



Combating Transnational Crime in the Americas: A Conversation with U.S. Sen. John Cornyn

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TRANSCRIPT

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JOHN WALTERS: Good morning, and welcome to the Stern Policy Center here at Hudson Institute. I am John Walters. I'm chief operating officer at Hudson. And we couldn't be more honored today than to have Senator John Cornyn with us to talk about a critical subject to the security of our country, our hemisphere and the health and welfare of Americans. I'm going to introduce Senator Cornyn. He's going to make some remarks. And we'll have then a little bit of a back-and-forth chat, and then we'll open the session up to questions. So if you have questions, you can be thinking about them. A question is a short sentence with a question mark at the end. If you have ideas for your own program, you can talk to my colleague, Ann Marie Hauser, and we'll consider scheduling, OK?

Let me just - I don't think Senator Cornyn needs much of an introduction. He's known around Washington. He's done so much work in so many areas. But for those that may not know him as well on the streaming audience we have, Senator Cornyn served as a U.S. senator from Texas since 2002. He's a member of the Senate Intelligence, Finance and Judiciary Committees. He also co-chairs the Senate Caucus on International Narcotics Control with Senator Dianne Feinstein of California. Between 2013 and 2018, Senator Cornyn held the post of Senate Republican Whip, the second-highest position in the Senate Republican leadership. Prior to his election to the U.S. Senate, he served as a state district judge before being elected to the Texas Supreme Court in 1990. In 1997, he was elected attorney general of Texas, becoming the first Republican elected to that post since Reconstruction. He served as attorney general until his election to the Senate in 2002. He's a native of San Antonio. He's a graduate of Trinity University and St. Mary's Law School in San Antonio, and he holds a master's of law from the University of Virginia. Please join me in welcoming Senator Cornyn.

(APPLAUSE)

WALTERS: Thank you.

JOHN CORNYN: Well, thank you, John. It's a pleasure to be here with all of you today at Hudson Institute. I just have to say that I know when people talk about my resume, they frequently mention the fact that I had the honor of serving as majority whip for a while (inaudible) leadership, and they mention that I was the second - sometimes they say the second-most powerful person in the Senate. And I always say, well, I'm also the second-most powerful person in my house.

WALTERS: (Laughter).

CORNYN: Well, as a Texan, I've always had profound respect for the important relationship between the United States and our neighbors to the south. When things are good, they're really good. But when things are bad, obviously, we know we've got our hands full. The good things include our important trading relationship with Mexico, which was worth more than \$670 billion last year. Often, that gets overlooked in the debate about immigration and other related issues. But it is actually multi-dimensional. This, of course, this trading relationship, is vital fuel for our economy and supports an estimated five million jobs here at home. That's why I'm looking forward to debating, and voting on and ratifying the U.S.-Mexico-Canada trade agreement, the successor to NAFTA, hopefully here soon, probably this fall. But when violence and instability rear their ugly heads across the border, we know there are consequences here in our country, too.

Transnational criminal organizations are running rampant throughout Central America and Mexico, engaging in a broad range of criminal activities. They specialize in moving drugs, we know - cocaine, heroin, fentanyl and other illegal contraband. These organizations, these criminal organizations, have a solid customer base in the United States. There is a lot of demand, which is what usually my Mexican colleagues bring up. Anytime we talk about what's happening south of the border, they've said, well, without the demand in the United States, these people wouldn't be getting rich. The drugs are coming into our country at an alarming rate, ravaging communities nationwide. It's not just drugs, though. These groups will do whatever it takes to make a profit - human trafficking, migrant smuggling, money laundering, counterfeit goods, public corruption. They are what I like to call commodity agnostic. They're in it for the money, and no crime is off limits. No task is too disgusting. Those who are trying to flee violence in Central America and Mexico are arriving en masse at our southern border, overwhelming our capacity to deal with them. This goes back, you may remember, to 2014, when President Obama mentioned the humanitarian and security crisis at the border. That was 2014. Further compounding the problem is the fact that our southern neighbor lacks the resources to address this crisis.

The real kicker here is that in the face of all this violence and trauma, the organizations fueling the crisis are becoming richer and richer by the moment. The instability throughout Central America and Mexico is near a breaking point. Frustrations are running high, and as we hear in Washington from time to time, people say, well, something's got to happen, something. Well, my hope is that something will be constructive and avoid unintended consequences borne out of frustration. Congress, of course, has an important responsibility and an opportunity to make a meaningful contribution in stabilizing the region. And the time to act is - well, it was yesterday. This Congress, I was selected to co-chair the Senate International Caucus on Narcotics Control, where we've been examining some of the opportunities to stop narcotics trafficking and fight drug abuse throughout the country. Today, what I'd like to do is to discuss my proposal to attack this problem from multiple angles - something we call the New Americas Recommitment to Counternarcotics Operations and Strategy Initiative. Everybody in Washington loves an acronym, and of course, the acronym is NARCOS.

Addressing the security challenges throughout Mexico and Central America will require bipartisan commitment to long-term solutions. Nothing happens in this town without bipartisan support. That's just the way it is. Addressing the security challenges throughout Mexico and Central America will require leadership and willing partners. As we learn from our own mixed record on nation-building in the Middle East, we can't want something or someone more than they want it for themselves, so we must lay a foundation for a stronger region and a stronger America. And that's precisely what we would propose to do under the NARCOS initiative. First, we would take aim at the dangerous poisons coming across the southern border. Our country's opioid crisis began as a result of over-prescription of drugs. But we've cracked down on the prescription drugs, and so demands for those sold by cartels and criminal organizations have increased. And as we know, if one form of opioid isn't available, well, the cheaper opioid known as heroin and fentanyl are more readily available at a lower price. So stopping these substances isn't as simple as putting up signs at the port of entry. Transnational criminal organizations and the drug cartels will stop at nothing to exploit Americans who are addicted to the narcotics that are tearing families and communities apart.

Now more than ever we need a comprehensive strategy across all levels of government to address both supply and demand. In order to be successful, though, we need buy-in from our foreign partners. As I think about successful experiments in working with foreign partners to transform countries, I think first and foremost about Plan Colombia. There, we had a committed partner, great leaders and a bipartisan effort to stay the course over the long haul. And while we know Colombia is not yet where it wants to be, it has come a long, long way from a previously failed state. Mexico is a different challenge. It's a lot bigger, for one thing. It's two and a half times the population of Colombia and is justifiably wary, given our history, of its neighbor to the north. Coming from Texas, you might - we know what - why they are wary. Nevertheless, in 2007, the Merida Initiative was created as a way for the United States and Mexico to work together to address drug trafficking and crime. And in the years since, a broad range of programs under the Merida umbrella have yielded positive results. Intelligence sharing and law enforcement cooperation have led to the capture of high-profile criminals. Of course, the latest and greatest was El Chapo, who was extradited and earlier this year sentenced to life in prison in the United States. Merida Initiative does not include an active U.S. military presence - something I can't imagine Mexico would ever agree to.

But the Department of Defense does provide support through its drug interdiction and counter-drug activities, primarily helping Mexico counter these threats before they arrive at our southern border. Northern Command has trained and equipped an increasing number of Mexican military personnel, and they are among the most capable partners of the Mexican military dealing with this threat. Training, of course, is included - courses on information fusion, surveillance, interdiction, cybersecurity, logistics and professional development. But as you know, the cartels are overflowing with resources themselves, and often, our Mexican partners and the United States find themselves confronted with even - with equally well-equipped and armed opposition. Nevertheless, this training is an important force multiplier and a necessary component to our counternarcotics efforts. But law enforcement can't be the sole answer. We also have to work on the demand side - the drugs that are keeping the traffickers in business. Families and communities must work together to implement evidence-based approaches to prevent drug addiction. Last year, Senator Feinstein, my co-chair on the International Narcotics Caucus - we introduced a bill called the Substance Abuse Prevention Act, which is now law, as part of the opioid bill. This legislation builds on existing laws to ensure our states and communities have resources they need to combat the opioid epidemic and - specifically. And this Congress will continue to try to do everything we can to reduce demand. But it is a difficult but necessary goal.

As we were talking in the green room earlier, young people today are getting a lot of mixed messages about drugs, where we have federal laws against - dealing with marijuana, but states taking the initiative to try to pass legalization, first for medical purposes and then recreational purposes. So you can imagine the confusing message that young people get today about drugs. In addition to attacking the products, the NARCOS Initiative also goes after the cartels and transnational organizations peddling them. These criminal enterprises are savagely relentless, and their list of victims is a long one. The homicide rate in Mexico reached a new record last year with an average of 91 deaths a day. We've also heard horror stories of migrants who paid thousands of dollars to be brought to the United States by smugglers - commonly known as coyotes - who were bound and raped along the way. That is more common than not, especially for young women and girls. Many of these victims were left abandoned and for dead in remote areas along the border. In Brooks County, Texas, which is right where the Falfurrias checkpoint is, about 50 miles inland, the custom is for the coyotes to drive from the border from stash

houses up to the checkpoint to let the migrants out of the vehicle, give them a gallon milk jug full of water and maybe a PowerBar and say, you're going to have to walk around the checkpoint in some of the remote areas there in Brooks County. And not surprisingly, some of them don't make it due to overexposure. The heat, as you can imagine, especially in the summertime, is particularly dangerous. And one of the things we've been working on with the local officials at Brooks County - they simply don't have the tax base to deal with the forensics and the - just simple human burial for these remains of the migrants who die trying to circumvent the checkpoint. And again, the coyotes really don't care. It's just part of the cost of doing business.

Earlier this year, we were shocked when we saw the New York Times report that one 3-year-old boy was found all alone, crying in a cornfield. Of course, this is part of the other component of our broken asylum system, where the human traffickers were encouraged to smuggle children and families through the border and, of course, merely turning themselves in, knowing that they've overwhelmed the system and they ultimately will be successful in getting placed in the United States - but a 3-year-old boy by himself in a cornfield with nothing more than a name and a phone number written on his shoes. I firmly believe that if we sit idly by and allow this sort of thing to continue, we ourselves are complicit. One of the most effective ways to suffocate criminal networks is to cut off their money. Transnational criminal organizations and cartels, as I suggested earlier, turn a tremendous profit from their corrupt dealings and engage in money laundering. They've got to get the money laundered to help finance their operations. The Senate Judiciary Committee on which I sit recently passed legislation to try to enhance our fight against money laundering and other illicit financing. The bill included a provision I introduced on remittances, which are cross-border money transfers, requesting a report on the use of remittances for illegal activity. We know mainly remittance - many of the countries in Central America and Mexico are very dependent on the money that's earned in the United States by immigrants and is sent back home. We're not primarily concerned with the economic support for those countries but rather the corrupt use of that for money laundering and/or other criminal purposes. That's what the report will require.

According to United Nations, over \$300 billion in illicit transnational crimes likely flow through the U.S. financial system - \$300 billion. My provision requires the Treasury to submit an analysis of the use of remittances by drug kingpins and crime syndicates and a strategy to stop this behavior. In addition, we need to ensure law enforcement in the private sector are working together to prevent criminal organizations from turning their dirty profits into financial power. The introduction of new and emerging threats like cyber-related financial crimes combined with potential gaps in our enforcement regime require a fundamental review and analysis. It's time to re-evaluate our current strategy and determine how best to update the Bank Secrecy Act, which was enacted almost 50 years ago, and it is the primary anti-money laundering law regulating financial institutions. We also need to make sure that when we find the bad guys that justice is served. Because of corruption or inadequate training or resources, prosecution rates in Mexico and Central America are very, very low.

This is the problem of impunity. You may have heard a lot about it, and it is discussed often on my trips to Mexico. And the number of convictions are really abysmal, so people can literally get away with murder and other crimes because of the problems they have prosecuting those accused of these offenses. The few cases that actually make it to court frequently fail for lack of prosecutorial experience. And those who do get convicted send the convicted person to the municipal prisons, where convicts continue to control their criminal enterprises and are allowed

to check in and out. Without consequences, with impunity by these - for these criminal organizations, our efforts in other areas is going to be useless. By developing teams of U.S. prosecutors to work with government officials in these countries, we can help them help themselves and begin to dismantle these organizations. Merida funds, for example, can be used to support these programs and provide an opportunity for the U.S. government to work with President Lopez Obrador on his priority anti-corruption campaign. As I mentioned earlier, the influx of drugs is not the only consequence of conditions in Central America and Mexico that we're feeling at home. And lest you think that this is just a Central American and Mexican problem, when I was down in McAllen a week and a half ago, we were reminded by the chief of the McAllen sector of the Border Patrol that last year alone, they detained people from 60 - that's 6-0 - different countries. So the word is out.

The international networks are funneling people into Central American, up through Central America and Mexico into the United States. So this is not only a Central American and Mexican problem. And you can see why it could potentially be very dangerous for the United States. There's also a - influx of drugs and conditions at home are also serving as what's called a push factor. In other words, we all understand, as a matter of our simple humanity, that people who are experiencing violence and poverty at home might want to leave it and to go someplace better. But the conditions obviously are encouraging those migrants to take safe routes used by cartels and criminal organizations to (unintelligible) the United States. I always like to point out that the United States is the most generous country in the world when it comes to legal immigration. We naturalize about a million people a year. But the cartels know this, and they take full advantage of gaps in our border security and flaws in our immigration laws - for example, the asylum issue that I mentioned earlier.

In order to address this humanitarian crisis that President Obama identified in 2014 and which has gotten even worse, we have to fix these broken laws. Responsibility lies squarely at the doorstep of the United States Congress. That's why I've introduced legislation called the HUMANE Act that would make a few important strides in this area. This is what I referred to earlier when I was talking about the incentive to smuggle children - unaccompanied children and families into the United States. The first major loophole that has created this phenomenon is something known as the Flores settlement agreement, which is being exploited by the smugglers and traffickers. The Flores Settlement Agreement was created to ensure that unaccompanied children weren't spending long periods of time in custody with the Border Patrol. It was and remains an important protector for the most vulnerable individuals found along the border. But a misguided expansion of the Flores agreement in 2016 by the Ninth Circuit effectively expanded those protections to family units, where adults are - have children with them. Now the smugglers and the people who want to take advantage of these loopholes have realized that if you bring a child - any child - and pose as a family, you'll be released in less than 20 days, particularly as a result of the overcrowding we're seeing.

As result, we've seen a massive increase in the number of family unit apprehensions. In May of 2018, roughly 9,500 family units were apprehended. In May this year, that number skyrocketed to more than 84,000 - so a year ago, about 9,500; this year, 84,000 in one month alone. We simply cannot allow this to continue. The HUMANE Act would clarify that the Flores agreement only applies to unaccompanied children and not families. And it also takes steps to make sure that the migrants in our custody receive humane care. Beyond suitable living accommodations, it requires each facility to provide access to medical assistance, recreational activities,

educational services and legal counsel. Importantly, it requires the Department of Homeland Security to keep families together through court proceedings - something that's been a big concern for all of us - when families are separated. To streamline the way we process migrants, this legislation requires the Department of Homeland Security to establish regional processing centers in high-traffic areas - places like McAllen, El Paso, to mention just two - which would serve as a one-stop shop for those seeking to enter the United States.

These centers would have personnel on board from across the government, including medical personnel and asylum officers. Both the narrowing of the Flores Settlement Agreement and the establishment of these processing centers were recommendations from the bipartisan Homeland Security advisory committee and could alleviate the long wait times experienced by many migrants, including those seeking asylum. Just to explain - somebody shows up to the border and claims asylum, they have to demonstrate a credible fear of persecution. But the only person who can openly make a decision on whether that asylum claim is justified or not is an immigration judge. But right now there are roughly 900,000 backlogged immigration cases. And when people are released into the United States with a notice to appear at a court hearing at a future date maybe months or years later, it won't surprise you that many of them simply don't show up. Statistically, only about 10% of the people who do show up in front of an immigration judge actually end up qualifying for asylum. And so you can see why this is a huge loophole and something that is hugely attractive, not only to the smugglers, but the migrants themselves.

Now, the HUMANE Act won't fix all the problems that exist in our immigration system, but it is an important start. There has to be some methodology for deterrents to the so-called pull factors because as long as the human smugglers are getting rich moving people up through Central America and Mexico into the United States, and they can successfully place the migrants in the United States without any consequence, well, they're going to keep doing it. And indeed the numbers demonstrate that, and it's getting worse every day. The HUMANE Act is the only bill with bipartisan and bicameral support. My co-sponsor in the House is Congressman Henry Cuellar from Laredo, Texas, with whom I work on a number of trade and border issues. It's a critical component of any legislation that needs to pass both chambers of a divided Congress. While it's easy to look at all these problems - the crime, the corruption, the human rights violations - and forget that these challenges don't completely define these countries or this region - these are beautiful places with vibrant cultures.

And we must remember that the vast majority of their citizens are just as distraught by the rogue criminal organizations as we are. In fact, that's why many of them flee their country. We want our efforts working with them to be sustainable. We can't just focus on law and order. We need to look at ways to encourage investment and economic development to help these countries build stronger economies so that people have an opportunity at home, where you have to imagine most of them would prefer to live, but for the crime and poverty. I hope in the coming months we'll be able to ratify the new and improved NAFTA, which we now know as the United States-Mexico-Canada agreement, or USMC. Notwithstanding what Ross Perot Senior said when he called NAFTA the giant sucking sound, NAFTA has actually been a net benefit to our country. I love Ross Perot, by the way. But so many recent reconomic (ph) advancements in our digitalized economy necessitated another look at NAFTA, which, at that point, was a dinosaur. In terms of when you can expect this to happen, that's in the hands of the administration and, I would say, Speaker Pelosi.

Once we receive the implementing bill, the House will vote first, given the bill's revenue implications, and then it will come to the Senate, where it will pass, I believe. Historically speaking, the closer we get to the election, though, the more challenging it is to get laws passed or to get agreements like this ratified. So I hope we can get this process moving sooner rather than later before it gets caught up in the 2020 election. It's also critical that we take steps to upgrade and maintain our land, sea and airports of entry and ensure they have adequate staffing to manage the flow of legal trade and travel. Investments in our ports don't have to be solely funded by the government. For example, a couple of years ago, I coauthored legislation, which is now law, called the Cross-Border Trade Enhancement Act. This legislation permanently authorized a successful public-private partnership pilot program which aims to make staff and infrastructure improvements more cost and time efficient. Frequently, the local communities are more than happy to become partners with government in order to build the infrastructure and staff at the ports of entry. More than 10 ports in my state alone have utilized this program, and the benefits continue to be realized on a daily basis. Another shining example of these types of cooperation and investment is the North American Development Bank.

For more than 20 years, its investments in border communities have led to improved air and water quality, updated infrastructure and increased flow of goods and services across the border. For every one NAD Bank dollar, it's been invested in the project and successfully leveraged 20 in total infrastructure investment, using both public and private sector dollars. Working with my friend and colleague Senator Feinstein, we've introduced a bill that would authorize the Treasury Department to increase NAD Bank's capital and provide additional authority related to port of entry infrastructure. This economic success of movement of goods means more than money. It means more jobs and opportunities for people on both sides of the border. So while the list I provided you today of challenges may seem overwhelming, I would say the risk of doing nothing are even more troublesome. There's no magic pill that will restore law and order throughout the region. But I believe the NARCOS Initiative is a road map that can take us in the right direction.

It's important for us to learn from our experience, as I mentioned, with Plan Colombia and adapt and modify that successful program to a new region that is admittedly more complex with more moving parts. But this is time for American leadership to shine through. We have an opportunity to disrupt the flow of drugs that are fueling the opioid epidemic in America. We have the chance to help cripple the organizations that are destroying communities on both sides of the border and help our neighbors build strong economies that make for a better life for their citizens. It's a big task but one I think we should be up to. And I'm ready to get to work with any willing partner. So with that, John, I thank you very much for having me. I'm happy to join you on the stage to continue our discussion.

WALTERS: Thank you.

(APPLAUSE)

WALTERS: Well, thank you, Senator, and thank you for allowing our audience in here and being streamed to get a better idea of the work you've been doing because I hope people understand how unique this is. You have looked at this problem in its key parts. And unless you do that - I mean, the tendency has been to either take half measures or to take measures that are not comprehensive. It requires a much greater, more comprehensive approach. So thank you for the leadership and for the - a number of hearings and bills you've already been a

champion to bring to the finish line. Let me ask you what you think the dynamics are on the Hill now for some of these measures? I mean, it's - we are coming up on the election. On the other hand, the election will bring to the fore, as it did the last time, some of the places in the country that have been suffering the most. I mean, a number of the battleground states are states that have suffered from the opioid epidemic and others, and they will make that felt in the - in what they expect to hear from people who want to be political leaders. So how do you think the dynamic in Congress is for passing some of this important legislation?

CORNYN: Well, I would say the jury is out. The jury will return its verdict in November of 2020 because it seems to me like some of the - in some ways, we've become even more polarized with candidates who - suggesting we decriminalize entry across the border, others suggesting - well, we know that we don't have sufficient ICE facilities for - to detain people, even males - adults. And so that's the reason why we are seeing these unbelievably crowded conditions at Border Patrol stations, like I saw in McAllen, which Senator Schumer and Senate Democrats saw when they went there last week. That's a direct result of the failure to fund these ICE beds, these detention facilities, which are more like prisons, and meet minimum standards. But I'm not particularly optimistic. I hate to say that. I'm an optimistic person but not particularly optimistic that somehow we're going to get together and pass meaningful legislation. My hope would be that we would do something simple and straightforward like the HUMANE Act, and then perhaps have the political parties campaign on their immigration proposals and then have the - have a mandate for whoever wins the election in November 2020 and that that then provides a way for us to come together and to come up with broader answers. But as I tell people, the - my two biggest frustrations in time I've been in the Senate are deficits and debt and immigration. Those are the two that seem to be the hardest nuts to crack. But we're going to keep trying.

WALTERS: And you're one of the brave people that's willing to kind of take those on and face the fact that we have to do something and to fight this. I mean, a lot of people want to talk about, you know, passing secondary issues of the day. So...

CORNYN: Well, if you're a border state senator, you can run, but you can't hide.

WALTERS: Yeah.

(LAUGHTER)

WALTERS: That's a good point. You also did a hearing on Venezuela. And I mention this because I had some conversations with people who were past working in Colombia who have - who had brought to my attention the movement of some of these criminal organizations in Venezuela.

CORNYN: Yeah.

WALTERS: ...As well as the whole disruption and the kind of criminal and expansive character of some of the Cuban involvement in Venezuela. Can you tell us what you've seen in those hearings, and what do you expect to happen?

CORNYN: Well, Venezuela is a real-life tragedy - one of the wealthiest countries in the world, and it's turned into, you know, a miserable place for the people who live there because of the regime of Hugo Chavez and now Maduro. And the legally chosen alternative opposition party of Mr. Guaido, who, of course, is there trying to settle things down there. But unfortunately, you mentioned Cuba. Cuba's got a big foothold in Venezuela, provides almost all the security

apparatus, as I understand, for Maduro. And they have been ruthless in killing people and imprisoning people who are opposing them. So I'm not sure how Venezuela sorts out. We also know that, for example, the Russians, who, as Rex Tillerson liked to say when he was secretary of state - he said the Russians think to themselves each morning when they get up - Putin, he said, specifically - where are the Americans having problems, and how can we make it worse? And so the Russians are doing their thing in Venezuela by trying to make it worse. They're certainly not being - providing a solution to that problem. So that could actually be the next huge humanitarian crisis of waves of Venezuelans fleeing that country if it breaks out into open civil war and to adjoining (ph) countries, as they have in Colombia, for example. But we could begin to see some of those at our border, many more (unintelligible) border too.

WALTERS: You mentioned Russia. I also wanted to ask you - you sit on multiple key committees - Judiciary and Finance, but also Intelligence. There also have been reports about Chinese transfers of technology for population control to Venezuelans. You mentioned the Chinese responsibility for fentanyl coming into the United States and up through Mexico. They seem to be another group that wakes up in the morning and doesn't want to make the life of Americans better, but worse.

CORNYN: Right.

WALTERS: How much of this do you think we need to get a handle on in order to make progress here?

CORNYN: FBI Director Wray testified in front of the Judiciary Committee yesterday, and I asked him to talk a little bit about the counterintelligence threat and the threat - economic and security threat of China. And I've never seen him so animated. You know, he's a pretty stoic guy, but he was on fire as he talked about the threat of China. China's made it very clear, they want to dominate us economically and militarily. And as you know, they don't - they don't follow the same rulebook that we do. So they are - they are just relentless in stealing everything they can. Things that we have to do - R&D, and sink billions of dollars in things like weapons systems and the like - they simply steal it. And we saw cyberthreats like the Office of Personnel Management breach, where they were able to get the records of millions of people, including people who have applied for security clearances in the United States. So you mentioned the population control technology. And certainly, they've perfected the facial recognition technology they use to control their own population. And indeed, with all the data and information they maintain on their own citizens, that's how they maintain control. And of course, any of their - any of their friends and allies, like Maduro, would like to have access to that same technology and those same techniques to control their own population because they're both really police states.

WALTERS: You mentioned - we had a brief moment to chat before we started the program here, and you have been in the forefront of trying to get people to think about this problem with greater urgency. You've talked about the magnitude of overdose deaths. You've talked about the threat to our security and the security of other neighbors in the hemisphere. At the estimated 70,000 deaths a year - and I mentioned to you the Journal of American Medical Association brief estimate by some epidemiologists that between 2016 and 2026, there'll be an estimated seven to 800,000 Americans die of overdoses. Why isn't this more urgent, and what can Americans do to try to create a kind of support for the kind of leadership you're trying to provide? You're trying to bring together Democrats and Republicans. You've mentioned that, you know, the horrifying effects of 9/11 are dwarfed by the deaths that you're seeing from this.

And yet, the same kind of urgency and mobilization's not happening. What can we do to help you?

CORNYN: Well, when you mentioned that the CDC numbers would roughly equate to the number of Americans died in the Civil War...

WALTERS: Yeah.

CORNYN: ...Projected that forward today, it'd be about three million Americans. But the numbers are horrific. And it's really - and it really puzzles me why there isn't a greater sense of urgency. It is true, after 9/11, we went to war, when 3,000 Americans were killed - and here in D.C., and in New York. And yet, 70,000 Americans died of drug overdoses, most of which come across the border, and we seem to be just desensitized to it. So I think like everything else here in Washington, you have to keep talking about it and keep raising the visibility of these issues until it finally penetrates people's consciousness enough that they say, yeah, we got to do something about it. And so that's part of what I'm trying to do. And I'm looking for any willing allies, including the Hudson Institute, to help raise the visibility of this issue and hopefully motivate people to address it head on because it's not going to get better. It'll just get worse with inattention.

WALTERS: We also chatted a little bit about, and you mentioned, the mixed messages that young people get when you try to protect them from this. One of the big changes, of course, since the days when I was in the George W. Bush administration and, certainly, we were working with Colombia and Mexico, has been the movement, as you mentioned, to legalize marijuana, to legalize commercial versions of marijuana with potencies many times what used to be the case. How much of that problem do you see as an obstacle in dealing with our neighbors who, yes, they're talking about our demand, but also we want them to take more effective legal steps and so forth while we're dismantling legal steps in building demand through substances we know are a way people start and wreck their lives? How big a problem is that?

CORNYN: Well, it reminds me of the parable of the frog on the stove top in the water. And if you turn the heat up gradually, well, before the frog knows it, he's cooked. Turn it up quickly then he'll jump out. And unfortunate - I think our - we're getting cooked by sort of this gradual move into broader legalization and cultural acceptance of drugs. And heaven knows we're medicated enough as a country, even through prescription drugs. But I think the mixed messages that we're seeing as a result of the federal prohibition on marijuana possession, sales and transportation, and then the lack of enforcement at the state level because of initiatives taking place in those states that broaden the use from, let's say, medical marijuana - whatever that is - to recreational, to other types of things. I think, you know, young people could understandably be confused about that.

So one of the things that I want to do and we plan to do here soon, as I mentioned to you, is have a hearing in the International Narcotics Caucus on the public health consequences of marijuana legalization. Because I think as - I think you used the term the Woodstock mentality when it comes to the concentration of THC and, you know, its impact on adults. It's a new ballgame, with higher concentrations of the drugs, the challenges that brings to public safety, to individual mental health and also the consequences of being a gateway to some of these other drugs certainly interacting with criminal organizations that peddle illegal drugs. They don't just stop at one. They're happy to introduce you to more and more dangerous drugs.

WALTERS: I think those hearings are very important because there - as you point out, there's just a lot of ignorance out there about what's happening. And I think in the hemisphere, in our communities - you've mentioned the border. I was always struck - when I was in office, I would go down to the border about once every four to six weeks and work with people on both sides, Mexican colleagues as well as officials and citizens on our side - and how much America kind of doesn't understand what the border's really like.

CORNYN: Right.

WALTERS: You write this all the time because you're trying to explain to people what these issues really mean.

CORNYN: I always tell people that most folks in D.C., their understanding of what the border's like is derived from novels and movies. So it is very good when people get down to the border because it is a more complex region. We can't ignore it, but we need to engage in it in a - in an enlightened and informed way because it does have a lot of different moving parts.

WALTERS: One of the other thing that's going to affect, I think, the domestic expansion of marijuana and maybe other things is proposals to change the banking law to allow some of these proceeds to go into the banking system, where they are not freely able to enter now. What do you think the prospect of that is?

CORNYN: Well, I was talking to Senator Crapo, the chairman of the banking committee - I think it was yesterday - about that. I believe they've had some testimony where, right now, because of the federal law, you can't use the banking system for the proceeds of legal, otherwise - I put in quotes legal - marijuana sales in places like Colorado and elsewhere. So there's huge cash. And obviously, the danger of that from corruption standpoint or - and from a - just a public safety standpoint, that's a real threat. So they're actually beginning to explore whether there ought to be some sort of carve-out or some sort of accommodation made where the proceeds of this, quote, "legal" business at the state level can somehow enter the banking system. And that's - he was expressing to me that that's no easy task. And I had mentioned to him that I think, well, even before we start to do that, let's have this hearing on the public safety consequences so people can go into this with their eyes open.

WALTERS: Huge introduction of cash that'll be moved to political power. I mean, that's the other threat here, is it's - now, it's the entry of these forces into the legitimate political process through these businesses. It's...

CORNYN: Good point.

WALTERS: ...Billions of dollars. Yeah. Well, we'll take some questions. I announced at the beginning what a question was, so please follow those. And I'll modify a time if I have to. But - yes, ma'am.

AUDIENCE MEMBER: You rightly noted that transnational criminal organizations are overwhelmingly profit-motivated. So as long as the money continues to flow, it is really hard to make an impact on their operations. You mentioned the need to ensure that justice is served when prosecuting transnational crime and money laundering, but one thing you didn't mention was the role of financial institutions in prosecuting them. For example, HSBC was convicted of laundering billions of dollars for Colombian and Mexican cartels but was only fined the equivalent of five weeks' worth of profit. Do you think we are failing in that area and that we

need to have greater damages than mere penalties for financial institutions and for individuals in financial institutions that are convicted of violating BSA and money laundering?

CORNYN: Well, I just briefly touched on it. You're correct. Haven't talked about the Bank Secrecy Act and the need to update legislation like that to help attack this issue. My colleague, Senator Cassidy from Louisiana, has introduced me and others to this notion of trade-based money laundering, which is a little more complex, a little more sophisticated. And I think you'll see us continue to pursue that more and more because we know the money's got to go somewhere. And if you think about the legs of the stool, you know, you can deal with the demand, can deal with the supply, and you can deal with the proceeds. And if you attack any one of those three or all three together, hopefully, I think you have a better chance of dealing with the problem. So, yes, I think you'll see more attention to that. Senator Cassidy had a meeting with the head of FinCEN and some other folks who'd been very active in this area. And I'm very much intrigued and looking forward to working with him to try to address that.

AUDIENCE MEMBER: Sort of - just sort of to touch on what you just had mentioned, there is also sort of a new emerging threat with sort of these new online - like, banking with, like, Venmo is one of those, where you can kind of just launder small amounts of money. But, I mean, it is a significant amount if taken, you know, with a significant operation. So do you think that those updates would include something for institutions or applications on a phone or something like that?

CORNYN: Yeah. I think - I mean, I think, you know, the fentanyl is, as you know, much more powerful than heroin, and just small doses of it are - can kill anybody that comes in contact with it and so, you know - basically that the bad guys are enormously creative, and they're not dumb. And they'll use any port in the storm to try to succeed because the money - the profits are so great. One thing I didn't mention was the dark web. And that's another area where we need to maintain vigilance because there's all sorts of incredible transactions going on the dark web that most Americans don't see and don't access - thank goodness - a lot of criminal activity. But I'm hopeful, too, that the administration's negotiations with China will continue. They're cracking down on the precursors, so they don't make their way to Mexico and up through the United States. We're going to have to - we're going to have to attack this on multiple levels. Otherwise, it's going to be like the balloon. You squeeze in one area, and it pops out in another area. So it's just - it's going to take a comprehensive approach.

WALTERS: Sir?

AUDIENCE MEMBER: You were talking about attacking us...

WALTERS: Could you wait for a microphone?

AUDIENCE MEMBER: You were talking about attacking us on a number of levels. One of them - if you go back to the 9/11 attacks, after that, there were a lot of deep investigations into how law enforcement and intelligence agencies work together and gaps in the system. Can you talk about that a little bit? Do you think that there are issues there, too? I mean, how are our law enforcement agencies working together with Intel, State Department on this, especially in terms of the external threat from China and Mexico? And what do you think needs to be done about that, if anything?

CORNYN: Well, I think there are - after the - after 9/11 in particular, the 9/11 Commission encouraged us to lower the stovepipes and do better information sharing that we're in a better place. But it can always be better. To me, I think it's more a matter of just the demand on limited resources for law enforcement and intelligence community. John mentioned to me the intelligence community's role here. And certainly, the CIA and other elements of the intelligence community have counternarcotics as a priority. But the problem is you have so many different priorities, and that one seems invariably to sort of sink to the bottom. But given the fact that drugs can intersect with all sorts of other activities, you know, as I said, these transnational criminal organizations are commodity agnostic. And they'll do whatever it takes to smuggle - to make money. And as I also indicated with the porosity of our border and our laws - particularly on asylum - and our inadequate resources to deal with it, that's what's attracted those - people from 60 different countries making their way to Central America up through the Mexico and the United States. And while I'm not suggesting that would be the primary way for terrorists or others to attack the United States - they probably have other, easier ways to get here - it does speak to the need to cooperate across the board and share information and to try to recognize the urgency of this problem. As we've said, 70,000 people died last year from drug overdoses. If this were any other context, then I think we would be - we would be up in arms as a country. But this is not - provoke the kind of response that I think it should and needs to. So we've got to keep prodding those in leadership positions to focus on it.

WALTERS: I'd like to just say something about - for those that don't follow this how - what - how important what Senator Cornyn's trying to do is. I mean, he really is trying to put the parts of this together in a way that you have - what you really have here is catastrophic failure of the institutions of the United States government - catastrophic failure on health institutions, catastrophic failure on intelligence, law enforcement, border security and national security. They've been overwhelmed by this, and they are not keeping up. The death rate shows you that every day. And he's really taken an effort to kind of comprehensively look at this and begin to build the support necessary to rebuild this. We don't even know how big it is. We have reports a year old on how many people died two years ago. We don't even know how many people are being addicted. We don't know how many people are being - we know more about how much measles movement there is in the United States, which is important, but what about the opioid epidemic? We're CDC. We were talking about this before. He's trying to rebuild these parts, at the same time, trying to create a kind of urgency. And it's enormously important what his leadership and his ability to move with both key committees and in a bipartisan way to move this forward. So I want to mention that for those who don't understand how unique and important his leadership is at this time and this place. Anyone else from the press I should let - OK, go ahead.

AUDIENCE MEMBER: Good morning. I have a question for the senator about Venezuela. You mentioned that the situation in Venezuela is becoming a humanitarian crisis and is going to affect the United States at the border. So if the political impasse will continue for six months, another year - because we saw that there are two presidents now - what the United States and the Congress could do to front - to face the situation. Thank you.

CORNYN: Excuse me. Well, I mentioned to somebody earlier - a few weeks ago - that the United States should show up with big bundles of cash and airplane tickets - first-class airplane tickets to nice places around the world - and begin to hand that out to the Maduro security guards and the Venezuelan security services because as long as Maduro is protected by them and uses these militias and others to kill and imprison his opponents, we're kind of at a

stalemate right now. I know there's efforts being undertaken. We're working with our partners - countries like Colombia and others - that perhaps would not provoke the normal backlash you might see if the United States were seen as the primary face on this effort. So there is sort of historical and cultural sensitivities there. But I wish we could do more because if we can't deal with something like this in our backyard, how much harder is it to deal with it in other, more remote parts of the world? But I'm keeping my fingers crossed and hoping that this long-term struggle will result in the good guys prevailing. It's really important, and I think it would be a real blow to Cuba and to Russia and our other adversaries.

WALTERS: We have time for, like, one last question. Mr. - gentleman in the white shirt there.

AUDIENCE MEMBER: Sir. Narcotics coming from, you know, in Central and South America has been an issue for a long time. And we've been trying to build partner capacity for a long time to combat it. And as you said, resources are a problem. So your initiative and your strategy, is that focusing more on trying to increase resources, taking it from somewhere else, or are we looking at efficiency? And if there is a drive to increase efficiency in our partnerships and operations down there, can you give some more examples or some more insight into some of this efficiency?

CORNYN: Well, I think the most important thing for us to do is start with a strategy. And we need to recruit partners. If - again, that's one of the things we learned out of the Plan Colombia. The long haul on a bipartisan basis with strong partners is absolutely critical. And frankly, we have - we don't have a lot of strong partners. I've been amazed with what the administration has been able to work with President Lopez Obrador to do to get Mexico more serious about interdicting the migrants coming up from Central America. That was - that really surprised me because ordinarily, the Mexican government would think, well, this is America's problem. This isn't our problem. But now they are stepping up and working with us. So I think that's the first thing we need, I think, is a plan and a strategy, and that's why - what I spoke about today. I'm trying to recruit other members of Congress to work with me. Part of the difficulty just structurally in Congress is if you have all these different committees, and - but the problem is bigger than the jurisdiction of just one committee, there's really not much mechanism to have a whole of government approach unless it's something that more or less is mandated by the executive branch.

And so that's why I'm trying to do is build a groundswell of cooperation in Congress and to try to enlist people like Secretary Pompeo, who testified at our first international caucus - drug caucus hearing - to come up with such a plan because right now, most of our attention here in America has been directed to other parts of the world. And I still remember General John Kelly when he was head of Southern Command long before he became chief of staff and was known in that capacity, he would talk about the number of fast-boats that would come up from South America through Central America up to the United States. And they would see a lot of activity but would only be able to interdict roughly 20% because they didn't have the ships and the helicopters and the resources necessary to interdict them. And that's been because we have not prioritized that. We prioritized other things, which have understandably taken our attention and our resources. So that - we need to make this a priority. And I think if we make it a priority, we're smart enough and big enough and rich enough a country, I think we can come up with a strategy, and resource it appropriately, and make a much bigger dent in this. And of course, you know, this is our backdoor. This is our backdoor to America. So we're - this seems to me like it calls out. It cries out for making this a bigger priority than it has been.

WALTERS: I'll just - if you don't mind, just to add, I mean, if you're at the Health Department, you know what this is costing. I mean, Hudson does work on a variety of policy issues, including trade, employment, deregulation. And I have colleagues that work in those areas come to me and say they're sitting down with the owners of major businesses saying - they're trying to talk about tax policy and other things, and they're saying hey, wait a minute. I can't find a sober workforce where my employee - where my factories are. I can't pay the health care costs of my employees and their families because of substance abuse. If we don't solve that problem, I don't care about the tax rates and deregulation because I'm out of business. So we don't - we're not even mapping that, you know? We have no - we have no way we should have of centrally looking at the real costs, what it's doing to neighborhoods, communities, public safety, costs of health care.

It's devastating, but it's invisible to us because we're not collecting that data. You see it on the front lines. And the senator certainly sees it when he hears from constituents who are suffering. But, you know, the media hasn't focused on this. And that's the eyes and ears of citizens. So, you know, so people like the senator have to try to have - hold hearings and hope that we can educate people because at the end of the day, we're a democracy. And what people want is going to happen. They have to see that they can want something that'll make a difference. So that's why I think what the senator is doing is so important. You've been very generous, Senator, with your time. I know this is a busy time for you. Thank you all for joining us. And I hope that you'll continue to follow the senator's work because obviously he could use some backup here. Thank you.

CORNYN: Thank you.

(APPLAUSE)