

**CENTER FOR
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(CSIS)**

**COMBATING THE GROWING THREAT OF
INTERNATIONAL ORGANIZED CRIME**

**WELCOME:
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DIRECTOR, CSIS TRANSNATIONAL THREATS PROJECT**

**SPEAKERS:
MICHAEL MUKASEY,
U.S. ATTORNEY GENERAL**

**PANEL:
ALICE FISHER,
ASSISTANT ATTORNEY GENERAL FOR CRIMINAL DIVISION
DEPARTMENT OF JUSTICE**

**JOHN PISTOLE,
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DEPARTMENT OF HOMELAND SECURITY**

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ARNAUD DE BORCHGRAVE: Good afternoon. My name is Arnaud de Borchgrave. I am director of the Transnational Threats Project at CSIS and prior to that, we had the Global Organized Crime Project that I also directed throughout the 1990s. So on behalf of John Hamre, our president and CEO, who unfortunately is in Asia right now, it gives me great pleasure to welcome here the 81st attorney general of the United States.

Prior to his appointment last November, Michael Mukasey had a prominent and lengthy career as an attorney including service as an assistant U.S. attorney in New York in the early- to mid-'70s, which was followed by 11 years as a member of Patterson Belknap Webb & Tyler. Next, General Mukasey was appointed by President Reagan in 1988 to the U.S. District Court of Southern New York, where he was chief judge for six years and where he presided over hundreds of cases including the trial of the notorious blind sheikh, Omar Abdul-Rahman, and 11 codefendants charged with conspiring to blow up numerous sites in New York, the precursor, of course, to the terrorist attacks of 9/11. He also presided over the trial of Jose Padilla and many other important trials.

After our guest retired from the bench, he returned to his law firm and collected an impressive number of awards: lecturer at the Columbia Law School, became chairman of the Committee on Public Access to Information and Proceedings of the New York State Bar Association. So please join me in welcoming General Mukasey.

ATTORNEY GENERAL MICHAEL MUKASEY: Thank you, Arnaud, and thank you for having me. I thought you were going to say collected an impressive salary – (laughter) – which I did for a year. Good afternoon. It's a great pleasure to be here. The Center for Strategic and International Studies is dedicated to thoughtful discussion of important global issues. In my short time in Washington, I've seen a lot of discussion, and so I have come to appreciate the value of thoughtful discussion.

In 1961, Attorney General Robert Kennedy highlighted the broad threat that's posed by organized crime. He said at that time – and these are his words in 1961: "In too many major communities of our country, organized crime has become big business. It knows no state lines. It drains off millions of dollars of our national wealth, infecting legitimate businesses, labor unions, and even sports. Tolerating organized crime promotes the cheap philosophy that everything is a racket."

In the 47 years that followed that speech, the Justice Department and this country's law enforcement agencies began a wide-ranging crackdown on organized crime networks, especially La Cosa Nostra. President Lyndon Johnson spurred that effort by issuing an executive order placing the attorney general in charge of coordinating all federal law enforcement activity against organized crime. Shortly after that, the attorney general formed the Organized Crime Council to establish priorities and formulate a national unified strategy to combat organized crime. The council was made up of senior officials from the department and representatives from many law enforcement agencies.

Perhaps the biggest hurdle at that time was that much of the public did not see or understand the threat posed by organized crime. It was a failure of imagination; a failure to see that a vast underworld could thrive under our noses, and commit crime as a matter of business. Over time, however, as police and prosecutors changed the reality for the racketeers, the American public began to understand how utterly ruthless organized criminals could be.

Ultimately, the efforts of the council, law enforcement, and the Department of Justice resulted in one of the most successful programs in the department's history. Mobsters were charged, convicted, and imprisoned; their assets were seized, and organized crime was severely weakened. As a result of that accomplishment, the last time the Organized Crime Council met was in 1993.

Perhaps we are victims of our own success because it seems that there is a widespread belief around the country that organized crime is no longer a serious threat. Most Americans think of organized crime only as a part of America's past, its modern role merely the subject of popular movies or television dramas. I can assure you that organized crime is different in source and different in scope, but unfortunately this phenomenon, in a different institutional costume, is alive and well.

That is why, earlier this year, the Organized Crime Council met for the first time in 15 years. It did so because the United States faces a new and more modern threat, from international organized crime. We can't ignore criminal syndicates in other countries on the naïve assumption that they are a danger only in their homeland, whether it is located in Eurasia, Africa, or anywhere else.

International organized crime poses a greater challenge to law enforcement than did the traditional mafia in many respects. And the geographical source of the threat is not the only difference. The degree of sophistication is also markedly different, markedly higher. Some of the most significant international organized criminals are also infiltrating our own strategic industries and those of our allies, are providing logistical support to terrorist organizations and foreign intelligence agencies, and are capable of creating havoc in our economic infrastructure. These international criminals pose real natural security threats to this country.

Here I would like to pause long enough to make explicit an important distinction between this national security threat and others that I and other people involved in law enforcement, intelligence gathering, and national defense have spoken of frequently. International organized criminals are not motivated by ideology; they are motivated by the same thing that has motivated traditional organized criminals over history: money.

International organized crime is a hybrid criminal problem that implicates three of the department's national priorities: national security, violent crime, and public corruption. It needs a coordinated response and an openness to new ways of doing business. It also demands that we work closely with our foreign colleagues in order to

dismantle global criminal syndicates. In short, this is about more than the Department of Justice. It involves our law enforcement and non-law enforcement colleagues at the Departments of Homeland Security, State, Treasury, and Labor, the U.S. Postal Service, as well as the intelligence community. And I'd like to thank these other agencies for their help and for their efforts.

The attorney general's Organized Crime Council will have a leading role in coordinating that effort. It is actively engaged in identifying the most serious threats and in developing strategies to combat them. Earlier this month, I met with the council and approved a Law Enforcement Strategy to Combat International Organized Crime. That strategy is an important part of this administration's ongoing coordinated commitment to safeguard our national security from transnational threats. Today, I want to tell you a little about that strategy, which we've already begun to implement, about the threats we face, and about some of the recent successes we have had against international organized-crime outfits, which I hope are a preview of more to come.

In the past, we understood the basics of international organized crime and some of the ways it threatens the United States, but we lacked an overall perspective on how the pieces fit together. Therefore, the department and other federal agencies recently conducted a comprehensive review and assessment of international organized crime. We drew on the best available intelligence to identify, analyze, and give priority to the threats. The assessment contained in the law enforcement strategy describes that and has made it vividly clear that international organized crime is a serious national security and criminal problem that demands a targeted and coordinated response.

First, we learned that organized crime, in addition to being as varied and as dangerous as ever, has a remarkable ability to adapt to changing conditions. As a result, the challenge we face with the new breed of organized criminals is quite different from the one we faced a generation or two ago. They are more sophisticated; they are richer; they have greater influence over government and political institutions worldwide; and they are savvier about using the latest technology first to perpetrate and then to cover up their crimes.

This new group of organized criminals are far more involved in our everyday lives than many people appreciate. They touch all sectors of our economy. They deal in everything from cigarettes to oil, from clothing to pharmaceuticals. These criminals invest some of the millions they make from illegal activities in the same publicly traded companies as we hold in our pension plans and 401(k)s. They exploit the Internet; they peddle their scams on eBay; and they're responsible for a significant chunk of the spam email we get.

When I use the term "international organized criminal," I do not mean to suggest that these are only foreign citizens or to place blame for the problem on other nations. I am referring to the globalization of crime and to groups with members and associates around the world, including here in the United States. I would like to talk for a few minutes about the specific threats identified in our assessment. As you would expect,

much of our analysis relied on classified intelligence and ongoing investigations so I will not be able to go into too much detail. But I can give you some examples from operations we've already concluded.

The first threat we identified was that organized criminals control significant positions in the global energy and strategic materials markets. They are expanding their holdings in those sectors, which corrupts the normal functioning of these markets and may have a destabilizing effect on U.S. geopolitical interests. Organized crime has put down deep roots in various parts of the globe. So-called "iron triangles" of corrupt business leaders, corrupt government officials, and organized criminals exert substantial influence over the economies of many countries. This is a grave concern for U.S. law enforcement, and we have responded.

One of the most well-known recent examples is the case of Semion Mogilevich – also known as the "Brainy Don" – and several members of his criminal organization whom the United States charged in a 45-count racketeering indictment in 2003. According to published reports, even after the indictment, Mogilevich continued to expand his criminal empire in a new direction. He was said to exert influence over large portions of the natural gas industry in parts of what used to be the Soviet Union. The arrest of Mogilevich by Russian police in January is a positive sign. But we continue to watch the growth of organized crime and its penetration into some of these markets with great concern.

A second threat we identified was the logistical and other support that organized crime provides to terrorists, foreign intelligence services, and foreign governments that may be targeting the United States or otherwise acting against our interests. There are many examples of these connections. Just last month, a complaint was unsealed against Viktor Bout, a notorious international arms trafficker. Bout is charged with conspiring to sell millions of dollars worth of weapons to the Revolutionary Armed Forces of Colombia, known colloquially as the FARC. The FARC, as we know also, is a designated foreign terrorist organization.

The complaint alleges that Bout, along with an accomplice, agreed to sell the FARC 100 surface-to-air missiles, as well as launchers for armor-piercing rockets. Luckily, in this instance the individuals holding themselves out to be members of the FARC were actually confidential sources working with the Justice Department. As this example makes clear, although these criminals are not motivated by ideology, when the price is right, they are more than willing to help the people who are motivated by ideology.

Another set of recent cases highlights yet a third threat – from international organized criminals who smuggle and traffic people and contraband into the country. Together, Operation Royal Charm in New Jersey and Operation Smoking Dragon in Los Angeles uncovered an extensive Asian criminal enterprise that was smuggling nearly every form of contraband imaginable. These investigations resulted in the indictment of

87 people who smuggled goods into the United States by using shipping containers with bills of lading that falsely identified the contents as toys and furniture from China.

Instead of toys, the smugglers were bringing in millions of dollars worth of high-quality counterfeit \$100 bills, as well as counterfeit pharmaceuticals and cigarettes, and illicit drugs including ecstasy and methamphetamine. Two of the defendants entered into a deal with undercover agents to provide various weapons, including hundreds of shoulder-fired rockets capable of shooting down airplanes.

Another threat involves the ways organized crime exploits the U.S. and international financial systems to move illegal funds. These groups are run like global corporations; they use sophisticated financial operations. Any time you have that kind of expertise, there is potential for it to be misused in a way that causes harm. We already know organized criminals have bad intentions, so the question becomes exactly what kinds of harm they want to cause with those intentions. They may exploit legitimate banking systems here and abroad to launder money or engage in other financial crimes like insurance fraud. And, over the past several years, we have seen cases where U.S. shell companies were established and used for global money-laundering schemes in Russia, Latvia, the U.S., and other countries.

The criminals operating these schemes are willing to move money for anyone who needs to hide the source, ownership, or destination of the funds, no questions asked. They corrupt banking officials and exploit lax anti-money-laundering protections around the world to inject illicit funds into the global money stream. By all estimates, such schemes move billions of dollars every year through U.S. financial institutions. A good example is the case of Garri Grigorian, a Russian national living in the United States who helped launder more than \$130 million on behalf of the Moscow-based Intellect Bank and its customers, through bank accounts in Sandy, Utah. Grigorian and his co-conspirators set up three U.S. shell companies and then set up bank accounts for those companies in Utah and New York.

The companies never did any business; they existed simply to create the illusion that transactions to and from their bank accounts were legitimate trade. Once those accounts were set up, Intellect Bank could use them to conduct U.S. dollar wire transfers on behalf of their clients. In total, there were more than 5,000 of these wire transfers in a little more than two years. For his crimes, Grigorian was sentenced to 51 months in prison and ordered to pay \$17 million in restitution. As we tighten up our banking regulations to fight this type of crime, criminals have developed more complex schemes and turned increasingly to offshore jurisdictions with less rigorous requirements, but with the same access to our banking systems. To some extent, we might always be playing catch-up, but identifying the danger is a crucial step.

Yet another threat is the way international organized criminals use cyberspace to target U.S. victims and infrastructure. The Internet is tailor-made for organized crime: It's anonymous, largely untraceable, and it can provide instant communication for a far-flung network of crooks. Criminals have only to sit back and wait for entrepreneurs to

come up with legitimate new uses for the Internet which they can then corrupt. For instance, technology in the last few years has created brand new avenues for money laundering with the proliferation of so-called “virtual-world” games like “Second Life” with mobile payment systems.

A number of recent cyber investigations in the United States – involving everything from fraudulent eBay auctions to so-called phishing — that’s phishing with a P-H — schemes responsible for large-scale identity theft – have traced the perpetrators back to Romania, long considered to be a main source of electronic crime. Close cooperation between the department, the FBI, and Romanian authorities has revealed a troubling phenomenon.

Traditional Romanian organized crime figures – who previously were involved in offenses like drug smuggling, human trafficking, and extortion – have joined forces with other criminals to bring some young computer hackers under their control and have organized them into cells based on cyber-crime specialty. Fortunately, Romanian officials are taking these developments seriously and last November they arrested 11 of their citizens who were part of a ring that perpetrated these so-called phishing schemes. The criminals got personal data from computer users, imprinted credit- and debit-card information onto counterfeit cards, and then used those cards to obtain cash from ATMs and Western Union locations. Romanian police executed 21 search warrants and seized computers, card-reading and -writing devices, blank cards, and other equipment.

Other threats identified in our assessment include manipulation of securities markets, corrupting public officials globally, using violence as a basis for power. These are the hallmarks of international organized crime in the 21st century. That is what we are up against. As you can see, organized crime has become a lot more complex and a lot more diversified since the days of Robert Kennedy.

So what are we doing about it? First, I want to stress that we haven’t been standing still. For every example I gave, there is a stack more that I could have used: completed cases where we have successfully disrupted criminal organizations and on-going actions aimed at taking down more. As I mentioned earlier, on April 7th, I signed off on a comprehensive law enforcement strategy developed by the council. The strategy places its highest priority on those groups that threaten our national security; the stability of our economy; the integrity of government institutions, infrastructure, and systems in the United States. It sets up an investigation and prosecution framework emphasizing four priority areas of action against international crime.

First, we have to target the biggest organized crime threats, just as we’ve done successfully in targeting the worst of the transnational drug cartels. We will develop a high-priority list of people and organizations who pose the greatest threat and then focus our resources on them. Second, we have to marshal information from all available sources – law enforcement, the intelligence community, foreign partners, and the private sector — so we can identify and draw connections among the groups.

Third, we have to use every tool at our disposal, whether it is the Secret Service to identify counterfeit currency; the IRS to locate financial assets; or the Bureau of Alcohol, Tobacco, Firearms and Explosives to find contraband weapons. It was famously said that Robert Kennedy's prosecutors would bust mobsters for spitting on the sidewalk if that's what they could get. Our prosecutors are just as aggressive today.

That means we will be increasing the information we provide to the State Department to support their programs to deny visas to criminals and to the Treasury Department to support their sanctions programs that target money laundering. It means also that we will step up what we are already doing with our international partners to get these criminals wherever they hide. I am pleased that several countries like Hungary, Romania, Thailand, the United Kingdom, and others have been working with the United States on these operations, but we all recognize we need to do more. So we have people assigned overseas who train and help our counterparts to strengthen law enforcement efforts throughout the world. International borders pose no hindrance to criminals, so we're making sure those borders do not pose an obstacle to effective law enforcement.

Finally, we have to develop aggressive strategies for dismantling entire criminal organizations and removing their leadership. We have more than 120 prosecutors, and the FBI has more than 500 agents and analysts dedicated to fighting organized crime. These professionals are skilled in using techniques originally developed to fight La Cosa Nostra and other domestic threats. We're going to capitalize on that expertise in our global fight.

This strategy is a significant step forward in tackling the evolving challenges posed by international organized crime, but it's just a first step. We are trying to build 21st century organized crime program that we believe will be nimble enough to fight the threat posed by international organized criminals for years to come. To do that, we are going to have to have a unified effort with our state, local, and especially our foreign partners to deal with the problem or we risk falling behind.

Just as we now look back with gratitude to all those who created a program that has proved so successful in fighting domestic organized crime, we want to help design a new program that future generations will look back on as being responsible for dismantling what we see now as a modern, global threat. I think for the sake of future generations, that is both a noble and a vital goal. I thank you for your attention.

(Applause.)

MR. DE BORCHGRAVE: The floor is now open for two or three brief questions because the general has to leave very quickly. May I invoke the – you're going to field your own questions? Thank you, general. Go ahead.

Q: I wanted to know – you had mentioned the threat of the Mexican criminal organizations. What do you think about how important they are for the U.S.? And I

would like to know if you think the Mexican government may be failing in the – (off mike)?

MR. MUKASEY: The Mexican government has been unflagging in its efforts and valiant in its efforts against the cartels. And that's a whole separate story that is not really the focus of this. But they have been pushing them to the point where, first, they used to run, then they used to fight among themselves. Now they're fighting back and Mexican officials are fighting and dying. So they are not stinting in their efforts and we've worked with them. My first foreign trip was to Mexico to help discuss ways to cooperate in that effort, but that's really not the focus of what I've been discussing here. Yes, sir.

Q: Mr. Attorney General, Raghuraj Goyal, India Globe – the blame goes to your agencies including the law enforcement agency after 9/11 – (off mike) – 9/11 after that. What, how do you advise – (off mike) – of an international organized crime – (off mike)? Are they related to each other? And how do you combat them because many Americans still feel that we are still living under the threat of these criminals from overseas? And, finally, sir – (off mike) – international foreign partners are concerned? And if – (inaudible) – the Justice Department working together to fight crime?

MR. MUKASEY: To answer the last question first, I believe India is one of our effective partners along with many others I named. And I regret that I omitted mention of India. The way you fight – one of the questions was whether there was a relationship between organized crime and terrorism and I think the Viktor Bout case illustrates nicely what the relationship is. At some point, when people who want to make money meet other people who are motivated by ideology and want to buy something and they spot an opportunity for profit – as he did, as he is alleged to have done – then there is a coincidence of interest. And they way you fight that is initially with intelligence gathering, which you then use to frustrate it or prosecute it as may be appropriate. Yes –

Q: Oh, thank you very much. Thank you very much. Sabina Wazofsky, Voice of America – Russia featured very prominently in five out of eight threats. Would you say that there are any significant ties between organized crime and Russian government structures? And, as a second part of my question, how would you rate U.S.-Russia cooperation in that area? Thank you.

MR. MUKASEY: The fact is that this effort is targeted – (off mike). Oh, good. Better? Or worse, depending on your point of view. (Laughter.) Let me retrace my steps. This is about identifying international criminal organizations and people who operate internationally. It's not about targeting or stigmatizing governments. We have cooperated with the Russian government. As I pointed out, they helped grab one of – Mogilevich. Our cooperation is ongoing and the efforts are ongoing. This phenomena is to be found in many places and one of the things that we're trying to do with this strategy is to organize ourselves so that we can identify where the most serious threats come from – and they come from the PRC; they come from all over – and then figure out what our order of priorities is so we can focus our efforts instead of doing it helter-skelter.

MR. DE BORCHGRAVE: I think we have to – I promised to get you out by 2:00. Maybe I could invoke the privilege of the chair to ask you the last question.

MR. MUKASEY: Yes, sir.

MR. DE BORCHGRAVE: You have an international slave trade going on today. The State Department estimates about 800,000 people are smuggled across borders, mostly young women and girls for the prostitution trade around the world. What is being done about this because I seldom hear it mentioned in the context of international organized crime?

MR. MUKASEY: What's being done about – it is being prosecuted. When I was a judge, I tried a major – what was advertised to be a major – human-trafficking case involving a woman named Sister Ping who held property throughout the world, who operated throughout the world, principally bringing illegal migrants from China. The problem has historically been kind of the flipside of our blessing.

Our border problem has generally been distinguished from the border problem of many other countries in the sense that theirs usually involve people trying to get out; ours involve people trying to get in. There's a major attraction that's posed by this country and people take advantage of that to bring people in unlawfully, whether for prostitution, whether to work here under abysmal conditions to pay their passage, and so on. Europe, of course, has the same problem with migrants from Africa and we're doing what we can to gather intelligence on it and to combat it. But it is – I mean, these are – I should say these are categories of crime that, although they require new strategies, don't need new legal definitions. The laws are there to prosecute them. The trick is to develop a strategy that allows you to get these people within our jurisdiction and to prosecute them. And that's what we're trying to do.

MR. DE BORCHGRAVE: Thank you, General. The general will now be replaced by three panelists who have got tremendous credentials in everything that we're interested in today. Meanwhile, thank you very much, general, for sparing the time.

(Applause.)

MR. DE BORCHGRAVE: As I said, our three panelists have very impressive resumes in law enforcement, intelligence, and counterterrorism.

Alice Fisher is the assistant attorney general for the criminal division of DOJ. She supervises the prosecutors in the division on matters ranging from national security, international affairs, to corporate fraud and public corruption. From 2003 to '05, Ms. Fisher was a partner in the litigation department of Latham & Watkins' D.C. office, that is, that specializes in white-collar and internal investigations including accounting and securities fraud, healthcare fraud, and Foreign Corrupt Practices Act matters.

Congressional investigations, she also advises clients on a range related to the Patriot Act. From July 2001 to '03, Ms. Fisher also served as deputy assistant attorney general in the criminal division of DOJ and while at DOJ she was responsible for managing the counterterrorism section, the fraud section, the criminal appellate section, and the capital cases section. On top of all this, she worked on various policy issues for criminal law enforcement and national security, very impressive indeed.

John Pistole began his FBI career as a special agent in 1983. He served in Minneapolis and New York before being promoted to supervisor in the organized crime section at FBI headquarters here in D.C. and served as an instructor in organized crime matters for almost 30 classes of new agents. He went on to serve as the field supervisor of a white-collar crime and civil-rights squad in Indianapolis, where he created a healthcare-fraud taskforce and a public-corruption taskforce, and in his spare time developed curricula and provided instruction at the International Law Enforcement Academy in Budapest. Then John went on to serve as special agent in charge in Boston with oversight for white-collar crime, computer-intrusion programs, et cetera. He's done absolutely everything and, as you all know, he's now the number two at the FBI.

Julie Myers is the assistant secretary of Homeland Security for U.S. Immigration and Customs Enforcement, with the chilling acronym ICE. (Laughter.) She leads the largest investigative component of the Department of Homeland Security and the second-largest investigative agency in the federal government with more than 15,000 employees and an annual budget of more than \$5 billion. ICE now has five integrated divisions: detention and removal operations, investigations, federal protective service, intelligence, and international affairs. She came to lead this 21st century law enforcement agency after a long record of service to the nation with leadership positions at Treasury where she handled money laundering and financial crimes, also Justice, Commerce, and Homeland Security, where she was elevated to assistant secretary last December.

And why don't we start – we'll introduce the third after we get started. Who would like to go first? Then I have to – first – I'm just looking for the last one, which – somebody has gone into my cards obviously with a little sabotage here. (Laughter.)

JOHN PISTOLE: We're ready to take questions, Arnaud.

MR. DE BORCHGRAVE: You're ready to take questions? You're not going to make any presentations? This one – yes? I've got all three. Oh, good, thank you so much. He's my deputy – (laughter) – soon to become number one, as you can see. (Laughter.) So who would like to go first? You want to talk first?

ALICE FISHER: We're happy to just take questions or –

MR. DE BORCHGRAVE: Go ahead. If you have something to say, please go ahead.

MS. FISHER: (Laughter.) Well, I think from all of our perspectives, I would just briefly say that the strategy itself, which I think part of it has now been released publicly if you got it when you maybe arrived, kind of outlines what our goals and our objectives are on focusing this law enforcement operational strategy. And it really focuses on making sure that we collect and synthesize information about international organized crime both from the assets that we have here in country, but also quite pointedly working with our foreign counterparts who are often facing the same problems, the same criminals sometimes, the same groups, but certainly some of the same issues that we have and working with them very closely to gather information and synthesize it.

So we can then really move into targeting, as the attorney general said, those international organized criminal groups or individuals that we can focus our resources on and focus our attention on trying to disrupt them, dismantle them, and use our law enforcement tools to prosecute them here and bring them to justice. We do think that obviously this poses a threat domestically, which is why we are focusing on it. But the strategy goes through nine very particular goals and objectives of how we need to coordinate and do those things both on a short-term basis and a long-term basis.

MR. DE BORCHGRAVE: Thank you. John?

MR. PISTOLE: Well, this is obviously something that the FBI has been addressing in terms of traditional organized crime here in the U.S. for a number of years. And we see this strategy as an opportunity to expand upon what we've been doing as part of the partnership, both state and local law enforcement agencies, and of course our federal agencies domestically in concert with those international partners, primarily law enforcement services, but also security services around the world that have a vested interest in identifying and dismantling international organized-crime groups that pose a threat to these individuals who we could say are mobsters without borders. There is a clear indication here of what these people are trying to do and this is why we're here to promote this strategy.

JULIE MYERS: I would just add to what John and Alice said, that I think the strategy does represent a good first step forward for the U.S. government looking at these vulnerabilities which we know are global in nature and then looking at how can we comprehensively attack them. And I think we've attacked them individually and how can we use all of our resources together to do that? And to follow up on a couple of the questions that were asked to the AG, I think one of the really critical points is actually getting a foreign consensus on where the vulnerabilities are and where the gaps are; for example, in bulk cash smuggling, making sure that our counterparts have the same kinds of regulations so they have the laws on the books and they can enforce them.

It does no good if we only have the laws here – given that these mobsters have no borders – we've got to make sure we have the laws and the structure to enforce them overseas. And to that end, I think, actually, we are seeing some great progress I think, with India, the chairman of customs, with India working on the IPR things. Our Mexican counterparts obviously are hugely helpful and I think all around the world, we're trying

to work law enforcement to law enforcement to really attack those particularized vulnerabilities. So I want to congratulate Alice and Jen Chaski and the DOJ team for putting this together.

MR. DE BORCHGRAVE: You want to take questions? No, you've already had one. (Laughter.) Yes, the lady behind you?

Q: Hi, thanks, Stephanie Kirchgaessner with the Financial Times. Two questions: first, there on international cooperation – there is a very specific case involving the Justice Department's investigation of BAE, which BAE has made public. We reported last week that the British government has not cooperated in this investigation, has yet to hand over any information. So just wondering if, Ms. Fisher, what you as a – what you might still get from the British government and whether that's likely to change given the High Court ruling, which I'm sure you're very familiar with, from a few weeks ago?

MS. FISHER: Obviously, because, as you noted, it is an ongoing investigation, the policy of the Justice Department is that we don't comment on ongoing investigations. However, I will say generally – and I'm not addressing that particular case at all – I will say generally as we talk through the strategy and as Julie said, about our cooperation with foreign law enforcement, the U.K. has set up SOCA, which is looking at organized crime in the U.K. And we're going to cooperate with them on this strategy and our efforts against international organized crime as we are with other countries and their operations.

Q: As a follow-up, what kind of options does the U.S. or does the Justice Department have when you're not getting cooperation from allies, in general?

MS. FISHER: (Laughter.) We're always very hopeful that our allies will cooperate with us in criminal investigations. There are mutual legal-assistance treaties and mutual legal agreements that we have with many countries where cooperation is discussed as part of those treaties and different means and modes of cooperation are discussed. We don't have them with all countries, mutual legal agreements. We don't have extradition agreements with all countries.

One of the things that we have talked about and discussed with regard to the strategy is making an effort to really streamline that process, to get information quickly so we can go after and keep up with these criminals quickly. When we are sharing information with foreign governments, I think John can probably talk and Julie can probably talk as well about this, but I think, in general, our relationships with our foreign counterparts on the law enforcement side are very good because we share a lot of the same global criminal problems.

MR. PISTOLE: I think that's right from our perspective. Clearly it is on a case-by-case basis that we look and bilateral, the much broader information-sharing issues that are out there are fine, but we really try to look at it from a very pragmatic, practical standpoint of what evidence do we need for a particular prosecution either here in the

U.S. or in that host country where the individual or the group may be. And so it is on a case-by-case basis looking at the MLATs, the mutual legal-assistance treaties, and whatever process we need. What we've tried to do in the last several years is streamline that process so there's an informal information sharing that leads to the actual evidence that would be needed to charge somebody.

MR. DE BORCHGRAVE: Oh, I'm sorry.

MS. MYERS: Sorry. And I would just add that at ICE we also have the customs sharing agreement, customs-to-customs, which also allows us to get the information informally and are a huge help in kind of meeting our needs with our foreign counterparts.

MR. DE BORCHGRAVE: Could you identify yourself as well?

Q: My name is Martin Apple. I work with a large number of scientists. As I see this, you have an international network, which is highly adaptable, highly adaptive, and highly rapidly evolving. And you're trying to fight it by coordinating internal national police forces that are hierarchical and have to cooperate and collaborate within and abroad. Why don't you create a counter-structure to the IOC that's also rapidly evolvable, rapid network system that's just as rapidly evolvable, just as rapidly adaptable and able to take care of things in more anticipatory ways?

MR. PISTOLE: One of the things that we try to do collectively – it's hosted by the FBI, is what's called the FBI National Academy, which brings in 250 to 300 foreign law enforcement officers from around the country and around the world four times a year, so up to 1,000, 1200 people, law enforcement officers at the mid-level, every year. And it's that informal sharing that allows us – it's basically a golden rolodex in law enforcement from around the world and people from every agency participate in that.

So we've been doing that for decades and what that allows us to do is have that flexible, agile, adaptable network out there that anybody can pick up, anybody who's been through the National Academy, a graduate, they all have a little yellow brick from doing this obstacle course. And it's a network out there, so it allows for that information sharing on a person-to-person basis in a way that is without hierarchy or without structure. And so when there is a particular need for information, that network allows us to do that and then following up, obviously, with the formal process. So that's one aspect; I know it's not exactly what you are addressing, but it's a practical solution so –

MS. FISHER: As aggressive and adaptable as they are going to be in committing their crimes and seeking profit from their crimes, we're going to be as aggressive and adaptable as we can be. And we have to keep up with their technology. They are becoming more and more sophisticated, as you will see in the strategy. Their use of cyber crime and their use of technology to commit these crimes, and their threat to our institutions by using the new schemes and methods with money laundering and pushing through billions of dollars through our systems, all of those things we have to use all of

our tools for law enforcement. But we have to look at whether there are other non-law enforcement tools that we need to use.

We need to look at and consider – and the council and the strategy will consider – are there other regulations that the Treasury Department should be looking at with regard to protecting our financial institutions from this kind of crime? Are there other things that the State Department, diplomatic security section, can be doing with regard to visas? Are there other things that ICE can be doing? Are there other legislation or tools that we can – we need? We have to think of all of those things, not just about prosecution, not just about investigations, but globally what is the best way working with our foreign counterparts and the assets that we have here to attack this problem.

MR. DE BORCHGRAVE: Microphone to the lady in red, please?

Q: Thanks, Arnaud. I'm Judy Ho. I was vice chairman of President Reagan's commission on organized crime. We had a very tough time getting money out of the Congress. It took us a year to get subpoena power. We finished our report; it was seven volumes. I think there were 20 copies of it, most of which have vanished, and when the Reagan administration ended and the Bush administration picked it up a little bit, but when that ended, it dropped. We are now in a position where – are you adequately funded, do you have the subpoena power that you need, and what is the plan for transition of this very important program to the next administration, whoever is the president?

MR. FISHER: Okay, trying to take all of those questions, we thought about the resources. That's obviously an issue for any kind of law enforcement strategy. There are plenty of things that we can do and the strategy talks about short-term goals and long-term goals. And there's plenty of things that we need to be doing now to leverage the resources that we have, to use the information that we have, to collect it, to synthesize it, to focus, and to target.

And as far as the whether it will get dropped and whether it will carry on, as you noted given the timing of this, I think the reconvening of the attorney general's crime council, some of the things that we're going to be doing to share information now is going to hopefully institutionalize this. This is not something that should go away; it's going to be the people that are the great people at the Department of Justice and the Department of Homeland Security and the Department of Labor and the Department of State that will carry this on.

What we tried to do to make sure that it wouldn't get pushed to the side, quite frankly, is to be very specific about the objectives and the goals and the implementation process. And so, you all will have a summary of the strategy, but in the actual long-term strategy itself, it lists almost to the one, two, three, four things step by step that we need to accomplish both from a short-term perspective and a long-term perspective so it doesn't get dropped, I hope.

Q: Good luck. (Laughter.)

Q: Hi, I'm Lara Jakes-Jordan. I'm with the Associated Press. When the AG was talking about the list of organized-crime groups that is going to be compiled, it made me think of the annual list that the State Department puts out on the designated terrorist groups globally. So I'm wondering is this list is going to be maintained in the same way. Are you guys going to be releasing it publicly? Are you going to be updating it every year? Will certain sanctions be taken against the groups that are on the list like assets being frozen, that kind of thing? Thanks.

MS. FISHER: I think that's a great question. On the list that the attorney general was talking about as far as the targeting and our really focusing who poses the biggest threat and who do we need to go after, obviously when it serves our investigative purposes, it may be that some of those groups or names are made publicly. But I don't think that that's the plan because this really is for law enforcement purposes to come up with a list so we can gather our resources together to go after that. So as far as publishing that from the Department of Justice's standpoint, that's not planned, although there may be times when it serves our law enforcement and investigative purposes to share that list with our foreign counterparts or to make that public.

On the sanctions, that's a different issue. There are certain regulations that the Treasury Department has with regard to naming drug kingpins that will be sanctioned in certain ways, for example. That, to the extent that those regulations apply to some of the groups that we're looking at, we may seek that, we may work with Treasury to do that. We certainly would consider looking at those options and will consider those options.

MR. PISTOLE: And I would just add that there are many, many ongoing investigations, many of which are undercover operations, which obviously we will not disclose, and the identity of those groups we would not publish at this time, but I think it's designed as a living document that would be updated as needed for targeting purposes.

Q: Louise Shelly, Terrorism Transnational Crime, and Corruption Center, George Mason University – one of the things I didn't see in your plan was interaction with the academic and the business community that may be seeing trends that are apart from what the government is seeing or complementary to them. And earlier this year I was at a very high-level conference in Great Britain instigated at the request of SOCA to get input from these other elements. And I was wondering if you're thinking of that because with the high-level financial involvement, people in the business community may also be seeing things that you're not.

MS. FISHER: Absolutely, absolutely, and I thought that the attorney general mentioned it in his speech. I mean, many of the people in this room are expert and have a great deal of expertise that would help us, would assist us, and we certainly want that input and I think that outreach, in particular to the academic committee – community and also, part of private industry where appropriate, is very, very important. And there are some mechanisms already set up for that.

MS. MYERS: And I think the strategy layers in a number of kind of the ongoing programs including ISIS cornerstone project, which works with the financial community, Secret Service's electronic crimes taskforce works with kind of a number of other financial institutions and so on. And so it's certainly our intent to make sure that we're getting all the input we can because frankly, technology and things move too quickly for government to sit around and think that we have all the answers on this.

MR. DE BORCHGRAVE: Yes, sir? Yeah, the blue shirt?

Q: Yes, I'm Bill Eicher. I wanted to ask especially John. The president has told us several times that major terrorist plots within our country were foiled. The question is basically is the record of the past going to apply to the future? Have you got what we need together in the way of law enforcement to stymie or deter further terrorism?

MR. PISTOLE: If your question is specifically dealing with terrorism, the – is that – your question is specifically dealing with terrorism and counterterrorism efforts as opposed to organized crime?

Q: Yes, strictly terrorism.

MR. PISTOLE: Okay, obviously yeah, there have been a number of plots that have been disrupted, groups that have been dismantled in the U.S. and of course working completely in partnerships, primarily through the joint terrorism taskforces, the 100 taskforces around the country that comprise state and local, the 800,000 state and local police that act as force multipliers. We rely on those individuals and the business community, the private citizens of the world, the country, to provide information. There's a number of tripwires out there. We have been successful collectively thus far, but that's a very difficult standard to meet dealing with a determined adversary who is committed to attacking any time, any place that they have the means, opportunity, and can do that.

So it's something that – it's obviously our top priority. In terms of the criminal investigative matters, we still have half of our 12,500 special agents of the FBI working traditional criminal areas and international organized crime is one of those top priorities.

MR. DE BORCHGRAVE: Yes, sir?

Q: Bill Pope, formerly of State Department counterterrorism. This question's for John. There's no question that some international terrorism groups have had links with organized crime, have used organized crime networks, et cetera. To the extent that you can say anything in this room and it might be nothing, but if you can, can you say anything about core al Qaeda and organized crime, not marginal groups, more marginal groups, but al Qaeda and organized crime?

MR. PISTOLE: Yeah, what I can say is thus far, Bill, and good to see you, is that although we have identified, we, law enforcement intelligence communities, have identified other terrorist organizations that have benefited from organized crime and clearly a number of different aspects here. We have not seen, to date, a direct link between what we would describe as international organized crime, traditional organized crime, and core al Qaeda.

MR. DE BOUCHGRAVE: John, if I could butt in at this point. Surely, Colombia is a convergence of transnational crime and transnational terrorism, as Afghanistan and those mountainous areas between Pakistan and Afghanistan are today.

MR. PISTOLE: Absolutely. Yes, there's a number of other groups and if we went into detail, whether it's FARC or Hezbollah or other groups, but not core al Qaeda, thus far.

Q: Hi, Randall Michelson with Reuters. I wanted to ask, Attorney General Mukasey referred to the need for new legislation as well as information sharing, enhanced law enforcement tools. And I'm wondering if you plan to apply the Patriot Act, FISA, some of the anti-terrorism tools that were adopted after 9/11 and whether you anticipate resistance from Congress, which has shown a lot of wariness now toward granting law enforcement authorities new authority over surveillance and things like that?

MS. FISHER: (Off mike) – okay, sorry. We're not at this point proposing new legislation. We have many, many tools at our disposal to go after these types of criminals, whether it's the racketeering statute, whether it's the general cyber-crime statutes, the counterfeit-good IP statutes. We have a host of statutes that we're going to use to prosecute these organized criminals and we have, as I mentioned before, mutual legal assistance treaties to work with our foreign counterparts to try to share information in that particular way. So, while the council may consider at some point whether there are tools that we need to request, we're not there yet. We're not seeking new legislation or tools at this point. We will only use the tools that we have at our disposal and we have a lot of them and we'll use them in the appropriate way.

Q: Cesar Munoz with EFE News Service – I wonder if you could tell us how this new strategy will change your cooperation with governments in Latin America, if in any way, and, you know, perhaps on Mexico and Colombia, and where you see the biggest threats in the continent there, you know, that are imposing into the United States? Thank you.

MR. PISTOLE: We have close working relationships across the board with the individual law enforcement agencies of most Central and South American countries. There's obviously a huge gang initiative with certain – El Salvador and other Central American countries. In terms of international organized crime, there are disparate groups and individuals that we focus on and having robust information sharing and evidence sharing in those individual matters. I happen to be visiting four Latin American countries next month, meeting my counterparts on the law enforcement and some of the security

services' sides to discuss some of these very issues, but it is a healthy, robust relationship in almost all instances.

MS. MYERS: And if I could just add to John's comment briefly, I think one of the things for ICE that's one of our biggest priorities in working with those countries is that the trans-border smuggling, particularly of special-interest aliens and others that is done and exploited by these international criminal organizations and where I think our cooperation there is absolutely essential to make sure that they are not only prosecuted here, but there if appropriate.

Q: Thank you. Mindy Reiser with the United Nations Association – I am interested in INTERPOL. There's been some criticism of it over the years. I wonder if you could share some of your thoughts on how it's doing, what could be improved. And also, the U.N. has different agencies looking at some of the criminal elements and drug trafficking. If you could talk about how effective you've seen that in operation.

MR. PISTOLE: INTERPOL plays a key part in international law enforcement, obviously, dealing in a number of different areas. There's a senior FBI executive who is on the executive board, works with Ron Noble. This person heads up – Tom Fuentes heads up our international operations office with our 75 offices around the world. So there's a significant interaction. The key for INTERPOL, I think, is how there can be timely information sharing on critical issues. And they do a great job, generally, across the board.

We still look to the bilateral relationships – country-to-country, service-to-service – for the actual information, intelligence, and evidence that we need to pursue our goals and objectives just as the host services do.

MS. FISHER: I would also just note that the U.N. Convention on Transnational Crime is obviously going to play a key role in how we share information and how we continue to garner support and use that particular convention to go after international organized crime.

Q: Leonard Oberlander, consulting international liaison – recently, due to anti-trust policy regulations, a steel company near the Baltimore area had to be divested and was made available for purchase by a foreign steel company. In this case, it was a Russian steel company, Severstal, which now owns the company and also the port facility in Baltimore. And my question is, when something like this occurs – not to cast dispersions on the company has acquired – but to ask simply, what is the effect of the foreign ownership on a port on the United States' ability to control, regulate, investigate, and protect the borders?

MS. MYERS: (Laughter.) Exactly – John was helping me passing that off to another DHS entity, not here. (Laughter.) You know, certainly in a number of transactions, certain transactions are obviously subject to the SIFIUS process and things like that where there is kind of an interagency review, you know, headed by Treasury

with the other departments kind of weighing in. But for companies that are foreign-owned, they're still subject to U.S. laws. And they're still subject to U.S. laws and I think because our relationships are growing with our foreign counterparts, we're having increasing success in extraditing people back to this country and in prosecuting them there in their home country if their crimes so warrant.

At ICE, what we're looking to do for bad businessmen and for other foreign nationals who commit crime is we want to make sure that the U.S. is not a safe haven for them. And we want to make sure that we take all steps to use our immigration authorities to remove them from this country, and then if they have assets here, to forfeit those assets if they've engaged – in a hypothetical situation – in wrongdoing and behavior. But I think certainly, you know, there's no question that increasing foreign ownership does pose, you know, requires us to be extremely diligent and make sure that they are abiding by all of the U.S. laws that they have to abide by.

MR. DE BORCHGRAVE: We have time for two more.

Q: Susan Spaulding with Bingham McCutchen – I wanted to follow up on the questions back here about legal authorities that currently are applicable in the counterterrorism realm because, of course, a lot of those intelligence authorities, surveillance authorities, for example, are not limited to terrorism. And particularly the PAA and the legislation under debate in Congress now is really only limited to foreign intelligence. So to the extent that international organized crime is a legitimate foreign-intelligence target, aren't those authorities also already available to you in addition to your law enforcement authorities?

MR. PISTOLE: Let me answer it this way, by saying we believe that the investigative tools and authorities that we have are more than adequate for addressing international organized crime. The fact that we can use other authorities on the national security side for counterterrorism and counterintelligence, espionage, whatever it may be is simply an indication that there are tools in precise situations, but we have not – at least in the FBI – been in a situation where we needed to invoke those tools for international organized crime.

MR. DE BORCHGRAVE: One more? Yes, sir.

Q: Evan Perez, Wall Street Journal – I wanted to know why you're not perhaps being more public about the specific goals that you set aside for this strategy. I mean, if we are going to know whether you've achieved it, I guess it would be good for us to know what those goals are.

MS. FISHER: Actually, I think –

Q: I mean, the sort of – you said you had these more specific that is not included in the overview that you released?

MS. FISHER: Well, I mean, the overview actually does list out the goals and key results from those goals. I mean, there may be interim – you know, the one, two, threes that go under each one of these goals; this is meant to be a summary. It's not necessarily that we're attempting to hide that or not get measured by that. I mean, hopefully, our success will be that we disrupt and dismantle these criminal organizations and make our country safer. But certainly some of those – the threat assessment, on the other hand, is something that includes a lot of investigative information and classified information. And that's why it wasn't released.

MR. DE BORCHGRAVE: Perhaps I could ask the last question of the three panelists. John Negroponte, just as he was taking over DNI, asked me if I knew what a petabyte was. I had no idea. And he said that the entire Library of Congress and its contents was 0.02 petabytes and moving through cyberspace every day is over 600 petabytes or several hundred times more than the entire Library of Congress. How do you find the bad guys in this global soup? I mean, isn't that virtually mission impossible?

MR. PISTOLE: Almost. (Laughter.) No, obviously, it's a matter of international cooperation and that's part of the beauty of this strategy is, formalizing a number of the informal relationships we've had around the globe. But, clearly, sometimes trying to find the needle in the haystack is easier when the haystack is being looked at by hundreds or thousands or tens of thousands of people rather than just a handful people. So that's the force multipliers I spoke about earlier. And when it comes to the petabytes – and I know that's bigger than a terabyte, but that's about as far as I got on that – there's a lot of tools, obviously, on the national security side, getting back to this other question, that could be beneficial if it posed a significant enough threat.

MS. MYER: I can just add one thing I think that's a real challenge in the technology realm is keeping up, keeping up with that, having our forensic agents making sure that they not only know how to kind of sift through this information in a timely fashion, but that we have the more sophisticated devices that can decrypt things and kind of make progress. And that is really a continuing challenge for us because forensics – computer forensics are such a key part of, frankly, almost any case these days.

MR. DE BORCHGRAVE: Well, I think we – we're very lucky to get the expertise of three fabulous experts. And please join me in thanking them.

(END)