



U.S. Immigration and Customs Enforcement

STATEMENT

OF

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REGARDING A HEARING ON

*“FORCE MULTIPLIERS: EXAMINING THE NEED FOR ADDITIONAL RESOURCES TO
DISRUPT TRANSNATIONAL CRIME AT THE BORDER AND BEYOND”*

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
SUBCOMMITTEE ON NATIONAL SECURITY, THE BORDER, AND FOREIGN AFFAIRS

Wednesday, March 8, 2023
2247 Rayburn House Office Building
10:00 a.m.

Chairman Grothman, Ranking Member Garcia, and distinguished Members of the Subcommittee on National Security, the Border, and Foreign Affairs:

Introduction

Thank you for the opportunity to appear before you today to discuss Homeland Security Investigations' (HSI) efforts to disrupt and dismantle Transnational Criminal Organizations (TCOs). My statement today will focus on HSI's utilization of cutting-edge technology to provide the field with investigative tools and resources, its focus to stop deadly drugs from ever making it to the streets of the United States and shut down dark-net vendors, and its efforts to deny TCOs the illicit proceeds that fuel their operations.

HSI is the principal Department of Homeland Security (DHS) component responsible for investigating transnational crime. In collaboration with its partners in the United States and abroad, HSI Special Agents develop evidence to identify and build criminal cases against TCOs, terrorist networks and facilitators, and other criminal elements that threaten the Homeland. HSI works with prosecutors to arrest and indict violators, execute criminal search warrants, seize criminally derived money and assets, and take other actions with the goal of disrupting and dismantling TCOs operating throughout the world. These efforts help protect the national security and public safety of the United States.

HSI's investigative mission includes dismantling TCOs which flood the United States with deadly narcotics, including illicit fentanyl and other opioids. HSI conducts federal criminal investigations at every phase of the illicit drug supply chain; internationally, where TCOs operate and manufacture illegal drugs; at our Nation's borders and ports of entry (POEs) where smuggling cells attempt to exploit America's legitimate trade, travel, and transportation systems; and in communities throughout the United States. HSI combats TCOs through multiple avenues of criminal enforcement. Not only does HSI target the narcotics smuggling activities of the TCOs, HSI also targets the financial networks they utilize to fund and profit from their illegal activity and the firearms trafficking the TCOs undertake to support their violent activities. HSI also targets the various other illegal activities the TCOs employ to fuel their criminal organizations, including human smuggling and trafficking, cyber-crime, intellectual property rights violations, and fraud.

Criminal organizations in the 21st century do not limit themselves to a single crime and have evolved to utilize technology to disguise their illicit enterprises. Likewise, investigative efforts must be technologically savvy and broad in scope to fully identify and dismantle these enterprises. Rather than narrowly focusing on a single element of the TCO, HSI combats TCOs by using its unique and broad investigative authorities to enforce over 400 federal laws to investigate a myriad of crimes.

HSI Technological Investigative Advancements

HSI's broad investigative authority and the complex and rapidly evolving nature of the criminal networks it investigates means investigators are faced with overwhelming quantities of data to analyze. For example, the encrypted communications capabilities that 10 years ago were only available to nation state actors are used today by even the lowest level members of TCOs.

Last year alone, HSI investigations included the analysis of 6.77 petabytes of data, or the equivalent of 36 years' worth of video data. Historically, HSI investigative personnel lacked the tools capable of meeting their unique data analytics requirements, which must also continually evolve to keep pace, as bad actors use new technologies to engage in illicit activities.

HSI Innovation Lab

HSI launched the HSI Innovation Lab in 2019. The HSI Innovation Lab serves as the centralized physical and virtual hub for new advanced analytics capabilities, tools, and enhanced processes to improve the investigative process and more effectively use data to disrupt and dismantle TCOs. The HSI Innovation Lab combines best-in-class technology, agile development, and the unparalleled investigative and operational insights of field personnel to create dynamic data analytical solutions, designed to counter threats posed by increasingly sophisticated criminal organizations and provide meaning and insights into growing quantities of disparate data.

In 2020, the HSI Innovation Lab developed the agency's next-generation data analytics platform: the Repository for Analytics in a Virtualized Environment (RAVEN) to meet the agency's evolving investigative priorities, support its unique mission needs, and harness the full investigative potential of HSI's vast law enforcement data holdings. RAVEN's technical infrastructure is purpose-built, modular, and readily adaptable to meet rapidly evolving agency priorities and mission needs. RAVEN supports a suite of semi-customizable data analytics tools designed to significantly decrease the time Special Agents and Criminal Analysts spend on manual data entry and analysis, enabling them to focus on other mission-critical investigative activities and make better informed, data-driven decisions. RAVEN cuts across databases and structures, organizes, and streamlines diverse investigative and publicly available information so that Special Agents and Criminal Analysts in the field can seamlessly compare, visualize, and analyze information through a single platform to more efficiently target TCOs.

The HSI Innovation Lab's data analytics tools have already shown their potential to radically improve the investigative process and help personnel more effectively combat TCOs. The HSI Innovation Lab recently released its Email Analytics (EA) tool to HSI's investigative personnel. The tool streamlines how Special Agents and Criminal Analysts search, filter, translate, and report on judicially obtained email search warrant returns to help investigators more effectively identify and investigate criminal organizations. For example, Special Agents at the HSI Harlingen office recently used EA's machine translation features to translate over 50,000 emails, saving investigators hundreds of hours of manual work and resulting in two arrests and multiple asset seizures valued at more than \$400,000.

Another tool developed by the HSI Innovation Lab, and successfully used by HSI field offices to improve investigative outcomes, is Mobile Device Analytics (MDA). MDA enables investigators to analyze, translate, and identify relationships from data extracted from lawfully seized mobile devices. HSI San Diego used MDA to analyze significant amounts of data extracted from mobile phones, seized during a series of fentanyl-related arrests, to identify previously unknown investigative links and connections. MDA's automated data ingest process and intuitive data visualizations also saved investigators valuable time and enabled them to identify pertinent information more rapidly.

In November of last year, the HSI Innovation Lab released HSI's flagship data analytics tool, RAVEN Collaborate, Organize, Research, Explore (CORE). CORE helps Special Agents and Criminal Analysts visualize large data sets, link disparate information, collaborate, and more effectively investigate criminal organizations and improve investigative outcomes. Users can search across the agency's investigative data holdings and data ingested from vetted immigration and law enforcement systems directly in CORE. Personnel can access a shareable and secure virtual work area in CORE, where they can collaborate and conduct analysis within a specific investigative group, between departments, or across regional offices to enhance their investigations.

Cyber Crimes Center

As previously highlighted, TCOs and their illicit drug clients are increasingly tech-savvy. Many have adopted emerging technologies to replace hand-to-hand drug sales with anonymous cryptocurrency purchases facilitated through dark-net marketplaces. These transactions may involve foreign vendors, but the result is the shipment of drugs to or within our country. To keep pace with rapidly evolving criminal techniques, HSI created the Cyber Crimes Center (C3) in 1997 to provide investigative assistance, training, and equipment to support domestic and international investigations of cyber-related crimes for DHS. The C3 supports HSI's mission through the programmatic oversight and coordination of investigations of cyber-related criminal activity and provides a range of forensic, intelligence, and investigative support services across all HSI programmatic areas. C3 brings together highly technical assets dedicated to conducting trans-border criminal investigations of cyber-related crimes within the HSI transnational crime portfolio and authorities.

The C3 performs an essential role in detecting, investigating, and preventing the sale and distribution of opioids and other illicit drugs on the dark web. With specialized capabilities, cyber analytics, and trained cyber investigators and analysts, the C3 supports HSI online undercover investigations targeting market site operators, vendors, and prolific buyers of opioids and other contraband on the dark web. The C3 also provides critical support on tracing and identifying illicit proceeds derived from criminal activity on the dark web and investigating the subsequent money laundering activities. Additionally, the C3's Computer Forensics Unit and HSI Computer Forensic Program are critical tools in combating the flow of drugs into the United States. From the efforts of our Computer Forensic Agents and Analysts in the field to seize, process, and analyze digital evidence, through the advanced technical solutions, such as decryption and accessing secure data, digital forensics play an ever-increasing role in investigating complex multinational narcotics organizations. The Computer Forensic Unit also provides forensic training and support to our state, local, tribal, federal, and international law enforcement partners.

A top priority for HSI is to improve collective law enforcement capabilities by providing training to partner law enforcement agencies. In response to initiatives to reduce opioid demand in the United States, the C3 developed a cyber-training curriculum with a focus on dark web investigations and illicit payment networks associated with opioid smuggling and distribution. This training has been successful in improving law enforcement capabilities against online marketplaces and tools for illicit trafficking. Since 2017, HSI has delivered this training course in

over 70 locations worldwide to more than 12,000 state, local, federal, and international law enforcement personnel.

Illicit Finance – Following the Money

U.S. illicit drug sales continue to net tens of billions of dollars in illicit proceeds annually. One of the most effective methods for dismantling TCOs engaged in narcotics trafficking is to attack the criminal financial networks that are the lifeblood of their operations. HSI Special Agents identify and seize the illicit proceeds and instrumentalities of crime and target financial networks that transport, launder, and hide ill-gotten proceeds them. As a customs agency with significant access to financial and trade data, HSI is uniquely positioned to identify TCO schemes to hide illegal drug proceeds within the stream of legitimate commerce; on vehicles, vessels, and persons departing the United States; or when crossing a digital border, such as the movement of funds electronically, including in the form of virtual assets like cryptocurrency. HSI's financial efforts in FY 2022 resulted in 2,607 arrests; 1,600 criminal indictments; 1,028 convictions; and the seizure of more than \$4.2 billion in illicit currency and other assets (at the time of seizure).

National Bulk Cash Smuggling Center

Despite the rise of alternative stores of value, such as virtual assets, bulk cash smuggling remains a key mechanism for TCO repatriation of drug proceeds. Criminal actors often avoid traditional financial institutions which must comply with Bank Secrecy Act reporting requirements, instead repatriating their illicit proceeds through conveyances such as commercial and private aircraft, passenger and commercial vehicles, and maritime vessels, and via pedestrian crossings at our land borders.

Established in 2009, HSI's National Bulk Cash Smuggling Center (BCSC) is a critical component of the agency's and overall U.S. Government's efforts to combat bulk cash smuggling by TCOs. The BCSC operates strategic programs that leverage advanced data analytics, interagency partnerships, and law enforcement technology systems to identify complex money laundering networks and provide support for HSI financial investigations. The criminal intelligence functions of the BCSC provide operational analysis in support of HSI-led interdiction efforts including port profiles highlighting cash flow activity at targeted POEs and corridor analyses to assist in planning the timing, location, and strategy for interdiction operations. The BCSC also administers a targeted, investigation-focused license plate reader program to identify larger criminal networks and a warrant-based GPS tracking program that provides valuable intelligence on the behaviors of criminal groups engaged in bulk cash smuggling. Since its inception through FY 2022, the BCSC has initiated or substantially contributed to the seizure of bulk cash totaling over \$1.73 billion.

TCOs are increasingly augmenting bulk currency smuggling with use of alternate value platforms in response to financial regulations and law enforcement efforts to identify money laundering networks. A single movement of TCO proceeds may involve bulk cash, stored value cards, money orders, cryptocurrency, wire transfers, funnel accounts, and trade-based money laundering (TBML). HSI adapts to evolving criminal methodologies by leveraging new law

enforcement technologies to identify money laundering activity through these emerging alternate value platforms and seize criminal assets.

Trade-Based Money Laundering

TBML is the process of disguising criminal proceeds through international trade to hide their illicit origins. As the primary law enforcement agency that investigates TBML, HSI utilizes data resources, maintained by DHS encompassing trade, travel, and financial information, to identify TBML schemes. HSI has established several national initiatives that target specific TBML schemes and provides subject matter expertise, analytical support, and enforcement related support to HSI Special Agents. Specifically, HSI has the ability to intercept and interdict trade and individuals associated with TBML that have a nexus to the borders of the United States and provide the necessary information to initiate criminal investigations targeting this activity.

An integral part of combating TBML is the HSI-established Trade Transparency Units (TTUs), which combat the growing threat of international money laundering by TCOs via TBML. The TTUs accomplish this mission using partner country data sharing programs and the Data Analysis & Research for Trade Transparency Systems (DARTTS) program. Through established partnerships, the TTUs have access to foreign trade, travel, and financial information used to support ongoing criminal investigations and to address TBML on a global scale. These partnerships are based on bilateral agreements with the United States and 19 partner countries for the sharing of trade and financial information. Through the TTUs, HSI field offices can request information pertaining to companies and individuals that would otherwise be unavailable without the bilateral agreements.

Cryptocurrency

Cryptocurrencies are increasingly used to facilitate domestic and cross-border crime. HSI has seen nefarious actors use cryptocurrency in furtherance of a wide array of crimes HSI investigates. From individual actors to large scale TCOs, cryptocurrency can be exploited by any criminal organization engaged in almost any type of illicit activity, and this is especially true as it pertains to the use of cryptocurrencies to facilitate online distribution of illicit fentanyl, methamphetamine, and other dangerous drugs. Both at home and abroad, cryptocurrencies are being used to purchase illicit items such as drugs on darknet marketplaces and to launder criminally derived proceeds. Cryptocurrencies are attractive to TCOs because they offer a relatively fast, inexpensive, and pseudonymous system of transactions as compared to more traditional financial transactions. As such, HSI investigations related to cryptocurrency have risen from one criminal investigation in 2011 to over 230 criminal investigations in FY 2021. In FY 2022, HSI seized nearly \$4 billion in cryptocurrency (at the time of seizure). This substantial increase signifies growing confidence in cryptocurrency use by bad actors.

International Approach

HSI's international presence is a key facet of its approach to countering transnational organized crime. The largest international investigative presence of all DHS components, HSI comprises hundreds of HSI Special Agents strategically assigned to 93 offices in 56 countries.

Taking a forward-leaning approach to identify and mitigate threats before reaching our borders, HSI applies a multi-tiered, multi-pronged strategy, spanning international boundaries and crossing all investigative program areas. HSI Special Agents abroad develop and foster relationships with host government law enforcement partners to exchange information; coordinate and support investigations; and facilitate enforcement actions and prosecutions to disrupt and dismantle TCOs that operate abroad but threaten the national security, economic prosperity, and public safety of the United States. HSI and its counterparts in other countries identify and disrupt sources of illicit drugs, transportation and smuggling networks, and money laundering operations. These efforts enable HSI and its partners to prevent dangerous narcotics and other illicit goods from reaching our borders and stop illicit outbound flows of illegally derived currency and weapons.

HSI Technology Partnership Efforts

HSI's ability to conduct complex, large-scale investigations represent one of DHS's best assets for dismantling TCOs. HSI, in partnership with a myriad of law enforcement agencies, utilizes collaborative technological capabilities to disrupt and dismantle TCOs both at and between POEs. Conducting criminal investigations resulting from arrests associated with border seizures is necessary for ensuring the rule of law; however, HSI's mandate is to develop these individual interdictions into multi-jurisdictional, multi-defendant, complex investigations to effectively disrupt and dismantle TCOs.

National Targeting Center - Investigations

HSI's National Targeting Center - Investigations (NTC-I) was established in 2013 in collaboration with U.S. Customs and Border Protection's (CBP) National Targeting Center to further our shared border security mission. HSI's increased manpower and concerted efforts at NTC-I support the entire border security continuum, from CBP interdictions and HSI investigations, to the joint exploitation of intelligence. Working in a collaborative environment at NTC-I, HSI provides support to all of DHS's domestic and international offices by targeting illicit precursor chemical movements within the air and maritime commercial transportation modalities.

The combination of NTC-I targeting and foreign action through HSI's Transnational Criminal Investigative Units (TCIUs), comprised of vetted foreign law enforcement officials, is critical to stopping the flow of illicit drugs and dismantling TCOs. Using these resources, HSI targets the supply chains responsible for foreign origin shipments of precursor chemicals used in the illicit production of fentanyl and methamphetamine destined for Mexico. By blending interagency collaboration, industry partnerships, financial intelligence, and computer-based tools, HSI processes large volumes of data to identify precursor chemical suppliers and TCO procurers. HSI uses this information to target and seize precursor chemicals that are being transshipped through the United States or seized by its TCIUs abroad before the chemicals are converted into the synthetic drugs fueling overdose deaths. Thus far, this methodology has resulted in the seizure of approximately 3.3 million pounds of dual-use precursor chemicals used to manufacture illicit fentanyl and methamphetamine.

Southwest Border Non-Intrusive Inspection Program

The vast majority of illicit fentanyl and other dangerous drugs flooding the United States are smuggled across our border with Mexico through the POEs. HSI is the primary federal law enforcement agency responsible for investigating drug seizures and other criminal activity occurring at our nation's POEs. Our Special Agents work every day with CBP officers to identify, seize, and investigate TCOs attempting to introduce illicit contraband into the United States.

CBP's expansion of non-intrusive inspection (NII) scanning at Southwest Border POEs is poised to increase the number of CBP-origin seizures that HSI Special Agents are required to investigate. To keep pace, HSI needs additional staffing to support the investigation and prosecution of individuals associated with POE seizures. Recent HSI congressional appropriations tied to NII expansion represent an important, albeit limited, initial step. HSI is moving quickly to deploy these new resources to Southwest Border POEs receiving NII augmentation. Given the required NII expansion to all land border POEs, additional staffing will be essential to ensure HSI retains adequate personnel to respond to these seizures and to conduct the complex investigations which degrade and remove TCO threats to the Homeland.

Border Enforcement Security Task Forces

The *Jaime Zapata Border Enforcement Security Task Force Act* was signed into law in December of 2012. The Act was named in honor of Jaime Zapata, an HSI Special Agent who was killed in the line of duty in Mexico while working to combat violent Mexican drug cartels. This law amended the Homeland Security Act of 2002 to formally establish the Border Enforcement Security Task Force (BEST) program, with the primary mission of combating emerging and existing transnational organized crime by employing a threat-based/risk mitigation investigative task force model that recognizes the unique resources and capabilities of all participating law enforcement partners.

BESTs eliminate the barriers between federal and local investigations, close the gap with international partners in multinational criminal investigations, and create an environment that minimizes the vulnerabilities in our operations that TCOs have traditionally capitalized on to exploit our nation's borders. There are currently 86 BESTs located across the United States, including Puerto Rico and the U.S. Virgin Islands, comprising nearly 1,000 law enforcement officers and personnel representing federal, state, local, tribal, and international law enforcement agencies, and National Guard units. In FY 2022, BESTs initiated more than 5,300 investigations resulting in more than 6,000 criminal arrests and seizures of more than 317,000 pounds of narcotics, more than 480,000 pounds of precursor chemicals, and more than \$206 million of illicit proceeds and assets.

Conclusion

HSI's utilization of technology is a key factor in our efforts to effectively disrupt, dismantle, and prosecute TCOs, both domestically and abroad. Whether through traditional investigations supported by groundbreaking data and financial analysis, dark web investigations, cutting-edge investigative systems, and multi-jurisdictional efforts, technology allows HSI to conduct state-of-the-art investigations into TCOs and their ever-evolving criminal activities. It is imperative HSI has the resources necessary to continue to remain at the forefront of these technology advancements.

Thank you again for the opportunity to appear before you today and for your continued support of HSI and our enduring efforts to dismantle TCOs throughout the world. I look forward to your questions.