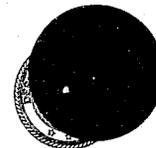
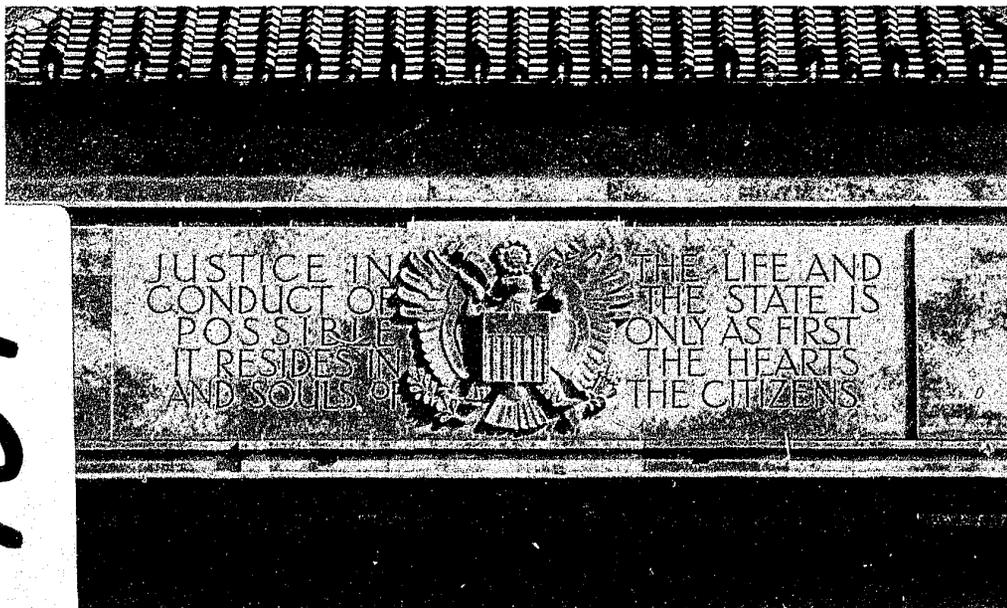


U.S. Department of Justice  
Office of the Attorney General



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# Annual Report of The Attorney General of the United States



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U.S. Department of Justice  
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# Foreword

To the Senate and the House of Representatives  
of the United States of America in Congress Assembled:

*This Annual Report on the activities of the Department of Justice during Fiscal Year 1988 illustrates the range and scope of the Department's accomplishments. I would like to highlight a few of them:*

*Development of a number of major legislative initiatives which contributed substantially to the enactment of the Anti-Drug Abuse Act of 1988.*

*Drug-related asset seizures of over \$770 million, with forfeitures exceeding \$345 million.*

*Participation in negotiations leading to the signature, on December 21, 1988, of a United Nations Convention drafted by over 100 nations to increase cooperation against drug trafficking.*

*Review of 1.4 million immigration applications under the legalization provisions of the Immigration Reform and Control Act of 1986 (IRCA).*

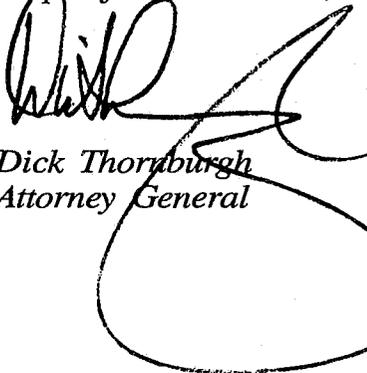
*Recovery of over \$100 million in Federal funds advanced to clean up toxic waste dumps, with additional judgments and settlements leading to cleanups valued at approximately \$200 million.*

*Collection of \$479 million in cash through litigation to secure the recovery of debts owed to the United States.*

*This report is organized in chapters based on major program priorities for the year. The size of the Department and the magnitude of its responsibilities prevented the compilation of an exhaustive catalog of the year's endeavors.*

*On behalf of the 76,515 employees of the Department of Justice, whose dedication and professionalism are essential to the enforcement of our laws and the administration of our system of justice, I present this report to you and the citizens we serve.*

Respectfully submitted,



Dick Thornburgh  
Attorney General

# Introduction

The Attorney General of the United States has two fundamental responsibilities: to enforce Federal laws and to insure the administration of justice. Responsibilities in these areas have served as beacons for Attorneys General since Edmund Randolph was first appointed to the post nearly 200 years ago.

Since that time, dramatic changes have occurred in the type of organization established to carry out the Attorney General's responsibilities. Mr. Randolph was paid only \$1,500 per year for his part-time position — at the same time his colleagues in the State and Treasury Departments were receiving \$3,500 and the Secretary of War was paid \$3,000.

Moreover, the first Attorney General had to cover the routine expenses of his office from his own pocket. He paid for such things as office rent, hiring clerks, and providing stationery and postage. In short, his salary was the budget for the entire office — right down to the inkwells.

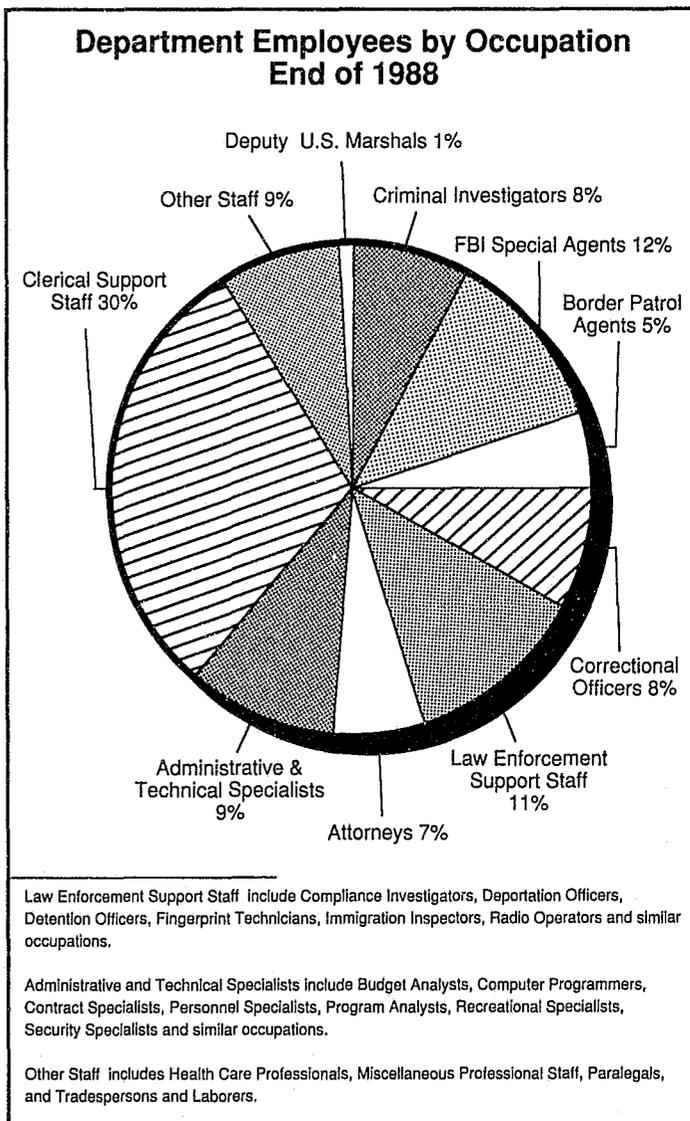
As time passed, the development of the government paralleled that of the nation. And the Attorney General's office went through a similar transformation. Over the years, he achieved salary parity with his fellow Cabinet members, and regular Congressional appropriations began. In 1870, the Department of Justice was formally established.

By the end of Fiscal Year 1988, the Department had an annual budget of nearly \$6.5 billion and a staff of 76,515 people. It was divided into 32 major components, ranging from the Federal Bureau of Investigation, with over 3,000 workers, to the Office of Liaison Services, with under 10. While just over 19,000 personnel worked in the Washington, D.C. area, early 56,000 were dispersed throughout the 50 states. Over 1,300 worked overseas in U.S. territories and in 51 foreign countries.

This highly skilled and widely dispersed workforce performed many and varied functions. The largest proportion, 45 percent, served as law enforcement professionals. Eight percent were attorneys and paralegals, joined by 13 percent in other professional and technical fields.

Clerical and other support functions comprised the remaining 34 percent of the Department's overall personnel strength.

This Annual Report demonstrates that, for all of the changes our nation and our government have undergone, and for all of the organizational growth and diversity which have changed the Department of Justice, the Attorney General's fundamental course and responsibilities have remained the same. In 1988, as in 1789, his principal task, and that of the Department he led, was to serve the nation through the enforcement of Federal laws and the administration of justice.



# Chapter I - Elimination of Illegal Drug Activity

The single most significant crime problem facing American society during Fiscal Year 1988\* was illegal drug activity. The conclusion that the importation, distribution and use of drugs posed a grave danger to our society was shared at all levels of government and, according to national surveys, by the majority of U.S. citizens.

Statistics bore it out. Nearly 24 percent of the criminal cases brought before Federal courts during 1988 involved drugs. Drug charges were brought against approximately one-third of all defendants. Overall, the number of drug-related cases increased by 16 percent over the 1987 level.

During 1988, the Department was in the forefront of the nation's efforts to combat illegal drug activity. It devoted significant amounts of time and resources to fighting the growth in illicit drug trafficking and abuse. In addition, the Department played a key role in the development of many of the legislative changes which were included in the Anti-Drug Abuse Act of 1988.

The Department implemented a wide variety of strategies in fulfilling its investigative and prosecutorial responsibilities for drug control. Many of these approaches called for unprecedented levels of cooperation among Federal, state, local, and international law enforcement organizations. Reduction of the demand for illicit drugs was also a high Department priority.

## New Legislation

During the year, the Department worked with Congress and Executive Branch agencies on the development of a number of legislative initiatives in the area of drug enforcement. Many of them were consolidated in the Anti-Drug Abuse Act of 1988, which was signed by President Reagan shortly after the end of the year.

The landmark legislation placed responsibility for coordination of Federal drug control efforts in the Executive Office of the President, increased criminal penalties, and enhanced law



*President and Mrs. Reagan at the signing of the Anti-Drug Abuse Act of 1988.*

White House Photo

is report covers Fiscal Year (FY) 1988, which began on October 1, 1987 and ended on September 30, 1988. All references to years indicate fiscal years unless otherwise noted.

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enforcement authorities related to drug-related offenses. In addition, the act provided more resources for the fight against illegal drug activity.

Some of the provisions of the act addressed criminal justice issues that extended beyond anti-drug abuse efforts. They are covered in Chapter IX, "Legislative and Regulatory Activities." The Anti-Drug Abuse Act of 1988 included the following major provisions:

- creation of an Office of National Drug Control Policy in the Executive Office of the President to coordinate national drug policy;
- establishment of procedures extending a Federal death penalty to murder during the course of a Continuing Criminal Enterprise, drug trafficking or importation offense and drug-related killings of Federal, state or local law enforcement officers;
- enactment of a large number of enhanced penalties and technical law enforcement provisions, including measures on money laundering, asset forfeiture, essential and precursor chemical diversion, international drug trafficking, offenses involving juveniles, and firearms in Federal buildings;
- enactment of supplemental appropriations totaling \$330.4 million and an authorization to transfer an additional \$30 million to U.S. Attorneys' Offices from the Asset Forfeiture Fund; and
- authorization for Federal Prison Industries to borrow from the U.S. Treasury to finance program expansion required because of the influx of drug offenders.

## **Drug Enforcement Operations**

Most successful drug cases resulted from the cooperative efforts of the Department's compo-

nents, along with other Federal, state, local and international law enforcement agencies. Increased cooperation led to more effective investigations and to multiple arrests and convictions, often resulting in the dismantling of entire drug trafficking rings.

The Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA) developed a Joint Drug Plan to identify and investigate major Colombian and Mexican drug trafficking organizations. By the end of 1988, the plan had already resulted in the initiation of 30 new long-term investigations, which were being conducted using extensive electronic and physical surveillance coverage and sophisticated undercover investigative techniques.

Department components working together and with other Federal, state and local agencies on joint drug enforcement operations made important contributions during the year. Combining in task forces and sharing intelligence on drug trafficking, agencies recorded significant drug control accomplishments.

Teamwork was the key to one of the Department's most effective strategies for combatting illegal drug activity during 1988. The Organized Crime Drug Enforcement (OCDE) Task Force Program brought together representatives of 11 Federal agencies with state and local investigators to target violators who directed, supervised and financed major drug trafficking organizations.

Each agency contributed to the 13 regional OCDE Task Forces according to its special skills. The units responded to the increasing involvement of organized crime groups in illegal drug activity by focusing investigative resources on the national and international drug figures and organizations whose prosecution had the greatest impact.

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The conviction of Carlos Lehder Rivas on 11 counts involving the importation of approximately 3.3 million tons of cocaine was the result of an OCDE Task Force investigation. The conviction was a major blow to the Medellin cartel, a violent conglomerate controlling as much as 80 percent of the cocaine brought into the U.S. As a result, Mr. Lehder Rivas was sentenced to life imprisonment plus 135 years.

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Each of the agencies participating in Organized Crime Drug Enforcement (OCDE) Task Forces contributed specialized capabilities and resources to team investigations. Following were some of the contributions from agencies in a typical task force effort to secure the conviction of the leaders of drug trafficking organizations.

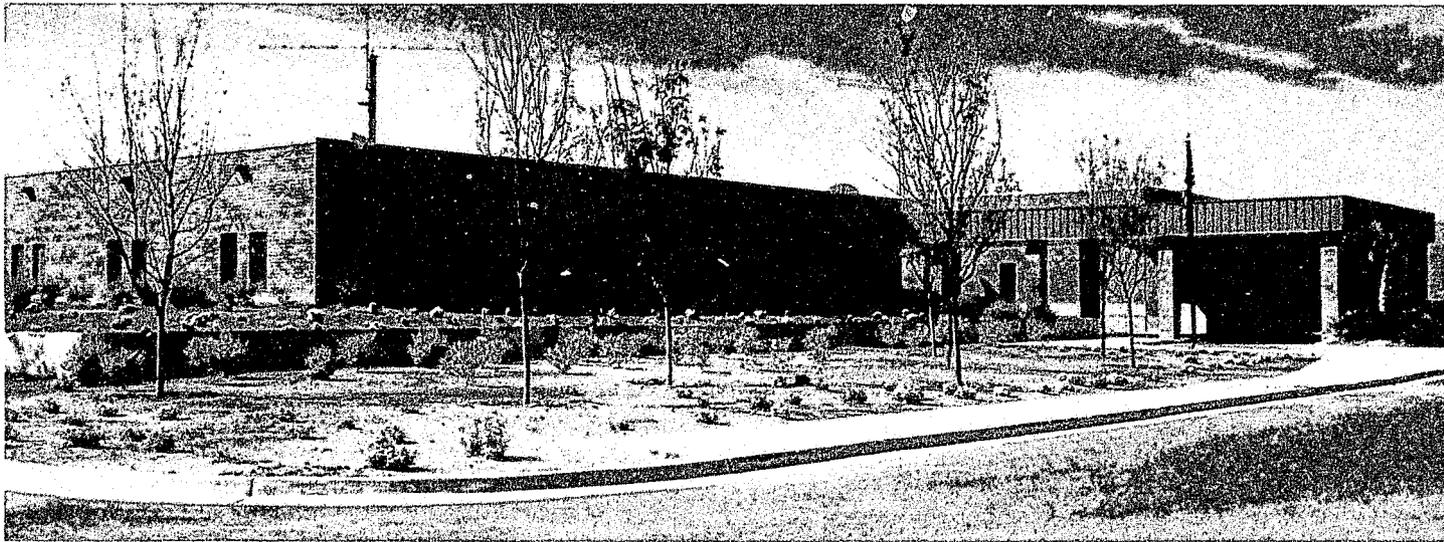
- Drug Enforcement Administration - undercover investigation skills;
  - Federal Bureau of Investigation - physical and electronic surveillance capabilities;
  - Immigration and Naturalization Service - criminal alien location and deportation resources;
  - U.S. Marshals Service - fugitive tracking, witness protection and asset forfeiture expertise;
  - Bureau of Alcohol, Tobacco and Firearms (Treasury Department) - weapons investigation skills;
  - Internal Revenue Service (Treasury Department) - tax and financial knowledge;
  - U.S. Coast Guard (Transportation Department) - maritime intelligence gathering capabilities;
  - U.S. Customs Service (Treasury Department) - international monetary transfer monitoring efforts;
  - State and Local Law Enforcement Agencies - local operational support.
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The Department also encouraged cooperative efforts by state and local authorities. The Office of Justice Programs (OJP) worked for the establishment of drug control policy boards in the states. By the end of the year, 44 states had boards responsible for development of comprehensive drug control strategies.

Another OJP program awarded grants totaling over \$55 million to states and territories to be allocated based on statewide drug control plans. The grants encouraged the states to consult with local officials in establishment of program priorities based on assessments of local needs and resources. Examples of successful cooperative investigation strategies undertaken during 1988 included:

- Office of Justice Programs-supported Organized Crime/Narcotics Trafficking Enforcement Task Force projects in 20 cities led to substantial numbers of arrests and seizures of drugs and assets.
- Drug Enforcement Agency-sponsored State/Local Task Forces expanded to 53 in number and increased cocaine seizures by 86 percent.
- Drug Enforcement Agency-initiated Crack Task Forces expanded operations to 18 major cities.
- The El Paso Intelligence Center (EPIC), operated by DEA, occupied a new facility at Fort Bliss, Texas, more than doubling its size. EPIC supplied information on the location and movement of investigative targets, money laundering and drug abuse patterns and trend analyses to ten Federal agencies and police organizations from all 50 states, recording over 400,000 transactions.

The Warrant Apprehension Narcotics Team effort for 1988 (WANT II), an intensive effort to track down major drug fugitives, involved over 100 U.S. Marshals Service investigators in seven cities. It resulted in 249 arrests, 402



*The newly-expanded El Paso Intelligence Center (EPIC).*

Drug Enforcement Agency Photo

warrants cleared, and initiation of action against eight fugitives found outside the U.S. Marshals used EPIC to research, identify as targets, and locate over 5,000 drug fugitives.

Under the Alien Criminal Apprehension Program, the Immigration and Naturalization Service (INS) implemented pilot projects to facilitate referrals and inquiries from local police agencies concerning aliens detained on drug charges. As suspected criminal aliens were arrested and passed through the criminal justice system, local police notified INS of their identities and locations. Projects in New York, Los Angeles, Chicago and Miami became operational during the year.

Enhanced border control operations defended against drug importation. Operation ALLIANCE, which involved DEA, INS and other agencies in efforts to control smuggling along the U.S. border with Mexico, was expanded. Over 3,500 INS Border Patrol Agents, trained in drug interdiction techniques and vested with limited drug enforcement authority, seized substantial quantities of drugs, vehicles, airplanes, weapons, and cash.

In 1988, the Attorney General spearheaded the Department's efforts to build international consensus against drug production and trafficking, cooperation in international investigations and enhanced border control. These activities are covered in Chapter VIII, "International Cooperation."

### **Asset Seizure and Forfeiture**

The seizure and forfeiture of the assets obtained with the proceeds from crime continued as an important element of the Department's efforts to control drug trafficking. Drug-related asset seizures by Federal Bureau of Investigation and Drug Enforcement Agency agents were valued in excess of \$770 million in 1988. Forfeitures exceeded \$345 million.

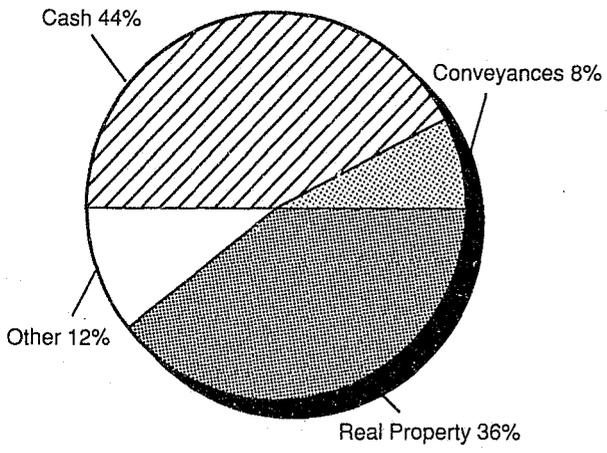
Asset seizure and forfeiture supported a unique combination of law enforcement and economic goals. Not only did they deprive criminals of illicitly used or acquired property, but they generated income for the support of law enforcement agencies.

Seized assets included such things as automobiles, boats, aircraft, residential and commercial real estate, cash, jewelry, and precious metals.

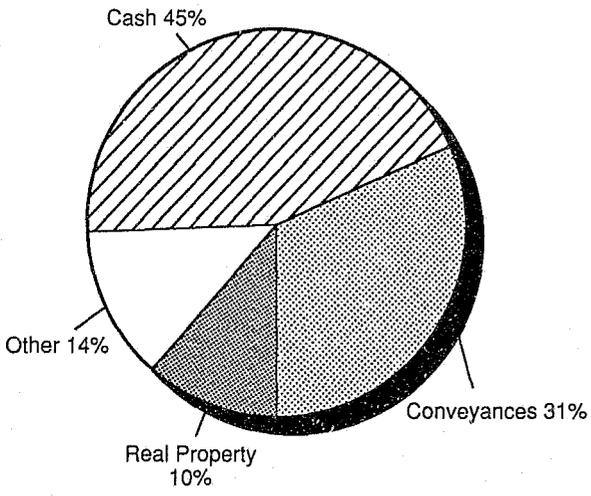
Items which could be used for investigative purposes could be forfeited for use by one of the Department's enforcement agencies. Other items were transferred to the U.S. Marshals Service for management and eventual disposal. At the end of the year, the Department had custody of 17,528 seized properties worth \$798.4 million.

**National Asset Seizure and Forfeiture Program-1988**

Value of Properties Under Seizure



Number of Properties Under Seizure



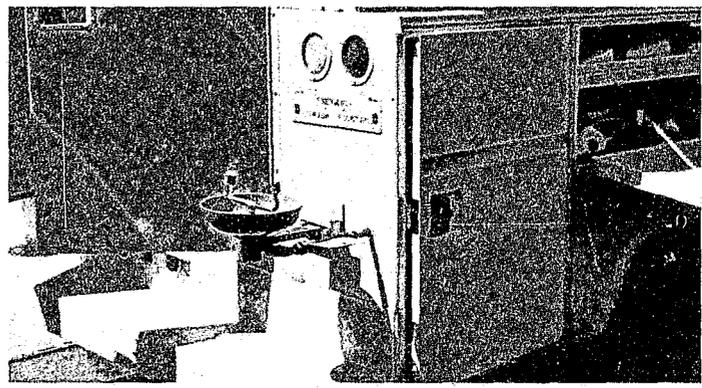
Note: Reflects assets administered by the U.S. Marshals Service.

Money realized from the disposition of seized and forfeited assets was deposited in the Justice Assets Forfeiture Fund. The fund had a gross income of \$207 million during 1988. Transfers of cash and property to state and local agencies participating in Federal cases totaled \$104 million. An additional \$95.5 was transferred to the Bureau of Prisons for prison projects. The fund had a balance of \$275 million at the end of the year.

**Domestic Drug Production**

The Department also continued efforts to combat illicit drug production within the U.S. One focus was control of chemicals used to process cocaine and heroin and manufacture other drugs. Another was eradication of domestic marijuana production.

Drug Enforcement Administration (DEA) agents seized 810 clandestine drug laboratories during 1988. Most of the laboratories were used to manufacture methamphetamines. The agency also trained state and local officers in clandestine laboratory investigative and safety techniques and distributed safety trucks equipped with protective clothing, fire extinguishers, air tanks, smoke ejector fans and other safety equipment for use in laboratory seizures by state and local police agencies.



Safety truck distributed by the Drug Enforcement Agency (DEA) to state and local agencies for use in clandestine drug laboratory seizures.

Drug Enforcement Agency Photo

Operation ORIGINATION was developed by DEA to cut off the supply of chemicals necessary for illicit drug production. It concentrated on the immobilization of chemical supply companies that provide materials to clandestine laboratories and resulted in the arrest of 11 major violators, prosecution of six companies and seizure of \$7 million in assets. DEA also established a Chemical Task Force to collect intelligence on the international movement of chemicals essential to the production of illicit drugs.

The Domestic Cannabis Eradication/Suppression Program involved DEA and other Federal, state and local agencies, covering 47 states in an ongoing cooperative effort. Through the program, DEA funded state and local efforts leading to the eradication of millions of marijuana plants and the seizure of nearly \$10 million in assets during 1988. DEA also sponsored 16 marijuana eradication schools attended by 600 officers and joined with the National Guard, the Civil Air Patrol and other Federal agencies in an effort to identify and destroy marijuana crops through aerial surveillance.

## **Demand Reduction**

In addition to its primary focus on reducing the supply of illicit drugs, the Department supported efforts to reduce the demand for illegal drugs. Working with law enforcement professionals and other citizens around the nation, Department components initiated several public awareness and education programs on the dangers of illicit drug use.

The Drug Enforcement Administration (DEA) worked with state and local law enforcement agencies on drug abuse prevention strategies. It convened a session with chiefs of police from five major metropolitan areas to identify effective strategies and programs that focus on user accountability. In addition, it hosted a symposium on demand reduction and drug abuse prevention strategies for 25 representatives from

state and local police agencies. And, in cooperation with the Texas War on Drugs, DEA initiated a model Drug Free Business Strategy to encourage business and industrial companies to establish anti-drug programs.

Other programs promoted public awareness of the dangers of drug abuse. The Federal Bureau of Investigation initiated a Drug Demand Reduction Program to promote, through cooperative efforts, drug education in communities, schools and workplaces. DEA launched an Hispanic Drug Awareness Program which includes the airing of television and radio public service announcements, distribution of a comprehensive publication and the development of audio drug education material to be disbursed to callers of toll-free telephone numbers.

Several of the Department's drug abuse education programs targeted young people. The Office of Justice Programs continued support of the "McGruff, the Crime Dog" crime and substance abuse prevention campaign. Donations of media space and time totaled over \$50 million and represented an 80 to 1 return on Federal investment. During 1988, a multimedia drug education kit was distributed to 7,000 of the largest school districts encompassing over 90 percent of the nation's elementary school children.

DEA participated in the Boy Scouts of America's Law Enforcement Explorer Program to spread the "no drug use" message and established a Sports Drug Awareness Program with the National High School Athletic Coaches Association and the National Youth Sports Coaches Association. In addition, DEA publications, including "Drugs of Abuse" magazine and the Soozie and Katy coloring books, provided children with factual information about drugs and warned them of the dangers of drug abuse.

# Chapter II - Organized Crime

Organized crime groups demonstrated their continuing reliance on violence and corruption during the year. The corrosive effect of their criminal conduct, whether in pursuit of illicit drug trafficking or other enterprises, made the fight against these groups one of the Department's highest priorities during the year.

The Department maintained pressure on the most deeply entrenched organized crime group in the nation, La Cosa Nostra, during 1988. At the same time, efforts to prevent other groups from establishing power bases were enhanced.

To combat these organized crime groups, investigators and prosecutors pursued both criminal and civil sanctions using provisions enacted in the Racketeer Influenced and Corrupt Organizations (RICO) Statute and the antitrust and tax codes. Use of electronic surveillance techniques was expanded, reducing the exposure of investigators to discovery and reprisal by organized crime figures.

Department personnel were also faced with threats of violent reprisals against judicial personnel and witnesses in cases involving members of organized crime groups. These threats were met successfully by judicial and witness security personnel.

## La Cosa Nostra

In 1988, the Department continued its efforts to eliminate La Cosa Nostra as a significant threat to American society. Investigators and prosecutors planned and implemented efforts to disrupt La Cosa Nostra operations and secure civil and criminal judgments against the group's members. The elimination of labor racketeering by La Cosa Nostra members was a high priority during the year.

The Federal Bureau of Investigation (FBI) implemented a new national organized crime strategy during the year. It called for a series of nationally coordinated investigations under the Racketeer Influenced and Corrupt Organizations (RICO) Statute targeting all of the La Cosa Nostra families. In the first ten months of oper-

ation, the new strategy resulted in 186 La Cosa Nostra convictions and 222 indictments of La Cosa Nostra members or associates.

An FBI study of La Cosa Nostra activities demonstrated widespread drug involvement between and among La Cosa Nostra members and families. The study led to the devotion of more investigative resources to drug violations resulting from La Cosa Nostra family enterprises.

## Labor Racketeering

The Department placed a high priority on eliminating La Cosa Nostra's penetration of labor organizations during 1988. Labor racketeering continued to victimize the nation's workers by denying delivery of their earned benefits. In addition, control of legitimate unions brought political and economic power and funds used for financing illegal activities to La Cosa Nostra families.

The U.S. Attorney in the Southern District of New York filed a suit against 18 members of the Executive Board of the International Brotherhood of Teamsters charging that they had "flagrantly violated" their responsibility to root out corruption. The suit alleged that the leaders had instead entered into a "devil's pact" with organized crime.

The suit bore fruit following the end of the year with agreements with union leaders calling for the democratization of electoral and other procedures. As a result of a related action, a number of other persons identified as La Cosa Nostra leaders were ordered, or agreed, to refrain from involvement with the union.

In the Eastern District of New York, the U.S. Attorney's Office and the New York Department of Investigation teamed to break up a construction industry extortion conspiracy. Ten members of "construction workers organizations" were threatening work disruptions or stoppages unless contractors met their demands. Payoffs, subcontracts, and positions as bogus "labor coordinators," were extorted before the conspiracy was crushed.

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## Other Organized Crime Groups

The President's Commission on Organized Crime reported that other organized crime groups were willing and able to fill any openings left by the weakening of La Cosa Nostra. While most of the "new" organized crime groups were ethnic in basis, such as the Chinese syndicates, Japanese Yakuza and Jamaican "posses," others originated in U.S. prisons, as motorcycle gangs, or as juvenile street gangs. Highlights of the Department's efforts to prevent the growth of these crime groups included the following:

- The Criminal Division completed a comprehensive review of Asian organized crime groups which concluded that the Chinese syndicates posed the greatest threat. Based on the review, the Department launched an interagency initiative in the five U.S. cities most affected.
- The Criminal Division established a Jamaican Working Group, comprised of Federal, state and local enforcement officials to coordinate efforts against violent drug gangs known as "posses."
- The Drug Enforcement Administration initiated several Special Enforcement Operations which focused on drug trafficking by street gangs. Investigations revealed that the Crips and Blood Gangs based in Los Angeles were expanding their operations to other cities.
- The Federal Bureau of Investigation monitored the scope of Sicilian Mafia, N'Drangheta and Cammora activities in the U.S. and their interrelationships with La Cosa Nostra.

## Investigative and Prosecutorial Approaches

The sophistication and diversity of organized crime groups in the U.S. made it important for Department personnel to use diverse investiga-

tive and prosecutorial approaches during 1988. Investigations and prosecutions increased their reliance on the Racketeer Influenced and Corrupt Organizations (RICO) Statute and antitrust and tax laws to attack criminal organizations during the year. In addition, they increased their use of electronic surveillance to penetrate criminal organizations.

### Racketeer Influenced and Corrupt Organizations (RICO) Statute Cases

The Department's investigators and prosecutors relied heavily on the criminal and civil provisions of the Racketeer Influenced and Corrupt Organizations (RICO) Statute. The statute provides for injunctive relief to dismantle criminal associations and prohibit their illegal association with infiltrated labor unions and businesses. The Criminal Division prepared a new manual for prosecutors detailing procedures for using the civil RICO provisions.

During 1988, Federal Bureau of Investigation cases resulted in civil RICO complaints against 71 individuals and entities associated with La Cosa Nostra. Judgments were returned against 31. Aggressive use of the seizure and forfeiture provision of RICO brought in nearly \$29 million from these cases alone.

### Antitrust and Tax Prosecutions

Department components continued the initiative calling for expanded use of antitrust laws against organized crime groups. The Antitrust Division provided training in the complex statutes to U.S. Attorney staff, Federal Bureau of Investigation (FBI) agents and Organized Crime Strike Forces. The Division also prepared a manual called "A Prosecutor's Guide to Antitrust," which outlines common indicators of violations and standards of proof. The manual was distributed to U.S. Attorney and FBI offices.

While prosecution of organized crime figures for tax code violations was not a new technique it was used to good advantage during 1988. For example, the Tax Division obtained convictions

of two organized crime figures who evaded over \$1 million in excise taxes on the sale of gasoline by a petroleum company they controlled. Joseph Gambino was sentenced to a 15-month prison term and his accomplice to a one-year term and \$70,000 fine.

### Electronic Surveillance

Department investigators used electronic surveillance extensively during 1988. Electronic surveillance approvals by Federal courts increased by 24 percent over the previous year. The increase resulted primarily from drug, gambling and other organized crime investigations.

While telephone wiretaps remained the most common type of electronic surveillance, monitoring of electronic mail, computer terminals, voice pagers and cellular phone communications also increased. Electronic surveillance allowed the collection of incriminating evidence without the exposure of agents to the dangers inherent in penetrating organized crime groups.

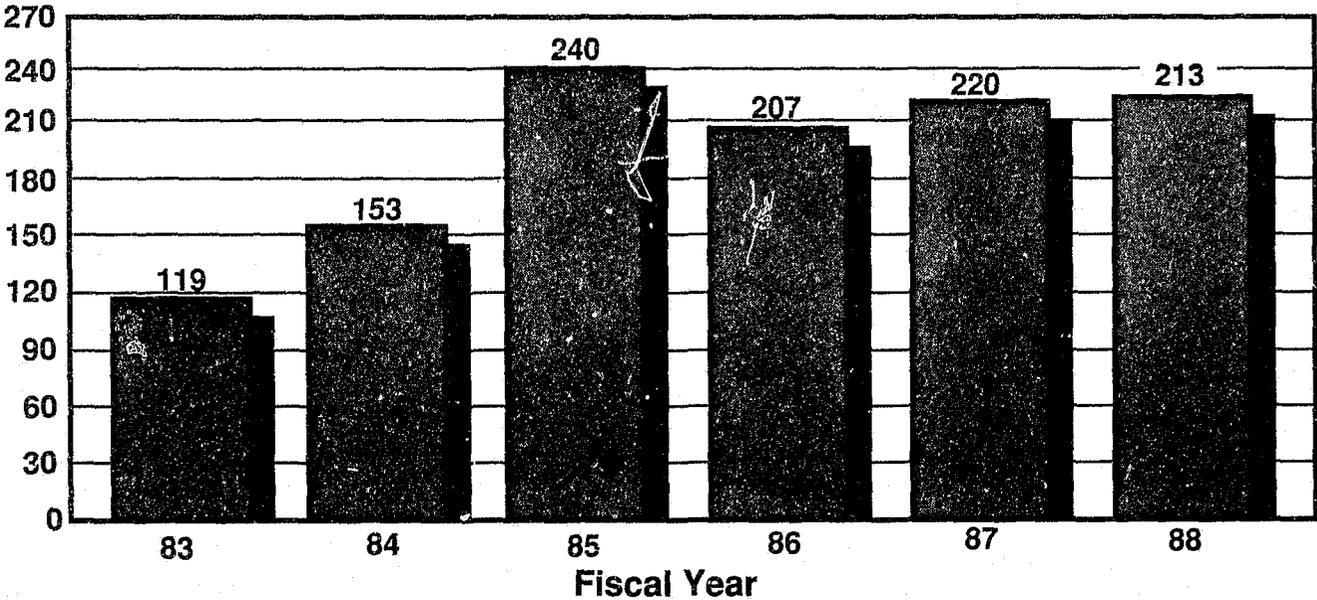
### Judicial and Witness Security

As a result of intensified enforcement efforts related to organized crime, especially in the area of illicit drug activity, additional Department resources were devoted to judicial and witness security during 1988. The fact that more violators were involved in judicial proceedings increased the basic workload, and the willingness of criminal groups to attempt to influence judicial outcomes through threats called for intensified efforts.

During 1988, the U.S. Marshals Service, which has lead responsibility for judicial security, reported 213 criminal threats against people involved in judicial proceedings. A 344 percent increase in such threats has been recorded since 1980. Nearly one-third of the average Deputy U.S. Marshal's time was spent protecting court officials and providing court security during the year.

Marshals Service staff were assigned to 69 details for the protection of participants in the judicial process during 1988. This was a 13 percent increase over the previous year. A single

**Threats Against the Judiciary**



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trial, that which convicted Medellin Cartel leader Carlos Lehder Rivas in Jacksonville, Florida, required 40 security specialists and cost over \$500,000.

Nearly 56,000 weapons, 45 percent of them firearms, were detected at Federal courthouses during the year. The detection effort required large numbers of personnel and sophisticated technology. However, in 1988 (as in all previous years in the decade), no judicial officer was harmed while under protection initiated by a threat, no court proceeding was thwarted and no prisoner successfully escaped from court.

The Marshals Service's Witness Protection Program took on increased importance during the year. The program protects endangered witnesses, gives witnesses and their dependents new identities, moves them to new locations and helps them to become self-sufficient.

During 1988, 86 percent of the cases in which protected witnesses testified resulted in convictions. This success rate indicated that witness protection was one of the most effective ways to obtain crucial testimony against leaders of criminal organizations.

The Marshals' witness protection workload increased substantially. The number of principal witnesses entering the program increased by 23 percent. In addition, there was a trend toward more complex cases which required longer trials and more witnesses. As a result, the number of days during which witnesses had to be returned to a danger area for court testimony increased by 73 percent in 1988.

# Chapter III - National Security

Continuing threats to Americans by terrorist organizations coupled with continuing attempts by hostile intelligence services to secure secret defense information made the Department's national security responsibilities a high priority during 1988. These responsibilities had three major aspects: counterterrorism, counterintelligence and national security litigation.

Counterterrorism involves prevention of terrorist acts and, if such an act occurs, initiation of a proper investigative response. Counterintelligence involves identifying, penetrating and neutralizing threats to national security posed by hostile intelligence services and their agents in the U.S. national security litigation includes maintaining the legal framework for counterterrorism and counterintelligence activities and defending national security policies and activities in the courts.

## Counterterrorism

The Department's strategy of preventing terrorist acts through effective investigations and prosecutions of terrorist organizations was successful in 1988. There were no deaths or injuries as a result of terrorist incidents in the U.S. during the year.

## Domestic Terrorism

Domestic terrorism involves groups or individuals who are based or operate entirely within the U.S. and whose terrorist activities are directed at elements of our government or population without foreign direction. There were several notable investigations or prosecutions of terrorist groups during 1988.

- Seven people affiliated with the May 19 Communist Organization, a Marxist-Leninist group that openly advocates the overthrow of the U.S. government, were indicted on criminal charges involving bombings in New York City and Washington, D.C.

- Five members of the Bruders Schweigan Strike Force II, a splinter group of the right-wing terrorist group, Aryan Nations, pleaded guilty to charges involving the manufacture and passing of counterfeit money and placement of bombs.
- Fourteen members of violent white supremacist groups were prosecuted for conspiring to murder elected Federal officials as part of a plan to overthrow the government.
- Sixteen defendants, many of them leaders of violent Puerto Rican independence groups, were prosecuted for the \$6.9 million robbery of a Wells Fargo facility.

The Department also secured a guilty plea in a precedent-setting 13-year old case involving a leader of the American Indian Movement. With his guilty plea on a charge of possession of an unregistered destructive device, Dennis James Banks admitted for the first time that he intended to use explosives on the Pine Ridge Indian Reservation in 1975 and abandoned his claim that the government had pursued the movement in an illegal and vindictive manner. The case established a national precedent favorable to the government in the areas of speedy trial, due process, preservation of evidence and vindictive prosecution.

## International Terrorism

International terrorism involves activity by groups or individuals who are based in or directed by countries or groups outside the U.S. Terrorist activities which transcend national boundaries are also included in this category.

The Department's international counterterrorism efforts covered a wide range of activities during the year. They included the prosecution of a suspected hijacker who was arrested overseas, the removal from American soil of a suspected terrorist, the arrest of persons associated

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with a student organization for illegally diverting funds at the behest of a foreign government and the provision of training for police officers from other countries.

Fawaz Younis, a member of the Shi'ite Moslem Amal militia in Lebanon who led a 1985 hijacking in Beirut, was arrested by the Federal Bureau of Investigation (FBI) near Cyprus at the end of 1987. His prosecution by Criminal Division attorneys was the first under statutes that give Federal authorities jurisdiction over acts of terrorism committed against Americans anywhere in the world. The U.S. Marshals Service's Special Operations Group provided court-related security in the case.

Upon learning that an Iraqi national had obtained a U.S. visitor's visa by giving a false reason for entry and that the true purpose of his trip was to commit a violent act, FBI agents took several steps. They informed the State Department, which immediately revoked the visa. Then they greeted the suspect upon his arrival at Dulles International Airport, interviewed him, and escorted him onto a flight departing the U.S.

An 11-month investigation led to the arrest of eight individuals associated with the People's Committee for Libyan Students for various fraud violations. The investigation focused on illegal diversion of funds controlled by the Government of Libya through the organization. Seven of the subjects pleaded guilty; the other fled.

## Foreign Counterintelligence

The most visible successes of the Department's foreign counterintelligence program were the arrests of four U.S. citizens who were charged with espionage or attempted espionage for foreign nations. Another indication of the program's success was the detection and quiet expulsion of three foreign diplomats who were conducting clandestine intelligence operations.

One of the arrests was of Daniel Walter Richardson, an Army instructor at Aberdeen

Proving Grounds in Maryland. He was charged with espionage and violations of the Uniform Code of Military Justice. He had offered to provide the Soviet Union with information on tanks and laser range finders. He was found guilty on all charges but one.

During 1988, attorneys from the Department's Office of Intelligence Policy and Review (OIPR) obtained over 500 orders approving various forms of electronic surveillance for foreign intelligence purposes from the U.S. Foreign Intelligence Surveillance Court. In addition, the agency developed briefs and other submissions in litigation relating to the Foreign Intelligence Surveillance Act. In one case (U.S. v. Posey) an appeals court affirmed a conviction for violation of the Comprehensive Anti-Apartheid Act and the Arms Export Control Act.

In addition to its courtroom activity, OIPR enhanced coordination between agencies in the intelligence community through the issuance of approximately two dozen legal opinions on national security related issues.

## National Security Litigation

The Department's national security litigation efforts served to maintain the legal framework for counterterrorism and counterintelligence activities. In addition, Department attorneys represented the government when national security policies and activities had to be defended in the courts.

The Office of Intelligence Policy and Review continued to insure that the government's national security activities were consistent with relevant law by developing legal opinions, reviewing legislative proposals and enactments, and drafting and interpreting procedures and guidelines. The Office also chaired an interagency panel charged with drafting a new Executive Order on Personnel Security which would, for the first time, create governmentwide standards for investigating and adjudicating requests for access to classified material by government employees, contractors, and military personnel.

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A series of Department-sponsored programs involved the American Bar Association Standing Committee on Law and National Security in discussions dealing with leaks, arms control verification, separation of powers and related issues. The Office of Liaison Services coordinated the programs.

The Department defended the President, the Joint Chiefs of Staff and other U.S. government officials in a suit filed by those injured during the U.S. bombing of Libya. The plaintiffs sought millions of dollars in damages from those who conceived, planned and executed the counterterrorism measure. Civil Division attorneys served as counsel in the case.

Court challenges of national defense initiatives on environmental grounds also occupied Department legal staff during 1988. Land and Natural Resources Division attorneys defeated a challenge to the Air Force's Relay Mirror Experiment, an essential part of research for the Strategic Defense Initiative. The plaintiffs agreed to dismiss their complaint after losing on all of their major arguments. The Division also secured the dismissal of two cases filed as part of a continuing effort by opponents of the MX missile to challenge its deployment based on provisions of the National Environmental Policy Act.

Opponents of the establishment of strategic home ports for naval surface action and carrier battle groups in Everett, Washington and Staten Island, New York continued legal challenges based on environmental laws during 1988. The Land and Natural Resources Division mounted a successful response so that construction of the bases, which were deemed essential for national security, would not be delayed.

Three lawsuits seeking injunctive relief stopping the Everett construction were settled within a framework that enables completion of the base well in advance of the arrival of carrier and support ships. Despite the litigation, construction of both ports was well under way at the end of the year.

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# Chapter IV - White Collar Crime and Other Litigation Priorities

The illegal acts often referred to as white collar crime involve deceit, concealment or violation of trust. The harmful effects of white collar crime are not diminished because the violator manipulates public or private accounts instead of stealing a purse. Rather, the deceitful nature of white collar crime harms the very fabric of society. It undermines the confidence of our citizens in our institutions of business, finance and government.

During 1988, the Department moved vigorously against white collar crime because failure to do so would breed a cynicism about the law and foster a general disrespect for it. Continuing and new initiatives focused on uncovering and rooting out fraudulent activities in the securities and commodities field, defense procurement, and the savings and loan industry. These efforts complemented an ongoing program to combat public corruption.

## White Collar Crime

The Department moved aggressively to combat fraud and insider abuse in some of the nation's financial institutions. The magnitude of failures in the savings and loan industry, and the fact that over a quarter of those failures were caused by fraud and insider abuse, required Department action. By the end of the year, the Federal Bureau of Investigation (FBI) had over 1,000 pending matters involving financial institution fraud and embezzlement losses of \$100,000 or more.

Financial institution fraud cases are often extraordinarily difficult to investigate and prosecute. "Crime in the suites" cases differ from those involving so-called "street crime" and other violent offenses in that evidence is not immediately apparent. Due to the use of subterfuge and concealment, which often involve record manipulation and money laundering, the victims often do not realize that they have been defrauded until long after the event.

The Department developed a team approach to the investigation of financial institution fraud. The Dallas Bank Fraud Task Force was designed as a model for focusing investigative and prosecutorial resources on these cases. It teams experienced and highly proficient investigators and prosecutors from the FBI, U.S. Attorneys' Offices, the Criminal Division and the Internal Revenue Service. The Dallas effort was evaluated as a success to be replicated in other regions.

In its first year of operation the Dallas Task Force secured the conviction of 20 of the 33 individuals it charged. Only one was acquitted, and the cases of twelve others have not been resolved. Sentences of those convicted have included probation, prison terms of up to 35 years, fines, and court ordered restitution of nearly \$2.8 million.

## Public Corruption

During 1988, the Department investigated and prosecuted public corruption cases involving officials at all levels of government. Criminal Division staff focusing on public integrity cases secured 55 convictions during the year, while only four cases resulted in acquittals or dismissals.

The Department pursued defense procurement cases involving cost issues, defective products and testing, and sale or misuse of government and contractor information. Major defense contractors were required to make restitution to the Federal government as a result of Department actions.

- Bell Helicopter reimbursed over \$80 million in compensation for overcharging the Army and other agencies.
- Motorola, Inc. paid over \$16 million in fines, restitution and penalties for mischarging and defective pricing in the Navy Department contracts.

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- Sunstrand Data Control, Inc. paid over \$13 million for submitting a false claim of overhead charges.

In another case, the Department targeted Federal defense procurement employees whose conduct violated statutory codes or presented conflicts of interest. Five former employees of the Boeing Company were held liable for receiving payments from the company during their tenures with the Federal government.

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**Inter-agency cooperation resulted in savings of investigative resources through self-identification of violators of procurement statutes and regulations. Criminal Division staff played a major role in the Defense Department's Voluntary Disclosure Program for Defense Contractors. One of the first cases in the program resulted in the recovery of \$22 million after two officers of Zeta Laboratories, Inc. pleaded guilty to mischarging.**

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Both elected and appointed officials were targets in investigations involving state and local government. One of the elected State Highway Commissioners in Mississippi was convicted of extorting over \$250,000 from highway contractors. Over 65 convictions, including those of current and former local law enforcement officials, resulted from a three-year drug and public corruption investigation in Mingo County, West Virginia.

The Department was diligent in insuring high standards of conduct in its employees. The Justice Management Division monitored component agencies to insure that internal management controls were in place. Routine and specially scheduled audits assured compliance with fiscal and management procedures. Allegations or information regarding potential misconduct by employees were pursued by the Office of Professional Responsibility and inspection units in the components.

### **Telemarketing Fraud**

Technological advances in mass marketing and electronic fund transfers enabled perpetrators of telemarketing (wire and mail) fraud to operate with remarkable speed and efficiency. In one such case investigated by the Federal Bureau of Investigation, the International Gold Bullion Exchange allegedly defrauded over 5,000 investors of over \$200 million.

The 94 U.S. Attorneys' Offices took the lead in prosecuting these cases. The Criminal Division provided strategic legal support, including publication of a new manual on investigative and prosecutorial approaches.

The incidence of telemarketing fraud has been high in the Southern Florida and Southern California areas. U.S. Attorneys in those areas have worked closely with state and local law enforcement agencies to combat the problem. In the Southern District of Florida, local prosecutors were designated as Special Assistant U.S. Attorneys and Assistant U.S. Attorneys as Special State's Attorneys to work on telemarketing fraud cases.

### **Tax and Other Fraud Cases**

Cases arising from the highly publicized collapse of the PTL television evangelism organization illustrate the relationship between wire fraud and tax evasion prosecutions. Principals of the organization were indicted on fraud and conspiracy charges for soliciting "lifetime partnerships" which promised yearly vacation at the PTL resort. Instead of being used to construct the resort as promised, funds were diverted for the personal use of the principals.

Two of the PTL leaders were also charged with evading income taxes on the funds they diverted for personal use. Following the end of the year, one of them pleaded guilty to the charge and agreed to testify against his former colleagues. The Tax and Criminal Divisions and the U.S. Attorney's Office in the Western District of North Carolina cooperated in leading a 16-month Grand Jury investigation leading to the indictments.

The Tax Division also successfully prosecuted Lyndon LaRouche for conspiracy to impede, impair and obstruct the Internal Revenue Service and mail and wire fraud. Mr. LaRouche used more than a dozen corporate entities and "non-profit" foundations to conceal his personal tax liability. Although he lived in a lavish manner, he neither filed returns nor paid taxes for more than ten years. Mr. LaRouche was sentenced to 15 years in prison.

The Department continued to place a high priority on the prosecution of large-scale fraudulent sales schemes. The Antitrust Division moved aggressively to prosecute cases involving criminal violations such as price fixing and bid rigging under the Sherman Act and other statutes. Successful enforcement actions were completed in such industries as maritime dredging and construction, highway construction, and electrical contracting. Fines and recoveries increased by 105 percent, to approximately \$39 million.

### **Other Litigation Priorities**

Other litigation priorities covered a wide range of subject matters. Cases involving environmental, obscenity and pornography, and civil rights concerns had substantial impacts. Civil cases, including civil antitrust and tax enforcement, resulted in the recovery of substantial amounts of money. Additional litigation activity resulted from the Department's roles as defense counsel in suits against the government and as the government's appellate counsel.

### **The Environment**

The Land and Natural Resources Division took the lead in the Department's environmental litigation efforts. In a landmark case involving location of a shopping center, broad authority by regulatory agencies to prohibit destruction of vital wetlands was upheld. Eminent domain proceedings initiated in 1978 for the expansion of the Redwood National Park in Northern

California were concluded. Other efforts successfully resolved litigation to protect the habitats of endangered sea turtles, California least terns and whales.

The Department recovered over \$100 million in Federal funds spent to clean up hazardous waste sites. The funds, which had been advanced by the Environmental Protection Agency, were recovered from those responsible for the pollution. Attorneys in the Land and Natural Resources Division also obtained court judgments or reached settlements in cases where responsible parties agreed to perform cleanups costing approximately \$200 million.

An individual who abandoned three drums of flammable and explosive chemicals in a residential neighborhood of Queens, New York and a corporation which exposed employees to hazardous waste derived from a drum recycling operation were convicted of knowing endangerment. These cases were the first such convictions under the Resource Conservation and Recovery Act.

### **Obscenity and Pornography**

Teamwork proved effective in combatting obscenity and pornography. A task force teaming Criminal Division and U.S. Attorney staff with other law enforcement personnel secured the first obscenity conviction in Los Angeles in a decade.

Obscenity-based Racketeer Influenced and Corrupt Organizations (RICO) indictments were issued against major pornography distributors. One of them was identified by the Attorney General's Commission on Pornography as perhaps the world's largest distributor of obscene materials. Publication of two manuals on child exploitation and obscenity cases for Federal and state prosecutors and the "Obscenity Enforcement Reporter," which details developments in obscenity and child exploitation laws strengthened interagency cooperation.

## Civil Rights

Major litigative efforts in the field of civil rights involved voting rights and housing and education discrimination. Ten years after the Civil Rights Division challenge to Dallas County (Selma), Alabama's at-large election system for county commissioners and school board members, a special election was held in which black candidates were elected to half of the seats on the panels. In addition, the Division prevailed in its suit alleging that the City of Yonkers, New York intentionally concentrated public and subsidized housing in one area in order to maintain residential and school segregation.



Three blacks were among the county commissioners taking office in Dallas County (Selma), Alabama as a result of ten years of Department litigation under the Voting Rights Act of 1965. Photo courtesy of Alvin Benn, "Montgomery Advertiser"

The 101 convictions obtained as a result of Federal Bureau of Investigation civil rights cases in 1988 more than doubled the previous year's total. Cases ranged from the murder of a Denver radio talk show host by members of an anti-Semitic organization to the beating and mistreatment of inmates by prison guards in Maryland and Alabama.

## General Litigation

The Department's role as "the government's lawyer" generated a heavy workload of complex cases during the year. For example, litigation related to damage claims from exposure to asbestos, radiation, and toxic substances grew more common. The Civil Division handled cases involving damage claims of billions of dollars, millions of pages of technical evidence and tens of thousands of claimants. While claimants sought awards of \$40.9 billion in cases closed in 1988, actual awards and settlements in those cases totaled only \$90 million.

Civil proceedings conducted by the Tax Division resulted in the collection of over \$39 million in back taxes during the year. Besides supporting the Internal Revenue Service's collection efforts, the Division defended the government in suits brought by taxpayers. Tax Division staff also secured appellate rulings restricting tax shelters that were worth as much as \$8 billion in saved revenue.

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The Land and Natural Resources Division successfully defended the government in cases brought by Native Americans challenging administrative decisions by the Forest Service, Bureau of Land Management and other agencies. The U.S. Supreme Court ruled that the land managing agencies were authorized, but not compelled, to accommodate Native American religious concerns in making land use decisions.

The Office of the Solicitor General covered a wide range as it conducted and supervised government litigation in the U.S. Supreme Court. Major cases found the Office with a variety of client agencies including the Immigration and Naturalization Service, the U.S. Customs Service, and the National Labor Relations Board as it argued cases involving denaturalization regulations, "gray market" imports, and judicial review of unfair labor practice decisions.

# Chapter V - Prisoner Detention, Handling and Incarceration

New laws and new, more aggressive enforcement efforts have led to more arrests and convictions of offenders, and to more of these offenders being sentenced to lengthy prison terms. The result has been an increasing and severe strain on the Federal government's capacity to detain, handle and incarcerate offenders. U.S. Marshals Service had a daily average of 8,857 prisoners in custody during 1988 and the Federal Prison System housed 44,143 inmates at the end of the year.

## Pre-Sentencing Activities

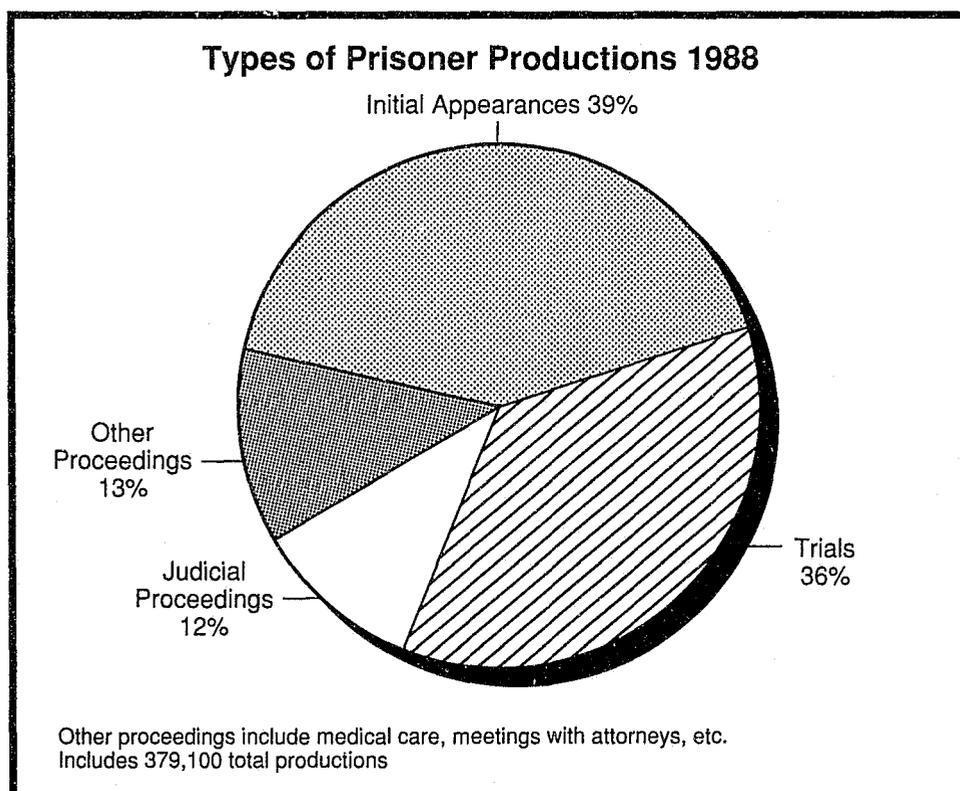
The Marshals Service was responsible for all Federal prisoners in custody for trials, sentencing and hearings, and those being taken to and from correctional institutions. The average daily number of prisoners in the Service's custody increased by 22 percent in 1988. The increase in prisoners in custody created a significant and growing demand for detention bedspace.

## Detention Facilities

The Marshal's Service worked to solve space shortages in several ways. Prisoners in Service custody for court proceedings were usually detained in local or state jails in or near cities where courts were located. In 1988, the Marshals had 858 agreements for the use of these jails. However, overcrowding forced some prisoners to be detained far from Federal courts, creating a significant drain on resources.

The Cooperative Agreement Program provided for agreements with state and local agencies for the renovation or construction of detention facilities in return for guaranteed space for Federal prisoners. Thirteen agreements totalling \$7.6 million were awarded during the year.

The Marshals Service also participated in the Federal Excess Property Program, which allowed local governments to use Federal property at no cost to enhance jail services in return for housing Federal prisoners. In 1988, excess property valued at nearly \$1.5 million was



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transferred to 95 state and local correctional facilities under the Program. In addition, the Department's Bureau of Prisons increased its efforts to meet burgeoning needs for detention space.

### **Prisoner Handling**

The U.S. Marshals Service maintained responsibility for prisoner handling. Deputy U.S. Marshals spent ten percent of their duty hours "booking" prisoners during the year. The intake process included fingerprinting, photographing and developing records for the prisoners. Inquiries on outstanding charges were made through the National Crime Information Center and other data bases and name and fingerprint checks requested from the Federal Bureau of Investigation. Marshals then arranged detention sites for new prisoners.

In addition, Deputy U.S. Marshals performed the functions of taking newly sentenced prisoners to correctional institutions, transporting prisoners between institutions, and producing prisoners for legal hearings, meetings with attorneys and trials in a timely fashion.

More prisoners meant a greater prisoner production workload. The workload problem was exacerbated by the fact that the average number of productions per prisoner increased by 28 percent over the 1987 figure. Nineteen percent of Deputy U.S. Marshal time was spent in court with prisoners in 1988. An additional 14 percent was spent on prisoner production and transportation.

The increasing prisoner workload required the maintenance of a sophisticated transportation network. The Marshals Service's National Prisoner Transportation System coordinated all long distance movements using Service-owned aircraft, sedans and vans and the Bureau of Prisons' bus feeder system. When a court-ordered deadline could be met in no other way, commercial air or air charter services were used.

The National Prisoner Transportation Service acquired a second Boeing 727-100 jetliner and five smaller jet aircraft to reduce transportation time and make operations more cost effective. The acquisitions contributed to a ten percent increase in prisoner movements over the prior year.

Movements on Marshals Service-owned aircraft cost \$212 per prisoner. Commercial air movements, which cost \$783 per prisoner, decreased by 19 percent in 1988. When commercial airlines had to be used to meet deadlines, the Service used a centralized ticketing system to save \$800,000 on fares.

The impact of the National Prisoner Transportation Service has been substantial. In 1981, 200 work years were required for the movement of approximately 40,000 prisoners. In 1988, only 129 work years were required while over 92,000 prisoners were moved.

### **Post-Sentencing Activities**

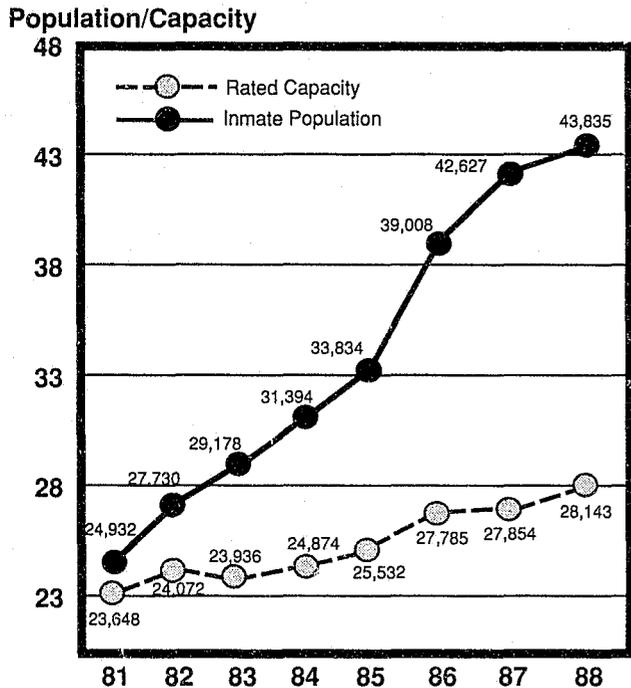
Following sentencing, responsibility for Federal prisoners shifted to the Bureau of Prisons (BOP). The Federal Prison System's inmate population at the end of 1988 was 43,835 — 57 percent over capacity. During the year, 24,725 new inmates were added. The inmate population crunch was dealt with by expansion of the Federal Prison System, enhanced population management efforts by BOP staff and the use of community corrections programs.

### **System Expansion**

The Bureau of Prisons (BOP) added 1,400 new beds during the year, bringing inmate capacity to 28,143. Five facilities were opened during the year. The facilities reflected new approaches adopted to speed system expansion and contain costs.

- The Federal Prison Camp at Tyndall Air Force Base in Florida was an example of the use of military bases for prison facilities.

## Inmate Population and Capacity 1981-1988



ties. Bases can be acquired promptly and converted readily to minimum-security prisons.

- The Federal Correctional Institution at Marianna, Florida was an example of the clustering of several facilities with different security levels at a single site. The main institution was built to house approximately 975 medium security level female offenders. An additional 250 low security level female offenders occupied a satellite camp. Inside the secure perimeter was an autonomous unit housing 108 inmates in the Federal government's most secure general population facility for female offenders.

BOP staff also pursued the option of leasing correctional facilities. Building on the tradition of contracted inmate services such as health care and education and the operation of half-way houses by contractors, the Bureau exam-

ined leasing facilities on an annual basis. While pursuing authority to complete such an arrangement, BOP analyzed the administrative, public policy, legal and other ramifications of privatization.

Expansion of facilities requires expansion of staffing. Several BOP initiatives to enhance the recruitment, retention and development of staff began during 1988.

- Establishment of a National Recruiting Office to develop strategies for attracting high-quality candidates, contacting over 20,000 people at conventions, conferences and through recruiting trips. Special efforts to recruit college graduates and minority, female and disabled employees continued.
- Participation in the Department's Law Enforcement Compensation Work Group to promote legal and regulatory changes to enhance pay. Special pay rates were obtained at six locations where low pay made retention a critical problem.
- Improvement of the Bureau's quality of work life through development of a Wellness Program, study of child care issues and pilot testing of compressed work week scheduling.
- Establishment of a Career Development component to assist employees in career tracks and develop future managers by documenting career path preferences and allocating management development funds. The first BOP Leadership Forum exposed highly talented mid-level managers from throughout the Federal Prison System to headquarters.

### Population Management

An appropriate inmate classification system was essential in developing an effective response to overcrowding. The Bureau of Prisons (BOP) classification system assigns each inmate to an institution at the least restrictive

(and expensive) of six security levels. The inmate's offense severity, history of escape or violence, expected length of incarceration and type of prior commitments were matched with an institution's security level. Changes in population patterns and inmates' individual needs required 92,000 inmate moves during the year.

While assigning inmates to institutions at the appropriate security level closest to their homes, BOP must also balance system-wide populations. During the year, the missions of five institutions were changed to meet population needs. For example, the Federal Prison Camp in Danbury, Connecticut was converted from a male to a female institution.

Federal Prison Industries (trade name UNICOR) employs and trains inmates. Its factories produce high-quality products and services for the Federal government.

UNICOR's employment of an average of 14,115 inmates was critical in avoiding idleness and unrest. In addition to instilling useful skills and work habits, the program achieved gross earnings of \$40 million on \$350 million in sales.

Using state-of-the-art technology that will be useful in preparing inmates for employment upon release, UNICOR established itself as a viable source for fiber-optic cable assemblies. Two product development centers were opened to further expand the product line. Diversity of products avoids adverse impacts on segments of the private sector doing business with the Federal government.

UNICOR earnings funded approximately \$12 million for inmate vocational training programs and performance pay. A regional pilot project linking high school equivalency and high industries pay was successful and will be implemented nationally. Integrated computer assisted instructions systems were extended to five new institutions so that over 2,000 hours of computer-based Adult Basic Education, General Education Development, computer literacy and other courses were available at 26 sites.

BOP implemented a Wellness Program for both inmates and staff. The program emphasizes nutrition, physical fitness, psychological well-being, and smoke-free environments. The Bureau's Suicide Prevention Program insured that the dramatic increase in inmate population did not result in a corresponding rise in successful suicides.

The Inmate Financial Responsibility program, which was operated by BOP in cooperation with the U.S. Attorneys and the Administrative Office of the U.S. Courts, became fully operational in 1988. The program involves a systematic effort to collect court-imposed fines, fees and costs, which heretofore had remained unpaid in many instances. It resulted in the collection of \$9.4 million during the year.

### **Community Corrections Programs**

The Bureau of Prisons (BOP) participated in community programs which had several major emphases during. Programs sponsored by community treatment centers and local detention facilities provided residential services. Other programs provided intensive nonresidential supervision to offenders in the community. A third group of programs boarded juvenile and adult offenders in contract correctional facilities.

Nearly 3,700 offenders per day were housed in Community Treatment Centers and local detention facilities during 1988. Each was provided with a residence, structured programs, job placement and counseling. Residents' activities were monitored, with special attention to drug and alcohol testing. Over \$3 million in subsistence payments were collected from employed offenders to defray program costs. Most community-based residential programs were provided in contractor-operated centers.

BOP worked with the U.S. Parole Commission to move parolees from institutions to their communities. Successful tests of new supervision technology allowed the advanced release

of electronically monitored offenders to their homes. Approximately 1,000 other offenders agreed to home curfew parole conditions in exchange for earlier release dates during the year.

When short or intermittent sentences were imposed, space in local jails or detention centers was secured. In addition, approximately 1,700 beds per day for juveniles, prisoners requiring protection or having other special management problems were contracted in state and local facilities.

### Uprisings by Cuban Detainees

Early in 1988, Cuban detainees at the Federal Detention Center in Oakdale, Louisiana and the U.S. Penitentiary at Atlanta, Georgia participated in a two-week uprising. The disturbances began in response to the State Department's announcement of the revival of an agreement with the Cuban government to repatriate the detainees.



*Bureau of Prisons and Federal Bureau of Investigation staff reassert control at the U.S. Penitentiary in Atlanta, Georgia in the wake of an uprising by Cuban detainees.*  
Bureau of Prisons Photo

The detainees, who had come to the U.S. in the 1980 Mariel boatlift, took more than 140 hostages, including Federal Prison System staff members and other inmates, and blockaded themselves in the institutions. Department components, including the Bureau of Prisons (BOP), the Community Relations Service (CRS), the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS) and

the U.S. Marshals Service cooperated in forging an effective response to the uprisings.

The Attorney General convened daily Crisis Management Committee meetings with DOJ component heads. The facilities of the Justice Command Center were used extensively to keep the White House and other cognizant government components informed of developments.

BOP staff at the scenes worked to maintain contact with the rioters, assure the safety of the hostages and manage non-rioting inmates. Hundreds of FBI agents sped to the scenes, providing tactical, hostage negotiation and intelligence expertise and equipment. The Marshals Service's National Prisoner Transportation Service quickly rescheduled its airlift to deliver staff and equipment to the riot sites and move non-rioting prisoners to other facilities.

The uprisings were concluded with an agreement that INS would complete status reviews of 3,822 Mariel Cuban detainees during the next seven months. Although they were the longest and potentially most deadly prison sieges in U.S. history, no staff member died, only one inmate was killed and no detainee escaped to the community.

The Department's responses to the Oakdale and Atlanta uprisings continued throughout the year. Special INS panels completed the promised reviews and recommended 2,757 detainees for reparole. Many of the parolees went to CRS-contracted half-way houses where programs and follow-up services were strengthened. CRS also established a family sponsorship program to resettle other detainees. The detainees remaining in custody were dispersed throughout the Federal Prison System.

BOP commissioned a detailed report on the lessons that were learned from the uprisings and began implementation of 107 recommendations for security and emergency preparedness improvements. Many of the recommendations focused on improved liaison and planning for cooperative action in emergencies. Renovation and reconstruction work progressed, and the Oakdale and Atlanta facilities were reactivated by the end of the year.

# Chapter VI - Immigration and Border Control

1988 was marked by the Department's intensive efforts to implement successfully the landmark Immigration Reform and Control Act of 1986 (IRCA). This sweeping legislation provided for a one-time program to legalize the status of eligible resident aliens, authorized sanctions against employers who knowingly hired illegal aliens, and strengthened border enforcement activities.

Implementing IRCA presented a significant challenge to the Department's Immigration and Naturalization Service (INS). That INS met the challenge was indicated by the large number of persons who came forward under the legalization program, and the decline in the apprehension of illegal aliens resulting from employer sanctions enforcement.

## Legalization

The legalization program created by Immigration Reform and Control Act (IRCA) was the single largest amnesty program ever attempted. It affected the lives of millions of U.S. citizens, permanent resident aliens, and illegal aliens. The Immigration and Naturalization Service (INS) mounted a major public outreach effort, and worked closely with state governments and advocacy groups to insure that those eligible to apply were informed about the program.

The result was an overwhelming success. By the first phase filing deadline of May 4, 1988, more than 2.6 million persons had applied.

INS received a surge of eleventh-hour applications because of actions taken to encourage eligible persons to meet the deadline. One such action was agreement to accept "skeleton" applications before the deadline while providing additional time for presentation of supporting documentation.

In addition, stepped up public information activities, including a nationwide "Don't Get Left Behind" campaign, local broadcasts, town meetings and special "amnesty fairs" called attention to the deadline. INS extended the hours of

## INFÓRMESE Y VAYA A LA SEGURA

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bajo la nueva Le**

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Venga y averigüe todo  
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aprovechar las ventajas

**Porque  
es vivir**



Servicio de Inmigr  
Coordinado por Bu



**You don't have to be an immigrant  
to be affected by  
the New Immigration Law.**

It doesn't matter who you are or where you came from. If you start your first job or if you change to a new one, there's a simple procedure you and your employer need to follow. Even if you are an American citizen.

It's an easy, one-page form called the I-9 that you and your employer fill out together. As an employee, you complete the top portion. Then you show documents such as a state driver's license to establish your identity, an original Social Security Number Card to establish your right to work, or a U.S. Passport or Alien Registration Card to establish both at once.

Many other documents are also acceptable after checking that your documents appear to be genuine and relate to you; your employer signs the form and keeps it on file. It's that simple. In addition, employers may not fire or fail to hire anyone based on foreign name, appearance or accent.

The New Immigration Law is intended to preserve jobs in the United States for those individuals who are legally entitled to them. If you'd like more information on what to expect, call toll-free: 1 (800) 777-7700. Help make the New Immigration Law a success. Working for a Better America is everyone's job.

**Working for a Better America  
Immigration and Naturalization Service**

Print advertisements prepared as part of the public information campaign urging compliance with the Immigration Reform and Control Act of 1986 (IRCA). Immigration and Naturalization Services Photo

legalization offices during the last few weeks and kept them open until midnight on the May 4 deadline. Applications peaked at over 125,000 on the final day.

Using a computerized application processing system, INS completed review of 1.4 million of the 2.6 million applications by the end of the fiscal year. Fewer than 51,000 were denied; 2,844 because of confirmed fraud.

IRCA established the Special Agricultural Workers (SAW) program to supplement the legalization effort. SAW was designed to insure that no shortage of farm workers resulted from the major changes in immigration policy. It accounted for 34 percent of the 2.6 million legalization applications.

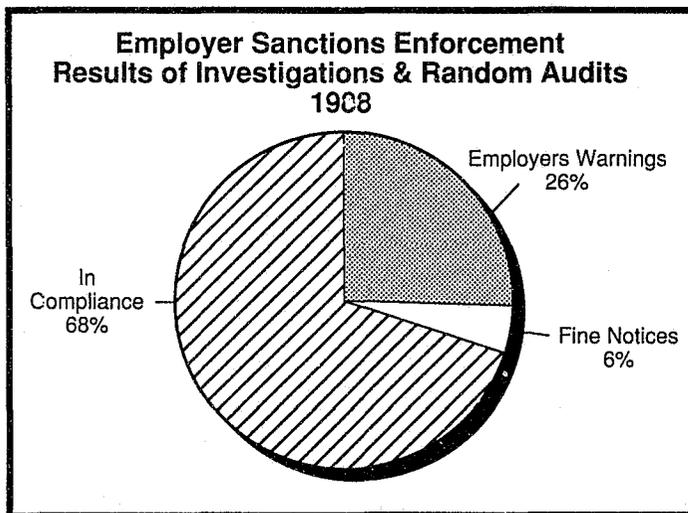
The legalization program added significantly to the INS workload. The Service opened 107 temporary offices and hired staff for them. Four

regional processing centers were established to review applications. These program costs were funded entirely from fees collected from applicants. During 1988, fees totaling over \$313.5 million were collected.

## Employer Sanctions

The employer sanctions provisions of the Immigration Reform and Control Act (IRCA), which were designed to eliminate the attraction of illegal jobs to potential illegal aliens, were also implemented using a phased approach. First, the Immigration and Naturalization Service (INS) carried out an unprecedented education campaign to insure that employers and workers understood that the law required verification of the work eligibility of all new hires. One million employers were contacted from June 1987 through May 1988.

Full enforcement, which combined random audits of employers with investigations of suspected violators, began on June 1, 1988. Just under one-third of the employers who were audited or investigated through September 30, 1988 were sanctioned with warning and fine notices. While pursuing violators to the full extent of the law, INS continued to promote voluntary compliance through educating employers on IRCA provisions and fostering a spirit of cooperation.



Employer sanctions enforcement, which discouraged illegal entry by making work difficult to find, caused a decline in apprehensions of illegal aliens along the southern border. The total of 969,214 illegal aliens apprehended in 1988 was 43 percent lower than in the last year before IRCA was passed.

## Enforcement

The Immigration and Naturalization Service's (INS) implementation of the Immigration Reform and Control Act (IRCA) included enhancement of enforcement activities. Efforts were made to strengthen the border against illegal aliens and drug smuggling and to expedite the removal of criminal aliens.

IRCA authorized a substantial increase in Border Patrol staffing in order to strengthen immigration control. During the year, INS continued its aggressive recruiting program in order to meet the staffing goal.

The Border Patrol Academy in Glynco, Georgia increased its training program significantly. By the end of 1988, Border Patrol strength had been raised to an all-time high of 4,072. In addition the Service continued to upgrade its vehicle fleet, aircraft operations and border surveillance equipment.

Aggressive recruiting also increased staffing in the unit which investigates suspected criminal aliens, violators of employer sanctions and perpetrators of immigration fraud. The Investigations Unit complement increased by 75 percent, to 1,575 at the end of the year.

INS also enhanced the operations of its Anti-Smuggling unit. The unit targeted "coyotes," the operators who bring illegal aliens into the U.S. for a fee. The "coyotes" smuggling methods varied widely, from guiding illegal aliens across the Rio Grande River to flying them into the country on first-class airline tickets.

Border Patrol seizures of illicit drugs increased again during the year as a result of participation in the National Narcotics Border Interdiction System, Operation Alliance, and



*U.S. Border Patrol rounds up suspected illegal aliens found hiding in the brush near El Cajon, California.* Photo by Alon Reininger for the Immigration and Naturalization Service. All Rights Reserved

other anti-drug initiatives. These cooperative efforts were spearheaded by Border Patrol agents who were granted limited drug enforcement authority and were assisted by specially-trained dogs.

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**The Department's cooperation with local law enforcement organizations in the Alien Criminal Apprehension Program (ACAP) played a significant role in efforts to remove non-citizens who engaged in illegal acts from the U.S. During 1988, pilot ACAP projects in New York City, Los Angeles, Chicago and Miami became fully operational. Immigration and Naturalization Service (INS) staff facilitated inquiries from local police agencies concerning aliens detained on criminal charges. In return, local officers improved notification of INS when criminal aliens were arrested or passed through the criminal justice system. The result was quicker identification and deportation of aliens who committed crimes in the U.S.**

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Another enforcement program enhanced by IRCA was the Service's effort to locate, process and remove criminal aliens from the U.S. Border Patrol agents increased criminal alien apprehensions to over 26,000 in 1988 — 73 percent more than the previous year. Special agents in the investigations program completed 22,000 cases involving criminal aliens, an increase of more than ten percent over the previous year.

The Department implemented the Institution Hearing Program in 14 jurisdictions. INS, the Bureau of Prisons and the Executive Office for Immigration Review cooperated on the effort. The goal of the program was to expedite the removal of criminal aliens by holding their removal hearings in the state or local prisons where they were serving their sentences.

INS continued to upgrade and expand its Systematic Alien Verification for Entitlements (SAVE) program, which allows states to verify the immigration status of aliens applying for benefits. The automated verification data base was brought into full operation and made accessible to all states.

By the end of the year, 28 states and three territories had signed formal SAVE participation agreements. 43 other jurisdictions had completed purchase orders to gain access to data. Potential entitlement program savings from a fully-implemented SAVE program were estimated at two to three billion dollars per year.

## **Adjudication of Appeals**

Other Department components worked with the Immigration and Naturalization Service (INS) on appeals of immigration decisions. Review functions conducted by the Office of Legal Policy (OLP) and the Executive Office for Immigration Review were designed to insure that all parties involved in administrative proceedings received fair treatment.

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OLP reviewed decisions by INS regional directors that resulted in denial of asylum. During 1988, the first full year it performed the function, the Office completed 2,176 such reviews.

The Executive Office for Immigration Review reviewed cases, appeals, motions and related matters stemming from immigration adjudications. In 1988, the Office completed nearly 117,000 matters while receiving over 110,000, thereby reducing the nation-wide backlog by several thousand.

The Immigration Reform and Control Act (IRCA) generated a substantial number of appeals of INS decisions on applications for legalization. The Executive Office for Immigration Review instituted new procedures for screening the cases of applicants who appeared to be eligible for relief. Almost 2,000 legalization cases were cleared from the appeals docket, all with concurrence from all parties involved.

In addition, the Office published 46 precedent-setting decisions dealing with issues involving unsettled areas of immigration law. These decisions supported adjudication efforts by including significant interpretations of statutory provisions enacted in both the Refugee Act of 1980 and IRCA.

The Department's immigration policies were also bolstered by Office of the Solicitor General's success in arguing the case of Kungys v. United States before the Supreme Court. The Court held that persons applying for naturalization who misrepresent or conceal facts that would affect the Department's decision on the application were subject to expulsion.

# Chapter VII - Administration of Justice: Cooperation and Coordination

The Department demonstrated its commitment to working closely with its state and local partners in the fight against crime during 1988. Experience proved that intergovernmental cooperation was essential if the fight was to be waged effectively. The Department fostered cooperation in a variety of ways — by supporting state and local operational activities, by providing financial and technical assistance, and by generating and sharing new knowledge about crime and criminal justice system improvements.

## Operations

The Department provided operational support for state and local law enforcement by providing specialized services, such as the following examples offered by the Federal Bureau of Investigation (FBI):

- The FBI processed over 8.4 million fingerprint cards for over 22,000 authorized agencies during 1988. The FBI's clearinghouse eliminated the need for time-consuming and costly duplicate checks to ascertain arrestees' complete criminal histories. The Bureau collected over \$16 million in user fees for fingerprint services.
- The FBI National Crime Information Center (NCIC) provided documented criminal justice information to the criminal justice community. During 1988, the center averaged over 605,000 transactions per day. To keep up with its ever-growing workload, the Bureau continued design work on the system's next generation, NCIC 2000.
- The FBI Laboratory received 18,423 requests for forensic services from law enforcement agencies. Approximately 28 percent of the requests for examinations were from state and local agencies.

The FBI's Minneapolis Division initiated a procedure for joint investigation of crimes on Indian reservations by FBI agents, Bureau of Indian Affairs officers and tribal authorities. The procedure was originally developed for investigating child sexual abuse cases. Its success generated consideration for expansion to other offices near reservations where such abuse was identified as a significant problem.

U.S. Attorneys' Offices emphasized the use of Law Enforcement Coordinating Committees (LECC) to enhance cooperation with state and local agencies. During 1988 the number of coordinators was doubled, bringing coverage to each District. A bimonthly newsletter for participants was also initiated.

LECC task forces and subcommittees responded quickly to local law enforcement needs with training and coordination. Task force topics ranged from odometer fraud and domestic violence to white collar, organized and drug crime.

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**Information shared at the regularly scheduled meetings of Law Enforcement Coordinating Committee (LECC) participants sometimes had a significant impact on law enforcement operations. For example, conversation at a meeting in the Northern District of Alabama revealed that four separate investigations of a major cocaine distribution network were ongoing. The agencies involved agreed to combine their efforts. As a result, seven convictions for cocaine distribution, firearms and tax violations and money laundering were secured. In addition, assets valued at \$1.5 million were seized.**

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The increase in the numbers of prisoners in Federal, state and local custody led to an increase in fugitives. The Department assigned the highest priority to the recapture of escapees, bond defaulters and parole and probation violators. The U.S. Marshals Service arrested 14,495 fugitives in 1988, a nine percent increase over the previous year. The FBI was responsible for arresting or locating an additional 9,671 fugitives.

Nineteen percent of the FBI's fugitive apprehensions during the year were on behalf of state and local law enforcement agencies. The fugitives had committed serious felonies such as murder, rape, kidnapping, or armed robbery and fled across state lines to avoid prosecution or confinement.

The Marshals Service's Fugitive Investigative Strike Team (FIST) program was designed to bring officers from Federal, state and local enforcement agencies together in fugitive apprehension teams. During 1988, the Service refocused FIST by targeting smaller geographic areas.

All of the involved jurisdictions benefited from returning fugitives, most of whom continue to commit crimes while at large, to custody. In addition, the resource and information sharing called for in the FIST program increased the effectiveness and cost efficiency of fugitive apprehension efforts and interagency cooperation often continued long after the FIST operation was concluded.

The Community Relations Service provided mediation and conciliation services to organizations and individuals throughout the U.S. It focused on the resolution or prevention of interracial confrontations and hate violence. Its caseload, which reached a record level in 1988, included the successful mediation of a dispute between the black community and Giant Food, Inc. in the Washington, D.C. area. Several cases involved harassment of racial and ethnic minorities on college and university campuses.

## Funding

Much of the Department's direct financial support for justice activities was channeled through the Office of Justice Programs (OJP). During 1988, the Office awarded over \$55 million in grants to 56 states and territories to battle drug-related crime. Each jurisdiction, in consultation with local drug enforcement officials, prepared a statewide drug control strategy that set priorities based on local needs and resources.

The OJP Discretionary Grant Program awarded over \$23 million for training, technical assistance, and demonstration projects. The program was designed to encourage information sharing and coordination among agencies and jurisdictions. It funded crack enforcement task forces, training in asset seizure and forfeiture, Drug Abuse Resistance Education (DARE) substance abuse prevention programs in schools, statewide drug prosecution and court delay reduction programs, and drug treatment programs in state correctional facilities.

Another OJP program awarded \$13 million for Regional Information Sharing System Projects. The six projects cover all 50 states and, in eight months of operation, resulted in 4,526 arrests.

OJP also awarded \$93.5 million to states for support of crime victims. The funding provided direct services for victims and compensated them for expenses resulting from their victimization.

The Department, in cooperation with the Department of Health and Human Services, supported state and local efforts to respond to the problem of drug-involved youth gangs. For example, OJP funded a project involving three Los Angeles County, California communities. Law enforcement and community service agencies, schools and the courts worked together in the project.

## Statistics

The Department continued to play a leadership role in collecting and disseminating information on justice issues. Statistical information on drug abuse and other criminal activity helped law enforcement organizations analyze trends, develop priorities and measure progress.

Department-supported research on drug abuse patterns provided useful support to law enforcement agencies. Data provided to Federal, state and local officials helped in detecting drug epidemics, measuring the impact of enforcement efforts, and allocating law enforcement, prevention and treatment resources.

The Office of Justice Programs (OJP) released the second edition of its "Report to the Nation on Crime and Justice." The report used graphics and a non-technical format to present a comprehensive picture of crime and criminal justice in the U.S. Much of the statistical information in the report was derived from OJP's continuing series of semiannual National Crime Surveys. The surveys questioned randomly selected citizens about their experiences with crime.

In addition, OJP established the Data Center and Clearinghouse for Drugs and Crime. It was designed to provide policymakers, criminal justice practitioners, researchers and the general public with ready access to understandable information on drug violations and law enforcement.

The Federal Bureau of Investigation's Uniform Crime Reporting Program compiled data based on monthly reports filed by law enforcement agencies throughout the country. Reports grouped crimes by type of offense and provided information on arrests, property loss and other factors. The Bureau published periodic compilations of data showing crime trends.

## Research

The Department conducted and sponsored research on pressing criminal justice issues. Projects identified new forensic techniques for identifying illegal drug users and other crimi-

nals. Other research efforts documented the activities of pre-trial defendants, prisoners and parolees.

During the year, a project funded by the Office of Justice Programs (OJP) produced a new technique for identifying criminal suspects by analyzing deoxyribonucleic acid (DNA) in hair, blood and other body fluids. Use of the technique in investigations of violent crimes such as rape and murder showed great potential. The Federal Bureau of Investigation (FBI) Laboratory completed the initial phases of DNA research, preparatory to incorporating it as a forensic examination technique.

Other OJP-supported research showed that, since evidence of drug use remains in the hair until it is cut off, hair analysis might prove to be a valuable supplement to urinalysis. Criminal justice practitioners expressed interest in using the technique to document drug abuse by arrestees and parolees.

Several noteworthy research accomplishments were recorded by the FBI Laboratory during 1988.

- Technicians began using computer graphics to produce demonstrative evidence.
- Staff began using computer-assisted "aging" techniques on photographs of missing children and fugitives.
- Scientists developed more effective techniques for use in long range aerial surveillance.

OJP's Drug Use Forecasting System, operating in 21 major cities, documented widespread drug use among those arrested for serious felonies. Urinalysis of arrestees' voluntarily provided samples showed 54 percent to 90 percent positive rates.

Two Department-sponsored behavioral research projects examined participation in drug testing programs by defendants awaiting trial and parolees. A Washington, D.C. experiment showed that defendants who participated in a drug testing program had significantly lower



*Technician working at one of the Forensic Laboratory sites operated by the Federal Bureau of Investigation.*

Federal Bureau of Investigation Photo

pre-trial arrest and failure-to-appear rates than those who dropped out. In California, parolees in the civil addict program who underwent routine urinalysis had lower rates of crime and drug use and somewhat higher rates of employment than those not tested.

Related research was conducted by the U.S. Parole Commission to test the impact of intensive supervision for high risk parolees. The evaluation of the effectiveness of a supervision team in deterring misconduct and aiding the transition into the community was designed for

use by parole authorities nationwide.

The Bureau of Prisons (BOP) published 11 topical reports on corrections issues. They covered a broad range of subjects, from jail design to literacy programs to parole decision-making. BOP also began the "Research in Corrections" monograph series featuring dialogues between researchers and practitioners on significant correctional topics. Publication of the series was supported by the Robert J. Kutak Foundation.

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## Training

The Department sponsored training efforts covering a variety of criminal justice issues during 1988. Audiences were composed of Federal, state and local practitioners and administrators.

Training sessions initiated by the Office of Justice Programs (OJP) covered a wide range of topics. Enforcement personnel studied juvenile delinquency and victimization. Mayors, city managers, and police chiefs explored the future of police work. And judges and court personnel met to review sentencing practices.

OJP and the Executive Office for U.S. Attorneys sponsored a conference of Law Enforcement Coordinating Committees and Victim-Witness Coordinators which focused on working with victims of white-collar crime. A training video tape for law enforcement officials was also produced.

The Federal Bureau of Investigation (FBI) Forensic Science Research and Training Center provided specialized forensic training to 731 students during the year. The training covered such topics as the use of photography and fingerprint techniques and the management of forensic and technical services. In addition, two international seminars, one on DNA technology and the other on the forensic aspects of controlled substances, were held. The Drug Enforcement Administration co-hosted the latter session.

The FBI trained law enforcement professionals from around the nation at its National Academy in Quantico, Virginia and at regional locations. Law enforcement administration, foreign counterintelligence, narcotics-related financial investigations and general law enforcement were among training topics.

The U.S. Marshals Service held nine intelligence training seminars for Federal, state and local officials during the year. The sessions covered terrorists, paramilitary and other extremist groups, and outlaw motorcycle gangs. The International Association of Chiefs of Police used the Service's training facilities at Camp Beauregard, Louisiana for its tactical training program.

OJP sponsored a National Conference on Child Sexual Exploitation for teams of law enforcement officers, medical professionals, social service workers and community service personnel. Participants learned strategies for dealing with children who have been sexually exploited, often by adults involved in pornography.

U.S. Attorneys from throughout the nation participated in a related OJP-sponsored seminar on collaborative efforts to combat child sexual abuse. The Criminal Division published two manuals for Federal and state prosecutors outlining approaches to child exploitation and obscenity cases. It also issued the periodical "Obscenity Enforcement Reporter" covering recent legal developments in the area.

The Bureau of Prisons funded two training programs for mental health personnel who treat convicted child molesters. It also conducted three seminars on sex offenders for community corrections practitioners, judges, legislators and other officials.

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# Chapter VIII - International Cooperation

The Department continued to expand its international role during the year. Building on a foundation of international cooperation and working with other Federal agencies, the Department increased its efforts to combat international drug smuggling, money laundering, organized crime, and fraud.

The fact that all of the cocaine and heroin, and most of the marijuana consumed in the U.S. originated from foreign countries made the international aspect of drug control an area of primary concern. Efforts by criminals to launder the huge sums of money earned in the drug trade by moving them around the world also increased the need for international cooperation. Moreover, improvements in transportation and communications facilitated international flight to avoid arrest.

The Department's encouragement of multi-country agreements, participation in joint enforcement operations and maintenance of training and liaison relationships with other countries were all stepped up to meet the growing challenge of international crime.

## Treaties and Agreements

The Department participated in negotiations which culminated in the signing of a United Nations Convention committing over 100 nations to increased cooperation against drug dealers. The Attorney General signed the Convention for the U.S. at a December 21, 1988 session in Vienna. The multilateral agreement was signed by both drug-producing and drug-consuming nations and provided a number of new resources aimed at breaking the cycle of drug trafficking and money laundering that sustains drug cartels.

The Department also supported negotiations with the U.S.S.R. which led to the signature of a Memorandum of Understanding on cooperative efforts to combat illegal narcotic trafficking. The agreement initiated transmission of information through the Drug Enforcement Administration (DEA) office in Vienna. DEA's attache in

Vienna was greeted with openness and exuberance by Soviet officials during his initial implementation visit to Moscow.

Mutual Legal Assistance Treaties between the U.S. and foreign governments facilitated international cooperation on criminal justice issues. During 1988, the Department, through the Criminal Division, coordinated the negotiation of new treaties with the Bahamas, Belgium, Canada, the Cayman Islands, Mexico and Thailand.

Agreements to increase international cooperation in the fight against organized crime and financial fraud were major goals of U.S. participation in the International Criminal Police Organization (INTERPOL). The U.S. National Central Bureau, as the U.S. representative in the INTERPOL General Assembly, scored successes in both areas. It initiated a Paris symposium on organized crime at which participants drafted a resolution calling for creation of an Organized Crime Group at INTERPOL headquarters. It also generated support among member nations for a resolution calling for the expansion of INTERPOL's Financial Fraud Group and the study of expanded financial information gathering and sharing.

## Drug Enforcement Operations

Cooperative efforts in the fight against drug trafficking covered much of the world during 1988. The Department worked closely with Latin American and Caribbean nations to eliminate drug supplies and close off smuggling routes. Another focus was the role of La Cosa Nostra and its Italian affiliates in bringing drugs to the U.S. Cooperation with the Peoples Republic of China in a drug smuggling investigation opened a promising avenue for further efforts.

## Latin American and Caribbean Activities

Efforts by the Department to build on inter-American drug enforcement cooperation which had begun in earlier years bore fruit in 1988.

As a result of the International Drug Enforcement Conference, which the agency helped establish in 1983, the Drug Enforcement Administration (DEA) secured the cooperation of 30 Latin American countries in conducting a coordinated, simultaneous enforcement operation. The operation marked the first time many of the participating nations had ever been involved in a multinational drug enforcement operation, and it generated considerable pressure on international trafficking organizations.

Similar interagency and international cooperation resulted in the seizure of 18 metric tons of cocaine products and the destruction of 120 cocaine processing laboratories through the SNOWCAP program. DEA, with support from the Defense and State Departments, provided planning, training and equipment to Bolivian and Peruvian drug police in implementing the program.

The Department also provided technical assistance to countries fighting illegal drug activity. For example, when suspected drug traffickers attempted to assassinate the Bolivian Secretary of State, the Federal Bureau of Investigation (FBI) Laboratory assisted national police in the investigation.

The FBI and DEA worked with the U.S. Customs Service to conduct a joint investigation of General Manuel Noriega, military ruler of the Republic of Panama, and another Panamanian citizen. The investigation resulted in indictments for conspiracy to import and distribute over one million pounds of marijuana.

Other inter-American efforts were designed to limit smuggling. Operation BAT involved the Department with the Defense, Treasury and Transportation Departments in cooperation with the governments of the Bahamas and Turks and Caicos Islands. The operation provided helicopters and other equipment which enabled enforcement teams to patrol the large number of widely scattered islands in the area. Regular patrolling denied free use of the

islands as aircraft refueling stops, storage locations and staging areas for subsequent shipment to the U.S. During the year, the operation was responsible for the seizure of approximately 33,000 kilograms of marijuana, over 11,000 kilograms of cocaine, 9 vessels and 20 aircraft.

The Caribbean/Central American Telecommunications Network was developed to tie 30 countries in the region to a telecommunications link providing direct access to the International Criminal Police Organization's (INTERPOL) channel. The network was designed to provide transmission of vital "real-time" police information on major drug trafficking routes from South to North America. The United Nations Fund for Drug Abuse Control provided computer terminals for the network, while the U.S. National Central Bureau developed implementation schedules and procedures. The INTERPOL General Secretariat planned replication of the project in the Pacific Basin and the African region.

### **International Operations Involving La Cosa Nostra**

Operation BUSICO, conducted by the Federal Bureau of Investigation, the Drug Enforcement Administration and three Italian law enforcement agencies, illustrates the kind of complex international connections discovered during drug investigations. Focusing on Italian/Sicilian drug cartels operating in the U.S., investigators discovered subjects with connections in Brazil, Spain, Iran and Italy. In one instance, it was determined that cocaine was sent from South America to a laboratory in Spain, where it was processed, then transported to Italy and exchanged for heroin to be shipped to the U.S.

Charges against more than 200 persons in eight U.S. cities and in Italy marked the end of a three-year undercover probe of cocaine and heroin trafficking by La Cosa Nostra. Members of the Gambino La Cosa Nostra family and the Sicilian Mafia had organized a

network of vacationing "Sicilian housewives" to smuggle drugs into the U.S. Department investigators and prosecutors teamed with Italian authorities in the effort, which was a sequel to the famous "Pizza Connection" case.

### **Other International Enforcement**

International cooperation in drug enforcement extended throughout the world during 1988. For example, one international drug case began when the Shanghai Police intercepted a 7.3 pound shipment of heroin addressed to an aquarium shop in San Francisco. Chinese authorities notified the Department. The subsequent investigation ended with smuggling charges against three men and seizure of heroin with an estimated street value of \$30 million to \$40 million. The successful investigation resulted from an unprecedented cooperative effort between the Chinese and American law enforcement authorities.

### **International Money Laundering**

Elaborate international networks for rendering untraceable the large amounts of cash generated by drug trafficking and other criminal activities presented both a challenge and an opportunity to the Department. The challenge involved the extensive cooperation with authorities in other nations required to break up money laundering networks. The opportunity involved the deterrent effect of confiscation of illegal funds.

In one case which illustrated this challenge and opportunity, extensive negotiations were required to secure the blockage of a convicted felon's bank accounts in Switzerland. The Department seized over \$61 million of the felon's criminal assets in the case.

Law enforcement authorities from the Department cooperated with other agencies in Operation POLAR CAP, which destroyed a network designed to channel illegal drug money out of the country. Innovative financial investigation techniques spared participating agents the danger and time usually required to infiltrate criminal

organizations. They followed the flow of funds through various currency transactions and reports and used electronic and physical surveillance. For 13 months hundreds of agents from the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation, U.S. Attorneys' Offices, the U.S. Customs Service, the Internal Revenue Service, and state and local law enforcement agencies pursued the investigation — the largest such effort in the history of the U.S.

Building on intelligence gathered from numerous sources originally thought to be unrelated, investigators found that gold and jewelry businesses in Los Angeles, New York and Houston were used as "fronts" whose primary purpose was to take in enormous sums of drug-generated cash. Cash deliveries to the stores were boxed and shipped cross-country via armored car companies to Los Angeles. The cash was then deposited in bank accounts. Funds were later transferred by wire to South American banks.

The Department's efforts to close international money laundering channels went beyond investigation of criminal activity. They extended to support for changes in the legal frameworks of other nations that would facilitate the tracking and recovery of the funds being laundered.

Department experts met with representatives of several nations to encourage the enactment of foreign asset removal and anti-money laundering legislation. Conferences with foreign legislative and executive branch officials were held in Canada, the Netherlands Antilles and the Philippines. A two-week session on model legislation was attended by representatives from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. DEA also provided model legislation guidelines to Canada, Hong Kong and Switzerland.

### **Fugitive Apprehension and Extradition**

Criminal flight across national boundaries to avoid apprehension by law enforcement authori-

ties led to extensive international cooperation. Because of its responsibilities for extradition and incarceration, the Department played a key role.

The U.S. Marshals Service exchanged fugitive apprehension assistance with 68 nations and secured extradition of 175 individuals from abroad. The Bureau of Prisons returned 51 inmates to other countries which had signed the treaty on International Transfer of Offenders and received 104 American prisoners for completion of sentences.

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**Cooperation between two Department components and the government of the Maldives Islands resulted in the return of an international fugitive to the U.S. The fugitive's activities aroused the suspicion of the national police in the Maldives. As part of their investigation, they requested an International Criminal Police Organization (INTERPOL) background check, which revealed that U.S. National Central Bureau had filed an International Red Notice alerting member nations that the subject had fled the U.S. The government of the Maldives arrested the fugitive and contacted the U.S. Marshals Service, which successfully completed extradition proceedings. He was a former New Jersey State Senator who had failed to surrender for service of a ten year sentence following his conviction for major fraud and obstruction of justice.**

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Department staff worked with the Canadian government on a project designed to have a major impact on the movement of fugitives and stolen vehicles across the border. The Canadian Interface Project was developed to connect U.S. police agencies with their Canadian counterparts. The U.S. National Central Bureau (USNCB) and the International Criminal Police Organization's (INTERPOL) Ottawa office were designated as the links to provide

Canadians access to the National Law Enforcement Telecommunications System and U.S. access to the Canadian criminal data base.

The Department's enhanced efforts to apprehend international fugitives, especially drug traffickers, led to an increase in the number of INTERPOL International Wanted (Red) Notices issued by USNCB. Red Notices alerted INTERPOL members of outstanding warrants or of intention to extradite a fugitive, thereby providing a vehicle for worldwide dissemination of information on individuals suspected of crossing borders to avoid apprehension. Not only was the program useful for extradition purposes, but it allowed countries to identify fugitives and bar them from entry, effectively curbing drug traffickers' and other criminals' mobility.

### **Other International Activities**

Other activities involving foreign countries included training, exchanges of legal information, support for the establishment of new programs, and negotiation of claims by American citizens against other governments.

The Department worked with law enforcement professionals from other nations to exchange valuable crime fighting information in training programs. Examples of international training efforts follow:

- The Drug Enforcement Administration trained 1,256 foreign police officers, police managers and forensic chemists in drug enforcement technology.
- U.S. Marshals Service trained 72 police officers from Ecuador and Bolivia as part of the State Department's Anti-Terrorist Assistance Program.
- The Federal Bureau of Investigation and the National Police Association of Japan exchanged training on legal structures and law enforcement techniques in the two countries.

Other Department cooperative efforts in the Far East ranged from sponsorship of Legal Conferences in Beijing and Tokyo to participation with Japanese officials in a Working Group on Organized Crime. The Office of Liaison Services coordinated visits and exchanges with legal, law enforcement and judicial officials from the Peoples Republic of China, Republic of China and Japan.

The Department's success in identifying and prosecuting Nazi war criminals led to assistance to the governments of Australia and Canada in setting up similar programs. Criminal Division staff worked with their counter-

parts in those countries while securing the denaturalization of seven war criminals and the permanent departure of seven others from the U.S.

The Department worked with the Department of State in negotiating claims by Americans against foreign governments. Claims arose from loss of property or as compensation after an American was held as a prisoner of war or interned. During 1988, the Foreign Claims Settlement Commission focused on claims against Iran and East Germany. It continued to be funded by a percentage of the money obtained from foreign governments.

### Host Countries for Department of Justice Overseas Staff



# Chapter IX - Legislative and Regulatory Activities

There were three major aspects to the Department's legislative and regulatory activities. First, the Department worked with Congress on legislative enactments related to the administration of justice. Second, Department components made and executed plans for the effective implementation of laws, regulations and guidelines. Finally, Department staff maintained regular liaison with Congress.

## Legislative Enactments

Department staff worked extensively with Congress on legislative proposals which were consolidated in the Anti-Drug Abuse Act of 1988. Most of the provisions of the act related directly to anti-drug abuse efforts. They were summarized in Chapter I of this report, "Elimination of Illegal Drug Activity." However, other provisions of the act addressed a variety of other criminal justice issues. These provisions included:

- Criminalization of additional aspects of child pornography.
- Addition of criminal provisions dealing with interstate receipt or possession for sale of obscene material.
- Restoration of provisions for prosecution of certain public corruption schemes under mail and wire fraud statutes which had been limited by the 1987 Supreme Court case, McNally v. U.S.
- Codification of the powers and structures of the U.S. Marshals Service, which previously had existed primarily by regulation.
- Reauthorization of the Crime Victims Assistance Act of 1984, the Justice Assistance Act of 1984 and the Public Safety Officer's Benefit Act of 1976.

Another significant legislative achievement was the Major Frauds Act of 1988, which provided Federal prosecutors with a significantly enhanced mechanism for rooting out and

prosecuting procurement fraud. The act covered contracts with the U.S. government for amounts of \$1 million or greater. It increased penalties for violators, provided protection for "whistleblowers" who report fraud, eliminated the attorney fee payment loophole in defense fraud and authorized additional Assistant U.S. Attorneys to prosecute fraud.

The Department undertook extensive efforts in support of the enactment of significant court reform legislation, including the Judicial Improvements and Access to Justice Act of 1988. The Department also supported passage of the Supreme Court Mandatory Jurisdiction Act, which eliminated technical requirements from the Supreme Court's jurisdiction. The act gave the court greater discretion in controlling its docket.

The Federal Employees Liability Reform and Tort Compensation Act of 1988 limited remedies for ordinary torts committed by Federal government employees acting within the scope of their employment to suit against the U.S. under the Federal Tort Claims Act. The legislation was enacted in response to the 1988 Supreme Court decision in Westfall v. Erwin.

The Inspector General Amendments of 1988 provided for a Department of Justice Inspector General. Considerable Departmental effort went into negotiations with the Conference Committee on compromise language for the bill.

The negotiations were driven by the Attorney General's belief that he alone must have the authority to investigate allegations of misconduct by officers and employees of the Department. The compromise therefore recognized the existence and authority of the Office of Professional Responsibility (OPR) and required the Inspector General to refer to OPR any allegations relating to the conduct of attorney, investigative or law enforcement personnel.

The FBI/DEA Senior Executive Service Act adjusted the status, pay and benefits of senior executives in those agencies using the governmentwide Senior Executive Service as a model.

The Intelligence Authorization Bill also addressed compensation for the Department's law enforcement personnel. It created a demonstration project on employee mobility and retention for the Federal Bureau of Investigation's New York Field Office. The project was designed to help offset the high cost of living in the area.

## Implementation of Laws, Regulations and Guidelines

The Department moved rapidly to implement changes in laws, regulations and guidelines affecting its activities during 1988. Examples range from legislative activity which brought program changes in such areas as civil rights and environmental law to issuances in the areas of freedom of information and sentencing guidelines.

Department components responded to several legislative changes in the area of civil rights. For example, a new statute gave the Federal Bureau of Investigation new jurisdiction to investigate damage to religious buildings and threats to persons exercising their religious freedoms.

The Civil Rights Division planned for a significant expansion of Departmental authority in the fair housing area. The Fair Housing Amendments of 1988 added authority to seek damages, civil penalties and injunctive relief for victims of discrimination or against the "pattern and practice" of discrimination.

The new law also provided authority to seek relief in cases of discrimination on the basis of handicap and familial status. Previous legislation had provided authority to seek relief when discrimination was on the basis of race, color, religion, national origin or sex.

The Department moved quickly to establish the Office of Redress Administration in the Civil Rights Division following signature of the Civil Liberties Act. The act apologized to and provided restitution for persons of Japanese ancestry who suffered because of evacuation,

internment or other action taken by the U.S. government during World War II.

The Civil Rights Division estimated that more than 60,000 persons who were evacuated or interned were eligible for payments. The new Office began immediate operations so that eligible individuals could be identified, located, and have their statuses verified so that restitution could be made.



*Americans of Japanese ancestry pick up information on eligibility for restitution under the Civil Liberties Act. Photo courtesy of T. Umeda, "Honolulu Advertiser"*

Congressional reauthorizations of the Clean Water Act and the Safe Drinking Water Act expanded criminal sanctions against violators. The Land and Natural Resources Division began planning for aggressive enforcement of the new provisions.

The Civil Division prepared for a substantial increase in workload as a result of the National Childhood Vaccine Act, which established a trust fund for payment of claims of injury or death as a result of treatment with vaccines. The Division began development of procedures for review of as many as 1,500 claims per year, many of which will involve complex medical issues and require litigation.

Publication of "The Attorney General's Guidelines on the Law Enforcement Provisions of the Freedom of Information Reform Act of 1986" was completed by the Office of Legal Policy (OLP).

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The guidelines advised Federal agencies on the application of the act's enhanced protection for withholding sensitive enforcement information.

OLP also issued its annual "Freedom of Information Case List," which compiles relevant cases decided by Federal courts. The publication also included a detailed guide to the Freedom of Information Act's (FOIA) major substantive and procedural aspects for Department employees. The Office also provided advice and policy guidance on FOIA requests and adjudicated administrative appeals from denials of requests.

Guidelines for sentencing persons convicted of Federal crimes were promulgated by the U.S. Sentencing Commission early in 1988. The Criminal Division prepared a handbook on the guidelines which became the U.S. Attorneys' basic text on the new system. In addition, the Division published a periodical, "Sentencing Guidelines Alert," and other instructional materials.

## **Congressional Liaison**

The volume of legislative business during 1988 was impressive. The Office of Legislative Affairs handled 2,600 requests for reports to Congress and OMB on legislative proposals and Department witnesses testified at 170 hearings concerning budgetary and Congressional oversight issues.

An estimated 11,000 telephone inquiries were received from Congress. Responses were prepared to over 6,500 letters from Congress, other agencies and the public. Finally, Department representatives testified before Congressional committees on a wide range of justice issues.

The Department also worked with the Senate to obtain confirmation of Presidential nominees for Federal judgeships. Forty-three nominees, including Supreme Court Justice Anthony Kennedy, were confirmed during the Second Session of the 100th Congress. In addition, it was successful in obtaining Senate approval of nominees

for senior management positions, U.S. Attorneys, and U.S. Marshals. The Offices of Legislative Affairs and Legal Policy coordinated the Department's confirmation efforts.

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# Chapter X - Management Improvements

In 1988, the Department was faced with a considerable management challenge: how to faithfully execute its important law enforcement responsibilities, while spending its limited resources as wisely and economically as possible. To meet this challenge, the Department engaged in a wide range of management improvement activities during the year.

Participation in a governmentwide effort to improve quality and productivity called for the development of non-traditional strategies for the delivery of traditional products and services. New developments in computer technology, coupled with ever-growing workloads, led to increased application of automated technology to Department operations. The difficulties of recruiting and retaining staff, especially law enforcement personnel, were dealt with, using a variety of innovative management approaches. And the demands of litigating large numbers of debt collection cases were met by program improvements developed by legal and management professionals.

## Quality and Productivity Improvement

The Department moved vigorously to implement Executive Order 12637, which called for the development of quality and productivity improvement initiatives throughout the Federal Government. By the end of the year, five initiatives were operational, involving 23 percent of the Department's workforce.

Between 1985 and 1988, unit costs for each of these products or services were reduced. This success compared well with the governmentwide performance, where only 58 percent of agencies' initiatives recorded lower unit costs for the same three-year period.

While decreasing the costs of their efforts, participants in the Department's initiatives met or exceeded all of the quality goals they had set for themselves. The products or services they

produced were timely and effective, as illustrated in the following highlights of selected Department initiatives.

### Incarceration of Prisoners

As a result of the increased emphasis on the apprehension and conviction of criminals in recent years, the number of inmates in Federal correctional facilities has grown rapidly. To cope with this tremendous growth rate, the Bureau of Prisons (BOP) began to identify ways to alleviate prison overcrowding by increasing bed capacity, utilizing personnel more efficiently, and initiating personnel innovations in Federal Prison Industries.

BOP was successful in bringing over 1,400 beds on-line during 1988. Overcrowding was reduced, decreasing the inmate population to 57 percent over rated capacity at the end of 1988 — a reduction from the 59 percent figure at the end of 1987. Plans for the activation of 6,500 additional beds were also completed. In spite of the severe overcrowding, quality, as measured in terms of the occurrence of escapes and assaults, improved. All indices related to these two measures showed reductions during 1988.

### Service of Process

During the year, the U.S. Marshals Service faced growing responsibilities related to the execution of certain civil and criminal process directed by the courts. As the congestion of Federal court calendars increased, so did the Marshals' process workload. Without timely service of process, the work of the judiciary could not proceed in an orderly fashion.

The Marshals Service worked on strategies to improve the efficiency of its service of process, including automation and use of first-class mail delivery for certain types of process. During 1988, a requirements analysis for automating data collection efforts was completed. Full implementation of the automated information system was planned for 1990.

The Marshals served 344,302 pieces of process during 1988. The average cost of service was reduced from \$78 in 1986 to \$75 in 1988. The organization met its timeliness standards by continuing to serve all process within the time constraints ordered by the courts.

### **Fingerprint Operations**

The Federal Bureau of Investigation's central repository of fingerprint and arrest records provided vital crime control information in response to requests from Federal, state and local agencies, as well as other authorized entities. Automation was essential to the processing of 13,650,444 fingerprint cards and pieces of correspondence during 1988. Enhancements to automated systems and the continued development of an automated fingerprint card and document transportation system enabled continued improvement in the efficiency, timeliness and reliability of the fingerprint operation.

The average processing time for a fingerprint card or related piece of correspondence was reduced from 12.6 days in 1985 to 10.5 days in 1988. This improvement in timeliness was achieved while holding the error rate at .2 percent, well under the Bureau's standard of .5 percent.

### **Expansion of Automation Efforts**

Many Department functions depended extensively on automation in their day-to-day operations. This dependence was illustrated by the increase in the use of computer systems essential to the performance of critical missions during the two years ending in March 1989. During that period, the Immigration and Naturalization Service's usage grew by 68 percent, the Bureau of Prisons' by 28 percent and the Drug Enforcement Administration's by 19 percent. Plans for installation of new computers at the Washington and Dallas Data Centers forecast additional significant increases in coming years.

- Computer workstation installations in Federal Bureau of Investigation (FBI) Field Offices increased by 150 percent. Expanded use of automated data processing and telecommunications systems supported both investigative and administrative systems.
- Electronic case management system development for the Executive Office for U.S. Trustees continued. Development of electronic case management was essential for the support of the opening of 41 new U.S. Trustees' Offices and consequent enhancement of referrals of bankruptcy violations to U.S. Attorneys' Offices, the FBI or other authorities for investigation or prosecution.
- Automated grant tracking and grantee information filing in the Office of Justice Programs began. Implementation of the automated program accountability library allowed storage, management and retrieval of information on the Office's assistance awards and contracts, while activation of the related Financial Capability System combined information on active assistance awards, payment records, audit schedules, and reporting histories into accessible grantee files, reducing the potential for waste and fraud.

### **Litigation**

The Department continued development of a new office automation system that was designed to integrate a number of functions for attorneys, paralegals, secretaries and other staff persons. The new system allowed access to word processing, calendaring, electronic mail and other Department systems such as automated litigation research.

As users of the system, attorneys could prepare legal briefs and tap legal research data bases such as JURIS, WESTLAW or LEXIS/NEXIS at individual terminals. The completed briefs could be transmitted to any other system user for comment or approval, and returned to the originator for refinement and

eventual printing at any workstation.

Building on previously developed capabilities in the Civil and Land and Natural Resources Divisions, the Department completed plans to expand integrated office automation to the U.S. Attorneys' Offices and the Criminal and Tax Divisions. Broad functional specifications for the system were designed to make it adaptable for further expansion to other Department components. A working group representing participating legal divisions and the Justice Management Division prepared for the issuance of a contract for the expansion, known as Project EAGLE.

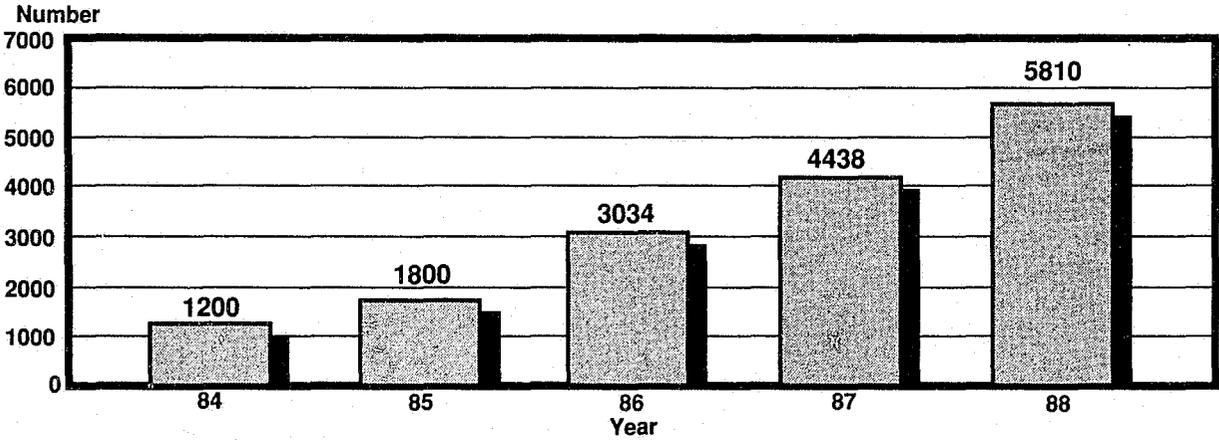
In a related development, the Department continued development of its Case Management System, which allows access to information on litigation activity. Using this system, staff could determine the status of a given case, or identify cases pending in a particular area through queries to the system.

The Department's JURIS Appellate Brief Bank grew by 1,372 items (31 percent) in 1988. Contributing organizations selected briefs that would be most useful to attorneys preparing related litigation. The contributing organizations included the Office of the Solicitor General, the U.S. Attorneys' Offices, and the Civil, Civil Rights, Land and Natural Resources, and Tax Divisions.

In addition, the Department expanded its use of automated litigation support during the year. The use of computers to manage and analyze evidence allowed Department attorneys to compete effectively against private counsel. Automated support has been especially useful in those cases involving presentation of complicated evidence, defense of claims against the government, and recovery of funds owed to the Treasury.

- The use of automated litigation support increased substantially in antitrust investigations and cases. Computer products, such as graphic representations of complex pricing patterns, were introduced into evidence by Antitrust Division attorneys and were important in trial outcomes. The Division also obtained machine-readable materials from businesses and from Federal and state bidding authorities to provide cost effective analyses of bidding, pricing and market shares.
- The use of automated litigation support played a key role in the Johns-Manville case. Computer assistance was essential to Civil Division attorneys in reviewing over 43 million pages of evidence and tracking large numbers of exhibits. The evidence refuted the company's contention that the

### Growth of the JURIS Appellate Brief Bank



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government knew of the hazards of asbestos but had failed to act on that knowledge, and the resulting victory saved the Treasury from potential exposure to over \$600 million in claims.

- The use of automated litigation support was essential in the LTV Education Systems case. Computer techniques enabled Civil Division attorneys to recreate essential information on defunct education assistance programs and to quantify the company's liability. The result was the recovery of \$20.1 million for fraud violations related to the Federal Student Loan Program.

## **Recruiting and Retaining High-Quality Employees**

In order to insure the continuation of its tradition of professionalism, the Department established a special working group to study the recruitment and retention of personnel in key occupations. The group addressed policy, regulatory and statutory changes which would facilitate the recruitment and retention of essential personnel.

As part of the effort, the working group analyzed the characteristics of such key occupations as attorney, Border Patrol Agent, Correctional Officer, Criminal Investigator and Deputy U.S. Marshal. Severe retention problems were identified for Border Patrol Agents, Correctional Officers and Deputy U.S. Marshals.

The Department prepared a summary of administrative actions which could be taken by Department managers to attract and retain key law enforcement personnel. Personnel staff worked with hiring officials from throughout the Department to identify and publicize effective recruitment and retention practices. The Department also requested that the Office of Personnel Management grant increased flexibility in examining and classifying personnel applying for law enforcement positions.

The number of Department staff members covered by special salary rates increased from 5,600 to ten thousand during 1988. This continued a trend, which began in 1986, showing dramatic increases in departures from the General Schedule for Department employees.

The Federal Bureau of Investigation (FBI) began the New York Demonstration Project, which provided agents with a 25 percent increase in pay to cover the cost of living. Under the experimental program, agents moving into the area were scheduled for a \$20,000 cash payment to defray housing costs. The Department planned close monitoring of the effects of the project on agent retention and on the morale of employees from the FBI and other components not covered by the experiment.

Several of the Department's components developed creative programs to address the recruitment and retention problem by improving the work environment.

- The Bureau of Prisons completed a social climate questionnaire which assessed staff perceptions of institution quality of life, personal safety and security, personal well-being, and work environment. The social climate questionnaire was designed to produce information for problem solving by institution managers, as well as background data for institution program evaluation and analysis of specific prison issues.
- The Bureau of Prisons completed a staff wellness pilot project which provided medical screening and fitness assessments of project participants at five institutions. The results showed that fitness improved from "fair" to "good" and health risks decreased during the six-month pilot.
- The U.S. Marshals Service implemented an Employee Assistance Program which helps staff in the management of their medical, behavioral, and personal problems. The program was designed to provide a comprehensive and confidential problem assess-

ment and referral service to all employees.

- The U.S. Marshals Service initiated the Critical Incident and Response Program to assist employees involved in traumatic events. The program was developed to help law enforcement personnel cope with the normal stress reactions produced by traumatic events which they were likely to experience, witness, or participate in during their careers.
- The U.S. Marshals Service inaugurated the Retirement Assistance Program which provides educational and counseling services for employees nearing the ends of their careers.



Attorney General Dick Thornburgh speaks to newly-recruited attorneys participating in the Department's Honors Program. Department of Justice Photo

## Debt Collection

During 1988, the Department collected \$479 million in cash through litigation to secure the recovery of debts owed to the Federal government. Litigation was pursued only after other collection methods failed. The Department sought legal judgment against delinquent debtors who possessed recoverable assets, then collected monies owed as a result of court judgments.

The Department assigned primary responsibility for litigation and post-judgment collection to the 94 U.S. Attorneys' Offices. However, competing priorities, such as prosecution of drug dealers and organized crime, limited the resources which could be devoted to debt collection efforts. In addition, increases in bankruptcy and foreclosure cases and defaulted student loan

cases created serious workload problems. As a result, significant backlogs in debt collection litigation developed.

The debt collection strategy pursued by the Department was designed to reduce the inventory of 84,000 cases valued at over \$7 billion on hand at the beginning of 1988. At the same time litigators had to maintain a high rate of recovery of monies owed following court judgments. In addition, it was essential to ensure timely litigation of future debt collection cases.

U.S. Attorneys' Offices reviewed all debt collection litigation received prior to 1984. Cases were determined to be in active litigation or enforced collection status, or to be uncollectible and returned to the agencies. The Department reduced its inventory of active cases by 59 percent, returning 15,362 inactive cases.

The Department worked with the Office of Management and Budget (OMB) and other agencies on the issuance of Circular A-129, "Managing Federal Collection Programs." The Circular established new standards to improve the quality of cases referred to the Department. It also mandated the development of automated case tracking systems.

In an effort to expand the resources available for debt collection cases, the Department selected five Federal Court Districts for pilot implementation of a program to contract for private attorney support. Over 7,500 cases valued at \$80.5 billion were referred to private attorneys.

A central intake facility to receive, screen, distribute and track debts sent to U.S. Attorneys' Offices and private firms in the pilot districts was also established. Collection of accurate financial and statistical information was planned in order to facilitate evaluation of the private counsel initiative. The system was designed to transfer case data electronically between U.S. Attorneys Offices and private law firms, receive payments and deposit them into appropriate U.S. Treasury accounts, and produce automatically all pleadings and letters required by attorneys.

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The Department also continued several other innovative debt collection initiatives.

- The Internal Revenue Service Tax Refund Offset Program resulted in collection of \$8.2 million in voluntary payments and actual offsets.
- The "Philadelphia Plan" continued publication of the names of delinquent debtors who failed to pay court judgments.
- The use of credit cards facilitated the collection of fees and fines.
- The Prisoner Responsibility Program collected an average of \$640,000 per month from over 10,000 Federal inmates who repaid delinquent debts and other fines from their prison wages.