EUROPEAN SERIOUS ORGANISED CRIME CONFERENCE

Current Initiatives to Combat Illicit Networks and Organized Crime

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ICE, Office of Investigations

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Hilton London

Metropole Hotel

ICE - Office of Investigations

The Office of Investigations has a wide range of investigative authorities and responsibilities to include:

- Money Laundering/ Bulk Cash Smuggling/ MSBs
- Narcotics Smuggling / Trafficking
- Commercial Trade and Fraud
- Human Smuggling / Trafficking
- Anti-Gang Enforcement
- Weapons Smuggling
- Export Enforcement
- Intellectual Property Rights (IPR)
- Cyber Crimes
- Immigration Document / Benefit Fraud
- Human Rights Violations
- Worksite Enforcement / Critical Infrastructure Protection

U.S. Immigration and Customs Enforcement

Office of Investigations
Mission Statement

To Defend the Nation by Enforcing Customs and Immigration Laws through Investigations that Target the People, Money, and Materials that Support Terrorists and other Criminal Activities.

U.S. Immigration and Customs Enforcement

207 domestic ICE offices, including 26 SAC Offices

U.S. Immigration and Customs Enforcement

Operational Areas of Reponsibility

63 International ICE offices in 44 Countries

Private Sector Partnerships

CORNERSTONE

ICE's 21st Century Investigative Approach

Cornerstone leverages ICE's traditional investigative authorities in *partnership* with the private sector, to help close down identified vulnerabilities.

The Cornerstone Report

Safeguarding America through Financial Investigations

Volume VI: No. 3 • Summer 2009

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Cornerstone is U.S. Immigration and Customs Enforcement's (ICE) comprehensive investigative initiative for fighting financial crime.

The Cornerstone Report is a quarterly bulletin highlighting key issues related to ICE financial, narcotics and public safety investigations.

U.S. Immigration and Customs Enforcement

Toll-Free Tip Line: 1-866-DHS-2-ICE

www.ice.gov/cornerstone

A Study in Money Laundering

The Oropeza Family and Drug Smuggling at the Southwest Border

A joint investigation by U.S. Immigration and Customs Enforcement (ICE) and the Drug Enforcement Administration (DEA) into drug trafficking at the Southwest border revealed a multi-million dollar money laundering organization, utilizing multiple companies, and numerous bank accounts, to launder narcotic proceeds. This case study demonstrates methodologies used for laundering criminal proceeds.

In 2004, ICE agents in Brownsville, Texas, received information that Oscar Oropeza, along with his wife Tina, daughter Paulina and son Juan, were using various businesses they owned to launder proceeds derived from narcotic sales. The Oropeza family owned substantial assets in both Brownsville and Harlingen, Texas, including a car wash, landscaping business, trucking company, a large house, and numerous vehicles valued between $60,000–$120,000 each.

One of the first developments linking the Oropeza family to narcotics occurred in April 2004. Juan Hernandez and other defendants were arrested by local police in Harlingen, Texas, after they were linked to a narcotic smuggling operation utilizing truck lines to ship marijuana out of the Rio Grande Valley, to Florida. As a result of this arrest, Hernandez received more than three years in a state penitentiary. DEA agents in West Palm Beach, Florida, learned of Hernandez's arrest and asked ICE for additional information about his drug operation. This information linked Milton Oquendo to the narcotic smuggling in Florida. DEA subsequently arrested and charged him in Florida for his role in the organization. Hernandez and Oquendo were each sentenced to ten years as a result of this indictment. The money laundering activities being conducted by the Oropeza family were directly linked to Hernandez and Oquendo.

U.S. currency discovered in safe deposit box and seized by ICE.

In July 2006, investigators caught a break in the case when Tina Oropeza was stopped and questioned by Harlingen police officers while riding on a north-bound bus headed out of the city. Officer's discovered she was carrying approximately $90,000 in cash, which they seized.

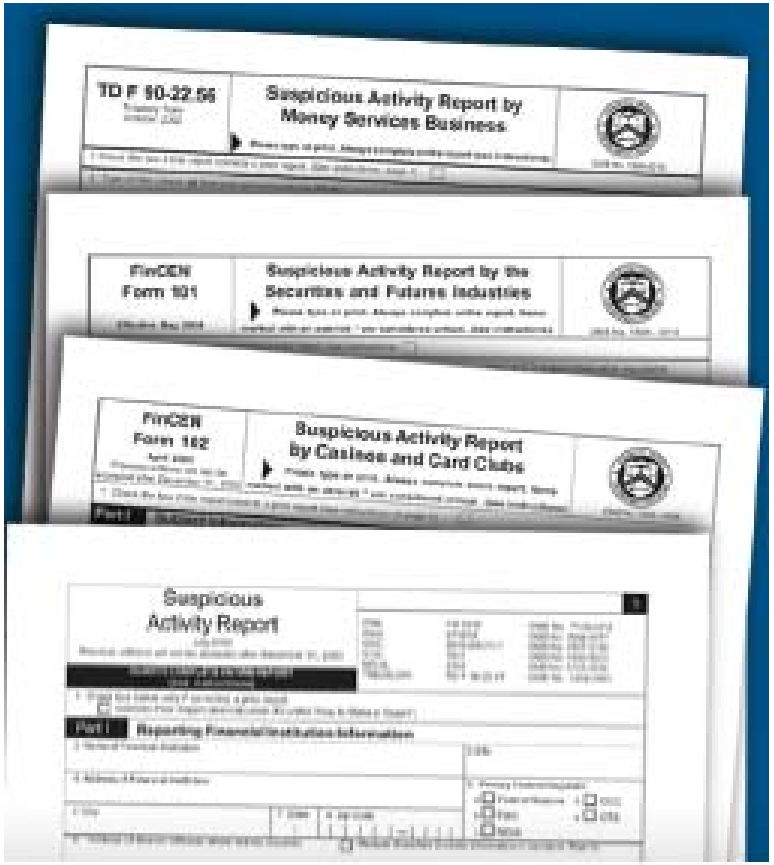
Subsequent financial records checks showed that the Oropeza family had more than 20 accounts with several banks. Personal bank accounts connected to the money laundering activity were held by all four Oropeza's. Account statements from these personal accounts reflected cash deposits

continued

The Cornerstone Report

- Cornerstone HQ staff publishes a quarterly newsletter titled **The Cornerstone Report**, providing useful information on financial crimes and current trends identified by both law enforcement and the private sector.
- ***www.ice.gov/cornerstone***

Bank Secrecy Act Reports



- **Suspicious Activity Report (SAR):** Filed by financial institutions on suspicious financial activity
- **Currency Transaction Report (CTR):** Currency transactions over $10,000
- **Report of International Transportation of Currency and Monetary Instruments (CMIR):** Filed by persons departing or entering U.S. or shipping/receiving currency or monetary instruments over $10,000
- **IRS Form 8300:** Cash over $10,000 received in a trade or business
- **Foreign Bank Account Report (FBAR):** U.S. person with financial interest/signatory interest in foreign bank accounts

U.S. Immigration and Customs Enforcement

Operation Grayskull
SAC Puerto Rico

Drug Trafficking/Money Laundering Organization

U.S. Immigration and Customs Enforcement

Operation Grayskull
SAC Puerto Rico

Overview

- In March 2005, ICE Special Agent in Charge (SAC) San Juan initiated an investigation targeting a Drug Trafficking and Money Laundering Organization operating within Puerto Rico.
- 3 year investigation initiated from a Bank Secrecy Act (BSA) report related to a business located in Puerto Rico dedicated to selling automobile accessories.
- ICE discovered the BSA report during a routine examination of reports filed by a bank in SAC Puerto Rico's area of responsibility.

Operation Grayskull
SAC Puerto Rico

Overview

Photo Above:
$3,010.00 in US currency seized during the investigation

- The identified automotive accessory business was activating approved lines of credit (LOCs) and would quickly repay with large cash deposits.
- Between January – August 2003, approximately $844,000 of the LOCs were repaid in cash

U.S. Immigration and Customs Enforcement

Operation Grayskull
SAC Puerto Rico

Overview

- Between January 2000 and December 2005, 314 BSA reports were filed totaling about $7 million in cash deposits.
- Over the course of the investigation, over 582 reports were filed.
- Cash deposits - $191,413 in 2001 and $1,955,536 in 2004.

Photos Below: 400 grams of cocaine seized during the investigation

Operation Grayskull

SAC Puerto Rico

Narcotics are sold throughout numerous municipalities within Puerto Rico by Drug Trafficking Organization.

The organization drops off large amounts of illicit cash at the car accessory business.

Drug proceeds intermingled with legitimate proceeds from the business.

MONEY LAUNDERING SCHEME

Business opens numerous lines of credit to have mechanism for laundering illicit cash.

As drug business expands, additional store fronts are opened to help conceal influx of illicit cash.

Intermingled funds used to pay off lines of credit, purchase real estate, and support extravagant lifestyle.

U.S. Immigration and Customs Enforcement

Operation Grayskull
SAC Puerto Rico

Results

- ICE seized 3 properties in Puerto Rico valued at approximately $525,000.

Operation Grayskull
SAC Puerto Rico

Results

- This photo was taken inside the seized residence of the primary target of the drug trafficking/money laundering investigation.

Operation Grayskull
SAC Puerto Rico

Results

The following luxury vehicles were owned or leased by the leader of the organization:

- 2005 LR3 Land Rover (Retail Price $ 67,040)
- 2006 White Maserati Gran Sport Coupe (Retail Price $ 160,000)
- 2005 Black Bentley Continental (Retail Price $ 225,000)
- 2003 Lincoln Navigator (Retail Price $ 76,000)
- 1989 Red Alfa Romeo Spider
- 2001 White Mercedes Benz 500
- 2007 Cadillac Escalade

Operation Grayskull

SAC Puerto Rico

2005 Black Bentley
Continental
Retail Price
$ 225,000

Examples of vehicles
owned/leased by the
leader of the organization

U.S. Immigration
and Customs
Enforcement

Operation Grayskull

SAC Puerto Rico

2006 White Maserati
Gran Sport Coupe
Retail Price $ 160,000

Example of vehicles owned/leased by the leader of the organization

U.S. Immigration and Customs Enforcement

Operation Grayskull
SAC Puerto Rico

Results

Weapons Seized:

- **4 assault rifles;**
- **1 shotgun;**
- **1 handgun;**
- **various magazines; and**
- **ammunition**

U.S. Immigration and Customs Enforcement

Operation Grayskull

SAC Puerto Rico

Red Flag Indicators

- Frequent large cash deposits.
- Company repaying line of credit (LOC) quickly and in cash. This shows that the LOC is unnecessary and indicative of potential criminal activity.
- Bank account deposits show substantial profits that do not appear to be commensurate with area where business is operating.
- Deposits and subsequent withdrawals for the same amount.
- Available funds were accumulating with little to no business expenses.
- Numerous structured deposits in amounts under the reporting requirements.
- Little personal or business expenses being paid out of primary personal and business checking accounts.

Operation Grayskull
SAC Puerto Rico

Law Enforcement Indicators of Suspicious Activity

- Subject did not file federal income tax returns or claimed very little taxable income on the filings.
- Subject did not maintain annual filings and certifications with the State for the corporations he or she owned.
- An additional bank account was identified that had been previously closed due to suspicious financial transactions.

OPERATION FIREWALL

OPERATION FIREWALL

ICE program focuses on three aspects of the movement of illicit cash:

- Domestic movement in the U.S
- Cross border smuggling
- Global movement

ICE partners with:

- U.S. Customs and Border Protection (CBP)
- Federal, State & Local Law Enforcement
- Foreign law enforcement to interdict bulk currency and investigate incidents

Operations targeting BCS via commercial and private vehicles, commercial airline shipments, commercial airline passengers, ferries, and pedestrians.

Based on information provided by ICE, the Colombian National Police (CNP) and Mexican authorities discovered approx. $40 million in U.S. currency concealed within bags labeled as ammonium sulfate .

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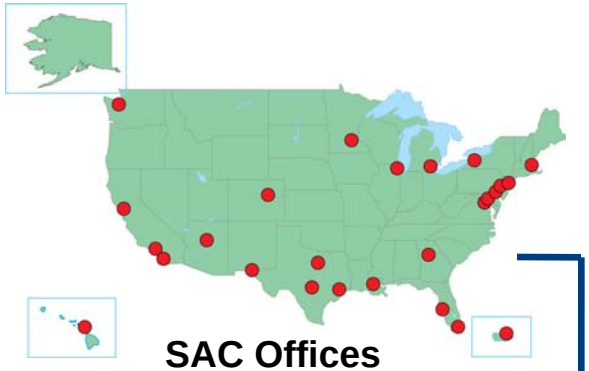
OPERATION FIREWALL

- Since inception in August of 2005, **OPERATION FIREWALL** has resulted in the seizure of over **$295 million** in U.S. currency and negotiable instruments, of which over $111 million has been seized internationally.
- In addition, a total of 656 arrests have occurred with 139 conducted in foreign locations.

Hands Across the World

Overview

- Expansion of Operation Firewall utilizes existing relationships with CBP and international partners.
- Simultaneous bulk cash interdiction operations between two or more countries who share real-time intelligence including cash declaration data.



SAC Offices

Ports of Entry

State/Local/Federal

Foreign Attachés

U.S. Immigration and Customs Enforcement

Bulk Cash Smuggling Center

SOD

NTC

ICEPIC
NSEERS
SEVIS
CEU

TECS
CIS
Claims
DACS
AR11

DARTTS
BSA
Domestic Trade
Foreign Trade

BEST Partnership Agencies

DHS

- U.S. Immigration and Customs Enforcement (ICE)
- U.S. Customs and Border Protection (CBP)
- U.S. Coast Guard (USCG)
- U.S. Dept. of Homeland Security Intelligence and Analysis (DHS I&A)
- Transportation Security Administration (TSA)
- U.S. Secret Service (USSS)

Other Federal partners

- Drug Enforcement Administration (DEA)
- Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE)
- Federal Bureau of Investigation (FBI)
- U.S. Attorney's Office
- National Oceanic and Atmospheric Administration (NOAA)

Other partners

- State, local, and foreign law enforcement agencies

BEST Statistics

Criminal Arrests	3,955
Indictments	2,055
Convictions	1,643
Administrative Arrests	6,720
Cocaine (lbs)	9,497
Marijuana (lbs)	241,051
Methamphetamine (lbs)	1,442
Ecstasy (lbs)	2,209
Heroin (lbs)	269
Vehicles	1,192
Currency	$35.8 Mil
Weapons	3,086
Ammunition (rounds)	408,402

Operation Armas Cruzadas

- DHS and Government of Mexico agencies partnering in unprecedented bi-lateral interdiction, investigation and intelligence-sharing activities to identify, disrupt, and dismantle trans-border criminal networks that smuggle weapons from the United States into Mexico.
- Multi –Prong
  - Border Violence Intelligence Cell (BVIC)
  - Weapons Virtual Task Force (WVTF)
  - BESTS
  - Vetted Units

U.S. Immigration and Customs Enforcement

Armas Cruzadas/El Paso BEST

- Joint ICE and El Paso Police Department investigations initiated in December 2008.
- Suspects requested to purchase numerous rifles, machine guns, grenade launchers, handguns, and ammunition worth approximately $1.9 million from undercover ICE agents.
- Led to the arrest of and indictment of 4 suspects and the seizure of nearly $150,000 in U.S. currency.

U.S. Immigration and Customs Enforcement

Armas Cruzadas/Rio Grande Valley BEST

- ICE Coordinated CBP Outbound Inspection leads to the Seizure of:
  - 30 Caliber Browning Machine Gun;
  - SKS Assault Rifle;
  - 3,000 Rounds of High Caliber Bullets

U.S. Immigration and Customs Enforcement

Armas Cruzadas/Rio Grande Valley BEST

Operation Armas Cruzadas Statistics

Since Inception

Weapons Seized	2,008
Ammunition Seized (rounds)	247,959
Currency Seized	$8,127,609
Criminal Arrests	318
Administrative Arrests	123

U.S. Immigration and Customs Enforcement

OCDETF Fusion Center/IOC-2

- ICE will also gain access to the additional agency information available through the Fusion Center and IOC-2.
- This increased partnership will further help in the joint fight against criminal organizations by all of the other Fusion Center agencies, including the FBI, the U.S. Drug Enforcement Administration (DEA) and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

Foreign Political Corruption Group

MISSION:

- To target and prosecute corrupt foreign public officials that have utilized the United States' financial institutions to perpetrate criminal acts involving money laundering and fraud.
- To develop evidence of criminal activity and conduct investigations that will successfully identify, seize, forfeit, and repatriate funds traceable to fraud, embezzlement and public corruption in foreign countries.

ICE RETURNS $2.7 MILLION TO NICARAGUA THAT HAD BEEN EMBEZZLED BY FORMER PRESIDENT AND TAX COMMISSIONER

U.S. Immigration and Customs Enforcement

Foreign Political Corruption Task Force

RESULTS:

- Since 2003, ICE has opened over 178 foreign corruption investigations.
- Currently, ICE has open foreign public corruption investigations both domestically and in our international offices.
- There have been 148 indictments, 80 criminal arrests and 43 convictions related to foreign public corruption.
- To date, ICE foreign corruption investigations have resulted in the seizure of over $134 million and the repatriation of over $110 million to various countries.

U.S. Immigration and Customs Enforcement

In an average year ICE Special Agents*

- Initiate 96,308 new investigations
- Make over 23,400 criminal arrests
- Seize over $386 million in currency and monetary instruments
- Seize over 2.9 million pounds of narcotics and other dangerous drugs
- Seize over $32 million of contraband and other illegal merchandise
- Respond to 1,064,261 inquiries and calls for assistance from other federal, state and local law enforcement agencies through ICE's Law Enforcement Support Center

* Based on FY 09 statistics

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European Serious Organised Crime Conference