

DEA Congressional Testimony

Statement by:

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Chairman Mica and members of the Committee. It is a pleasure for me to appear here today to testify on counterdrug issues in Colombia. We believe that the international drug trafficking organizations based in Colombia who smuggle their poison into our country are, indeed, a threat to the national security of the United States.

As a law enforcement agency, DEA holds itself to a high standard of evidence. Our investigations aim to gather evidence sufficient to indict, arrest, and convict criminals. When DEA operates in foreign posts, we work within the legal systems of our host nations, and of course within the strictures of the U.S. legal system, and in cooperation with our host nation police agency counterparts. Our evidence must be usable in a court of law, and must withstand severe scrutiny at every level of the criminal justice process. With that in mind, my testimony will be limited to presenting DEA's view of the drug threat in Colombia today and a brief statement of how we work to counter that threat.

I. INTERNATIONAL ORGANIZED CRIME

DEA's mission is to target the powerful international drug syndicates which operate around the world, supplying drugs to American communities, employing thousands of individuals to transport and distribute drugs. The most significant international drug syndicates operating today are far more powerful and violent than any organized criminal groups that we have experienced in American law enforcement. Today's major international organized crime drug syndicates are simply the 1990's versions of traditional organized crime mobsters U.S. law enforcement officials have fought since the beginning of this century.

Members of international groups headquartered in Colombia and Mexico today have at their disposal sophisticated technology -- encrypted phones, faxes, and other communications equipment. Additionally, they have in their arsenal aircraft, radar-equipped aircraft, weapons and an army of workers who oversee the drug business from its raw beginnings in South American

jungles to the urban areas within the United States. All of this modern technology and these vast resources enable the leaders of international criminal groups to build organizations which reach into the heartland of America, while they themselves try to remain beyond the reach of American justice. The traffickers also have the financial resources necessary to corrupt enough law enforcement, military, and political officials to create a relatively safe haven for themselves in the countries in which they make their headquarters.

These international drug traffickers use sophisticated, high tech equipment and are proficient in the use of cell phones, pagers, faxes and other conveniences. The cell structure of the organizations necessitates a complex system of communications to enable the organization's leaders to know where every kilo of cocaine is located, how much profit is being made, and where and when deliveries will take place. By using cell phones and pagers, the leaders communicate with different segments of the organization, and provide only pieces of information to each segment, thereby reducing the vulnerability of individuals and the entire organization.

As complex as these communications arrangements of organized crime groups are, U.S. law enforcement agencies have been able to exploit their communications by using court-approved telephone interceptions. With the top leadership of these organizations in hiding beyond the immediate reach of U.S. law enforcement, we have directed our resources at their organizational structure, and their transportation and distribution elements in the United States.

We have been able to identify, indict, and in many cases arrest, international drug traffickers because the very feature of their operations which makes them most formidable -- the ability to exercise effective command and control over a far flung criminal enterprise -- is the feature that law enforcement can use against them, turning their strength into a weakness. However, it must be noted that the spread of non-recoverable encryption technology threatens to remove this essential investigative tool from our arsenal, and poses, in our view, a threat to the national security of the United States because it will hamper law enforcement efforts to protect our citizens from drug trafficking organizations operating abroad.

II. EVOLUTION OF ORGANIZED CRIME IN COLOMBIA

The international drug syndicates who control drug trafficking today from the source zone, through the transit zones in the Caribbean and through Mexico, and into the United States, are interconnected. We cannot discuss the trafficking situation today without looking at the evolution of the groups from Colombia --- how they began, what their status is today, and how the groups from Mexico have learned important lessons from them, thereby becoming major trafficking organizations in their own right.

Throughout the 1980's and into the early 1990's, the Medellin Cartel dominated the international cocaine trade. In the late 1980's, the Ochoa brothers (Juan David, Jorge Luis, and Fabio) ran the most powerful of the Medellin Cartel drug trafficking organizations. Taking advantage of Colombia's lenient sentencing provisions, the Ochoa brothers voluntarily surrendered to the Colombian Government in late 1990 and early 1991. Following their surrender and the violent deaths of Jose Rodriguez Gacha (December 1989) and Pablo Escobar (December 1993), the Medellin Cartel fragmented and gradually lost its secure lock on the international cocaine market.

In the early 1990s, as their predecessors from the Medellin cartel surrendered to avoid extradition, the loose association of five independent drug trafficking groups collectively known as the Cali Cartel dominated the international cocaine market. Where the Medellin cartel was brash and publicly violent in their activities, the criminals who ran their organization from Cali, labored behind the pretense of legitimacy, by posing as businessmen carrying out their professional obligations. The Cali leaders --- the Rodriguez Orejuela brothers, Jose Santacruz Londono, Helmer "Pacho" Herrera Buitrago--- amassed fortunes and ran their multi-billion dollar cocaine

businesses from high-rises and ranches in Colombia. Miguel Rodriguez Orejuela and his associates comprised what was, until then, the most powerful international organized crime group in history. They employed a wide range of aircraft, including Boeing 727s, to ferry drugs to Mexico, from there the drugs were smuggled into the United States, and then the money from U.S. drug sales was returned to Colombia with. Using landing areas in Mexico, they were able to evade U.S. law enforcement officials and make important alliances with transportation and distribution experts in Mexico.

With intense law enforcement pressure focused on the Cali leadership by the brave men and women in the Colombian National Police during 1995 and 1996, all of the top leadership of the Cali syndicate ended up either in jail, or dead. The capture of the Rodriguez Orejuela brothers in 1995, the death of Jose Santacruz Londono in March 1996, and the surrender of Helmer Herrera in September 1996--have accelerated the decentralization of the drug trade. Since the Cali leaders' imprisonments (on sentences that in no way matched the severity of their crimes) traffickers from Mexico took on greater prominence. The alliance between the Colombian traffickers and the organizations from Mexico benefitted both sides. Traditionally, the traffickers from Mexico have long been involved in smuggling marijuana, heroin, and cocaine into the United States, and had established solid distribution routes throughout the nation. Because the Cali syndicate was concerned about the security of their loads, they brokered a commercial deal with the traffickers from Mexico in order to reduce their potential losses.

This agreement entailed the Colombians moving cocaine from the Andean region to the Mexican organizations, who then assumed the responsibility of delivering the cocaine to the United States. As the arrangement evolved, trafficking groups from Mexico now are routinely paid for their services in multi-ton quantities of cocaine, making them formidable cocaine traffickers in their own right.

Drugs at The Source

The international drug syndicates discussed above control both the sources and the flow of drugs into the United States. The vast majority of the cocaine entering the United States continues to come from the source countries of Colombia, Bolivia, and Peru. Virtually all of the estimated six metric tons of heroin produced in Colombia in 1998 is destined for the U.S. market. For nearly two decades, crime groups from Colombia have ruled the drug trade with an iron fist, increasing their profit margin by controlling the entire continuum of the cocaine market. Their control ranged from the coca leaf production in Peru, Bolivia, and Colombia, to the cocaine hydrochloride (HCl) production and processing centers in Colombia, to the wholesale distribution of cocaine on the streets of the United States.

Colombian traffickers continue to import cocaine base from the jungles of Bolivia and Peru, but in ever decreasing amounts. Coca leaf production continues to grow within Colombia itself. The traffickers move the cocaine to the large cocaine HCl conversion laboratories in southern Colombia. The vast majority of the cocaine base and cocaine HCl destined for the United States is produced in these laboratories throughout Colombia. Many of these activities take place in the southern rain forests and eastern lowlands of Colombia. Most of the coca cultivation in Colombia occurs in the Departments of Guaviare, Caqueta, and Putumayo. This cultivation occurs in areas that are effectively under control of insurgent groups. Cocaine conversion laboratories range from smaller "family" operations to much larger facilities, employing dozens of workers. Once the cocaine HCl is manufactured, it is either shipped via maritime vessels or aircraft to traffickers in Mexico, or shipped through the Caribbean corridor, including the Bahamas Island chain, to U.S. entry points in Puerto Rico, Miami, and New York.

Drugs in Transit

Over half of the cocaine entering the United States continues to come from Colombia through Mexico and across U.S. border points of entry. Most of this cocaine enters the United States in privately-owned vehicles and commercial trucks. There is new evidence that indicates a few traffickers in Mexico have gone directly to sources of cocaine in Bolivia and Peru in order to circumvent Colombian middlemen. In addition to the supply of cocaine entering the U.S., trafficking organizations from Mexico are responsible for producing and trafficking thousands of pounds of methamphetamine.

Drug trafficking in the Caribbean is overwhelmingly influenced by Colombian organized criminal groups. The Caribbean had long been a favorite smuggling route used by the Cali and Medellin crime groups to smuggle cocaine to the United States. During the late 1970's and the 1980's, drug lords from Medellin and Cali, Colombia established a labyrinth of smuggling routes throughout the central Caribbean, including Haiti, the Dominican Republic and the Bahamian Island chain to South Florida, using a variety of smuggling techniques to transfer their cocaine to U. S. markets. Smuggling scenarios included airdrops of 500-700 kilograms in the Bahamian Island chain and off the coast of Puerto Rico, mid-ocean boat-to-boat transfers of 500 to 2,000 kilograms, and the commercial shipment of multi-tons of cocaine through the port of Miami.

After Miguel Rodriguez Orejuela and his confederates in the Cali crime syndicate were brought to justice by Colombian authorities in 1995, new groups from the North Valle del Cauca began vying for control of the lucrative markets on the United States East Coast, previously dominated by Rodriguez Orejuela. Experienced traffickers who have been active for years--but worked in the shadow of the Cali drug lords-- have more recently proven adept at seizing opportunities to increase their role in the drug trade. Many of these organizations began to re-activate traditional trafficking routes in the Caribbean to move their product to market.

DEA's focus on the Cali organization's command and control functions in the U.S. enabled us to build formidable cases against the Cali leaders, which allowed our Colombian counterparts to accomplish the almost unimaginable-- the arrest and incarceration of the entire infrastructure of the most powerful crime group in history. Although Miguel Rodriguez Orejuela and his confederates continue to direct a portion of their operations from prison they are no longer able to maintain control over this once monolithic giant. Now, independent groups of traffickers from the Northern Valle del Cauca have replaced the highly structured, centrally controlled business operations of the Cali group. These new groups tend to be smaller and less monolithic; however, they continue to rely on fear and violence to expand and control their trafficking empires.

III. ORGANIZED CRIME SYSTEMS BASED IN COLOMBIA

Despite the rise to power by the Mexican crime syndicates and their increasing control of the wholesale cocaine trade in the United States, Colombian traffickers still control the manufacture of the vast majority of cocaine in South America and their fingerprints are on virtually every kilogram of cocaine sold in U.S. cities and towns.

DEA has identified major organizations based on the northern coast of Colombia that have deployed command and control cells in the Caribbean Basin to funnel tons of cocaine to the United States each year. Colombian managers, who have been dispatched to Puerto Rico and the Dominican Republic, operate these command and control centers and are responsible for overseeing drug trafficking in the region. These groups are also directing networks of transporters that oversee the importation, storage, exportation, and wholesale distribution of cocaine destined for the continental United States.

Colombian trafficking organizations have potentially produced an estimated 165 metric tons of cocaine HCl, some six metric tons of heroin, and over 4,000 metric tons of marijuana in 1998. The bulk of these illicit drugs is destined for the United States. Colombian traffickers continue to

control the supply of cocaine at its source and dominate the wholesale cocaine market in the eastern U.S. and Europe.

As indicated above, traffickers from Colombia supply almost all of the cocaine to the Mexican crime syndicates. The Mexican organizations purchase cocaine, as well as accepting cocaine in payment for services, from Colombian groups. This change in the manner in which business is conducted is also driven by the new trafficking groups in Colombia, who have chosen to return to the Caribbean to move their cocaine to the United States.

Mexican organized crime syndicates now control the distribution of cocaine in the western half and the Midwest of the United States. Moreover, the Colombians have franchised to criminals from the Dominican Republic a substantial portion of the mid-level wholesale cocaine and heroin trade on the East Coast of the U.S. The Colombian groups remain, however, in control of the sources of supply. The Dominican trafficking groups, already firmly entrenched as low-level cocaine and heroin wholesalers in the larger Northeastern cities, were uniquely placed to assume a far more significant role in this multi-billion-dollar business.

The Dominicans in the U.S., and not the Colombians, are the ones subject to arrest, while the top level Colombians control the organization with increasingly encrypted telephone calls. This change in operations reduces profits somewhat for the syndicate leaders. It succeeds, however, also in reducing their exposure to U.S. law enforcement. When arrested, the Dominicans will have little damaging information that can be used against their Colombian masters. Reducing their exposure, together with encrypted communications, puts the Colombian bosses closer to their goal of operating from a political, legal, and electronic sanctuary.

IV. COLOMBIAN CRIME GROUPS IN THE U.S.

Colombian cocaine trafficking groups in the U.S. -- consisting of mid-level traffickers answering to the bosses in Colombia -- continue to be organized around "cells" that operate within a given geographic area. Some cells specialize in a particular facet of the drug trade, such as cocaine transport, storage, wholesale distribution, or money laundering. Each cell, which may be comprised of 10 or more employees, operates with little or no knowledge about the membership in, or drug operations of, other cells.

The head of each cell reports to a regional director who is responsible for the overall management of several cells. The regional director, in turn, reports directly to one of the drug lords of a particular organization or their designee based in Colombia. A rigid top-down command and control structure is characteristic of these groups. Trusted lieutenants of the organization in the U.S. have discretion in the day-to-day operations, but ultimate authority rests with the leadership in Colombia.

Upper echelon and management levels of these cells are normally comprised of family members or long-time close associates who can be trusted by the Colombian drug lords -- because their family members remain in Colombia as hostages to the cell members' good behavior -- to handle their day-to-day drug operations in the United States. The trusted personal nature of these organizations makes it that much harder to penetrate the organizations with confidential sources. That difficulty with penetration makes intercepting criminal telephone calls all the more vital. They report back to Colombia via cell phone, fax and other sophisticated communications methods. Colombian drug traffickers continually employ a variety of counter-surveillance techniques and tactics, such as fake drug transactions, using telephones they suspect are monitored, limited-time use of cloned cell phones (frequently a week or less), limited use of pagers (from 2 to 4 weeks), and use of calling cards. The top level managers of these Colombian organizations increasingly use sophisticated communications and encryption technology, posing a severe challenge to law enforcement's ability to conduct effective investigations.

V. TERRORIST INVOLVEMENT IN THE DRUG TRADE

There is deep concern in DEA, as in the rest of the Administration and in the Congress, about the connection between the FARC and other terrorist groups in Colombia and the Drug Trade. This summer's events in Colombia demonstrate the danger posed to the Colombian people by the terrorists. The Colombian government is now engaged in responding to this armed challenge. DEA will continue to pay close attention to FARC involvement in the drug trade. We will, together with our Colombian partners, take whatever steps are necessary to attack the international organized crime groups that are the driving force behind the drug trade and the armed groups that may be protecting them.

DEA has in the past demonstrated its ability and willingness to fight drug trafficking. For example, we participated in the struggle with Pablo Escobar in Colombia, a trafficker who turned to terrorism when the net was closing around him. DEA worked openly with the Colombian Police to hunt him down. We will work alongside our long-term colleagues in the CNP to indict and bring to justice any drug trafficker, FARC or otherwise, as long as the charges can be proven in court. DEA carries out its operations in partnership with the CNP.

An alliance of convenience between guerillas and traffickers is nothing new. Since the 1970s, drug traffickers based in Colombia have made temporary alliances of convenience with leftist guerillas, or with right wing groups. In each case, this has been done to secure protection for the drug interests. At other times, the drug traffickers have financed their own private armies to provide security services.

General reporting indicates that many elements of the FARC and the ELN raise funds through extortion, or by directly selling security services to traffickers. Their actions are by no means limited to dealing with the traffickers. The terrorists extort from all manner of economic activity in the areas in which they operate. In return for cash payments, or possibly in exchange for weapons, the terrorists protect cocaine laboratories, drug crops, clandestine airstrips, or other interests of the drug traffickers.

The terrorists are not the glue that holds the drug trade together. It is, however, certainly true that the "cash cow" represented by the drug trade has taken on a big, and probably growing role in financing the terrorists. If the traffickers did not buy security from the FARC or ELN, they would buy it from elsewhere -- as they have done in the past.

The frequent ground fire sustained by CNP aircraft when engaged in eradication missions over FARC or ELN controlled areas is indicative of the extent to which the terrorists will go to protect the drug interests. Some of these shootings may well have been angry peasants lashing out at a government target. In either case, these shooting incidents pose a threat to personnel conducting counter-lab or eradication operations.

VI. LAW ENFORCEMENT ACCOMPLISHMENTS

The Colombian National Police is a major law enforcement organization with a long and honored tradition of integrity. The CNP had some corruption problems in the 1980s and early 1990s, but took the needed steps to address that corruption and have moved on to aggressively attack the drug menace. Under the direct command of General Rosso Jose Serrano, the CNP has become recognized for its dedication, patriotism and commitment to integrity. The CNP has introduced fundamental changes in the force in order to make it a thoroughly modern and efficient institution within the context of Colombia and the international community.

General Serrano has been an advocate on behalf of the thousands of loyal and dedicated Colombian National Police officers within the ranks. He has encouraged their motivation, even in

the face of the tragic losses of over 900 fellow police officers in the last three years alone. The fact that the CNP, and other members of Colombia's law enforcement community, were able and willing to pursue operations against the drug underworld is a testament to their professionalism and dedication.

All of the top Cali drug lords either have been captured by the CNP, have died, were killed, or have surrendered to Colombian authorities. These unprecedented drug law enforcement successes were the culmination of years of investigative efforts by the CNP, with active support from DEA. Unfortunately, Miguel Rodriguez Orejuela and his associates, who comprised the most powerful international organized crime group in history initially received shamefully short sentences for their crimes. In January 1997, Gilberto was sentenced to 10 and 1/2 years in prison on drug trafficking charges. As a result of Colombia's lenient sentencing laws, however, Gilberto may serve only five years. Miguel, originally sentenced to nine years, was later sentenced to 21 years on Colombian charges based on evidence supplied by the United States Government in the Tampa, Florida, evidence-sharing case. Miguel is expected to serve less than 13 years in prison. The Colombian judicial system must be strengthened to that the traffickers, once convicted, are sentenced to terms commensurate with their crimes.

The CNP continues to pursue significant drug investigations in cooperation with the DEA. The CNP is also aggressively pursuing significant counterdrug operations against cocaine processing laboratories, transportation networks, and trafficker command and control elements. We expect these operations will result in prosecutions in both Colombia and the United States.

VII. CONCLUSION: HOPE FOR THE FUTURE

By way of conclusion, we can and should continue to identify and build cases against the leaders of the new criminal groups from Colombia. These criminals have already moved to make our task more difficult by withdrawing from positions of vulnerability and maintaining a much lower profile than their predecessors. A number of initiatives hold particular promise for success:

- The U.S. Embassy's Information Analysis/Operations Center (IAOC) will be increasingly utilized to coordinate and analyze tactical information regarding the activities of drug trafficking groups active in the Colombian territories south and east of the Andes Mountains. The IAOC is comprised of Embassy personnel from the DEA Bogota Country Office and U.S. Military's Tactical Analysis Team. Support and staffing also are provided by the Defense Attache Office and the State Department. This organization should be the central clearinghouse for counterdrug law enforcement cooperation in Colombia.
- The special unit program, funded under the Andean Initiative, will make it possible to convert existing partially vetted units of the CNP into fully vetted teams. These teams of investigators will work closely with DEA and will conduct high level drug investigations.
- There are several cutting-edge, sophisticated investigations currently underway, which benefit from the closest possible cooperation between the DEA and CNP. In the very near future these investigations should lead to the dismantling of major portions of the most significant drug trafficking organizations operating in Colombia today.

The DEA remains committed to our primary goal of targeting and arresting the most significant drug traffickers in the world today. In particular, we will continue to work with our partners in Colombia to improve our cooperative efforts against international drug smuggling. The ultimate test of success will come when we bring to justice the drug lords who control their vast empires of crime which bring misery to the nations in which they operate. They must be arrested, tried and convicted, and sentenced in their own countries to prison terms commensurate with their crimes, or, as appropriate, extradited to the United States to face American justice.

Thank you for the opportunity to testify before the Subcommittee today. I will be happy to respond to any questions you may have.