Middlebury Institute *of* International Studies at Monterey

Introduction

Good Afternoon, Chairman Pfluger, Ranking Member Magaziner, and distinguished members of the committee. Thank you for the opportunity to testify today. I request that this written statement be put into the record.

Since the beginning of the Trump Administration, the U.S. national security architecture has pivoted to the challenge of tackling state-borne threats. While there is little question that Russia, China, and Iran pose significant threats to U.S. national security interests, we must not ignore the array of transnational actors who seek to harm the United States. This is why your hearing today is so important – it gives us a chance to examine the transnational threat landscape.
Before diving into the substance, I want to share with you some of my past and current work experiences that qualify me to speak to the issues that I am going to cover in my testimony below.

My name is Jason Blazakis and I am a professor at the Middlebury Institute of International Studies in Monterey, California. I am also the Director of Middlebury's Center on Terrorism, Extremism, and Counterterrorism (or CTEC for short). I have served in these dual roles since July of 2018. At the same time, I am also a Senior Research Fellow at the Soufan Center, a non-profit and non-partisan think tank based in New York City.

Prior to joining the Middlebury Institute, CTEC, and the Soufan Center, I worked in the federal government for nearly twenty years. Of those years in government service, I worked across both Republican and Democratic Administrations. The last ten-and-a-half years of my government service was spent at the Counterterrorism (CT) Bureau at the U.S. Department of State. Additionally, I was the head of Embassy Kabul's Narcotics Affairs Section (NAS) for much of 2004 and worked at the State Department's Bureau of International Narcotics and Law Enforcement Affairs Bureau (INL). Finally, I spent nearly four years in the U.S. Intelligence Community (USIC). In the USIC, I worked at the Bureau of Intelligence and Research (INR). These experiences working on counterterrorism, law enforcement, and intelligence issues for the U.S. government influence my views on which policies are most suitable for countering terrorist groups and criminal organizations, like drug cartels.

At the CT Bureau between early-2008 and July 2018, I directed the activities of the Office of Counterterrorism Finance and Designations. Simply put, I, and my team, at the CT Bureau were responsible for evaluating and compiling the underlying evidence that ultimately contributed to the Secretary of State's labeling of Foreign Terrorist Organizations (FTOs) pursuant to the Immigration and Nationality Act. My office was also responsible for recommending which groups or individuals should be designated as Specially Designated Global Terrorists (SDGTs) pursuant to Executive Order (EO) 13224. Furthermore, my team developed the evidence required for listing State Sponsors of Terrorism consistent with various legal statutes. In my time at the

Department of State I oversaw the designations of hundreds of individuals, organizations, and countries as terrorists. Simultaneously, my office was responsible for reviewing hundreds of Treasury Department proposed terrorist designations under EO 13224. Finally, I served as the CT Bureau's representative to the U.S. Government's review group responsible for activities related to the Rewards for Justice (RFJ) program, the U.S. Department of State's national security rewards program that was established in 1984.[1]

The Mexican Drug Cartels

Today, I was asked to devote a significant portion of my testimony to the question of whether the "Mexican drug cartels should be designated as FTOs." In my time at the CT Bureau at the State Department the issue of whether to designate the "Mexican cartels" as FTOs was raised periodically. Every time the debate arose, I expressed my opposition to leveraging the FTO tool against the "Mexican drug cartels." Before getting into the substance of my reasons for this I want to note two things. First, I was not alone in opposing these designations. Many others at the State Department, Department of Defense, Intelligence Community, and law enforcement community believed this was a bad idea. This remains the case today. It is also very important to emphasize that this is why the Trump Administration did not designate any Mexican drug cartels as an FTO, despite promising to do so.[2] Second, the Mexican drug cartels are not monolithic. As such, when someone calls for designating the drug cartels, we need to inspect what this precisely means. There are dozens of drug cartels based in Mexico. Not all of them are created equal and some, quite frankly, are not significant threats to U.S. national security, much less the homeland. Yet, while I oppose the use of terrorism tools to counter cartels, I want to be clear: several Mexican drug cartels are a threat to the homeland. For example, a recent press release by the Department of Justice noted, "the Sinaloa Cartel is one of the most powerful drug cartels in the world and is largely responsible for the manufacturing and importing of fentanyl for distribution in the United States."[3] The Sinaloa Cartel is a clear and present danger to U.S. national security, especially when you consider that fentanyl is more than 50 times more potent than heroin and is the leading cause of death for Americans ages 18 to 49.[4]

Nevertheless, designating any of the Mexican drug cartels as FTOs at this time is a bad idea.

Here's why: First, the FTO list is comprised of organizations that are guided by an ideological belief system. The Mexican drug cartels are guided by one thing – a desire to make money. They do what they do, sling drugs, to make money. They don't peddle drugs because they want to uproot the powers that be. They have no interest in governing. Simply put, unlike ISIS, they have no interest in creating a caliphate-like structure. They don't have any interest in overthrowing Mexican President Andres Manuel Lopez Obrador. The United States Government must not conflate terrorism and crime. It is a slippery slope when the State Department gets into the business of identifying criminal organizations as terrorist groups. As of June 1, 2023, the FTO

[1] U.S. Department of State. "Program History and Statutory Authorities." https://rewardsforjustice.net/about/program-overview/. Accessed on June 1, 2023.
[2] https://www.npr.org/2019/11/27/783449704/president-trump-says-he-will-designate-mexican-drug-cartels-as-terrorist-groups
[3] https://www.justice.gov/opa/pr/justice-department-announces-charges-against-sinaloa-cartel-s-global-operation#:~:text=The%20Sinaloa%20Cartel%20is%20one,times%20more%20potent%20than%20heroin.
[4] Ibid

list has 68 groups on it. If the State Department starts designating criminal groups as terrorists, the number of eligible targets that could be added to the FTO would significantly increase. Hundreds of new organizations could be added to the FTO list – not just Mexican drug cartels, but Brazilian gangs, Central American gangs, Italian mafia groups, the Yakuza crime syndicate, and many more. That's a recipe for disaster. It's a recipe for bureaucratic inertia, especially when you consider the amount of work that goes into every FTO designation package. Each FTO designation takes hundreds, in some cases thousands, of combined person hours to complete. Each FTO designation package is the equivalent of writing a Ph.D. dissertation. My old office responsible for this work has fewer than ten people who are exclusively dedicated to sanctioning FTOs. As such, they must carefully prioritize the targets they select for designation. If the CT Bureau at State gets into the business of designating criminal groups as terrorists, it gets out of the business of designating terrorist groups. This is a bad tradeoff.

However, there is one very significant advantage of applying the FTO regime against the Mexican drug cartels. Adding the Mexican cartels to the terrorist list would trigger the material support benefits that come with FTO designations.[5] Simply put, that means more time beyond bars for those who try to provide material support to the cartels.[6] On the one hand, that's a net positive. However, this is also a possible benefit with downsides. I can easily imagine scenarios where drug consumers may run afoul of the material support clause when they buy drugs trafficked by a Mexican drug cartel. I can imagine a scenario where a high school junior, let's name him Henry, buys fentanyl from a Mexican drug cartel and an overly enthusiastic prosecutor decides to pursue a material support case against Henry because he provided funding to an FTO. Similarly, I can see a college sophomore, let's call her Sally, who goes to spring break in Acapulco and ends up buying drugs from a Mexican cartel. In this scenario, let's assume when Sally returns home from spring break that she has the illicit drugs in her checked bag. This results in Sally being arrested at the airport. She's eventually charged for providing material support to a Mexican drug cartel that had been already designated by the U.S. Department of State as an FTO. These types of theoretical scenarios worry me – and should worry every one of you. Sadly, because of America's drug epidemic, there are a lot of Sally's and Henry's hooked on drugs. I don't think the solution is branding Henry and Sally as terrorists. Yet, adding the Mexican drug cartels to the list of terrorist organizations increases the chances that many more Americans could be prosecuted for terrorism. Their drug addiction is already a tragedy. It seems unnecessary to compound the error, but adding the Mexican drug cartels to the list of terrorist organizations would do just that.

Moreover, a U.S.-driven FTO designation of drug cartels holds a variety of consequences for asylum seekers. For example, victims coerced into carrying out material support are frequently discounted from receiving any humanitarian assistance or asylum.[7] In this way, an FTO designation fails to distinguish those who act willingly on behalf of the cartel from those that are forced to do so. Conversely, an FTO designation could aid those attempting to flee for politically

[5] https://www.latimes.com/opinion/story/2023-03-17/dont-designate-mexican-drug-cartels-as-foreign-terrorist-organizations

[6] Many of the cartels are treated as transnational criminal organizations already and as a consequence individuals who support these groups can face stiff prison sentences. Yet, low-level material supporters of FTOs often receive 20 to 25 years behind bars.

[7] https://michiganlawreview.org/ms-13-as-a-terrorist-organization-risks-for-central-american-asylum-seekers/

motivated reasons—-an FTO automatically identifies a terrorist or terrorist group as a political actor.[8] Should civilians speak out against the cartels, they are more likely to obtain asylum for expressing a suppressed political opinion; nonetheless, only a limited group of individuals can receive this benefit. Even those asylum seekers that are capable of resisting recruitment may not be considered "politically persecuted," much less those forced to carry out the cartel's illicit activities.[9]

One of the strengths of the FTO regime is the fact that the designation requires financial institutions to block any assets associated with the designated entity. Because the most dangerous Mexican drug cartels are already designated pursuant to the Foreign Narcotics Kingpin Designation Act,[10] they are already subject to having their property and interests blocked. Of note, hundreds of entities and individuals have been designated as Kingpins and there have been tangible results. According to a 2019 GAO study, OFAC has "reported that it has frozen more than half a billion dollars of sanctioned individuals' or entities assets under the Kingpin Act between 2000 and 2019."[11] Simply put, the FTO designation would bring nothing new to the table when it comes to accessing the wealth of the Mexican drug cartels.

Fifth, one of the benefits of the FTO regime is that it renders individuals associated with the designated terrorist group inadmissible to the United States. According to the same GAO study, one of the consequences of sanctions pursuant to the Kingpin Act is that it provides a basis for denying visa requests. Specifically, "Treasury provides information to State so it can decide whether to cancel existing visas and deny visa applications of Kingpin Act designees."[12] Yet again, an FTO designation would not benefit the U.S. Government when it comes to denying drug traffickers access to the United States. The ability to do that already exists thanks to the Kingpin Act.

Finally, the designation of the Mexican drug cartels would damage U.S.-Mexico relations. In 2019, when the Trump Administration explained that it was considering the FTO designation, President Obrador was categorical in his opposition. To counter the Mexican drug cartels, the United States must work with the Mexican government. Foreign Minister Marcelo Ebrard emphasized this point in an Op-Ed earlier this year. He criticized U.S. efforts to seemingly undermine Mexican authority and indicated that an FTO designation would ultimately increase violent and illicit activities within both countries.[13] It is clear that U.S. calls for intervention in Mexico have increased tensions between the two countries writ large; To defend Mexican authority and geopolitical interests, Ebrard stressed that the U.S.' sheer plethora of available weaponry remains a major contributing factor to increased cartel violence.[14] To maintain our own image and secure our relationships with our Central American partners, it is in the U.S.' best interest to secure avenues of collaboration—not competition. While Mexico can certainly do much more to fight the drug cartels, we would be mistaken to think that they are sitting on their

[8] Ibid.
[9] Ibid.
[10] https://www.ecfr.gov/current/title-31/subtitle-B/chapter-V/part-598
[11] https://www.gao.gov/assets/gao-20-112.pdf
[12] Ibid. Page 12.
[13] https://www.reuters.com/world/americas/mexicos-top-diplomat-stresses-cooperation-with-us-versus-intervention-2023-03-11/
[14] https://www.wsj.com/articles/mexico-foreign-minister-drug-cartels-bill-barr-ag-91345214

hands. We would also be mistaken to think that the Mexican drug cartel challenge is only Mexican-made. Some have irresponsibly argued[15] that the designation would allow for more direct U.S. military action against the cartels. This notion is highly problematic, likely would result in a violation of Mexico's sovereignty and poison the well for any cooperation with the Mexican government. Even worse, it could push Mexico further into the orbit of America's fiercest economic (China), military (Russia), and ideological (Iran) opponents.

China's investment in Mexico has grown in leaps and bounds over the last several years. In fact, in 2021, Chinese and Mexican trade exceeded $100 billion.[16] In 2022, Chinese foreign direct investment (FDI) in Mexico was significant at $282 million–indicative of Chinese industry's vested interest in expanding its global reach and overarching sphere of influence.[17] Moreover, evidence of criminal collusion between Chinese chemical companies and the Sinaloa cartel are noteworthy; an unsealed indictment in April revealed that a Chinese company sold illicit fentanyl-producing ingredients to cartel personnel, thus perpetuating America's burgeoning opioid crisis.[18] A U.S.-driven FTO designation could serve to facilitate and sustain Chinese and Mexican illicit trade routes, should the Mexican and Chinese governments fail to adequately address this expanding criminality. The United States' volatile relationship with the CCP in addition to its mounting tensions with Mexican authorities have the potential to isolate U.S. influence from conversations on mitigating the fentanyl trade–a trade that ultimately reaps severe consequences among the American public.

Russia similarly continues to cultivate relationships and strategic business ventures in the LATAM region. While limited in quantity, Russia previously supplied Mexico with military equipment and continues to expand its presence among the United States' central and South American neighbors, likely to sow geopolitical discord and sour perceptions of U.S. authorities.[19] Evidently, given growing interest and investment from our adversaries in Mexico, the United States must work to ensure our partnerships in Central America are strong and cooperative in nature. There have also been reports that the notorious Russian mercenary organization, PMC Wagner, tried to establish an office in Mexico prior to the outbreak of COVID-19.
All this to say, if the U.S. Government pushes Mexico on the FTO designation, it runs the risk that Mexico will distance itself from the United States and strengthen relations with countries like China and Russia.

These are but handful of reasons why designating the Mexican drug cartels as terrorist groups would be a mistake. Yet, there is much more that should be done to counter these groups. The next section of my testimony explores some possible ways the U.S. government can expand its efforts to counter the drug cartels.

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[15] https://www.usatoday.com/story/news/nation/2023/04/16/mexican-drug-cartels-terrorist-organizations-senators-fentanyl-mexico-border/11666432002/
[16] https://www.brookings.edu/on-the-record/how-is-china-involved-in-organized-crime-in-mexico/
[17] https://www.dallasfed.org/research/swe/2023/swe2303
[18] https://www.washingtonpost.com/health/2023/04/27/fentanyl-china-chemical-companies/
[19] https://www.csis.org/analysis/russia-western-hemisphere-assessing-putins-malign-influence-latin-america-and-caribbean

What Should be Done About the Mexican Drug Cartels?

Militarizing the border, putting U.S. troops into Mexico, and sanctioning the cartels as FTOs are not appropriate policy responses to countering the drug cartels. As noted earlier, the Mexican cartels are not only a Mexican-made problem. The trafficking of arms, ammunition, and other weaponry from the United States across the border into Mexico broadens cartels' breath of resources and facilitates continued violence. Mexican authorities found that approximately 70 to 90 percent of guns found during criminal investigations are linked to the United States.[20] This figure tells us that the availability and accessibility of guns within the United States renders their feasible illicit transfer. Moreover, it indicates U.S. complicity in the cartel's violent crimes. In fact, a gun used to carry out the kidnapping and subsequent murder of two Americans in Mexico during March of this year was trafficked by way of the United States.[21] More recently, in April 2023, a U.S. citizen was caught plundering 5,680 rounds of pistol ammunition from Southern Texas to his home in Mexico.[22] In addition to arms and ammunition, U.S. Customs and Border control officials uncovered 50,000 pounds of fentanyl crossing into the U.S. Southern border in 2022 alone.[23] These examples serve as a snapshot of a much broader problem, implicating both the United States and Mexico in furthering transnational cartel crime. There are no simple solutions to this problem, but one obvious policy is to adopt stricter arms control laws in the United States. Simply put, America is arming the Mexican drug cartels and that must stop.

Narcotics Rewards Program/Rewards for Justice (RFJ) Program

When I was at the State Department, I managed the CT Bureau's involvement in the RFJ program that focused on countering terrorists. That program has been used more frequently than the U.S. Department of State's "Narcotics Rewards Program (NRP)." The RFJ program is administered by the Bureau of Diplomatic Security (DS), but the NRP program is administered by the State Department's INL bureau. This is a bureaucratic inefficiency and folding NRP under the authority of the DS Bureau may improve the pace of narcotics related designations. The NRP should be used more. The program is designed to incentivize individuals to provide tips on the activities of drug dealers so that they can be prosecuted for their misdeeds. Adding more individuals from the Mexican drug cartels to the NRP list would be useful. If the program expands, it is very likely that some of the best lead information will come from within the cartels. Afterall, criminals like their money, especially informants within crime groups. It is important to acknowledge that on April 14, 2023, the U.S. Department of State used the NRP to announce rewards offers for information leading to the arrest and conviction of 27 individuals involved in illicit fentanyl trafficking. Expanding these efforts would be better than labeling drug cartels as FTOs.

Capacity Building

[20] https://news.harvard.edu/gazette/story/2022/02/stopping-toxic-flow-of-gun-traffic-from-u-s-to-mexico/
[21] https://abcnews.go.com/International/gun-kidnapping-americans-mexico-allegedly-us/story?id=98012006
[22] https://www.justice.gov/usao-sdtx/pr/american-living-mexico-caught-trying-export-5680-rounds-ammunition
[23] https://www.nbcnews.com/politics/national-security/fentanyl-gun-smuggling-us-mexico-border-deal-rcna75782

According to the U.S. Department of State, between 2008-2021, the United States spent $3.3 billion in equipment, training, and capacity building for Mexican justice and law enforcement sectors.[24] Much of this security cooperation assistance has focused on assisting Mexican police, prosecutors, and judges' efforts to better track criminals, drugs, arms, and money to disrupt organized crime groups. Moving forward, funds for countering the drug cartels should aim to build Mexico's Financial Intelligence Unit (FIU) capacity. Further, specialized attention and training in the area of anti-corruption is critical. Based on my experience of working in the NAS in Embassy Kabul, building up judiciary and law enforcement capacity is crucial. However, winning the fight against blood money will require an expansion of regulatory efforts, as well as the strengthening of Mexico's FIU and most importantly the private sector. The solution to countering the financing of the cartels will require reinforcing and bolstering Mexico's banking compliance systems. In my experience of countering illicit actor financing, the private sector's buy-in is critical. Like the Financial Action Task Force (FATF),[25] I define private sector broadly, to include accountants, lawyers, precious gem dealers, among many others. In its last Follow-Up Report regarding its FATF mutual evaluation, Mexico scored a 'non-compliant' on FATF recommendation 23. As such, the United States should focus on capacity building efforts that aim to strengthen Mexico's Designated Non-Financial Businesses and Professions (DNFBPs). The Mexican drug cartels need accomplished lawyers and accountants to make their money look clean as they try to insert their dirty money back into the formal financial system. Improving Mexico's DNFBPs' abilities to detect and report suspect transactions and money laundering is a cost-effective way to counter Mexico's drug cartels.

Social, Health, and Educational Policies

As much as the Mexican drug cartels are a national security challenge, the broader challenge of drugs in America is, frankly, more of a health, social, and educational challenge. In my view, the federal government is not allocating enough time, money, and resources to health, education, and social policies that can decrease America's appetite for drugs. We must address the demand side of this problem while also countering the suppliers and traffickers.

In the 2022 fiscal year, the U.S. total federal drug control spending was $41 billion. In response to the increase of substance use disorders, namely the ever-growing fentanyl crisis, the budget requests for 2023 and 2024 were slightly increased.[26] The misuse of prescription drugs and the opioid epidemic are a major focus of U.S. drug control strategies and spending. The death rates caused by the misuse of opioids and synthetic variants such as heroin continue to rise. From 1999 to 2014, the number of annual deaths caused by fentanyl overdoses hovered just underneath 3,000 deaths per year. After 2015, there has been a massive spike in fentanyl overdoses. In 2021, overdoses dramatically increased to 70,601. This jump is alarming—this new potent synthetic opioid is the number one cause of drug-related death in the United States.[27] Yet, when compared to other types of spending, our efforts to fight the drug problem on the demand side can be best

[24] https://www.state.gov/u-s-relations-with-mexico/#:~:text=The%20United%20States%20and%20Mexico%20partner%20to%20combat%20transnational%20organized,justice%20and%20law%20enforcement%20sectors.
[25] FATF sets guidelines for countries to follow in countering terrorism financing and money laundering.
[26] https://www.statista.com/statistics/618857/total-federal-drug-control-spending-in-us/
[27] https://www.statista.com/statistics/895945/fentanyl-overdose-deaths-us/

characterized as unserious, especially when we compare that $41 billion to the current Department of Defense (DoD) budget. DoD's budget for FY 2023 was over $2 trillion.[28] Simply put, killing, prosecuting, and sanctioning the supply-side entities and individuals (the Mexican drug cartels) of this problem is not enough. It may not be sexy policy to invest in educational, medical, and social-policy initiatives to fight the drug scourge, but this is an area where lawmakers must invest more financial resources.

Other Transnational Threats

The United States faces a broad array of transnational threats, to include gangs, terrorist groups, and private military companies. In my view, the groups noted below represent the most serious transnational threats to the U.S. homeland.

MS-13

The Mara Salvatrucha (MS-13) originated in the 1970s and 1980s in Los Angeles, California.[29] Formed by Salvadorian immigrants escaping civil war, the transnational street gang now has outreach in El Salvador, Honduras, Mexico, and the United States. Engaging in crimes such as murder, narcotics, weapon trafficking, and extortion, MS-13 continues to pose a serious threat to U.S. security.[30] Despite its American origin, the gang's cultural ties to Central America have enabled their influence to spread rapidly among communities in El Salvador, Honduras, Guatemala, and Nicaragua. Chasing the reputation of being the most murderous gang in the world, MS-13 is on the road to just that: in March 2022 the gang's death toll reached an all-time high of 62 deaths within a 24-hour period.[31] Unsurprisingly, their barbaric practices have become well known to the U.S. Department of the Treasury, who recently sanctioned members of the gang residing in Nicaragua and Honduras in February 2023. Freezing their property rights and blocking their financial transactions, the U.S. Department of the Treasury hopes their response will prevent further extortion, money laundering and drug trafficking across the U.S.-Mexico border.[32] MS-13's violence, sadly, is unlikely to end because of these designations, or any designation for that matter. Indeed, MS-13's violence has sparked the flow of refugees—innocents who want to escape the violent world MS-13 has created in Central America. Sadly, as I have previously described, this violence has American roots.

Terrorist Threats (ISIS and AQ)

The Salafi-jihadist threat posed groups like ISIS and al-Qa'ida. These groups, while not the potent forces they once were, still have the capacity to inspire homegrown extremists to carry out acts of violence. Frequently, we can still read Department of Justice media releases documenting a new arrest, prison sentence, or guilty verdict for individuals associated with ISIS and al-Qa'ida.

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[28] https://www.usaspending.gov/agency/department-of-defense#:~:text=Each%20year%20federal%20agencies%20receive,making%20financial%20promises%20called%20obligations%20.

[29] https://insightcrime.org/el-salvador-organized-crime-news/mara-salvatrucha-ms-13-profile/

[30] https://www.ojp.gov/ncjrs/virtual-library/abstracts/ms-13-gang-profile

[31] https://www.bbc.com/news/world-latin-america-60893048

[32] https://apnews.com/article/drug-crimes-crime-caribbean-honduras-central-america-812e435334860ae703110202fa64c008

Recently, not far from where we sit today, in Virginia, the U.S. government arrested an alleged ISIS supporter. In early May 2023, Virginia resident Mohammed Chhipa was arrested for sending nearly $200,000 overseas to ISIS.[33] Chhipa could face decades behind bars for providing material support to a designated FTO. This underscores that ISIS sympathizers remain active in the United States. Second, it underlines the point that terrorist financing is also a persistent threat to U.S. national security interests. As the February 2023 Annual Threat Assessment of the U.S. Intelligence Community, "ISIS's ideology and propaganda…almost certainly will continue to inspire attacks in the West, including the United States."[34] This challenge is likely to intensify because of the ham-fisted way the United States left Afghanistan. This spring, General Michael Kurilla, head of U.S. Central Command, told the U.S. Senate Armed Services Committee that ISIS's province in Afghanistan, ISIS-Khorasan, "can do an external operation against U.S. or Western interests abroad in under six months with little or no warning."[35]

Like ISIS, al-Qa'ida remains a threat to U.S. national security interests, despite that the group's leader was killed in 2022.[36] Of particular concern is the sanctuary al-Qa'ida now has in Afghanistan by virtue of the Taliban[37] taking over the country. As the Annual Threat Assessment of the U.S. Intelligence Community explains, "al-Qa'ida remains committed to attacking U.S. interests." The group also continues to inspire homegrown extremists and the group is well known for playing the long game. Unlike ISIS, al-Qa'ida is more patient. In many ways, this makes the group more difficult to infiltrate and counter. One of many examples of al-Qa'ida's careful planning culminated in the group's deadly December 2019 attack at a Naval Air Station in Pensacola, Florida. The perpetrator of the attack was part of the Royal Saudi Air Force and the investigation following the attack revealed operational ties between the attacker and al-Qa'ida's affiliate in Yemen.[38]

Iran's Threat Network

The Iranian regime and its many proxies represent a clear threat to the United States. While Iran's proxies, including Hizballah, operate in the United States, Iran's menacing activities are a greater threat to U.S. overseas interests. Nonetheless, Hizballah's U.S. based terrorist financing schemes have made the group millions of dollars. Iran has also plotted to assassinate Americans, most notably John Bolton. This month the U.S. Department of the Treasury sanctioned Mohammad Reza Ansari and Shahram Poursafi pursuant to E.O. 13224 for their plot to assassinate Americans.[39]

PMC (Wagner)

[33] https://www.fox5dc.com/news/virginia-man-accused-of-sending-money-to-isil-remains-behind-bars-following-court-appearance
[34] https://www.dni.gov/files/ODNI/documents/assessments/ATA-2023-Unclassified-Report.pdf
[35] https://www.usnews.com/news/national-news/articles/2023-03-16/u-s-commander-isis-in-afghanistan-6-months-away-from-foreign-attack-capability
[36] https://www.csis.org/analysis/zawahiris-death-and-whats-next-al-qaeda
[37] Al-Qa'ida is a longtime ally of the Taliban and the ties between the groups remain strong.
[38] https://www.cnn.com/2020/05/18/politics/pensacola-shooting-al-qaeda/index.html
[39] https://home.treasury.gov/news/press-releases/jy1513

Private Military Companies (PMCs), such as the Russia-based Wagner Group represent a threat to U.S. national security interests. Indeed, the Treasury Department emphasized the transnational criminal aspects of the Wagner Group on January 26, 2023, when it designated the group as a transnational criminal organization (TCO) pursuant to Executive Order 13581.[40] In justifying the Wagner Group's criminal designation, the Treasury Department explained, "Wagner personnel have engaged in an ongoing pattern of serious criminal activity, including mass executions, rape, child abductions, and physical abuse."[41] While it has been well documented in numerous reports that the Wagner Group carries out terrorism and criminal acts in Ukraine and throughout the African continent, what is less well known is that the organization leverages American-made social media tools to recruit U.S. citizens and others to its cause.

In May 2023, *Politico* published an article noting that PMC Wagner was trying to recruit, via Facebook and Twitter, individuals to fill positions as medics, drone operators, and psychologists to assist in the group's war effort in Ukraine.[42] According to Logically, a UK-based disinformation-focused research group, the posts were in multiple languages and received more than 120,000 views.[43] The Wagner Group has grand ambitions, and its founder has admitted to meddling in U.S. elections. In a post over Russia social media site VK, Prigozhin explained, "we have interfered in U.S. elections, we are interfering, and we will continue to interfere."[44] The Wagner Group is a threat to the United States. That is why I have argued that the group should be added to the State Department's list of Foreign Terrorist Organizations. It is also why I support the bipartisan HARM Act, which would require the State Department to designate the Wagner Group as an FTO.[45]

Conclusion

The threat posed by a broad range of transnational groups remains significant. The drug trafficking organizations, terrorist groups, and mercenaries I have highlighted in my testimony only represent a very small component of the overall threat picture. Books are quite literally written about each one of these dangerous groups. What is contained in the testimony above is a surface level examination. Moreover, there are many other types of transnational threats that persist, such as the growing threat posed by racially and ethnically motivated violent extremists (REMVE). The REMVE threat has become increasingly interconnected with U.S. based Nazis linked to overseas REMVE groups like the Russian Imperial Movement (RIM). RIM was designated as a terrorist group by the U.S. Department of State on April 7, 2020, pursuant to Executive Order 13224.[46]

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[40] https://home.treasury.gov/news/press-releases/jy1220
[41] Ibid.
[42] https://www.politico.eu/article/russia-ukraine-war-mercenaries-wagner-group-recruit-twitter-facebook-yevgeny-prigozhin/?utm_campaign=Readbook&utm_medium=email&_hsmi=260770258&_hsenc=p2ANqtz-9yPLN20j9Zz7stblBhK5trA8vxwCc_CH9DJf3B2_dmNWEusDazbwgk-4RB8c45f3Dz2MrxkB5kXkdzvFo0hVqrCJYcIw&utm_content=260770258&utm_source=hs_email
[43] Ibid.
[44] https://www.reuters.com/world/us/russias-prigozhin-admits-interfering-us-elections-2022-11-07/#:~:text=LONDON%2C%20Nov%207%20(Reuters),efforts%20to%20influence%20American%20politics.
[45] https://www.congress.gov/bill/118th-congress/house-bill/506?s=1&r=50
[46] https://2017-2021.state.gov/united-states-designates-russian-imperial-movement-and-leaders-as-global-terrorists/

I want to close my testimony by emphasizing that while I strenuously oppose the terrorist designation of the Mexican drug cartels, I can understand the desire to label them as FTOs. They are a menace and more must be done to counter them. Congress certainly has an important role in ensuring this is done by holding the executive branch accountable for failed approaches. While I encourage Congress to not designate the cartels as FTOs, Congress does have every right to pursue that objective. I speak from direct experience when I say that without Congressional pressure, the State Department would not have moved as quickly as it could have to designate Boko Haram and the Haqqani Network as FTOs. In the case of the Mexican drug cartel issue, however, I would encourage all to examine some of the recommended policy approaches I offer instead. Unlike a Mexican cartel FTO designation, these alternative approaches are more likely to impact the cartels' blood-stained wallets.