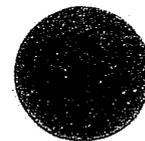


U.S. Department of Justice  
Office of the Attorney General



# On Course and Getting Results



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U.S. Department of Justice  
National Institute of Justice

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*A Report to the President of the United States  
April 1, 1990*

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# Department of Justice Accomplishments

(January 1, 1989 to April 1, 1990)

**NCJRS**

**MAR 12 1992**

**ACQUISITIONS**

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*"The United States wins its point  
whenever justice is done its  
citizens in the courts"*

Inscription on the rotunda outside  
the Attorney General's Office

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The Department of Justice has always had two mandates: to enforce federal laws and to ensure the administration of justice. But the challenges in law enforcement and for providing justice for all Americans in the 1990's are unprecedented.

We are now faced with ruthless, international criminal organizations which deal in illegal drug trafficking, terrorism, and violence in our states and communities and against our citizens worldwide.

In addition, we have seen an onset of serious "white collar" crime scandals -- especially in the savings and loan industry, defense procurement practices, and in the securities and commodities markets.

We have also seen the increasing spread of regional and international organized crime through the Colombian drug cartels, Asian groups, Jamaican posses, the Crips and Bloods youth gangs which, along with traditional organized crime, continue to be a major objective for federal law enforcement.

Justice for all Americans requires constant vigilance especially since the reach of civil rights laws has become more comprehensive in its scope. The Department has and will expand its efforts to ensure equal opportunity in all areas including housing, the job market, protection for persons with disabilities, and for senior citizens.

This Administration and the Department are also committed to increased protection of our nation's environment. Waste from our industri-

alized society which fouls our landscapes and washes up on our beaches is simply unacceptable.

Our criminal justice system is under particular strain because of the war against drugs. We are, in a sense, victims of our own success. Because there are more arrests than ever before, we require an increased capacity for prosecution, trial, and incarceration. And we must seek to continue to attract the best qualified people to administer this system.

These are some of the challenges for the 90's. But the Department of Justice, supported by the President and Congress, has already set in motion many of the programs and policies needed to get these important jobs done.

Of initial note are some of the major legislative undertakings of the year:

The crafting and submission to Congress of the President's 1989 Crime Package, which is aimed at providing more law enforcement agents, more prosecutors, and more federal prison space. Under this proposal, criminals will face stiffer sentences for using firearms when committing a crime and the death penalty will be applied for homicide, espionage, treason and new offenses including violent felonies involving a firearm.

Other reforms sought include a "good faith" exception to the exclusionary rule permitting police greater leeway in their search for evidence, and habeas corpus reform which will ease the clogging of the federal courts.

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Passage of the President's anti-crime package is a key for successful law enforcement in the future.

## Law Enforcement Resources

With a fiscal 1990 record budget of \$7.7 billion, up by 30.6 percent in a single year, the Department is now adding additional Drug Enforcement Administration (DEA) and Federal Bureau of Investigation (FBI) agents, more Border patrolmen, U.S. Marshals and correctional personnel to our anti-crime effort. In addition, the Department will be able to hire 900 new Assistant United States Attorneys, on top of the 440 hired last year as a result of the passage of the Anti-Drug Abuse Act of 1988, meaning that the number of federal prosecutors on duty will have increased by over 50 percent in just two years' time, a record addition to our prosecutive efforts.

Congress has also provided \$1.4 billion in new funding for the construction of approximately 22,000 new prison cells, which will translate into a doubling of the federal prison system capacity since 1981.

## Drugs

The Department has established a close working relationship with the Office of National Drug Policy and its Director William Bennett in the development of the President's strategies for dealing with our responsibilities to prosecute illegal drug trafficking. A particular contribution to this effort was the first ever comprehensive report on drug trafficking organizations in the United States -- a "Dun and Bradstreet"<sup>1</sup> of these illegal enterprises -- presented to the President and Director Bennett in August, 1989.

International drug trafficking suffered a major blow when the U.S. Attorney in Los Angeles secured the conviction of Juan Matta

Ballesteros this year on seven counts of drug violations. Not only was Matta a source of illegal drugs, but he played the role of broker putting together million-dollar deals between drug suppliers in Colombia and distributors in this country.

Another major figure in the war against drugs, Manuel Noriega, ousted leader of Panama, now awaits trial in Miami and in Tampa. The Miami indictment charges that between 1982 and 1986, Noriega and 15 other defendants participated in a variety of illegal drug trafficking activities that involved cocaine smuggling to the U.S. The Tampa indictment charges that between 1982 and 1984, Noriega conspired to import and distribute more than one million pounds of marijuana into this country.

In March of 1990, Attorney General Thornburgh announced that self-admitted opium warlord Chang Chi-Fu, also known as "Khun Sa," who operates in the "Golden Triangle" countries of Laos, Burma (now Myanmar) and Thailand had been indicted on 10 federal drug trafficking counts. The indictment includes charges involving the largest heroin seizure ever made -- 1,086 kilograms in Bangkok, Thailand destined for New York City in February 1988. Khun Sa is also charged with importing or attempting to import a total of over 3,500 pounds of heroin into New York between 1986 and February 1988.

In 1989, \$580 million in assets from illegal drug trafficking profits were seized and deposited in the Department's Asset Forfeiture Fund. Of this amount, \$160 million in cash and property was turned back to state and local governments for law enforcement efforts. Another \$300 million was transferred, ironically, to the Bureau of Prisons for the construction of additional prison cells, mostly to house convicted traffickers.

<sup>1</sup> Drug Trafficking: A Report to the President of the United States (U.S. Department of Justice, August 3, 1989).

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This year also saw the culmination of "Operation Polar Cap," a lengthy federal investigation into a billion-dollar, money-laundering ring with direct links to the Colombian Medellin Cartel. As a result of this operation, 127 persons were charged, and more than a ton of cocaine was confiscated along with more than nineteen thousand pounds of marijuana and \$105 million in cash, jewelry, and real estate. More arrests as a result of collateral investigations are expected. Four major federal investigative agencies -- the FBI, DEA, the U.S. Customs Service and the Internal Revenue Service -- worked closely together on a national level to make this operation a success.

In the largest bank forfeiture case to date, two branches of a Luxemburg-based banking company pleaded guilty to charges of money laundering and agreed to cooperate with federal prosecutors. The Bank of Credit and Commerce International Overseas Ltd. and the Bank of Credit and Commerce International S.A. also forfeited a record \$15 million to the federal government.

As a result of an unprecedented exercise in international cooperation in the war on drugs, \$90 million belonging to the late Jose Gonzalo Rodriguez Gacha, a kingpin in the Colombian Medellin drug cartel, has been frozen in overseas bank accounts. Gacha was on the Attorney General's "dozen most wanted" list of the Colombian drug kingpins and was later killed in a firefight with Colombian authorities.

The drug war has truly become an international battle. Attorney General Thornburgh met with heads of state and his law enforcement counterparts during trips to Mexico, Peru, Bolivia, Colombia, and Uruguay, seeking their cooperation in stemming the flow of illegal drugs into this country. Drugs were also a major topic during Thornburgh's trips to Western Europe and the Soviet Union.

In the third quarter of 1989, thanks to the courageous action of President Virgilio Barco, Colombia began extradition by decree of those

charged with drug trafficking violations to the United States. Nothing, he noted, frightens Colombian drug traffickers more than facing American justice, and we intend to pursue these defendants relentlessly. Fifteen Colombians, under indictment in the United States on drug trafficking and money laundering charges, have thus far been returned to the U.S. to stand trial.

The U.S. Senate last year ratified the United Nations Vienna Drug Law Enforcement Convention, drafted by over 100 nations, which can greatly enhance the focus of international law enforcement efforts on the interdiction and eradication of drugs, money laundering, international transportation of precursor chemicals used to produce illegal drugs, the tracing and seizure of laundered illegal drug trade profits of the drug cartels, and the worldwide extradition of drug criminals.

In an effort to assist in the war on drugs at the state and local levels, the Department awarded more than \$350 million in anti-drug abuse grants in fiscal 1990 to the 50 states, five territories and the District of Columbia. This is more than triple the \$118.8 million awarded last year.

### **White Collar Crime**

"Crime in the suites" has become a top priority with the Department of Justice.

In addition to convictions of such high profile criminals as television evangelist Jim Bakker, political activist Lyndon LaRouche, hotel executive Leona Helmsley, and computer virus defendant Robert Tappan Morris, major advances were made in dealing with systemized white collar crime.

### **Savings and Loan Fraud**

A highlight of the year was the announcement of a 27-city attack on savings and loan fraud cases. Armed with a \$50 million appropriation from Congress, the Department will

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be able to double the number of FBI agents and Assistant U.S. Attorneys to deal with the over 8,000 pending bank fraud cases nationwide.

The offensive will be built around the model of the Department's Dallas Fraud Task Force which has thus far secured 47 convictions and \$12.5 million in fines and court-ordered restitution since 1987. Key victories during 1989 include the court convictions of top officials of Vernon Savings and Loan. Overall, in 1989 the Dallas Task Force undertook 36 prosecutions securing 22 convictions to date and with only two acquittals.

### **Securities and Commodities Fraud**

Investors in the securities and commodities markets have been bilked out of hundreds of millions of dollars annually by white collar criminals who operate through deceit, concealment or breach of trust beneath a veneer of legitimacy and respectability.

In response last year, the Attorney General announced the formation of Securities and Commodities Fraud Task Forces in U.S. Attorney Offices across the country -- Chicago, Los Angeles, San Francisco, Kansas City, Denver and Manhattan and later expanding to Philadelphia and Salt Lake City.

A major white-collar crime victory was achieved through convictions of 15 persons on charges involving allegations of illegal floor trading at the Chicago Board of Trade and the Chicago Mercantile Exchange.

The government also scored an important success when Drexel-Burnham Lambert Inc. pleaded guilty to committing crimes on Wall Street which triggered payment of more than \$650 million in fines and penalties as a result of the Department's most massive investigation into securities fraud.

In other significant cases, Paul A. Bilzerian, former Chairman of the Singer Company, was sentenced to four years imprisonment and fined \$1.5 million for securities fraud in New York

and Robert M. Freeman of Goldman, Sachs and Co. in New York pleaded guilty to mail fraud in an insider trading scheme and now awaits sentencing.

Penny stock broker Meyer Blinder and four others in Las Vegas were also charged under the Racketeer Influenced and Corrupt Organizations (RICO) law with 66 separate incidents of wire and securities fraud and money laundering.

### **Defense Procurement Fraud**

In the area of defense procurement fraud, the Department has thus far obtained 35 convictions and more than \$15 million in assessed fines and related recoveries as a result of the ongoing ILLWIND probe.

Major defense contractors and individuals in their employ who have been successfully prosecuted include:

- Hazeltine Corporation: conversion of government property, making false statements, wire fraud, conspiracy to defraud the U.S.;
- Teledyne Industries, Inc.: wire fraud, filing false statements, conspiracy to defraud the U.S., conspiracy to bribe a public official;
- Unisys Corporation: conspiracy to commit bribery, filing false statements, filing false claims, income tax evasion, conspiracy to defraud the Federal Election Commission, theft and conversion of government property; and
- Whittaker Command and Control Systems: conspiracy to defraud the U.S., bribery, and interstate travel in aid of racketeering.

The Department also conducted an exhaustive criminal investigation resulting in the Boeing Corporation entering into a \$13 million civil settlement to resolve allegations of defective pricing by Boeing military airplanes.

In "Operation Uncover," five major defense contractors: Raytheon, Hughes Aircraft, Grumman Corp., Boeing and RCA were all convicted on charges which involved the illicit

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trafficking in sensitive Department of Defense documents.

### **HUD Fraud**

Since 1985, the Department has obtained nearly 600 convictions with almost \$23 million in fines, recoveries and restitutions relating to fraud in programs under the Department of Housing and Urban Development (HUD). In 1989 alone, the Department secured over 140 convictions.

The Attorney General has directed all 93 U.S. Attorneys to "give HUD fraud cases a top priority" and has established a HUD Fraud and Corruption Coordinating Group within Justice's Criminal Division to monitor the development and disposition of HUD investigations nationwide.

One of the most significant HUD cases to date was the conviction of former contractor, Marilyn L. Harrell of Waldorf, Maryland, known as "Robin HUD" on charges of embezzling \$5.6 million from the sales of HUD-owned properties. This case may represent the largest single theft of government funds ever charged against one individual.

In other major cases prosecuted by the Department, Reba Louise Lovell, a HUD contract closing agent in Texas, pled guilty to embezzling federal funds after converting \$2.5 million from the sale of HUD-owned residential properties to personal use. The Department also prosecuted the highest-ranking HUD officer ever convicted -- former HUD Deputy Assistant Secretary DuBois Gilliam -- on charges of receiving illegal gratuities in connection with HUD grants he approved.

### **Public Corruption**

In 1976, recognizing the need to assure public confidence in its elected officials, the Department of Justice formed the Public Integrity Section to oversee the federal effort to combat corruption of elected and appointed

public officials at all levels of government.

Former Congressman Robert Garcia (D-N.Y.) and his wife Jane Lee Garcia were convicted in October 1989 of accepting unlawful payments from Wedtech, a New York defense contractor. The Garcias were each convicted of two counts of extortion and one count of conspiracy. Each received three year prison terms.

On June 20, 1989 former Congressman Patrick L. Swindall (R-Ga.) was convicted on nine counts of perjury. Swindall was sentenced to 12 months incarceration.

The Department has convicted more than 7,000 public officials for corruption violations.

### **Organized Crime**

After a year of planning and consultations with Congress, efforts have begun to strengthen the Justice Department's efforts to combat organized crime elements across the nation, including the merger of Organized Crime Strike Forces into the U.S. Attorneys' Offices.

The Department scored major victories against organized crime leaders including Philadelphia LCN boss Nicodemo Scarfo and LCN co-defendants. Scarfo received a 55-year prison sentence.

The Department, after a 30 year effort, removed organized crime influence from the leadership of the Teamsters Union.

Also this year, Teamsters Union official Harold Friedman and business agent Anthony Hughes were prosecuted for labor racketeering and embezzlement. (Co-defendant Jackie Presser, former Teamsters Union president, died prior to trial.)

In addition, the Department also successfully prosecuted Genovese Family consigliere Louis Manna and five LCN associates in a RICO prosecution based on multiple counts of murder, gambling, labor racketeering, and extortion. Manna received an 80-year prison sentence.

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Organized crime associates Donald Epstein of Washington, D.C. and Rubin Gottesman of Los Angeles were convicted on obscenity-based charges and distribution of child pornography respectively. Longtime "Porn Czar" Reuben Sturman was found guilty in Cleveland of evading millions of dollars in federal income taxes.

In February of 1990 the Attorney General announced the indictment of 20 alleged mobsters on charges including murder, extortion and racketeering in Chicago. The indictment followed an eight year probe. Also that month the Department filed a massive civil racketeering lawsuit against top officers of the International Longshoremen's Association, several dockworker employers and dozens of alleged organized-crime figures for an alleged takeover of the New York and New Jersey waterfronts.

In March 1990, Attorney General Thornburgh announced three indictments in Boston charging virtually the entire active leadership and members of the Raymond Patriarca Family of La Cosa Nostra with criminal activities including murder, conspiracy to commit murder, extortion, kidnapping, drug trafficking, gambling, wire and mail fraud, obstruction of justice and intimidation of witnesses. Twenty-one defendants will face 113 counts.

### **Other Significant Criminal Cases**

Young & Rubicam, Inc., headquartered in New York City and one of the world's largest international advertising agencies, pleaded guilty to conspiring to violate the Foreign Corrupt Practices Act in connection with the award-winning "Come Back to Jamaica" campaign and fined \$500,000.

Eighteen people from South Korea, Chile, Mexico, Puerto Rico, San Diego and Cincinnati were indicted in Phoenix on charges of conducting an international counterfeit athletic shoe ring. Nearly two million pairs of imitation shoes bearing the trademark names of Reebok, Converse, Avia, and Puma are suspected to have been sold.

In Virginia, Frank Arnold Nesbitt pleaded guilty to violation of the Espionage Act. Nesbitt had been indicted on two counts of passing information to the Soviet Union and conspiracy.

Nineteen people in Los Angeles were charged with kidnapping, murder and narcotics charges involving the abduction and murder of DEA Special Agent Enrique Camarena-Salazar and others.

Heroin kingpin Johnny Lee Sanders was found guilty in Oklahoma City of running a continuing criminal enterprise from 1983-1987, violating the RICO law and for distribution of heroin. This is believed to be the third-largest domestic drug distribution ring ever investigated by the Department.

A 41 unit apartment building, used for crack distribution in Brooklyn, was forfeited to the government by verdict and was the largest real estate forfeiture ever in a case in which the owner was not charged with criminal responsibility.

Under the new federal drug kingpin statute, Michael Palmer was the first defendant sentenced to life without parole in the District of Columbia for operating a multi-million dollar crack cocaine ring from a D.C. apartment complex.

Another D.C. drug lord, Rayful Edmund III, and four associates were also given life sentences for heading one of the District's largest cocaine-distribution networks.

In New Jersey, three former owners of a Camden County, N.J. meatpacking firm paid \$1 million in fines for their role in a scheme to increase the weight of packaged hams by injecting excess water into meats. Six U.S. Department of Agriculture inspectors were also indicted in the case.

In Brooklyn, a federal grand jury returned a 31 count indictment charging the National Mortgage Bank of Greece and 13 employees in the U.S. with accepting hundreds of millions of dollars of illegal deposits, conspiring to defraud the Internal Revenue Service and laundering millions of dollars in cash deposits.

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## Tax Division

The Tax Division annually secures billions of dollars for the Federal Treasury by prosecuting suits which lead to the collection of revenue and by representing the Government's interest in refund suits and bankruptcy cases. The litigation conducted by the Tax Division has a "ripple" effect in the nation's tax system, as the cases often establish the "rules of the road" for millions of other taxpayers. For example, the Government's victory in Landreth v. Commissioner, in which the taxpayer sought to deduct losses purportedly incurred in the trading of commodity future straddles and which directly involved only \$19,000 in tax, produced an estimated savings of over \$8 billion for the Federal Treasury. Similarly, in Martin v. Commissioner, the Sixth Circuit held that certain benefits paid under the Railroad Retirement Act were not exempt from federal income taxes, a decision influencing the result in 5,400 similar pending cases.

In the William Herbert Hunt and Nelson Bunker Hunt bankruptcies, the largest individual bankruptcies in history, Tax Division attorneys were instrumental in drafting, negotiating and obtaining Bankruptcy Court confirmation of plans of reorganization under which the Government immediately received \$170 million and should receive an additional \$165 million in the future.

The Tax Division continued to enjoy success in the Supreme Court. For example, in the Colonial American Life Ins. Co. v. Commissioner, an insurance case in which millions of dollars of revenue were at stake, the Court sustained the Government's position that certain "ceding commissions" on reinsurance policies were not currently deductible by insurance companies.

## Civil Rights

The Department takes seriously its responsibility to firmly enforce the nation's civil rights laws and to seek to remove existing barriers to

equal opportunity, with a special emphasis on those who seek to use violence and intimidation toward particular racial, religious, and ethnic groups.

The Department played an important role in fashioning the Hate Crime Statistics Act. Working with the White House on an acceptable data collection process, the Act won ultimate passage in the Senate and was adopted in the House.

The Civil Rights Division had its most successful year yet in terms of criminal prosecutions. The Division had a nearly 90 percent success rate and investigated over 3,000 matters in 1989. This year also saw a record number of prosecutions of racial violence, or so-called "hate crimes." Highlights included prosecution and subsequent pleas of a New Jersey local television news reporter and his mother for having threatened a young Chinese woman who sought to purchase the same house that they wanted to buy; the conviction, after five years of litigation in Alabama, of ten Ku Klux Klan members indicted for interfering with a march held by the Southern Christian Leadership Conference in Decatur, Alabama in 1979; conviction of 13 persons associated with a Dallas racist skinhead group called the "Confederate Hammerskins" who were charged with threatening blacks and Hispanics for using a public park and vandalizing Jewish properties.

The Department also filed a civil rights suit against the state of Virginia and the Virginia Military Institute (VMI) for refusing to consider qualified females for admission.

As a result of the Fair Housing Amendment Acts, the Division has more than tripled its initiation of housing discrimination cases, filing under every fair housing category, including discrimination based on family status (number of children) and disability. The Department settled two Fair Housing lawsuits in Illinois and Pennsylvania which were based on discrimination against group residences for persons with disabilities.

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The Department and the Attorney General assisted in the development of the "Americans with Disabilities Act," a bill, already passed by the Senate, which seeks to provide the first comprehensive civil rights protection to individuals with disabilities.

## Antitrust

Emphasizing the Bush Administration's commitment to keeping American business competitive in a global economy, the Department is committed to providing protection to U.S. consumers, while ensuring that American companies can compete effectively in the world marketplace.

"Regulations which made good sense and worked well years ago, today may no longer strike the important balance we are constantly struggling to achieve," the Attorney General said in a speech to the Economic Club of New York.

The Department has advanced proposals to eliminate antitrust uncertainty with respect to joint production ventures by extending the requirements and safeguards of the National Cooperative Research Act. The Department has also supported an increase in criminal fines for Sherman Act violations including an increase in the fine for corporate violators to \$10 million.

In 1989 the Antitrust Division undertook major price-fixing and bid-rigging cases involving school milk contracts in Florida and the sale of soft drink products in various regions nationwide. It has also begun major investigations in the important education and health care sectors of the economy.

In major merger and acquisition cases, the Department filed suit to block two proposed joint ventures between Westinghouse and ABB, a Swiss company, on the grounds that they would lessen competition in the U.S. markets for a number of products, and announced it would seek to block the sale by Eastern Airlines to USAir of its gates at the Philadelphia International Airport, whereupon the sale

was abandoned. Also in June the Division declared it would oppose a joint venture between American Airlines' Sabre computer reservation system (CRS) and Delta's CRS system because this venture would have substantially lessened competition. This venture was also abandoned.

The Department charged two major firms, Borden Inc. of Columbus, Ohio and the Southland Corporation of Dallas, Texas with long-running conspiracies to rig bids to supply dairy products to federally subsidized school milk programs and military installations. Both Borden and Southland agreed to plead guilty and to pay \$11.5 million in fines.

The Department has also played an important role in supporting U.S. Government efforts to enhance Japanese antitrust enforcement and to open Japanese markets to U.S. firms.

## Environmental

On June 6, the Department of Justice announced that it had begun a criminal investigation into possible violations of the nation's environmental laws at the Rocky Flats Weapons Plant near Denver, Colorado, a major environmental investigation symbolizing the Administration's commitment to protecting all aspects of the environment.

Criminal enforcement activity increased 70 percent in pleas and convictions and Superfund settlements reached a record \$1.02 billion.

In February, 1990, the Attorney General announced a five count indictment against Exxon Corporation stemming from the Valdez oil spill in Alaska. Exxon could face as much as \$600 million in potential criminal fines:

In two other key oil spill cases, Shell Oil Co. paid \$19.7 million for damages from an oil spill of 400,000 gallons into the San Francisco Bay area, the largest recovery ever in the United States. Ashland Oil paid a \$2.5 million fine after discharging 500,000 gallons of diesel fuel into the Ohio River.

Under the Clean Water Act, the government

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filed civil and administrative actions against 61 cities in the U.S. for failure to "pretreat" toxic discharges into their municipal sewage systems.

## Civil

The past year has seen continued success in the representation of the government in major civil litigation. In 1989, over \$21 billion in claims against the United States were defeated with only \$123 million paid -- less than six-tenths of a percent of the amount claimed. In affirmative litigation, judgments and settlements of \$521 million were secured.

Notable victories include U.S. v. Daewoo Corp., a customs fraud case, settled by payment of \$34 million to the United States, the largest penalty ever paid in a customs fraud case, as a result of uncovering a scheme to conceal the true prices of steel products so as to evade anti-dumping duties.

In a landmark victory in the history of asbestos litigation, Claims Court actions brought by seven industry giants were dismissed and the government defeated over \$9.7 billion in claims.

In December the Antitrust and Civil Divisions recovered a record \$32.7 million payment from 99 Japanese construction companies in settlement of bid-rigging charges on the construction of a U.S. Navy base in Yokosuka, Japan.

After more than a decade in litigation, a settlement with LTV Corporation for their abuse of the Federal-Insured Student Loan Program secured \$29 million for the federal treasury.

## Terrorism

The Attorney General met regularly to discuss anti-terrorist policies with his counterparts in the European Community's TREVI Group, an international organization devoted to fighting terrorism.

In a case of first impression, the Department secured the conviction of Fawaz Yunis for air-

craft hijacking and hostage taking involving a Royal Jordanian aircraft at Beirut, Lebanon, with three Americans on board. He was sentenced to 30 years in prison, the first conviction under U.S. law of an international terrorist for acts committed outside the United States. This was the first overseas arrest by U.S. law enforcement officials under the so-called "long-arm statute," designed to fight international terrorists.

The Department also provided the bulk of the evidence and assisted West German prosecutors in the successful conviction of Mohammad Ali Hamadei who was sentenced to life in prison for murder, air piracy, and other crimes resulting from his participation in the June, 1985, hijacking of TWA Flight 847 and the killing of Navy diver Robert Stetham.

Justice also managed and coordinated significant international calls for assistance, including requests from the Federal Republic of Germany and Switzerland concerning the Pan Am 103 investigation, and from Japan regarding its criminal probe of the JAL Boeing 747 that crashed, killing all on board.

## International

Recognizing the need to fight many of the crimes described above on a global basis, the Department is moving to strengthen its international criminal operations. The Attorney General has also proposed establishing a new international office to oversee and coordinate these law enforcement efforts.

Representing the President, the Attorney General traveled to the Soviet Union this year to open a dialogue on the rule of law and human rights with Soviet officials, and to discuss US-USSR cooperation in hunting ex-Nazis, combating terrorism, and drug trafficking.

The Department of Justice, in conjunction with the State Department, has also provided police training and technical assistance to foreign governments through its International

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Criminal Investigative Assistance Program (ICITAP). After consultations with Colombian officials, the Attorney General authorized ICITAP training for Colombian court security personnel following Colombia's "declaration of war" on its drug cartels.

The Department also secured Senate ratification of Mutual Legal Assistance Treaties with Mexico, the Bahamas, Belgium, Canada, Thailand, and the United Kingdom for the Cayman Islands. These treaties will greatly facilitate the exchange of evidence, including access to foreign bank records.

## Federal Judiciary

The Department seeks to recommend to the White House the most qualified men and women to serve on the federal bench. The evaluation procedures are long and comprehensive.

The President has thus far nominated 45 persons to serve on the federal bench, following the screening of over 200 candidates.

The year also saw the Department and the American Bar Association (ABA) resolve a lengthy dispute over the criteria the ABA should use in evaluating the President's nominees so that the evaluation process can proceed in a more timely manner.

The Department played a leading role in the passage of the President's ethics reform package, which included a substantial pay raise for judges, and supports the Judicial Conference recommendation for the addition of 75 new judges to the federal bench.

## Supreme Court

The Solicitor General participated in a number of important Supreme Court decisions this year, including Mistretta v. U.S. in which the Court upheld the validity of federal sentencing guidelines; Caplin & Drysdale, Ltd. v. U.S. and U.S. v. Monsanto, where the Court held that federal forfeiture statutes permit the forfeiture of illegally obtained funds even if the

defendant wishes to use funds to pay his attorney; employment civil rights cases, including City of Richmond v. J.A. Croson Co., Ward Cove Packing Co. v. Atonio and Martin v. Wilks, all decided consistent with the presentations made by the Department. The Court also accepted the Department's arguments on behalf of the Equal Employment Opportunity Commission in a gender discrimination case against the University of Pennsylvania.

The validity of federal drug testing programs was upheld in National Treasury Employees Union v. Von Raab, and Skinner v. Railway Labor Executives Association, and the Court in Webster v. Reproductive Health Services upheld a Missouri statute imposing certain restrictions on abortion-related activities by public employees and public hospitals.

In a major victory for law enforcement, the Court agreed with the Department in the U.S. v. Verdugo-Urquidez case in which the Court ruled that U.S. agents do not need warrants when they go abroad to search the homes of foreign nationals.

## Conclusion

The Department of Justice has had significant accomplishments in virtually every area undertaken during the past year.

There is now a formal recognition by the Department that international operations and cooperation are necessary to deal with criminal organizations which conduct their business by utilizing worldwide organizations.

There is a strengthened commitment to the cause of justice and civil rights. This quest will be much more comprehensive and will include not just minorities but women, the elderly and our citizens with disabilities.

There is a renewed recognition of the need to protect our environment and shrinking natural resources.

And there is also now a more vigorous commitment by the Department to protect con-

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sumers and at the same time allow American businessmen to compete on an equal footing in the international marketplace.

These new, corrective courses have been set by the President and the Attorney General in

recognition of the fact that a changing world requires that the Department must change with it so as to provide more effective law enforcement and to better serve the cause of justice in the coming decade and into the next century.

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## **U.S. Department of Justice Management Structure**

Attorney General Dick Thornburgh  
Deputy Attorney General Donald B. Ayer  
Solicitor General Kenneth W. Starr  
Assistant Attorney General Edward S.G. Dennis, Jr., Criminal Division  
Assistant Attorney General James F. Rill, Antitrust Division  
Assistant Attorney General Stuart Gerson, Civil Division  
Assistant Attorney General John R. Dunne, Civil Rights Division  
Assistant Attorney General Richard B. Stewart, Land and Natural Resources Division  
Assistant Attorney General Shirley D. Peterson, Tax Division  
Assistant Attorney General William P. Barr, Office of Legal Counsel  
Assistant Attorney General (Acting) Bruce Navarro, Office of Legislative Affairs  
Assistant Attorney General Harry H. Flickinger, Justice Management Division  
Assistant Attorney General Richard B. Abell, Office of Justice Programs  
Director J. Michael Quinlan, Bureau of Prisons  
Administrator John C. Lawn, Drug Enforcement Administration  
Director William C. Sessions, Federal Bureau of Investigation  
Commissioner Gene McNary, Immigration and Naturalization Service  
Director K. Michael Moore, U.S. Marshals Service  
Inspector General (Acting) Anthony C. Moscato  
Director Grace F. Hughes, Community Relations Service