NORTHERN ICE: STOPPING METHAMPHETAMINE PRECURSOR CHEMICAL SMUGGLING ACROSS THE U.S.–CANADA BORDER

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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NORTHERN ICE: STOPPING METHAMPHETAMINE PRECURSOR CHEMICAL SMUGGLING ACROSS THE U.S.–CANADA BORDER

TUESDAY, APRIL 20, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES,
COMMITTEE ON GOVERNMENT REFORM,
Detroit, MI.

The subcommittee met, pursuant to notice, at 9:30 a.m., at 477 Michigan Avenue, Detroit, MI, Hon. Mark Souder (chairman of the subcommittee) presiding.

Present: Representative Souder.

Staff present: Nicholas Coleman, professional staff member and counsel; and Malia Holst, clerk.

Mr. SOUDER. The subcommittee will come to order. Thank you all for coming this morning for our hearing on Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border.

Good morning and thank you all for coming. This hearing continues our subcommittee's work on the problem of methamphetamine abuse, a problem that is ravaging nearly every region of our Nation. It also continues our ongoing study of drug trafficking and similar problems facing law enforcement agencies at our border and ports of entry and if I can just make a couple of comments before going into the thrust of the meth statement.

In my district in Northern Indiana bordering Southern Michigan, the meth situation has gotten so bad that many of our drug task forces will often—I have a number of counties that the drug task force consists of four people, and they'll spend the entire morning at one location until the State Police labs, like the mobile lab we visited when we were here which was kind of an early one that we saw when we were here in Detroit earlier, can get there and then they spend the rest of the day at another one. They can't even get to the regular drug busts. They can't help the DEA with larger trafficking stuff because they're so occupied and flooded with a number of meth labs. In Indiana we've gone from 90 to 1,200 cleanups in 3 years. The fifth largest in the country.

In Congressman Boozman's District in Northern Arkansas which was just featured in People Magazine and we're doing a hearing there in the next 60 days and he has spoken at our Washington hearing, they're even more flooded.

There was just an article in the Washington Post a week ago that's happening in North Carolina, in Tennessee, eastern Kentucky and Indiana. We're having a big problem in northern Indiana, but also down in the Hoosier National Forest area where we have these heavily rural national forest areas, but interestingly even in Indiana, and we saw this first about 5 years ago in northern California, with these huge superlabs.

One of the things we've seen in Indiana and what we're going to be investigating more today and this is what kind of triggered the immediacy of this hearing before we get into some of these others and I'll have some questions related to this, is that what's in the news almost every night. I did a press conference Friday morning with the Indiana State Police to try to expand our cleanup process in Indiana. They had between midnight and 7 a.m., five additional labs, including an explosion. About 60 percent are running in southern Indiana, about 40 percent in northern Indiana. But even in Indiana with this exponential increase in the meth labs and the first signs that it's getting into edges—they had a story Sunday, an explosion in a motel. They've had now 10 cases in Indiana of labs with problems in—where people rent a room in a hotel, Holiday Inn Express was one, a Baymont Inn was one and that type of thing that seems to be a growing phenomenon at the edges of the cities. In Evansville, Fort Wayne, Southbend, it hasn't hit the biggest cities yet. It seems to be heavily a rural phenomenon.

But even in Indiana, what happened is we started with this, it's kind of a rural, to some degree motorcycle gang, a rural home cooking network much like we've seen in the last views and other parts. But then the superlabs start to move in, the price drops, the purity soars and 70 percent of our meth in Indiana now is from superlabs and it's coming mostly it appears from Yakima, Washington and/or up from Texas.

But interestingly, a lot of it's Mexican and California superlabs. But in discussing where the superlabs were coming, they said the precursor chemicals were coming across to Detroit, heading back over to California and then the superlabs were coming back to Indiana. Which is really an interesting wrinkle in my State, to the best they can track that, and we're seeing this in other States.

As what we're going to be focusing on in the next number of months is a little bit zeroing in on this meth phenomenon which has really caught the political attention because it's a new drug. Whenever there's a new drug that hits, you've got to get control of it at the early stages. Politically in Congress, there are more Members signing up for the Meth Caucus right now than there are the overall drug caucus. It's one that's grabbed their attention because of the news coverage in their areas and because it has an immediate danger to the cleanup. Let me tell you one other story that we heard in our Indiana hearing.

In one small town this idiot who was home cooking went to this big anhydrous ammonia facility in this small town that distributes anhydrous ammonia to a whole wide area around it. He was trying to get his stuff out of this big tank and he was 1½ screws from exploding this tank which would have instantaneously wiped out a town of 700.

So all of the sudden you're battling not only a drug problem, but an explosion problem in the nature of endangering everybody around you at a hotel, in a community, and then not to mention the environmental cleanup that is incredible. You can see this from the coke labs down in South America, in the rivers when you fly over in the Amazon Basin. And now to think that this is hitting in our own rivers with the home cookers. But at the same time, it's not the home cookers we're focused on here in this particular hearing because many of them just go down to the local grocery store or pharmacy or hardware store and pick up the stuff. It's the big superlabs because we have one dilemma we're trying to face in this smaller home cooking market that's on TV a lot, but our real big problem is people get introduced to this stuff, get the kick off of it, and these superlabs then come in and blow the market apart. They're the big box stores that come in and take out your local neighborhood pharmacy once it gets going. And you guys here in this area are one of the battleground areas in working with the Canadians in how to get control of this stuff because we've toughened our U.S. laws. So now we have to get a hold of this so we don't have an explosion that 5 years later we look and say, hey, this was like crack, why didn't we catch it at the first end.

Meth is among the most powerful and dangerous stimulants available. The drug is highly addictive and has multiple side effects, including psychotic behavior, physical deterioration, and brain damage. Death by overdose is a significant risk. Unfortunately, meth is also relatively easy to produce; so-called meth cooks can create the drug from common household or agricultural chemicals and cold medicines containing ephedrine and pseudoephedrine. Ephedrine, pseudoephedrine and similar chemicals are referred to as meth precursors and these precursors are the main subject of our hearing today.

The most significant source of meth in terms of amount produced comes from the so-called superlabs in California, northern Mexico. By the end of the 1990's these superlabs produced over 70 percent of the Nation's supply of meth. The superlabs are operated by large Mexican drug trafficking organizations that have used their established distribution and supply networks to transport meth throughout the country. These organizations have the additional advantage over their smaller competitors of being able to import illegally, of course, huge quantities of precursor chemicals from Canada.

The meth traffickers had to start smuggling precursor chemicals from Canada because of the much tougher chemical diversion penalties enacted by Congress in the 1990's, coupled with the effective action by the Drug Enforcement Administration, DEA and other law enforcement agencies. Through a series of acts, including the Chemical Diversion and Trafficking Act of 1988, the Comprehensive Methamphetamine Control Act of 1996, the Methamphetamine Penalty Enhancement Act of 1998, and the Methamphetamine Anti-Proliferation Act of 2000, Congress made it far more difficult to obtain large quantities of precursor chemicals within the United States. Drug companies and pharmacies are now required to register large transactions involving cold pills and other precursor chemical sources, and retail outlets are prohibited from selling anyone multiple packages of decongestants and similar medicines.

Medicines containing pseudoephedrine are also required to be packaged in blister packs, which are more difficult for a meth cook to open and dump into a vat than larger plastic bottles.

Unfortunately, Canada did not impose these controls on its side of the border, which made it an attractive source of supply for meth producers. According to a joint intelligence report by DEA and the Royal Canadian Mounted Police, the RCMP, the amount of pseudoephedrine imported into Canada rose by nearly 500 percent in 1 year from 1999 to 2000 alone. DEA and the RCMP believe that a portion of that increase was diverted to the illicit precursor chemical market in the United States. In the fall 2000, the Canadian Government finally implemented new regulations of precursor chemicals, imposing a reporting requirement and an end user declaration on large transactions. Questions remain, however, about whether these new regulations are sufficient to curtail the large-scale diversion and smuggling of precursor chemicals from Canada.

These chemicals are being smuggled, usually by truck, across such major border crossings as the Ambassador Bridge here in Detroit, and the Blue Water Bridge up in Port Huron. DEA and other law enforcement agencies have identified several organizations doing this smuggling, many of Middle Eastern origin. Identifying and stopping smugglers using these bridges presents a serious challenge for law enforcement; Detroit is the busiest truck crossing in the United States, while Port Huron is the fourth busiest crossing and both crossings are at or near the top in volume of passenger traffic as well. It is unclear whether U.S. Customs and Border Protection, CBP, which conducts the inspections of all trucks and persons entering the United States has sufficient resources and facilities to check enough vehicles at the Ambassador and Blue Water Bridges for drugs and other contraband. The task is further complicated by the recent implementation of two fastpass systems that expedite border crossings for certain travelers, the NEXUS system for passengers, and the Free and Secure Trade, FAST system for commercial trucks. These systems have certainly helped speed trade and travel across the border, but because they result in fewer inspections for participants, they may also create a gaping hole in our security network.

This hearing will give us an opportunity to discuss the current status of precursor smuggling here in Michigan, and to explore some possible solutions. We are pleased to be joined by representatives of four law enforcement agencies responsible for stopping precursor chemical and other drug trafficking across the Northern border. We first welcome Mr. Abraham L. Azzam, Director of the Southeast Michigan High Intensity Drug Trafficking Area, HIDTA. HIDTA, a program overseen by the White House Office of National Drug Control Policy, seeks to coordinate all the anti-narcotics efforts of the Federal, State and local law enforcement agencies. We also welcome Mr. Michael Hodzen, Interim Special Agent in Charge of the Detroit Office of the U.S. Immigration and Customs Enforcement, ICE, which is part of the new Department of Homeland Security. Mr. John Arvanitis, is that right?

Mr. ARVANITIS. Arvanitis, sir.

Mr. SOUDER. Arvanitis, Acting Special Agent in Charge of DEA's Detroit Field Division; and Mr. Kevin Weeks, Director of Field Op-

erations for the Detroit Field Office of CBP, which is also part of the Department of Homeland Security. We thank everyone for taking time to be here today, and look forward to your testimony.

I also want to thank particularly Mr. Azzam and Mr. Weeks who we met with before. This is the report that I referred to, the Federal Law Enforcement at the Border and Ports of Entry report. When we were here for several days and we didn't hold a hearing at that time, we used a large number of information and background in addition to what we learned about the HIDTA when we were doing the reauthorization of the ONDCP. This focus on the border lays out the system, border system, some of the challenges and the need that in order to keep trade moving, we need to invest adequate resources. But in moving trade, we can't forget that illegal narcotics, illegal immigration, terrorism, all those things are very important at the border too, not to mention even from a trade standpoint with all the illegal smuggling and copyright violations, that we also have to make sure we can control trade at the border. We can't just in moving trucks across the border forget what we're protecting in our national interest in multiple ways.

One last thing as you are all are pretty familiar, I want to make sure the record reflects that part of the challenge here involves Canada. Because much of what we do in narcotics focuses on the southwest border, but Canada is heavy in meth precursors, ecstasy and certain drugs that are produced heavily in northwest Europe. All of a sudden Buffalo and Detroit become major centers and to some degree upstate New York moving down to Boston and New York City, become a different mix in our narcotics question.

We have been over to visit in the Netherlands and also at Antwerp and Belgium. And we see some of the huge production of these meth precursors and ecstasy move onto the Belgium side in addition to the Dutch side, and try to get them to control it and then it flows through Canada. Canada isn't a producer of most, as I understand it. If there's any information other than that, make sure I understand that today too. It isn't the major producer of much of these precursors, it's the transfer point coming across from Europe as I understand it. I want to make sure we get that clear on the record today too.

[The prepared statement of Hon. Mark E. Souder follows:]

Opening Statement
Chairman Mark Souder

"Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border"

Subcommittee on Criminal Justice, Drug Policy, and Human Resources
Committee on Government Reform

April 20, 2004

Good morning, and thank you all for coming. This hearing continues our Subcommittee's work on the problem of methamphetamine abuse – a problem that is ravaging nearly every region of our nation. It also continues our ongoing study of drug trafficking and similar problems facing law enforcement agencies at our borders and ports of entry.[1]

Meth is among the most powerful and dangerous stimulants available. The drug is highly addictive and has multiple side effects, including psychotic behavior, physical deterioration, and brain damage. Death by overdose is a significant risk. Unfortunately, meth is also relatively easy to produce; so-called meth "cooks" can create the drug from common household or agricultural chemicals and cold medicines containing ephedrine and pseudoephedrine. Ephedrine, pseudoephedrine and similar chemicals are referred to as meth "precursors", and these precursors are the main subject of our hearing today.

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[1] A summary of the Subcommittee's work and findings on this subject during the 107th Congress is contained in its report, *Federal Law Enforcement at the Borders and Ports of Entry: Challenges and Solutions* (H. Rprt. No. 107-794), which can be found on the Government Printing Office's website, at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_reports&docid=f:hr794.pdf.

The most significant source of meth (in terms of the amount produced) comes from the so-called "superlabs" in California and northern Mexico. By the end of the 1990's these superlabs produced over 70 percent of the nation's supply of meth. The superlabs are operated by large Mexican drug trafficking organizations that have used their established distribution and supply networks to transport meth throughout the country. These organizations have the additional advantage over their smaller competitors of being able to import – illegally, of course – huge quantities of precursor chemicals from Canada.

The meth traffickers had to start smuggling precursor chemicals from Canada because of the much tougher chemical diversion penalties enacted by Congress in the 1990's, coupled with effective action by the Drug Enforcement Administration (DEA) and other law enforcement agencies. Through a series of acts, including the Chemical Diversion and Trafficking Act of 1988, the Comprehensive Methamphetamine Control Act of 1996, the Methamphetamine Penalty Enhancement Act of 1998, and the Methamphetamine Anti-Proliferation Act of 2000, Congress made it far more difficult to obtain large quantities of precursor chemicals within the U.S. Drug companies and pharmacies are now required to register large transactions involving cold pills and other precursor chemical sources, and retail outlets are prohibited from selling anyone multiple packages of decongestants and similar medicines. Medicines containing pseudoephedrine are also required to be packaged in "blister packs," which are more difficult for a meth cook to open and dump into a vat than large plastic bottles.

Unfortunately, Canada did not impose these controls on its side of the border, which made it an attractive source of supply for meth producers. According to a joint intelligence report by DEA and the Royal Canadian Mounted Police (RCMP), the amount of pseudoephedrine imported into Canada rose nearly 500% from 1999 to 2000 alone. DEA and RCMP believe that a large portion of that increase was diverted to the illicit precursor chemical market in the U.S.[2] In fall 2003, the Canadian government finally implemented new

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[2] See *Chemical Diversion and Synthetic Drug Manufacture*, 2002, available at http://www.usdoj.gov/dea/pubs/intel/intel010621p.html.

regulations of precursor chemicals, imposing a reporting requirement and an "end user" declaration on large transactions. Questions remain, however, about whether these new regulations are sufficient to curtail the large-scale diversion and smuggling of precursor chemicals from Canada.

These chemicals are being smuggled, usually by truck, across such major border crossings as the Ambassador Bridge here in Detroit, and the Blue Water Bridge up in Port Huron. DEA and other law enforcement agencies have identified several organizations doing this smuggling, many of Middle Eastern origin. Identifying and stopping smugglers using these bridges presents a serious challenge for law enforcement; Detroit is the busiest truck crossing in the U.S., while Port Huron is the fourth busiest, and both crossings are at or near the top in the volume of passenger traffic as well. It is unclear whether U.S. Customs and Border Protection (CBP) – which conducts the inspections of all trucks and persons entering the U.S. – has sufficient resources and facilities to check enough vehicles at the Ambassador and Blue Water bridges for drugs and other contraband. The task is further complicated by the recent implementation of two "fastpass" systems that expedite border crossings for certain travelers – the NEXUS system for passengers, and the Free and Secure Trade (FAST) system for commercial trucks. These systems have certainly helped speed trade and travel across the border, but because they result in fewer inspections for participants, they may also create a gaping hole in our security network.

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Arvanitis, Acting Special Agent in Charge of DEA's Detroit Field Division; and Mr. Kevin Weeks, Director of Field Operations for the Detroit Field Office of CBP, which is also part of DHS. We thank everyone for taking the time to be here today, and look forward to your testimony.

Mr. SOUDER. Now, I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record and that all answers to written questions provided by the witnesses also be included in the record. Without objection, it's so ordered.

Second, I ask unanimous consent that all Members present be permitted to participate in the hearing. Without objection, it's so ordered. That's to cover us in case any Member not on the committee comes in.

I ask unanimous consent that the full statement of each witness be put in the record as well as any supporting materials that you want to submit.

Our panel of witnesses is composed of four representatives of the Federal Government, Mr. Abraham Azzam of the Southeast Michigan HIDTA, Mr. Michael Hodzen of U.S. ICE, Mr. John Arvanitis of DEA, Mr. Kevin Weeks of the U.S. Customs Border Patrol. It is our standard practice to ask witnesses to testify under oath because we're an oversight committee, so I'll ask if you'll each stand and raise your right hands.

[Witnesses sworn.]

Mr. SOUDER. Let the record show that each of the witnesses answered in the affirmative. So we'll now start with the testimony and we'll start with you, Mr. Azzam. Thank you very much.

STATEMENTS OF ABRAHAM L. AZZAM, MICHIGAN HIDTA DIRECTOR; MICHAEL A. HODZEN, INTERIM SPECIAL AGENT IN CHARGE, DETROIT, MI, IMMIGRATION AND CUSTOMS ENFORCEMENT, DEPARTMENT OF HOMELAND SECURITY; JOHN ARVANITIS, ASSISTANT SPECIAL AGENT IN CHARGE, DETROIT DIVISION OFFICE, DRUG ENFORCEMENT ADMINISTRATION; AND KEVIN WEEKS, FIELD OPERATIONS, DETROIT FIELD OFFICE, U.S. CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY

Mr. AZZAM. Thank you, sir. I might, before I begin, mention that in the year 2000 we were given five additional counties that we are now called Michigan HIDTA and these additional counties include Alleghan and Van Buren in western Michigan, Kent County where Grand Rapids is, Kalamazoo County, Genesee County, where Flint, MI is, as well as the four original counties of Wayne, Oakland, Macomb and Washtenaw. The main reason these western counties were added was because of the methamphetamine lab problem which was an emerging problem in our State back in 1998, 1999 and 2000. Thank you, sir.

Congressman, thank you for this opportunity to testify. Our HIDTA was authorized by the U.S. Congress and began in July 1997. The Michigan HIDTA Executive Board is the Governing Body. This is important to note. And this Executive Board has designed a strategy and crafted initiatives to implement the strategy. All Michigan HIDTA operations are approved by this Executive Board and we function within the Policy Guidelines provided by the Office of National Drug Control Policy, as well as the agencies involved.

The voting members of this Executive Board consist of eight Federal Agencies. They are the U.S. Attorney, the FBI, DEA, Immigra-

tion Customs Enforcement, IRS, Transportation Security Administration, ATF and the U.S. Marshal. Interestingly on the State side, we have eight voting members. State and local agencies represented are—the Michigan State Police, the Detroit Police Department, which is the largest in our State. We have a representative of the Michigan Association of Prosecutors, local prosecutors. We have two eastern Michigan Sheriffs who vote because of the large population in southeast Michigan. One western Michigan Sheriff to represent their interest, an eastern and a western Michigan Chief of Police. These chiefs represent the many, many Chiefs of Police that we have in the area covered. These are voting members. Now we do have Ex Officio members and they are the Michigan National Guard, the State of Michigan Office of Drug Control Policy, that is the Governor's drug czar for our State. We have the Michigan Attorney General and we also have a representative of a community group whose acronym is MOSES, which stands for Metropolitan Organizing Strategy Enabling Strength. And I've provided the subcommittee with a written description of our HIDTA structure and activity.

Sir, the most unique aspect of the Michigan HIDTA, as well as the 32 other HIDTAs throughout the United States is the Investigative Support and Deconfliction Center. We call it the ISC. The Michigan HIDTA ISC is a collective of DEA, FBI, Immigration and Customs Enforcement, CBP, Customs Border Protection, the U.S. Coast Guard, the IRS, the Michigan State Police, the Detroit Police, the Wayne County Sheriff and the Michigan National Guard. We also have Canada Customs. Two analysts are present 2 days each week in our Investigative Support Center. All these agencies provide significant intelligence resources. For example, DEA has a full group, FBI has a full group, ICE and CBP have a full group and there are significant other agencies that I mentioned that who have personnel there. We also receive frequent visits from the Canada Immigration and the Ontario Provincial Police. From time to time the RCMP is also present.

These resources gather, process and disseminate information and intelligence between Federal, State and local agencies, as well as the Canada Authorities. Now we do that within the existing treaties and protocol. Specifically HIDTA hosts the IBET, International Border Enforcement Teams and ICAP meetings. These analysts are sent to focus on information for the seizure of drugs in general and precursor contraband and they are also available for post seizure followup. Pseudoephedrine has been a primary target of the ICE and CBP and Canadian analysts for several years. I believe that the international effort of the last 2 years has had a dramatic impact upon the smuggling of Pseudoephedrine in our area. It hasn't stopped, but it ceased to be so blatant and open. That may be bad. They've gone under.

The Michigan HIDTA has 19 Initiative Task Forces. Several deal with mid- and high-level investigations involving pseudoephedrine, methamphetamine, party and rave drugs between the United States and Canada. DEA's Group 2 deals with followup investigations of precursors as well as rave drugs and BC Bud marijuana investigations. Pseudoephedrine continues to be a primary target.

On a local level, the Michigan State Police with HIDTA assistance, has a Uniform Division, Motor Carrier operations and has conducted training for interdiction of drug contraband on our highways, including pseudoephedrine and other precursors. The Criminal Investigation Division of the Michigan State Police has two HIDTA supported Task Forces dealing with methamphetamine and its precursors. These are the small labs that you referred to earlier, sir, which incidentally are just north of your Indiana counties. The Michigan State Police and DEA, with HIDTA support, has trained 140 local officers to be Clandestine Laboratory Certified and 60 Certified Site Safety Officers to deal with the small methamphetamine labs which are so devastating, and also with the precursors associated with them.

Michigan HIDTA support comes in many forms, such as funding for overtime for the officers, equipment, training, investigative travel and expenses. The Investigative Support Center with its uniquely collocated intelligence assets has proven to be a valuable coordinating aid to the numerous agencies involved in this effort.

I understand you will receive testimony from DEA, ICE and CBP regarding their excellent efforts against the illegal smuggling of pseudoephedrine and other drugs. One example is Operation Northern Star. It's a classic example of intelligence assets working in harmony with enforcement assets to successfully conclude an important pseudoephedrine investigation. I'm proud to say that the Michigan HIDTA program was instrumental.

That's my testimony, sir, and I wish to thank this subcommittee for this opportunity and I'm prepared to answer your questions.

Mr. SOUDER. Thank you and as I said we'll put the full statement and supporting materials in the full record.

[The prepared statement of Mr. Azzam follows:]

Michigan High Intensity Drug Trafficking Area
613 Abbott Street, 2nd Floor
Detroit, MI 48226

COMMITTEE on GOVERNMENT REFORM
Subcommittee on Criminal Justice Drug Policy
and Human Resources

Hearings of April 20, 2004
Detroit, Michigan

TESTIMONY
MICHIGAN HIDTA Director
ABRAHAM L. AZZAM

The MICHIGAN HIDTA was authorized by the US Congress, and began in July of 1997. The Michigan HIDTA Executive Board is the Governing Body. The Executive Board has designed a strategy and crafted initiatives to implement the strategy. All Michigan HIDTA operations are approved by the Executive Board, and we function within the Policy Guidelines provided by the Office of National Drug Control Policy (ONDCP).

The voting members of the Executive Board consists of Eight (8) Federal Agencies represented, they are The United States Attorney, FBI, DEA, ICE, IRS, TSA, ATF and the US Marshal. The Eight (8) State and Local Agencies represented are Michigan State Police, Detroit Police, Representative of the Michigan Association of Prosecutors, Two Eastern Michigan Sheriffs, One Western Michigan Sheriff, an Eastern and Western Michigan Chief of Police. These are the Voting Members. We also have Ex Officio members, The Michigan National Guard, Michigan ODCP, Michigan Attorney General and a Community Group, MOSES. I have provided the Subcommittee with a written description of our HIDTA's structure and activity.

The most unique aspect of the Michigan HIDTA, as well as 32 other HIDTAs, is the Investigative Support and Deconfliction Center (ISC). The Michigan HIDTA ISC is a collective of DEA, FBI, ICE, CBP, US Coast Guard, IRS, Michigan State Police, Detroit Police, Wayne County Sheriff and the Michigan National Guard. Canada Customs has two Analysts who are present two days each week. All these Agencies provide significant Intelligence Resources; all are collocated in the Investigative Support Center (ISC). Also, there are frequent visits from Canada Immigration and the Ontario Provincial Police.

These resources gather, process and disseminate information and intelligence between Federal, State and Local Agencies, as well as Canadian Authorities, within existing Treaties and Protocol. Specifically, HIDTA Hosts the IBET and ICAT meetings. Analysts focus on information for the seizure of Drug and Precursor contraband, and are available for post seizure follow-up. Pseudo-Ephedrine has been a primary target of the ICE, CBP and Canadian Analysts for several years. I believe that the International effort of the last two years has had a dramatic impact upon the smuggling of Pseudo-Ephedrine in our area. It has not stopped, but it has ceased to be so blatant.

The Michigan HIDTA also has some 19 Initiative Task Forces, several deal with mid and high level investigations involving Psuedo, Methamphetamine, Party and Rave Drugs between the USA and Canada. DEA Group 2 deals with follow up investigations of precursors as well as Rave Drugs and BC Bud Marihuana Investigations. Pseudo-Ephedrine continues to be a primary target.

The Michigan State Police with HIDTA assistance has Uniform Division, Motor Carrier operations and training for interdiction of Drug Contraband, including Psuedo and other precursors. The Criminal Investigation Division of the Michigan State Police has two HIDTA supported Task Forces dealing with Metamphetamine and its pre-cursors. The Michigan State Police and DEA, with HIDTA support, has trained 140 Local Officers to be Clandestine Laboratory Certified and 60 Certified Site Safety Officers to deal with Methamphtamine Labs and the precursors associated with them.

The Michigan HIDTA support is in many forms such as funding for overtime, equipment, training, investigative travel and expenses. The Investigative Support Center, with its uniquely collocated Intelligence Assets has proven to be a valuable coordinating aid to the numerous Agencies involved in the effort.

I understand that you will receive testimony from DEA, ICE and CBP regarding their excellent efforts against the illegal smuggling of Pseudo-Ephedrine and other drugs. Operation North Star

I wish to thank the Subcommittee for this opportunity.

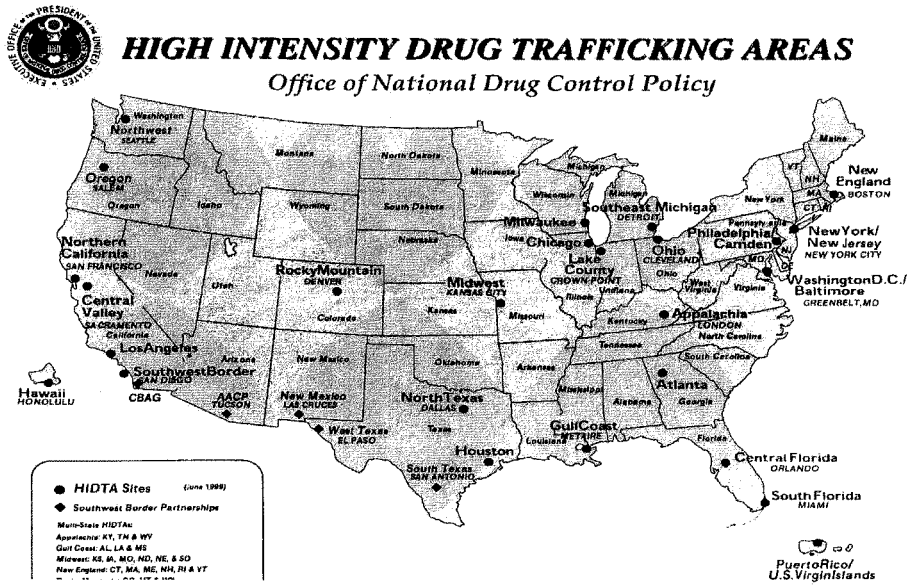
Abraham L. Azzam
Executive Director
Michigan HIDTA

Attachments: Description of the Michigan HIDTA

Executive Office of the President
Office of National Drug Control Policy

Michigan High Intensity Drug Trafficking Area Program

MICHIGAN HIGH INTENSITY DRUG TRAFFICKING AREA



PURPOSE of HIDTA

The National HIDTA Program was created to bring together for their mutual benefit, Federal, State and Local Enforcement Organizations. HIDTA coordinates and synchronizes the focus and energy of the participants in a new and organized way. It is a federally funded locally owned and operated program designed to meet the specific needs of our area. HIDTA collectively increases existing assets by providing a neutral environment for planning and implementing strategies.

HIDTA:

<u>Authority:</u> The Anti-Drug Abuse Act of 1988.

Assess regional drug threats, Designs strategies.

Integrates and Synchronizes the implementing of these strategies among federal, state & local enforcement.

<u>Nine Counties Designated:</u> Wayne, Oakland, Macomb, Washtenaw, Kent, Kalamazoo, Allegan, Van Buren & *Genesee

HIDTA Philosophy:

Inclusion

Joint Operations; Multi-Agency, Multi-Jurisdictional, Non-Duplicative, COLLOCATED!

Impartial Broker between Federal, State and Local Agencies. Coordination Mechanism.

NOT ANOTHER FEDERAL AGENCY!!!!

MICHIGAN HIDTA

Executive Board

- Equal voice of members
- Equal participation between federal and state/local agencies

)ERAL	STATE and LOCAL	EX-OFFICIO
\ttorney	**Michigan State Police**	Michigan National Guar
	Detroit Police Department	Michigan ODCP
****	**Prosecutors Representative**	MOSES
E	**Tri-County Sheriff Rep for Eastern Sheriff's (2 Votes)**	Wayne County Prosecut
\Marshal	**Western Sheriff's Representative**	
	Eastern Chief's Representative	

EXECUTIVE BOARD

- **GOVERNING BODY OF THE MICHIGAN HIDTA**

- **SUB COMMITTEES:**

  Processes the affairs and issues of HIDTA for review and approval of the Executive Board.

MISSION STATEMENT

The mission of the Michigan HIDTA is to reduce drug ıfficking, related violent crimes, and money laundering in the :DTA region.

This will be accomplished through the coordination and aring of **intelligence, unified** law enforcement effort, and **mmunity cooperation** which will improve the quality of life ɜ State of Michigan.

The THREAT

The region is centrally located between Chicago, Cleveland, New York, Toronto and Montreal.

Shares a 700 mile International Border with Canada.

Several major Interstate highways traversing it.

A large, expanding International Airport with direct flights from SE Asia, Colombia and Europe.

Identified more than 372 Major Drug Trafficking Organizations operating within the region.

STRATEGY

The Michigan HIDTA Executive Board has adopted a three level strategy to meet the threat.

Level I: the "street" level dealers in response to the community concerns.

Level II: the "mid" level dealers and RPOT Targets

Level III: focuses on CPOT Targets and Major Drug Trafficking Organizations identified in the Threat Assessment.

INVESTIGATIVE SUPPORT and DECONFLICTION CENTER (ISDC)

The ISDC has two major functions:

DECONFLICTION

INTELLIGENCE CASE SUPPORT

* ***THE MOST IMPORTANT FUNCTION of the MICHIGAN HIDTA!***

Deconfliction Center

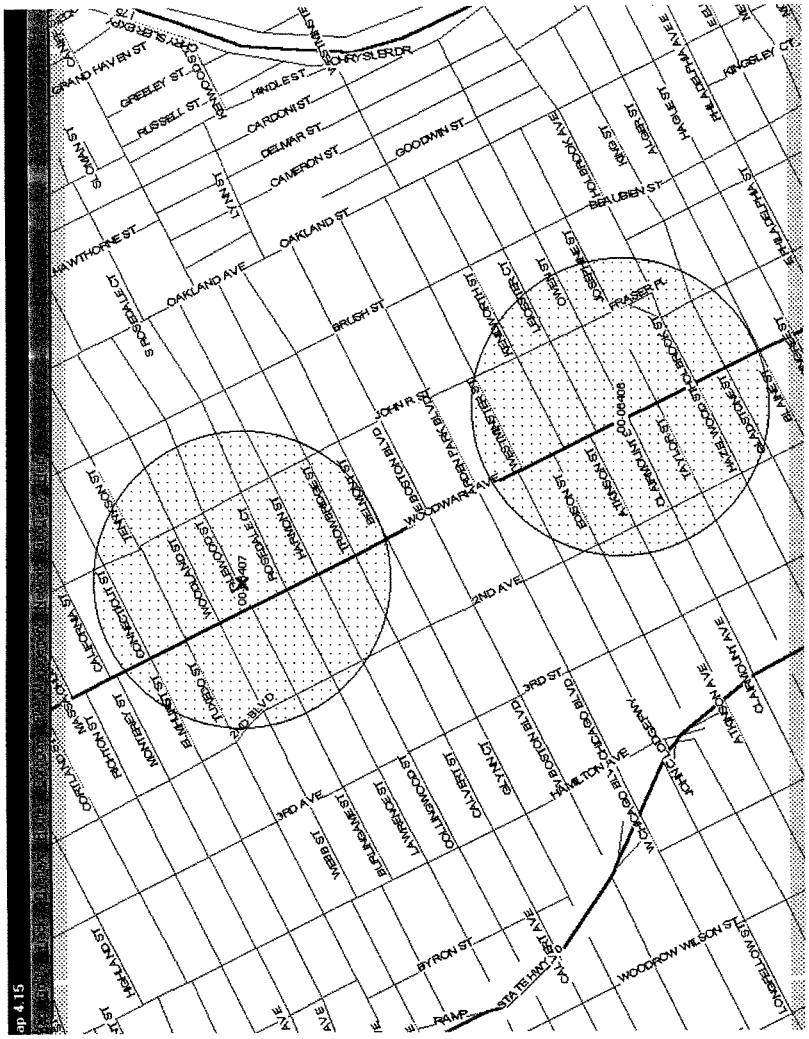
Purpose of Deconfliction Center:

- **OFFICER SAFETY** through event deconfliction
- **REDUCE DUPLICATION** of law enforcement efforts by identifying common locations or common targets.

Deconfliction Center

ACTIVITIES TO BE REPORTED:

- Buy & Bust
- Reverse Stings
- UC Buys or Meetings
- Search Warrants
- Surveillance activities
- Any other legitimate law enforcement operation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HANDLE ST
CARDONI ST
DELMAR ST
CAMERON ST
GOODWIN ST
OAKLAND ST
OAKLAND AVE
HAWTHORNE ST
BRUSH ST
JOHN R. ST
WOODWARD AVE
2ND AVE
3RD AVE
3RD ST
HAMILTON AVE
BYRON ST
WOODROW WILSON ST
STATE HWY SUBRDR
CALIFORNIA ST
CONNECTICUT ST
WOODLAWN ST
HANNON ST
BELMONT CT
BELMONT ST
JEFFERSON ST
MONTCALM ST
MONTREAL ST
CONTL LAND ST
MASSACHUSETTS ST
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WABB ST
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COLLINGWOOD ST
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BOSTON BLVD
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DETROIT AVE
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LEBOSSIER CT
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S PROSPECT ST
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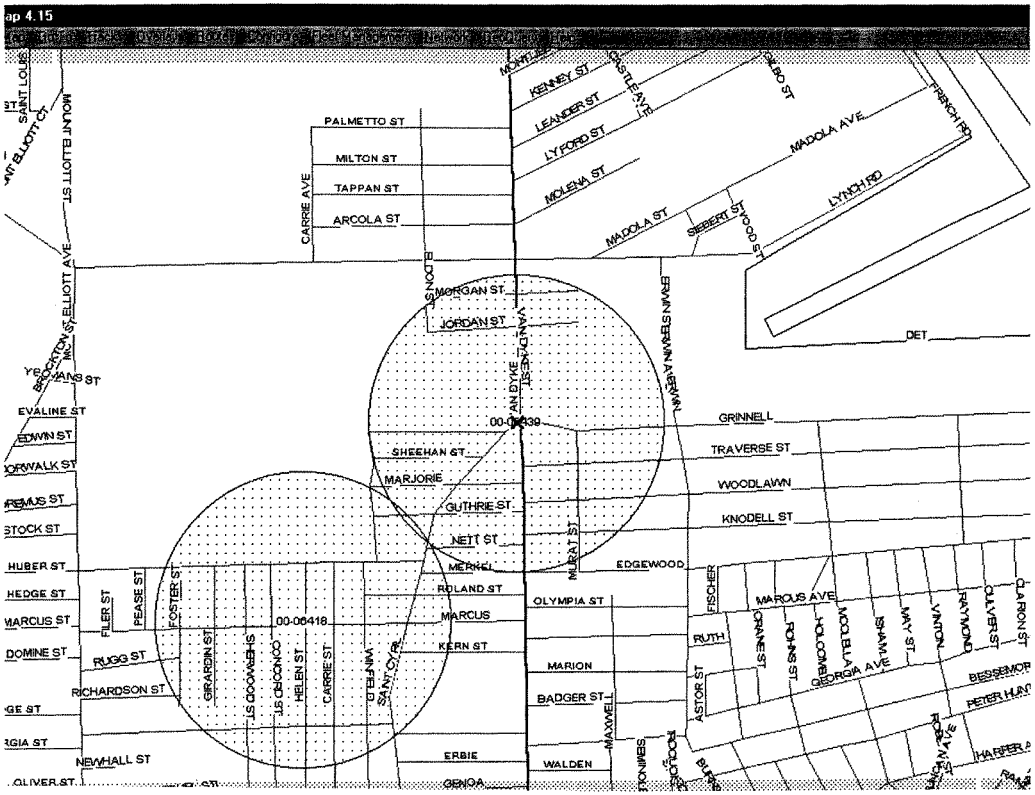
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JORDAN ST
VAN DYKE
ERWIN STEWART AVENUE
GRINNELL
TRAVERSE ST
WOODLAWN
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NETT ST
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BADGER ST
WALDEN
ERBIE
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EDGEWOOD
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GEORGIA AVE
RUTH
ASTOR ST
FISCHER
MOOBELLA
ISHAM AVE
MAY ST
VINTON
RAYMOND
OLIVER ST
CLARON ST
BESSEMOR
PETER HUN
HARPER A
MAXWELL
MURAT ST
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WINFIELD
CARRIE ST
HELEN ST
LE CONCO
SHERWOOD ST
GRARDIN ST
FOSTER ST
PEASE ST
FILER ST
RUGG ST
RICHARDSON ST
NEWHALL ST
HUBER ST
HEDGE ST
MARCUS ST
DOMINE ST
STOCK ST
EVALINE ST
MOLIN ELLIOTT ST
MOLIN ELLIOTT AVE
SAINT ELLIOTT CT
SAINT LOUIS
DET

Deconfliction Center

NOTIFICATION OF CONFLICTS:

When a conflict or possible conflict is discovered, both investigating agencies will be contacted by the Deconfliction Center **IMMEDIATELY!**

INVESTIGATIVE QUERIES:

The Deconfliction Center offers investigative query service to all officers/agents.

Intelligence resources available from the following intelligence data bases and others :

- FBI Network - NADDIS-DEA - TECS-USCS - WIN- USMS
- EPIC - NCIC/NLETS - STATIS-MSP - Lexis Nexus
- CLEMIS - Riss.net - NDIC ADNET/Sipranet

Investigative Support Center
INTELLIGENCE GROUPS

PURPOSE:

Distinct from Deconfliction, but interrelated.

Conduct and manage complex intelligence research projects in the following areas:

- Intelligence Fusion/Target Identification
- Support for long term conspiracy cases & assistance for the **Prosecution** of cases
- Strategic intelligence product to guide future MICHIGAN HIDTA Investigative Initiatives

FY 2003 Initiative Task Forces

1. Unified Task Force
2. COMET, Macomb
3. DRANO
4. LAWNET, Washtenaw County
5. Western Wayne Narcotics Team
6. NET, Oakland County
7. Homicide Task Force
8. DEA Grp 6
9. Conspiracy One
0. Dangerous Drug Group
1. Transportation Group (DMAG,PIT, ETC)
12. DPD/MSP Forensics
13. Financial Invest. T.F.
14. Meth. Lab Training
15. DPD Violent Crimes T.F.
16. Hotel Interdiction (Chief)
17. MET (Kent County)
18. WEMET
19. SWET
20. TECH Services
21. Inv.Support Center
22. FANG (Genesee County)
23. Firearms Interdiction TF

MICHIGAN HIGH INTENSITY DRUG TRAFFICKING AREA
INITIATIVES
COORDINATORS
RESOURCES
Telephon
Analysis
Data Queries
Link Analy
Post Seizure
Analysis
Deconflicti

Investigative Support Center

Our Investigative Support and Deconfliction Center consists of Five groups. There is a **Coordinator** for each group. They are from **DEA, FBI, BICE, MSP and DPD**. These groups are made up of a combination of analysts from **DEA, FBI, ICE/CBP,Coast Guard, MSP, the MiNG,** and other agencies. Our HIDTA has an ISDC with unrestricted interaction between agencies.

MICHIGAN HIGH INTENSITY DRUG TRAFFICKING AREA

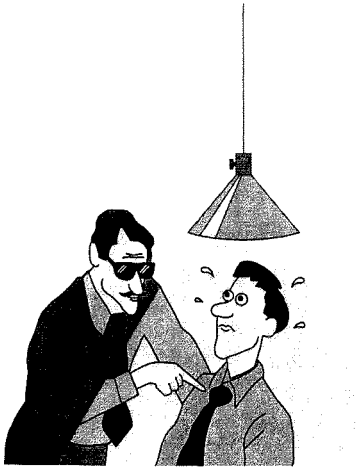
Investigative Support Center

Ways to Contact ISC:

FBI, SSA Andrew Bartnowak	(313) 967-4581
DEA, G/S Kevin Stickney	(313) 967-4606
ICE, SSA George Golliday	(313) 967-4566
MSP, TBD	(313) 967-4542
DPD, TBD	(313) 967-4523
FAX	(313) 965-8605
Director A.L. Azzam	(313) 967-4505
Deputy Director Steven Sheredy	(313) 967-4506

QUESTIONS??????

“Confisus Veribus”



Mr. SOUDER. Mr. Hodzen.

Mr. HODZEN. Good morning, Chairman Souder. I'm honored to appear before you to discuss the investigative efforts and accomplishments of the Department of Homeland Security Immigration and Customs Enforcement. Established in March 2003, ICE is the Federal Government's newest and the second largest investigative agency. Through its legacy components, ICE brings to bear significant expertise, broad statutory authorities, and innovative investigative techniques. One key mission of ICE is to disrupt and dismantle organizations involved in the smuggling of narcotics into the United States. Along with our counterparts from Customs and Border Protection and in conjunction with the Drug Enforcement Administration, we have developed a focused and integrated strategy to combat the importation of precursor chemicals used to manufacture narcotics in the United States, specifically ephedrine and pseudoephedrine.

The production and distribution of methamphetamine in the United States is not a new problem. For decades, outlaw motorcycle gangs controlled this criminal industry. However, the potential for high profit quickly drew others into the industry, including narco-traffickers from Mexico. As U.S. law enforcement focused its investigative efforts on domestic production and diversion, the U.S. Government strengthened anti-diversion regulations. As a result, the criminal organization sought alternative means to obtain the precursors necessary for the production of methamphetamine. Due to the geographic proximity and the volume of trade with the United States, Canada inadvertently became a primary source of supply for these chemicals. Responding to the increase in demand, legitimate Canadian industries made available large amounts of pseudoephedrine in tablet form. Sold in the domestic Canadian market, these tablets were purchased in bulk by criminal organizations and subsequently smuggled into the United States.

Joint investigative efforts by ICE and DEA produced valuable intelligence on the structure and methods of operation of these criminal organizations. In particular, an analysis of seizures and arrests made in 2001 and 2002 identified a relationship between the movement of pseudoephedrine from Canada and smuggling organizations that were moving the product west.

Between 2001 and 2002, U.S. law enforcement seized more than 127 million tablets of pseudoephedrine and ephedrine, including one seizure of more than 42 million tablets in Detroit, MI and another of more than 21 million tablets in Port Huron, MI.

The continuous pursuit of these organizations, including large-scale undercover operations, border interdiction activities, controlled deliveries, and the analysis of smuggling trends, has significantly disrupted the flow of pseudoephedrine from Canada.

A key component to these investigations was the cooperation provided by the Canadian law enforcement authorities, especially the assistance provided by the Royal Canadian Mounted Police and the Canada Border Service Agency. These agencies have continuously supported U.S. efforts through the exchange of intelligence and support of undercover international smuggling operations. For example, these agencies assisted ICE and DEA in Detroit, MI with

an undercover investigation involving a criminal conspiracy to import 200 cases of pseudoephedrine.

In 2003, in support of law enforcement efforts, the Canadian government implemented tighter regulations, requiring licensing and permits for producers, importers, exporters, and wholesalers of ephedrine and pseudoephedrine. Aggressive bilateral investigation and enforcement action, combined with the implementation of these regulations has led to significant results.

For example, pseudoephedrine and ephedrine seizures from Canada spiked to approximately 127 million tablets between 2001 and 2002. However, after the Canadian Precursor Control Regulations were implemented, the number of tablets seized decreased to approximately 11 million tablets in 2003. Simultaneously, the price of pseudoephedrine on the street rose. The decline in seizures and the corresponding rise in street prices suggest the relationship in which the United States and Canadian efforts are making a difference.

The combined efforts of ICE, Federal Prosecutors, DEA, CBP and our Canadian counterparts appears to have made a marked effect on the availability of supply of ephedrine and pseudoephedrine, making it more difficult for methamphetamine producers to acquire these chemicals. With the continuous cooperation of the Canadian Government, the strengthening of regulations that govern these chemicals, and working closely with our law enforcement counterparts in this shared mission, ICE looks forward to an even greater success in fighting the growing threat of methamphetamine.

ICE continues to evolve to match its investigative priorities with critical concerns of this Nation. With continuous cooperation with our counterparts at Customs and Border Protection and proactive undercover investigations and intelligence sharing with DEA, we will continue to target the vulnerabilities that facilitate illegal activity. In conclusion, I would like to thank Chairman Souder and the members of the subcommittee for the privilege to testify before you today and highlight the investigative efforts and successes of ICE, a premier law enforcement agency. It would be my pleasure to answer questions you may have.

Mr. SOUDER. Thank you very much.

[The prepared statement of Mr. Hodzen follows:]

U.S. Immigration and Customs Enforcement

STATEMENT

OF

MICHAEL A. HODZEN
INTERIM SPECIAL AGENT IN CHARGE
DETROIT, MICHIGAN

IMMIGRATION AND CUSTOMS ENFORCEMENT
DEPARTMENT OF HOMELAND SECURITY

BEFORE

House Government Reform Committee
Subcommittee on Criminal Justice, Drug Policy and Human Resources

"Northern ICE: Stopping Methamphetamine Pre-cursor Chemical Smuggling Across the U.S.-Canada Border"

April 20, 2004 at 9:30 a.m.
Detroit, Michigan

MICHAEL A. HODZEN
Interim Special Agent in Charge
Immigration and Customs Enforcement
Department of Homeland Security

Good morning, Chairman Souder and distinguished Members of the Subcommittee. I am honored to appear before you to discuss the investigative efforts and accomplishments of the Department of Homeland Security's (DHS) Immigration and Customs Enforcement (ICE). Established in March 2003, ICE is the Federal Governments newest and the second largest investigative agency. Through its legacy components, ICE brings to bear significant expertise, broad statutory authorities, and innovative investigative techniques. One key mission of ICE is to disrupt and dismantle organizations involved in the smuggling of narcotics into the United States. Along with our counterparts from Customs and Border Protection, and in conjunction with the Drug Enforcement Administration (DEA), we have developed a focused and integrated strategy to combat the importation of pre-cursor chemicals used to manufacture narcotics in the United States, specifically ephedrine and pseudoephedrine.

The production and distribution of methamphetamine in the United States is not a new problem. For decades, outlaw motorcycle gangs controlled this criminal industry. However, the potential for high profit quickly drew others into the industry, including narco-traffickers from Mexico. As U.S. law enforcement focused its investigative efforts on domestic production and diversion, the U.S. government strengthened anti-diversion regulations. As a result, the criminal

organizations sought alternative means to obtain the precursors necessary for the production of methamphetamine. Due to the geographic proximity and the volume of trade with the United States, Canada inadvertently became a primary source of supply for these chemicals. Responding to the increase in demand, legitimate Canadian industries made available large amounts of pseudoephedrine in tablet form. Sold in the domestic Canadian market, these tablets were purchased in bulk by criminal organizations and subsequently smuggled into the United States.

Joint investigative efforts by ICE and DEA produced valuable intelligence on the structure and methods of operation of these criminal organizations. In particular, an analysis of seizures and arrests made in 2001 and 2002 identified a relationship between the movement of pseudoephedrine from Canada and smuggling organizations that were moving the product West. Between 2001and 2002, U.S. law enforcement seized more than 127 million tablets of pseudoephendrine and ephedrine, including one seizure of more than 42 million tablets in Detroit, Michigan and another of more than 21 million tablets Port Huron, Michigan.

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A key component to these investigations was the cooperation provided by Canadian law enforcement authorities, especially assistance provided by the Royal Canadian Mounted Police (RCMP) and Canada Border Service Agency. These agencies have continuously supported U.S. efforts through the exchange of intelligence and support of undercover international smuggling operations. For example, the RCMP assisted ICE and DEA in Detroit, Michigan, with an undercover investigation involving a criminal conspiracy to import 200 cases of pseudoephedrine.

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The combined efforts of ICE, Federal Prosecutors, DEA, CBP, and our Canadian counterparts appears to have had a marked effect on the available supply of ephedrine and pseudoephedrine – making it more difficult for methamphetamine producers to acquire these chemicals. With the continuous cooperation of the Canadian government, the strengthening of regulations that govern these chemicals, and working closely with our law enforcement counterparts in this shared mission, ICE looks forward to even greater success in fighting the growing threat of methamphetamine.

CONCLUSION

ICE continues to evolve to match its investigative priorities with the critical concerns of this Nation. In continuous cooperation with our counterparts at Customs and Border Protection and sharing of information with the Drug Enforcement Administration, we will continue to target the vulnerabilities that facilitate illegal activity. In conclusion, I would like to thank Chairman Souder and the Members of the Subcommittee for the privilege to testify before you today and highlight the investigative efforts and success a premier law enforcement agency. It would be my pleasure to answer any questions you may have.

Mr. SOUDER. Mr. Arvanitis.

Mr. ARVANITIS. Thank you, sir.

Good morning, Chairman Souder and distinguished members of the subcommittee. It is a pleasure to appear before you today to discuss the challenge of stopping methamphetamine precursor chemicals being smuggled across the United States and Canadian border and the efforts of the Drug Enforcement Administration to combat it. My name is John Arvanitis and I'm the Assistant Special Agent in charge of the Detroit Field Division. On behalf of Administrator Karen P. Tandy and Special Agent in Charge, John P. Gilbride, I am particularly pleased to appear before you today on this topic to discuss recent law enforcement successes that we believe demonstrate how law enforcement efforts can significantly impact supply and the trafficking of a drug.

International efforts were undertaken during the mid 1990's to control the flow of bulk ephedrine and pseudoephedrine. DEA Operations Mountain Express I and II targeted the domestic diversion of pseudoephedrine primarily by individuals and companies registered by DEA to handle controlled substances and chemicals. Operations Mountain Express I and II subsequently resulted in the arrest of 189 individuals and the seizure of more than 12½ tons of pseudoephedrine, 83 pounds of finished methamphetamine and $11.1 million in U.S. currency. With the success of these investigations and enhanced regulatory oversight by DEA, methamphetamine producers found it increasingly difficult to obtain sufficient quantities of pseudoephedrine within our borders. As a result, they turned to Canada where pseudoephedrine tablets were available in large quantities.

In response to the change in pseudoephedrine trafficking trends, DEA subsequently initiated Operation Mountain Express III. This operation concluded with the arrest of over 100 defendants in January 2002 and caused other Canadian pharmaceutical companies to fill the void created by continuing to sell huge quantities of pseudoephedrine. DEA subsequently initiated Operation Northern Star, as mentioned earlier, specifically to combat precursor chemicals moving across the United States and Canadian border.

On April 15, 2003, the DEA, U.S. Immigration and Customs Enforcement, Federal Bureau of Investigation, International Revenue Service, along with Royal Canadian Mounted Police, arrested more than 65 individuals in 10 cities throughout the United States and Canada. Approximately 108 million tablets of pseudoephedrine were seized during this investigation. This quantity of pseudoephedrine could have yielded approximately 9,000 pounds of methamphetamine, with an estimated street value between $36 million and $144 million, depending on purity levels.

Operation Northern Star demonstrated that concentrating resources and investigative efforts in a specific geographic area of the global chemical trade can make a tangible and demonstrable difference. This is best illustrated by the precipitous drop in the amount of Canadian pseudoephedrine seizures after April 2003. Seizures of pseudoephedrine dropped from a high of more than 75 million tablets in 2001 to approximately 26 million tablets in 2003, a majority of which were confiscated before April of last year.

United States and Canadian law enforcement measures, along with the newly enacted precursor chemical laws in Canada have clearly decreased pseudoephedrine availability dramatically. In addition, Canadian imports of pseudoephedrine have decreased from 511,395 kilograms in 2000 to 84,634 kilograms in 2003. As a result, it appears that methamphetamine production is moving back to Mexico.

Although the DEA's concentrated operations have been regionally successful, chemical supply shortfalls have quickly been filled by other sources from transnational organizations using other countries as transit points for importing chemicals into our country. Foreign countries that establish and implement even basic regulatory controls for precursor chemicals provide the DEA with substantial assistance in stopping the importation of such chemicals.

The Canadian Health Ministry recently implemented a chemical control system requiring the registration, licensing and permits for import and export by Canadian companies, and is indicative of how regulatory requirements can be effective. While not as rigorous as provisions in the United States, these regulations have had a positive effect on the problems encountered by our country and have made it more difficult for traffickers to obtain chemicals from Canada. Along with the improved accuracy of export figures supplied by Canada to the DEA, authorities now can monitor the legal trade of precursor chemicals between our two nations and help in our combined efforts to prevent chemical diversion.

I would be happy also to answer any questions the subcommittee may have of me.

Mr. SOUDER. Thank you.

[The prepared statement of Mr. Arvanitis follows:]

Statement of

John Arvanitis
Assistant Special Agent in Charge
Detroit Division Office
Drug Enforcement Administration

Before the

U.S. House of Representatives
House Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy
And Human Resources

April 20, 2004

"Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border"

Executive Summary

Methamphetamine has spread like wildfire across the United States. A relatively unknown drug for many years, it remained smoldering until the late 1980s, primarily affecting only states on the West Coast. By the early 1990s, methamphetamine gained in popularity, hitting rural areas particularly hard.

During the mid 1990s Canada emerged as a source of supply for pseudoephedrine, a chemical needed to make methamphetamine, after DEA's Operations Mountain Express I and II significantly reduced the illegal pseudoephedrine trade within the United States. Operation Mountain Express III was initiated to target individuals responsible for smuggling pseudoephedrine of Canadian origin into the U.S. which was then sold to Mexican organizations that operated large "superlabs." Recent changes in Canadian regulations, encouraged in part by the United States, have led to tighter restrictions on "pseudo" production and transportation from that country. Joint enforcement operations such as Operation Northern Star have been successful in limiting access to Canadian pseudoephedrine. The DEA is working with our partners around the globe to target international methamphetamine and methamphetamine precursor traffickers. Efforts are focused on limiting access to wholesale amounts of pseudoephedrine.

Chairman Souder and distinguished members of the Subcommittee, it is a pleasure to appear before you today to discuss the challenge of stopping methamphetamine precursor chemicals being smuggled across the U.S. and Canadian border and the efforts of the Drug Enforcement Administration to combat it. My name is John Arvanitis, and I am the Assistant Special Agent in Charge of the Detroit Division Office. On behalf of Administrator Karen P. Tandy and Special Agent In Charge of the

Detroit Division John Gilbride, I would like to thank this subcommittee for its unwavering support of the men and women of the DEA and its mission.

We are particularly pleased to appear before you today on this topic to discuss recent law enforcement successes that we believe demonstrate how law enforcement efforts can significantly impact supply of and traffic in a drug. As a result of law enforcement efforts with our partners in the U.S. and Canada, the price of illegal pseudoephedrine has risen from $2,400 per case in 2002 to $3,500 per case in 2003. The number of methamphetamine superlabs in California has gone from 250 in 2001 to 122 in 2003. We believe that our combined efforts have begun to shift methamphetamine production back to Mexico.

In the early 1990s, Mexican drug trafficking organizations in Mexico and California began operating "superlabs," laboratories that are capable of producing at least 10 pounds of methamphetamine in a 24-hour period and several hundred pounds of methamphetamine in just days. In most cases, pseudoephedrine is a necessary "precursor" chemical to make methamphetamine. It can be obtained either as a bulk chemical or from legitimate products, most frequently cold medicines. From their experience trafficking cocaine, heroin, and marijuana, these criminal organizations exploited their well-established transportation routes into and throughout the United States. By offering inexpensive, high-purity methamphetamine, the Mexican organizations gained a foothold in the existing U.S. market. As stronger regulatory controls were implemented in the United States making the acquisition of precursor chemicals more difficult, Mexican poly-drug organizations went to international markets to obtain precursor chemicals.

By the mid 1990s international efforts were undertaken to control the flow of bulk ephedrine and pseudoephedrine causing Mexican manufacturers to use more readily available tablets from within in the United States, later turning to chemical wholesalers and unscrupulous retail store operators. DEA Operations Mountain Express I and II targeted the domestic diversion of pseudoephedrine, primarily by individuals and companies registered by DEA to handle controlled substances and chemicals. Operations Mountain Express I and II resulted in the arrest of 189 individuals and the seizure of more than 12.5 tons of pseudoephedrine, 83 pounds of finished methamphetamine, and $11.1 million in U.S. Currency. With the success of these investigations and enhanced regulatory oversight by DEA, methamphetamine producers found it increasingly difficult to obtain sufficient quantities of pseudoephedrine inside our borders. As a result, they turned to Canada where pseudoephedrine tablets were available in large quantities.

In response to the change in pseudoephedrine trafficking trends, DEA initiated Operation Mountain Express III. This operation, significantly supported by ICE particularly along the Detroit and Canadian border, concluded with the arrest of over 100 defendants in January of 2002. It caused other Canadian pharmaceutical companies to fill the void created by continuing to sell huge quantities of pseudoephedrine. DEA then initiated Operation Northern Star specifically to combat precursor chemicals moving across the U.S. and Canadian border. This investigation employed a comprehensive top

to bottom strategy targeting the entire methamphetamine trafficking process, including suppliers of precursor chemicals, brokers, transporters, manufacturers, distributors, and the money launderers who helped conceal organizational ill-gotten gains.

On April 15, 2003, the DEA, U.S. Immigration and Customs Enforcement, Federal Bureau of Investigation, and the Internal Revenue Service, along with the Royal Canadian Mounted Police, arrested more than 65 individuals in ten cities throughout the United States and Canada. Without the critical support of prosecutors in the many U.S. Attorney's offices who secured the indictments and convictions, law enforcement could not have hoped for as much success. Attention was then focused on six executives from three Canadian chemical companies. One company, Frega Inc., was charged criminally in Detroit, Michigan for its role in supplying bulk quantities of pseudoephedrine to brokers in Cincinnati, Ohio and Chicago, Illinois. Approximately 108 million tablets of pseudoephedrine originating from Frega Inc. were seized during this investigation. This quantity of pseudoephedrine could have yielded approximately 9,000 pounds of methamphetamine, with an estimated street value between $36 million and $144 million depending on purity levels.

Operation Northern Star ultimately caused a fundamental shift in the way pseudoephedrine traffickers and methamphetamine manufacturers operate as well as the way that DEA views precursor chemical distributors. This operation demonstrated that concentrating resources and investigative effort in a specific geographic area of the global chemical trade can make a tangible and demonstrable difference. This is best illustrated by the precipitous drop in the amount of Canadian pseudoephedrine seizures after April 2003. Seizures of pseudoephedrine dropped from a high of more than 75 million tablets in 2001 to approximately 26 million tablets in 2003 -- a majority of which was confiscated before April of last year.

U.S. and Canadian law enforcement measures along with the newly enacted precursor chemical laws in Canada have clearly decreased pseudoephedrine availability dramatically. In addition, Canadian imports of pseudoephedrine have decreased from 511,395 kilograms in 2000 to 84,634 kilograms in 2003. As a result, it appears that methamphetamine production is moving back to Mexico. In fact, Mexico reported seizing over 650 kilograms of methamphetamine in 2003 . This is the largest annual seizure ever recorded by Mexico and reflects a 42 percent increase from 2002. In addition, Arizona border seizures increased from 201 pounds of pseudoephedrine in 2001 to over 1,300 pounds in 2003.

Although the DEA's concentrated operations have been regionally successful, chemical supply shortfalls have quickly been filled by other sources from transnational organizations using other countries as transit points for importing chemicals into our country. Many foreign countries do not have an established and effective system to identify suspicious shipments of precursor chemicals. Mexico has a system of laws and regulation in place, but in practice, precursor seizures in Mexico tend to occur more as a result of local interdiction than from a regional or national initiative. Foreign countries that establish and implement even basic regulatory controls for precursor chemicals

provide the DEA with substantial assistance in stopping the importation of such chemicals.

The Canadian Health Ministry recently implemented a chemical control system requiring the registration, licensing, and permits for import/export by Canadian companies, and is indicative of how regulatory requirements can be effective. While not as rigorous as provisions in the U.S., these regulations have had a positive effect on the problems encountered by our country, and have made it more difficult for traffickers to obtain chemicals from Canada. Along with the improved accuracy of export figures supplied by Canada to the DEA, authorities can monitor the legal trade of precursor chemicals between our two nations and helps in our efforts to prevent chemical diversion.

I would be happy to answer any questions the Subcommittee may have.

Mr. SOUDER. Mr. Weeks.

Mr. WEEKS. Thank you and good morning, Chairman Souder. I personally would like to thank you for allowing me this opportunity to testify regarding the U.S. Customs and Border Protection's role in interdicting narcotics at the United States and Canadian border.

The priority mission for CBP is homeland security. Although nothing can diminish the importance of detecting and preventing terrorists and implements of terrorism from entering the United States, CBP also preserves its collective history of protecting the homeland by seizing illegal drugs and other contraband at the U.S. border, apprehending people who attempt to enter the United States illegally and by protecting our agricultural interest and the public health from harmful pests and diseases.

In order to uphold these responsibilities, CBP deploys a layered defense that essentially employs enforcement strategies, technologies, inspection processes and facilitation programs simultaneously.

For CBP, success begins with our people and our effort to achieve one fact at the border. CBP places great importance on cultivating a highly skilled work force.

The National Targeting Center is the hub for CBP targeting efforts, setting the standards and defining processes. The NTC staff includes personnel with customs, agriculture, immigration and Border Patrol law experience, as well as liaison personnel from other agencies such as the Transportation Security Administration, the U.S. Coast Guard, Immigration and Customs Enforcement, the Department of Energy and the Food and Drug Administration.

This collocation of enforcement and regulatory subject matter experts allows the NTC to support field programs and operations. CBP continues to develop new modules and rule sets to further enhance targeting capabilities of the Automated Targeting System [ATS]. Although nationally directed, support from field locations is critical to the evolution of ATS. Their expertise in risks associated with smuggling activity and knowledge specific to the Northern Border trade patterns have been integrated into ATS targeting rule sets specific to truck and rail cargo on the Northern Border. This integration significantly enhances the ability of ATS to be used to detect unusual shipments that might conceal narcotics or pose threats to homeland security.

Our CBP and Border Patrol officers are also utilizing non-intrusive inspection and radiation detection technologies. In combination with our layered enforcement strategy, these tools provide CBP with significant capacity to detect and deter nuclear or radiological materials, narcotics and other contraband.

There are currently three large-scale imaging systems and 44 radiation portal monitors deployed throughout the Detroit Field Office area of responsibility.

Close and constant coordination with our Canadian counterparts is the last layer of our defense that I would like to discuss. CBP continues to work closely with Canadian law enforcement personnel, including the Canada Border Service Agency and the Royal Canadian Mounted Police to address the mutual threat of narcotics smuggling on our shared border.

Our Border Patrol agents work side-by-side with Canadian law enforcement officers on Integrated Border Enforcement Teams and Integrated Marine Enforcement Teams. IBET teams are binational law enforcement entities comprised of Federal, State and local law enforcement agencies and the RCMP. The teams were established to facilitate U.S./Canada law enforcement agency involvement in the disruption and dismantling of criminal organizations involved in the smuggling of people and contraband along the U.S./Canadian border.

Now I would like to turn to some successes in narcotics interdiction that have resulted from our layered approach.

On March 25, 2004, CBP Officers, with the assistance of Canada Border Service Agency Information, initiated an inspection that led to the discovery and seizure of 166 kilos of marijuana and 10,224 tablets of ecstasy entering the United States via a commercial truck trailer. A large-scale imaging system confirmed suspicions about anomalous packages commingled with a commercial shipment. This success is particularly important because it represents the convergence of several components of our layered defense; international coordination and information sharing, technology and skilled officer personnel.

From April 2001 to May 2003, the Detroit Field Office affected seizures of pseudoephedrine totaling over 150 million tablets or the equivalent; however, I will only discuss two of those seizures this morning. Fifty-seven percent of those pseudo seizures have been discovered in commercial vehicles.

The largest seizure of pseudoephedrine in Michigan occurred on April 11, 2001. A tractor-trailer arrived at the Detroit Fort Street Cargo facility, where the subject stated he was empty. The truck was taken to secondary for further examination. Inspectors confirmed that the trailer contained 22 pallets which amounted to 42 million tablets of pseudoephedrine. The subject was arrested for Federal prosecution.

The most recent seizure of pseudoephedrine was in May 2003 where inspectors in Port Huron seized an estimated 795 tablets of a powdered substance that tested positive for pseudoephedrine. The subjects and the contraband were turned over to ICE agents for Federal prosecution.

These samples of CBP's interdiction activities along the northern border illustrate that CBP continues its narcotics interdiction mission while moving rapidly to improve the personnel, technologies and partnerships that allow us to meet the challenges to the homeland security.

Thank you again for this opportunity to testify regarding our ongoing efforts to interdict narcotics and their precursors on the U.S.-Canadian Border. I am happy to answer any questions that you may have, Mr. Chairman.

[The prepared statement of Mr. Weeks follows:]

FINAL

STATEMENT BY
KEVIN W. WEEKS
DIRECTOR, OFFICE OF FIELD OPERATIONS
U.S. CUSTOMS AND BORDER PROTECTION

"Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S. - Canada Border"

April 20, 2004

Good morning Chairman Souder and members of the Committee. Welcome to Detroit, and thank you for this opportunity to testify regarding U.S. Customs and Border Protection's role in interdicting narcotics at the U.S. – Canada Border.

The priority mission for CBP is homeland security. Although nothing can diminish the importance of detecting and preventing terrorists and implements of terrorism from entering the United States, CBP also preserves its collective history of protecting the homeland by:

- Seizing illegal drugs and other contraband at the U.S. Border.
- Apprehending people who attempt to enter the United States illegally.
- And, by protecting our agricultural interests and the public health from harmful pests and diseases.

In order to uphold these responsibilities, CBP deploys a layered defense that essentially employs enforcement strategies, technologies, inspection processes and facilitation programs simultaneously. These interdependent layers reinforce each other and increase our capacity to detect threats to the homeland.

I would like to focus on the people, technology, and law enforcement partnerships that support the Detroit Field Office and the Detroit Border Patrol Sector's efforts to interdict narcotics and their precursors at the U.S. – Canada Border.

For CBP, success begins with our people and our efforts to achieve One Face at the Border. CBP places great importance on cultivating a highly skilled workforce. CBP is responsible for deploying approximately 42,000 employees and preserving the traditional missions of our predecessor agencies, and our ranks are growing. We have trained 864 newly hired CBP Officers under a unified, integrated curriculum since October of 2003.

CBP is responsible for over 11,000 Border Patrol agents and has significantly increased the number of personnel assigned along the northern border. Prior to September 11, 2001, there were only 368 Border Patrol agents stationed along the entire northern border. In FY04, that number has increased to over 1,000 agents.

Customs and Border Protection National Targeting Center

The National Targeting Center is the hub for CBP targeting efforts, setting the standards and defining processes. The NTC staff includes personnel with customs, agriculture, immigration, and Border Patrol law experience as well as liaison personnel from other agencies such as the Transportation Security Administration, the U.S. Coast Guard, Immigration and Customs Enforcement, the Department of Energy, and the Food and Drug Administration.

This co-location of enforcement and regulatory subject matter experts allows the NTC to support field elements, including the Container Security Initiative personnel stationed around the world, with additional research assets for passenger and cargo examinations.

Automated Targeting System

CBP continues to develop new modules and rule sets to further enhance targeting capabilities of the Automated Targeting System (ATS). Although nationally directed, support from field locations is critical to the evolution of ATS. Analysts and inspectors in the Detroit Field Office have played an important role in developing and continuing to refine the ATS targeting rules for truck and rail cargo on the Northern Border. Their expertise in risks associated with smuggling activity and knowledge specific to the Northern Border trade patterns have been integrated into ATS targeting rule sets specific to truck and rail cargo on the Northern Border. This integration significantly enhances the ability of ATS to be used to detect unusual shipments that might conceal narcotics or pose threats to homeland security.

Non Intrusive Inspection and Radiation Detection Technologies

Our CBP and Border Patrol Officers are also utilizing Non-Intrusive Inspection and Radiation Detection Technologies. In combination with our layered enforcement strategy, these tools provide CBP with a significant capacity to detect and deter nuclear or radiological materials, narcotics, and other contraband.

CBP has consistently demonstrated its commitment to staying current with the latest advancements in these technologies, and working to deploy them to the best advantage. There are currently 3 large-scale imaging systems, and 44 Radiation Portal Monitors deployed throughout the Detroit Field Office area of responsibility.

U.S. – Canada Cooperation

Close and constant coordination with our Canadian counterparts is the last layer of our defense that I would like to introduce. CBP continues to work closely with Canadian law enforcement personnel including the Canada Border Service Agency and the Royal Canadian Mounted Police (RCMP) to address the mutual threat of narcotics smuggling on our shared border. The Smart Border Action Plan provides the framework for these efforts.

Our Border Patrol Agents work side-by-side with Canadian law enforcement officers on Integrated Border Enforcement Teams (IBET) and Integrated Marine Enforcement Teams (IMET). IBET teams are bi-national law enforcement entities comprised of federal, state and local law enforcement agencies and the RCMP. The teams were established to facilitate U.S./Canada law enforcement agency involvement in the disruption and dismantling of criminal organizations involved in the smuggling of people and contraband along the U.S./Canada border.

These teams target cross-border criminal activity by maximizing the use of existing enforcement personnel and resources and simultaneously avoiding the duplication of enforcement and investigative efforts. There are currently 14

separate IBET teams operating across the northern border. The Detroit-Windsor IBET is jointly managed by the Border Patrol and RCMP.

Interdiction

Now I would like to turn to some of the successes in narcotics interdiction that have resulted from our layered approach.

On March 25, 2004 CBP Officers, with the assistance of Canada Border Service Agency information, initiated an inspection that led to the discovery and seizure of 166 kilos of marijuana and 10,224 tablets of ecstasy entering the U.S. via a commercial truck trailer. A large-scale imaging system confirmed suspicions about anomalous packages co-mingled with a commercial shipment. This success is particularly important because it represents the convergence of several components of our layered defense: international coordination and information sharing, technology, and skilled officer personnel.

Over the past three years the Detroit Field Office has increased marijuana seizures in excess of one pound from 4 seizures in Fiscal Year 2001, to 19 in Fiscal Year 2002, and with another significant increase to 44 in FY 2003. Twenty such seizures are recorded for this fiscal year to date.

The Field Office's largest marijuana seizure on record occurred on September 24, 2003 at the Blue Water Bridge at Port Huron Michigan. Non-intrusive and physical examination located 1910 pounds of marijuana secreted in a shipment of municipal solid waste.

From April of 2001 to May of 2003 the Detroit Field Office affected seizures of pseudo-ephedrine totaling over 150 million tablets or the equivalent;

however I will only highlight some of these seizures this morning. Major pseudo smuggling attempts have been thwarted by CBP seizures in Detroit and Port Huron. The seizures have led to multi-agency investigations involving Chicago and California organizations in a conspiracy to convert the pseudo into methamphetamines and distribute it nationally. 57% of all pseudo seizures have been in commercial vehicles.

The largest seizure of pseudo-ephedrine in Michigan occurred on April 11, 2001. A tractor-trailer arrived at the Detroit Fort Street Cargo Facility, lane 4 where the subject stated that he was empty. Inspectors conducted a check for merchandise on primary and asked to the subject to open the doors, revealing several pallets, some marked "pseudo-ephedrine." The truck was taken to secondary for further examination. Inspectors confirmed that the trailer contained 22 pallets with a total of 1431 cases of pseudo-ephedrine or approximately 42,000,000 tablets. The subject was arrested for Federal prosecution.

In March and April 2002 inspectors seized approximately 70,000 tablets of pseudo being shipped into the U.S. from Canada via an express consignment courier. Examination of the manifest by an Import Specialist showed two packages from the same address going to the same consignee in Oklahoma. Within days two more parcels containing approximately 35,000 tablets were discovered.

On December 15, 2002 at Detroit Windsor Tunnel a Ford F-150 pick-up was referred for inspection based on a lookout for possible smuggling. A dump-

truck style device was discovered in the rear of the bed. When lifted, 174,250 tablets that field tested positive for pseudo ephedrine were discovered.

The most recent seizure of pseudo ephedrine was in May 2003. Inspectors in Port Huron seized an estimated 795,040 tablets of a powdered substance that tested positive for pseudo ephedrine. The subjects and the contraband were turned over to ICE agents for Federal prosecution.

I would like to conclude with highlights of recent interdiction activities conducted by CBP's Office of Border Patrol, which is tasked with the responsibility of detection and interdiction along the border between official ports of entry.

The Detroit Sector routinely seizes quantities of illicit drugs during the course of its routine interdiction duties.

On February 21, 2004, agents assigned to the Port Huron, Michigan station seized 207 lbs. of high-quality hydroponics marijuana, which is commonly referred to as "BC Bud". The marijuana was valued at $1,035,000.

On February 12, 2004, Border Patrol Agents of the Trenton, Michigan station seized 37.35 pounds of Cocaine, which is valued at $1,192,000.00. The cocaine was discovered in a vehicle after a Monroe County Sheriff's Department canine alert.

On November 18, 2003 Detroit Station agents were conducting train check and located 61.69 pounds of abandoned BC Bud marijuana. The marijuana, valued at $30,845, was concealed in duffel bags and hidden on an inbound train from Canada.

On November 21, 2003, Detroit Station agents conducting train check operations seized 165 pounds of BC Bud marijuana valued at $825,000.00.

These samples of CBP's interdiction activities on the Northern Border illustrate that CBP continues its narcotics interdiction mission while moving rapidly to improve the personnel, technologies and partnerships that allow us to meet the challenges to homeland security.

Conclusion

Thank you again for this opportunity to testify regarding our ongoing efforts to interdict narcotics and their precursors on the U.S. – Canada Border. I am happy to answer any questions you may have.

Mr. SOUDER. Thank you all for your testimony. I'm trying to figure out where to start here. Let me ask a couple of basic questions before I actually move into some of what we planned because I'm trying to sort out the broader picture because the presentation that you're seeming to make today doesn't quite square with what we were hearing coming in and I want to make sure I've got the mix right and don't misunderstand.

First, everywhere on our north and south border all of our agencies deserve tremendous credit for their aggressiveness in trying to get at the different problems and we need success stories when we're going after it and we can show that we've demonstrated success. I don't want to downplay any type of success that has been made or movement toward success, but we've got to figure out some basic variables and I'm trying to figure out how a couple of these things fit.

My understanding from Mr. Azzam's testimony, actually from all of you, is that you are basically feeling successful with the possible exception of Mr. Weeks and I wasn't absolutely clear. First off, there's been some success, if anybody disagrees with any statement say so and I can clarify.

There's been some success due to the new laws in Canada on meth precursors.

Mr. WEEKS. Well, Mr. Chairman, I think the collective efforts that have been made among these agencies, along with the Canadian law that was enacted has had an impact, at least from an interdiction standpoint. From my perspective, we have not been seeing the kinds of shipments of pseudoephedrine that we saw back in early 2003, 2002, 2001.

As you know, Mr. Chairman, we have been performing many more inspections of truck vehicles. Also since your last visit, we have actually introduced many more technologies that allows us to screen more trucks. Our stats seem to suggest that we are discovering more BC bud that's coming through the border than any of the other drugs and precursors that we saw earlier, but I think that there have been a positive effect concerning the law, as well as the efforts that have been employed, both at the border and with the investigations.

Mr. SOUDER. Mr. Arvanitis, if I can ask you a followup and I want to followup on the BC bud question too. You've raised a number of other things, so let me first go through some of them.

You said that Canadian imports of pseudoephedrine have decreased from 511,000 to 84,000 kilograms from 2000 to 2003 and specifically you said U.S. law enforcement measures along with newly enacted precursor chemical laws in Canada have clearly decreased pseudoephedrine availability.

Are you saying you agree that most of this isn't manufactured in Canada, but that Canada is predominantly getting it in from the Netherlands and Belgium, is that what your understanding is as well?

Mr. ARVANITIS. Yes, sir.

Mr. SOUDER. And I haven't heard at any hearing before, have you heard whether there's been any decline in the production in Belgium and the Netherlands.

Mr. ARVANITIS. No, no, no, sir. I did not mention Belgium and the Netherlands.

Mr. SOUDER. But the testimony suggested that most of the meth precursors that were coming into the United States were coming in from Mexico. Are we suggesting that Belgium and Netherlands are now shipping around and down under, or that all that's being sold in Europe, but we haven't seen a decline coming out of Antwerp and Rotterdam. I'm trying to figure out where it's going if it's not coming to Canada.

Mr. ARVANITIS. We know, sir, that in calendar year 2003, 85 shipments totaling approximately 420 million tablets of pseudoephedrine were shipped from the Far East to fictitious companies in Mexico. We also know that a trend is beginning to become prevalent to DEA that there are other countries from that hemisphere that are also shipping directly back to Mexico bulk quantities of pseudoephedrine indicative of the Mexicans in and of themselves creating superlabs that produce methamphetamine and then import it into the United States along the southwest border.

Recent increases in border seizures of large methamphetamine is indicative of that trend.

Mr. SOUDER. And because I am such a strong ally of each of your agencies, it's hard for me to ask some of the tough questions, but this is an oversight committee and I need to ask some of the tough questions. It has been very disturbing as we're in Iraq and Afghanistan to find out just how difficult it is in your life to sort through sourcing and identification. One thing I'm still kind of reeling from which is a very critical variable that we're working through right now is that in our most sophisticated labs, for example, in New York City where we test the drugs to determine origin, then in reality we can't tell for sure. As I understand it, this is in layman's terms, what's Colombian, what's Afghan heroin because the poppy doesn't show. What it is is the process. The Colombians use certain kinds of processes and the Afghans use certain kinds of processes.

But if Colombian processes are exported into another country, the mark on the heroin coming in, it might be Colombian, but it might be Afghan heroin. And what I'm trying to sort out here underneath this, first off in the pseudoephedrine that comes in, is can we tell when you get the pseudoephedrine, are there marks, are they labeled by a company, are we confident of what is Asian, what is Mexican, what is coming through Rotterdam, how definitive is it? You're just doing the best you can tracing back the trail.

Mr. ARVANITIS. To answer your question, sir, I can't answer that specific question, but that I do know that in large shipments that are in bottled pseudoephedrine, there is a batch number and a case number that may potentially be able to lead investigative efforts to tracking the origin of that pseudoephedrine. But I can make sure that you get the answer for your committee.

Mr. SOUDER. Because ecstasy pills are often marked.

Mr. ARVANITIS. Right.

Mr. SOUDER. And so are other types of pills. I think that because some of my questions are going to wind up national, I'm going to leave the record open for 2 weeks to get any supplementary testimony that seems to elaborate from a Federal perspective on some of the questions I ask here. I've got to get what you said today in

context because what I'm really trying to establish here is even just south of here the meth problem is increasing.

If we seize the precursors, we need to figure out where precisely the precursors are coming in and what's happening to what's coming out of those huge factories in Belgium and the Netherlands and where they're being absorbed, or are they going across the other direction. We'll sort through and get some kind of international tracking there. My next question is it's based on two assumptions. If I understand Mr. Weeks point and your testimony is that Mr. Azzam said you've broken through these two big cases which alone constituted almost 40 percent of the meth precursors that you had confiscated in Detroit in the last round, in what, was it 2002 and 2003, broken the back of some of the major organizations, or at least got them. That is because of increased surges in technology at the Ambassador Bridge and Windsor Tunnel, also Port Huron?

Mr. WEEKS. And Port Huron.

Mr. SOUDER. That you believe you're actually searching more than you were before, so it's not that you decline in searches but that you broke the back of the organizations. You're searching more and you're not finding things as much and that's led you to conclude that at those three crossings, at least, that there's been a decline, or has that led you to conclude that there's been a decline in Canada as a whole.

Mr. AZZAM. Congressman, from my perspective I think what we're experiencing is the classic displacement phenomenon of any drug when efforts are placed and pressure is put upon the traffic, no matter what traffic it is, it displaces and goes somewhere else. The activity of CBP and the investigative agencies, so interdiction plus investigation, has made an impact. What I think is happening is that they have gone to other methods.

For example, it's quite easy to ship from Europe or the Far East to South America or the Caribbean or Mexico, very simple. Very simple. And if that's the easiest course, that's what the displacement factor does. They'll do it that way. I think there still is activity on pseudoephedrine, I think from some indicators that it's existing stocks that were in Canada. The pressure that the Canadians have put on has caused also some concern among the traffickers.

Now also keep in mind that the Middle Eastern community was the one who started the pseudoephedrine traffic and this area has the largest Middle Eastern community in the area. If you draw a 50-mile radius from Detroit, which would include Canada, you'd have the largest population. They also have contacts in other parts of the world. Canada is active, Mexico has a large Middle Eastern population, the Caribbean has a large Middle Eastern population. Europe has a large Middle Eastern population. These people have their connections, their family ties as well as criminal ties.

I think it's just a displacement factor myself.

Mr. SOUDER. By displacement you mean they're now moving other narcotics, or they're out of the narcotics business and moving other illegal goods.

Mr. AZZAM. No. I think what they've done is gone to other trafficking routes.

Mr. SOUDER. Other routes.

Mr. AZZAM. Yes, sir.

Mr. SOUDER. So it's a route displacement to run a drug.

Mr. AZZAM. It's not easy to come across Detroit and at Port Huron any more. It's not easy at all. I think there was some little activity further up north and now I believe it's moving to western Canada toward Vancouver and we've heard reports of stocks in different parts of central Canada and western Canada.

So the border's a little easier there than it is here.

Mr. SOUDER. Now let me move just to kind of do one more check. Do you see, other than the small home cookers which are a whole different market because we can't really reach those with what we're doing at the border because they're not buying meth precursors in huge quantity. We might deal with the pharmacies that they get the stuff from and that kind of thing, but other than home cooking, has there been any kind of dramatic rises in the Michigan HIDTA in meth use? I mean, it's still not the drug of choice. The question is are you seeing a spike or does it seem to be turning down now?

Mr. AZZAM. Well, it depends on what part of the State you're in. I believe DEA has a better answer than I would have, sir.

Mr. SOUDER. OK.

Mr. ARVANITIS. Mr. Chairman, I'll address that issue. Recently we've seen an increase in methamphetamine investigations, one which I will speak to was a recent seizure of approximately one pound of methamphetamine that was to be distributed in the metro Detroit area. Two individuals were arrested. Based on intelligence, we believe that the phenomenon is coming east toward the metro Detroit area and it's only a matter of time before methamphetamine use is seen here in the community.

I would also like to address your prior question to the extent that, you know, DEA and ICE have an outstanding working relationship with our colleagues across the way in Canada, in Windsor. I frequently interact with my RCMP counterparts there. There is an informal sharing of intelligence as it relates to investigations that potentially could come into the metro Detroit area for potential distribution to other, you know, core cities within the United States to include pseudoephedrine, BC Bud, any of the contraband that's being, you know, imported into Canada eventually for distribution into the United States.

I'd also like to add that DEA recognizes the sovereignty of Canada. It's not DEA's policy to impose our will on any sovereign nation, however, that a strong chemical control program must also have a strong regulatory and enforcement component. Those two aspects working hand in hand together with one another will result in a successful destruction and dismantling of, you know, significant organizations importing pseudoephedrine into Canada for eventual importation into the United States and eventually getting it to the Mexican superlabs on the west coast.

Mr. SOUDER. Now, I think I should say as well we've been very pleased with the RCMP cooperation, but I don't think we have to say what our opinion necessarily is of inside Canada, which is a sovereign nation, and it can make these decisions. RCMP has been very critical themselves of their current government at this point and their willingness to enforce and control a lot of these things. They're very frustrated in their court process, they're very frus-

trated with some of their political leaders and they've even had their law enforcement prosecutors across the country right now objecting to their national policy, so it's not all sweetness and light on the other side of the border. They're having a big internal debate there, where we have a concern about our sovereignty and protecting the United States is what we do at our border and how we deal with that.

Now let me see if I can still distill fundamentally what you're saying. You believe that much like the phenomenon that I was describing in Indiana, that in this case you're looking at—that the meth phenomenon started in the home cooker labs to a large degree in western Michigan, started to move in typically to cities of about 40,000, then into places like Kalamazoo, to some degree, and then you start seeing it move toward the larger cities in the State.

Mr. ARVANITIS. Yes, sir.

Mr. SOUDER. And that when it moves to the larger cities in the State, it's not so much a home cooker phenomenon, it is a large organization, trafficking organizations move in, realize they have a new drug of choice so to speak?

Mr. ARVANITIS. Yes, sir.

Mr. SOUDER. And that in that drug of choice that's coming in, you don't believe that the system that's hitting Michigan is coming with precursors that are crossing at Michigan at this point and going the other direction. You believe it's coming up predominantly from west southwest, or do you see some of this coming Miami and through the Caribbean and up?

Mr. ARVANITIS. No, sir. We only saw that in that one specific case that I referenced to you and it was coming from the western part of the State to the metro Detroit area.

Mr. SOUDER. Are you confident that when they see the pressure at Detroit, they don't move up to Sault Ste. Marie and come down that way.

Mr. ARVANITIS. I cannot address that answer for you, sir, at this time.

Mr. SOUDER. Has anybody ever spot-checked?

Mr. WEEKS. We have been employing, as I mentioned in my earlier remarks, more inspections up in Sault Ste. Marie because of the remote location, you know, it would certainly be a question in our minds as to whether or not that kind of route would be a preferred route. But we have worked closely with our Canadian counterparts up in the Sault with respect to sharing Intel and doing special operations where we are examining commercial vehicles more intensely. That's certainly not the kind of volume as we experience in Port Huron and in Detroit, but based on what we have examined and inspected in the Sault, we have not seen any evidence that is a route that they're using.

Mr. SOUDER. And it's not attractive for moving large quantities. I mean we had the famous bomber who moved all the way across and came down over at Port Angeles, but the Canadian side really doesn't lend itself to huge trucking shipments going all across on the Canadian side of the border and trying to come down far west.

Did you have anything you wanted to add to that.

Mr. ARVANITIS. No, sir.

Mr. SOUDER. That while we're still in kind of the generic overview, you mentioned BC Bud. Is BC Bud coming across from Vancouver, or are you talking about Quebec Gold or just that type of hydroponic marijuana.

Mr. WEEKS. I can't address the actual origin but because of the THC content. It's been tested and, you know, it has the characteristics of BC Bud and we have seen a rise in the number of discoveries of seizures over the past 3 fiscal years and, in fact, we're going to, at least I'm projecting that we'll have more seizures poundage-wise this fiscal year than we've had in the past and again that's certainly a result of the number of stepped up inspections and screenings with the large x-ray imaging system that has been able to at least display anomalies that would show up with what would seem would be legitimate commercial shipments. And because of those kinds of capabilities that we now have that we didn't have years ago, we're making those kinds of discoveries in large quantities. So we still run into some of the personal use in the passenger vehicles and to some extent smaller quantities in those kinds of vehicles, but there's now commingling of large BC Bud shipments in commercial loads. Those kinds of discoveries are now being made and we see a growth in that area and so I make that comparison in terms of a rise in the BC Bud seizures versus the decline fairly rapidly in the pseudoephedrine area.

Mr. ARVANITIS. Also, Congressman, DEA, I'd like to add, has an outstanding working relationship with all aspects of ICE here in the Detroit area. Frequently the border seizures that do actually take place, coordinated efforts between the agencies, as well as other State and local entities within Michigan, as well as outside of Michigan are utilized to conduct controlled deliveries and attempt also to disrupt and dismantle organizations from point of origin all the way to distribution, as well as subsequent seizure of their illicit gains from their drug trafficking activities.

Mr. SOUDER. I want to go back to another question with Mr. Azzam.

Mr. AZZAM. Yes, sir.

Mr. SOUDER. In the organizations that you were discussing, and you said you believe they may have switched their modes of transportation—or where they come in with their loads. Have you seen the Middle Eastern organizations interconnecting with the Hispanic organizations, Mexican or Colombian.

Mr. AZZAM. Well, that phenomenon I think was always prevalent in the cocaine traffic and heroin traffic. The transition is not going to be that difficult, but what we have seen is that in western Michigan we have a large migrant worker population because of the agricultural nature of that part of the State and hidden within that group are known traffickers that already have established routes.

For example, Mexican marijuana that comes to Michigan comes that way and it's very simple. Once the use is established for methamphetamine for them to bring up meth from the superlabs, that's a very simple thing. That's not the Middle Eastern population. The Middle Eastern population does have the connections in California, as well as Mexico to somehow arrange for pseudoephedrine, no matter if it is displaced out of Michigan.

Mr. SOUDER. So, in other words, they may not be bringing it in to this State at all, but they're based here arranging a shipment to come into one of the Caribbean nations from western Europe theoretically.

Mr. AZZAM. Could be, very easy.

Mr. SOUDER. To move across?

Mr. AZZAM. They did it with heroin, they did it with cocaine and they can do it with pseudoephedrine.

Mr. ARVANITIS. I think you saw that as an underlying theme in Operations Mountain Express and in Northern Star that there was a relationship between the Middle Eastern brokers, if you want to call them that and the Mexican organizational operatives on the west coast. You know, like any organization, if you have a root, somebody will exploit it. If the Middle Eastern community here has the capabilities of funneling illicit proceeds back to a point where a trafficking group wants to get it, they will find a way to get along with them and put their illicit means through there.

I don't think you can ever say that law enforcement will successfully disrupt and dismantle the entire relationship between the Middle Easterners and potential Mexican and Colombian traffickers operating in this country, sir.

Mr. SOUDER. How does meth differ as it moves through Michigan than say cocaine and heroin.

Mr. ARVANITIS. As I have earlier stated, we have not seen a major movement of meth into the metro Detroit area, except for the mom and pop laboratories that we've encountered on the western part of the State, so that phenomenon has not come to fruition yet here in this State.

Mr. SOUDER. So it's less than 8 percent of the drug use would you say?

Mr. ARVANITIS. I couldn't give you a figure, sir.

Mr. AZZAM. That's pretty good.

Mr. SOUDER. Let me review any of these questions that you think definitely need to get into the record, the ones I haven't covered.

I want to make sure because I used to be a staffer. I want to make sure that since I've been out doing everything from dinners to everything else for the last couple of weeks, that I make sure we get into the record some of the key questions here.

Mr. Weeks, in your testimony, 57 percent of the precursor seizures have been in commercial vehicles. Does that mean 43 percent have been in passenger vehicles? What would be the other alternative to commercial vehicles?

Mr. WEEKS. Well, again, you know when we talk about vehicles, we could actually group into that buses, personally owned vehicles. That would be the other category that I did not capture in my earlier remarks.

Mr. SOUDER. In the passenger vehicles I presume that's not the split of volume, and you mentioned personal use just a little bit ago. Do you think most of the non-commercial vehicles are heavily personal, or many dealerships, or are they using multiple wheels.

Mr. WEEKS. Are we talking pseudoephedrine specifically? Because I believe my personal use——

Mr. SOUDER. I thought that the 57 percent was——

Mr. WEEKS. My personal use remarks——

Mr. SOUDER. Precursor chemicals.

Mr. WEEKS [continuing]. Was related to the marijuana earlier.

Mr. SOUDER. I thought that the 57 percent was precursor.

Mr. WEEKS. The 57 percent is certainly related to pseudo. When we were talking about BC Bud, that's when I referenced the personal use.

Mr. SOUDER. Are 43 percent, you're saying 43 percent of the precursor chemicals are coming in non- commercial vehicles?

Mr. WEEKS. Non-commercial vehicles, correct.

Mr. SOUDER. So what would be a typical individual bringing precursor chemicals? I mean, I don't quite understand.

Mr. WEEKS. Well, they're much smaller. I mean, we can be talking 300 or 400 tablets versus literally thousands.

Mr. SOUDER. So who would he be heading to distribute to.

Mr. WEEKS. Well, we wouldn't necessarily follow the investigative stream lead. We would turn that over to ICE.

Mr. SOUDER. OK, well, let me ask Mr. Hodzen then.

If somebody's, you know, I'm used to thinking in terms of this is a major shipment. I know in marijuana you get freelancers, you get sometimes—in fact, the last time we were here, snared a new vehicle that was coming across because they had seen another similar vehicle move through just with a similar type story, seized it, the sides of the car were packed, so that was probably a multi-run group coming through that were going to connect up on the other side.

In precursor chemicals, how does this work? Are they doing a similar type thing, or are we talking freelancers who may be dealing with 10 home cookers heading to the west side of Michigan, could he be coming across to head down to Fort Wayne? We have a big Canadian pharmacy business going.

Mr. HODZEN. The bulk shipments come in the commercial vehicles coming over from Canada due to Northern Star and the legislation happening at about the same time. The investigations prior to the legislation and through the legislation with RCMP, DEA, they had suspects linked to the pharmacies right there in Canada, the executives of companies. After the arrests and the take downs of that and the legislation, we seemed to—the commercial vehicle smuggling of pseudo and ephedrine go down to the point where we haven't had a commercial load of pseudo or ephedrine come in in 2004 yet into the big ports.

We are seeing more mail. We're seeing more mail come through the mail service, DHL, etc. And in those instances, they could be coming—we're seeing, like I said, more mail.

Certain organizations might be taking smaller loads with multiple passenger vehicles and making larger loads once in the United States because of the crackdown at the border from Customs and Border Protection has gotten so—they've gotten so good at what they do. Their technology has gotten so good that their machinery and their expertise, they're stopping the big loads of commercial shipments, so whether it's through the mail in small amounts, through passenger vehicles in small amounts, they could be gathering it once they're in the United States for subsequent transportation to the west.

Mr. SOUDER. You said a couple things there that intrigued me. Are you doing anything to what's really exploded, I mean this is a side subject, but it's not a side subject and I'm wondering how you relate to this because it so closely relates to pharmaceutical sales.

In Fort Wayne we're not far from the Canadian border, so they're running bus trips up to get every kind of pharmaceutical under the sun at these dramatically cheaper prices. And I noticed last week for the first time ads up for a Canadian pharmacy storefront in Fort Wayne that will sell it directly and there are constant ads on television saying order directly over the Internet.

Are we looking at this on precursors and how does this interrelate?

Mr. HODZEN. Absolutely. ICE had an operation where we were targeting these companies that were selling over the Internet and they were literally using the inbound transportation to get it to Mexico. They're coming inbound from Dallas. These shipments, some of them were coming from Hong Kong, freight shipments to Dallas coming inbound, going through to Texas to get into Mexico. Our intelligence and our investigations started cracking down on these organizations that were doing this primarily through the Internet, so there are ongoing investigations related to that.

Mr. SOUDER. Do we track smaller scale type operations? Is there a monitoring system at all on what's sold through the pharmaceutical trade? You probably take a tip that somebody was doing it and you'd monitor it, because it would be a great way to hide.

I mean, we just did a hearing a month and a half ago on OxyContin in Florida and one of the disturbing things was that the Florida newspaper seemed to have more information on, bluntly put, seven doctors who were flagrantly abusing the OxyContin than the law enforcement agency did. They've been scrambling to catch up, and some of them were being monitored, but the fact was the newspaper exposed them and then the government went after them. Huge amounts of OxyContin was available through tracking and are we watching this phenomenon because it would be a great way to hide an operation because the number of dollars has to be phenomenal right now that are moving in the pharmaceuticals.

Mr. ARVANITIS. Yes, sir.

Mr. SOUDER. I know the use of illegal drugs is a focus of the director right now.

Mr. ARVANITIS. DEA mandates that under its regulatory arm that a DEA Form 486 is completed by any importer of any Schedule 3, 4, 5 and List 1 chemicals which would include precursor chemicals. That DEA Form 486 must be completed 15 days in advance to the transportation of that shipment. Three copies of that form are attached in there. One copy is provided to the importer, one copy is provided to DEA Headquarters and one copy is provided to ICE. That form would serve as a mechanism to be able to track suspicious rogue companies importing, you know, whether large or small, frequent pseudoephedrine or chemicals into this country for potential use in the production of methamphetamine or any other contraband.

Mr. SOUDER. Let me go back to Mr. Weeks. In the NEXUS system, have you had a substantial increase in the number of pas-

sengers enrolled at Detroit or Port Huron who were under NEXUS? Do you have the actual figures.

Mr. WEEKS. I don't have the actual figures, but we have had a substantial growth since we launched that program. And as you know, I want to address the concerns that you reference in your remarks. NEXUS, as you know is you know essentially a program designed for commuters that utilize the border crossings on a regular basis, although we encourage anyone to apply. And of course these are individuals are rated both by the Canadian Government and the U.S. Government to ensure there isn't any evidence of criminal activity.

Having said that, you know, it isn't just a free card across the border without at times being subject—you're always subject to an inspection and, in fact, there is a random factor where there is an automatic selection made for individuals that are enrolled in the program to be sent to secondary for a further and more intensive inspection. There's always a CBP officer in the booth that depending upon body language or any other anomalies that they may, you know, observe during that short interaction, they can override that system and they can send those individuals or individual over to secondary for an examination.

So I understand the concern, you know, concerning the program, but we have found that we have rarely found a violation for those that are in the program. Does it mean that an honest Joe couldn't be recruited? No, it means that they can be, but it also means that we are randomly and selectively on occasion sending those individuals for a more intensive examination when they cross.

Mr. SOUDER. Has it been the expansion in the fast system as well?

Mr. WEEKS. Oh, yes, it has been, although we have noticed here it's primarily those suppliers and those companies that are engaged with the automotive industry which is the largest user of this crossing and most of those companies that are in the Fast Free and Secured Trade Program are automotive related, although we are certainly trying to extend that to other users.

Mr. SOUDER. One of the Canadian centers who was a plant manager near Scarborough, Ontario told me my GM plant in Fort Wayne that makes the Silverado and one other pickup, it's the largest pickup plant in the United States, 100 crossings at Detroit in each pickup. Amazing. Partly for union reasons they do 60/40 in their trucks which really moves the border.

We heard at a hearing we did in upstate New York and one in Vermont from a panel member of Canadian trucking companies and they said they would be amenable, and we heard this also at Niagara Falls, Buffalo, to significantly increasing the penalties for violations of a fast system or NEXUS system. In other words, if you're going to get extra privileges, that there's also other extra penalties for abusing those privileges.

Do you support something like that?

Mr. WEEKS. Well, you know, the penalty today, if we found a driver, for example, if in fact after the investigation was concluded that the driver was the rogue individual in the entire process, that person would be excluded from the program. That has devastating impact on that driver's ability to continue to carry loads for that

company or for the trucking firm that's involved. I don't know necessarily, you know, that a monetary penalty is necessary. Exclusion from the program is what we would do today.

Mr. SOUDER. We're probably going to look at for the companies themselves, not just the exclusion, but, in other words, because particularly in tight bridge areas and tunnel areas like you have here in Detroit or at Buffalo, Niagara Falls, it is a real privilege to be able to do this.

Mr. WEEKS. Sure.

Mr. SOUDER. And the other thing as we got into this, have you caught anybody on fastpass with materials at this point on the fast system?

Mr. WEEKS. I mean, we have found a few, very few violations.

Mr. SOUDER. How do they play pass the buck? In other words, wouldn't it always be fingered to the driver or somebody put this in my truck that I didn't know, or often the person that has the tractor is different than the company that owns the trailer, where was the trailer loaded? How do we—because this seems to me the vulnerability in the system.

Mr. WEEKS. One of the activities that CBP takes on is we send a cadre of individuals that are familiar with the fast security protocols to the company under the threat that if, in fact, they don't have the proper controls in place, then they could be excluded from the program. That gets their attention very quickly. And we've had at least one or two occasions of companies that do business through the Michigan crossing of that activity and that seems to work very well.

I mean, certainly there is perhaps finger pointing, you know, in any kind of scenario, but we make it clear through a post-seizure, a post-discovery basis to ensure that the controls are either in place or improved to ensure that they don't find themselves in a violative status, you know, in terms of subsequent shipments.

Mr. SOUDER. So even if it was a driver for a major shipper, even if you decided it was the driver, the company would also have additional pressures?

Mr. WEEKS. Because we have to look at the entire supply chain, you know. We can't necessarily just attribute it to the driver. Something happened and we have to review the entire supply chain before we are satisfied that there—all those vulnerabilities have been addressed.

Mr. SOUDER. Do you still use drug sniffing dogs.

Mr. WEEKS. Yes. We have actually increased the number of canine teams which would include the narcotics detector dogs.

Mr. SOUDER. Has the narcotics detector dog stayed roughly the priority? I sit on the Homeland Security Committee too and I understand that terrorism and weapons of mass destruction is the highest priority, but in Congress we're having a big battle. Just like the administration is and 1 day whatever's the current crisis is the highest of the day, but then if you miss one of the big terrorists, then that was the thing. I mean, we're all struggling with this because in the Coast Guard, for example, if they miss fisheries, the fishery industry collapses. If they're pulling back in to protect the Cook Nuclear Plant on western Michigan and two sailboat people die and that's on the news that week, then it will be what hap-

pened to search and rescue. That we have more people dying because of narcotics than we do quite frankly from terrorism right now and some of us are very concerned that your agents on the border can only do so many things simultaneously when you have long lines and everybody rustles to get through and hollering at you because of trade.

There is probably not going to be a bomb dog and a drug dog at the same vehicle and the question is, are you keeping the drug dogs in the rotation or are we going to get squeezed out of this mix as we're looking for other things? I just want to know are you keeping the number of narcotics dogs roughly the same?

Mr. WEEKS. Yes. Our growth have been in the area of the bomb detector and chem-bio teams. However, we have the same number of canine teams that we've always had. Those dogs are actively working at the land border as well as at the Detroit Airport and, you know, one of the I think observations that I would make is because of our successor in narcotics interdiction, that tends to be an elixir for our officers and so, you know, it actually balances the scorecard in terms of our mission. It is expansive. It's a fairly, you know, expansive mission, but, you know, we're not going to compromise any of our mission with regard to border enforcement, whether it's in the area of homeland security, looking for terrorists or weapons or narcotics and I might add pests that may endanger our agriculture. One of the benefits of this merger is to have a much larger staff that's more sensitive to every one of these areas versus the sort of stove piping that we had in the past.

Mr. SOUDER. Yeah. I want you really focused on the narcotics and the terrorism, but you let one bad soybean in here.

Mr. WEEKS. It could have a devastating impact on our economy.

Mr. SOUDER. I mean that's the challenge we face because all politics are local as well as international.

Mr. WEEKS. Sure.

Mr. SOUDER. With that, I'm going to leave that subject. Anything else you want me to make sure I got on the record? We may send you some written questions in addition.

When you were talking about the violations, what kind of violations have you actually found of the NEXUS and the Fast Pass?

Mr. WEEKS. I believe they were in the narcotics area and I believe it was marijuana that we found.

Mr. SOUDER. Large loads?

Mr. WEEKS. No, they weren't large loads.

Mr. SOUDER. Anything else any of you want to add?

Mr. AZZAM. There is one thing, Congressman. The HIDTA Program not being aligned with the law enforcement agency does provide I think an important function. For example, even though we only have nine counties in Michigan, our investigative support center is a combination of all the agencies here and others working together on a daily basis to support the line people so that if Chief of Police in Ontonagon, MI needed a service, he could call the Center and they would take care of it for him.

The combination of agents that are working there, CBP, ICE, DEA, FBI, it's incredible. You can't tell the difference who's who when they're working at that Center. That is the one point.

The second point is on behalf of my colleagues to my left, you've mentioned earlier that the emphasis is on the southwest border and that's very true. During my long career being a native Detroiter and having worked around the world with DEA and other law enforcement agencies I've been associated with, they do an amazing amount of professional work with a fraction, a mere minuscule fraction of the resources devoted to the southern border. These agencies are constantly understaffed, yet their production has not failed at all. And I'm talking about all the ones next to me and others that are not represented here and it's been a frustrating factor for me for 47 years in law enforcement and I know it is for those young men next to me who are involved with this activity every day.

Mr. SOUDER. Well, let me tell you the dilemma that I have as somebody who's a strong supporter of these categories. We've tried to steadily increase the dollars, but here's the challenge that I have and this is just the way life works on this squeaky wheel. We don't have enough funds to cover everywhere. What I see is that everybody is working hard. Some people, like in any organization are a little more effective than other people, even if they have the same resources. I'm not going to argue there aren't effectiveness and challenges. But I know others have really been trying to move more to the north border and as you heard in my opening statement, we've had dramatic movement of resources to the north border, partly because just like wherever you have large communities of any group, and in this case Arab Americans, this is a huge center. It means there are more places for bad guys to hide among them, just like you mentioned in migrant workers, it's a place for bad Hispanics to hide among. And even in my district coming down to Angola which butts up to a little high school there in a rural area, has 23 languages, including a teacher who speaks Farsi because there are so many people of Middle Eastern decent there.

Now the challenge we have is that theoretically it would be somewhat easier for terrorists to move in the north though. Whether that holds long-term, Bahamas are certainly vulnerable right now coming up the east side. So we've moved more to the northern border and the question is has there been a drug nexus as well. Well, BC Bud is part of it, the high THC marijuana, ecstasy and meth precursors. But to some degree, like anything, when you're successful what you're in effect telling us today is that we've made it difficult in the north border, it's pouring in the south border. We've been down there on the south border and I'll tell you, they have tons of agents, they're stacked up compared to here. But compared to the number of people pouring at the border, the Canadians themselves, for all my criticism of the Canadian Government, they have much better order in their country, so that we don't necessarily have to worry on a given case. And we're making progress in Mexico under President Fox. I don't want to downgrade the progress and I don't want to make any statement too inflammatory. At the same time you, generally speaking, don't have to worry about which side the RCMP is on when you work on a case jointly with them and that it has been a problem for the southwest border.

When we had our hearings down at Oregon Pithe and over by Douglas, I mean, you can just see. I mean, it isn't one, it's hun-

dreds of people massed to make a run. All along the border you can see the milk containers. If they're black colored, it's drugs. If it's clear, it's water and literally they've had to close down hiking trails in these national parks because they're pouring through. It's not even safe because there are shootouts over turf and that kind of stuff and when we're dealing with limited funds here, if the meth problem is also moving back that direction, we've got to figure out how to be efficient in the prioritization.

Mr. AZZAM. Yes, sir.

Mr. SOUDER. So I understand your concern as somebody who's in the north not the south. Interesting we were having this argument in the Homeland Security subcommittee because Dave Camp's from Michigan and I'm there, and my closest friend there is John Chavy from Arizona and he's hollering at the northern guys that have been transferring resources off the south border, that the south border's becoming a bigger problem, even with meth and if that's the case, then some resources are going to have to be reshifted not to the north border but to where the problem's increasing.

To some degree this is a classic example in any type of thing. Do a good job, you lose your funds for a while, until it gets to be a big problem again and we move it back because the last time I checked, nobody wants a tax increase.

And if I may make a brief political statement, by the time John Kerry gets his head pounded in, any tax increase he ever proposed it will back people up for a while again. That it's just a tough business and I'm one who's advocating more for the north. I live in the north. I understand those challenges. I was impressed for the first time here that you're being very aggressive at it and also the RCMP is. I'm worried at that soft drug trend in Canada may expand our problems. That in my opinion, Peter Jennings commentary, this kiss-up promotion of ecstasy on national television, who knows how this is going to ripple through our system because Canada already doesn't control that process very well.

Scott Burns testified at another one of our hearings that he didn't believe Canada was enforcing it and the Office of the National Drug Policy Control has been up there very concerned about their lack of enforcement of the precursor laws, as well as their marijuana and ecstasy laws. And if Canada slides toward, as they seem to be, not the law enforcement side, but the political side, sliding toward the Mexico situation where Mexico is at least trying to stand up and battle a little bit. So we could see that pressure on the north and those of us in the north are raising that concern partly to make sure we don't abandon our resources if Canada, in effect, goes soft on narcotics here, that we don't suddenly have it hit our borders all across the place.

Mr. AZZAM. Well, Congressman, there's no doubt that John Walters, the Director of ONDCP and my ultimate boss is very critical of the Canadian policies. From a local level what we've noticed and what I've heard as reported on the media is that some of that laxity over there has become self-destructive. Apparently there's a greater percentage of drug use among the young people on the Windsor side than on the Detroit side. I think they will come to the right conclusion eventually. If one goes to the Netherlands and walks the streets of Amsterdam, they understand what it's like to

have liberal laws. I won't expand on that. Anyone who has been there knows what I'm talking about.

The other point that I wanted to make, I understand that Homeland Security had designated $380 million for intelligence fusion and I would suggest that if they were to take a look at the 33 HIDTA Investigative Support Centers and see how they're structured, that the mechanism and the platform is there. All they need to do is expand upon it and probably save a good deal of money. All the agencies are there. The resources are there. They're working very hard. They're working for their ends.

HIDTA is, for example here we have 60 people there. Only four of them are HIDTA employees. The rest belong to the agencies involved. There's some areas there that I never could understand why they haven't exploited. We're there, we've been there, we've worked out the kinks. You know, it runs pretty well. The agencies get along famously. As I say, you couldn't tell the difference between an FBI analyst, and a DEA analyst, or an ICE analyst, or a CBP analyst.

Mr. SOUDER. Let me raise this to you as you look at this. It's a little off the meth subject, but it's also kind of regionally looking at Detroit. I'm one of the persons who's skeptical of this and I'm skeptical for a different reason I've expressed my concerns to Mr. Bonner at ICE, and I've expressed my concerns multiple times to Mr. Mackin, who's the Drug Intelligence Coordinator there and Asa Hutchinson in the whole system in the Homeland Security subdivisions, but particularly how ICE investigations are handled. And you heard me talking about how the border side is handled, which is more Mr. Bonner. I support the concept of how we're trying to move. All of us, even though I find it infuriating to watch any of the September 11 hearings, we already knew what our problems are in domestic and international merging. It's a question of how we do it. We know we're not really fully merged yet in our agencies domestically. But here's the challenge that some of us have.

I'm concerned that a terrorist incident that kills 50 people will result, or even 200 people will result in a panic when 20,000 people a year are dying from narcotics. It will result in a panic and diversion of resources, partly politically driven, that will pull them off of the drug case. So that all of a sudden every dog hitting at the border is a bomb or a chemical bio dog, that the officers themselves know that if they fail, their careers are over.

If anything remotely is true to terror—I thought your elixir comment was really interesting. Because if you look 365 days for a terrorist, 24 hours a day for a terrorist and never find a terrorist, you become lulled. And unless you have something in there, which I thought the elixir was a great explanation of that, not to mention that the drug money, as we've just seen now with ETA is tied in directly with the terrorists and many cases that's child prostitution, selling human beings. I mean, how are they going to fund their operations?

But as we look at this homeland security question, I'm worried that, for example, we could nail people at the border and then all of a sudden the ICE Division, the Investigation Division of the Homeland Security gets all diverted over to chasing this and won't follow through. We've been trying to keep the pressure on, get as-

surances, but I'm telling you from the political side. You get it up to where there's 1,500 dead in one incident and you're going to see a movement in pressure on your agency that you won't believe from Congress and from everybody else that says find these guys, particularly if it comes between now and the election.

And the pressure, which is said as a Republican, the pressure is overwhelming and I'm worried that the fusion centers could get diverted into this too. On the other hand, they've done what you talk about in New York.

Mr. AZZAM. Yes, they have.

Mr. SOUDER. In New York. It's an excellent center and New York's a primary target and to the degree that what I think will happen is that narcotics nexus and the drug nexus are the same. It's there. But some of us are very concerned and say that if the FBI focuses more directly on the terrorist threat and the DEA on the narcotics threat, then Homeland Security has to have some of both. We have to have some continuity in this and not play what I term little kids playing soccer where everybody's running to the ball of the moment and it doesn't look like a soccer game, it looks like a little herd going through. And we're doing that right now and we've got to be careful. We don't even do that in certain drugs from time to time.

Mr. Azzam and then Mr. Hodzen.

Mr. AZZAM. Before you get that, the Investigative Support Center next door to you right now is doing both. The FBI components are working principally on terrorism. The rest of them are working on drugs. And I told the Attorney General of the United States this and I'll say it again. There's about 3 percent difference between a terrorist and a drug trafficker, 3 percent. And if you're doing a good job in one area, you're doing a good job in the other. If you have good anti-narcotic procedures in place, good anti- narcotic intelligence, you will get involved with terrorism. And if you're doing a good terrorism job, there's very little difference between the two, in my opinion.

Go ahead.

Mr. HODZEN. Since 2001, the big pseudo cases that we've had commercially in the Detroit area, Port Huron area, of the 16, 13 of them were accompanied with controlled deliveries or undercover operations related to coming into the border. This is since 2001.

When I first got here a couple of years ago, we only had like 35 agents. We've gone up quite a bit. And in that, our drug group has actually enhanced. Our drug group, along with the DEA, they're out all the time. We have different groups. We have a joint Terrorism Task Force Group that works hand in hand with the terrorism issue. When a drug call comes, the drug group comes and they go out with the DEA and State and locals, if necessary. There's not really a mixture and running back and forth. We have different groups that focus. If you had a singular office with a few agents, you'd have that. We've built up. We're working great. I know we've heard this, but it's an unbelievable relationship we have in the Detroit area with law enforcement, DEA, CBP, HIDTA, everybody gets along great and you need that.

But as far as the drug pursuit faltering, I say it's quite the contrary. Like I said, every time we have the opportunity, the drug

groups goes to go on with a controlled delivery, undercover meetings, it doesn't stop at the border. And when a terrorism related call comes in, we have joint Terrorism Task Force agents that will go out with the FBI, do interviews and investigate that and on many days we have many different things going on. But the drug group is focused and it has enhanced and it will continue to enhance.

Mr. SOUDER. Mr. Weeks.

Mr. WEEKS. Mr. Chairman, I can appreciate the concern of some of the political realities that you've mentioned, but, you know, speaking from a field perspective as a field manager in overseeing interdiction efforts at the border, quite frankly I don't believe that we would have been able to make as much of an impact in the interdiction mode if we didn't have the growth that we experienced along the northern border, both at the ports of entry and between the ports of entry.

As you know, the Border Patrol has increased in numbers and are working more closely with the folks at the port of entry where we have, you know, an active and a very assertive group here in Michigan. But with the technology, with the new resources that have been given to us, perhaps as a result of September 11 has had a byproduct and that is our capabilities are much more tighter with regard to interdicting illegal drugs, narcotics, precursors, illegal aliens. I mean, we just see an uptick in activity based on the growth that we have.

So I understand the issue of focus, but, you know, we have underscored and resonated the message to the officers that, you know, it's a priority mission, yes, with regard to terrorism, but at the same time we have this broader traditional missions that have been brought to bear in terms of many other concerns that you've expressed this morning and that certainly we have a concern of, you know, going forward. But I believe we're in a better position today to make an impact at the border from an interdiction standpoint.

And I might add and join the colleagues that I know that we don't have an investigative component in CBP, but we still work very closely with ICE and with DEA and other investigative agencies that will come to the border and take those interdictions that we make and turn them into investigations and controlled deliveries. Of course, we then bring that information back to the officers because they like to hear the conclusion of some of the work that they do at the border too and it has been a very successful model.

Mr. SOUDER. Anything else?

Mr. ARVANITIS. I would like to add one other thing, Congressman. In this community DEA plays a unique role. It has an outstanding relationship with my partners at the table, but also with the FBI. We participate in having a seat at the table and the JTTF strategy. We also are strong proponents of the fact that intelligence drives enforcement, OK, and the key to that statement is that amongst all these people who sit in this community, that we communicate with one another, share the intelligence so that we may be able to make a successful impact within the community, as well as in Canada and any other countries that these cases are taking us to.

As I said earlier, our relationship with RCMP is outstanding. My relationship with my colleagues there is outstanding. If there's a case, an issue, it's usually remedied by a phone call or by lunch on the Canadian or the U.S. side.

You know, in all the offices that I've worked at and I have not worked in as many offices as Mr. Azzam, former DEA agent has worked, I've never seen a relationship amongst Federal and State law enforcement entities in a community such as that here in Detroit. And that's all I'd like to add.

Mr. SOUDER. Well, I thank you all for your testimony today. It's been very enlightening as we try to zero in on meth which is a diverse topic. I forgot to ask you something. If you can't answer this question, that's fine.

Have you seen meth to the degree you have it here coming through, and you mentioned western Michigan, anything from Yakima and tri-cities, Washington, Georgia, either of those two places?

Mr. AZZAM. Not that I know of.

Mr. ARVANITIS. No, sir.

Mr. AZZAM. Not that I know of.

Mr. SOUDER. I'm more skeptical about how we're going to make sure that in the short-term, because I believe narcotics here can become so interrelated financially with the terrorism that we're going to see it, but I think there's a number of phenomenons that we have to be very vigilant. I understand that we gain and the official position is that we don't need to spend more money, we need to spend it more efficiently because we're going to get this combined effort that makes it more efficient.

Some of us are a little concerned that what's happening is not structural, but personnel driven. In other words, you have two former DEA directors in key positions in the Department of Homeland Security which will not necessarily be true in the future. That we had to force, bluntly put, the Administration Office of Narcotics Control, which Roger Mackin has in his subpart and that's because the current Speaker headed this narcotics committee and is committed to narcotics. It wasn't because I introduced the bill because I'm a real powerful guy, but somewhat of a mosquito compared to the President of the United States.

That it took the Speaker to basically demand that in the bill to make sure that narcotics were even in the Homeland Security Bill. That Secretary Ridge was initially resistant. But there's an amazing thing that happens and that is the word elixir wouldn't fit here, but there's an amazing thing when you're trying to accumulate funds is that if the money moves to certain issues, then everybody wants to move to that issue. And you've seen this in narcotics between 1989 and 1990, you couldn't put enough money into narcotics and then when it goes and everybody wants to get into the narcotics business and then when the money starts to dry up, everybody wants to go where the next thing is and terrorism was the thing for a while.

Then all of a sudden they realized, well, what about terrorist attacks, how do we maintain our system, so all of a sudden there's mission creep and you get the narcotics thing back into it. The Attorney General realizes that, wow, I just lost a couple of my big divisions. Maybe narcotics is a bigger part of the Attorney General.

So you get the Attorney General at the table a little more interested in narcotics than he was in the very beginning because he lost a big chunk of the terrorism part. And what's going to be the relationship long-term in the cabinet of the power of the Department of Homeland Security which is a far bigger agency now and the Attorney General, and that I believe that there is a strong consensus but not as formed on narcotics.

There is 100 percent consensus that when we're hit by a terrorist attack, that we need to do something. What we do in the times in between is that we gradually lull asleep and then we get hit. But I'm firmly convinced we're going to get hit again. My personal opinion is we've got them sidetracked over in Iraq and Afghanistan and we're buying time and meanwhile you're getting more lane systems set up, we're getting better examination systems, more trained agents, more people up and we're going to be better able.

For example, we're now actually going to follow college students who come in and check them to see if they went to college. I mean, we had the son of the Chinese CIA director and we lost him. And he never showed up to school. We don't know whether he's still here or not because we had so many that INS couldn't possibly; they get these forms in from the universities, they have them stacked up, there was no way we had the personnel to sort them through and then at the same time the university stopped sending them in because they knew INS didn't do it and it's like, man, what's the point of the system.

So we're getting up to speed, but we have zero tolerance after September 11. You will not know what hit your agencies. I'm just trying to tell you. That's why I'm trying to put up some firewalls. We miss another terrorist attack, you will not know what hit your agencies.

My prediction is if it's a big one, half of DEA will be diverted. National Parks Service will be diverted because everything political will run to that because there's nothing more scary than a one-time random hit that could be anybody. Rather than the steady kind of thing that you guys do with everyday and if we don't have some firewalls to protect our system from running to the urgency here, that's why I'm interested in hearing it, it's great to hear that in fact it's working because in New York City it seems to be working, here it seems to be working, but you haven't had the test yet. What happens if we get hit.

Because partly, and this is the dilemma, maybe by all the coordination we can avoid getting the hit and that's our thing. So I just want to protect the narcotics portion of it. But I and some of the others have actually been some of the problem in how much we allow the mergers because I'm trying to make sure that there's actually money designated for narcotics and that Homeland Security doesn't take all the narcotics money and Frank Wolf in the appropriations process, has been pretty good with this too.

Anything else?

Mr. ARVANITIS. No, sir. Thank you.

Mr. SOUDER. Thank you. The subcommittee stands adjourned.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

Before the

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES OF THE COMMITTEE ON GOVERNMENT REFORM UNITED STATES HOUSE OF REPRESENTATIVES

FIELD HEARING
DETROIT, MICHIGAN

Statement of

THE AMERICAN TRUCKING ASSOCIATIONS, INC.

On

FREIGHT SECURITY AT OUR NATION'S BORDERS

David J. Osiecki
Vice President - Safety, Security and Operations
and
Martin D. Rojas
Executive Director – Safety, Security and Operations
American Trucking Associations, Inc.

April 20, 2004

Driving Trucking's Success
The American Trucking Associations, Inc.
2200 Mill Road
Alexandria, VA 22314-4677

Introduction

Representative Souder and members of the Subcommittee, thank you for the opportunity to express the trucking industry's perspectives regarding Freight Security at our Nation's Borders, an issue of great importance to the trucking industry.

American Trucking Associations (ATA), Inc., with offices located at 2200 Mill Road, Alexandria, Virginia 22314-4677, is the national trade association of the trucking industry. Through our affiliated trucking associations, and their over 30,000 motor carrier members, affiliated conferences, and other organizations, ATA represents every type and class of motor carrier.

The trucking industry plays a critical link in the economic interdependency among the United States, Canada and Mexico, moving about 74 percent of the value of freight between the United States and Canada, and about 83 percent of the value of U.S.-Mexico freight[1]. The increasing trade volumes that have been generated among the three North American Free Trade Agreement (NAFTA) partners have not only been good for the economic wellbeing of our countries, but have also allowed our customers throughout North America to diversify, expand and improve their asset utilization and access new markets for their products. According to U.S. government data, in 2002, 6.8 million trucks entered the U.S. from Canada, while 4.4 million entered from Mexico, resulting in more than 13 million truck crossings a year on the northern border, and more than 8 million crossings on the U.S. southern border.

This testimony discusses the steps that the trucking industry, on its own and in cooperation with several government agencies, has taken to ensure the safety and security of freight at our nation's borders. These actions include: creation of the Trucking Industry Anti-Terrorism Action Plan and the Highway Information Sharing Analysis Center; participation in cross-border security programs; participation in the creation of better information systems for customs; and increased use of security seals and other security equipment for trucks;

Security, ATAP & Highway ISAC

ATA and the U.S. motor carrier industry, together with counterparts in Canada and Mexico, have not only recognized the importance of doing our part to ensure our nation's security from future potential terrorist attacks, but have also been working towards ensuring our nation's economic security and that of our international trade partners.

ATA and the trucking industry have long been actively involved in providing safe and secure transportation of goods on behalf of our customers and their consumers. Since 1982, ATA has maintained a Safety & Loss Prevention Management Council (Safety Council). Through several committees, consisting mostly of security directors many of whom are former law enforcement personnel, this group addresses many

[1] Bureau of Transportation Statistics, U.S. Department of Transportation

trucking security issues, including driver and vehicle security, cargo security, and facility security.

After the terrorist attacks of September 11, 2001, ATA, together with various other organizations and representatives of the trucking industry, produced an Anti-Terrorism Action Plan (ATAP). The ATAP is a blueprint for establishing a joint industry-government partnership to mitigate the possibility of a truck conveyance from transporting or being used as a weapon of mass destruction. In April of 2004, the Transportation Security Administration awarded ATA a $19.3 million cooperative agreement to expand our Highway Watch™ program, which trains highway professionals to identify and report safety and security situations on our nation's roads. This program will train 400,000 transportation professionals to respond in the event either they or their cargo are in danger of falling prey to terrorists or others. Information will be shared by TSA and ATA by developing a Highway Information Sharing Analysis Center (ISAC), as envisioned in the ATAP. This system will link truck and bus drivers, school bus drivers, highway maintenance crews, bridge and tunnel toll collectors and others to first responders, law enforcement and the intelligence community using the Highway ISAC and TSA's Transportation Security Coordination Center. The trucking industry is committed to continuing to take proactive steps in improving the security of our operations, both as an industry and as responsible citizens concerned for our national and our economic security.

ATA continues to be proactively committed to ensuring our national security and in protecting our nation's way of life through ATAP, our Highway Watch™ Program, our Safety Council, and various other initiatives. ATA recognizes that the regulatory initiatives taking place at various federal agencies have come about as a result of federal legislation and mandates over the last two years that included strict timeframes and deadlines for regulatory implementation.

The Customs-Trade Partnership Against Terrorism (C-TPAT)

In 2002, the former U.S. Customs Service, now the Bureau of Customs and Border Protection (CBP), developed and established its Customs-Trade Partnership Against Terrorism (C-TPAT), a voluntary program designed to ensure security for the entire supply chain, including manufacturers, importers, transportation providers, brokers, and other entities that might be involved in international trade. The main thrust of C-TPAT is to ensure that the various links in the supply chain are "known entities." By separating the low risk producers, importers, carriers, and brokers, agencies can better utilize limited resources to target entities that represent a higher risk than the known entities.

The C-TPAT guidelines cover:

- Procedural security
- Physical security
- Personnel security
- Education and training
- Access controls
-

- Manifest procedures
- Conveyance security

To get into the C-TPAT program, motor carriers must fill out and submit to Customs a supply chain security profile questionnaire; develop and implement a program to enhance security in their supply chain under C-TPAT guidelines; and work with other companies in their supply chain to communicate C-TPAT guidelines and build these guidelines into their relationships.

Once a carrier is C-TPAT approved, it works with a Customs account manager to establish or update action plans that will align the company with its C-TPAT commitments. Every C-TPAT participant has an action plan that tracks progress in making security improvements, communicating C-TPAT guidelines to business partners and establishing improved security relationships with other companies. If a participant fails to meet its C-TPAT commitments, its program benefits will be suspended until deficiencies are corrected. In addition, carrier information is continuously validated by CBP to ensure the integrity of the program.

The FAST Program

To incorporate the motor carrier industry into the C-TPAT program, CBP established the Free and Secure Trade (FAST) program. FAST facilitates the movement of C-TPAT cargo being transported by trucks by utilizing bar-codes and eventually EDI transmissions for pre-notification of the arrival of cargo at the border. This allows CBP to deal with known entities at all links in the supply chain and to receive cargo information prior to arrival at the port of entry for targeting purposes.

The FAST program, a bilateral initiative between the U.S. and Canada, is designed to facilitate trade and ensure security and safety for both countries by harmonizing commercial processes for clearance of commercial shipments at the border by known, low-risk entities... This is accomplished by using common risk-management principles, supply chain security measures, industry partnerships, and advanced technology to improve screening, targeting and clearance of cross-border commercial freight.

FAST-approved motor carriers are able to utilize dedicated lanes for clearance and reduced cargo examinations. The initial phase of FAST for U.S.-bound shipments began in December 2002 at Blaine, Washington; Detroit, Michigan; Port Huron, Michigan; Buffalo, New York; Lewiston, New York; and Champlain, New York.

Section 343(a) of the Trade Act of 2002, when fully implemented, will require motor carriers to transmit cargo information to CBP prior to reaching the border. For carriers in the FAST/C-TPAT program carrying freight that qualifies as C-TPAT, the prenotification time will be one hour prior to the truck reaching the border; for C-TPAT qualified freight, the time will be ½ hour. This notification time gives CBP ample opportunity to run data on the shipment, equipment, company, driver, shipper, and importer, through an automated targeting system, searching for data anomalies that would indicate problems. We believe this system inherently

provides a great deal of security for freight crossing our borders, northern and southern through effective utilization of this advance information in CBP's systems.

FAST Drivers

As part of the FAST/C-TPAT program, CBP has developed a FAST identification card for commercial drivers crossing the border. To qualify, a driver must fill out a detailed application, provide original documents on citizenship, and undergo a face-to-face interview with either U.S. or Canadian customs and immigration representatives. After a background check utilizing the FBI and Royal Canadian Mounted Police systems, a driver will be provided a FAST card. Proximity readers near the primary inspection lane at the border crossing will be able to read the driver information automatically.

Automated Commercial Environment/International Trade Data System (ACE/ITDS)

The means for capturing and processing the FAST data required under the Trade Act will be the Automated Commercial Environment and the International Trade Data System. These two systems, currently under development by CBP, will serve as the collection point for FAST data on freight, driver, shippers, consignees, equipment and trucking companies by means of an electronic multi-modal manifest system. The system will compared data from carrier, the customs broker, and historical data on all entities involved in the transaction in order to spot suspicious anomalies. The ACE truck automated manifest should be on-line by the end of this year. Until then, other interim measures for sending in cargo information electronically are currently available.

Security Seals

Customs and other agencies with an interest in freight security are increasingly exploring the benefits of utilizing different kinds of security seals on trailers. Many trucking companies routinely use a variety of sealing and locking devices for their trailers. Several agencies are currently testing various models of seals – to include devices that detect breaches in the integrity of the box – in anticipation of making them a requirement for international traffic. For the C-TPAT program at the southern border, CBP has made sealing trailers a requirement for Mexican manufacturers.

Food and Drug Administration Initiatives – Bioterrorism Act

Under the Bioterrorism Act of 2002, the FDA, like CBP, now requires prior notice, in this case from shippers, about food shipments entering the U.S. The FDA is now working closely with CBP to jointly screen these shipments through CBP's Automated Targeting System. ATA believes that having these two agencies working together to screen freight provides an extra layer of cargo security at our borders.

Other Security Initiatives

Transportation providers are becoming increasingly conscious of the need to provide greater security for freight and personnel, for both domestic freight and freight that crosses our borders or enters through our ocean ports. To this end, in this industry, we have seen an increase in the use of global positioning systems and on-board communications systems, along with specialized locks and other security measures. In addition, ATA is actively involved in the Transportation Security Administration's efforts to standardize both background checks and identity checks for truck drivers at ports and across the United States with the Transportation Worker Identity Credential, and has been actively working with both TSA and the U.S. Department of Transportation to tighten background check requirements for truck drivers. All of these things combined, as they move forward and become the business model for the trucking industry, will contribute to enhanced freight security, both at our borders and domestically, while not impeding the flow of legitimate trade.

Conclusion

The trucking industry has worked for many years, by itself and in cooperation with a constellation of government agencies, to provide many checks and balances to ensure the integrity and security of freight crossing our northern border. Security measures in which we have taken part include the creation a national trucking industry security program; participation in the creation of customs programs that screen people, companies, equipment and freight; creating automated manifesting and targeting systems; exploring the use of security seals; increasing the use of on-board security systems; and working to find better procedures to screen employees and keep our facilities secure.

Thank you for this opportunity to present this important information on the trucking industry's involvement in freight security at our borders.

U.S. Department of Justice
Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

October 7, 2004

The Honorable Mark Souder
Chairman
Subcommittee on Criminal Justice, Drug Policy
and Human Resources
Committee on Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Following the Subcommittee's hearing of April 20, 2004, concerning "Northern Ice," this question was posed by the Subcommittee to the Department's witness, Mr. John Arvanitis, Assistant Special Agent-in-Charge, Detroit Division Office, Drug Enforcement Administration (DEA): "What is your agency's best estimate of the percentage of meth precursor chemicals that is being smuggled across the Northern border between the ports of entry, as opposed to being smuggled at legal border crossings?"

DEA has advised that the data it collects and analyzes does not allow for comparable estimates concerning smuggling differences of methamphetamine precursor chemicals between legal border crossings and other points of entry along the Northern border.

We hope that you will find this information helpful. If we may be of additional assistance, we trust that you will not hesitate to call upon us.

Sincerely,

William E. Moschella
Assistant Attorney General

cc: The Honorable Elijah Cummings
Ranking Minority Member

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

"NORTHERN ICE: STOPPING METHAMPHETAMINE PRECURSOR CHEMICAL SMUGGLING ACROSS THE U.S.-CANADA BORDER"

APRIL 20, 2004

FOLLOW-UP QUESTIONS FOR THE RECORD FOR MR. MICHAEL HODZEN

1. **Question:** How does ICE identify the geographic and organizational source of precursor chemicals used in making methamphetamine?

   Answer: The geographical and organizational sources of precursor chemicals are determined through various means. Investigative efforts, which include informant information, surveillance, defendant de-briefings, and telephone wiretaps, offer the most productive information. Additionally, our attaché liaison offices in Canada also act as an investigative tool in obtaining information from Canadian law enforcement officers. The exchange of information is not a one-way street. Canadian law enforcement authorities proactively identify precursor distributors who may be exporting chemicals to the United States. This information is forwarded to our attaché offices who then relay the information to ICE SAC offices. Domestically, we work hand-in-hand with our DEA partners in sharing information as well as coordinating enforcement actions during the course of a precursor investigation.

2. **Question:** Have any of the organizations identified as smuggling meth precursor chemicals been tied to terrorist activity? If so, please describe the nature of those connections. If information must be omitted because it is classified or is law enforcement sensitive, please so state in your written response.

   Answer: To date, no direct links between precursor smuggling organizations and terrorist organizations have been identified by ICE. Criminal organizations will attempt to infiltrate any form of illegal activity with the intention of generating cash proceeds.

3. **Question:**
   A. Since the formation of ICE last year, approximately what percentage of your office's resources (in terms of hours worked by personnel, dollars spent, and equipment used) have been devoted to narcotics-related investigations?

Answer: FY 2004 is the first year that consolidated legacy component enforcement data is reportable. The most consistently reportable resource per law enforcement program is agent investigative hours. 24% of SAC Detroit's total investigative hours in FY 2004 through April 30th, including the RAC offices, are devoted to narcotics related cases.

B. How does this compare to other missions, including (but not limited to) counter-terrorist and immigration enforcement investigations, and air and marine security?

Answer: 39% of SAC Detroit's total investigative hours in FY 2004 through April 30th, including the RAC offices, are devoted to former customs related cases, excluding narcotics, and 37% are devoted to former immigration related cases.

C. What are the figures for each of the other offices or divisions of ICE on the Northern border? Please also provide, for comparison purposes, these figures for the "legacy" units that were transferred into ICE on the Northern border (including Customs Special Agents and INS Special Agents, and any Air and Marine Interdiction Division personnel stationed on the Northern border) for the years 2000 through 2002, and the first 3 months of 2003.

Answer: (in % of agent investigative hours, **not** inclusive of immigration investigations)

NORTHERN BORDER SAC OFFICE	NARCOTICS RELATED			
	2000	2001	2002	2003
Boston, MA	29.9%	29.7%	32%	31.8%
Buffalo, NY	32.7%	30.9%	36%	27.1%
Chicago, IL	46%	43.9%	35.5%	33.6%
Detroit, MI	39.4%	41.3%	27.6%	26.5%
Seattle, WA	55%	61%	52.8%	36.8%

NORTHERN BORDER SAC OFFICE	FORMER CUSTOMS CASES EXCLUDING NARCOTICS			
	2000	2001	2002	2003
Boston, MA	70.1%	70.3%	68%	68.2%
Buffalo, NY	67.3%	69.1%	64%	72.9%
Chicago, IL	54%	56.1%	64.5%	66.4%
Detroit, MI	60.6%	58.7%	72.4%	73.5%
Seattle, WA	45%	39%	47.2%	63.2%

4. **Question:**

A. Please also provide drug seizure statistics for each such northern border field office of ICE since the formation of the bureau.

Answer: Amounts reported are for fiscal year 2004 through April 30, 2004.

	MARIJ	COCAINE	HEROIN	MET	ECS	CUR	EPH	OTHER
NORTHERN BORDER	31,121.2	1,062.6	137.5	18.1	176.5	75.9	364.1	613.9

(All amounts are reported in pounds)

B. Please also provide, for comparison purposes, these figures for the "legacy" units that were transferred into ICE for the years 2000 through 2002, and the first 3 months of 2003.

Answer:
ICE does not have a complete set of law enforcement statistics for FY 2000 through the first quarter of FY 2003 for all legacy components now comprising ICE. Legacy databases do not use the same reporting parameters and cannot be consolidated.

March 1, 2005

Re: Subcommittee hearing, "Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border," April 20, 2004

Although a letter was sent to the Honorable Michael Chertoff, Secretary of the Department of Homeland Security, regarding outstanding responses to the Subcommittee's questions for the hearing record, Kevin Weeks, Director of the Office of Field Operations, U.S. Customs and Border Protection, failed to respond in a timely manner. Due to publication deadlines, his response will not be included in this hearing record. It will, however, be included in a subsequent official hearing transcript.

TOM DAVIS, VIRGINIA
CHAIRMAN

HENRY A. WAXMAN, CALIFORNIA
RANKING MINORITY MEMBER

ONE HUNDRED NINTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

Majority (202) 225–5074
Minority (202) 225–5051

February 18, 2005

Hon. Michael Chertoff
Secretary
Department of Homeland Security
3801 Nebraska Avenue, N.W.
Washington, D.C. 20528

Re: Subcommittee hearing, "Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border," April 20, 2004

Joint Subcommittee hearing, "Drugs And Security In A Post-9/11 World: Coordinating The Counternarcotics Mission At The Department Of Homeland Security," July 22, 2004

Dear Secretary Chertoff:

On April 20, 2004, the Subcommittee on Criminal Justice, Drug Policy and Human Resources (Government Reform Committee) held a field hearing in Detroit, Michigan entitled, "Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border," attended by Mr. Kevin Weeks, Director of Field Operations at the Detroit Field Office of U.S. Customs and Border Protection. The Subcommittee sent written questions for the record to Mr. Weeks on May 5, 2004.

On July 22, 2004, the Subcommittee on Criminal Justice, Drug Policy and Human Resources (Government Reform Committee), and the Subcommittee on Infrastructure and Border Security (Select Committee on Homeland Security) held a joint hearing entitled, "Drugs And Security In A Post-9/11 World: Coordinating The Counternarcotics Mission At The Department Of Homeland Security," attended by the following four witnesses: Commissioner Robert Bonner of U.S. Customs and Border Protection; Admiral Thomas Collins, Commandant of the U.S. Coast Guard; Assistant Secretary Michael Garcia of U.S. Immigration and Customs Enforcement; and Mr. Roger Mackin,

then the Counternarcotics Officer and U.S. Interdiction Coordinator. Written questions for the record were sent to all four of the witnesses on August 23, 2004.

Despite repeated requests on our part (including a letter from Chairman Souder to your predecessor, Secretary Ridge in December), and assurances from the witnesses' staff, we have received responses only from Admiral Collins. To date, no responses from Commissioner Bonner, Assistant Secretary Garcia, the office of Mr. Mackin, or Mr. Weeks have been submitted to us.

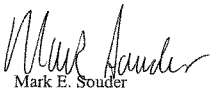
After being told by the witnesses' staff that the responses were still being reviewed by the Office of Management and Budget (OMB), we took the unusual step of writing to Director Bolten in January 2005 to ask that the process be expedited. Our staff was informed by Director Bolten's staff that OMB had completed its review of any responses that had been submitted.

We have now reached the final deadline for completing the records of the 108th Congress. Pursuant to the Committee's authority under Rules X and XI of the House of Representatives and the Constitution of the United States, we ask that your Department please submit the outstanding written responses without further delay, no later than the close of business on February 22, 2005.

Thank you very much for your time and assistance. If you have any questions, you may have a member of your staff contact Nick Coleman, a member of the Criminal Justice Subcommittee staff, at 202-225-2577.

Sincerely,

Tom Davis
Chairman
Government Reform Committee



Mark E. Souder
Chairman
Subcommittee on Criminal Justice,
Drug Policy and Human Resources
Government Reform Committee

cc: Hon. Robert Bonner, Commissioner, Customs and Border Protection
Hon. Michael Garcia, Assistant Secretary, Immigration and Customs Enforcement
Adm. Robert Utley (ret.), Acting Director, Office of Counternarcotics Enforcement

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CHRIS VAN HOLLEN, MARYLAND
LINDA T. SANCHEZ, CALIFORNIA
C.A. DUTCH RUPPERSBERGER,
MARYLAND
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JIM COOPER, TENNESSEE

BERNARD SANDERS, VERMONT,
INDEPENDENT

May 5, 2004

Mr. Kevin Weeks
Director of Field Operations, Detroit Field Office
U.S. Customs and Border Protection
Department of Homeland Security
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20229

Re: "Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border"

Dear Mr. Weeks:

Thank you very much for your testimony on April 20, 2004 before the Subcommittee on Criminal Justice, Drug Policy and Human Resources. We found your testimony both insightful and helpful. Due to the limited amount of time available for the hearing, however, we were unable to address all of the issues involved. To better help the Subcommittee understand these significant issues, we are submitting to you the attached list of questions for the record.

In order to help the Subcommittee move forward with its work on this subject, we request that you respond to these questions in writing no later than the close of business on Monday, June 7, 2004. To the extent that these questions address other offices or divisions within your agency, we would appreciate it if you would consult with those offices or divisions to obtain the requested information. Your answers will be included in the written record.

Thank you very much for your time and assistance. If you have any questions, you may contact Nick Coleman, a member of the Subcommittee staff, at 202-225-2577.

Sincerely,

Mark E. Souder
Chairman
Subcommittee on Criminal Justice,
Drug Policy and Human Resources

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

"NORTHERN ICE: STOPPING METHAMPHETAMINE PRECURSOR CHEMICAL SMUGGLING ACROSS THE U.S.-CANADA BORDER"

APRIL 20, 2004

FOLLOW-UP QUESTIONS FOR THE RECORD FOR MR. KEVIN WEEKS

1. What is your agency's best estimate of the percentage of meth precursor chemicals that is being smuggled across the Northern border between the ports of entry, as opposed to being smuggled at legal border crossings?

2. For each of the last 4 years, please provide meth precursor chemical seizure statistics for the Northern border. In addition to the total figures, please indicate the seizures for each Northern border crossing, and each Northern U.S. Border Patrol Sector.

3. Please provide the same information as in Question #2, for the Southern border crossings and the Southern U.S. Border Patrol Sectors.

4. Please provide the total number of participants in "fastpass" systems, including NEXUS, SENTRI, and FAST, at each U.S. border crossing or port of entry where they are currently in use. Please also indicate your agency's best estimate of what percentage of the total number of drivers, passengers, and/or commercial vehicles are enrolled in these systems at each such border crossing or port of entry.

5. At the hearing, you testified that there have been violations by drivers using "fastpass" systems. Please provide us with information about the type of violation, which system was being used, and what the penalty imposed was, for each U.S. border crossing or port of entry (whether within your field office's area or in another field office) at which such violations have occurred.

6. How many commercial vehicles crossed into the U.S. at the Detroit and Port Huron area border crossings in each of the last 4 years? How many passenger vehicles crossed? For each of those years, what percentage of commercial vehicles and what percentage of passenger vehicles were subjected to any inspection beyond the initial inspection at primary?

7. How many commercial vehicles and how many passenger vehicles can be inspected (beyond primary inspection) at any one time at each of the border crossings in the Detroit and Port Huron areas? What would be needed to expand that capacity at each crossing?

8. Port Huron and Detroit are the second and third largest rail ports by volume in the U.S. Are you seeing any large quantities of meth precursor chemicals coming across in freight trains or passenger trains? What have been your agency's seizure statistics for each of the past four years?

U.S. Department of Homeland Security
Washington, DC 20229

U.S. Customs and
Border Protection

MAR 14

The Honorable Mark Souder
Chairman
Committee on Government Reform
Subcommittee on Criminal Justice,
Drug Policy and Human Resources
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter of May 5, 2004, regarding written questions for the record from the April 20, 2004 testimony before the Subcommittee on Criminal Justice, Drug Policy and Human Resources entitled, "Northern Ice: Stopping Methamphetamine Precursor Chemical Smuggling Across the U.S.-Canada Border." Enclosed are the written responses to these questions for the record.

I appreciate your interest in Customs and Border Protection. If we may offer further assistance, please contact me at (202) 344-1760.

Yours truly,

Seth Statler

L. Seth Statler
Acting Assistant Commissioner
Office of Congressional Affairs

Enclosure

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

"NORTHERN ICE: STOPPING METHAMPHETAMINE PRECURSOR CHEMICAL SMUGGLING ACROSS THE U.S.-CANADA BORDER"

APRIL 20, 2004

FOLLOW-UP QUESTIONS FOR THE RECORD FOR MR. KEVIN WEEKS

1. What is your agency's best estimate of the percentage of meth precursor chemicals that is being smuggled across the Northern border between the ports of entry, as opposed to being smuggled at legal border crossings?

   ANSWER: Please refer to the attached tables for data collected by U.S. Customs and Border Protection (CBP) Office of Field Operations (OFO). CBP's Office of Border Patrol did not track meth precursor chemical seizures for the Northern U.S. Border Patrol prior to FY04.

2. For each of the last 4 years, please provide meth precursor chemical seizure statistics for the Northern border. In addition to the total figures, please indicate the seizures for each Northern border crossing, and each Northern U.S. Border Patrol Sector. (OFO/Ops/Measures for POEs)

   ANSWER: Please refer to the attached tables for data collected by CBP/OFO. CBP's Office of Border Patrol did not track meth precursor chemical seizures for the Northern U.S. Border Patrol prior to FY04.

3. Please provide the same information as in Question #2, for the Southern border crossings and the Southern U.S. Border Patrol Sectors.

   ANSWER: Please refer to the attached tables for data collected by CBP/OFO. CBP's Office of Border Patrol did not track meth precursor chemical seizures for the Southern U.S. Border Patrol Sector prior to FY04.

4. Please provide the total number of participants in "fastpass" systems, including NEXUS, SENTRI, and FAST, at each U.S. border crossing or port of entry where they are currently in use. Please also indicate your agency's best estimate of what percentage of the total number of drivers, passengers, and/or commercial vehicles are enrolled in these systems at each such border crossing or port of entry.

ANSWER:

NEXUS

Location	Enrolled
Blaine, Washington (includes Peace Arch, Pacific Highway, and Point Roberts)	38,541
Buffalo, New York (includes Peace Bridge, Rainbow Bridge, and Whirlpool Bridge)	11,465
Detroit, Michigan (Ambassador Bridge, Windsor Tunnel)	6,580
Port Huron, Michigan (Blue Water Bridge)	3,331
Champlain, New York (Champlain, Highgate Springs, VT)	766
Total enrollment	**60,683**

The percentage of each crossing site's traffic enrolled in NEXUS varies greatly from site to site. Those with a long history of being a dedicated commuter lane that have good infrastructure and extended hours have higher percentages than locations where the lane is new. The percentages range from about 25 percent at Peace Arch to 1 percent at Highgate Springs.

SENTRI

Location	Enrolled
Otay Mesa, California (San Ysidro, Otay Mesa)	53,902
El Paso, Texas (Stanton Street Bridge)	17,640
Total enrollment	**71,542**

The percentage of each crossing's traffic that SENTRI lanes carry varies with location. But the percentage is difficult to determine exactly because factored into the calculation must be the number of lanes open at a location at any time, which varies with time of day; use only the hours SENTRI is open (no SENTRI lane is 24 hours), determine how many SENTRI lanes are operating, and among the regular lanes, use only those not dedicated to buses or HOV traffic. These

details about which lanes are open is not always recorded in ways accessible away from written port records. At San Ysidro a SENTRI lane usually carries more traffic than a regular lane by 10 to 20 percent volume. In El Paso, the port has only SENTRI lanes, so there are no regular lanes to measure volume against in that location. In FY 2003, approximately 3.5 million vehicles were processed through SENTRI lanes.

The enclosed statistics for the FAST driver registration program from September 2002 to May 14, 2004 are included on the following page.

FAST Driver Registration

Location	FAST Card Issued
Alexandria Bay, NY	0
Blaine, WA	1,146
Buffalo, NY	3,413
Champlain, NY	1,420
Derby Line, VT	54
Detroit, MI	5,702
Houlton, ME	340
Pembina, ND	523
Port Huron, MI	3,522
Portal, ND	90
Sweetgrass, MT	165
Total	16,375

Although CBP is unable to determine how many commercial drivers exist and transit the United States border with Canada or Mexico, CBP estimates that approximately 20 percent of the commercial driver population that transits the border has applied to the FAST program. This is an estimate value determined by the frequency of current FAST registered drivers compared to the volume of commercial crossings.

5. At the hearing, you testified that there have been violations by drivers using "fastpass" systems. Please provide us with information about the type of violation, which system was being used, and what the penalty imposed was, for each U.S. border crossing or port of entry (whether within your field office's area or in another field office) at which such violations have occurred.

ANSWER: Statistics on SENTRI violations are not kept separately from violations in regular lanes. This will change with an upgrade to the database that carries SENTRI and NEXUS information, planned for the end of this year. Many more statistics will be available with the upgrade and the different locations will no longer function as stand-alone systems.

The same penalty is assessed in the SENTRI/NEXUS lanes as in the regular lanes, with the additional penalty of permanent or temporary loss of privileges to use the lane, depending on the severity of the violation. Though there have been cases of smuggling persons and narcotics in SENTRI/NEXUS lanes, these are exceptional violations. Usual violations are minor, such as bringing a piece of fruit (e.g., a mango) that cannot be imported in a lunch, or not having proof of insurance in the vehicle. The rate of random referrals for SENTRI lanes is controlled and much

higher than regular lanes. Each SENTRI lane vehicle, tracked individually, is referred at least once every 50 trips.

Since the implementation of the FAST commercial driver program, CBP has had instances where the applicants have been:

- Imposters
- Documented criminal associated to an organized crime syndicate

One of the documented imposters was arrested and is currently serving a jail term in connection to his misrepresentation.

The second imposter is currently under U.S. Immigration and Customs Enforcement investigation.

The organized crime associate was denied a FAST ID card.

6. How many commercial vehicles crossed into the U.S. at the Detroit and Port Huron area border crossings in each of the last 4 years? How many passenger vehicles crossed? For each of those years, what percentage of commercial vehicles and what percentage of passenger vehicles were subjected to any inspection beyond the initial inspection at primary?

STATISTICS FOR DETROIT AND PORT HURON

	Codes	FY 2003	FY 2002	FY 2001	FY 2000
Commercial Vehicles					
Port of Detroit, MI	33801	1,639,704	1,652,889	1,668,837	1,794,362
Port of Port Huron, MI	33802	919,678	890,104	827,141	839,385
Privately Owned Vehicles					
Port of Detroit, MI	33801	6,409,267	6,600,026	8,148,948	8,572,967
Port of Port Huron, MI	33802	1,968,324	2,140,737	2,296,481	2,323,812
Commercial Vehicles Secondaried	Codes				
Port of Detroit, MI	33801	630,594	654,299	633,266	682,308
Port of Port Huron, MI	33802	382,998	410,585	358,676	279,257
Privately Owned Vehicles Secondaried					
Port of Detroit, MI	33801	170,786	210,376	136,450	138,046
Port of Port Huron, MI	33802	123,244	236,431	110,711	34,797
Commercial Vehicles-Percent Inspected					
Port of Detroit, MI		38%	40%	38%	38%
Port of Port Huron, MI		42%	46%	43%	33%
Privately Owned Vehicles-Percent Inspected					
Port of Detroit, MI		3%	3%	2%	2%
Port of Port Huron, MI		6%	11%	5%	1%

7. How many commercial vehicles and how many passenger vehicles can be inspected (beyond primary inspection) at any one time at each of the border crossings in the Detroit and Port Huron areas? What would be needed to expand that capacity at each crossing?

ANSWER: At the Detroit area land border crossings, there are a total of 32 inspection lanes, all of which are available for vehicles to pull forward (out of the line of traffic) for examination. However, current infrastructure does not permit any of the lanes to be designated exclusively for secondary examinations. The Detroit breakdown is as follows:

Detroit-Windsor Tunnel: 10 lanes
Fort Street: 10 lanes
Ambassador Bridge: 12 lanes

There are four additional primary lanes for the processing of commercial vehicles that will become operational at the Fort Street Cargo Facility in Detroit this summer.

At the Port Huron land border crossings, there are a total of 18 inspection lanes, all of which are available for vehicles to pull forward (out of the line of traffic) for examination. However, current infrastructure does not permit any of the lanes to be designated exclusively for secondary examinations. The Port Huron breakdown is as follows:

Blue Water 1: 8 lanes
Blue Water 2: 5 lanes

Aside from the four commercial primary lanes to be added at Fort Street in Detroit, there are no other substantive plans for expansion and no current estimates for costs associated with expansion. CBP is prepared to work with the facility managers and other interested parties in any future expansion plans. CBP will provide any necessary input regarding its operational needs should expansion plans be drafted.

8. Port Huron and Detroit are the second and third largest rail ports by volume in the U.S. Are you seeing any large quantities of meth precursor chemicals coming across in freight trains or passenger trains? What have been your agency's seizure statistics for each of the past four years?

ANSWER: There have not been any meth precursor chemical seizures at freight or passenger rail crossings in Port Huron or Detroit.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999	2000	2001	2002	2003	2004
Number of Seizures by Line Number						
Alaska						
Alcan			1	1	1	
Alaska Subtotal			1	1	1	
Idaho						
Boise						
Eastport				1	1	5
Porthill						
Idaho Subtotal				1	1	5
Maine						
Bar Harbor						
Bridgewater						
Calais					4	
Eastport						
Fort Fairfield				1		2
Fort Kent						
Houlton						
Jackman				1	1	1
Jonesport						
Limestone						
Madawaska						1
Van Buren			1			
Vanceboro						
Maine Subtotal			1	2	5	4
Michigan						
Detroit	4	5	2	10	3	31	3	
Port Huron			2	1		5	7	1
Sault Ste Marie			2		1		2	1
Michigan Subtotal	4	5	6	11	4	36	12	2

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999	2000	2001	2002		2003		2004	
Minnesota									
International Falls		1	2	1					
Grand Portage						3		7	
Noyes									
Roseau									
Warroad									
Minnesota Subtotal		1	2	1		3		7	
Montana									
Morgan City									
Opheim									
Pregan								1	
Raymond								1	
Roosville	1	1	1						2
Scobey									
Sweetgrass	10	2		3	4		4	4	
Turner									
Whitetail									
Whitlash									
Montana Subtotal	11	3	1	3	4		4	6	2
New York									
Alexandria Bay					1	3		1	
Buffalo-Niagara Falls	3	4	1	5	1	5	2		1
Cape Vincent									
Champlain-Rouses Point	1				1	3		2	4
Chateaugay									
Clayton									
Fort Covington									
Massena		3		1			1		
Ogdensburg	1				2	2			
Oswego									
Sodus Point									
Trout River			1						
New York Subtotal	5	7	2	6	5	13	3	3	5

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999	2000	2001	2002		2003		2004	
North Dakota									
Ambrose									
Antler		1							
Carbury									
Dunseith			2		2		1	2	
Fortuna									
Hannah									
Hansboro									
Maida									
Neche									
Noonan								1	
Northgate	1								
Pembina	4	2	4	1	3	1	8	1	2
Portal				1	1	1	1	6	2
Sarles									
Sherwood									
St John						1			
Walhalla									
Westhope									
North Dakota Subtotal	5	3	6	2	6	3	10	10	4
Vermont									
Alburg									
Beecher Falls				1					
Derby Line				2		2	1	1	
Highgate Springs				6		7		8	
Norton						2			
Richford									
St Albans									
Vermont Subtotal				9		11	1	9	
Washington									
Blaine	9	5	8	7	9	13	3	8	4
Boundary									
Danville									

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999		2000		2001		2002		2003		2004	
Ferry												
Frontier	1							7				
Laurier						1						
Lynden	1					2	1			2		
Metaline Falls												
Nighthawk												
Oroville	5				1			2	1			
Point Roberts												
Sumas			3					3	3			
Washington Subtotal	16	0	8	0	9	10	10	25	7	10	4	0
NORTHERN BORDER, # OF SEIZURES	41	0	27	0	28	44	31	98	25	66	17	0

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999		2000		2001		2002		2003		2004	
Gross Weight in Pounds												
Alaska												
Alcan					0.00		0.00	0.00				
Alaska Subtotal					0		0	0				
Idaho												
Boise												
Eastport							0.00	0.00		0.05		
Porthill												
Idaho Subtotal							0.00	0.00		0.05		
Maine												
Bar Harbor												
Bridgewater												
Calais								0.11				
Eastport												
Fort Fairfield						0.01				0.01		
Fort Kent												
Houlton												
Jackman						0.00		0.00		0.00		
Jonesport												
Limestone												
Madawaska										0.01		
Van Buren					0.00							
Vanceboro												
Maine Subtotal					0.00	0.01		0.11		0.02		
Michigan												
Detroit	0.03		2.32		0.04	1.91	0.30	38,744.31		10,644.89		
Port Huron					0.00	11,349.40		14,555.64		560.08	1.54	
Sault Ste Marie					0.01		0.00		0.00	0.00	0.00	
Michigan Subtotal	0.03	0.00	2.32	0	0.05	11,351.31	0.30	53,299.96	0	11,204.97	1.54	0

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999		2000		2001		2002		2003		2004
Minnesota											
International Falls			0.02		0.00	0.00					
Grand Portage								7,368.85		0.04	
Noyes											
Roseau											
Warroad											
Minnesota Subtotal			0.02	0	0.00	0.00	0	7,368.85	0	0.04	
Montana											
Morgan City											
Opheim											
Piegan										110.23	
Raymond						0.03					
Roosville	0.00		0.00		0.04		0.00		0.00		0.20
Scobey											
Sweetgrass	0.44		0.62		0.00	0.52	0.01		0.01	0.29	0.00
Turner											
Whitetail											
Whitlash											
Montana Subtotal	0.44	0	0.62	0	0.04	0.55	0.01	0	0.01	110.52	0.20
New York											
Alexandria Bay							0.00	8,073.89		0.06	
Buffalo-Niagara Falls	0.037699		43.01		0.00	0.01	0.01	41.84	1.11		0.00
Cape Vincent											
Champlain-Rouses Point	0.000441		0.00		0.00	0.01	7.30		0.00	0.00	0.02
Chateaugay											
Clayton											
Fort Covington											
Massena			0.05			0.01			0.00		
Ogdensburg	0.007716						0.00	1,176.01			
Oswego											
Sodus Point											
Trout River					0.00						
New York Subtotal	0.04586	0	43.05	0	0.00	0.03	7.32	9,291.74	1.11	0.07	0.02

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999		2000		2001		2002		2003		2004	
North Dakota												
Ambrose												
Antler			0.01									
Carbury												
Dunseith					0.07		0.00		0.04	0.01		
Fortuna												
Hannah												
Hansboro												
Maida												
Neche												
Noonan										0.00		
Northgate	0.00											
Pembina	15.70		0.51		11.20	0.01	0.11	150.00	0.23	0.00	1.41	
Portal						0.00	0.70	0.02	28.41	0.05	3.50	
Sarles												
Sherwood												
St John								0.00				
Walhalla												
Westhope												
North Dakota Subtotal	15.70	0	0.51	0	11.27	0.01	0.81	150.02	28.68	0.06	4.91	0
Vermont												
Alburg						0.03		0.04		0.03		
Beecher Falls						0.01						
Derby Line						0.02		0.01	0.01	0.18		
Highgate Springs												
Norton								0.05				
Richford												
St Albans												
Vermont Subtotal						0.06	0	0.09	0.01	0.20		
Washington												
Blaine	0.30		0.01		0.34	3.21	192.40	151.60	0.52	1.47	0.02	
Boundary												

Note: FY 2004 data is as of May 19, 2004.

Northern Border Meth/Precursor Chemicals Seizures Past 5 Years

	1999		2000		2001		2002		2003		2004	
[illegible]												
Danville												
Ferry												
Frontier	0.00							0.01				
Launer						0.00						
Lynden	0.00					3.33	0.01			0.21		
Metaline Falls												
Nighthawk												
Oroville	0.03				0.00			0.26	0.00			
Point Roberts												
Sumas			0.00					1.53	0.01			
Washington Subtotal	0.33	0	0.01	0	0.34	6.55	192.42	153.39	0.53	1.68	0.02	0
NORTHERN BORDER, AMOUNT OF SEIZURES (LBS.)	16.55	0.00	46.54	0.00	11.70	11,358.51	200.85	70,264.18	30.33	11,317.61	6.69	0.00

Note: FY 2004 data is as of May 19, 2004.