fiscal year 2005, the ICE/OI National Security Division tasked SAC offices with conducting an arms and strategic technology threat assessment within their AORs. The results of the threat assessment are now driving the shifting of investigative resources within SAC offices and the expansion of existing certified undercover operations to include arms and strategic technology violations, and the identification by SAC's of new and emerging arms and strategic technology related threats within their AORs.

- In fiscal year 2005, ICE/OI Financial and Trade Division Cornerstone Unit tasked each SAC office to prepare a bulk cash smuggling threat assessment for their respective AORs. The results were utilized to plan and execute a joint ICE/U.S. Customs and Border Protection (CBP) bulk cash smuggling initiative, "Operation Firewall", which targets bulk shipments of U.S. cash moving on the interstate highway system, at mail carrier hubs, private airfields, ports of entry and provides hands-on training with our foreign counterparts. Proactive operations began in August 2005 and will run throughout fiscal year 2006.

- In fiscal year 2006, the ICE/OI Smuggling and Public Safety Division tasked SACs with conducting an identity and immigration benefit fraud threat assessment within their AORs.

- In fiscal year 2006, ICE/OI Financial and Trade Division Cornerstone Unit tasked each SAC office to identify unlicensed money services businesses operating in their AORs. The results were utilized to formulate a Money Services Business Initiative. The egregious violators (large dollar movements) are to be targeted in criminal investigations. ICE and the U.S. Treasury Department's Internal Revenue Service and Financial Crimes Enforcement Network (FinCEN) will work to bring the violators not targeted for criminal investigation into compliance through an outreach program.

These risk assessments serve as the foundation for the creation of outcome-based performance goals and measurement tools to assess the degree to which ICE is able to fulfill its mission relative to identified threats. ICE/OI uses standard law enforcement statistics covering all of its program units that can be shared, understood, and compared over the years, including arrests, indictments and convictions, seizures and forfeitures. ICE adopted the OI case management system, which is an integral component of the TECS II platform. Since April 2004, TECS II has been the official case management system for all of OI. TECS II has undergone a series of modifications to better reflect the full spectrum of investigative activity performed by OI. We agree that at the time of the recent GAO review, TECS II was not configured to accurately reflect the OI commitment to national security-related investigations. Since the time of the review, OI has conducted an internal review of how national security-related investigative work is defined and is captured in the system and is taking steps to make the necessary system changes. Following the system changes, detailed field guidance will be prepared and disseminated to SAC offices. Based on the identified reporting and system changes, TECS II will more accurately reflect the number of OI investigative case hours dedicated to closing national security vulnerabilities.

To ensure uniformity and adherence to established goals and objectives throughout ICE, the agency has established procedures and mechanisms to identify and communicate the most significant vulnerabilities in our immigration and customs systems. Information related to immigration and customs is transmitted from SAC offices to OI headquarters programs through several mechanisms: the TECS II case management system, the Significant Event Reporting System (SEN) and through daily meetings and phone calls between headquarters' programs and SAC offices.

The results of all investigative activity are captured in reports of investigations and subject records within the TECS II case management module. Seizure and arrest reports are captured in the Seizure and Arrest Tracking System (SEACATS) module. Reports are included in the TECS II case record that is stored by case number consisting of a case

category, sub case category, and project/program codes. Case information is retrievable at all levels from reports drawn from the EDW (Enterprise Data Warehouse). These reports are made using reporting software applications, which allow for the mining and retrieval of investigative information from the TECS system. Case information is retrievable at all levels from broad reports of investigative activity by case category, such as munitions control, down to specific key word searches in reports of investigation. The architecture of the TECS II system allows OI personnel as well as ICE Office of Intelligence personnel the ability to mine data from completed and ongoing investigations to identify larger conspiracies, trends, and emerging threats and vulnerabilities.

In addition to the TECS II reporting requirement, field personnel are required to report significant case or intelligence information to ICE headquarters through the use of spot reports and significant incident reports. This information is recorded and transmitted electronically through the ICE Significant Event Notification System (SEN) a web-based real-time notification system that is monitored by ICE 24/7.

Finally, all OI national programs have program managers who communicate on a daily basis with their counterparts in SAC offices regarding significant case developments including newly discovered vulnerabilities.

All vulnerabilities identified through these various mechanisms are analyzed by the appropriate OI program and information and recommendations are provided back to the responsible immigration and customs systems stakeholders, both internal to the USG, through OI liaisons to CBP, U.S. Citizenship and Immigration Services, the Transportation Security Administration, US-VISIT, and the Department of State as well as external stakeholders.

CONCLUSION

While ICE is a new agency, with newly unified immigration and customs authorities, many of our agents and officers have a long history in the field, with extensive experience. We are building a new federal law enforcement agency with a national

security focus that is greater and more effective than the sum of its parts.

Since 2003 the path has not been without significant challenges. The men and women of ICE built a new agency while at the same time maintaining a high tempo of investigations and operations. Though we have made great strides, much work remains. The men and woman of ICE are proud of what they have accomplished in a very short time, but we want to do even better. And that is why we welcome the recent Government Accountability Office audit into ICE/OI. We are always seeking the best possible practices regardless of whether they originate inside or outside of our agency.

Similarly, on behalf of the men and women of ICE, I want to thank this committee for its time, attention and oversight.

My colleagues at ICE are grateful for the chance to serve the American people and, on their behalf; I thank you and your colleagues for your continued support of our ongoing operations.

I would be pleased to answer your questions.