

**Statement for the Record**

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By

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**COMMITTEE ON FOREIGN AFFAIRS**

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

**Regarding**

**The Growing Confluence of Drugs and Terror**

**And the Face of 21<sup>st</sup> Century Global Organized Crime**

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## **Background**

Chairman Royce, Ranking Member Sherman, and Distinguished Members of the Subcommittee, I would like to thank you for the opportunity to testify today on the threat posed by the growing confluence of global drug trafficking organizations and terrorist groups. The security challenges posed by this threat are enormous. I believe it will be abundantly clear by the end of this hearing that most of the security challenges facing our Nation by this threat are not being appropriately and adequately addressed. What is even more ominous are the broader strategic implications, the by-product if you will, this activity has, and will continue to produce.

The plot to assassinate the Saudi Arabian Ambassador to the U.S. that was foiled today by the FBI and DEA qualifies as the perfect example of the looming threat posed by the drugs and terror nexus. A member of the Iranian Quds Force and an American of Iranian ancestry hired a DEA operative source, believing the informant to be a member of the ultra-violent Los Zetas drug trafficking organization, to carry out the assassination—on U.S. soil. This case should serve as a wake-up call for many in our federal law enforcement and intelligence communities.

Mr. Chairman let me say up front; that each of you on this subcommittee, and many of your colleagues throughout Congress, should be praised for all that you have done to support the multi-faceted counterterrorism and counternarcotics efforts of our Nation, and many other countries around the globe. I appreciate the fact that it is in that spirit you called us here today, to determine what we can do to help with the growing threat posed by the drugs/terror nexus.

Before entering the private sector on November 1, 2008, I served for almost four years as the Assistant Administrator and Chief of Operations with the U.S. Drug Enforcement Administration (DEA), and for one year as the Agency's Acting Chief of Intelligence. I also served in a number of DEA offices throughout the United States, including service on both our Southern and Northern borders, on both our East and West Coasts, in the Midwest, as well as approximately three years involved in paramilitary operations targeting the logistical infrastructure of major Latin American drug trafficking cartels in remote and austere locations in several South and Central American countries. It is through my 34 years in law enforcement that I sit before you today, deeply concerned about the convergence of global drug trafficking organizations and foreign terrorist organizations. You will receive a career, federal narcotics agent's perspective on what is happening in many permissive (under-governed) environments around the world, and the threat posed to our Nation by this growing phenomenon.

Part of this Statement for the Record includes recommendations the Subcommittee may want to explore further that may help our Nation attack the threat more effectively. These recommendations are not meant to be all-inclusive; rather, they merely highlight certain weaknesses I perceive in our counterterrorism and counternarcotics strategies that I believe need to be shored up. Some of my recommendations include additional resources that the DEA may need. However, I retired from the DEA approximately three years ago and no longer officially speak for the organization. The executive staff of the DEA is certainly better positioned than I am to make the most appropriate recommendations to this Subcommittee that will ultimately impact the agency.

**The Confluence of Drugs and Terror**  
**And the Face of 21<sup>st</sup> Century Global Organized Crime**

*Written by: Michael A. Braun*

**Beyond the “Usual Suspects”**

The nexus between drugs and terrorism is growing at a rate far faster than most policy makers in Washington, D.C. choose to admit, and far fewer will even talk about. In many ways this is not an entirely new threat; executives of the U.S. Drug Enforcement Administration (DEA) have testified before Congress on many occasions over the past thirty-five years on the important role that drugs play in funding terrorist organizations and insurgencies around the world.

Prior to the 9/11 attacks on our Nation, experts usually found themselves talking about the terrorist organizations based in the Western Hemisphere when evaluating the drugs/terror nexus, with an occasional mention of insurgent groups such as the Burma (now Myanmar) based, 10,000 man Shan United Army led by the notorious heroin trafficker Khun Sa, who dominated the sourcing of heroin to the U.S. for the better part of a decade in the 1980's and 1990's. However, after 9/11 the number of Foreign Terrorist Organizations (FTOs) designated by our Nation that are involved in one or more aspects of the global drug trade began to increase dramatically.

Today the Western Hemisphere's "usual suspects," the Revolutionary Armed Forces of Colombia (FARC), Colombian National Liberation Army (ELN), the remnants of the United Self Defense Forces (AUC) in Colombia, and the Sendero Luminoso (Shining Path) of Peru, all designated as FTOs by the U.S., European Union and many other countries, are certainly involved in the drug trade, but the FTOs involved in the global drug trade now include groups like Hezbollah, Hamas and Al Qaeda in the Islamic Maghreb (AQIM), to name just a few.

The DEA has conservatively linked at least half of our Nation's designated FTOs to being involved in one or more aspects of the global drug trade, but I believe that number to be far greater, especially when considering that there are so many ways to make hundreds of millions, if not billions of dollars in the industry. Generating contraband revenue from involvement in the industry can include the taxing of farmers, taxing the movement of drugs and precursor chemicals across borders, taxing finished drugs, providing security to traditional cartels at clandestine laboratories, cache sites and airstrips, the manufacture of drugs, the transportation of drugs, and the distribution of drugs.

I believe the DEA finds itself in much the same situation as its predecessor agency, the Federal Bureau of Narcotics (FBN), found itself during the 1950s when the FBN's Director, Harry Anslinger, was working hard to alert Congress, the Department of Justice and the Nation on the pervasiveness of Italian organized crime in the United States, while the Federal Bureau of Investigation's (FBI) J. Edgar Hoover was vehemently denying its existence. Many in our government, at all levels, simply do not understand the looming threat posed by the confluence of drugs and terror; therefore, they continue to ignore it.

## **Why Drugs?**

More and more FTOs are turning to the global drug trade, and to a lesser degree, other transnational criminal activity, to fund their operations, because we have been enormously successful in prosecuting the Global War on Terror (GWOT). Generally speaking, there are principally two reasons for this growing phenomenon: state sponsorship for terrorist organizations continues to decline, and our government and coalition partners have succeeded in significantly disrupting the funding stream to terrorist organizations from very powerful, private donors.

Although fluid and a bit tenuous at this point, there is a third dynamic taking place that appears to be unique to Al Qaeda (AQ). Our government has so disrupted AQ's ability to direct and manage (command and control) its cells and nodes around the globe, that the organization has been forced to shift from a "corporate" leadership model to a "franchise" mode of operation. In other words AQ's cells and nodes, in many ways, have been left up to their own devices to function, including self-sufficiency when it comes to funding their operations. Some of these cells and nodes are resorting to drug trafficking to do just that. The AQ cell, or affiliated cell, depending upon with whom you speak, that was responsible for the Madrid train bombings, funded that operation almost in its entirety through the sale of MDMA (3,4-methylenedioxymethamphetamine), also known as ecstasy, and hashish.

There are myriad transnational criminal endeavors in which terrorist organizations can and do engage; however, nothing comes close to producing the kind of revenue that the global drug trade generates. The United Nations (UN) estimates that the global drug trade generates about \$322 billion dollars annually, and estimates that the revenue generated by the drug trade flowing between Mexico, the U.S. and Canada is \$147 billion dollars annually. The Office of National Drug Control Policy (the U.S. Drug Czar's office) estimates that our fellow citizens generate about \$65 billion dollars a year attempting to satisfy their insatiable appetite for drugs. By comparison, the UN estimates that the next closest illicit global market, alien trafficking, generates approximately \$32 billion dollars and that the illicit global arms trade generates about \$10 billion dollars annually. Significantly, these statistics have been hotly debated and disputed by many experts, but it is difficult to find any others that have been compiled by professional organizations. Suffice it to say, most all of the same experts agree the illicit profits made from the global drug trade by traditional trafficking cartels and terrorist organizations alike are massive, and dwarf all additional revenue generated by other black markets.

## **The Impact and Importance of Permissive Environments**

FTOs and drug trafficking organizations (DTO) both work hard to create permissive environments in which to operate, relying heavily on the hallmarks of organized crime, corruption, intimidation and ruthless violence, to carve out territory in certain regions of the world so that they can operate with impunity. Our military and intelligence community commonly refer to these areas as ungoverned or under-governed space.

FTOs and DTOs thrive in permissive environments, and invest hundreds of millions of dollars a year to disrupt good governance in many areas of the world by relentlessly undermining the rule of law. They often accomplish this through calculated corruption campaigns, targeting judicial institutions made up of law enforcement, prosecutors, judges and prison officials, and

security institutions consisting of military and intelligence forces, as well as politicians at all levels. A few examples of permissive environments include the Tri-Border Area (TBA) of South America, the no-man's land where the borders of Paraguay, Argentina and Brazil come together; vast regions of West and North Africa; Afghanistan and the country's remote borders with Pakistan and Iran; Bolivia; Venezuela; and even certain areas of Mexico.

When I was serving as the Chief of Operations for the DEA, I asked the Agency's Intelligence Division to plot on a world map the locations where the 43 (now 47) designated FTOs were based. I then asked them to highlight the source countries for illicit drugs and precursor chemicals, as well as the major transit routes for the flow of drugs, chemicals and cash associated with the global drug trade. I wasn't at all surprised when the end product clearly showed the FTOs and DTOs operating in the same permissive environments.

Hezbollah operatives working in the TBA and other areas of Latin America are now routinely acquiring and shipping multi-ton quantities of cocaine to Europe, the Middle East and elsewhere via West and North Africa. They got their start a few years ago acquiring and shipping small 10 – 15 kilogram quantities of pure cocaine to Europe, Israel, the United Arab Emirates, Egypt and other locations where they could sell the small drug shipments for up to \$1 million dollars in profit. The TBA, with a large Middle Eastern immigrant population, has long been of strategic importance to Al Qaeda, Hezbollah and Hamas, and has been a very important recruiting ground for disenfranchised young men who have little to their names, and even less to hope for. The recent Department of Treasury Financial Crimes Enforcement Network (FinCEN) findings against the Beirut based Lebanese Canadian Bank, and the Prime Bank of Gambia, centered on a long term and still active complex international conspiracy investigation by the DEA, paints a troubling picture of the Hezbollah's growing involvement in the global cocaine trade.

DEA Special Agents and the Counter Narcotics Police of Afghanistan, supported by U.S. military and Department of State assets, raided a notorious heroin trafficker's compound in 2007 in remote Eastern Afghanistan near the Pakistan border. The trafficker was also reportedly one of the five founding fathers of the Taliban Ruling Shura in Kabul. Seized during the raid were his drug ledgers, which revealed that he had sold over \$170 million dollars worth of heroin in less than one year; 81 metric tons of the poison. The bottom line—no other transnational criminal activity trumps the global drug trade for generating cold hard cash, and permissive environments make it all possible.

However, these areas of the world occupied simultaneously by FTOs and DTOs create even more dangerous threats that are more strategic in nature than the two more traditional examples mentioned above. This milieu has created opportunities for operatives from FTOs and DTOs to come together—dangerously close together.

For example, the Armed Forces of Colombia (FARC), a designated FTO by the U.S., the European Union and many other countries, has established a solid foothold in places like the West African nation of Guinea Bissau, along with other Colombian drug cartels, as well as powerful Mexican drug syndicates. These groups are all vying for the same lucrative turf offered by this extremely valuable piece of global drug trafficking real estate, which serves as an important transit point for the billions of dollars of cocaine now destined for the ever expanding cocaine markets in Western Europe, Russia and other countries.

Remarkably, very few terrorism “experts” seem to be troubled by the fact that places like Guinea Bissau and the TBA are also occupied by Al Qaeda, Hezbollah and Hamas operatives. If terrorism experts believe for one minute that the operatives from these FTOs and DTOs, who are occupying the same space at the same time, are not developing relations, forming alliances and sharing lessons learned, then they are naïve at best, or more likely, absolutely in the dark when it comes to understanding how the real underworld operates.

Let me put it more candidly: If you want to visualize ungoverned space or a permissive environment, I tell people to simply think of the bar scene in the first “Star Wars” movie. Operatives from FTOs and DTOs are frequenting the same shady bars, the same seedy hotels and the same sweaty brothels in a growing number of areas around the world. And what else are they doing? Based on over 37 years in the law enforcement and security sectors, you can mark my word that they are most assuredly talking business and sharing lessons learned.

They are developing close interpersonal relationships that are tempered and honed in the harshest and most dangerous environments. These close interpersonal relationships developing today will most assuredly evolve into strategically important inter-organizational relationships tomorrow, because many of the brutally tough young operatives that have been dispatched to places like Guinea Bissau and the TBA by their FTO and DTO leaders will undoubtedly ascend into key leadership positions within their respective organizations in the not too distant future.

We have long known that groups like the AQIM and Hezbollah have the ability to work with some other Middle Eastern FTOs, but what in God’s name do we do when they have the ability to collaborate with a Mexican DTO that already dominates drug trafficking in scores of cities throughout our country? What do we do when they have the ability to collaboratively work with the FARC, an FTO hybrid that is already moving hundreds of tons of cocaine from the north coast of Colombia into Mexico aboard fully submersible submarines capable of operating at a depth of 60 or more feet while loaded with up to ten tons of the poison (cocaine)? What else could those submarines transport?

It is not in the best interest of our National security to allow these threats to co-mingle and cohabitate anywhere on the globe, because the FTOs will only become stronger by developing alliances and sharing lessons learned with groups that are far more sophisticated organizationally and operationally than they are. The U.S. should be doing all in our government’s power, working closely with willing partners, to disrupt and ultimately dismantle these powerful threats in places like Guinea Bissau, the TBA and elsewhere, but we are not. We could pay dearly for this failure to act in the future.

Instead, most U.S. federal law enforcement agencies, intelligence and military institutions have established separate counter-terrorism and counter-narcotics directorates, each having separate goals, objectives, policies and most troublesome, separate funding streams. In other words, these directorates remain stove piped ten years after 9/11, as the confluence of drugs and terror continues to grow exponentially.

I should add that there are a few instances where this is not the case. As an example, the U.S. Attorney’s Office for the Southern District of New York (SDNY) consistently prosecutes our Nation’s most important terrorism and international drug cases. Consequently, not long ago the SDNY merged its international drug section with its foreign terrorism section, because U.S.

Attorney Preet Bharara and Deputy U.S. Attorney Boyd Johnson recognized first hand the unequivocal connection between the two.

I wish the threat posed by permissive environments ended there, but it certainly does not. It is compounded even further by other despicable relationships that typically emerge in these types of atmospheres. In Guinea Bissau for example, the Colombian and Mexican cartels have also teamed with indigenous organized crime groups, and groups like the infamous Tuareg nomads further to the north, that has controlled smuggling routes through the Sahara for centuries. The Latin American cartels needed to forge these relationships as they built their African cocaine smuggling infrastructure. As in this case, indigenous organized crime syndicates and smuggling groups are typically very unsophisticated, but they are now learning from the most sophisticated global organized crime cartels that have ever existed, the Colombian and Mexican DTOs and a hybrid FTO, the FARC.

The Colombian and Mexican cartels are paying these indigenous groups “in kind” (with cocaine product) for their services with helping to smuggle multi-ton shipments of cocaine through West and North Africa and into the soft underbelly of Europe. This phenomenon has resulted in the creation of new markets for cocaine and crack cocaine (base) in West Africa, where these homegrown groups can set and control retail market prices with the cocaine they have received as payment for their services, expand into surrounding countries, and further corrupt already weak governments.

We begin to see what I refer to as a “symbiotic destabilization of government,” much as we witnessed in Colombia several years ago, in Afghanistan today, and in other parts of the world where FTOs and DTOs occupy the same space at the same time. When the FTOs attack government forces with brutal violence, the DTOs benefit as well; and when the DTOs destabilize government through physical attacks or through well planned corruption campaigns, the FTOs benefit just as much as organized crime. It is a never-ending, vicious circle that continues to degrade already weak governance. Yet our response is to invest in counter-terrorism projects to build host nation institutional capacity, or to invest in counter-narcotics programs to build competence in that realm. However, the strategies and objectives of these disparate, yet well-meaning endeavors remain unconnected or disjointed. We could accomplish so much more with a unified approach to fighting terrorism and the global drug trade that supports it. The two are inextricably connected, yet our strategy for fighting them remains disjointed.

### **The Emergence of the Hybrid Terrorist Organization; It’s All About the Money**

The Revolutionary Armed Forces of Colombia (FARC), which has been active since 1964, was absolutely opposed to becoming involved in the cocaine trade until the early 1990s. When the Soviet Union fell and the funding stream from Cuba dried up, the FARC executive secretariat, realizing they were perfectly poised at the center of gravity for the global cocaine trade, made a corporate decision after no more than 10 minutes of debate: they were in. They really had no choice; the FARC would have to become involved in the cocaine trade if they wanted to keep their movement alive. The FARC got its start by taxing poor farmers, one of the earliest and most renowned organized crime schemes and forms of extortion. They then formed alliances with traditional drug traffickers and began providing security at clandestine drug

laboratories and cache sites and the FARC also provided critical security at clandestine airstrips and on river transit routes.

They taxed the movement of drugs through their own country, as well as across clandestine smuggling routes with bordering nations. They next became involved in the full-scale production, transportation and distribution of cocaine, and are now recognized as the world's largest manufacturer and distributor of cocaine, while simultaneously recognized by our Department of State as the Western Hemisphere based FTO that poses the greatest threat to our part of the world. They are always evolving. They emerged into, what I refer to as, a "hybrid terrorist organization." One part designated FTO, and one part global DTO. And groups like the Taliban are following the same exact evolutionary path as the FARC.

In the context of funding a terrorist organization, it is important to understand that the cost of an actual terrorist attack is minimal. The Madrid train bombings, which were funded through drug trafficking by the Al Qaeda affiliated cell, only cost about \$70 thousand dollars to pull off. Although there is no evidence to indicate that any part of the 9/11 terrorist attack on the U.S. was paid for by drug trafficking activity, most experts agree that the 9/11 attacks only cost Al Qaeda about \$500 thousand dollars.

On the other hand, it costs hundreds of millions of dollars annually for the care and nurturing of a truly global terrorist network. Operatives must first be recruited and indoctrinated; they must be trained in all manner of clandestine activity, usually in very remote, secretive locations; they must be armed by global arms traffickers; safe-houses must be acquired and operated around the world; counterfeit documents must be acquired; alien traffickers must be paid to transport operatives across borders; terrorists cannot operate effectively without the latest in costly telecommunications and other communications and navigation equipment; and finally, they must be paid and provided with large amounts of operational funding, including huge quantities of money to corrupt government, military and intelligence officials.

The only area where FTOs and DTOs really differ is in what motivates them. DTOs have always been motivated by greed, while religious, cultural, or some other ideology has traditionally motivated FTOs. Yet when FTO leaders get a taste for the enormous amounts of revenue generated by their involvement in the drug trade, ideology quickly goes out the window. Rest assured that the hierarchy of these hybrid terrorist organizations continues to leverage ideology for what its most worth—recruiting and indoctrinating the young warriors to do the dirty work required to keep their criminal enterprises alive and healthy.

### **A Transition Made Easier By An Identical Modus Operandi**

The ability of FTOs to carve out a lucrative piece of the global drug trade is made all that much easier when you consider that FTOs and DTOs operate almost identically. They are both broken down into highly compartmentalized cells to thwart the effectiveness of operations by law enforcement and military and intelligence services. If one or only a few cells are taken down, the chance of inflicting collateral damage to the greater organization is virtually impossible; all by calculated design.

Cell heads only manage the activities of their cell members, and the cell head usually receives management and direction, most often by way of telecommunications devices that are changed

out every few days, from someone at a higher level who he or she knows only by first name. And both FTOs and DTOs have the ability to quickly rejuvenate. When government experiences success in taking down a number of cells simultaneously, the threat quickly morphs into something that does not look like or act like what government security forces were focused on just a few months earlier.

As mentioned earlier, they both rely heavily on the hallmarks of organized crime, corruption, intimidation and brutal violence. A survey by the DEA just a few short years ago of its top performing confidential informants (human intelligence sources) revealed that the single most important enabler to the successful operations of DTOs was their ability to corrupt. More simply put, if they cannot successfully corrupt then they cannot successfully operate, and they invest hundreds of millions of dollars annually to corrupt all levels of government.

FTOs and DTOs rely on the latest in technology to communicate and to navigate with pinpoint accuracy to anywhere on the globe. They are masters at exploiting the technological changes taking place at light-speed in the telecommunications and communications industries. These changes help FTOs and DTOs foil the best efforts of law enforcement, military and intelligence services, all of which are hindered by antiquated legislative and policy barriers, including right here at home.

### **The Shadow Facilitators**

FTOs and DTOs rely heavily on what I refer to as “shadow facilitators” to operate effectively: the same arms traffickers, money launderers, human traffickers, document forgers, etc.; similar to “outsourcing” in the private sector. It is efficient, and it saves money. The shadow facilitators, wittingly or unwittingly, often serve to bridge the divide between FTOs and DTOs operating in the same permissive environments around the globe. In ungoverned space, the shadow facilitators have the ability to move freely within both circles, where they often times promote meetings, the formation of alliances, and the sharing of lessons learned. They are masters at creating demand for their goods and services, concurrently cashing in on the needs and requirements of the FTOs, DTOs and other organized crime threats.

### **Recommendations**

We need to break down the barriers separating counternarcotics and counterterrorism in our government, which are usually stifled by the distinct operational authorities and sources of funding that each agency possesses and more importantly that are prohibited from being intermingled. We need a whole of government approach to building security capacity in troubled areas around the world, and the best way to do that is through the development of strategies that require interlocking CN/CT principles, goals and objectives.

I happen to believe that the DEA needs additional extra-territorial teams working as part of the agency’s Special Operations Division (SOD) (only two currently exist), Foreign-Deployed Advisory and Support Teams (FAST), and International Training Teams, and the logistical and support resources required to field them in the most remote and dangerous areas of the world. That’s where our Nation’s most threatening adversaries now operate, and the DEA should be there as well building cases with trusted counterparts against the thugs who want to do us harm. It was the DEA extra-territorial teams that brought some of the world’s most notorious criminals

to justice over the past seven years, the likes of which included Haji Bashir Noorzai, Monzer al-Kasar, Haji Juma Khan, and Victor Bout, just to name a few. You can only imagine what they could do if they had more than two such teams, especially when considering that each team consists of only about 10 agents.

Our government broke the back of traditional Italian organized crime in the U.S. by bringing the heads of the Italian crime families to justice in federal court. It is important for Congress to understand that the DEA needs additional extra-territorial teams and resources to work with foreign counterparts to bring the heads of the world's most powerful drug trafficking cartels and narco-terrorists to justice in the U.S., or in other competent jurisdictions.

The DEA requires the funding and human resources necessary to open additional offices in Africa, and other austere locations where our adversaries have migrated beyond the rule of law. The DEA, widely recognized as having the most robust and accurate human intelligence program in our government, requires the funding necessary to keep this critically important program in pace with growing demands.

The plot to assassinate the Saudi Arabian Ambassador to the U.S. that was foiled today by the FBI and DEA hinged on a DEA confidential informant who had been hired to carry out the attack—on U.S. soil. A member of the Iranian Quds Force and another suspect, believing the DEA informant to be a member of the Los Zetas drug trafficking cartel, offered to pay the informant several hundred thousand dollars for the assassination, and allegedly paid the informant approximately one hundred thousand dollars as a partial payment for the murder. I cannot think of a better example to use in stressing the importance of additional funding for the DEA's confidential informant program than this case.

Our government needs to utilize its powerful, corruption free criminal judicial process to render more indictments against terrorist organizations and shadow facilitators, similar to those rendered in the Southern District of New York (SDNY) over the past few years. The SDNY has indicted the top 50 members of the FARC executive secretariat and against global arms traffickers like Victor Bout and Monzer al-Kasar, exposing terrorist leaders and shadow facilitators for what they really are: criminals and thugs. This sends a powerful message to the world community, including large numbers of uninformed people who view these threats as freedom fighters and the modern day Robin Hood.

Monzer al-Kasar and Victor Bout, both mentioned above and the two most prolific arms traffickers in modern times, are perfect examples of shadow facilitators. Our government needs to focus more heavily on the arms, human and counterfeit document traffickers and money launderers of the world. They often service and support both FTOs and DTOs, and can lead us in myriad directions. I believe the shadow facilitators are in fact vulnerability in the war on terror that we have failed to attack to the extent necessary.

Our government is obsessed with developing security strategies designed to “defend the one yard line,” specifically our border with Mexico. We need to have a greater emphasis on developing “defense in depth” strategies when it comes to protecting our homeland. Our government does not have the resources deployed in Latin America we had prior to 9/11. We need to be identifying threats originating deep in Central and South America, as well as the Western Caribbean and Eastern Pacific, before they emerge on our doorstep.

After 9/11 a large percentage of our Department of Defense detection and monitoring (D&M) assets assigned to countries covered by Southern Command's area of responsibility were deployed to other parts of the world, and I have been told they have not returned. Yet Hezbollah and Iranian Islamic Revolutionary Guard Corps (IRGC) operatives, including members of the Quds Force, are pouring into Latin America, thanks in large part to Hugo Chavez in Venezuela, the undisputed gatekeeper for Middle Eastern terrorist groups seeking to enter Latin America. Most of this activity appears to be taking place south of Mexico, but there are persistent signs that Hezbollah has strong interest in our Southwest Border.

Many in government fail to recognize that the most successful way of protecting our homeland from terrorists is by maintaining a relentless focus on the traditional threats at and beyond our borders: drug trafficking, human trafficking, weapons trafficking, and money laundering (movement of bulk cash and other proceeds). As law enforcement confronts these threats, they are far more likely to come in direct or indirect contact with terrorist operatives seeking to enter our country, or who have entered our country, to do us harm.

We must do a better job at following the money. No doubt, success can be experienced by a talented analyst sitting in a pod tracing the tens of millions of financial transactions that take place around the globe on a daily basis. However, a more productive way to accomplish our goals and objectives, especially when considering that most terrorist financing takes place clandestinely, is by doing business the old fashioned way: exploiting law enforcement confidential informants, judicially approved telecommunications intercepts, and complex international, multi-agency conspiracy investigations.

More leaders in our government need to understand that when we follow the money, we can go in any direction we choose. They must also understand that drugs are routinely traded for the most sophisticated weapons systems in the world, and they are traded for money, counterfeit documents, the services of human traffickers and other smuggling groups; I call this "the currency of contraband." Many in our government have lost site of the importance of seizing drugs, thus removing them as a source of funding, and in bringing those who are responsible for trafficking them to justice.

Finally, we as a government have changed directions far too many times in our battle against drug trafficking and abuse over the years, and those in harms way who are working hard to attack the problem are the ones who usually experience most of the pain stemming from Washington's well meaning ideas. There has been a recent movement to focus government resources on "Transnational Organized Crime" (TOC). The notion is that DTOs are involved in more than just drug trafficking, and I am not disputing that fact. However, DTOs receive the vast majority of their contraband revenue from the global drug trade, and the DEA and other U.S. law enforcement agencies have all the jurisdictional authorities required to investigate other crimes the DTOs engage in, so I do not understand the reasoning behind this trend.

The DEA has the largest U.S. law enforcement presence abroad, and is operationally engaged with foreign colleagues in bi-lateral investigations in all of the agency's 87 foreign offices. The agency is engaged in far more than liaison work abroad, has trained and vetted thousands of their counterparts around the world, and has worked hard over the last 40 years to build the infrastructure needed to attack the DTOs on their own soil. The only thing that has been accomplished with the recent movement to target TOC instead of DTOs is confusion on the part

of many of DEA's foreign counterparts, and even more confusion on the part of law enforcement right here at home. As one DEA Regional Director recently said to me, "If a DTO is making over 90 percent of its revenue from the cocaine trade, why would we refer to it as TOC when they're receiving only a pittance from the low level activity they're involved in?" DTOs have always been involved with human and arms trafficking, money laundering, cartage theft, and shakedown schemes, but it is the stiff penalties they face from Title 21, United States Code convictions that break their backs. Why are we confusing the issue, yet again?

### **Summary**

So what's the bottom line? Global DTOs and FTOs live, multiply and operate in exactly the same ungoverned space, at exactly the same time, in exactly the same manner. They are vying for exactly the same money, generated by the same illicit enterprise, drug trafficking and to a lesser degree, other transnational organized criminal activity. They rely on the same shadow facilitators to operate effectively; the arms traffickers, alien smugglers, money launderers and document counterfeiters to name just a few. When you compress two or more of these well trained and well armed threats (FTOs/DTOs) into this space/time continuum, they are usually left with only two options: They can build alliances, or they can fight it out for supremacy, both of which undermine peace, security and stability. And providing peace, security and stability in challenged environments around the globe is the single most important thing our Country can do in its global war on terrorism. Terrorist organizations do not thrive in areas of the world where capable security institutions exist, and the rule of law is strong.

Professor James Fearon of Stanford University's Political Science Department conducted an exhaustive study entitled, "Why Do Some Civil Wars Last So Much Longer than Others," that was published in 2002. I do not want to oversimplify the study, but in summation I recall the Professor identified 128 civil wars that played out, and in some cases continued to play out, from 1945 through 2000. On average 111 of the conflicts lasted about eight years, but Professor Fearon identified 17 of the 128 that lasted on average over five times longer, or about 40+ years. The most significant difference between the two sets: The insurgent and anti-government groups involved in the 17 much lengthier conflicts generated their own contraband revenue, often through the sale of drugs.

Drugs provide a never-ending funding stream straight into the war chests of terrorist and insurgent organizations that are hell bent on destroying our way of life. If we continue our war against terrorism with far greater enthusiasm and vigor than we battle drugs, we are most likely in for a very long and costly fight.

United States House of Representatives  
Committee on Foreign Affairs

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1. Name:	2. Organization or organizations you are representing:
MICHAEL A. BRAUN	I AM PART OWNER OF SPECTRE GROUP INTERNATIONAL, LLC (SGI), BUT AM NOT REPRESENTING THE
3. Date of Committee hearing:	COMPANY.
10/12/2011	
4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?	5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
#4 - TWO CONTRACTS WITH DOJ TO SPEAK ABOUT THE GROWING CONFLUENCE OF DRUGS AND TERROR THAT COLLECTIVELY TOTALED APPROXIMATELY \$2,000.00 AS I RECALL. NB MONIES PAID TO SGI. NB	
7. Signature:  Michael A. Braun 10/12/2011	

Please attach a copy of this form to your written testimony.