



Thursday, December 7, 2017



This seminar was funded and supported by the U.S. Department of Homeland Security’s Science and Technology Directorate Office of University Programs through the Center for Borders, Trade, and Immigration Research under Grant Award Number DHS-14-ST-061-COE-00. The views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily as representing the official policies, either expressed or implied, of the U.S. Department of Homeland Security, or any office of the United States Government.

The U. S. Department of Homeland Security Center of Excellence, Department of Homeland Security Science and Technology Directorate Center of Excellence through the Borders, Trade, and Immigration Institute, held a Homeland Security Symposium titled: **“Banking, Finance, and National Security in the Paso del Norte Region.”**

Divergent legal structures in Texas, New Mexico, and Chihuahua govern banking and financial activity in the Paso del Norte region, ultimately impeding economic development and exacerbating national security risks. For example, retail banking, alternative financial services, and illicit financial flows must all comply with separate regulatory and quantitative systems, while lacking a common frame of reference. Both the business community and law enforcement are then faced with proximate but little understood markets and rules in the cross border region. While this fractures what would otherwise be a substantial economy of scale for the banking sector, it also provides cover for illegal transactions that can benefit trans-national criminal organizations and therefore pose a threat to the national security of both the United States and Mexico.

While commercial and savings banks in Texas and New Mexico are chartered and regulated by state and federal agents in the United States, those in the state of Chihuahua are only regulated by the national government. Alternative financial institutions are an option for customers lacking access to retail banking services (such as pay day lending and wire transfers), but because the services offered by these businesses have often originated from illicit activities, each bank and non-bank financial institution must develop and implement an anti-money laundering program and report their transaction data to the corresponding federal regulatory authority. Interpreting the implications that divergent legal systems have on banking and non-banking institutions in border regions as well as their underlying quantitative data is a key focal point of this symposium.

Instructor’s Biography

Patrick Schaefer, J.D. – University of Texas at El Paso, The Hunt Institute for Global Competitiveness

Patrick is the Executive Director of the Hunt Institute for Global Competitiveness, a regional resource located at the University of Texas at El Paso that produces detailed economic and legal analysis of the various markets that converge in the transboundary, Paso del Norte region. The Institute provides an open platform of regional databases, strategic sector analysis, comprehensive GIS sector mapping, and economic impact modeling in order to foster greater cohesion and resilience of the region’s markets by sharing with local, regional, and international stakeholders.

Prior to founding the Institute, Patrick held positions with the World Bank Group and the Inter-American Development Bank in Washington, D.C., where he advised client-states on legal reforms to improve their commercial and financial sectors. In particular, his work centers on the comparative commercial, financial, and natural resource laws within the Ibero-American context, with a special emphasis on Mexico, Spain, Brazil, and Portugal. He received his J.D. from the University Of New Mexico School Of Law and his LL.M. from the Universidade Católica Portuguesa, where he was a Fulbright Scholar. He has also studied at the Instituto Tecnológico Autónomo de México, the Universidade de São Paulo, the Université Paris 1: Panthéon-Sorbonne,

the Hague Academy for International Law, the Katholieke Universiteit Leuven, graduating magna cum laude, and St. John’s College, where he received his undergraduate degree.

His publications have dealt with international bankruptcy and trans-boundary natural resource management. He is an adjunct professor of NAFTA Law at the College of Business Administration at the University of Texas at El Paso and has coached two teams from the Law Faculty of the Universidad Autónoma de Ciudad Juárez to two international arbitration competitions in Vienna and Los Angeles. Patrick is also an active member of the Instituto Mexicano de Ejecutivos de Finanzas, the New York and New Mexico bar, as well as the American Society of International Law and the International Law Association.

Topics Covered

1. Criminal and Banking Law in the Paso del Norte
2. Informal Financial Flows and Anti-Money Laundering Enforcement in the Paso del Norte

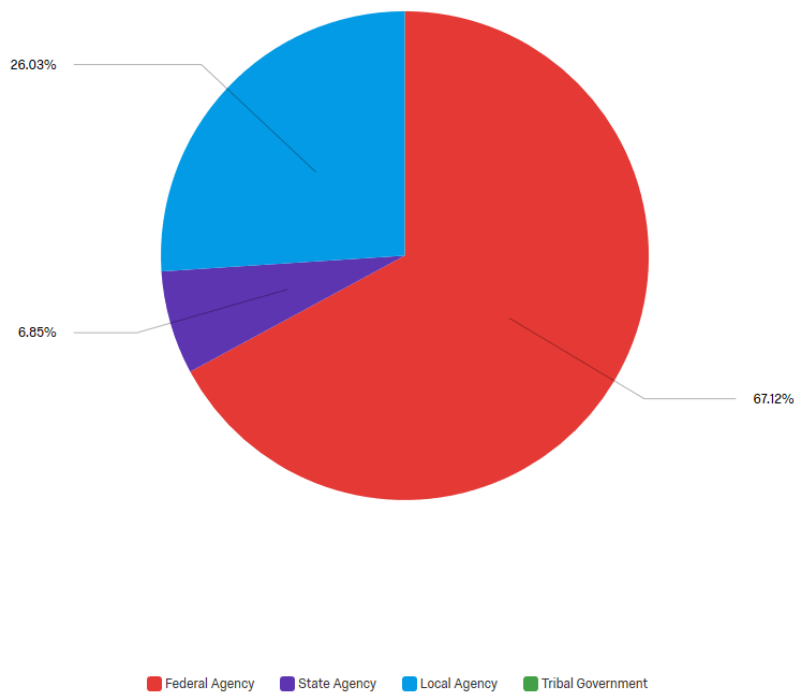
Analysis of Symposium Feedback

The symposium was well-attended with a total of:

- **100 Confirmed RSVPs**
- 86 Attendees (Approximately **86%** of RSVP total)

A total of **13** government agencies and **3** non-government organizations were represented by the symposium attendees. Attendees from El Paso and Austin, Texas attended this event. The following table displays each of the agencies/organizations with the total number of representatives in attendance.

Federal Agencies		State Agencies	
ICE Enforcement & Removal Operations	5	Texas Department of Public Safety	1
ICE	3		
CBP - Office of Border Patrol	10		
CBP – Office of Field Operations	8	Total	1
DHS Other	4	Local Agencies	
DEA	4	El Paso Police Department	8
El Paso Intelligence Center	2	El Paso County Sheriff’s Department	10
FBI	6	Other	19
Diplomatic Security Service	3		
Joint Task Force North	3		
Total	48	Total	37



Every attendee was asked to fill out a symposium evaluation. A total of 74 surveys (**88% of total attendees**) were submitted. Overall, the assessment feedback was overwhelmingly positive (listed percentages are the sum of both the “agree” and “strongly agree” percentages):

The seminar met my expectations	77.6%
The overall topics covered in this seminar were relevant and useful to my current assignment	78.3%
The seminar description accurately described the seminar content	85.1%
The seminar increased my knowledge of the subject matter	86.4%
The seminar increased my interest of the subject matter	85.1%
The overall quality of this seminar was excellent	86.4%
The instructors’ presentation style was effective	90.5%

The exit survey also contained the following question (Q3): Would you attend a second more in-depth symposium on this topic? The survey revealed that **90.28%** of the symposium participants would attend a second more in-depth symposium.

Open-ended responses indicated a common satisfaction with the course with particularly positive comments regarding the competence of the instructor and the content’s utility and pertinence to their field of work. The following questions were asked in the exit survey and no edits have been made to the comments with the exception of spelling.

Q5. What other topic/subject matter would you like to see presented in similar seminars, tabletop exercises or practicums?

- *Anything human trafficking related*
- *Tabletop emergency response – active shooter. More internet & social media relationship to terrorism and recruitment via social media*

- *Trade based ML. Economic import due to DTO's.*
- *National media topics affecting law enforcement. Policy and procedures.*
- *Immigration, human trafficking.*
- *Homegrown violent extremists & economic espionage*
- *Economic espionage*
- *Fraudulent activity*
- *What is being done to combat financial crimes?*
- *Trade-based money laundering*
- *Specific practices used by the criminal entities in the El Paso/Las Cruces AOR. Things that we as law enforcement should look for. Tips, tricks and how can catch them and prosecute.*
- *Illegal markets within the US and fluctuations of prices/demand/supplies. The amount of/or percentage of illegal commodities to Mexican economy*
- *Terrorism financing trends through MSB's*
- *Following the money, money deposits and transfers. How to regulate it.*
- *Cloned credit cards, cloned gift cards and card storage readers used to steal info.*
- *Major trade commodities within the El Paso/Juarez area*

Q6. If there are any additional comments you have about the seminar topics covered please provide them below.

- *Very informative*
- *Thank you!*
- *Good presentation, good info*
- *Excellent qualifications of speaker and researcher statistics*
- *Course was well presented and full of information*
- *I appreciate the invite. I learned tremendously.*
- *Excellent course/presentation*
- *Great info*

Webcast Analytics

This symposium was the tenth effort to add a webcast feature as part of the value added deliverable of this program. All eleven symposiums have been filmed and can be viewed by the public on our website and YouTube account to enhance future viewings of the symposium series. The PI will continue with simultaneous webcast broadcasting of the symposium series with efforts to increase viewership through this medium.

Total views: 97

Symposium Series Visibility

In an effort to promote the symposium series and the work of the Borders and Trade Institute (BTI) we have actively engaged on Twitter and local news media outlets.

- There were twenty-nine (26) tweets that were sent prior, during, and just after the symposium event. The tweets received a total of 3,251 impressions.

Learning

Every attendee was asked to take a Pretest Questionnaire in order to gauge the level of understanding of the topic. In addition, the participants were asked to take the same Posttest Questionnaire at the conclusion of the symposium. A total of 67 pretests/posttests (**79.7% of total attendees**) were returned by the participants.

Analysis: The average Pretest Questionnaire score was 58% and the average Posttest Questionnaire score was 85%. The results of the Pretest and Posttest Questionnaires revealed a 27% increase in learning.

Lessons Learned

As part of the program's self-evaluation process the following areas will be addressed:

- Continue to emphasis to symposium participants the importance of the Exit Surveys and Pretest and Posttest Questionnaires.

Acknowledgements

The Principle Investigator, Victor. M. Manjarrez, Jr., would like to acknowledge the efforts of Center for Human & Behavior's Manager Leonora Ortega-Martinez. In addition, the hard work, diligence, and "can-do" attitude of research assistants Ms. Anjelica Manjarrez and Mr. Victor Reyes helped make this symposium a success. Finally, the work by UTEP's Academic Technologies is simply second to none.

Victor M. Manjarrez, Jr.

December 15, 2017

Victor M. Manjarrez, Jr.
Center for Law & Human Behavior
The University of Texas at El Paso

Date