



Remarks by Under Secretary Charles Allen at AFCEA-SOUTHCOM "South 2008" Conference Panel: "Narco-Trafficking: What is the Nexus with the War on Terror?"



Release Date: October 8, 2008

Miami, Fla.
South 2008 Conference
(Remarks as Prepared)

Good morning, ladies and gentlemen, and thank you to the Armed Forces Communications and Electronics Association (AFCEA) International and SOUTHCOM for sponsoring this important "South 2008" conference. Thank you, as well, for the opportunity to participate in your discussions about two of the most important issues affecting homeland security – drugs and terrorism.

As a nation, when we think about drugs and terrorism, we often think of the highly visible global struggle against radical extremism and the opium fields of Afghanistan. Yet a reported 90 percent of the cocaine entering the United States originates in the southern region of the Western Hemisphere – from Colombia – and more is being produced in Peru and Bolivia.

We also tend to think of this region as nuclear free, devoid of large conventional forces and an area from which no terrorist attacks have been launched against the United States; in other words, a relative peaceful and low priority region in the context of defense. Yet many of the threats to the homeland (drug trafficking, gangs, money laundering and all categories of migrant smuggling) enter the United States through our southern land and maritime borders after originating from or transiting the region.

The Department of State lists the Revolutionary Armed Forces (FARC), the National Liberation Army (ELN) and the former United Self-Defense Forces (AUC) in Colombia as terrorists but their agendas are internally focused. Over the years, they have all attacked their civilian populations, become involved in drug trafficking and kidnapped hundreds of innocents. Although the FARC has suffered setbacks, it remains a lethal organization that continues its terrorist behavior with the support of a few countries in the region. The FARC is also believed to be aggressively supplying cocaine to Mexican drug cartels for onward shipment to the United States.

Mexico's strategic location on our southwest border demands notice as we discuss the drug-terror connection. At the Department of Homeland Security, we focus on the possibility that terrorist groups might seek to smuggle operatives or weapons of mass destruction across the U.S.-Mexican border – even though those scenarios may have a low probability. Given the Mexican cartels' control of their country's northern smuggling corridors, it is feasible, although unlikely, that international terrorist organizations would seek the support of drug traffickers. We consider cooperation between Mexican drug trafficking organizations and international terrorists, witting or otherwise, as a "high impact, low probability" scenario.

The cartels' overriding priority is to profit from their illicit drug trade. Provoking a strong reaction from the United States as the result of terrorist acts launched from Mexico would bring unprecedented pressure from both the U.S. and Mexican governments, with an even greater impact on drug proceeds than the traffickers already suffer. A cartel under severe pressure from rivals, or the Mexican government, might become desperate enough to cooperate with terrorists in a bid to recover lost revenues. But again, we have not seen this – and it would be an extreme and desperate act if it were to occur.

Smaller, independent trafficking organizations, rogue operators or an independent terrorist operation are also potential but unlikely scenarios. It is doubtful that terrorists would relinquish full control of the commodities, or individuals, being moved across the border to a smuggling organization that may lack security or an ideological commitment. Furthermore, independent terrorists operations would, almost certainly, come to the attention of the cartels, who would attempt to block any terrorist efforts or highlight those efforts to Mexican authorities.

Although the relationship between drug trafficking and Islamic extremism in Latin America is somewhat attenuated, we have reason to believe that Islamic terrorist networks are active throughout the region. Members of these networks are

primarily involved in fundraising and logistical support to their parent organizations such as Hizballah and Hamas. There are concentrations of Islamic extremists in several areas but perhaps in no greater concentration than in the Tri-Border Region or Triple Frontier comprised of Paraguay's Ciudad del Este, Puerto Iguazu in Argentina and Brazil's Foz do Iguazu. The concentrated population and relative open border have enticed terrorists to this area since the 1980s.

By the 1990s, the United States considered the area to be one of the main terrorism-financing centers in Latin America and in the mid '90s (1995), Khalid Sheikh Mohammad, an al Qa'ida planner now in custody for masterminding the 9/11 attacks, was in Brazil. According to open sources, by the turn of the century there were nearly 50 Hizballah operatives in the Tri-Border area, allegedly including the regional Hizballah fund raiser Ali Khalil Mehir. Mehir, a Lebanese national, fled before he could be prosecuted for commercial activity to finance terrorist groups. Adnan Al Shukrijumah, a reported al Qa'ida operative for whom the FBI has "be on the lookout" order, was in Panama in 2001 and believed to be "casing" the Panama Canal. Abdelhakim Gouram, another alleged al Qa'ida member linked to the extremist group the "Moroccan Islamic Combatant Group" (GICM), frequently visits Brazil for competition as a martial arts fighter and has been accused of planning terrorist attacks on the Philips Tower in Brussels.

The presence of the "Barakat family" in Ciudad del Este, Paraguay, was significant. Assad Ahmand Barakat is reported to have used a presumably legitimate business as a front for Hizballah financial operations and recruiting. During a raid on Barakat's apartment, police discovered Hizballah propaganda praising martyrs as well as several speeches by Hizballah leader Hassan Nasrallah. Barakat has since been designated a Specially Designated Global Terrorist (SDGT) by the Department of the Treasury.

Two additional family members – Ali Muhammad Kazan Farouk Omaili and his son Khalid Omaili – were accused of narco-trafficking, money laundering and terrorism financing. Brazilian authorities arrested Farouk Omaili for procuring fraudulent documents associated with Hizballah in the Tri-Border area. The arrest followed Treasury's designation of Omaili as a Hizballah regional coordinator responsible for providing logistical and financial support to the terrorist group.

Consistent with the Treasury Department, the Department of State's International Narcotics Control Strategy Report (INCSR) (2006/07) reported that tens of millions of dollars are laundered and earmarked to fund terrorist activity in the region each year. Over time, al Qa'ida, Hamas, Hizballah and Gama'at al Islamiya members have been identified in the region. Although somewhat diminished, financial and recruiting operations are believed to be ongoing and the presence of members belonging to these organizations leaves open the possibility that they will facilitate attacks against the United States given the right circumstances.

Much as they attempt to do in the United States, criminal supporters and terrorists sympathizers have channeled drug and other illicit proceeds to extremist coffers in the Middle East through banks, hawala dealers, exchange houses, currency changers, and charitable donations. They also offer Islamic terrorists potential safe haven in the Western Hemisphere and access to fraudulent document networks that are of particular concern to DHS.

The threat of ties between criminal and drug smuggling networks and Islamic terrorism may be less pressing than in the Near East, but the threats in this hemisphere are genuine, insidious, and not always limited to recruiting and finance. Islamic terrorists have attacked civilian targets in Latin America, most notably when Hizballah destroyed the Israeli Embassy in Buenos Aires in 1992 and the Argentine-Israeli mutual friendship building, also in Buenos Aires, two years later. According to our southern neighbors, Latin America-based criminal networks provided logistical support for these attacks. Simply put, a latent risk exists in this fertile environment.

More than five years ago, the Department of Homeland Security was created with the specific task of preventing another terrorist attack on our country. All of DHS' components share this critical mission. As I mentioned earlier, as DHS intelligence analysts monitor the activities of international terrorists, they remain alert to even the remote possibility that Latin American drug trafficking organizations, which have successfully penetrated our borders and have extensive logistics networks, might support terrorist activities. Guarding against terrorists entering the United States by using fraudulent documents or alien smugglers is one of the most important missions of the Department. In cooperation with Mexico and many other countries in the Western Hemisphere, Immigration and Customs Enforcement investigations have led to the arrest of numerous alien smugglers who facilitate the illicit entry of undocumented aliens from special interest countries.

The full resources of the intelligence and law enforcement communities are focused on collecting and analyzing all-source intelligence. Thousands of dedicated men and women devote their considerable skills to tracking the intentions and capabilities of terrorist organizations.

Successfully protecting and defending the Homeland requires us to recognize that the threat is evolving and that globalization has diminished the traditional role of the nation-states. Non-state actors have emerged. They are expanding and deepening their operations. They are crossing international boundaries, with relative ease, where security is lax. In the future, law enforcement alone may not be enough.

Protecting and defending the homeland requires interagency and intelligence community cooperation and coordination. Federal, state, local and tribal governments all have a key role to play. We must also recognize that this hemisphere is not as secure as it appears. It is an environment that terrorists will exploit and an area from which future attacks may be launched. Our ability to respond will rely on vigilance, effective coordination, timely communication and interagency and international cooperation as never before.

I congratulate AFCEA and SOUTHCOM on their sponsorship of this conference, which brings together experts from many disciplines to consider the issue of a potential drug-terror connection, one of the most critical issues confronting the United States.

Thank you again for the opportunity to participate today. I look forward to your questions.

This page was last reviewed/modified on October 8, 2008.