

NATIONAL DRUG ENFORCEMENT POLICY BOARD

Federal Drug Enforcement

Progress Report

1984 - 1985

March 1986

## PREFACE

This report is submitted to Congress pursuant to the National Narcotics Act of 1984. As Chairman of the National Drug Enforcement Policy Board, the Attorney General is required to submit biannual reports to Congress. On July 9, 1985, the Policy Board forwarded its first report, which described the Board's law enforcement policies and strategies. Beginning with this second report, the Board must give to Congress "a full and complete report reflecting accomplishments ...." Even though the Policy Board was not created until the middle of fiscal year 1985, this report describes accomplishments in drug enforcement during fiscal years 1984 and 1985. Although this report focuses primarily on law enforcement efforts to reduce the supply of drugs in the United States, the Policy Board recognizes the importance of efforts to reduce the demand for drugs.

A major section of this report describes the Organized Crime Drug Enforcement Task Force (OCDETF) Program. Annual reports of the OCDETF Program were prepared for calendar years 1983 and 1984. The Policy Board has decided to consolidate reporting on 1985 OCDETF accomplishments within this report.

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## INTRODUCTION

In response to the growing scope and complexity of America's drug problem, the Federal government in recent years has significantly expanded its enforcement efforts to reduce the supply of illegal drugs in our society. Of the approximately \$1.7 billion authorized for drug abuse functions in Fiscal Year (FY) 1985, over \$1.4 billion was spent on domestic and international supply reduction programs. The number of Drug Enforcement Administration special agents, diversion investigators, intelligence analysts, and chemists has steadily increased since 1982. The Federal Bureau of Investigation has been assigned drug enforcement responsibility as one of its primary missions and has directed over 1,000 agents into drug investigations since 1982; the Internal Revenue Service has doubled its commitment to drug enforcement during the last few years; the U.S. Customs Service and the U.S. Coast Guard have made drug interdiction their first law enforcement priority; and the State Department Bureau of International Narcotics Matters has grown steadily. Additionally, formal interagency programs, such as the Organized Crime Drug Enforcement Task Force Program and the National Narcotics Border Interdiction System, have been created and expanded. This report documents recent progress made by our domestic and international supply reduction programs in combatting drug trafficking.

In its July 1985 Interim Report to Congress, the National Drug Enforcement Policy Board affirmed the President's 1984 National Strategy for Prevention of Drug Abuse and Drug Trafficking, as modified by the Comprehensive Crime Control Act of 1984. The Interim Report stressed four principal drug law enforcement strategies:

1. Identify, investigate, prosecute, and incarcerate the members of drug trafficking organizations. Immobilize their criminal enterprises through seizure of their drugs and forfeiture of their drug-derived assets.

2. Intercept and seize drug contraband en route to or at the borders of the United States.
3. Destroy illegal drugs at their source through eradication and the seizure of clandestine laboratories and precursor chemicals.
4. Apply control measures to stop the production and distribution of illicit drugs and the diversion of legitimately produced drugs into the illegal market.

This report discusses the activities of the Federal government in implementing its drug law enforcement strategies and presents its numerous accomplishments. The work of the Policy Board is reviewed first.

The National Drug Enforcement Policy Board was created by the National Narcotics Act of 1984 to improve policy development and coordination among the various Federal agencies by:

- o Reviewing, evaluating, and developing United States government policy, strategy, and resources with respect to drug law enforcement efforts, including budgetary priorities and a national and international drug law enforcement strategy;
- o Facilitating coordination of all United States government efforts to halt national and international trafficking in illegal drugs; and
- o Coordinating the collection and evaluation of information necessary to implement United States policy with respect to drug law enforcement. (Section 1304(a) of the National Narcotics Act of 1984.)

Members of the Policy Board, chaired by the Attorney General, are the Directors of Central Intelligence and the Office of Management and Budget; the Secretaries of the Departments of Defense, Health and Human Services, State, Transportation, and Treasury; the Deputy Assistant to the President for Drug Abuse Policy; and the Vice President's Chief of Staff.

The organizational structure adopted by the Policy Board, which was fully described in its July 1985 Report, includes an interagency Coordinating Group chaired by the Deputy Attorney General and an interagency staff that supports the Board and the Coordinating Group. Currently, 22 individuals, including the heads of eleven agencies, regularly participate in Coordinating Group meetings. At the request of the Coordinating Group, members of the National Security Council staff and the President's Commission on Organized Crime attended recent meetings of the Coordinating Group.

In July 1985 the Policy Board Staff became a permanent entity with a Staff Director and a full-time secretary. The Department of State, Department of Defense, and U.S. Coast Guard permanently assigned senior staff personnel to work on the Policy Board Staff. Representatives from the Drug Enforcement Administration and the Treasury Department have recently reported or are expected to join the staff soon. The Criminal Division of the Department of Justice has provided significant staff contributions, and liaison personnel from the U.S. Customs Service, Office of Management and Budget, Federal Bureau of Investigation, Bureau of Alcohol, Tobacco and Firearms, Internal Revenue Service, and Organized Crime Drug Enforcement Task Forces have also provided additional staff support. The Policy Board Staff, including these liaison personnel, has held weekly staff meetings since July to address the Policy Board agenda and to ensure that Policy Board matters are given priority consideration throughout the participating agencies.

The Policy Board met four times in 1985 (April, August, September, and November); the Coordinating Group met five times (May, June, August, October, and November). Both the Policy Board and the Coordinating Group will meet monthly beginning in 1986. Policy Board and Coordinating Group meetings continue to generate a high level of interest and commitment; attendance at both has been excellent.

The Policy Board made a number of noteworthy decisions during 1985. It considered and reaffirmed the President's 1984 National Strategy, and forwarded the Policy Board's first report to Congress on July 9, 1985. In August, the Board accepted the recommendation of the Coordinating Group and approved an interagency system for collecting and processing drug seizure statistics. This system will provide, for the first time, a central and uniform method for the collection of drug seizure data. In November, the Board approved a modified version of the drug crisis management system that the Secretary of State had introduced to the Board in April. The Attorney General, as Chairman of the Policy Board, signed a directive on drug crisis management in early 1986. The Board also directed the Coordinating Group to undertake several policy-related projects, including the following:

- o The Secretary of Defense offered sixteen proposals for expanded DOD support of drug law enforcement, which are now under review by the Policy Board Staff and participating agencies. Priority has been given to one of the proposals: the development of an All-Source Intelligence Center that would consolidate drug intelligence at one location for improved efficiency and effectiveness. An eight member Oversight Committee is meeting periodically to assess the feasibility of several implementation alternatives and to develop a recommendation.
- o The Policy Board Staff is evaluating the Federal effort to eradicate domestic cannabis. A draft report of the study, which began in August 1985, will be circulated in March 1986.
- o In 1984 a Joint Surveillance Committee study was conducted under the auspices of the Vice President's National Narcotics Border Interdiction System. In October 1985 NNBS asked the Coordinating Group to review the Committee's draft report. The Staff is obtaining the status of each of that report's recommendations for further consideration by the Coordinating Group in March 1986.

The Board's achievements in this first year extend beyond the specific projects completed or underway. The interagency Staff provides another vehicle for improved communication among agencies. In fact, agencies have already brought a number of inter-agency issues to the Board, Coordinating Group, and Staff for review or resolution.

Of course, it is the agencies themselves which deserve the credit for the many operational achievements of the past two years. This report presents their accomplishments organized by function, rather than by agency. First, however, Chapter I briefly describes the drug problem in 1985. Then Chapters II through X describe the Federal law enforcement response in light of the four major strategies for reducing drug trafficking: investigation and prosecution; interdiction; eradication of drugs at their source; and regulation of the legitimate drug industry. In addition, chapters on intelligence, legal instruments, drug abuse prevention and education, and training describe efforts and accomplishments that make these strategies more effective. Finally, Chapter XI assesses the current drug abuse situation and considers the future of Federal drug enforcement.

Drug abuse and drug trafficking are worldwide problems of enormous dimension. Solutions require sustained and intensive efforts by governments and by citizens throughout the world. This report describes Federal law enforcement programs, which are only a small part of a total effort encompassing State and local governments, foreign governments, international agreements and organizations, private sector businesses and institutions, and individual citizens.

I: THE DRUG PROBLEM IN 1985

## I: THE DRUG PROBLEM IN 1985

Drug abuse and drug trafficking continue to pose serious threats to the health and welfare of the United States. Millions of Americans abuse illicit drugs, which are readily available in most cities and many other areas. Drug abuse costs society billions of dollars annually in reduced productivity, health care, and other costs. Drug trafficking trends demonstrate the heightened sophistication of trafficking organizations and their increased reliance on violence and corruption.

Cocaine continues to pose the most serious drug abuse problem because of its widespread use, increasing availability, and significant health consequences. According to the most recent National Household Survey (sponsored by the National Institute on Drug Abuse in 1982), approximately 4.2 million Americans use cocaine at least once per month. Cocaine availability remained at high levels throughout 1985, with wholesale prices dropping as much as 16 percent in some areas. Cocaine consumption increased 11 percent from 1983 to 1984, with 55-76 metric tons consumed in this country in 1984. Cocaine-related hospital emergency room visits increased 51 percent from 1983 to 1984, and cocaine-related deaths increased 77 percent during the same period. These increases result, in part, from more dangerous forms of cocaine use, including "freebasing;" increased cocaine purities, with some cities reporting retail purities of 50 percent; and increased use of cocaine in combination with other drugs, particularly heroin, which when injected together is known as a "speedball."

Coca cultivation takes place primarily in Peru and Bolivia, with lesser cultivation occurring in Colombia, Ecuador, and Brazil. The amount of cocaine available for export to the United States increased from approximately 54-71 metric tons in 1983 to 71-137 metric tons in 1984. An estimated 75 percent of the cocaine available in the United States originates in Colombia.

Heroin abuse continues to be a major concern, with an estimated one-half million addicts in the United States. The user population is composed primarily of long-term users and recidivists. Heroin consumption is believed to have stabilized on a national level in 1984-85, after increasing each year from 1979 to 1983. Regionally, increased heroin consumption in the West in 1983-84 was offset by decreased consumption in the Northeast. Despite this stabilized level of heroin consumption, heroin-related deaths increased 31 percent between 1983 and 1984, primarily as a result of the use of heroin in combination with other drugs.

Heroin purity has increased recently. In fact, a relatively new form of heroin, called Mexican "black tar," "gumball," "gum," or "tootsie roll," is available in many areas of the country with retail purities of 40 percent or higher. Use of this Mexican heroin has become popular in cities such as Atlanta and Detroit, where Southwest Asian heroin previously dominated. The three primary sources of heroin available in the United States are Southwest Asia (51 percent), Mexico (32 percent), and Southeast Asia (17 percent).

Marijuana is the most widely used illicit drug in the United States. According to the 1982 National Household Survey, 20 million Americans use marijuana at least once per month. Marijuana use appears to have declined steadily from a peak in 1979 through 1984. However, the 1985 High School Senior Survey (also sponsored by the National Institute on Drug Abuse) indicates a slight increase in use, with 25 percent of survey respondents reporting marijuana use at least once per month in 1984 compared with 26 percent in 1985. Between 7,800 and 9,200 metric tons of marijuana were consumed in 1984, a three percent decrease from 1983.

Marijuana is readily available in most areas of the country, and there is greater availability of high-potency marijuana from Jamaican, Mexican, Thai, and U.S. sources. Colombia continues to be the major supplier of marijuana to the United States. However, the estimated supply of Mexican marijuana to the United States more than doubled between 1983 and 1984. In fact, Mexico could supplant Colombia as the principal marijuana source in 1985-86. The United States supplied 12 percent of the domestic marijuana market in 1984.

The abuse of synthetic drugs perhaps poses the greatest challenge for the future because these drugs provide almost unlimited alternatives to other drugs of abuse. An estimated six million people used dangerous drugs for non-medicinal purposes in 1982. Illicit consumption of dangerous drugs increased an estimated 15 percent in 1984, primarily reflecting increased use of methamphetamine and phencyclidine (PCP). The availability and use of methaqualone and the heroin substitute Talwin continued to decrease in 1984. Controlled substance analogs, such as analogs of fentanyl and alphaprodine, are creating serious health problems in some areas of the country because of these drugs' toxicity and potency.

Synthetic drugs reach the illicit market through the diversion of pharmaceutical drugs, such as amphetamines and barbiturates, and through clandestine manufacture. All PCP and most methamphetamine available to illicit users is produced in domestic clandestine laboratories. In an effort to control the problem of controlled substance analogs, which are also produced in domestic clandestine laboratories, the Comprehensive Crime Control Act of 1984 authorizes the Attorney General to temporarily place designated analogs in Schedule I of the Controlled Substances Act, pending hearings to determine permanent scheduling. During 1985 four of the most prevalent and dangerous controlled substance analogs were temporarily scheduled using this provision. In addition, the Administration has

submitted legislation to Congress which would, in effect, outlaw the clandestine manufacture, distribution, and possession of controlled substance analogs.

Table I.1. displays the National Narcotics Intelligence Consumers Committee's estimates of quantities of drugs consumed in the United States from 1981-1984. The reader is referred to the Committee's report, Narcotics Intelligence Estimate, for the most recent data on the consumption and production of illegal drugs.

Table I.1.

Estimate of Quantities of Drugs Consumed  
Illicitly in the United States, 1981-1984\*

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Cocaine (metric tons)**	33-60	45-62	50-68	55-76
Dangerous Drugs (billion dosage units)***	3.28	3.03	2.66	3.06
Heroin (metric tons)****	3.85	5.47	6.04	5.97
Marijuana (metric tons)	8,000- 11,400	8,200- 10,200	8,000- 9,600	7,800- 9,200

\* These are consumption-based estimates. Estimates for 1981 through 1983 have been revised. One metric ton = 2,205 pounds.

\*\* Supply-based data indicate that a larger quantity of cocaine was available for consumption. This difference is consistent with indicators suggesting that the supply of cocaine exceeded the demand.

\*\*\* Quantity is rounded to the nearest 10 million dosage units.

\*\*\*\* The heroin consumption estimate in 1981 was based on Treatment Outcome Prospective Study (TOPS) information. Estimates for subsequent years are based on Drug Abuse Warning Network (DAWN) data; therefore, direct comparisons are not appropriate.

SOURCE: Narcotics Intelligence Estimate 1984, p. 8.

## Conclusion

The increasing complexity, diversity, and scope of the drug abuse and drug trafficking problems confronting this country require a dedicated, comprehensive, and coordinated approach. Although many of the trends concerning the drug problem are disturbing, there are a number of reasons for encouragement. First, the overall number of drug users appears to be stabilizing, even at a time when drugs are readily available. Second, strong drug law enforcement and intensified anti-drug efforts in other countries are seriously disrupting established drug supply mechanisms. Finally, law enforcement officials are better able to detect and assess the resulting changes in the drug traffic and to take effective action before new trafficking operations can become firmly established.

II: INVESTIGATION AND PROSECUTION

## II. A. COMBINED FEDERAL EFFORT

Because the drug problem is so complex, the combined Federal effort in investigating and prosecuting drug trafficking organizations involves many Federal agencies, including the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), the Bureau of Alcohol, Tobacco and Firearms (ATF), the U.S. Marshals Service (Marshals), the U.S. Customs Service (Customs), the U.S. Coast Guard (Coast Guard), the Department of Defense (DOD), the Criminal Division of the Department of Justice (DOJ), and the U.S. Attorneys' Offices. The Federal effort also involves initiatives that include State and local law enforcement agencies.

Investigation and prosecution, one of the primary Federal law enforcement strategies towards eliminating the supply of illicit drugs available in the United States, focuses on a variety of interrelated activities. These include the creation and use of multi-faceted cooperative investigations; the employment of sophisticated investigative techniques; the seizure of drugs, clandestine laboratories, and drug precursors; the forfeiture of drug-derived assets; and the prosecution, conviction, and incarceration of drug traffickers.

Due in large part to increased funding and improved legislation for law enforcement programs, Federal drug investigations, arrests, prosecutions, seizures, and forfeitures of drug-purchased property grew dramatically in Fiscal Years 1984 and 1985. For example, DEA increased its special agent resources by seven percent, to 2,436. Arrests in FY 1985 alone increased by approximately 20 percent over those in FY 1984. Class I and II major violator arrests rose more than 40 percent in the one year. (Appendix A describes DEA's Geographical Drug Enforcement Program (GDEP) Classification System.) Other agencies report accomplishments of a similar magnitude.

Part A of Chapter II describes the many facets of the investigation and prosecution strategy. The following part of the chapter, II.B., focuses on the activities and achievements of the Organized Crime Drug Enforcement Task Force (OCDETF) Program, the major Federal cooperative drug law enforcement initiative within this strategy.

### Investigative Techniques

DEA, the lead agency for drug investigations, enforces Title 21 of the U.S. Code, the Controlled Substances Act, and certain drug-related segments of other laws. Since January 1982, however, the FBI has had concurrent jurisdiction to investigate drug matters. In the area of drug enforcement, the FBI has focused on traditional and non-traditional organized crime, and has emphasized the use of sophisticated investigative techniques. These include undercover operations, court-authorized electronic surveillance, and financial flow investigations, all designed to develop evidence essential to support prosecutions for violation of the Racketeer Influenced and Corrupt Organizations (RICO) and Continuing Criminal Enterprise (CCE) statutes.

Drug investigations are complex and therefore require the use of numerous investigative techniques, including Title III electronic surveillance, witness immunity, and financial investigations.

### Electronic Surveillance

The use of Title III electronic surveillance has been increasing since 1981. Authorized by court order, this technique can provide strong evidence of illegal drug dealing. Such surveillances are labor intensive and involve round-the-clock commitment of personnel to monitor the interceptions. DEA and FBI agents, as well as Customs officers, develop the information

to support Title III applications and provide it to the Department of Justice prosecutors, who prepare and present the applications to the court. In FY 1985 the Criminal Division (DOJ) approved 335 orders for electronic surveillance in drug cases, representing 63 percent of all Title III approvals.

Table II.1. presents the use of electronic surveillance by the DEA and the FBI. In addition to these figures, Customs applied for and received seven authorizations for Title III interceptions under Title 31 of the United States Code.

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Table II.1.

DEA AND FBI ELECTRONIC INTERCEPTIONS (TITLE III)

<u>Fiscal Year*</u>	<u>Orders Obtained</u>	<u>Initiations</u>	<u>Extensions</u>
DEA			
1981	36	25	11
1982	64	38	26
1983	81	48	33
1984	89	58	31
1985	137	82	55
FBI			
1982	39	31	8
1983	155	84	71
1984	308	148	160
1985	159	101	58

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\* FBI gained concurrent jurisdiction over drug matters in 1982; therefore, figures are not available for the FBI in 1981.

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The Comprehensive Crime Control Act of 1984 (CCCA) broadened the definition of emergency situations, permitting interception of communications in situations posing an imminent danger of death or serious physical injury. This very important change in the law was designed to save lives in exigent circumstances. The amendments added to the list of crimes for which the government

may seek communications interceptions. One of the more significant CCCA additions concerns violations of Title 31 of the U.S. Code. These violations, enforced by Customs and IRS, deal with the reporting of currency transactions. Major drug organizations frequently violate this statute in their efforts to launder monies obtained from drug distribution.

The CCCA provides additional investigative authority for Customs in enforcing the Bank Secrecy Act. Bank Secrecy Act violations are now predicate offenses for which Title III wiretap authority and search warrants may be applied for and issued by judicial authorities. These investigative tools are used to prevent the illicit flow of drug-related currency into and out of the United States. In addition, the CCCA also makes Bank Secrecy Act violations predicate offenses for RICO prosecutions.

The CCCA also contains a number of provisions regarding the protective measures that the Attorney General may take to ensure witness protection and welfare.

#### Witness Protection

The United States Marshals Service (Marshals) provides protection to witnesses through the Witness Security Program. Without this protection for witnesses, the prosecution of violent criminals would be extremely difficult and often impossible. Because drug networks often involve significant levels and types of violent behavior, witness protection is particularly important for drug enforcement. In FY 1984 and 1985, the Marshals provided protection to 68 Organized Crime Drug Enforcement Task Force (OCDETF) witnesses and their families whose lives had been threatened because of their willingness to provide information and testimony against OCDETF targeted organized smuggling and distribution networks. The Marshals are also responsible for maintaining court security, an area of ever increasing effort as members of violence-prone organizations are brought to trial.

During FY 1980, the Criminal Division (DOJ) approved immunity applications for 1,892 witnesses. Of this number, 477, or 25 percent, concerned drugs. During FY 1984, the Criminal Division approved immunity applications for 2,858 witnesses; 41 percent, or 1,177 of the total, were related to drug cases. However, in FY 1985, the Criminal Division approved a record number of immunity applications for a total of 3,329 witnesses. Of these, 1,296 (or 39 percent) involved drug offenses.

### Financial Investigations

The DEA, FBI, Customs, IRS, Criminal Division (DOJ), and U.S. Attorneys' Offices cooperate on tracing drug derived assets that may be subject to forfeiture laws, currency and tax laws, and international agreements related to tax evasion and money laundering. Financial investigations can lead to the forfeiture of assets or the collection of Federal taxes on unreported income.

Forfeiture. The Comprehensive Forfeiture Act of 1984, part of the Comprehensive Crime Control Act of 1984, strengthened the government's ability to seize and forfeit assets either acquired with the proceeds of narcotics trafficking or used in narcotics trafficking. (See Chapter VIII for a further description of these legislative changes.) The goal of this critical and powerful tool is to destroy the economic power of drug enterprises. Generally, seizures for forfeiture occur when the subject of an investigation is arrested, and the government takes possession of cash and personal property found at the scene. Actual forfeiture occurs after judicial or, if uncontested, administrative proceedings that grant the government formal title to the assets. The Reckmeyer Brothers case study, described on pages 115-118, is a good example of the effectiveness of our forfeiture efforts.

Table II.2. displays the appraised value of assets turned over to or seized by DEA, FBI, and Customs in FY 1984 and FY 1985. Following changes in the law, the number and value of seizures increased. For example, the combined value of seizures made by the DEA, FBI, and Customs increased from \$204 million in FY 1984 to \$314 million in FY 1985. The DEA and the FBI activities led to the forfeiture of property valued at \$60 million in FY 1985, compared to \$37 million in FY 1984.

Table II.2.

DRUG-RELATED ASSET SEIZURES AND FORFEITURES  
(millions)

	<u>FY 1984</u>	<u>FY 1985</u>
DEA		
Seizures	\$92.5	\$153.4
Forfeitures	30.2	49.8
FBI		
Seizures	43.6	64.4
Forfeitures	6.7	10.0
Customs		
Seizures	67.7	95.8
Forfeitures	N/A	N/A

The United States will actually realize less than the total amount of forfeitures reported above, reflecting the payment of valid liens and expenses, pressing property into official Federal use, and transferring equitable shares of forfeited property to State and local law enforcement agencies. The Comprehensive Forfeiture Act permits the Federal government to transfer or share federally forfeited property with a State or local law enforcement agency that participated in a joint investigation leading to the seizures. In FY 1985 the Attorney General promulgated guidelines for sharing such property with State and

local law enforcement. During FY 1985 the Justice Department approved the transfer of more than \$2.5 million to State or local agencies.

The government must store and maintain seized property from the time of seizure until disposition following forfeiture. In FY 1984 the Department of Justice centralized and assigned the responsibility for managing seized assets with the U.S. Marshals Service, under the National Asset Seizure and Forfeiture Program (NASAF). Forfeited cash and the proceeds received from auctioning property seized and forfeited by Department of Justice agencies are turned over to the Marshals, through NASAF, for deposit in the DOJ Asset Forfeiture Fund. Forfeited monies and the proceeds from the sale of forfeited property are used to pay the management expenses of seizing, maintaining, and disposing of seized and forfeited property, as well as for satisfying valid liens and mortgages. The fund is also available, up to an annual cap of \$10 million, for purchase of evidence, payment of awards, and retrofitting useable property. Federal, as well as participating State and local authorities, are authorized to press forfeited cars, boats, and aircraft into service for law enforcement purposes.

Improving our asset management capabilities is an important aspect of our overall forfeiture effort. In this regard, the Marshals have assumed new custodial management responsibilities. The use of substitute custodian orders, where the investigating agency continues to hold property after the U.S. Marshal executes a warrant in rem, has diminished. This means that Marshals no longer transfer their responsibilities for holding and disposing of judicially forfeited property to DEA, FBI, and INS. Further, Marshals are gradually assuming responsibility for managing and disposing of property subject to administrative forfeiture, an area that was greatly expanded by the CCCA. The number and value of property managed by the Marshals as of the end of FY 1985 are displayed in Table II.3. below.

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TABLE II.3.

U.S. MARSHALS SERVICE  
NUMBER AND VALUE OF SEIZED PROPERTIES  
IN USMS CUSTODY BY 1985

(Excluding DEA & INS Administrative Seizures)

<u>Types of Properties</u>	<u>Number of Properties</u>	<u>Value of Properties (millions)</u>
Aircraft	68	\$ 8.2
Vessels	143	51.1
Vehicles	1,098	10.0
Real Property	417	106.7
Cash	868	85.6
Other	<u>1,069</u>	<u>59.3</u>
Total	3,663	\$ 320.9

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In 1983 the Asset Forfeiture Office (AFO) was created within the Criminal Division of the Department of Justice. AFO offers legal advice and assistance to United States Attorneys conducting forfeiture proceedings. AFO also conducts basic and advanced forfeiture training for a great many agents and prosecutors throughout the country. The training not only explains how to conduct forfeiture cases, but describes the importance of forfeiture as a weapon in the battle to control drug trafficking.

AFO also provides litigation support to the U.S. Attorneys' Offices. This office is currently assisting in a range of forfeiture cases spawned by the investigation of the Caro-Quintero cartel. It is estimated that millions of dollars of forfeitable property are under the control of that cartel in the Southwest. It has been alleged that Rafael Caro-Quintero was involved in the murder of DEA Special Agent Enrique Camarena

Salazar. A number of complaints for civil forfeiture have been filed. The United States is achieving the forfeiture of \$7.25 million in one of the numerous cases of this ongoing investigation.

The Customs Service devotes about 25 percent of its enforcement personnel to financial investigations. The philosophy behind the drive against the illicit movement of money is that if the flow of currency is stopped, the criminal organizations cannot pay for the narcotics.

Tax Investigations. The Criminal Investigation Division (CID) of the Internal Revenue Service (IRS) identifies and prosecutes individuals who derive substantial income from drug trafficking. IRS agents have been able to substantiate the existence and relative size of a drug trafficker's drug business by proving the amount of illegal income that the trafficker earned. This information, documented through third-party "citizen" witnesses, has substantiated the drug evidence obtained by DEA and FBI agents and, in many instances, has been sufficient to obtain multiple count felony convictions that otherwise would not have been possible.

IRS agents, through their ability to trace the movement of funds and the acquisition of assets, have played an important role in documenting the acquisition of forfeitable assets by drug traffickers.

Using financial search warrants, the IRS seizes various financial records, including travel records and receipts, money order and cashier's check receipts, and other items that show evidence of obtaining, hiding, and transferring assets and money. Warrants provide leads to assets that can be seized under the forfeiture provisions.

While CID's budget for all enforcement responsibilities has remained unchanged for the past several years, the emphasis placed on the drug enforcement area during the same time period has almost tripled. Expenditures for this program have increased from \$20 million in FY 1981 to \$53.5 million in FY 1985. In return, CID's drug program has experienced a five-fold increase in prosecutions, indictments, and convictions, and total fines have gone from \$172,000 to more than \$4 million during that same period. Table II.4. presents a summary of CID's drug activities.

Table II.4.

INTERNAL REVENUE SERVICE - CRIMINAL INVESTIGATION DIVISION  
SUMMARY OF DRUG ACTIVITIES

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Prosecutions Recommended</u>	170	343	421	712	840
<u>Indictments/ Informations</u>	110	180	265	516	673
<u>Convictions/ Guilty Pleas</u>	50	121	167	353	515
<u>Number of Convicted Sentenced to Prison</u>	74%	76%	87%	71%	80%
<u>Average Prison Sentence (months)</u>	39	45	67	52	67
<u>Total Fines (thousands)</u>	\$172	\$1,709	\$893	\$4,572	\$4,235

To help prevent money laundering, the Bank Secrecy Act has criminal penalties for financial institutions and officials who intentionally fail to file or falsify the necessary reporting forms. In one recent example, 17 persons, primarily bank

officials and employees, were indicted in Puerto Rico under this Act. At least seven present and former bank officials have pleaded guilty in this case.

The IRS also uses jeopardy and termination tax assessments (civil actions) that result in the immediate demand for payment of taxes. When there is an indication that collection of a tax may be in jeopardy, the IRS may avoid its normal time-consuming procedure and immediately assess and collect the tax. Jeopardy assessments are made when collection of any tax is in jeopardy after the due date for filing a tax return has passed; termination assessments are made when the IRS finds that the collection of income tax is in jeopardy before the end of the tax year. These assessments are useful in drug cases, since assessments need not apply only to property used in illegal activities but to all property owned by the individual, regardless of the source of the funds used to acquire the property. As Table II.5. shows, in FY 1985, drug-related jeopardy and termination assessments totaled \$244 million.

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Table II.5.

JEOPARDY AND TERMINATION ASSESSMENTS AGAINST  
DRUG TRAFFICKERS

<u>Fiscal Year</u>	<u>Number of Cases</u>	<u>Assessments (millions)</u>	<u>Average Assessment</u>
1981	188	\$ 81.3	\$ 432,447
1982	166	147.4	887,951
1983	260	68.8	264,615
1984	297	116.6	392,592
1985	296	244.0	824,324

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Customs has the responsibility for enforcing that part of Title 31 dealing with the unreported transportation or shipment of more than \$10,000 (currency or monetary instruments) into or out of the United States. In FY 1985 Customs dedicated nearly 25 percent of its special agents to operations and investigations aimed at the interdiction of illicit international cash flow. For example in February 1985, Customs agents intercepted \$5.9 million on a small jet about to depart from Kingsville, Texas to Panama. FY 1985 saw the seizure of \$64,422,971 and 273 arrests using Title 31, and \$22,866,427 using 21 U.S.C. §881 seizure provisions.

Operation Buckstop was instituted in Miami and has been expanded to other locales. The program's three-pronged effort is directed at the interdiction of illicit monetary instruments via cargo, commercial aircraft, passenger and general aviation. The initial seizure of currency leads to further investigations and is usually tied to narcotics distribution networks.

### Corruption

During FY 1985, 64 percent of all matters under investigation in the FBI's Organized Crime Corruption Program were drug-related, underscoring the depth of drug-related corruption. This criminal activity ranges from protection of drug trafficking organizations through law enforcement officers' acceptance of bribes and payoffs, to subversion of the criminal justice system by attempts to improperly influence prosecuting attorneys and judges. Table II.6. displays the statistical results of the FBI's Organized Crime Corruption Program.

Public corruption investigations are sensitive investigations, frequently adversely affecting the reputations of public officials and attracting extensive news media attention. For these reasons, care must be taken to ensure that there is a sound basis for initiating these investigations. Federal agencies must

address each case individually, taking into account the accuracy, reliability, and quality of the information in deciding whether to open a full investigation.

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Table II.6.

FBI ORGANIZED CRIME CORRUPTION PROGRAM  
PUBLIC CORRUPTION CONVICTIONS

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
Drug Investigations	0	35	40	68
Corruption of Public Officials Investigations- La Cosa Nostra and Others	18	14	52	59
OCDETF Investigations	<u>0</u>	<u>0</u>	<u>38</u>	<u>59</u>
Totals	18	49	130	186

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The following case illustrates that both major metropolitan areas and rural regions throughout the United States feel the corrupting influence of drug organizations.

CASAMAYOR, ET AL.

This investigation addressed allegations of police corruption and large-scale drug smuggling in the Key West, Florida area. Seventeen subjects were indicted on June 29, 1984 in Miami, Florida. One indictment charged that the Key West Police Department from June 1978 through June 1984 was a racketeering enterprise, whose affairs were conducted in violation of the Racketeer Influenced and Corrupt Organizations Act by the Deputy Chief, a detective lieutenant, and a detective sergeant. Prior to trial, three individuals pleaded guilty to drug charges in violation of Title 21. Twelve subjects were convicted. The jury also returned a RICO forfeiture verdict of \$87,000 regarding Raymond Casamayor, Jr., the Deputy Chief of the Key West Police Department.

The corrupt activities of Casamayor included possession of substantial amounts of cocaine, the acceptance of bribes from drug traffickers, and the intimidation and bribery of witnesses.

## Clandestine Laboratories

According to the Narcotics Intelligence Estimate, clandestine labs within the United States continued to produce a large proportion of the illicit drug supply in 1984. Drugs such as heroin, cocaine, and most marijuana originate in foreign countries, but the United States produces marijuana and a large percentage of the drugs that can be manufactured in laboratories. Clandestine laboratories use otherwise legitimate chemicals to make cocaine out of coca paste, illicit forms of prescription drugs, and synthetic drugs that have no legitimate use.

DEA and State and local law enforcement agencies reported a record number of clandestine laboratory seizures in 1985. Table II.7. depicts the number of clandestine laboratory seizures in FY 1981 through 1985.

Table II.7.

DEA AND STATE AND LOCAL LAW ENFORCEMENT AGENCY  
CLANDESTINE LABORATORY SEIZURES  
(by fiscal year)

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Methamphetamine	89	112	122	184	256
P2P	8	4	7	14	26
Amphetamine	14	15	25	31	68
PCP/PCC	35	45	47	26	25
Cocaine	5	4	10	24	29
Methaqualone	13	7	11	4	5
Psilocybin	----	----	2	4	3
MDA	2	3	5	----	3
Fentanyl	----	----	----	----	2
Other	18	7	12	4	5
Totals	184	197	241	291	422

The total of 422 laboratories seized in 1985 surpasses the previous high of 291 (FY 1984) by 45 percent.

Four drugs dominate clandestine laboratory activity: methamphetamine, phencyclidine (PCP), amphetamine, and cocaine. More clandestine methamphetamine labs were seized in FY 1985 than in any previous year, an increase in 39 percent over FY 1984. With the exception of PCP, production of these drugs was higher in 1985 than ever before. In 1984, 265 laboratories producing these drugs were seized, and 378 in 1985.

Five methaqualone labs were seized in 1985, and four in 1984; these figures are down from 11 seizures in 1983. A decrease in methaqualone lab seizures was expected and is believed to be a sign of successful drug enforcement.

Because of controls on international production and shipping, bulk methaqualone powder is not manufactured for legitimate use, thus it is unavailable for diversion to illicit use. In addition, users are becoming wary of counterfeit Quaaludes (methaqualone) due to their unpredictable potency. Diazepam (Valium) tablets and capsules appear to be supplanting methaqualone as the "street" depressant of choice.

The largest increase in clandestinely manufactured drugs is associated with cocaine; cocaine lab seizures continued to rise in FY 1984 and FY 1985. Twenty-nine cocaine processing labs were seized in 1985, and 24 seized in 1984. This compares with a total of 31 seized in the five years between 1979 and 1983.

DEA's Operation Chem Con, which is described in detail in Chapter IV, led to the discovery of multiple cocaine laboratories in Colombia in 1984. Operation Origination is another DEA long-term investigation intended to severely limit major precursor chemicals from reaching clandestine operators, thus eliminating or disrupting production of abused drugs. Precursor

chemicals, manufactured for legitimate reasons, are essential to the clandestine manufacture of many trafficked and abused drugs. Principal targets in this investigation include major dangerous drug violators with international, inter/intrastate, large-scale production. Wholesale chemical purchasers are another target; although they are not criminals, many of these individuals distribute these chemicals with no concern for their ultimate use. DEA has requested that legitimate manufacturers and wholesalers severely limit access to these precursor chemicals by filling only authenticated orders from recognized buyers.

An estimated 20 percent of domestic clandestine laboratories are controlled by outlaw motorcycle gangs, which are major manufacturers and distributors of drugs in the United States. The DEA, FBI, and Bureau of Alcohol, Tobacco and Firearms (ATF) cooperatively investigate the illegal activities of outlaw motorcycle gangs. ATF joins drug investigations because firearms and violence are an inseparable part of drug trafficking and distribution. In FY 1985, approximately 40 percent of defendants in all ATF firearms cases were drug traffickers.

The Bandidos Motorcycle Gang is centered in Texas and extends throughout the Midwest and Pacific Northwest. The gang manufactures and sells methamphetamine. In February 1985 the DEA, FBI, ATF, and State and local investigators, in an Organized Crime Drug Enforcement Task Force (OCDETF) investigation, simultaneously coordinated the arrests of 88 members and associates.

The Pagans Motorcycle Gang is the controlling force in the manufacture and distribution of methamphetamine and PCP in the northeastern United States; it also distributes other drugs. An OCDETF investigation, including DEA, FBI, ATF, and local law enforcement agencies, resulted in the indictment of a number of high-ranking members and associates in July 1984. As of June 1985, 27 had been convicted and sentenced on RICO charges.

The Hell's Angels Motorcycle Gang has 63 chapters worldwide, 35 of which are in the United States. The gang manufactures drugs and distributes methamphetamine, cocaine, marijuana, and other drugs.

In March 1984, ATF and State and local officers arrested Robert Maden, a Hell's Angels associate, for possession of an unregistered machine gun, and seized other firearms (including 37 conventional firearms, parts used to convert firearms to machine guns, and 30,000 rounds of ammunition). Documents relating to the operation of a methamphetamine lab were also seized. In April 1984, one member and 13 associates were charged with drug and firearms violations. The FBI seized an operating methamphetamine lab and weapons. The FBI, DEA, ATF, and State and local police officers arrested 105 members and associates in May 1985, charging them with drug and firearms violations.

#### Arrests, Convictions, Sentencing

FY 1985 DEA drug arrests have increased approximately 20 percent over FY 1984, with major violator arrests going up about 40 percent. DEA convictions and sentences have also continued to climb. Improved quality controls regarding the reporting of convictions and sentences were introduced in FY 1983 and account for part of the increase in the figures for that, and subsequent, years.

Table II.8. displays the number of DEA GDEP Class I and II arrests by case and violator for FY 1981 through FY 1985. Note that these arrests are the result of DEA investigations as well as cooperative efforts with State, local, and other Federal agencies. The breakdown by type of agency is illustrated in Table II.9.

Table II.8.

DRUG ENFORCEMENT ADMINISTRATION  
GEOGRAPHICAL DRUG ENFORCEMENT PROGRAM ARRESTS

<u>Fiscal Year</u>	<u>Arrests by GDEP Class I &amp; II Case</u>	<u>Arrests by GDEP Class I &amp; II Violator</u>
1981	6,485	2,317
1982	6,373	2,124
1983	6,816	2,495
1984	7,451	2,849
1985	9,359	4,041

Table II.9.

DRUG ENFORCEMENT ADMINISTRATION  
ARRESTS BY SOURCE

<u>Fiscal Year</u>	<u>DEA Only</u>	<u>State/Local Cooperative</u>	<u>State/Local Task Force</u>	<u>Federal Referrals</u>	<u>Total</u>
1981	8,255	1,383	2,736	963	13,337
1982	7,614	1,126	2,642	798	12,180
1983	7,887*	1,436	2,703	971	12,997
1984	7,839*	1,724	2,465	1,098	13,126
1985	8,239*	2,940	3,172	1,344	15,695

\* Includes OCDETF arrests.

FBI drug arrests have also continued to grow. In FY 1982, the FBI arrested 137 people on drug offenses. By the end of FY 1985, they had arrested 2,428 individuals. In a similar fashion, indictments increased from 881 in FY 1983 to 3,012 in FY 1985. Convictions from FBI drug investigations reflect a five-fold increase from 470 in FY 1983 to 2,219 in FY 1985.

In addition, the FBI's efforts at reducing organized crime have resulted in noteworthy accomplishments. For example, 142 La Cosa Nostra (LCN) members and associates were convicted in FY 1983 and FY 1984. Thirty-three of these convictions related to heroin trafficking. Also in FY 1984, 49 Sicilian Mafia members and associates were indicted in a heroin and money-laundering OCDETF investigation. The FBI drug subprogram, which is directed against non-traditional organized crime groups, achieved similar results. During FY 1983 and FY 1984, 160 outlaw motorcycle gang members and associates were convicted. For the first six months of FY 1985, 33 gang members and associates were convicted, with an additional 344 under indictment.

The number of individuals imprisoned has risen overall more than 15 percent since FY 1983, largely resulting from an increase of more than 45 percent in cocaine-related prisoners. The average sentences for felons convicted of dangerous drugs violations increased nearly 20 percent over FY 1984, and more than 25 percent since FY 1983. DEA conviction and sentencing statistics are presented in Tables II.10. and II.11.

Table II.10.

DRUG ENFORCEMENT ADMINISTRATION  
CONVICTIONS\*

<u>SOURCE OF ARREST</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
DEA Only	3,200	3,730	6,001**	6,172**	6,455**
S/L Cooperative***	684	617	1,087	1,245	1,157
S/L Task Force***	1,239	1,100	1,945	2,506	2,025
Federal Referrals	453	480	933	892	912
TOTAL	5,576	5,927	9,966	10,815	10,549

\* Figures for arrests and convictions for a given fiscal year do not necessarily refer to the same individuals.

\*\* Includes OCDETF figures.

\*\*\* S/L abbreviates State/local.

Table II.11.

DRUG ENFORCEMENT ADMINISTRATION  
SENTENCING DATA  
(in fiscal years)  
(average sentences in months)

<u>Case Drug</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Heroin (Opiates)</u>					
Number imprisoned	825	940	1,565	1,522	1,526
Average sentence	60	64	64	68	68
<u>Cocaine</u>					
Number imprisoned	1,198	1,366	2,185	2,946	3,202
Average sentence	42	48	52	57	56
<u>Cannabis</u>					
Number imprisoned	796	904	1,899	2,151	1,977
Average sentence	44	44	42	51	46
<u>Dangerous Drugs</u>					
Number imprisoned	820	686	1,166	1,156	1,214
Average sentence	40	46	43	47	56
<u>TOTAL</u>					
Number imprisoned	3,639	3,896	6,815	7,775	7,919
Average sentence	46	51	50	56	56
<u>Source of Arrest</u>					
<u>DEA ONLY</u>					
Number imprisoned	2,222	2,615	4,302	4,721	5,010
<u>S/L Cooperative*</u>					
Number imprisoned	379	358	676	799	828
<u>S/L Task Force*</u>					
Number imprisoned	736	640	1,206	1,625	1,443
<u>Federal Referrals</u>					
Number imprisoned	302	283	631	630	638
<u>TOTAL</u>					
Number imprisoned	3,639	3,896	6,815	7,775	7,919

\* S/L abbreviates State/local.

Preliminary figures from the Executive Office for United States Attorneys (DOJ) indicate that more Controlled Substances Act cases with more defendants were filed in FY 1985 than in previous years: more than 6,000 cases as opposed to 5,245 in FY 1984 and 4,753 in FY 1983. The number of defendants increased to more than 12,000 in FY 1985, from 11,049 in FY 1984 and 9,732 in FY 1983. Convictions, which includes defendants who plead and were found guilty, increased from 1983 to 1985: from 71 percent of all defendants whose cases were terminated to 75 percent. Guilty pleas as a percentage of convictions have increased from 72 percent in FY 1981 to 80 percent in FY 1985, thus saving the government the time and expense of trials.

Table II.12.

EXECUTIVE OFFICE FOR UNITED STATES ATTORNEYS  
CONTROLLED SUBSTANCE STATISTICS\*

<u>Fiscal Year</u>	<u>Filed Cases</u>	<u>Def's</u>	<u>Def Pleas</u>	<u>Def's Tried</u>	<u>Def's Guilty After Trial</u>	<u>Def's Acquitted After Trial</u>	<u>Other Def.** Terminations</u>
1981	4,161	8,859	3,651	1,716	1,443	273	2,627
1982	4,314	9,133	4,361	1,868	1,585	283	2,720
1983	4,753	9,732	4,583	1,852	1,656	196	2,413
1984	5,245	11,049	5,102	1,688	1,448	240	2,608
1985***	6,137	12,161	5,604	1,635	1,395	240	2,123

\* Includes OCDEF statistics.

\*\* Includes dismissals, inter-district transfers, pretrial diversions, and court suspensions.

\*\*\* Preliminary figures.

These statistics indicate that drug enforcement is obtaining results, with more cases, more defendants, and more convictions.

## Drug Removals

The changes in drug removal statistics (which include seizures and purchases) from FY 1981 to FY 1985 are related, in part, to the increased enforcement emphasis and availability of some drugs, such as cocaine. Table II.13. shows FBI and DEA drug removal statistics for FY 1981 through FY 1985.

Since the marijuana eradication efforts in the United States and source countries (notably Colombia) began, many thousands of tons of marijuana have been eradicated before reaching the marketplace and are therefore not included in removal figures. Source and transit countries have eliminated other marijuana through interdiction and enforcement activities.

Agreements with foreign countries to limit methaqualone chemical exports to the United States have contributed to the reduction of the figures for depressants.

Table II.13.

FBI AND DEA  
DOMESTIC DRUG REMOVALS  
(by fiscal year)\*

Drug	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Heroin (kg.)					
FBI	----	2	4	39	15
DEA	209	231	306	349	447
Cocaine (kg.)					
FBI	----	6	317	221	826
DEA	1,872	4,947	7,569	11,764	18,016
Marijuana (kg.)**					
FBI	----	1	2	4	2
DEA	1,077	1,074	1,045	1,386	742
Hashish (kg.)					
FBI	----	1	3	2	1
DEA	8,468	6,807	1,302	14,371	718
Dangerous Drugs (d.u.)**					
FBI	----	230	1,936	1,231	4,628
DEA	69,585	51,005	20,194	13,985	25,968
Stimulants (d.u.) **					
FBI	----	17	954	1,118	4,483
DEA	7,901	45,921	10,802	11,125	20,710
Depressants (d.u.)**					
FBI	----	212	804	39	80
DEA	22,903	3,743	2,810	1,627	665
Hallucinogens (d.u.)**					
FBI	----	0	178	75	65
DEA	38,781	1,340	6,583	1,233	4,594

\* FBI gained concurrent jurisdiction over drug matters in 1982; therefore, 1981 figures are not available.

\*\* Measurements are in thousands.

## Fugitives

The United States Marshals Service (Marshals) has developed a unique program known as the Fugitive Investigative Strike Team (FIST). FIST has evolved into an effort by various Federal law enforcement agencies and their State and local counterparts to identify, locate, and arrest fugitive felons. To date, Marshals have arrested more than 11,000 fugitive felons from all of the jurisdictions participating, and have returned them to incarceration. Of these arrests, 20 percent have drug involvement ranging from major traffickers to street users charged with crimes of violence.

The resources of the U.S. Marshals Service, both domestic and international, are particularly effective in tracking fugitives in the international drug traffic. One operation, known as FIST 8, involved 38 Florida law enforcement agencies and 12 foreign countries including Canada, several Caribbean countries, and two Central American countries, as well as Puerto Rico and the Virgin Islands. Several major drug traffickers and other serious offenders have been located in many of these Caribbean countries or have been already returned to the United States for prosecution. The U.S. Marshals Service, through FIST operations, represents the growing cooperative relationship, not only between State, local, and Federal law enforcement, but between governments of various countries willing to participate in new and innovative techniques in attacking the fugitive problem. For example, FIST 7 and 8 combined the strength of police officers and deputy sheriffs; Deputy U.S. Marshals; agents from the Florida Department of Law Enforcement; Bureau of Alcohol, Tobacco and Firearms; U.S. Immigration and Naturalization Service; U.S. Border Patrol; liaison officers from the Royal Canadian Mounted Police; and law enforcement representatives from several Caribbean countries.

Since October 1981, the FBI has assisted DEA in their efforts to locate and apprehend major drug fugitives. Of the 795 Class I or Class II drug fugitive cases referred to the FBI, over one-half of these matters have been resolved through the location or arrest of the fugitive, or the dismissal of process against the fugitive.

To date, FBI agents have arrested 164 drug fugitives with 25 arrests taking place in FY 1984 and an additional 48 arrests in FY 1985.

### Cooperative Efforts

The OCDETF Program, thoroughly described in the following part of this chapter, exemplifies how the integrated efforts of many agencies achieve greater, more comprehensive results than could be accomplished by any one agency alone. The DEA State and Local Task Force Program is another exemplary drug law enforcement cooperative venture.

#### DEA State and Local Task Force Program

The State and Local Task Force Program enables the Drug Enforcement Administration (DEA), its primary funding agency, to significantly enhance its drug enforcement efforts with modest fiscal and labor commitments.

Currently, State and Local Task Forces are guided by the following objectives:

- o Disrupt the illicit drug traffic in specified geographic areas. (Approximately 20 percent of those arrested are Class I and Class II level major violators.)
- o Seize drug evidence and drug-related assets from offenders.

- o Provide on-the-job training and experience to State and local officers.
- o Provide intelligence information that can assist the development of national cases.
- o Develop informants and investigative leads.
- o Contribute significant amounts of labor to the national drug law enforcement effort. (Currently, 423 State and local officers assist the 34 program State and Local Task Forces, while 66 State and local officers are assigned to the 13 shared funding task forces.)

Although eight of DEA's 34 program task forces only became operational during late FY 1985 (and are not included statistically), arrests increased substantially. In comparison with the three prior years, task force arrests increased 35 percent, to a total of nearly 3,200 arrests in FY 1985. These arrests account for less than four percent of DEA's annual budget, and involved seven percent (163 Special Agents) of DEA's Special Agents, yet they account for almost 30 percent of DEA's total arrests.

Table II.15. presents the total number of DEA State and Local Task Force Program arrests and convictions for FY 1981 through FY 1985.

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Table II.14.

DEA STATE AND LOCAL TASK FORCE PROGRAM  
ARRESTS AND CONVICTIONS BY FISCAL YEAR

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Arrests	2,736	2,642	2,703	2,463	3,172
Convictions*	1,239	1,100	1,942	2,503	2,025

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\* Figures for arrests and convictions for a given fiscal year do not necessarily refer to the same individuals.

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While these statistics reflect the program's vitality and value, they understate the mutual benefits reaped by State and local law enforcement agencies and the Federal government's drug law enforcement effort. Originally conceived in 1972 to counter the immediate heroin epidemic at the street level, the program was later modified to provide funds and training to local police departments to upgrade their drug enforcement efforts.

A recent investigation demonstrates the valuable contributions these task forces make to drug enforcement. The Long Island Task Force initiated an investigation that resulted in the seizure of three cocaine laboratories, 200 pounds of cocaine, and a large quantity of precursor chemicals. The targeted organization had been producing over 400 pounds of cocaine weekly with a street value of two million dollars. About 35 individuals have been indicted to date. This investigation constituted a significant inroad into cocaine trafficking in 1985.

#### Other Case Examples

##### OPERATION EVERGLADES

During July 1981 Operation Everglades was implemented to identify and neutralize marijuana drug traffickers operating along the southwest coast of Florida. The DEA, U.S. Coast Guard, U.S. Customs Service, IRS, and the Collier County Sheriff's Office joined in this investigation. Phase I of the operation was terminated July 7, 1983 with the arrest of 39 defendants. Phase II was initiated immediately thereafter, and was terminated on June 29, 1984 with the arrest of 40 defendants.

As part of Phase II, a DEA undercover vessel accepted delivery of 24,000 pounds of marijuana from a violator's mother-ship in April 1984. In May, the undercover agents met with the traffickers and brokers and arrested nine violators, six of whom were leaders of the drug organization.

In Phase III of Operation Everglades, now called Operation Trident, the State of Florida established a proprietary business. Operation Trident continues in FY 1986, pending the creation of an officially funded DEA Task Force to include the U.S. Coast Guard, the Customs Service, and the Collier County Sheriff's Office.

## OPERATION PADRINO

Operation Padrino, initiated in April 1983 in Mexico to investigate and immobilize a major cocaine distribution network operating between Colombia, Mexico, and the United States, is ongoing and several of its objectives have been met. Indictments were returned against Juan Ramon Matta-Ballesteros and Miguel Angel Felix-Gallardo, and approximately 5,270 pounds of cocaine with a wholesale value of more than \$121 million were seized. Asset seizures included property worth more than five million dollars and \$56 million in cash.

On February 7, 1985 DEA Special Agent Enrique Camarena Salazar was abducted and murdered. It is believed that members of this organization murdered him to retaliate against DEA's effectiveness in this case.

## RAYMOND MICHAEL THOMPSON ET AL.

In a joint DEA, FBI, IRS, and Ft. Lauderdale, Florida Police Department operation, Raymond Michael Thompson and ten associates, including a former police academy instructor, were indicted on January 11, 1985 of conspiracy under RICO statutes for committing multiple acts of homicide; kidnapping; conspiracy to possess, import and distribute approximately two million pounds of marijuana during a three-year period. Charges against Thompson include conducting a continuing criminal enterprise and income tax evasion from 1978 through 1980. Assets in excess of seven million dollars have been seized. As of November 1, 1985, nine defendants have pleaded or been found guilty. Thompson's trial is scheduled to begin in 1986.

## Conclusion

Investigation and prosecution are vital components of the Federal law enforcement response to illegal drug trafficking. In 1984 the Comprehensive Crime Control Act augmented the legal tools for thorough investigations leading to successful prosecutions. In 1985 law enforcement agencies continued to develop their use of these tools, investigating and prosecuting more drug traffickers than ever before. The emphasis on forfeiture of drug-derived assets to destroy the economic bases of criminal organizations continues to be a crucial part in their investigation and prosecution.

The DEA and FBI report an increase in drug-related arrests in 1984 and 1985. The IRS Criminal Investigation Division recommended 840 prosecutions in 1985, nearly doubling those recommended in 1983. The Executive Office for United States Attorneys finds that more controlled substance cases were filed in 1985 than in any previous year--over 5,000 cases with nearly 10,000 defendants. DEA reports that average sentences for drug offenses have increased 25 percent, and the number of prisoners convicted of drug-related charges has increased 15 percent since 1983. The Marshals have expanded the FIST program to identify, locate, and arrest more fugitive felons than in previous years. In addition, the combined value of seizures made by the DEA, FBI, and Customs increased from \$204 million in FY 1984 to \$314 million in FY 1985. DEA and FBI reported drug-related asset forfeitures appraised at \$37 million in 1984 and \$60 million in 1985. DEA clandestine lab seizures have also increased, from 241 in 1983 to 422 in 1985.

Law enforcement agencies have continued to work cooperatively in coordinated investigations and prosecutions, with the goal of destroying the organizations that import, manufacture, and distribute illicit drugs. This part of Chapter II has discussed some of those cooperative efforts. The following section describes in detail the major Federal cooperative drug law enforcement program: the Organized Crime Drug Enforcement Task Force Program.

## II. B. ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE PROGRAM

The network of 13 regional Organized Crime Drug Enforcement Task Forces (OCDETF), established by the President on October 14, 1982, has completed its third year of operation. The Task Force Program is designed to coordinate Federal law enforcement efforts with State and local efforts to combat the national and international organizations that grow, process, and distribute illicit drugs. The organizational philosophy of the program is predicated on a consensus approach to investigation and prosecution which enables the strengths of participating agencies to be pooled while avoiding the creation of a new bureaucracy.

Previous discussions of the history of drug trafficking and law enforcement responses in the first two OCDETF Annual Reports provide a comprehensive background for the 1985 report. 1/ The Reports indicate that over the last several decades the Federal government has attempted a variety of strategies to combat the increasingly complex and sophisticated operations of major illicit drug traffickers. In addition to increased resources, major legislative initiatives, and innovative investigative techniques, it now appears that the most promising investigative strategy is the long term, multi-agency, multi-faceted OCDETF type of investigation and prosecution.

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1/ The 1985 Report of the Organized Crime Drug Enforcement Task Force Program differs from the previous Annual reports in a number of respects. This report has been incorporated as part of the larger National Drug Enforcement Policy Board Accomplishments Report. In addition, procedures and organizational detail are examined only to the extent that they reflect changes that occurred in 1985. Finally, the statistical data collected for the Task Force Program is reported for each calendar year, as well as cumulative totals in order to permit comparative year analyses. In Calendar Year (CY) 1985, the method for collecting sentencing data was converted from a manual to an automated system. Therefore, Tables 27, 28, and 29 compare sentencing data for CY 1983 and CY 1984 with CY 1985.

The goal of the OCDETF Program as set forth in The Guidelines for the Drug Enforcement Task Forces is to:

Identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations.

The OCDETF Program seeks to accomplish this goal by adding new Federal resources for the investigation and prosecution of major drug trafficking organizations and by fostering improved interagency coordination and cooperation in the investigation and prosecution of major drug cases. During the three years the Task Forces have been in existence, four objectives continue to guide the selection and conduct of investigations:

1. To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations;
2. To promote a coordinated drug enforcement effort in each Task Force region and to encourage maximum cooperation among all drug enforcement agencies;
3. To work fully and effectively with State and local drug law enforcement agencies; and
4. To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to identify and convict high-level traffickers and to make possible government seizure of assets and profits derived from high-level drug trafficking.

Those who are targeted for Task Force cases include criminal groups formed for the purpose of importing, distributing, and/or financing large amounts of controlled substances; criminal groups that are trafficking in drugs as well as engaging in other crimes; traditional organized crime figures; major outlaw motorcycle gangs; prison gangs or prison-associated organizations; and physicians, pharmacists, or other persons registered to legally dispense drugs but who engage in illicit distribution.

Two consistent themes - teamwork and achievement - continue to be the hallmarks of the OCDEF Program in an arena in which law enforcement has previously had limited success. The Task Force Program continued to enjoy substantial success in 1985. The number of defendants charged in Task Force cases increased approximately 22 percent from 1984 to 1985, with 3,061 defendants charged in 1985. Ninety percent of defendants in adjudicated cases either pleaded or were found guilty of at least one charge. The Task Forces have obtained approximately \$108 million in forfeited non-drug assets from 1983 through 1985. The value of such forfeitures increased 44 percent from 1984 to 1985. Based on the achievements gained through teamwork, 1985 saw a continuing commitment to the Task Force approach to investigations and prosecutions of major drug traffickers.

In addition to these achievements, 1985 was a year of continued refinement and modest growth for all 13 Organized Crime Drug Enforcement Task Forces. It was also a year marked by several internal and external analyses, evaluations, and actions designed to improve the overall efficiency and productivity of the program as a whole as well as the individual Task Forces themselves. Those evaluations and analyses included the Caseload study and the 1985 Organized Crime Drug Enforcement Task Force Coordinators' Conference.

These efforts were undertaken during 1985 to improve and ensure the highest level of quality in the OCDEF investigations and prosecutions and to plan for long-range improvement. Quality of Federal organized crime drug investigations and prosecutions became a watchword during 1985. That quality is dependant upon careful systematic long-range planning.

# ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES



## Characteristics of Successful Task Forces

The first year of the OCDETF Program was marked by design and implementaton. The year 1984 was one of development and maturation. The year 1985 evolved as one of program stabiliza-tion, providing an accurate picture of the elements required for successful Task Force operations. The substantial benefits of teamwork are apparent. Those Task Forces that ascribe to and practice inter-agency information sharing and cooperation and that fully participate in joint cases are the most successful. Task Forces that involve and respond to the massive resources represented by the 30,000 State and local law enforcement agencies, insist upon early prosecution involvement in investigations, require regular interaction between the Task Force Coordinators, and encourage a common work space among the attorneys and investigators when conducting multi-agency investi-gations are dramatically productive. Strong and consistent leadership by the Coordination Group and the Core-City United States Attorney has proven to be the single most important variable in the measurement of Task Force successes. Addition-ally, an active and supportive Advisory Committee assures this success.

## The Caseload Study

As the Task Forces entered their second year, it became clear that the amount of attorney time available during the investigative stages of new cases began to diminish. Reports issued by the OCDETF administrative staff as well as those by the individual Task Forces further indicated that during the first two years the Task Force Program had begun to attain success in meeting its Congressional mandate to dismantle major trafficking organizations through new and creative methods of joint investigation and prosecution. Program administrators also noted that as the number of Task Force investigations increased and the number of prosecutions similarly grew, Task Force cases were

statistically different from other Federal drug prosecutions. Task Force investigations and prosecutions were longer in duration and required more investigative and prosecutorial time. Although the results of the cases (i.e., sentences, fines and assets forfeited) again surpassed those of non-Task Force cases, program administrators expressed concern over what the most effective attorney/agent ratio should be in order to ensure the continued increases in the quantity and quality of Task Force investigations.

OCDETF investigations use sophisticated techniques of investigation and prosecution; as a result, they are extremely labor intensive. The majority of Task Force investigations have involved extensive use of undercover operations, electronic surveillances, computer-assisted financial investigations, long-term grand jury inquiries, sequential prosecutions, or a combination of these methods. For example, more than 50 percent of the Title III (electronic surveillance) activities authorized in all Federal investigations are in support of Task Force investigations. Additionally, data indicate both the Continuing Criminal Enterprise and the Racketeer Influenced and Corrupt Organizations Statutes are used to an unprecedented degree in Task Force prosecutions. While the use of these investigative and prosecutorial techniques has produced impressive results, they are time consuming and labor intensive for Task Force personnel.

To determine the correct attorney/agent ratio and to develop data that would enable the policymakers in the participating agencies to formulate their future resource allocations with some degree of precision, the Associate Attorney General's Office commissioned a consulting firm to conduct a caseload study. Their report consisted of two distinct, but related, components. The Caseflow component investigated the amount of time that prosecutors and agents spent on a Task Force case and compared that involvement with the final results of the case. The

Timeflow component analyzed the nature of the work performed by Task Force Assistant United States Attorneys over a period of fifteen months.

The researchers predicated the study on two basic assumptions:

- o Early involvement of attorneys in the investigative strategies in major drug trafficking cases is critical to their full exploitation.
- o The prevalence of drug trafficking rings that triggered creation of the OCDEF Program remains at a level at which there are substantial cases in all Task Force regions.

The results were as follows:

- o Momentum, as measured by the number of convictions, the severity of sentences, and the dismantling of major drug trafficking organizations, could not be maintained without increased attorney strength to achieve an effective balance with agents working on cases.
- o When the Task Forces were initiated, program administrators felt that a ratio of five agents to one prosecutor would be an adequate configuration. However, as prosecution demands increasingly occupy Task Force attorneys, their capacity for involvement in pre-indictment functions is reduced. This not only changes the profile of attorney participation, but processing of indictable cases is delayed while Assistant United States Attorneys prosecute previously indicted Task Force cases.
- o The overall personnel authorizations are not adequate to deal with the expanding caseload without some sacrifice in timeliness and quality.
- o To maintain current momentum and outcome quality while accepting new cases at the 1984-85 rate, the Department of Justice must add a minimum of 50 Assistant United States Attorneys to the Task Forces in the field as soon as possible to approach the level of early attorney participation that previously existed. This requirement varies widely between regions, the exact number should be governed by the criteria of distribution. In addition, program administrators must reach and enforce a decision about what constitutes an appropriate mix of dedicated and full-time equivalent personnel.

The results of this study were clearly relevant to the allocation of 76 additional Assistant United States Attorneys and 155 Drug Enforcement Administration Special Agents made possible by enactment of the 1985 Supplemental Budget Appropriation Act.

#### The 1985 OCDETF Coordinators' Conference

The Deputy Attorney General's Office sponsored a two day conference for all Task Force Coordinators in September 1985. This was the first meeting in which all of the OCDETF managers from the Core City United States Attorneys offices and all seven of the participating Federal law enforcement investigative agencies were brought together to discuss the direction and operation of the thirteen Task Forces.

The Washington Agency Representatives served as the conference planning committee, receiving input from individuals throughout the Task Force system. Conference planners made a concerted effort to identify the most pressing needs of the Task Force Program. The objective was to structure the first national meeting of Task Force management and executive personnel in such a way that it would significantly contribute to the improvement of the program. As a result of extensive discussions, it was determined that the priority was to set the stage for long range strategic planning for the program.

The Deputy Attorney General moderated the Conference with its theme of "Where do we go from here?". The heads of all of the OCDETF participating agencies played a major role in the conference. Each agency head reviewed and discussed the strategic plans of their respective agencies and the relation of these strategies to future Task Force activities. They further requested that all OCDETF officials begin a comprehensive OCDETF planning process. All of the agency heads charged the conferees

to fully integrate the agency directives with those of the OCDETF Program as a means of fine-tuning the Program in the coming years.

The Conference agenda required all of the Coordinators to participate in a structured problem identification and needs analysis workshop. The Coordinators discussed major issues currently affecting the Task Forces and ranked their relative importance to the program. The data were collected and analyzed by the OCDETF administrative staff and assembled into a source document for refinement and planning of the Task Force Program.

In November 1985, the Working Group reviewed the initial report and directed further research including the development of a Planning and Implementation Report.

The 1985 Coordinators Conference has stimulated a fresh look at the OCDETF Program by management at all levels. That reexamination has generated a healthy enthusiasm among both field and Washington personnel. The Departments of Justice, Treasury and Transportation are determined that the more than 2,000 persons assigned to the Task Force Program will follow through with the development of meaningful strategic plans.

#### Other Initiatives for Program Oversight and Improvement

##### Sentencing Study

The Government Accounting Office (GAO), at the request of the Chairman of the Subcommittee on Criminal Law of the Senate Judiciary Committee, is currently conducting a study of the sentencing patterns resulting from OCDETF prosecutions. The study, to be completed in the summer of 1986, is designed to

compare the findings of an earlier GAO report entitled "Sentences and Fines for Organized Crime Figures and Major Drug Traffickers" with the sentencing data for OCDETF cases derived from the Case Monitoring System. Specifically, GAO was asked to contrast the results of the earlier report with the actual penalties imposed for the 1,408 defendants who were convicted and sentenced as part of the OCDETF Program through December 31, 1984. It was further requested to conduct an analysis of the actual penalties imposed with the maximum penalties authorized by statute at the time of sentencing.

Finally, the Subcommittee Chairman has requested that the study also examine criminal fines assessed versus those collected as well as assets seized and forfeited in Task Force cases.

The GAO auditors are working closely with the OCDETF administrative staff, the Executive Office of the United States Attorneys, and the Task Forces themselves to produce the required report in a timely fashion.

#### OCDETF Administrative and Operational Reviews

Two additional studies of the OCDETFs are currently underway. The first, conducted by the Justice Management Division (JMD) of the Department of Justice, was originally requested by the Associate Attorney General's Office in early 1985. The first two OCDETF Annual Reports described, in some detail, the procedures and guidelines for the program as well as the administrative structure and operational aspects of the Task Forces. The need for the study was a result of the recognition that an independent evaluation of the Task Forces was desirable and necessary to provide program managers and policy makers with information to make reasoned programmatic or operational adjustments.

JMD, currently conducting the study in five of the 13 Task Force regions, is focusing on four major areas of analysis:

- o The extent to which the Organized Crime Drug Enforcement Task Forces are complying with the OCDETF Program's guidelines;
- o The effectiveness of the procedures used in planning, budgeting and monitoring of the OCDETF Program;
- o The extent of cooperation and coordination among Task Force participants; and
- o The effectiveness of the procedures for reporting and monitoring program activities.

The draft report of the JMD study is scheduled for completion in early 1986.

The second evaluation was requested of GAO by the United States Senate Committee on the Judiciary. The parameters of the study closely follow those of the JMD analysis. They include:

- o An analysis of the staffing, organizational and cooperative arrangements of the Task Forces;
- o A survey of the types and frequency of the various investigative techniques utilized by the Task Forces; and
- o An analysis and recommendation on the most viable means of funding the Task Forces.

The report is scheduled for distribution in the spring of 1986.

### Task Force Results and Case Studies

This section presents the Organized Crime Drug Enforcement Task Force Program data collected from the Program's inception through December 1985, as well as case studies highlighting the types of organizations targeted and the techniques used to dismantle them.

Data presented in the 1984 and 1985 reports were collected both manually and by automated data processing. On January 1, 1985 the Case Monitoring System became fully automated. The following CY 1985 data on investigations initiated and on indictments and informations resulting from those investigations are based on reporting forms received through December 31, 1985. The disposition and sentencing information also represents data collected through December 31, 1985. However, because the monitoring system's Disposition & Sentencing Reports were required on a quarterly calendar year basis they do not reflect the full extent of disposition activity through the end of the calendar year. 1/ The data contained in Tables II.15. through II.26. have been segregated by calendar year. Figures 1 through 18 accompany the Tables, presenting the same information graphically. Tables II.15. through II.19. describe the investigations initiated by the Task Forces. Tables II.20. through II.23. provide data regarding indictments and informations returned in Task Force cases; Tables II.24. through II.26. describe the defendants charged in these cases.

Tables II.27. through II.29. show the dispositions of these charges in CY 1983/1984 and those reported through December 31, 1985. Tables II.30. through II.32. detail the assets seized and forfeited as well as fines assessed in CY 1983 and CY 1984, and those reported through December 31 of last year.

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1/ A conversion to fiscal year reporting will be completed in 1986 and subsequent reports will provide data on the previous fiscal year. It is important to note that the first two Annual Reports were published on March 31, of the following year providing three months for field personnel to update and supplement their statistical reports. Every effort has been made to encourage field personnel to expedite end of year disposition and sentencing information.

TABLE II.15.

TYPE OF CRIMINAL ORGANIZATIONS TARGETED IN  
INVESTIGATIONS INITIATED THROUGH DECEMBER 31, 1985

TYPE	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.*	%	NO.*	%	NO.*	%	NO.*	%
Drug Trafficking Organization/Other Criminal Group	382	81.8	287	85.2	312	87.2	981	84.4
LCN	37	7.9	25	7.4	18	5.0	80	6.9
Motorcycle Gang	30	6.4	19	5.6	10	2.8	59	5.1
Registrant	9	1.9	5	1.5	5	1.4	19	1.6
Prison Gang	9	1.7	2	1.0	2	1.0	13	1.0
Unspecified	5	1.1	19	5.6	11	3.1	35	3.0
	N= 467**		N= 337**		N= 358**		N= 1162**	

Legend

Drug Trafficking Organization/Other Criminal Group: Organizations whose primary purpose is drug trafficking or organizations involved in felony crimes whose members also engage in drug trafficking.

LCN: "La Cosa Nostra," traditional organized crime families.

Motorcycle Gang: Organizations controlled by motorcycle clubs.

Registrant: Persons who have legal authority over controlled substances.

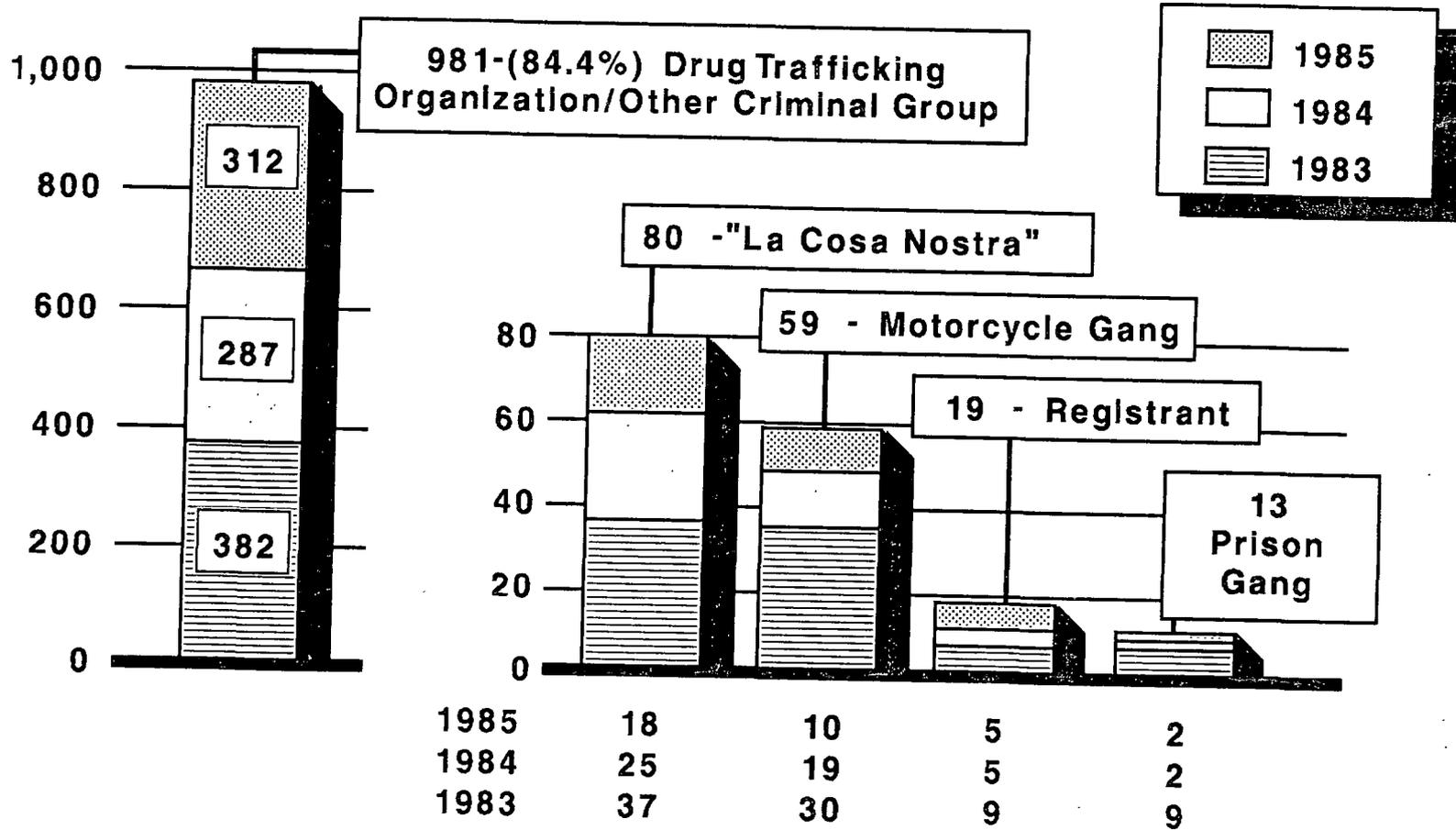
Prison Gang: Organizations controlled by prison inmates.

\* The number of investigations in which at least one organization of this type was targeted.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of involvement for each type of organization. More than one type of organization is involved in some investigations.

Figure 1

Organized Crime Drug Enforcement Task Force Program  
**TYPE OF CRIMINAL ORGANIZATIONS TARGETED**  
 In Investigations Initiated Through December 31, 1985



## EASY RIDER

Even though most Task Force investigations target large organizations formed solely for the purpose of drug trafficking, Task Forces continue to monitor the activities of other groups which, while engaging in many activities both criminal and non-criminal, also engage in drug trafficking. Such organizations include outlaw motorcycle gangs, active in many Task Force jurisdictions. In the Gulf Coast Task Force investigation, opened under the cryptonym "Easy Rider," the opportunity was provided to examine the structure and operation of a motorcycle gang which had begun to traffic drugs.

In Operation Easy Rider, the Bandidos became the target of the Gulf Coast Task Force because of their criminal activities which included dope trafficking and illegal gun dealing. The principal target in Easy Rider was the "Mother Chapter" of the Bandidos. Jose Jesus "Joe" Talamantes of Corpus Christi, Texas, as president of the "Mother Chapter" directed both the "social" aspects of the club and, more importantly, established and enforced the goals and policies of the organization, particularly in regard to drug trafficking and other crimes. The Bandidos are not only drug traffickers, but contract murderers, peddlers of prostitution, and arsonists.

The Bandidos were founded in March 1966 in Houston. The club is the youngest of the four major criminal motorcycle gangs. In the 1970s, the gang expanded and eventually established chapters in Colorado, New Mexico, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, and as far away as South Dakota and Washington State. At the present time, there is even a chapter in Australia.

The gang is estimated to have a national membership of between 250 and 300 full status members and an undetermined number of associate members making it one of the largest organized criminal groups investigated by the Organized Crime Drug Enforcement Task Forces. The extent to which the Bandidos are organized into a formal criminal business enterprise can best be understood by an examination of the structure of the club.

The organization has four regional vice-presidents, a national secretary-treasurer, and sergeant-at-arms who are, in fact, the internal enforcers and security officers of the organization. They settle disputes within the organization and are responsible for targeting and dealing with rival motorcycle gangs, law enforcement agencies, and individual law enforcement officers.

The president and some of his associates were members of the elite "Nomad Chapter" of the Bandidos. The "Nomad Chapter" consists of a select group of approximately twenty-two individuals who are thought to have considerable influence in

setting Bandidos policy. "Nomad Chapter" members travel throughout Bandidos territory and conduct club business with Bandidos chapters and other outlaw motorcycle gangs. The Nomads give advice and guidance to local chapters, rule on the establishment of new chapters, and serve as enforcers of national club policy as well as organize and direct drug distribution and stolen vehicle disposal. The local distribution of drugs or movement of other contraband, such as stolen vehicles or weapons, is then delegated to local chapters.

A full-fledged active member of the Bandidos is required to abide by the national by-laws of the organization. Punishment, to maintain organizational discipline, is as severe as execution, making the Bandidos one of the most difficult drug organizations for law enforcement investigators to penetrate. Many of the chapters have been known to require prospective members to commit a major crime to test the candidate's loyalty and to protect the organization from infiltration by undercover law enforcement officers.

Within this environment, the Gulf Coast Organized Crime Drug Enforcement Task Force launched a multi-agency investigation, involving FBI, ATF, DEA, and State and local law enforcement, which culminated in arrests across the Nation of approximately ninety members and associates of the gang on February 21, 1985. The investigation of the Corpus Christi chapter lasted almost one year and resulted in the arrest of eight "Mother Chapter" members and two female associates as a part of the nationwide raid.

A cab driver in Corpus Christi came forward and offered to work for the Federal government as a Confidential Informant (CI) after which he successfully obtained membership as a "prospect" in the Bandidos. He was given modest salary to sustain him during the year he led two lives. He gained significant information, not only about the "Mother Chapter," but other Bandidos chapters as well. The CI's information helped immeasurably in identifying the members and clarifying their positions, particularly in their important roles as Nomad members. The CI also made purchases of methamphetamine and cocaine from various Bandidos members under the control and supervision of Federal agents. The objective was to establish a pattern, which was accomplished, and a conspiracy involving five of the chapter members was proven.

In addition to the Confidential Informant's successful purchases, a government undercover agent was able to purchase methamphetamine from two Bandidos members, further tightening the trap on the leaders of this far ranging criminal organization.

Approximately one-third of the active members of the Corpus Christi chapter of the Bandidos were convicted, leaving a major gap in the national leadership ranks of the organization. To date, the chapter has not been able to reactivate itself. The

vice president of the Corpus Christi club and at one time heir apparent to the presidency, claims that the organization has experienced no change as a result of the successful drug investigation and prosecution. In reality, the Organized Crime Drug Enforcement Task Force effort has effectively damaged the Bandidos drug trafficking organization. The vice president has indicated that "we are just a little leery of new members because of what happened with [the confidential informant]." The truth of the matter is that the Task Force, through a sustained multi-agency effort, was successful in penetrating a formerly solid organization. In so doing, the Task Force has not only put the leadership and many of the rank and file of the Bandidos in prison, it has established a climate of distrust among the remaining members, and will be used again and again until the entire gang is in disarray and those who engage in drug trafficking are behind bars.

TABLE II.16.

DRUGS INVOLVED IN INVESTIGATIONS  
INITIATED THROUGH DECEMBER 31, 1985

<u>DRUG</u>	NUMBER OF INVESTIGATIONS INVOLVING DRUGS							
	<u>CY 1983</u>		<u>CY 1984</u>		<u>CY 1985</u>		<u>TOTAL</u>	
	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>
Cocaine	345	73.9	247	73.3	290	81.0	882	75.9
Marijuana	222	47.5	158	46.9	166	50.5	546	47.0
Heroin	104	22.3	76	22.6	102	31.0	282	24.3
Methamphetamine	62	13.3	44	13.1	37	11.2	143	12.3
Methaqualone	35	7.5	23	7.1	16	4.9	74	6.4
Hashish	26	5.6	23	6.8	21	6.4	70	6.0
PCP	20	4.3	7	2.0	11	3.3	38	3.3
Pharmaceutical	18	3.9	9	2.7	14	4.3	41	3.5
Other/ Unspecified	19	4.1	45	13.3	0	0	64	5.5
	N= 467*		N= 337*		N=358*		N=1162*	

\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mentions for each drug. More than one drug is involved in many investigations.

Figure 2

Organized Crime Drug Enforcement Task Force Program

**DRUGS INVOLVED**

In Investigations Initiated Through December 31, 1985

	1983	1984	1985	TOTAL	%
Cocaine	345	247	290	882	75.9
Marijuana	222	158	166	546	47.0
Heroin	104	76	102	282	24.3
Methamphetamine	62	44	37	143	12.3
Methaqualone	35	23	16	74	6.4
Hashish	26	23	21	70	6.0
Other	19	45	0	64	5.5
Pharmaceutical	18	9	14	41	3.5
PCP	20	7	11	38	3.3

## THE MOZZARELLA MOB

A large portion of Task Force cases involve organizations that traffic cocaine and marijuana, as indicated by the preceding table. However, 31 percent of Task Force investigations during 1985 involved groups which also were trafficking in heroin. One such case brought to a successful conclusion during 1985 was that in which a New York pizzeria was used as the distribution center for a group wholesaling large quantities of heroin as well as cocaine. As noted in the following text, the coordinated multi-agency approach was an essential factor in the conviction of major participants in this heroin/cocaine ring.

In this case, a group of narcotics traffickers led by organized crime figure Anthony Aiello was labeled "The Mozzarella Mob" by New York newspapers after their arrest in November, 1984. The arrests were the culmination of a sixteen month investigation conducted the New York/New Jersey Organized Crime Drug Enforcement Task Force. The investigative team was comprised of Drug Enforcement Administration Agents, New York State troopers, the New York City Police, agents of the Criminal Investigative Division of the Internal Revenue Service, and the prosecutors in the United States Attorney's Office for the Southern District of New York and the New York City Special Narcotics Prosecutor's Office. The investigation began in the summer of 1983 when agents arrested Harry Newsom (fictitious name) for selling a small quantity of heroin in the vicinity of Tony's Pizzeria, 164 West 125th Street, in Harlem. Newsom was a longtime heroin addict who had supported himself and his addiction by serving as a go-between for Aiello's drug ring at the pizzeria and local and out-of-state dealers. After his arrest, Newsom agreed to cooperate with the Government by supplying information about the drug trafficking activities and, if possible, by introducing an undercover officer to the Aiello organization.

Newsom revealed that Anthony Aiello opened Tony's Pizzeria during the winter of 1978 and shortly thereafter began selling wholesale quantities of high-purity heroin and cocaine to both Harlem and out-of-town dealers. Aiello initially conducted the narcotics transactions himself, but later delegated the work to Giuseppe ("Joey") Giusto and Rosetta ("Rose") Palmer, who managed the pizzeria. Newsom identified a minimum of 22 drug dealers who purchased large amounts of heroin and cocaine, ranging from one-half ounces to kilograms, from the Aiello organization. Customers from the New York City area, Boston, Baltimore, Cleveland, Detroit and New Orleans purchased drugs on a regular basis.

In July, 1983, Newsom introduced Craig Branson (fictitious name) a police detective, to Rose Palmer. Branson initially purchased thirty-nine grams of heroin directly from Palmer. He soon penetrated further into the organization and began buying

heroin directly from Filippo Gambina and Joey Giusto, Aiello's principal lieutenants. (Filippo Gambina is married to Aiello's sister, Jan Gambina.) All together, over the course of the sixteen month investigation, Branson made ten purchases of heroin at a cost of \$189,000. The heroin purchased ranged in purity up to 90.5 percent.

Probable cause clearly established, a court order was obtained and wiretaps were installed on the telephones at the residences of the Gambinas and Giusto, as well as on a pay phone at the pizzeria. The wiretaps and associated surveillances disclosed the identities of additional conspirators -- Louis Guarino, Felice Vario, Tommy Williams, and Jane Gambina herself. Louis Guarino was a wholesale heroin customer of the Aiello organization. Felice Vario controlled a "stash" for the group. Tommy Williams traveled from Baltimore to New York in order to purchase large quantities of cocaine at the pizzeria and then transport the cocaine back to Baltimore. Jane Gambina assisted her husband, Filippo, by translating his narcotics conversations with Guarino -- who did not speak the Sicilian dialect -- and relaying messages for him.

In early November 1984, conversations were intercepted that indicated that Tommy Williams was coming to New York in order to make another cocaine purchase. In anticipation of that transaction, surveillance agents stationed themselves in the vicinity of the Harlem pizzeria. Williams arrived with Timmirror Stanfield and Michele Ford and Ford went into the back room of the pizzeria with Rose Palmer to consummate the deal. When Williams, Stanfield, and Ford left the pizzeria, they were arrested. Michele Ford had in her purse over 644 grams of 93.6 percent pure cocaine. Williams was carrying a loaded .44 caliber handgun.

One week later, additional arrest warrants and search warrants were executed. Anthony Aiello, however, fled and was not apprehended; he remains a fugitive. At Aiello's residence in Queens, agents seized \$91,561.50 in cash and jewelry subsequently appraised at \$370,805 and nine handguns. Agents also seized voluminous records showing Aiello's ownership of numerous small businesses, valuable pieces of commercial real estate, and four farms in upstate New York. At the nearby home of his father, Vito Aiello, agents seized \$898,127 in cash and a loaded .22 caliber semiautomatic handgun equipped with a silencer. Significantly, much of the cash was stored in boxes that also contained tee shirts bearing the name "Tony's Pizza, 164 West 125th Street."

In the home of Filippo and Jane Gambina, agents seized \$143,912 in cash, jewelry appraised at \$31,240, a sample of high quality heroin (79.5 percent pure), narcotics paraphernalia, and 176 grams of mannite (a diluent used to "cut" heroin). Agents also seized a handgun from the bedroom of their fifteen year old son -- whom the wiretaps disclosed was himself dealing drugs,

apparently cocaine, with his parents' knowledge. At Giusto's residence, agents seized 445 grams of heroin, cash, a .25 caliber handgun and over two kilograms of caffeine (a sophisticated diluent for heroin).

Guarino was arrested in an apartment that he maintained as a "stash" and a "mill" for the narcotics he dealt. There the agents found what amounted to a small, but highly sophisticated, testing laboratory and cutting operation. The items seized included approximately 125 grams of 54 percent pure heroin, a triple-beam balance scale, an electronic "hot box" (a device that heats heroin and other drugs to their melting points to precisely ascertain their purity), a laboratory thermometer, nitric acid, glass tubes, spoons, strainers, plastic bags and a heat sealer, disposable gloves, almost one kilogram of mannite, cash, two handguns, and ammunition. Also seized were drug records indicating that he had paid "Tony" (presumably Anthony Aiello) \$395,000 and reflecting receipt of nearly \$350,000 from various customers, and loan-sharking records indicating that Guarino had loaned out in excess of \$320,000 to 53 individuals in one year at an annual interest rate of 100 to 150 percent.

At Felice Vario's apartment, agents found 201.6 grams of 84.4 percent pure heroin, 98.5 grams of 85.3 percent pure heroin, a triple-beam balance scale, nearly one-half kilogram of calcium magnesium carbonate (another diluent for heroin), over \$384,482 in cash, and a handgun.

The indictment charged not only conspiracy and substantive narcotics offenses but also included several forfeiture counts under the recently enacted Section 853(a) of Title 21. That section, which took effect on October 12, 1984, when President Reagan signed the Comprehensive Crime Control Act, provides, among other things, for the criminal forfeiture of real and personal property used or intended to be used to commit or facilitate a narcotics violation and property constituting or derived from the proceeds of a narcotics violation.

Filippo Gambina, Jane Gambina, Joey Giusto, Louis Guarino, and Felice Vario pleaded guilty and were subsequently sentenced on July 3, 1985. The Gambinas forfeited their residence and the \$143,912 that was seized there; Giusto forfeited his one-half interest in his house; Vario forfeited the \$384,482 in cash that was found in his apartment. At the time of sentencing, judgment was entered on those forfeiture counts and the following sentences were imposed: Filippo Gambina -- concurrent terms of fifteen years' incarceration and \$150,000 fine; Jane Gambina -- four years' incarceration; Joey Giusto -- concurrent terms of twelve years' incarceration and a \$100,000 fine; Louis Guarino -- eight years' incarceration; Felice Vario -- five years' imprisonment and a \$100,000 fine. Rose Palmer also pleaded guilty and was sentenced to four years' incarceration. Another defendant, Clement Fama, received six months probation. (Fama

was the brother of one of Aiello's heroin suppliers, Joseph Fama. Clement Fama admitted to picking up drug money from Gambina and Giusto while his brother was incarcerated without bail on unrelated Federal drug charges in the Eastern District of New York. Fama has since pleaded guilty and has been sentenced to twenty years' incarceration.)

Vito Aiello, Anthony Aiello's seventy-four year old father, was tried without a jury on narcotics conspiracy charges and acquitted. Trial against the Baltimore defendants, Thomas Williams, Timmirror Stanfield, and Michele Ford, is pending. Anthony Aiello is still at large.

In addition to the criminal forfeitures to which some of the defendants pleaded guilty, a large number of civil and administrative forfeitures are pending. A default judgment for nearly one million dollars in cash has already been obtained for the money seized from the residences of Anthony Aiello and his father. Other civil forfeitures are pending for Tony's Pizzeria, Anthony Aiello's house, Vito Aiello's house, a cafe owned by Anthony Aiello and used as his drug headquarters in Queens, four upstate farms owned by Aiello and his wife, three valuable commercial buildings located in Manhattan and owned by Aiello and his wife, an additional \$171,500 in Aiello's bank accounts, and the jewelry seized from Aiello's residence. The pending civil forfeiture actions represent millions of dollars of forfeitable assets. In addition, administrative actions are pending with respect to seized assets whose value does not exceed \$100,000. Those assets are primarily cash, jewelry, and automobiles. An ongoing investigation of tax and other matters is being conducted.

TABLE II.17.

TYPE OF CRIMINAL ACTIVITIES INVOLVED IN  
INVESTIGATIONS INITIATED THROUGH DECEMBER 31, 1985

	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%
Distribution	428	91.6	325	96.4	320	89.4	1,073	92.3
Importation	280	60.0	225	66.8	243	67.9	748	64.4
Money Laundering	237	50.7	191	56.7	217	60.6	645	55.5
Financial Backing	191	40.9	155	46.0	155	43.3	501	43.1
Street Sales	172	36.8	117	34.7	145	40.5	434	37.3
Manufacture	77	16.5	65	19.3	69	19.3	211	18.2
Crop Cultivation	29	6.2	17	5.0	26	7.3	72	6.2
Diversion	20	4.3	4	1.2	10	2.8	34	2.9
Other	27	5.8	34	10.1	4	1.1	65	5.6
	N= 467*		N= 337*		N= 358*		N= 1162*	

\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in most investigations.

Figure 3

Organized Crime Drug Enforcement Task Force Program

**TYPE OF CRIMINAL ACTIVITIES INVOLVED**

In Investigations Initiated Through December 31, 1985

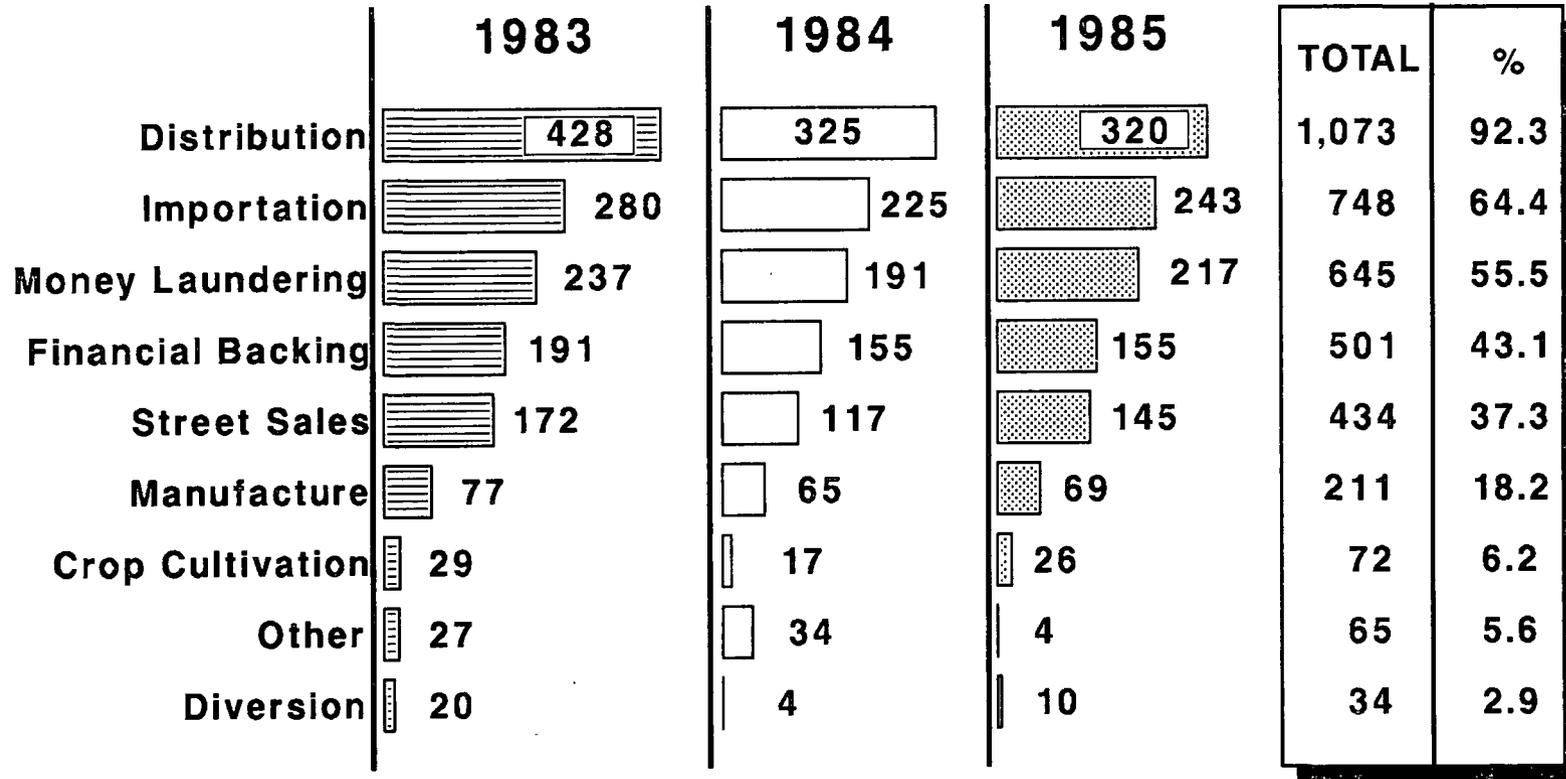


TABLE I1.18.  
 INVESTIGATIVE TECHNIQUES PROPOSED\* IN  
 INVESTIGATIONS INITIATED THROUGH DECEMBER 31, 1985

<u>TECHNIQUE</u>	<u>CY 1983</u>		<u>CY 1984</u>		<u>CY 1985</u>		<u>TOTAL</u>	
	<u>NO.**</u>	<u>%</u>	<u>NO.**</u>	<u>%</u>	<u>NO.**</u>	<u>%</u>	<u>NO.**</u>	<u>%</u>
Financial Investigation	322	69.0	254	75.4	226	63.1	802	69.0
Grand Jury	323	69.2	247	73.3	222	62.0	792	68.2
Undercover	294	63.0	225	66.8	233	65.1	752	64.7
Immunity	230	49.3	176	52.2	151	42.2	557	47.9
Tax Grand Jury	188	40.3	163	48.4	201	56.2	552	47.5
Title III	211	45.2	144	42.7	137	38.3	492	42.3
Witness Security	138	29.6	115	34.1	156	43.6	409	35.2
Extradition	22	4.7	34	10.1	24	6.7	80	6.9
Parole into U.S.	3	0.6	4	1.2	45	12.6	52	4.5
Pen Register	***	***	***	***	217	60.6	217	18.7
Foreign Banks/ Financial Records	***	***	***	***	63	17.6	63	5.4
Other	84	18.0	33	9.8	3	1.0	120	10.3
	N=467****		N=337****		N=358****		N=1162****	

\* The major investigative techniques personnel anticipated would be used at the time the investigations were initiated.

\*\* The number of investigations in which this technique was proposed.

\*\*\* This information was not included in the Case Monitoring System until CY 1985.

\*\*\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency with which each technique was proposed. More than one technique is proposed in virtually all investigations.

Figure 4

Organized Crime Drug Enforcement Task Force Program

**INVESTIGATIVE TECHNIQUES PROPOSED**

In Investigations initiated Through December 31, 1985

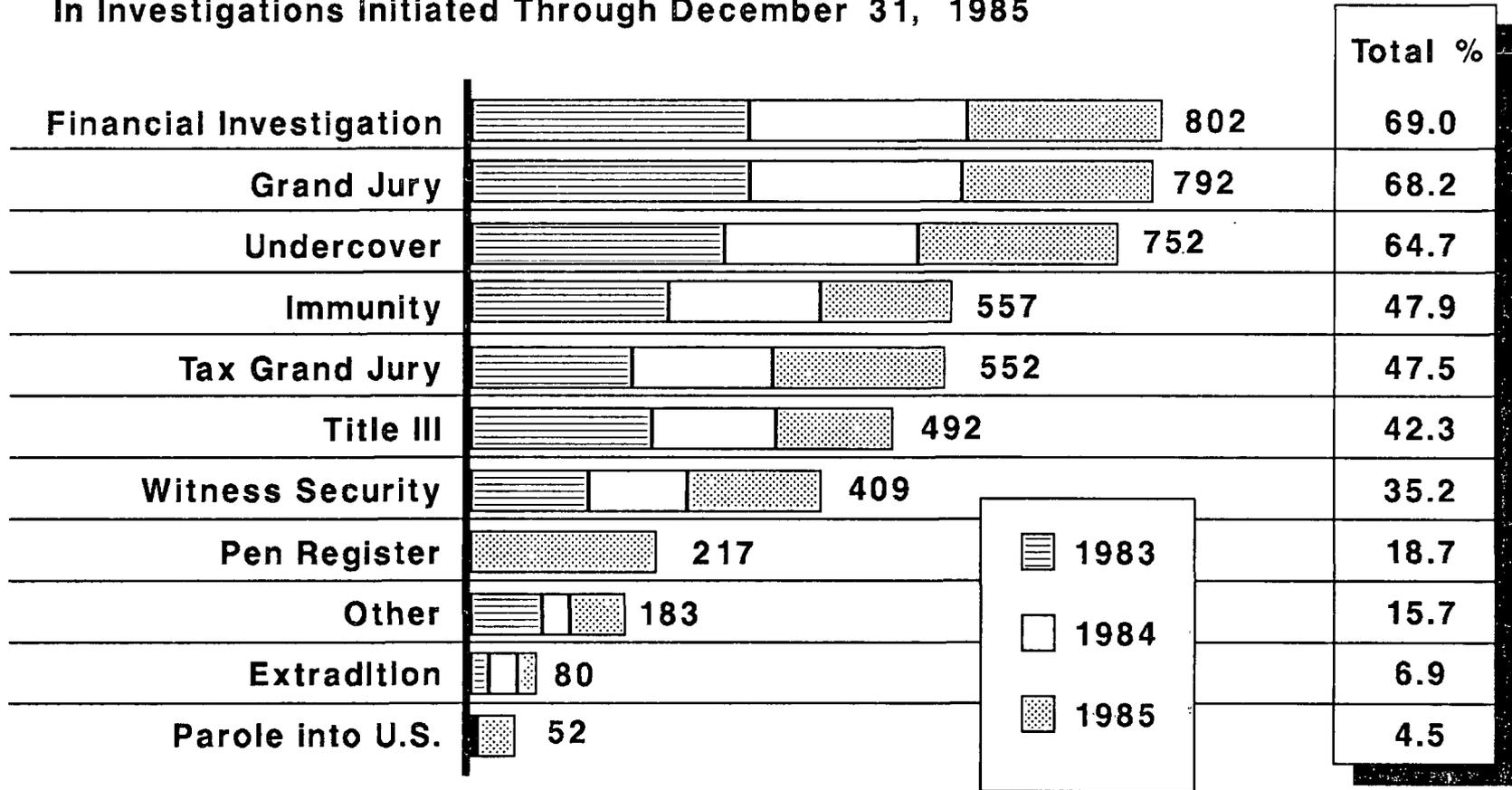


TABLE II.19.

LAW ENFORCEMENT AGENCY PARTICIPATION IN  
INVESTIGATIONS INITIATED THROUGH DECEMBER 31, 1985

AGENCY	NUMBER OF INVESTIGATIONS							
	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.*	%	NO.*	%	NO.*	%	NO.*	%
DEA	403	86.3	265	78.6	314	87.7	982	84.5
IRS	318	68.1	213	63.2	254	70.9	785	67.6
FBI	349	74.7	217	64.4	213	59.5	779	67.0
Customs	222	47.5	168	49.9	178	49.7	568	48.9
ATF	161	34.5	119	35.3	135	37.7	415	35.7
Local Investigators	136	29.1	137	40.7	169	47.2	442	38.0
State Investigators	124	26.6	112	33.2	122	34.1	358	30.8
Marshals Service	68	14.6	44	13.1	101	28.2	213	18.3
Coast Guard	28	6.0	36	10.7	33	9.2	97	8.3
Local Prosecutors	36	7.7	33	9.8	16	4.5	85	7.3
State Prosecutors	34	7.3	20	5.9	30	8.4	84	7.2
Organized Crime Strike Force	26	5.6	19	5.6	9	2.5	54	4.6
Other	38	8.1	39	11.6	43	12.0	120	10.3
Unspecified	0	0	39	11.6	0	0	39	3.4
	N= 467**		N= 337**		N= 358**		N=1162**	

\* The number of investigations in which this agency expected to participate, at the time the investigations were initiated.

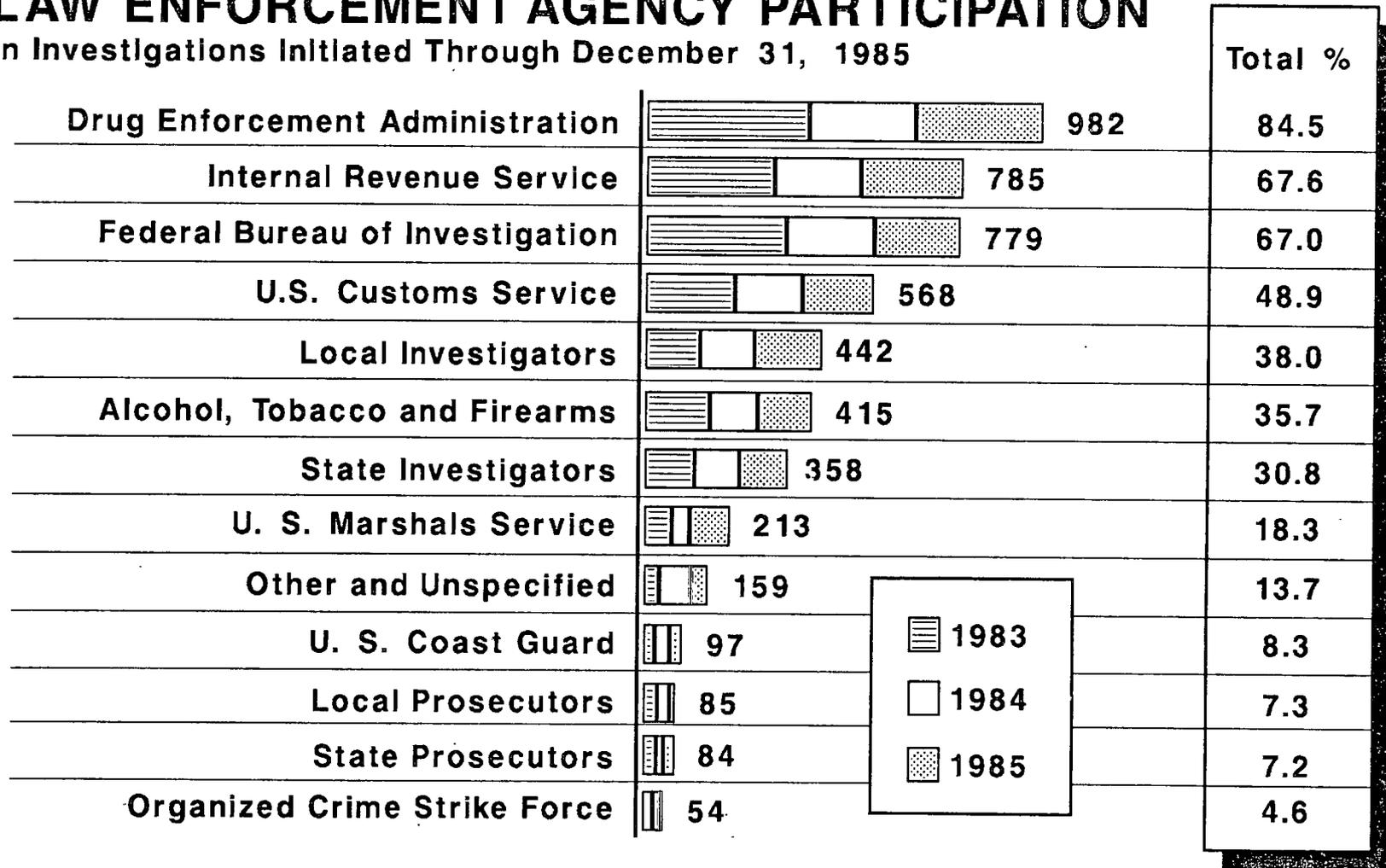
\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in all cases.

Figure 5

Organized Crime Drug Enforcement Task Force Program

**LAW ENFORCEMENT AGENCY PARTICIPATION**

In Investigations Initiated Through December 31, 1985



## ENDLESS SUMMER

As Table II.19. indicates, well over 50 percent of all Task Force cases involve State and/or local law enforcement officers. However, what the chart's statistics do not reveal is that a number of Task Force cases were those cases which first came to the attention of these non-Federal officers and which, were it not for the initial hard work and perseverance of these officers, might not have ever been developed into major Organized Crime Drug Enforcement Task Force prosecutions of drug trafficking organizations.

The following case example is that which describes the dismantling of a major marijuana smuggling organization. It illustrates how the determined efforts of a single professional State law enforcement officer can ultimately lead to a successful multi-agency, multi-jurisdictional Organized Crime Drug Enforcement Task Force prosecution.

In the Spring of 1982, the 56-foot sloop, Endless Summer, was boarded by the U. S. Coast Guard for a routine safety check. After the Coast Guard left the sailboat, the crew of the sloop abandoned her, believing that the Coast Guard might have suspected that her true cargo was the 13,000 pounds of marijuana secreted in her cargo holds.

The Virginia Department of Marine Resources with the U.S. Coast Guard subsequently boarded the abandoned sloop and discovered the illicit cargo. The Drug Enforcement Administration and the Virginia State Police were notified and joined in a further search of the ship which uncovered documents indicating that the Endless Summer was the property of a Delaware Corporation with a post office box in Gloucester, Virginia. Further investigation by the Virginia State Police revealed that the post office box had been leased by Mr. Richard Schmidt.

The State issued a search warrant for Mr. Schmidt's property. Police searched the home and discovered a small amount of marijuana and marijuana residue on conveyor belt on the property.

In a completely separate matter and as part of a routine investigative follow-up, the Newark, New Jersey office of the Internal Revenue Service's Criminal Investigation Division called the Virginia State Police in order to determine if the Police had turned up any information on a Mr. David Epstein who, according to the IRS's information, was a business associate of a Mr. Stephen Toth. Coincidentally, this telephonic inquiry was handled by one of the Virginia State Troopers who had taken part in the search of the Schmidt property. During the conversation, similarities between the IRS's profile of Toth and the Trooper's profile of Richard Schmidt became apparent. The Trooper realized

that the Stephen Toth mentioned by the IRS agent was the same individual whom the Virginia State Police knew as Richard Schmidt.

The Virginia State Police realized that the investigation which had begun as a relatively small routine dope smuggling case was beginning to take on the characteristics of a large scale operation. They contacted Federal law enforcement officials and a Special Agent of the Federal Bureau of Investigation, a member of the Mid-Atlantic OCDE Task Force, was designated as the State's liason.

The next step was to debrief Toth. Toth detailed his involvement in a multi-ton marijuana importation and distribution network. He told investigators that he was part of a large organization run by Jerry Kilpatrick. During the next few weeks, Toth directed the investigators to five stash houses in Virginia and North Carolina which were found to have been purchased in fictitious and corporate names. Toth told the agents that he had bought the houses with cash provided by Kilpatrick. He noted that the marijuana, even if off-loaded in North Carolina, was eventually brought into Virginia for further distribution.

In the year following the initial boarding of the Endless Summer, the Virginia State Trooper and the FBI Special Agent tracked down leads provided by Toth. By June 1983, the investigation was developing into a case tailored to the requisites of the newly established Organized Crime Drug Enforcement Task Forces. Accordingly, the FBI agent and the Virginia State Trooper went to a District meeting of the Mid-Atlantic OCDE Task Force and requested that the Kilpatrick investigation be adopted as a Task Force case. The District Coordination Group for the Eastern District of Virginia agreed and the case was presented for consideration by the Organized Crime Drug Enforcement Task Force Coordination Group for the Mid-Atlantic Region headquartered in Baltimore, Maryland. The investigation was accepted and a Task Force Assistant United States Attorney was officially assigned to work with the investigators. For the next six months, the State Trooper, the Special Agent of the FBI and the Task Force Attorney further developed the information that Toth had provided. The investigators ran down leads at the local level, traveled to a number of different jurisdictions, and extensively used other FBI field offices to follow up on Toth's information.

In February 1984, the Criminal Investigation Division of the Internal Revenue Service was invited to join in the investigation. The IRS Special Agent that was assigned reviewed the other investigators' records and remarked that the amounts of money involved were "staggering." Tax returns and corporate records were obtained. Record checks with the Department of Resources in Florida revealed a number of boats registered to Kilpatrick or his associates as well as a Miami condominium.

Further checks revealed that the funds used to purchase these assets were channeled through banks in the Cayman Islands and the Netherland Antilles.

The Federal and State agents began working out of shared office space. They quickly determined that being co-located would improve their ability to exchange information and leads as they developed. Co-location is a major component of the Task Force setting and the agents found that it enhanced the cooperative atmosphere that soon permeated the investigation.

The agents began to issue grand jury subpoenas to members of Kilpatrick's organization and to financial institutions. The Cayman Island authorities complied with the newly implemented procedures for obtaining records in narcotics investigations and provided boxes of financial records to the investigators. The investigators reported that the Cayman information read like a road map of the Kilpatrick financial empire.

In the meantime, Toth continued to talk with Kilpatrick and record their phone conversations with the assistance of Special Agents of the Criminal Investigation Division of the IRS in Newark, New Jersey. In conversations taped during April, May, and June 1984, it became apparent that Kilpatrick was becoming more and more concerned over the subpoenas being served. When one of his associates was subpoenaed, he went to Virginia Beach with Toth (who was wired) and rehearsed this person's upcoming grand jury testimony. (Subsequently, the associate gave false testimony before the grand jury.)

The list of properties and corporations belonging to Kilpatrick grew. Affidavits were prepared in anticipation of civil forfeiture proceeding as to all of Kilpatrick's assets. The Task Force team requested that the Assistant United States Attorneys located in various Districts hold the affidavits seizing the various property until they could get their hands on Kilpatrick. By November 1984, it was confirmed that Kilpatrick had fled the United States and was in Switzerland.

On December 17, 1984, in a sealed indictment, Kilpatrick was charged with conspiracy to obstruct justice and with obstruction of justice as a result of his persuading his associate to perjure himself in July 1984. An arrest warrant was issued with a recommendation by the issuing magistrate that Kilpatrick should be detained without bond upon his arrest.

In January 1985, during a telephone call from Switzerland, Kilpatrick advised Toth that he was broke and needed to return to the States to make one last big deal, and to begin to sell off his assets. But Kilpatrick did not even have the necessary plane fare. The Internal Revenue Service agreed to provide funds to Toth to wire to Kilpatrick. Kilpatrick arrived in Toronto,

Canada on January 31, 1985 and asked Toth, who was staying at a pre-arranged motel on the United States' side of Niagara Falls, to pick him up in Canada the following day.

On February 1, 1985, when Kilpatrick crossed into the United States, and in what was made to appear to him to be a routine border stop, he was arrested with false identification and was held on a \$2,000,000 bond for the December 17, 1984 obstruction of justice charges. On the same day, Kilpatrick's assets were subjected to civil forfeiture actions. These actions were taken based upon the affidavits held in various districts since the fall of 1984.

On February 27, 1985, a Federal grand jury indicted Kilpatrick and twelve others and charged them with violations in connection with their participation in the marijuana smuggling organization. It charged that Kilpatrick organized and supervised the organization that imported, or attempted to import, approximately 138,500 pounds of marijuana (with a wholesale value of \$24,000,000) into Virginia and North Carolina from Colombia, South America from November 1979 through July 1982.

On the day Kilpatrick was scheduled to be tried on the obstruction of justice charges, he pleaded guilty to all charges in both indictments, with the exception of the CCE count in the second indictment, including his evasion of \$1,800,000 in income taxes. He was sentenced to an eighteen year jail term. In addition, Kilpatrick signed affidavits acknowledging his ownership of the various assets mentioned in the indictment and subject to forfeiture, and waiving any interest he had in these assets. Mr. Kilpatrick, one of two defendants who did not plead guilty to charges within the indictment, also testified at the trial. These two men were convicted after a five day jury trial. Nine of the 12 indicted defendants either pleaded or were found guilty. Three of the 12 defendants are presently fugitives.

TABLE II.20  
 DRUGS CHARGED IN  
 INDICTMENTS AND INFORMATIONS RETURNED THROUGH DECEMBER 31, 1985

	NUMBER OF INDICTMENTS AND INFORMATIONS*							
	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%
Cocaine	110	41.7	313	45.4	461	50.3	884	47.3
Marijuana	67	25.4	216	31.3	309	33.7	592	31.7
Methamphetamine	24	9.1	101	14.7	91	9.9	216	11.6
Heroin	59	22.3	62	9.0	81	8.8	202	10.8
No Drugs Charged**	0	0	97	14.1	49	5.4	146	7.8
Methaqualone	15	5.7	19	2.8	21	2.3	55	2.9
Hashish	7	2.7	24	3.5	11	1.2	42	2.2
Pharmaceutical	3	1.1	12	1.7	29	3.2	44	2.4
PCP	3	1.1	8	1.2	15	1.6	26	1.4
Other	11	4.2	52	7.5	108	11.7	171	9.1
	N=264***		N=689***		N=916***		N=1869**	

\* The number of indictments and informations in which this drug was charged.

\*\* Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

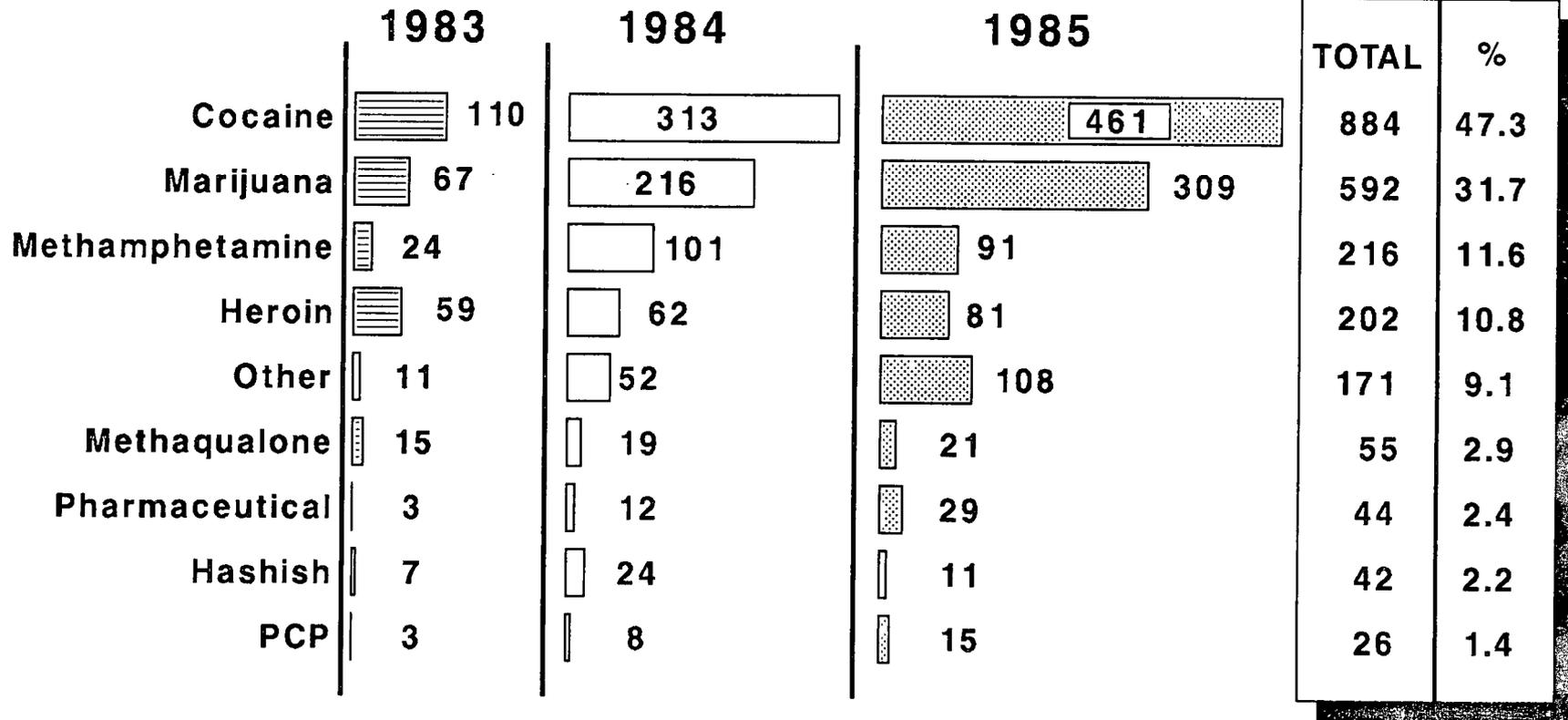
\*\*\* The number of indictments and informations. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

Figure 6

Organized Crime Drug Enforcement Task Force Program

**DRUGS CHARGED**

In Indictments and Informations Returned Through December 31, 1985



## THE DRUG STORES

Diversion of pharmaceutical drugs from the legal into the illicit market place continues to be a major concern. The Organized Crime Drug Enforcement Task Force Program targets those people who violate their special obligations to serve the health needs of our society. As the following case study indicates, this illegal traffic can provide millions of dollars in profits to its organizers and corrupt the reputation of honorable professionals.

As in other States, Michigan's professional associations along with the Federal government try to monitor the legal distribution of prescription drugs. They use various techniques including self-policing by the pharmacists and physicians licensing boards and the Drug Enforcement Administration controlled substance reports imposed on wholesale distributors of prescription medications. The case of the Drug Stores describes how one criminal organization prospered and how the mobilization of Federal and State resources in the Great Lakes OCDE Task Force joined to destroy the organization.

In the late 1970's and early 1980's as local law enforcement officials tracked the illicit pill market, one name kept surfacing - Pablo A. Campos. As much as they were certain that Campos was major figure in drug diversion they could not build a solid case against him. Since Campos was very selective about the dealers with whom he dealt personally, the police had trouble placing anyone into a direct buy situation with Campos.

Pablos, an Argentinean, and his family immigrated to North America in 1966, when Pablos was 12 years old. For the first two years his family lived in Canada and in 1968 moved into the United States and settled in the Detroit area. He attended a local high school and in 1972 joined the army. He subsequently returned to Detroit where he pumped gas before securing a job as stock clerk in a Detroit drug store. Over the next several years, the owner of the store, impressed with the hard work of young Campos, promoted him into positions with increasing responsibility, finally promoting him to manager of three drug stores. Campos was obsessed with making money. His success is measured by the fact that late in 1979, Campos joined in a partnership with the owner and another individual and opened a fourth store.

It was about this time; in 1979, that the illegal diversion of Schedule II narcotic pills became a lucrative business in Detroit. Campos sensed an opportunity to make big money in his pharmacy operations. He ordered his pharmacists to fill narcotic prescriptions in multiples. Campos then charged the maximum the illegal traffic would bear which for the drugs in Detroit at that time was considerable. Dilaudid, for example, ranged up to \$12.00 for each dosage unit.

Over the next few years he was involved in the illegal distribution of over three million dosage units of controlled substances - some estimate that it may have been closer to eight million dosage units. As a result, by the time Campos was twenty-nine years old, he achieved the goal he had set for himself; he became a millionaire.

In February 1983 he opened yet another drug store.

Campos ran a flagrantly illegal operation. For a long time, pill customers lined up throughout the stores waiting for their prescriptions to be filled. Campos sold to "street retail drug dealers" who bought or frequently traded drugs for stolen merchandise which Campos sold in his drug stores.

In July 1983 Campos' illicit operation was disrupted when Federal authorities executed a search warrant at his primary pharmacy. The warrant was based on information received in another drug investigation that several of the Campos telephones were used in making contact with the drug dealer in the other investigation. Campos' first reaction to the raid was to secure the services of one of the top criminal attorneys in the area to represent him. Campos took additional steps to protect himself. These included the preparation of misleading financial statements reporting over \$2,450,000 in business profits for the 1983 tax year. This apparently was done to minimize the apparent difference between Campos' reported income and his very large personal net worth, which had grown to be in excess of two million dollars.

Prior to the 1983 raid, in addition to pharmacists, Campos had his entire staff set up in a systematic drug distribution organization. Store managers, pharmacy technicians, stock clerks, cashiers, bookkeepers, office help and security guards all were involved. Some would obtain prescription and money from street dealers, count the pills, count the money, write verification codes on the prescriptions, write initials for the various drug classification and pharmacists, file the prescriptions, write receipts and hand the drugs to the customer. A similar multi-step processing took place for the drug proceeds.

On a number of occasions, the illegal business was so brisk that Campos set up a type of assembly line. He frequently became personally involved in his assembly lines, but interestingly enough, was always careful to wipe his fingerprints off of drug containers before they were given to the customers.

Following the July 1983 raid further interviews were conducted and extensive examinations of the seized records conducted. IRS agents became aware that Michigan State Police as well as other non-Federal agencies also had an interest in Campos. Subsequently, State and local authorities, FBI, DEA, and IRS held a meeting in early 1984. Agreeing that the case had the

best chance of success if it was pursued at the Federal level, it was prepared and presented to the OCDETF Coordination Group in Detroit where it was accepted as a Task Force case.

The combined efforts of several Federal agencies and a State police organization working as a Task Force enabled investigators to work through the massive details of the Campos' Drug Store trafficking organization. Agents were able to pool strengths and to successfully complete the investigation which had begun even before the Task Force was formed. The OCDE Task Force designation began a new phase of the already long-term investigation. A Federal investigative grand jury was convened and a massive analysis of the five years of data and information created by "The Drug Stores" was conducted.

In April 1984 Campos' bookkeeper was called to testify before the Grand Jury. She indicated that she would inform Campos of her summons. To prevent Campos from destroying records, a second search warrant was executed at Campos' parents' home.

Massive amounts of drug-related records were seized, including meticulous financial statements describing the operation. Independent of the records, agents were able to reconstruct the Campos financial structure, based upon information from interviews with people who had knowledge of Campos and/or his operation.

The IRS and FBI Task Force agents, working closely with the Michigan State Police put together the case against Campos as the Grand Jury continued its investigation into 1985. In addition to his drug store interests, Campos purchased houses, a company which built and sold condominiums, an insulation installation business, land, cars, and formed a real estate holding company.

In May 1985 the Grand Jury indicted Campos. After a great deal of negotiating Pablo Campos pleaded guilty to operating a continuing criminal enterprise and income tax evasion. In addition, seventeen of his associates also pleaded guilty to other charges, including failure to file tax returns, filing false returns, and conspiracy to distribute controlled substances. Campos forfeited over two million dollars in assets to the Federal and State governments. On December 9, he was sentenced to ten years in prison without parole. A millionaire by the age of 29, he became an inmate of a Federal penitentiary at 31.

TABLE II.21.

TYPE OF CRIMINAL ACTIVITIES CHARGED IN  
INDICTMENTS AND INFORMATIONS RETURNED THROUGH DECEMBER 31, 1985

ACTIVITY	NUMBER OF INDICTMENTS AND INFORMATIONS*							
	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%
Distribution	213	80.7	568	82.4	690	75.3	1471	78.7
Importation	98	37.1	193	28.0	240	26.2	531	28.4
Street Sales	51	19.3	122	17.7	182	19.9	355	19.0
Money Laundering	49	18.6	110	16.0	141	15.4	300	16.1
Financial Backing	48	18.2	119	17.3	88	9.6	255	13.6
Manufacture	35	13.3	64	9.3	78	8.5	177	9.5
Crop Cultivation	3	1.1	37	5.4	33	3.6	73	3.9
Official Corruption	**	**	**	**	53	5.8	53	2.8
Diversion	0	0	28	4.1	15	1.6	43	2.3
Other	13	4.9	117	17.0	94	10.3	224	12.0
Unspecified	0	0	60	8.7	52	5.7	112	6.0
	N=264***		N=689***		N=916***		N=1869***	

\* The number of indictments and informations in which this activity was charged.

\*\* This information was not available until CY 1985.

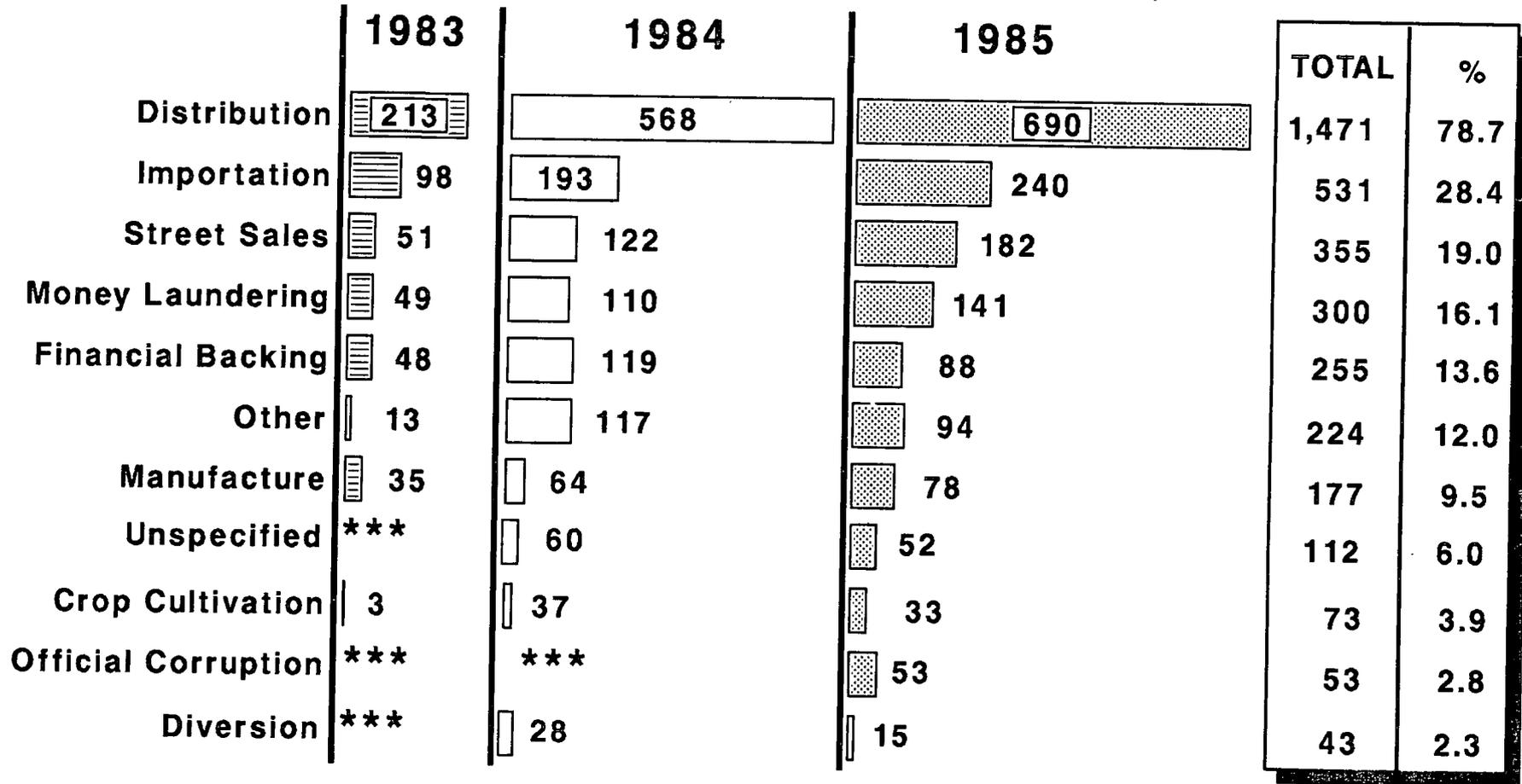
\*\*\* The number of indictments and informations. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in many indictments and informations.

Figure 7

Organized Crime Drug Enforcement Task Force Program

**TYPE OF CRIMINAL ACTIVITIES CHARGED**

In Indictments and Informations Returned Through December 31, 1985



## THE MONEY LAUNDERER

As the previous case provided a look at diversion activities charged in some Task Force indictments, the following case is a good example of another activity charged in 16 percent of Task Force indictments - money laundering. Money laundering is an essential factor in any large-scale successful drug smuggling operation. Profits made in drug trafficking, in order to be of any value, must be converted into monies which appear legal and which can be used in normal commerce without raising suspicion. However, as the following case points out, even sophisticated money launderers are finding it more difficult to hide such profits. The case example and data which follow illustrate the various tools currently being used by the government in money laundering investigations.

George Meros, a prosperous Tampa attorney had amassed considerable wealth in the years following law school. Information provided by persons arrested on drug charges raised suspicions about the source of the monies he used to purchase millions in real estate, airplanes, and cars, and which he used to finance his lavish lifestyle. As a result, in 1983 several Florida law enforcement agencies developed informants knowledgeable about alleged drug smuggling and international money laundering activities. The informants indicated that a prominent Tampa lawyer--Meros--was involved in the dope business. In September 1983, two informants recorded their conversations with Meros to establish evidence crucial to what had become a joint U.S. Customs, Internal Revenue Service, and Florida State investigation. Complications developed during the fifth occasion of recording meetings between the informants and Meros when Meros became unusually suspicious. The informants were searched and the tape recorder was discovered. In view of the fact that Meros had admitted his involvement in various crimes, he was immediately arrested by the Federal surveillance team supporting the consensually recorded conversation.

Because of the unexpected and premature arrest, government authorities expeditiously gathered relevant evidence. Meros' law office was sealed while all available facts relative to his involvement in drug money laundering were incorporated into an affidavit for a search warrant. The entire building was kept under seal for a period of thirty-six hours while the affidavit was prepared. In view of the sensitivity of sealing a law firm's offices (i.e., obstructing the rights of innocent clients to obtain their right to legal counsel, etc.), the sealing of the building was closely coordinated with representatives of the U.S. Attorney's office. Although Meros' private office was completely sealed, other members of the firm were allowed to work in a limited area of the building, providing that they neither moved documents within the building, nor worked privately in any area other than the firm's conference room.

Within 36 hours of Meros' arrest, a team of approximately 20 agents entered his law offices and executed a Federal search warrant for records pertaining to Meros' alleged money laundering and drug trafficking activities. Fifty-four boxes of records were seized. The records included excerpts of four numbered Swiss bank accounts maintained on behalf of three major drug traffickers; travel records substantiating Meros' international travel from Florida to Switzerland on the same days that millions in cash was deposited to Swiss accounts he controlled; and notes outlining a complicated international money laundering scheme intended to disguise drug proceeds ultimately brought back to the United States to buy hotels and casinos.

The United States Customs Service and Internal Revenue Service submitted a written proposal for the Meros case to be accepted as an Organized Crime Drug Enforcement Task Force investigation. The OCDETF proposal identified more than a dozen major drug dealers for whom Meros was believed to have laundered millions of dollars, and identified roughly \$12 million in forfeitable property. The U.S. Customs, Internal Revenue Service, the Pinellas County State Attorney's Office and Sheriff's Department, the St. Petersburg Police Department and the Florida Department of Law Enforcement chose to commit manpower on a full-time basis to the Meros OCDETF case. A total of 12 agents and investigators began working on the investigation under the supervision of agents from the United States Customs and Internal Revenue Services.

By November 1983, the investigative team began to seize Meros' assets (beginning with his private plane) and executed another search warrant for records of Meros' money laundering activities. The second warrant was executed at the business office of an 84-unit beach-front project. The project, valued at more than \$11 million, was suspected of being financed with drug proceeds laundered by Meros through Swiss bank accounts. Twenty-four law enforcement officers participated in the search, which resulted in the seizure of 69 boxes of records relative to the project's financing/operation.

Within two months of executing the warrant, the government developed sufficient probable cause to seize the entire complex. The District Court subsequently ordered the appointment of a substitute custodian who is currently operating the project pending the outcome of the forfeiture proceeding.

Requests were initiated, via the Mutual Legal Assistance Treaty between the United States and Switzerland, to obtain evidence in Switzerland relative to Meros' money laundering offenses. The requests sought both documentary evidence and testimony from bank representatives, hotel representatives, and businessmen believed to have had contact with Meros and others in the laundering of drug profits. Beginning in January 1984, Swiss authorities forwarded documents to the United States pursuant to

the Treaty. By the summer of 1984, the United States Customs agent and prosecutor assigned to the case traveled to Switzerland and interviewed witnesses. The records and testimony proved invaluable in substantiating that Meros and a Tampa Bay stockbroker had illegally transported millions in currency to Switzerland, deposited the cash in numbered accounts, and lied to Swiss Bankers about the source of the funds.

In May 1984 a 25 count indictment charging 18 persons, including a stockholder, businessman, fisherman, a car dealer, and an airplane dealer, with drug and money laundering offenses was returned in the Middle District of Florida. Among the offenses charged were violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), and marijuana importation and distribution laws, as well as offenses related to Meros' alleged laundering of the operation's drug proceeds. The indictment accused Meros and his co-defendants with importing and distributing 50 tons of marijuana from 1976 to 1981. Meros was charged with laundering \$3.2 million in drug profits through bank accounts in Switzerland, European and domestic investment companies, and foreign insurance companies, all in support of a scheme to return laundered money to the United States to buy hotels and casinos. A superseding indictment was returned in September 1984, which charged an additional four defendants in connection with these Federal violations.

After the indictment was returned, Meros and his co-defendants used extensive delay tactics to postpone the trial. However, after the Court denied motions to suppress the evidence secured from both the search of Meros' office and the foreign depositions, the trial commenced in March 1985 and continued for five months. Over 150 witnesses testified during the trial, and more than 500 documents were admitted into evidence.

Six defendants pleaded guilty in March 1985, and 12 of the remaining defendants were convicted in August 1985. (There are presently two fugitives.) The majority of the defendants, including Meros, were immediately remanded to the custody of the U.S. Marshal to begin serving their sentences. Meros was sentenced to 40 years in prison. To date, nearly \$12 million in property has been seized as a result of this OCDETF investigation, including 540 acres of property, \$17,800 in cash and an Aztec airplane that have been channeled to the four local law enforcement agencies that participated in the Task Force investigation.

The Meros investigation demonstrated how one versed in the law and with extensive resources can impede justice through delay and concealment. To overcome these tactics requires the best of legal and investigative talent. The OCDETF brings together just such talent and permits long term investigative commitment to the destruction of a major crime organization. The return--a total of 135 years imprisonment for the top seven leaders.

TABLE II.22.

INVESTIGATIVE TECHNIQUES USED FOR  
INDICTMENTS AND INFORMATIONS RETURNED THROUGH DECEMBER 31, 1985

<u>TECHNIQUE</u>	NUMBER OF INDICTMENTS AND INFORMATIONS*							
	<u>CY 1983</u>		<u>CY 1984</u>		<u>CY 1985</u>		<u>TOTAL</u>	
	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>
Extended Surveillance	132	50.0	311	45.1	506	55.2	949	50.8
Grand Jury	133	50.4	263	38.2	600	65.5	996	53.3
Immunity	130	49.2	232	33.7	311	34.0	673	36.0
Undercover	147	55.7	189	27.4	683	74.6	1019	54.4
Financial Investigation	75	28.4	261	37.9	339	37.0	675	36.1
Tax Grand Jury	46	17.4	186	27.0	249	27.2	481	25.7
Witness Security	103	39.0	128	18.6	246	26.9	477	25.5
Title III	68	25.8	156	22.6	374	40.8	598	32.0
Extradition	6	2.3	18	2.6	33	3.6	57	3.1
Mutual Legal Assistance Treaty	3	1.1	8	1.2	18	2.0	29	1.6
Parole into U.S.	0	0	3	0.4	2	0.2	5	0.3
Foreign Bank Financial Record	**	**	**	**	42	4.6	42	2.2
Pen Register	**	**	**	**	316	34.5	316	16.9
Other	20	7.6	87	12.6	173	18.9	280	15.0
Unspecified	0	0	144	20.9	143	15.6	287	15.4
	N=264***		N=689***		N=916***		N=1869***	

\* The number of indictments and informations resulting from investigations in which this technique was used.

\*\* Not available until CY 1985.

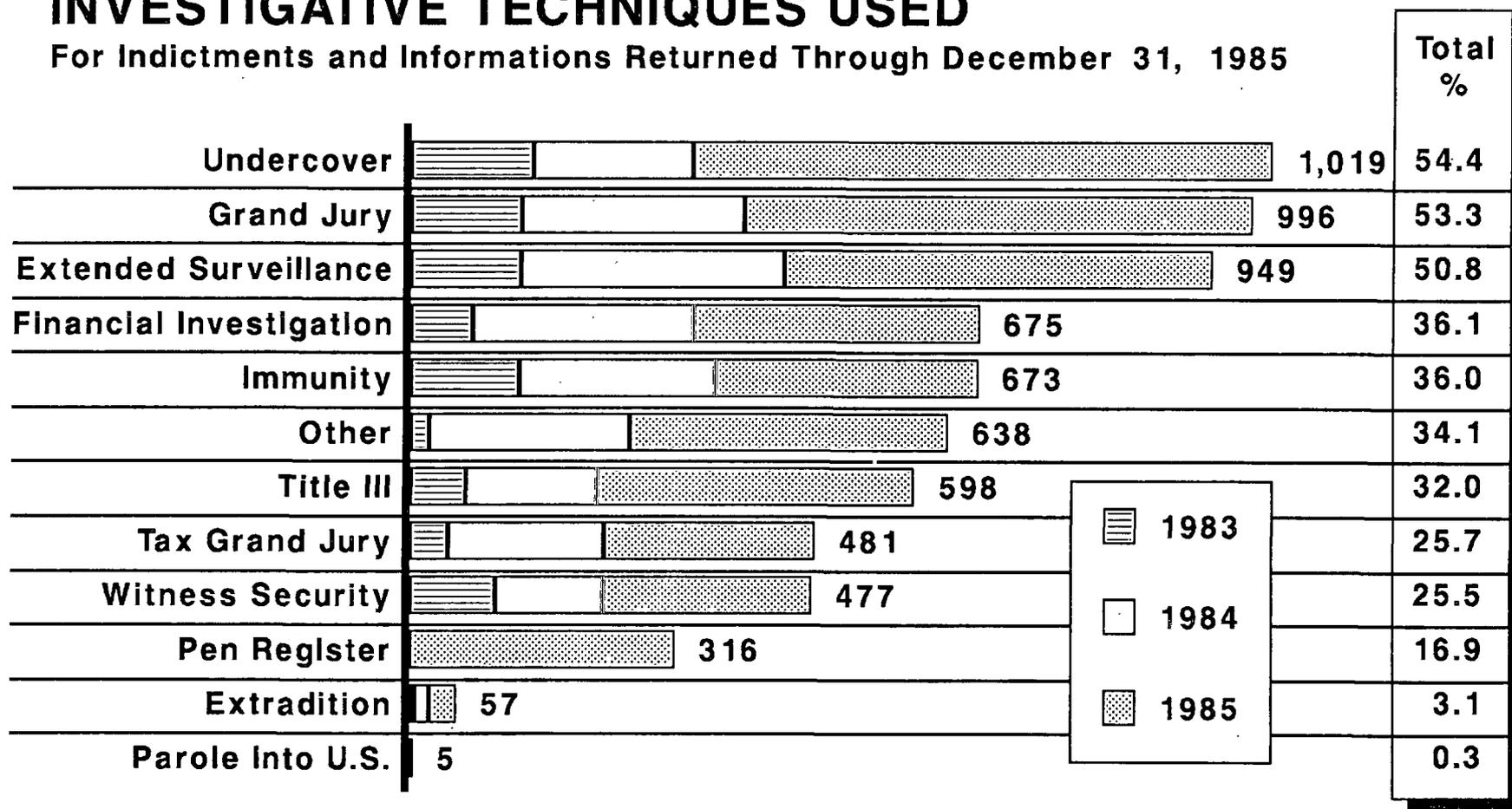
\*\*\* The number of indictments and informations returned in Task Force cases.

Figure 8

Organized Crime Drug Enforcement Task Force Program

**INVESTIGATIVE TECHNIQUES USED**

For Indictments and Informations Returned Through December 31, 1985



## THE ROADRUNNER

In the prosecution of George Meros, discussed previously, the use of the Mutual Legal Assistance Treaty with Switzerland was an extremely valuable investigative technique available to Federal authorities. As indicated in Table II.22., this technique was used in gathering evidence in two percent of all Task Force indictments and informations. Table II.22. also indicates the more extensively used investigative techniques, including extended surveillance, Title III's, and undercover work. The indictment of "The Roadrunner" was made possible with evidence obtained from the sophisticated use of these techniques. A description of these techniques as utilized in a multi-agency Task Force investigation is set forth in the following case scenario.

For over 14 months Federal agents of the U.S. Customs Service, the Internal Revenue Service, the Drug Enforcement Administration, and the Federal Bureau of Investigation conducted an extensive investigation of Jario Ignacio Amaris, "The Roadrunner." These agencies conducted a combined cooperative investigation using extensive electronic and physical surveillance as well as undercover operation techniques.

"The Roadrunner" used eight primary people to move cocaine and money in and out of the San Francisco Bay Area to and from Colombia in his complex cocaine importation/distribution enterprise and money laundering organization. Jario Amaris, his wife Mary Jane, their two sons, and other members in the Bay Area participated in an extensive communication network which was at times centered around storage front-warehouses, a messenger service business, and a series of residences. Amaris' methods consisted of conducting his drug trafficking business using a series of over 20 pay telephones throughout the San Francisco Bay Area. He moved from one booth to another while conducting his business in a large number of rented, personally owned, and borrowed vehicles. His ability to "borrow" an endless supply of luxury vehicles resulted from the fact that he had compromised a car salesman who switched cars with him on a moment's notice. Amaris' mobile style of business, his erratic driving techniques, and the quickness in which he moved around the entire Bay Area led to his nickname "The Roadrunner."

An industrious drug trafficker, Mr. Amaris was up early in the morning stopping at various pay telephones organizing his daily distribution and collection. He also used his telephone beeper system extensively.

To combat this type of activity, electronic surveillance became an integral part of this investigation. Approximately 15 pay telephones were targets of electronic surveillance. Agents obtained a duplicate of Mr. Amaris' beeper and mounted the telephone numbers left for him to return calls.

In an attempt to invade Amaris' "office on wheels," electronic surveillance devices were placed in two of the vehicles "The Roadrunner" used. The difficulty of monitoring these vehicles was overcome by the use of a mobile wire-room and an airplane repeater which allowed the interception of conversations within those vehicles anywhere in the Bay Area. During the course of the electronic surveillance, it became obvious that "The Roadrunner" was involved in a multi-kilogram supply and distribution organization. However, it also became quite evident that he was a money launderer capable of moving large amounts of currency in and out of this country. Even with physical surveillance closely observing Mr. Amaris's activities, the sightings made by the Internal Revenue Service, U.S. Customs Service, and Drug Enforcement Administration surveillance teams revealed only paper bags, duffel bags, and brief cases changing hands and being placed in car trunks.

Physical surveillance did, however, show that Mr. Amaris was a meticulous record keeper and lived by his daily diary. During the course of the investigation, a major break occurred when he left his diary in one of his many telephone booth offices. Surveillance agents immediately seized the diary and upon issuance of a search warrant it was searched and copied.

Undercover agents, presenting themselves as the enterprising discoverers of the missing diary, negotiated the return of drug record book with Amaris. During these negotiations Mr. Amaris established evidence of his drug activities.

Notwithstanding Amaris' major slip by losing his diary-records system, he was generally a very cautious drug trafficker and extremely sensitive to the risks of being surveilled. Mr. Amaris's surveillance cautiousness was a constant difficulty to the coordinated surveillance teams. His caution, triggered by his discipline, mandated that when he felt he was being surveilled, he would leave the area for a number of days at a time. Eventually he left the Bay Area and moved to the southern part of California.

While the investigation expended significant amounts of energy in surveilling Amaris, not all activities were focused on just one person.

During the investigation, the Task Force successfully made another investigative probe and an informant made undercover contact with subordinates in "The Roadrunner's" organization. Negotiations were opened and eventually, "The Roadrunner" agreed to supply twenty kilos of cocaine to the government further tightening the case against this wiley trafficker.

On November 11, 1985, "The Roadrunner" and members of his organization were arrested in a coordinated effort which covered the entire State of California. "The Roadrunner" investigation has resulted in the indictment of nine persons, and the investigation continues.

During the investigation, Mr. Amaris was identified as a repeat offender formerly convicted in Federal court of drug trafficking in the early 1970s; he was also found to be a formerly deported illegal alien. "The Roadrunner" has used a series of fictitious names to conduct his business. It has also been determined that when he was arrested he had drug records on his person, establishing that his organization controlled approximately \$11 million in drug profit.

"The Roadrunner" investigation is an example of complex labor-intensive case that could not have been made without the cooperation of the OCDETF agencies. It is a case in which U.S. Customs Service, the Drug Enforcement Administration, the Internal Revenue Service, the Federal Bureau of Investigation and the U.S. Attorney's Office used their respective expertise to develop a case that could not have been developed without patience and the multi-agency overview.

As is the case in many OCDETF investigations, the ability to probe deeply enables the government to show that this organization has special significance because it is connected with other organizations, and forms an umbrella organization importing, distributing and acting as a clearinghouse for cocaine trafficking over the last two or three years. Without the OCDETF commitment, "The Roadrunner" probably would have been arrested, but these linkages with the larger crime picture would not have been revealed.

TABLE II.23.

LAW ENFORCEMENT AGENCY PARTICIPATION IN  
INVESTIGATIONS RESULTING IN CHARGES THROUGH DECEMBER 31, 1985

AGENCY	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%
DEA	208	78.8	491	71.3	576	62.9	1275	68.2
FBI	188	71.2	354	51.4	577	63.0	1119	59.9
IRS	116	43.9	386	56.0	429	46.8	931	49.8
Customs	111	42.0	143	20.8	169	18.5	423	22.6
ATF	16	6.1	152	22.1	197	21.5	365	19.5
Coast Guard	4	1.5	15	2.2	4	0.4	23	1.2
Organized Crime Strike Force	12	4.5	8	1.2	21	2.3	41	2.2
State Investigators	5	1.9	122	17.7	287	31.3	414	22.2
State Prosecutors	10	3.8	31	4.5	44	4.8	85	4.5
Local Investigators	182	68.9	227	32.9	303	33.1	712	38.1
Local Prosecutors	83	31.4	71	10.3	76	8.3	230	12.3
Foreign Government	15	5.7	25	3.6	47	5.1	87	4.7
Other	5	1.9	14	2.0	68	7.4	87	4.7
Other OCDE Task Force	0	0	31	4.5	119	13.0	150	8.0
Unspecified	0	0	47	6.8	111	12.1	158	8.4
	N=264**		N=689**		N=916**		N=1869**	

\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. USMS and USAO are assumed to be involved in all cases.

\*\* The number of indictments and informations. The percentages show the frequency of participation for each type of agency. More than one agency is involved in almost all investigations.

Figure 9

Organized Crime Drug Enforcement Task Force Program

# LAW ENFORCEMENT AGENCY PARTICIPATION

In Investigations Resulting in Charges Through December 31, 1985

		Total %
Drug Enforcement Administration	1,275	68.2
Federal Bureau of Investigation	1,119	59.9
Internal Revenue Service	931	49.8
Local Investigators	712	38.1
U.S. Customs Service	423	22.6
State Investigators	414	22.2
Alcohol, Tobacco and Firearms	365	19.5
Other and Unspecified	245	13.1
Local Prosecutors	230	12.3
Other O.C.D.E. Task Force	150	8.0
Foreign Government	87	4.7
State Prosecutors	85	4.5
Organized Crime Strike Force	41	2.2
U. S. Coast Guard	23	1.2

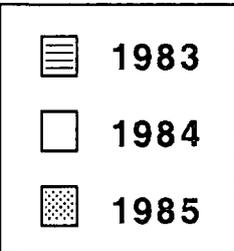


TABLE II.24.

DEFENDANTS' ROLES IN TARGETED CRIMINAL ORGANIZATIONS  
DEFENDANTS CHARGED THROUGH DECEMBER 31, 1985

ROLE	NUMBER OF DEFENDANTS*							
	CY 1983		CY 1984		CY 1985		TOTAL	
	NO.	%	NO.	%	NO.	%	NO.	%
Top Leader	200	16.2	368	14.7	392	11.2	960	14.1
Mid-Level Leader	242	19.6	439	17.6	522	14.9	1203	17.7
Major Financial Backer	14	1.1	33	1.3	20	0.6	67	1.0
Major Money Launderer	27	2.2	68	2.7	106	3.0	201	3.0
Major Enforcer	27	2.2	23	0.1	66	1.9	116	1.8
Major Supplier/Distributor	287	23.3	527	21.1	518	14.8	1332	19.6
Key Contact to Sources	79	6.4	109	4.4	102	2.9	290	4.3
Corrupt Public Official	10	0.8	5	0.2	28	0.8	43	0.6
Major Smuggler	**	**	**	**	190	5.4	190	2.8
Other	486	39.4	615	27.4	884	25.2	1985	33.2
Unspecified	0	0	174	9.8	233	6.6	407	7.0
	N=1232***		N=2501***		N=3061***		N=6794***	

\* The number of defendants who performed this role in the criminal organization targeted in this investigation and prosecution. Note that if an individual was named in more than one indictment or information, more than one entry is made for role.

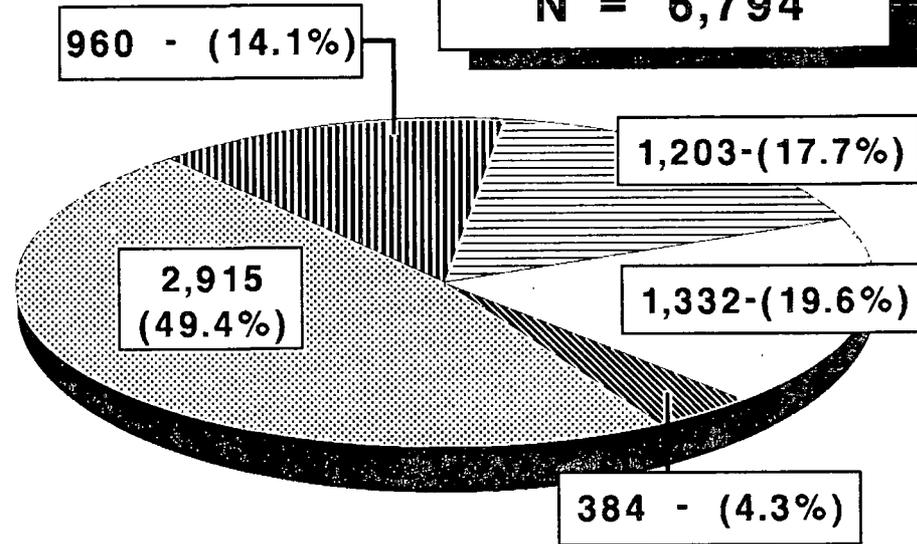
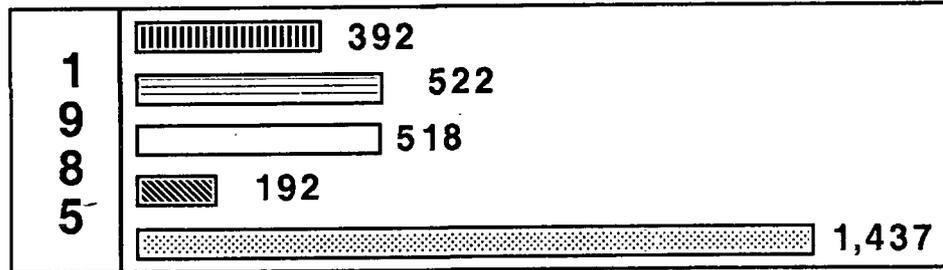
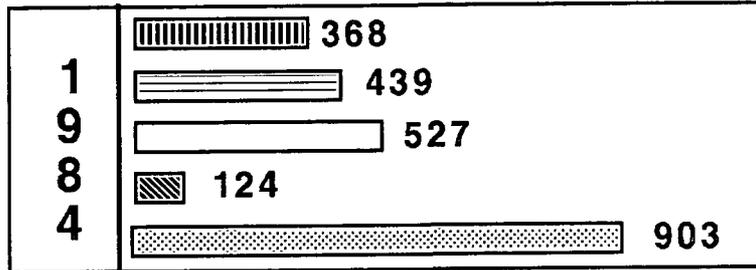
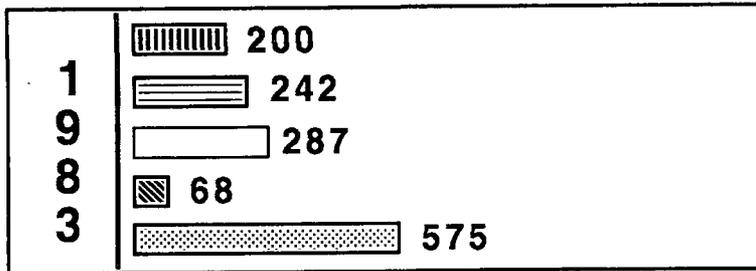
\*\* Not available until CY 1985.

\*\*\* The number of defendants named in Task Force indictments and informants. Some defendants were named in more than one indictment or information.

Figure 10

**Organized Crime Drug Enforcement Task Force Program  
Defendants' Roles In Targeted Criminal Organizations  
Defendants Charged Through December 31, 1985**

**Composite of  
1983-1984-1985  
Defendants Receiving  
Disposition.  
N = 6,794**



## THE CLASS REUNION

The defendants in Organized Crime Drug Enforcement Task Force indictments and informations have performed a variety of functions in drug trafficking organizations. As Table II.24. indicates, Task Force prosecutions have included the prosecutions of the top leaders of organizations and their functionaries, as well as those involved on the periphery of illicit organizations, such as enforcers and corrupt public officials. In the following case successfully concluded in 1985, the chief defendant in the marijuana and cocaine trafficking organization performed a variety of functions, including that of top level leader, major financial backer, major money launderer, major supplier or distributor, and key contact to sources.

In the year 2010, when he is 63 years old, Drake A. Williams, a Certified Public Accountant from Santa Fe, New Mexico, will have the opportunity to walk the streets of Santa Fe, Houston, or El Paso, three cities which figured prominently in his rise and fall in the drug world. Raised by a middle-class aunt and uncle in Texas, Williams put himself through college at the University of Texas at El Paso. Williams used his education -- he became a Certified Public Accountant at the age of 20 -- to develop and run a sophisticated drug trafficking and money laundering business, the nucleus of which consisted of his twin brother, Vance, an engineer, and numerous other high school and college friends. Thousands of tons of marijuana and hundreds of pounds of cocaine were sold across the Nation and millions of narco-dollars were laundered through otherwise legal business enterprises owned or serviced by Drake Williams' accounting firm.

The Williams brothers and their friends quickly became millionaires. Drake Williams put his education in finance to profitable use by laundering his drug-dealing profits through at least three legitimate businesses. One of the businesses was directly controlled by Williams and the other two were Houston businesses which were convinced to launder Williams' drug profits enabling the firms to claim illegal tax deductions. For a decade, the Williams' organization used the best business practices to import, warehouse, distribute, and finance a growing business enterprise.

The trial brought ten members of one of this Nation's most successful, long-term crime organizations to the Court as defendants representing a new kind of organized criminal. As noted by the prosecutor during the trial, the mobster of the past has in some instances been replaced by respectable appearing businessmen represented by a battery of expensive, talented lawyers. At the Williams' trial, nine of Texas' most prestigious criminal attorneys represented the ten defendants.

The success of the Williams' organization can be measured in the length of time that it successfully operated, distributing untold quantities of illicit drugs. Those successes were accumulated at a time that the American law enforcement community was concentrating on street distributors and the traditional organized criminal. (Little attention was given to the potential of "honest" businessmen using their talents and resources in the drug trade.) For eleven years, between 1969 and 1980, the Williams' group trafficked in drugs and laundered their profits with impunity. As the Organized Crime Drug Enforcement Task Forces began to explore the modern infrastructure of organized drug trafficking, it became more clear that organizations like those of the Williams brothers were a very real phenomenon of the times.

In 1981 Internal Revenue Service investigators began to link the activities of the Williams' organization as they pieced information together. By December 1982, the government had obtained enough information for minor indictments of five principals in the Williams' organization, but these allegations were for minor tax violations and did not address the drug violations which ultimately were identified. Throughout 1983, the investigation and prosecution of members of the Williams' organization began to bog down because of personnel changes within the Federal government and because of the rigorous requirements for prosecution of tax violations. Also, as the investigation continued, agents identified additional principals. It became apparent that the organization was much larger and of longer standing than initially suspected. It was clear that a new and fresh approach was needed.

By the fall of 1983, the Gulf Coast Organized Crime Drug Enforcement Task Force had been fully staffed and was prepared to experiment with its mission of reaching members of the legitimate business community who had moved into the world of illicit drug trafficking. The Internal Revenue Service assigned agents to the investigation who were familiar with the background of the case. In May 1984, the Task Force reached a decision to dismiss the previous indictments and to mount a major effort through the grand jury to totally destroy the entire Williams organization. The Task Force approach permitted investigators and Assistant United States Attorneys to work together to prove the true nature of the continuing criminal nature of the Williams' organization.

The first step was to gather and further develop information concerning drug transactions which were in any way related to the Williams' or their associates. Success came in the form of wiretap evidence and other evidence of drug deals which had been obtained by local law enforcement authorities in New Hampshire going as far back as August 1974. At the same time, voluminous business and banking records were subpoenaed by the grand jury and analyzed. Finally, the United States Attorney's office,

working in the Task Force mode with the investigatory agencies, granted immunity to selected individuals and compelled their testimony.

By the time of the grand jury's indictment, the Task Force had involved and coordinated the efforts of the Internal Revenue Service; the Drug Enforcement Administration; the United States Customs Service; the New Hampshire State Police; the Culberson County, Texas, Sheriff's office; the Texas Department of Public Safety; the Las Cruces/Dona Ana County, New Mexico Metro Narcotics Agency; the New Mexico State Police; and the Harris County, Texas, Sheriff's office. In addition, Assistant United States Attorneys from El Paso, San Antonio, and Houston, worked with grand juries in both El Paso and Houston.

These investigations revealed an organization with astonishing scope and longevity. For years, marijuana was delivered in large quantities to El Paso, where it was warehoused before distribution throughout the country. A sales force of Williams' "employees" would make sales to clients throughout the country and arrange for delivery via a large inventory of vehicles, including vans, motor homes, and camouflaged cargo trucks. The ways of concealing the marijuana included hollowed out loads of 2" x 4" lumber on open bed trucks. An estimated seventy-two tons of marijuana were distributed between 1970 and 1981 in this manner.

Discovery and analysis of the information produced by Vance Williams' arrest and drug conviction in 1977, along with the discovery of \$750,000 in a Swiss bank account of Drake Williams, joined with other evidence in establishing the long term and continuing nature of the Williams' drug business. Forty thousand separate documents were examined and prepared for trial, 175 witnesses were interviewed, and over 750 exhibits were developed for presentation during the two month trial. The investigation was a good example of many people and agencies working together in a new way, resulting in unparalleled success in complex investigations.

In March 1985 the Williams' organization was brought to trial; attorneys on both sides did not expect any surprises. Everyone was wrong. On April 19, 1985, 21 days after the trial began, and one month before it was eventually to be completed, the former wife of a drug supplier in Mexico walked into the Houston Drug Enforcement Administration office and asked for protection from her ex-husband. She claimed that she was going to be killed, and that her former husband was going to use her death as proof of his innocence regarding some missing drugs. The planned murder was intended to satisfy the Mexican drug organization that the alleged problem had been resolved.

Testimony by this new found witness revealed a great deal, including the startling information that major drug transactions were consummated by the defendants on the days that the Court declared recess. Particularly damaging to the defendants' cause was testimony that "shipments were planned for both Wednesday and Friday" of the week following this witness' testimony. On that week, the Judge had announced an unusual recess in the Williams' organization trial to enable the court to dispose of unrelated civil matters on both Wednesday and Friday.

Testimony from the surprise witness provided the final proof of the continuing and on-going nature of the Williams' drug enterprise.

Expert financial testimony by government witnesses concluded the trial, resulting in a 25 year CCE conviction without possibility of parole and a \$100,000 fine for Drake Williams. Vance Williams, the twin, received 20 years in prison and was fined \$50,000. The other eight defendants received substantial penalties.

TABLE II.25.

SCOPE OF CRIMINAL ORGANIZATIONS TARGETED IN  
INDICTMENTS AND INFORMATIONS RETURNED THROUGH DECEMBER 31, 1985

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<u>SCOPE</u>	<u>NUMBER</u>	<u>PERCENT</u>
Multi-district	855	45.7
International	603	32.3
Single district	209	11.2
Unspecified	202	10.8

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N= 1869\*

Legend

Multi-District: Criminal activities in two or more Federal judicial districts.

International: Criminal activities that include substantial international drug trafficking.

Single-District: Criminal activities limited to one Federal judicial district.

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\* The number of indictments and informations returned in Task Force cases.

Figure 11

Organized Crime Drug Enforcement Task Force Program  
**SCOPE OF CRIMINAL ORGANIZATIONS TARGETED**  
In Investigations Initiated Through December 31, 1985

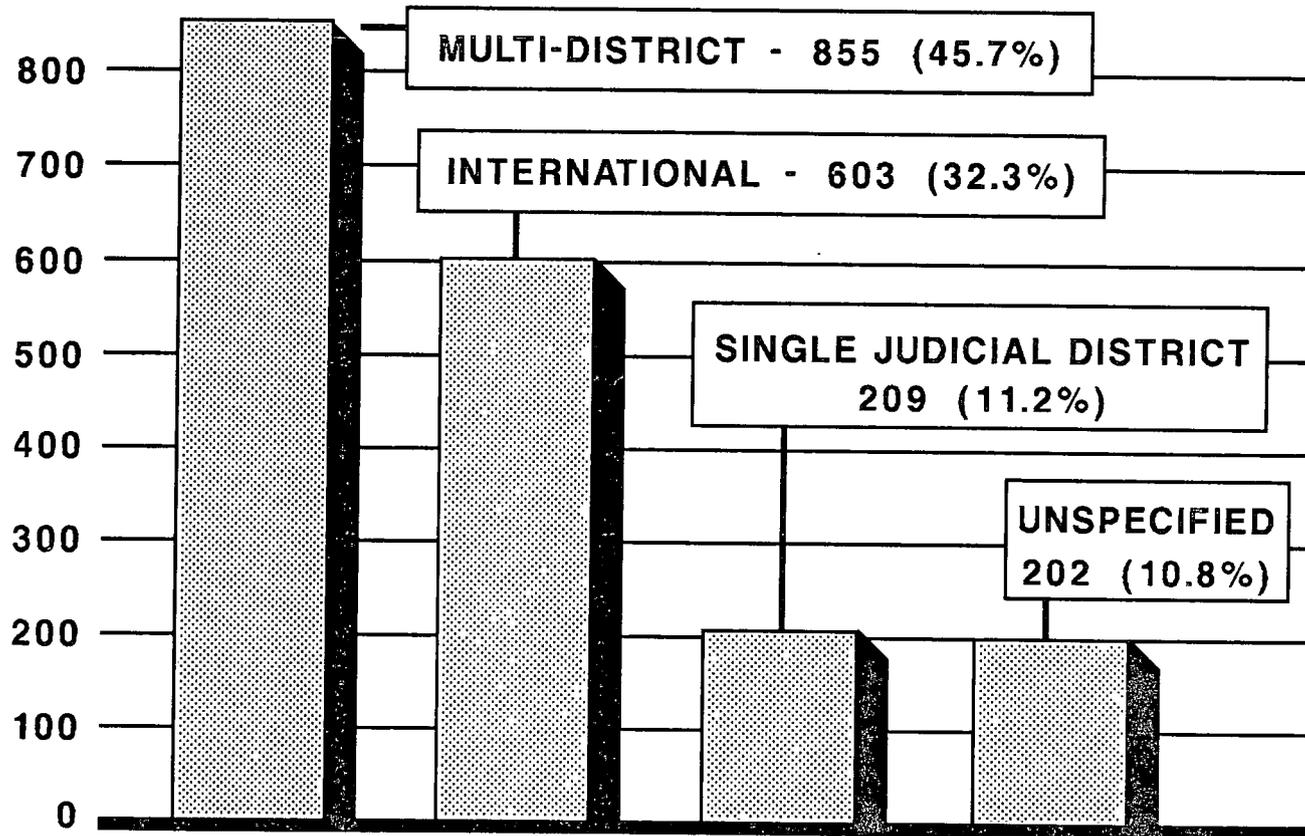


TABLE II.26.

OFFENSES CHARGED  
DEFENDANTS CHARGED THROUGH DECEMBER 31, 1985

		NUMBER OF DEFENDANTS CHARGED							
		CY 1983		CY 1984		CY 1985		TOTAL	
		NO.	%	NO.	%	NO.	%	NO.	%
TITLE	OFFENSE								
18:	RICO	90	7.3	265	10.6	133	4.3	488	7.2
18:	ITAR	121	9.8	312	12.5	306	10.0	739	10.9
18:	Firearms	43	3.5	74	3.0	168	5.5	285	4.2
18:	Hobbs Act	3	0.2	6	0.2	15	0.1	24	0.1
18:	Tax Conspiracy	29	2.4	129	5.2	75	2.5	233	3.4
18:	Non Tax Conspiracy	*	*	*	*	114	3.7	114	1.7
21:	CCE	71	5.7	140	5.6	103	3.4	314	4.6
21:	Manufacture	46	3.7	46	1.8	31	1.0	123	1.8
21:	Distribution	695	56.4	1027	41.1	1710	55.9	3432	50.5
21:	Importation	296	24.0	310	12.4	381	12.5	987	14.5
21:	Conspiracy	1103	89.5	1690	67.6	2432	79.5	5225	76.9
21:	Use of Comm Facility	*	*	*	*	719	23.5	719	10.6
26:	Tax Violations	47	3.8	123	4.5	246	8.1	416	6.1
31:	Currency Violations	19	1.5	78	3.1	130	4.3	227	3.3
Other		399	32.4	722	28.9	752	24.6	1873	27.6
		N=1232**		N=2501**		N=3061**		N=6794**	

\* Not available until CY 1985.

\*\* The number of defendants charged in Task Force indictments and informations. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

Figure 12

Organized Crime Drug Enforcement Task Force Program

# DEFENDANTS CHARGED

Through December 31, 1985

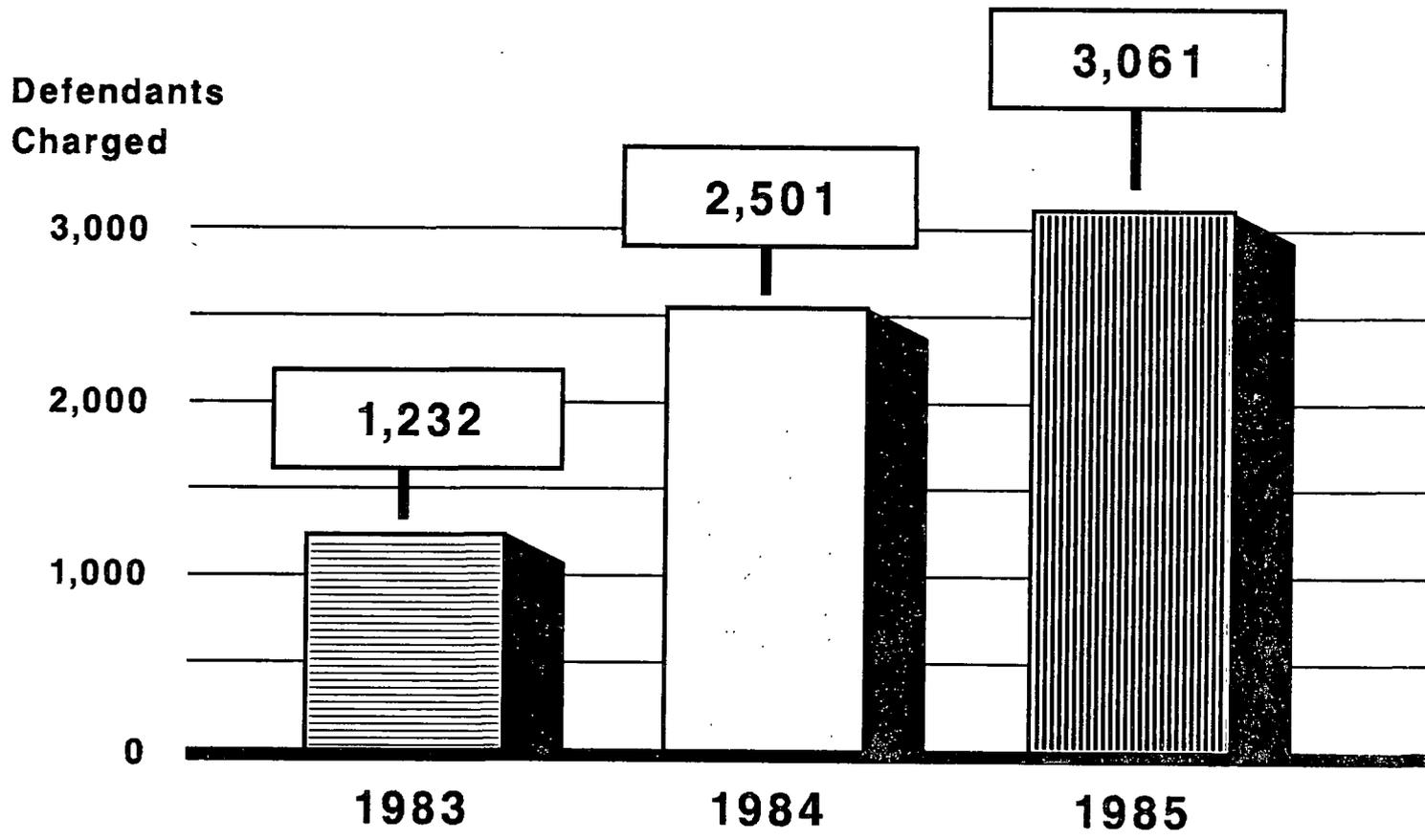


TABLE II.27.

DISPOSITIONS BY DEFENDANT IN  
CASES ADJUDICATED THROUGH DECEMBER 31, 1985

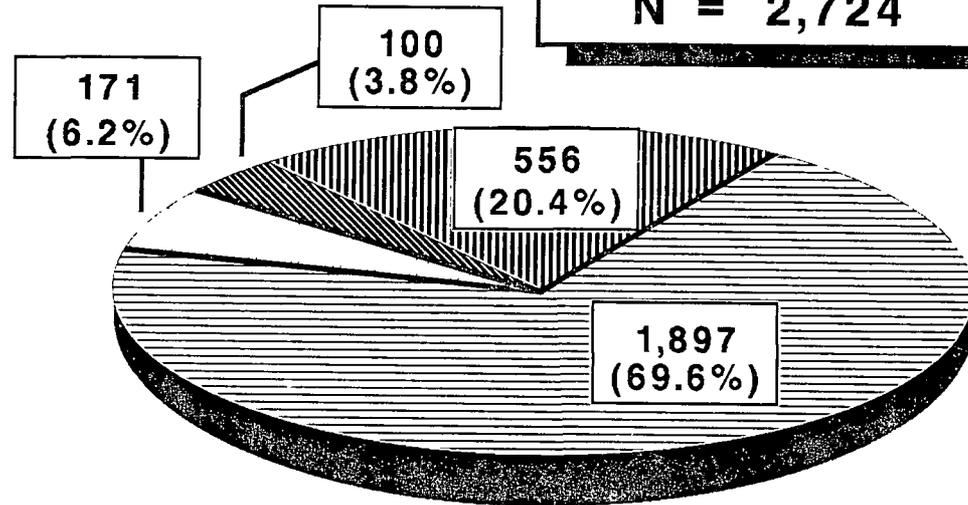
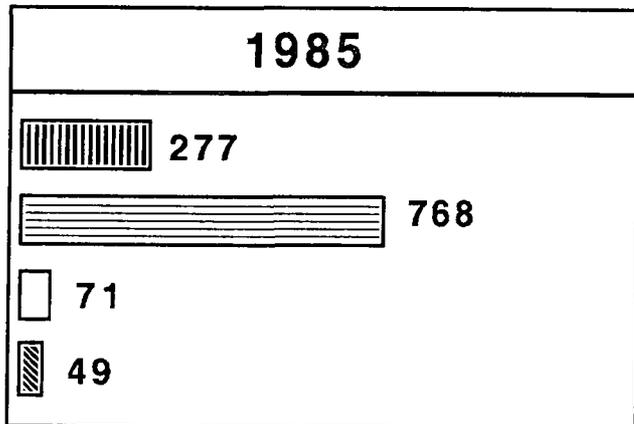
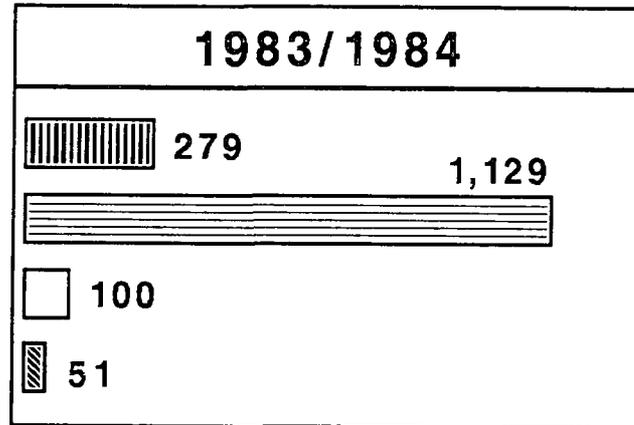
<u>DISPOSITON</u>	CY 1983/1984*		CY 1985	
	NUMBER	%	NUMBER	%
Found guilty of at least one charge	279	17.9	277	23.8
Pleaded guilty to at least one charge	1129	72.4	768	66.0
Dismissed on all charges	100	6.4	71	6.1
Acquitted on all charges	51	3.3	49	4.2
		N=1559		N=1165

\* Data cumulative through December 31,1984.

Figure 13

**Organized Crime Drug Enforcement Task Force Program  
Dispositions by Defendant**  
In Cases Adjudicated Through December 31, 1985

**Composite of  
1983-1984-1985  
Defendants Receiving  
Dispositions.  
N = 2,724**



found guilty of at least one charge  
 pled guilty to at least one charge.  
 dismissed on all charges.  
 acquitted on all charges.

TABLE II.28.  
 CONVICTIONS BY OFFENSE FOR\*  
 CHARGES DISPOSED OF THROUGH DECEMBER 31, 1985

<u>OFFENSE</u>	CY 1983/1984		CY 1985	
	NO.	%	NO.	%
Title 18: RICO	104	3.3	62	4.2
Title 18: ITAR	119	3.8	61	4.2
Title 18: Firearms	50	1.6	27	1.8
Title 18: Tax Conspiracy	*	*	26	1.8
Title 21: CCE	60	1.9	45	3.1
Title 21: Manufacture	27	0.9	17	1.2
Title 21: Distribution	865	27.8	326	22.3
Title 21: Importation	165	5.3	65	4.5
Title 21: Conspiracy	1084	34.9	539	36.9
Title 26: Tax Violations	**	**	166	11.4
Title 31: Currency Violations	38	1.2	11	0.8
Other	598	19.2	116	7.9
		N=3110		N=1461

\* The number of times convictions were obtained on charges named in an indictment or informations. Defendants may be convicted of more than one charge.

\*\* Data not available until CY 1985.

Figure 14

Organized Crime Drug Enforcement Task Force Program

**CONVICTIONS BY OFFENSE**

For Charges Disposed of Through December 31, 1985

	1983/1984	1985	Total	%
Conspiracy	1,084	539	1,623	35.5
Distribution	865	326	1,191	26.1
Other	598	116	714	15.6
Importation	165	65	230	5.0
ITAR	119	61	180	3.9
RICO	104	62	166	3.6
Tax Violations	***	166	166	3.6
CCE	60	45	105	2.3
Firearms	50	27	77	1.7
Currency	38	11	49	1.1
Manufacture	27	17	44	1.0
Tax Conspiracy	***	26	26	.6

TABLE II.29.

NET PRISON TERMS IMPOSED\* ON  
DEFENDANTS SENTENCED THROUGH DECEMBER 31, 1985

<u>TERM</u>	<u>** CY 1983/1984</u>		<u>CY 1985</u>	
	<u>NO.</u>	<u>%</u>	<u>NO.</u>	<u>%</u>
0 years***	276	19.6	152	15.8
5 years or less	672	47.7	493	51.4
6 - 10 years	268	19.0	168	17.5
11 - 15 years	111	7.9	86	9.0
16 - 20 years	37	2.6	31	3.2
21 - 25 years	11	0.8	8	0.8
26 - 45 years	21	1.5	19	2.0
46 - 65 years	7	0.5	1	0.1
More than 65 years	5	0.4	1	0.1
	****N=1408		****N=959	

\* The total of all consecutive prison sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).

\*\* Data cumulative through December 31, 1984.

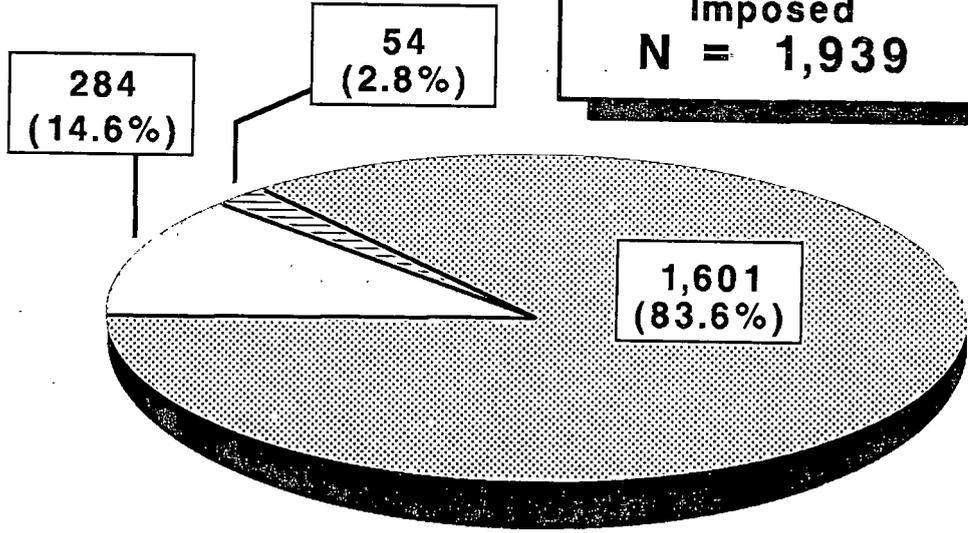
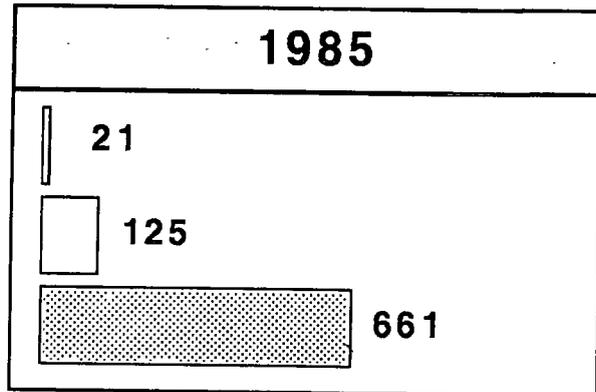
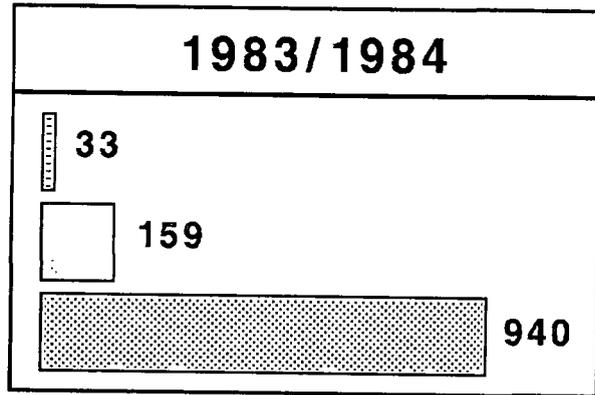
\*\*\* The number of defendants convicted but not sentenced to prison, e.g., those receiving suspended sentences or probation.

\*\*\*\* The number of defendants who were convicted and sentenced.

Figure 15

Organized Crime Drug Enforcement Task Force Program  
**Net Prison Terms Imposed**  
On Defendants Sentenced Through December 31, 1985

Composite of  
1983-1984-1985  
Net Prison Terms  
Imposed  
**N = 1,939**



**Defendants Sentenced:**

-  to more than 25 years.
-  to 11-25 years.
-  Less than 10 years.

TABLE II.30.

ASSETS SEIZED THROUGH DECEMBER 31, 1985  
(dollars)

	CY 1983	CY 1984	CY 1985	TOTAL
Cash	14,627,125	61,651,875	49,509,989	125,788,989
Property	20,913,861	60,424,139	115,050,285	196,388,285
Total	35,540,986	122,076,014	164,560,274	322,177,274

Figure 16

Organized Crime Drug Enforcement Task Force Program  
**ASSETS SEIZED**  
Through December 31, 1985

**TOTAL 1983-1984-1985  
Assets Seized  
\$322,177,274**

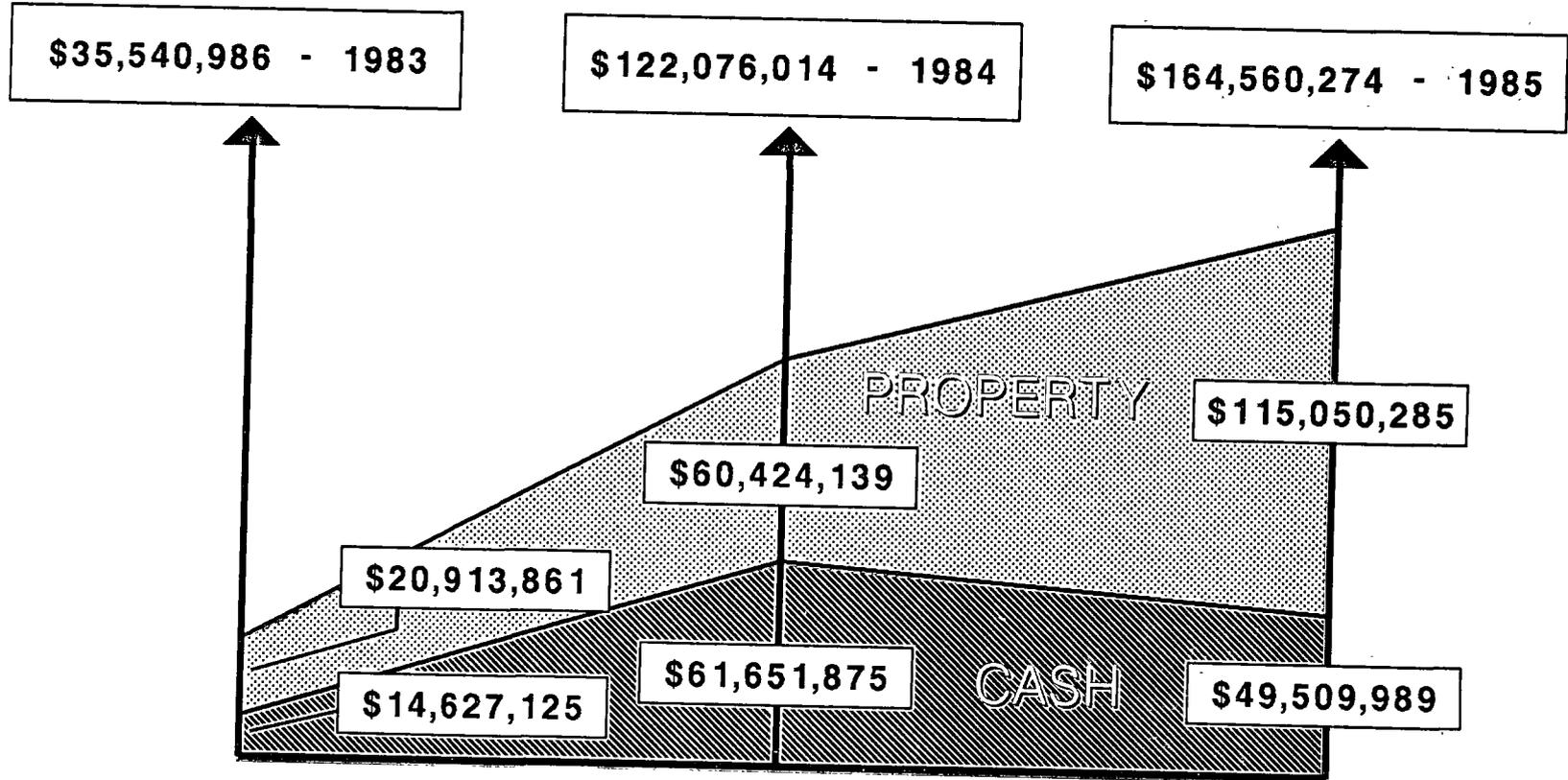


TABLE II.31.

ASSETS FORFEITED THROUGH DECEMBER 31, 1985  
(dollars)

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	CY 1983	CY 1984	CY 1985	TOTAL
Cash	2,897,575	9,432,425	19,764,037	32,094,037
Property	10,170,499	29,544,501	36,492,646	76,207,646
Total	13,068,074	38,976,926	56,256,683	108,301,683

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Figure 17

Organized Crime Drug Enforcement Task Force Program

# ASSETS FORFEITED

Through December 31, 1985

**TOTAL 1983-1984-1985  
Assets Forfeited  
\$108,301,683**

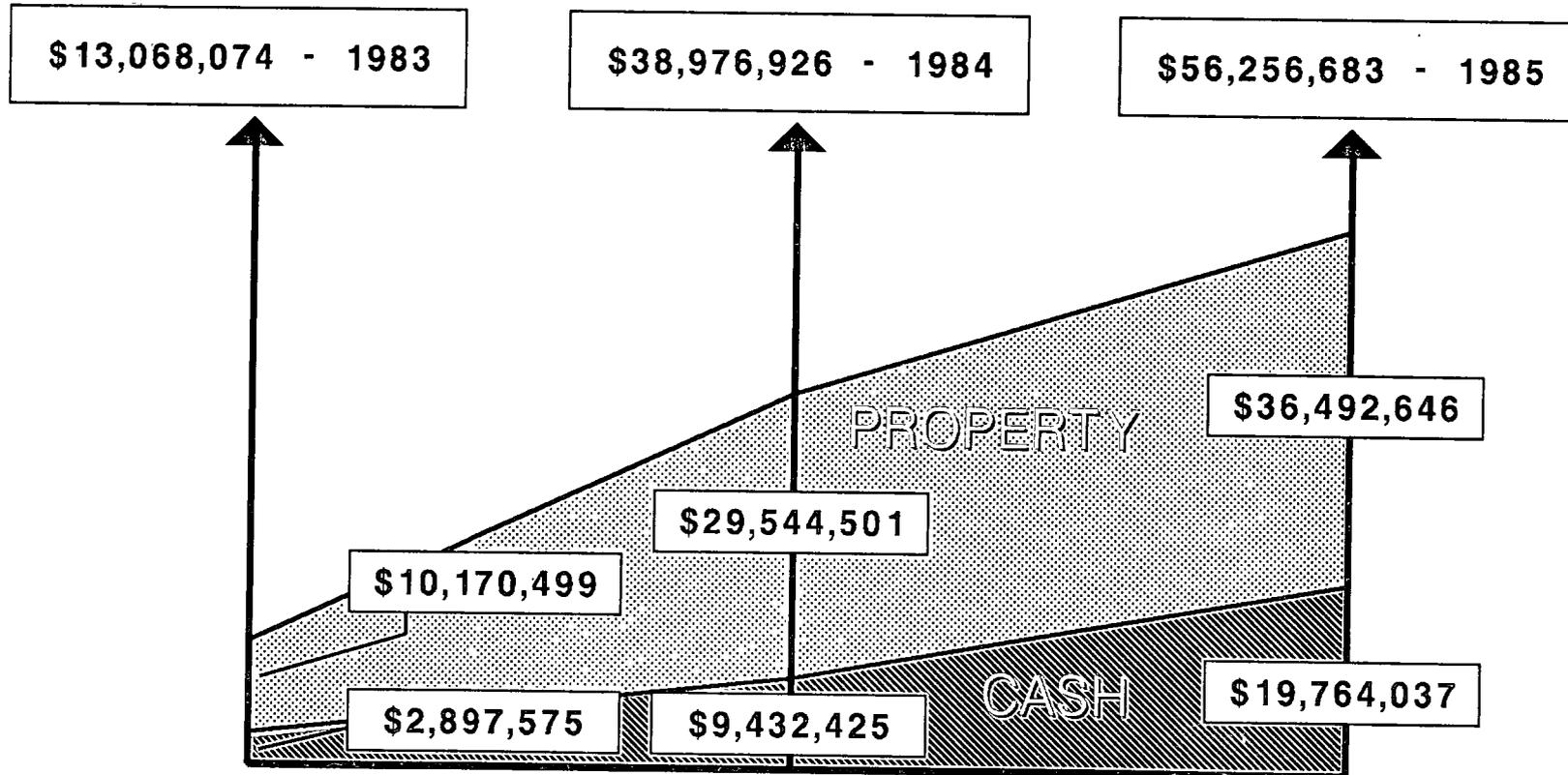


TABLE II.32.

FINES ASSESSED THROUGH DECEMBER 31, 1985  
(dollars)

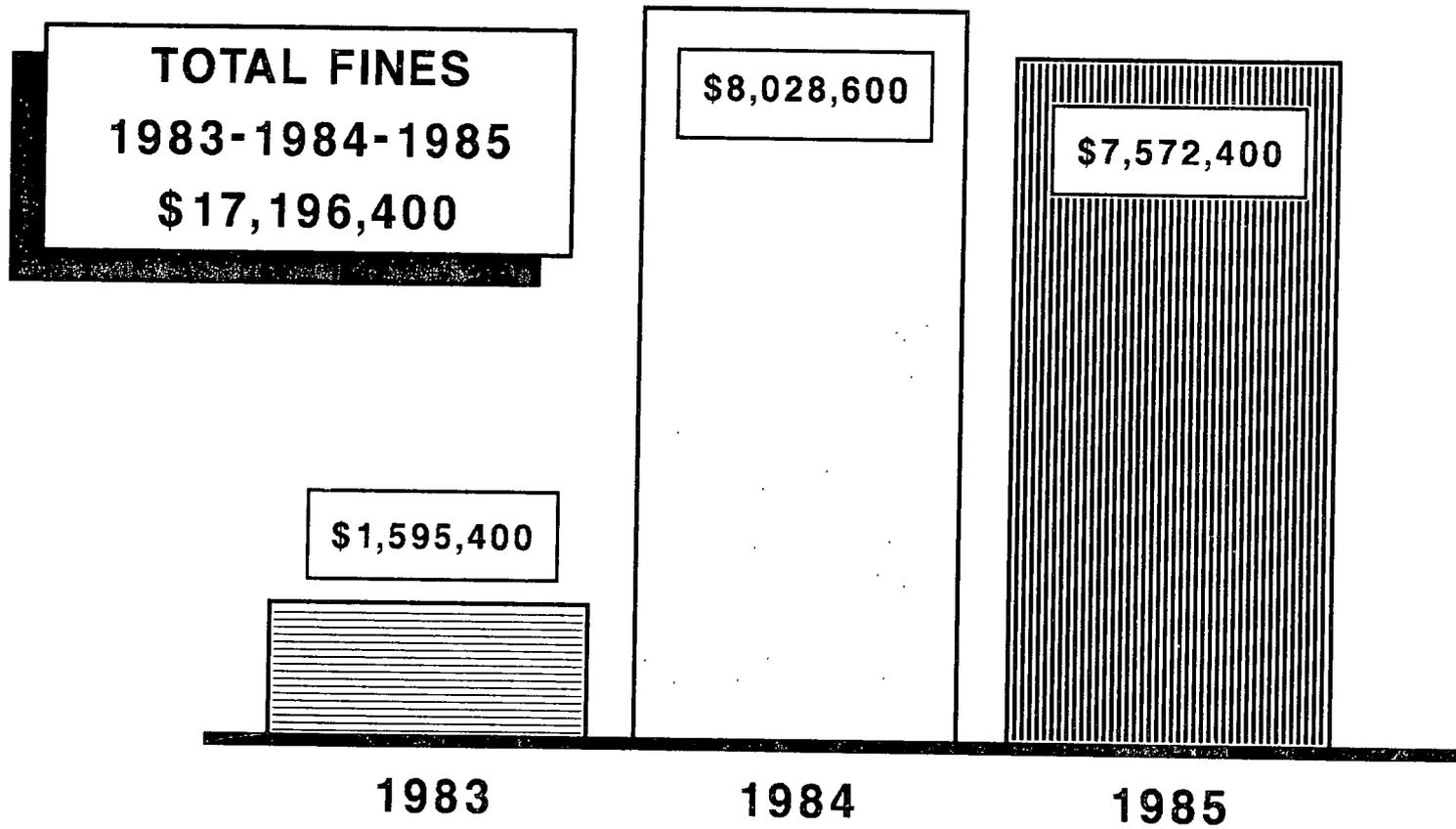
	1983	1984	1985	TOTAL
Fines	\$1,595,400	\$8,028,600	\$7,572,400	\$17,196,400

Figure 18

Organized Crime Drug Enforcement Task Force Program

# FINES ASSESSED

Through December 31, 1985



## THE RECKMEYER BROTHERS

Nowhere in successful Federal criminal cases is the volume of seizures and forfeitures of both illegal contraband and the illgotten gains of criminal conspiracies greater than in those made in successful Task Force investigations and prosecutions. The forfeiture statutes, augmented by the broadened forfeiture provisions as set forth in the Comprehensive Crime Control Act of 1984, provide unique opportunities to Federal authorities in the war against illegal trafficking in drugs.

The forfeitures which resulted from the successful case against the Reckmeyer brothers illustrate how these Federal statutes have been successfully implemented to deny major drug traffickers of their drugs, their money, and their personal financial assets obtained with the proceeds of illicit drug trafficking.

In February 1981, an off-duty United States Secret Service Special Agent entered his bank in Fairfax, Virginia, to deposit his government pay check. In line in front him was a young man carrying two brief cases. The young man opened the two cases and began to pass stacks of \$10 bills to the teller. The agent, a specialist in counterfeit currency, waited for the transaction to be completed and then approached the bank manager who advised the agent that he knew the young man and that similar deposits had been made frequently over the last four years. Since the deposits never exceeded the \$10,000 reporting requirement level, the bank had never filed a Currency Transaction Report with the Internal Revenue Service. The agent then checked the money deposited and took down a sample of serial numbers from the bills. On his way out of the bank, he met a friend who was a Fairfax County Policeman. He told the police officer of his suspicions and was informed that the depositor was one of the Reckmeyer brothers who ran an oriental rug business. The brothers had bought the Shelburne Glebe, an historic estate outside of town originally constructed in 1773 for George Washington's Chaplin. The police officer further advised the special agent that there had been rumors that the two brothers had been selling marijuana in high school. He agreed that deposit and the earlier reports of the Reckmeyers' drug dealings warranted investigation. As a result, the DEA and Fairfax County Police initiated a joint stake-out of Crancy's warehouse where Reckmeyer's Chinese and Persian carpets were stored. Proving unproductive, the surveillance was discontinued and the case became dormant until 1983 when activities of the Reckmeyer brothers came to the attention of Mid-Atlantic Organized Crime Drug Enforcement Task Force.

Information obtained from grand jury investigations in Florida and Virginia revealed that the Reckmeyers were connected to drug smugglers and distributors, previously convicted in other parts of the country. All the information, i.e., their lavish

life styles, cash transactions and the grand jury testimony fit the standard profile of a successful drug trafficker. Consequently, a formal OCDETF investigation was begun.

Shortly after the OCDETF investigation expanded to include a full-scale grand jury investigation, Robert Reckmeyer, Christopher Reckmeyer's brother, began to liquidate his most obvious assets. In November, 1983, he sold his Gibraltar Farm estate for \$555,000. Due to prior contacts made by IRS, the real estate agent notified IRS Special Agents of the pending settlement. Acting on very short notice, a Warrant of Arrest of Property was obtained for the approximately \$200,000 in proceeds due to Robert Reckmeyer. The funds were seized under civil forfeiture provisions as converted profits from drug trafficking. Reckmeyer and his attorneys immediately filed motions to begin civil discovery proceedings. The government responded that civil discovery would jeopardize the integrity of the grand jury investigation and won a one year stay in the discovery proceedings.

Due to the Reckmeyer brothers' sophistication and insulation from "front line" drug trafficking, one of the main thrusts of the Task Force investigation was to obtain sufficient direct and circumstantial evidence to prove that the numerous business entities established by the Reckmeyer organization were actually money laundering fronts. As the investigation progressed, the true nature of the Reckmeyer's businesses became apparent. Extensive surveillance of the businesses established the lack of business activity. All identified customers and suppliers were interviewed. Approximately 90 percent of the alleged "business receipts" were sales to either unidentified "cash" customers or to marijuana/hashish traffickers. Over 50 percent of the alleged millions of dollars of gross receipts of the various corporations were never deposited to the business accounts and over 75 percent of the business account deposits consisted of cash.

The Reckmeyer's laundered their illegal drug proceeds through their corporations by routinely creating false sales invoices. The invoices would indicate "cash sales" that never occurred or inflate the true sales price. In addition, goods left on consignment were written up as sales and the gross sales figure was never adjusted for sales returns and allowances.

Following the advice of convicted drug smuggler Barry W. Toombs, Robert Reckmeyer opened bank accounts in the Bahamas. One indicted co-defendant stated that Reckmeyer told him that he had \$3.5 million in the Bahamas in the summer of 1983. After the investigation began Reckmeyer found himself in a negative cash flow position due to the pressure of the investigation.

On January 9, 1985, a Federal grand jury in Alexandria, Virginia, indicted 26 members of the Reckmeyer organization in a 101 page sealed indictment. On Tuesday, January 15, 1985, approximately 125 Federal and State law enforcement agents

simultaneously executed five search warrants and began the execution of 26 arrest warrants. The agents searched the homes of the Reckmeyer brothers as well as their business locations. The \$2.4 million Shelburne Glebe Estate of Christopher Reckmeyer was seized. Christopher Reckmeyer's wife was caught attempting to take \$22,000 in currency out of the Glebe. She hid the currency in a suitcase while packing her clothes to move out of the mansion. Virginia State Police scuba divers scoured the 32 acre lake for buried treasure. Metal detectors combed the grounds of the Reckmeyer estate in search of buried gold and silver. Two water-tight, sealable plastic pipes containing 35 pounds of silver were seized. Agents found approximately \$210,000 in U.S. currency and numerous valuable gemstones at the Shelburne Glebe and seized oriental carpets valued at approximately \$500,000 from the Crancy's Inc. warehouse. Numerous motor vehicles were seized. Restraining orders were served on 22 bank accounts resulting in the ultimate forfeiture of approximately \$340,000. In addition, agents seized thousands of documents including financial records, records of Reckmeyer's marijuana business, and false identification papers (driver licenses and birth certificates).

Gold, silver and gems valued at over \$1 million were recovered from buried hiding places owned or controlled by Robert Reckmeyer. Based on information contained in the indictment, search warrant affidavits, court proceedings, and other public documents, the IRS Examination and Collection Divisions worked diligently to complete assessments of the delinquent taxes plus interest and penalties owed by the defendants and their corporations. The total civil tax and penalties computed for these jeopardy assessments was \$92,818,056.65. Christopher Reckmeyer and his corporations owed \$55,591,873.97, and \$31,200,430.46 pertained to Robert Reckmeyer and his corporations. Over \$6 million in disposable assets have been thus far recovered from the Reckmeyer organization.

One week before the scheduled March 18, 1985 trial date, the 15 apprehended defendants began changing their not guilty pleas to guilty. On the Wednesday before the Monday morning trial was to begin, only two not guilty pleas remained - those of the Reckmeyer brothers. However, before Wednesday was over, Robert Reckmeyer realized that, with the overwhelming evidence the government had amassed against him, his fate was sealed; he changed his plea to guilty. Part of Robert's plea agreement - full cooperation with the government - forced Robert into the position of agreeing to testify at the trial against his kingpin brother, Christopher. The newspapers and television stations widely publicized this "brother versus brother" story. Robert Reckmeyer was required to forfeit all of his assets that were purchased with drug proceeds. Christopher Reckmeyer, now standing alone, finally realized that, "when the dice are loaded you don't play craps, when the deck is stacked you don't play poker," as his attorney would later state to the press. On

Thursday, March 14, 1985, Christopher Reckmeyer, combative and argumentative to the end, pleaded guilty during a suspense-filled two hour hearing in U.S. District Court to the Continuing Criminal Enterprise charge and to two tax charges. However, one week after Robert Reckmeyer was sentenced to serve 17 years without parole, Christopher Reckmeyer filed a motion to change his guilty plea back to not guilty on the grounds that the Judge had not properly explained the elements of CCE to him. On May 17, 1985, the Court denied Reckmeyer's motion and sentenced Christopher, like his brother, to 17 years without parole.

During the course of the investigation, ATF Special Agents recovered ten machineguns and silencers that Robert Reckmeyer acquired from illicit sources in California. The weapons were destined to be used to protect drug shipments by members of the Reckmeyer organization. In addition, various witnesses stated that the Reckmeyers buried currency, gold, silver and gemstones at their residences for safekeeping. Robert Reckmeyer told the Task Force agents that he had buried approximately \$1 million worth of gold, silver, and gemstones and that he had \$50,000 in currency buried at his personal residence. Reckmeyer directed the agents to two sites in Anne Arundel County, Maryland where he had buried eleven containers of silver and gemstones. Then he "remembered" that he had hidden \$300,000 worth of gold at his parents' house in McLean, Virginia. Finally, he lead the agents back to his former residence at Gibraltar Farm, which he had sold in November of 1983. After digging in the tractor shed for two hours, Robert Reckmeyer led agents into the woods where he unearthed a container of gold. Reckmeyer indicated that he thought he had buried silver in the tractor shed, but since his digging and the metal detector were unsuccessful, agents gave up the search. The agreements made by both of the Reckmeyers as to the forfeiture of proceeds of drug trafficking by them are continuing. If any additional assets are located by any means, they, too, will be seized and forfeited to the United States.

## Conclusion

The Organized Crime Drug Enforcement Task Force Program is a major element in the United States' national strategy for drug enforcement. As the major formal interagency investigative effort of the Federal government, it is essential that the momentum of the program be maintained and improvements be institutionalized. Only in this way can the Task Forces continue their work and serve as an example for other programs.

The data in this report illustrate some dramatic successes in investigating and prosecuting organized crime figures.

As critical self analysis became more a part of the management style of the Task Forces, the Task Force Program strove to establish controls to maintain and insure a high level of quality and to realistically plan for the future.

The single most important accomplishment for the OCDETF program in 1985 was the development of an awareness and a commitment to maintaining and improving a high level of quality in Task Force cases. The second and longer term accomplishment of the Task Force Program during 1985 was the adoption of a proactive posture regarding the future.

The OCDETF Program has begun a strategic planning and implementation process which is designed to institutionalize the advantages of cooperation and to further eliminate obstacles to effective law enforcement in this country.

III: INTERDICTION

### III: INTERDICTION

The primary objective of drug interdiction is to substantially reduce the availability of illegal drugs in the United States by limiting the flow of drugs smuggled into this country, through seizures of drugs and through deterrence of potential drug smugglers. With a 96,000 mile coastline, large and desolate stretches of land border with Mexico and Canada, accessible airspace, and creative smuggling methods, interdicting drugs is an enormous challenge.

Protecting our borders is largely a Federal responsibility. The primary agencies involved in the drug interdiction effort are the U.S. Customs Service (Customs) and the U.S. Coast Guard (Coast Guard); in addition, the Department of Defense (DOD), the intelligence community, and other law enforcement agencies contribute to this effort.

The detection of drug smuggling requires a variety of efforts that go beyond vigilance at our borders. Traffickers are vulnerable all along their smuggling routes, from the staging areas in source countries to the first point of delivery inside the United States. The drug enforcement community has developed a wide array of programs to exploit smugglers' vulnerabilities and increase the risks of drug smuggling.

#### Primary and Support Agencies

##### U.S. Coast Guard

The Coast Guard is one of the two Federal agencies principally responsible for the maritime interdiction of drugs, and the only United States agency with law enforcement jurisdiction both on the high seas and on United States waters. This allows the Coast Guard to interdict vessels carrying drugs

destined for the United States when these vessels are outside Customs waters (the 12-mile limit). Coast Guard officers and petty officers are designated Customs officers by law, thereby giving the Coast Guard and the Customs Service joint jurisdiction within the 12-mile limit. However, the Coast Guard emphasis is on detecting and boarding drug trafficking vessels in transit on the high seas.

In addition to drug interdiction, the Coast Guard's law enforcement responsibilities include fisheries and marine resources, environmental protection, vessel safety, and illegal immigration. Although it is part of the Department of Transportation, the Coast Guard operates within the Department of the Navy in time of war, national emergency, or when directed by the President.

The Coast Guard carries out a variety of duties in addition to law enforcement. These include maritime search and rescue, aids to navigation, ice breaking, marine safety, and, as an Armed Service, military readiness. The scope of Coast Guard operations is such that nearly all of its 44,000 members, as well as its 250 ships, 2,000 boats, 200 shore stations, and 150 helicopters and fixed-wing aircraft, must have multi-mission capabilities.

#### U.S. Customs Service

Customs, under the Treasury Department, plays a major role in the Federal drug interdiction effort. Customs concentrates its efforts at ports of entry to interdict bulk quantities of drugs before they can be introduced into the United States illicit drug markets. Contraband Enforcement Teams at major airports and seaports search for and seize illicit drugs from cargo and common carrier conveyances. Regular inspectors have increased their searches based on profiles, experience, and

suspicion. Customs mail branches conduct extensive inspections of parcels and letters entering the country to intercept drugs.

Customs also conducts preventive interdiction, using common carrier agreements that provide incentives for carriers to assist in prohibiting the smuggling of drugs on their conveyances. In addition, Customs provides drug control training and advisory assistance to border control agencies of drug source and transshipment countries.

Customs has several additional duties, all involving the movement of goods and people across United States borders. These responsibilities involve the collection of revenue on imported goods, the control of exports (particularly those affecting national security and foreign policy), and the control of imports which could be harmful to the well-being of the Nation. The last responsibility includes not only illicit drugs, but also such things as child pornography, unsafe foodstuffs, counterfeit trademark merchandise, and stolen goods. Customs has been delegated enforcement authority for over 200 laws concerning imports and exports by 40 different agencies.

### Support Agencies

Many agencies provide support to the Coast Guard and Customs Service in drug interdiction efforts. The Drug Enforcement Administration (DEA), DOD, Immigration and Naturalization Service (INS), Federal Aviation Administration (FAA), and the Bureau of Alcohol, Tobacco, and Firearms (ATF) play important roles. These agencies and others provide intelligence, surveillance and boarding platforms, transportation, radar and communications support, and personnel augmentation. Each agency performs these support functions, in addition to their regular tasks, when needed on a case-by-case basis.

## Intelligence Support

As a result of Executive Order 12333, issued in 1981 and authorizing the intelligence community to target the foreign aspects of drug trafficking, the national intelligence community has provided increasing support to the Federal interdiction effort. A growing awareness of the intelligence requirements of law enforcement agencies has led to increased raw data and processed intelligence provided by the intelligence community.

Representatives of all the principal law enforcement agencies staff the Drug Enforcement Administration's El Paso Intelligence Center (EPIC). EPIC responds directly to field unit queries with information on specific vessels and aircraft suspected to be involved in drug smuggling. EPIC also provides special reports on emerging trends in smuggling methods to assist enforcement officers in their day-to-day operations. In addition, EPIC maintains information on the world drug situation and drug movements for use in developing interdiction strategies.

In October 1984 the Coast Guard established its Intelligence Coordination Center (ICC) to support drug interdiction and other Coast Guard mission areas. The ICC works with the national intelligence community to facilitate the flow of smuggling-related foreign intelligence to Coast Guard operational commanders and the Regional Coordinators of the National Narcotics Border Interdiction System (discussed below).

## The Vice President's National Narcotics Border Interdiction System

President Reagan established the Vice President's National Narcotics Border Interdiction System (NNBIS) in early 1983. NNBIS is a management system, not an agency, designed to enhance the national drug interdiction effort. The principal function of

NNBIS is to improve coordination among Federal, State and local agencies, in order to increase the effectiveness of the national drug interdiction effort. Under the direction of the Vice President, NNBIS brings together the unique jurisdictions and expertise of the various law enforcement agencies and support elements (such as the military and intelligence organizations) to facilitate a coordinated drug interdiction effort. NNBIS collates and shares intelligence, assesses threats, identifies resources, recommends actions, and coordinates joint and special operations. In addition to a small Washington staff, NNBIS regional centers have been established in El Paso, Chicago, New York, Miami, New Orleans, Long Beach, and Honolulu. These centers are staffed by Coast Guard, Customs, DEA, FBI, INS, DOD/Military Services, and other Federal, State, and local personnel. They serve as the focal points for coordinated regional interdiction efforts.

### Interdiction Objectives

A successful interdiction strategy must render drug smuggling substantially more risky and less profitable. In an effort to accomplish this, the interdiction strategy focuses on these elements:

1. Increase the seizure and arrest rates. Arresting drug traffickers and seizing their contraband reduce drug availability, immobilize smugglers, and reduce profits.
2. Deny traditional traffic routes. Route denial forces smugglers to stockpile drugs, which can aid source country eradication and seizure efforts. Route denial also forces smugglers to shift to longer or less profitable routes and methods.
3. Apply visible enforcement pressure in a flexible manner to deter smugglers. This will force them to use longer, more vulnerable routes and methods and increase the chances of detection. This also increases shipment costs and complicates logistics, resulting in reduced profits.

Interdiction complements the other facets of drug law enforcement. In addition to enhancing source country eradication and enforcement programs by forcing smugglers to delay drug shipments and stockpile drugs, seizures and arrests provide valuable information to other areas of drug law enforcement. Information obtained as a result of a drug seizure often leads investigators to higher level traffickers. Similarly, investigations can support interdiction efforts through exchange of information. Post-seizure analysis can assist intelligence agencies in determining shifts in trafficking patterns and identifying emerging threats. These additional benefits of interdiction are significant contributions to the Federal drug law enforcement effort.

Part of the interdiction strategy fosters international cooperation in the effort against drugs. Special joint operations with key foreign governments improve communications and cooperation among the many countries faced with the serious problems of drug abuse and trafficking.

Because sealing off the entire coastline and land borders of the United States is impossible, drug interdiction efforts must be concentrated in areas of highest threat in order to optimize the use of available assets. In 1984, 96 percent of the foreign supply of marijuana destined for the United States originated in Colombia, Jamaica, Mexico, and Belize. All of the cocaine destined for the United States originated in South America. Therefore, interdiction efforts have largely been concentrated along our southeastern sea border, primarily Florida, where the overwhelming volume of marijuana and cocaine arrives in the United States by sea and air. Interdiction operations in the Gulf of Mexico and along the Mexican border have been growing as the threat there increases. Less intensive operations are conducted along the Atlantic and Pacific coasts. Additionally,

there are substantial interdiction efforts at major airports, seaports, and principal land border crossings where international arrivals might be carrying drugs.

### Interdiction Methods

Successful drug interdiction programs must employ innovative, bold, and flexible strategies and tactics. Smugglers are rich, resourceful, and resilient. Drug smuggling organizations have ready access to huge sums of money and can purchase state of the art aircraft, boats, and equipment. They employ decoys and engage in counter-surveillance to locate and avoid interdiction forces. As enforcement pressure is applied, they seek the paths of least resistance, quickly shifting trafficking routes and shipment modes if necessary. Therefore, interdiction efforts must be varied and applied in such a manner as to keep smugglers constantly off-balance and concerned about what the interdiction forces will do next. A variety of efforts to accomplish this are discussed below.

### Intelligence

The collection, analysis, and dissemination of intelligence concerning the movements of drugs destined for the United States play a key role in the interdiction strategy. In 1984 and 1985, intelligence collection and analysis steadily improved. Increased coordination and dissemination of drug-related intelligence among EPIC, NNBIS, the Intelligence Coordination Center, the intelligence community, and other law enforcement agency intelligence units significantly enhanced interdiction efforts. For example, intelligence played a key role in roughly 50 percent of the Coast Guard's mothership seizures in 1984 and 1985. These seizures accounted for approximately 65 percent of the total amount of marijuana seized by the Coast Guard during that period.

In addition to the direct contribution of tactical intelligence in making seizures, strategic intelligence is used to identify emerging source countries, staging areas, and transshipment points, and to signal shifting trafficking patterns and modal changes. Armed with these indicators, strategic planners can shift enforcement pressure to meet the emerging threats. Intelligence also provides a means to evaluate the effectiveness of specific strategies and operations through analysis of smugglers' reactions. This further improves interdiction by enabling strategists to predict reactions to planned operations and develop countermeasures to meet them.

### Coordination

The effectiveness of interdiction depends largely on interagency and international cooperation. Although the Coast Guard and Customs have primary responsibility for drug interdiction, more than two dozen agencies in nine Federal departments, as well as hundreds of State and local agencies, play a role. For example, the military services provide detection and surveillance support, equipment, and personnel to law enforcement agencies, while the Federal Aviation Administration provides detection support to the air interdiction program.

Coordination among the numerous agencies is essential to ensure the most efficient interdiction effort. Through the efforts of individual agencies seeking and receiving the cooperation of other agencies, a high level of interagency coordination has been achieved. Improved lines of communication and a heightened degree of cooperation among the various agencies have been apparent in the last two years. This was demonstrated during two major multi-agency interdiction operations known as HAT TRICK and BLUE LIGHTNING. With NNBS providing planning support and coordination, the DEA, Coast Guard, Customs, DOD and

foreign governments worked closely to plan and execute these successful operations. Both operations are discussed later in this chapter.

The "Cold Hit"

An important element of the interdiction strategy is the "cold hit." The cold hit approach is based on the assumption that a large amount of smuggling activity goes undetected by specific intelligence. Through random patrols, spot checks, and investigations of people or conveyances fitting smuggling profiles developed through intelligence, potential smugglers are targeted. Enforcement officers or units are also alert for any suspicious activity or behavior that might indicate drug smuggling and lead the officers to a successful search and seizure.

The effectiveness of this approach is exemplified by the Customs statistics in Table III.1. and the fact that approximately 50 percent of the Coast Guard's mothership seizures in 1984 and 1985 were cold hits. In FY 1985, cold hits accounted for the following percentages of seizures and drug quantities interdicted by Customs:

Table III.1.

U.S. CUSTOMS SERVICE  
SEIZURES MADE FROM "COLD HITS" DURING FY 1985

<u>Drug</u>	<u>Cold Hits as a Percent of Number of Seizures</u>	<u>Cold Hits as a Percent of Drug Quantity Seized</u>
Heroin	79.6	68.0
Cocaine	82.7	36.5
Hashish	62.4	33.3
Marijuana	44.7	38.7
Other Drugs	36.2	8.9

## High Technology

A key development in the Federal fight against drug trafficking is the acquisition and use of high technology equipment designed to provide greater security for law enforcement operations and to enhance the detection and intercept capabilities of interdiction forces. Navy and Air Force E-2/E-3 flights in support of law enforcement have assisted in the detection of potential smuggling aircraft. Customs is using four P-3 aircraft, on loan from the Navy, to increase its air interdiction, detection and surveillance capabilities. Customs is also using Air Force provided F-15 radar and Forward Looking Infra-Red Radar (FLIR). These aircraft employ surface search radar for maritime detection. Air Force and Customs land-based aerostat radar systems have provided down-looking radar capability in the Caribbean and Gulf regions to improve aircraft and vessel detection capabilities, while the Coast Guard uses sea-based aerostats to increase detection of maritime smugglers far offshore. Customs-operated Blackhawk helicopters are being used for aircraft surveillance and to transport interdiction teams, and high speed Surface-Effect-Ships (SES) are employed to intercept smuggling vessels. Mobile marine repeaters are improving communications and covered voice radio equipment is improving operational security.

## Modular Concept

To provide quick response enforcement teams in conjunction with sensor systems and intelligence, Customs developed the Marine Module and Air Module concepts. In 1984 and 1985, the modular concept was in the development and implementation stages.

The Marine Module will consist of a radar platform vessel and two or more high-speed interceptor vessels. It will employ computerized radar to detect and track suspect vessels, and to vector interceptors. The system will provide intercept courses

to the response vessels using voice privacy radio equipment. The Aviation Module will use the same concept, combining larger surveillance aircraft with smaller, faster interceptors.

## Interdiction Programs

### Land

Several significant changes have taken place in land interdiction programs in the last three years. These include upgrading ports, training inspectors in the use of observational techniques and behavioral analysis, developing violator profiles of the various types of drug and currency smugglers, and improving the selection of vehicles as high-risk or low-risk (by "Rovers" in front of the primary inspector when there is a back up of traffic). Contraband Enforcement Teams have been formed to provide highly trained mobile inspectors that are able to concentrate on areas where drug threats are the greatest. Inspectors are using new technology, such as fiberscopes, contraband detector kits, and automatic license plate readers. A joint Customs/Immigration and Naturalization Service (INS) Task Force has been established to discuss interrelated items routinely at the program staff level.

INS inspectors man all land border ports of entry and have concurrent jurisdiction with Customs inspectors. In addition, INS inspects incoming passengers at international airports, providing an inspection team with Customs. Drug seizures by INS have increased from 796 in 1984 to 1,573 in 1985. The INS Border Patrol and anti-smuggling operations resulted in the apprehension of 2.5 million illegal aliens in 1984 and 1985, establishing a deterrent presence between ports of entry. In the process of conducting these apprehensions, INS Border Patrol made drug seizures valued at \$42 million in 1984 and \$119 million in 1985.

## Air

According to the 1984 Narcotics Intelligence Estimate, cocaine is smuggled primarily by air. Although estimates of the amounts transported by various modes are imprecise, approximately 62 percent of the cocaine seized in 1984 came from general aviation aircraft. A much smaller percentage of marijuana is smuggled by air. In 1984 only seven percent of marijuana seizures came from general aviation aircraft. Lesser amounts of other drugs are also smuggled by air.

The Customs air interdiction program concentrates on interdicting general aviation aircraft smuggling contraband into the United States. Strategic and tactical intelligence are used to select the optimum times and places for interdiction operations. Detection systems are monitored to identify intrusions, and special sensor-equipped aircraft are employed to intercept and track air smugglers. However, smuggling by general aviation aircraft poses difficult problems for law enforcement. Aircraft generally are not restricted by geography; nor are they limited to certain landing areas. They are limited only by the distance they can fly and their navigational capabilities. Because they are relatively fast-moving targets, swift interdiction response after detection is extremely critical. After interception the law enforcement aircraft tracks the target until it lands and can be searched.

The major air smuggling threat is clandestine aircraft that penetrate the border below existing radar coverage or where no radar coverage exists. Smuggling intrusions also occur within radar coverage area by unregistered aircraft conforming to filed flight plans, making discrimination among aircraft nearly impossible.

Customs has taken the following steps in response to the private aircraft smuggling problem:

- o Issued operational procedures for private aircraft processing;
- o Improved radio communications capabilities of inspectors assigned to designated airports;
- o Provided private aircraft search training to inspectors and canine enforcement teams nationally;
- o Published regulations requiring air charter and air taxi operators to comply with the special reporting procedures applicable to private aircraft arriving from south of the United States border; and
- o Published a Notice of Proposed Rule Making to increase controls over private aircraft by: (a) extending notice of arrival and penetration reporting requirements from 15 minutes to one hour; (b) including flights from Puerto Rico and re-cleared flights from the United States Virgin Islands under the reporting requirements; (c) including flights over international waters which do not land in a foreign country under the requirements; and (d) limiting overflight exemptions to flights conducted under Instrument Flight Rules.

The centerpiece of the Customs air interdiction program consists of a family of self-contained aviation modules that stress flexibility and mobility instead of a large and costly static defense system. Ideally, each module consists of at least two interceptor aircraft, two tracker aircraft, two apprehension aircraft, and two or more support aircraft. Airborne surveillance support for the modules is provided by regularly scheduled DOD flights and Customs P-3 aircraft. The Federal Aviation Administration contributes by providing information on suspicious aircraft to intelligence centers and enforcement agencies, and with radar coverage.

The aviation modules are supported by airborne and land-based radars. The modules are being deployed at eight sites along the southern border and will be periodically redeployed or redistributed to keep the smugglers off balance. The primary focus of the aviation modules is to intercept clandestine air smugglers while augmenting the target sorting systems in Customs command centers.

### Sea

Because of marijuana's bulk, smuggling by vessel has been the preferred method of transporting thousands of tons of marijuana each year from the source countries to the United States. In 1984, 84 percent of the volume of marijuana seized by Federal agencies was aboard non-commercial vessels. Lesser amounts of other drugs, such as cocaine and hashish, are also smuggled by sea. In 1984 approximately 11 percent of the cocaine seized came from vessels. In 1985 there was a marked increase in maritime seizures of cocaine, some exceeding 1,000 pounds, which leads to speculation that cocaine smuggling by sea is on the rise. At the same time, there are indications that the percent of marijuana smuggled by sea has decreased as Colombia ships less marijuana and Mexico more.

Latin America and the Caribbean are the primary sources of marijuana and cocaine smuggled into the United States. Smaller volumes, but still significant amounts of marijuana, come from Southeast Asia to the west coast. The typical maritime smuggling venture begins when as much as 50 tons of marijuana are loaded aboard a freighter or fishing vessel in a Latin American or Caribbean source country. These "motherships" proceed generally north across the Caribbean, then through one of the relatively narrow passes of the Antilles. After transiting one of these "choke points," the mothership proceeds to a rendezvous point in the Bahamas or off the United States coast, where its cargo is transferred to a number of smaller "contact boats" which make the final run to shore.

In addition to the traditional mothership to contact boat smuggling method, aircraft are often used to drop marijuana and cocaine to small high-speed boats waiting offshore. Also, cocaine and marijuana are frequently smuggled by aircraft to transshipment points, particularly in the Bahamas, where they are transferred to small boats or other aircraft for the final run into the United States.

The maritime interdiction effort is aimed at two fronts. First, major Coast Guard resources are concentrated in the Caribbean choke points and Bahamas to detect and intercept motherships in the transit zone on the high seas. These traffic lanes are more predictable than any others and the quantities of drugs are large. Offshore patrols along the east coast, in the Gulf of Mexico, and in the Pacific are also conducted. Second, both the Customs and Coast Guard interdict maritime smugglers closer to shore as they approach or enter the United States. An intense at-sea and dockside boarding program is conducted to detect violations of U.S. law, and to serve as a deterrent to maritime smugglers.

The first step in each maritime interdiction is to detect and identify potential smugglers. Coast Guard and Customs aircraft, with support from the DEA, Navy, Army, Marine Corps, and Air Force, fly over waters of interest and pass sighting information to surface units. In addition, both land-based and sea-based aerostats provide target information to surface units. The surface units intercept, board, and search targets of interest.

In October 1982 DEA gave the code name Trampa II to the comprehensive interdiction operations to target the flow of drugs through the Caribbean. This operation continues to provide valuable intelligence to interdiction forces by identifying contraband loading sites in source countries, and identifying

smuggling routes, suspect vessels, and aircraft. Since Trampa II was begun, 650 vessels, over 6.5 million pounds of marijuana, and nearly 24,000 pounds of cocaine have been seized.

### Special Interdiction Operations

#### OPERATION HAT TRICK

In November and December 1984, NNBIS coordinated Operation HAT TRICK, a short-term, large-scale interdiction operation designed to disrupt the harvest and shipment of Colombia's large fall marijuana crop. DOD and the Military Services provided communications support, vessels and aircraft for detection and surveillance of both maritime and airborne smugglers, and boarding platforms for Coast Guard Law Enforcement Teams. Customs and Border Patrol increased their enforcement efforts at and between ports of entry in the United States. The intelligence community provided unprecedented support to the entire operation. The Department of State coordinated with key foreign governments, including Colombia, the Netherlands and Honduras, to gain their support during the operation. Colombian officials were placed aboard Coast Guard cutters in the subordinate Operation WAGONWHEEL to facilitate coordination with Colombian enforcement units, which had stepped-up their patrols in support of the operation, as well as to expedite entry into Colombian waters and boardings of Colombian vessels on the high seas. Colombia also increased its in-country eradication and destruction programs during the operation. Other countries in the area made similar contributions.

HAT TRICK forced smugglers to reduce drug shipments, creating large stockpiles that were located and destroyed by Colombian authorities. As a result of this unprecedented level of international and multi-agency interdiction coordination, much of Colombia's fall marijuana crop was eliminated.

#### OPERATION WAGONWHEEL

In November and December 1984, the Coast Guard conducted Operation WAGONWHEEL, the maritime portion of Operation HAT TRICK. Numerous Coast Guard cutters and Navy ships with Coast Guard boarding teams patrolled the Caribbean in an extensive interdiction operation. The traditional choke points were also covered with a reduced number of cutters. As the operation progressed, the ships and aircraft were deployed close to the territorial sea of Colombia to complement anti-drug operations being carried out by Colombian forces ashore. Colombian officials, empowered to authorize boardings of Colombian vessels on the high seas by American law enforcement officials and to

permit entry of American law enforcement vessels into Colombian waters to enforce United States law on American vessels, were assigned to cutters.

During the early phases of WAGONWHEEL, the maritime forces realized a seizure rate that was much higher than usual. When the smugglers became aware of the presence of the interdiction force, however, they stopped moving their illegal cargoes, planning to wait until the operation ended. Marijuana accumulated in the staging and growing areas of Colombia where in-country forces were able to confiscate and destroy major quantities of the drug. Operation WAGONWHEEL resulted in the seizure of 37 vessels carrying 169 tons of marijuana. Another three vessels carrying 28 tons were pursued into Mexican waters where they were seized by Mexican authorities.

#### OPERATION BLUE LIGHTNING

Operation BLUE LIGHTNING, another major operation coordinated by NNBIS, took place in April 1985 with Customs as the lead agency. BLUE LIGHTNING was a multi-agency operation, coordinated with the Bahamian government, and designed to disrupt the flow of drugs through the Bahamas. Based on intelligence, certain Bahamian islands were targeted as drug stash sites and transshipment points. Coast Guard Cutters and Navy patrol boats with Coast Guard boarding teams sealed off individual islands while sweep teams were flown in to search for and destroy contraband. Bahamian police officials, advised by DEA special agents and transported by U.S. military helicopters, comprised the sweep teams. Along Florida's Atlantic coast, the strategy included coordinated arrival zone operations conducted by 16 State, county and local law enforcement agencies as well as Customs, Military Services, Coast Guard, and National Park Service. As the enforcement pressure in the Bahamas was applied, smugglers were forced to move their drugs immediately in an attempt to elude capture. Pre-positioned enforcement units were ready to intercept.

Over 5,500 pounds of cocaine, 36,000 pounds of marijuana and 26 vessels were seized during the two week operation. Since then a successful follow-up maritime operation entitled Thunderstorm was conducted by Coast Guard and DEA with the excellent cooperation of the government of the Bahamas. Customs has standardized much of the Federal, State, and local operation as the Blue Lightning Strike Force.

The Blue Lightning Strike Force operated from June 28 through September 29, 1985. The Strike Force coordinated multi-agency arrival zone interdiction activities on a 24-hour basis along the Florida coast. The Strike Force targeted contact vessels and aircraft approaching the United States. During the 90-day operation, Strike Force personnel arrested 82 people and

seized five aircraft and 32 vessels, resulting in the interdiction of 103,755 pounds of marijuana and 6,710 pounds of cocaine. The success of the Strike Force has led Customs to retain it as a permanent, cooperative effort and to establish the BLUE LIGHTNING Operations Center. This center links various detection, sorting and tracking capabilities - land, marine and airborne - and will function as a multi-agency command and control facility directing participating marine resources. The area of operation will encompass Fort Pierce, Florida, south through the Florida keys, and north across Florida Bay to Marco, Florida.

#### OPERATION BUCKSTOP

In 1985 Customs initiated Operation Buckstop, designed to intercept the large amounts of drug-related currency shipped to foreign banks and individuals. Buckstop includes the recently developed "currency canine" program, in which canine teams are trained to detect the presence of currency in cargo or baggage. It is a three-pronged effort using targeting procedures to intercept illicit monetary instruments shipped as cargo, transported by commercial aircraft passengers, and transported by private aircraft. Buckstop has resulted in investigations that have revealed the identities of traffickers, their record keeping systems, and their methods of shipping.

#### OPERATION BAT

Established by DEA in 1982, Operation BAT (for Bahamas and Turks) was designed to disrupt the flow of drugs transiting the Bahamas and the Turks and Caicos Islands en route to the United States. It is a cooperative effort between the DEA and the governments of the Bahamas and the Turks and Caicos Islands. The operation targets islands used by smugglers as refueling stops, stash sites, and transshipment points. Two U.S. Air Force helicopters are used to transport host country enforcement officials to targeted islands to investigate, search, and seize contraband and conveyances. Periodically, DEA and Army helicopters and crews augment the OPBAT unit, particularly for special operations. Operation BAT forces also provide immediate response capability for both maritime and aircraft interdictions.

From March 1983 through December 1985, Operation BAT forces flew 5,800 hours; interdicted 18,103 pounds of cocaine and 360,000 pounds of marijuana; seized 30 vessels, 86 aircraft, and 13 vehicles; and arrested 261 individuals.

Interdiction Statistics

Table III.2. presents the number of drugs and conveyances seized by Customs and Coast Guard from FY 1981 through FY 1985.

Table III.2.

CUSTOMS AND COAST GUARD DRUG INTERDICTION EFFORT  
DRUGS AND CONVEYANCES SEIZED, FY 1981 - FY 1985\*  
(Weight in Pounds)

U.S. CUSTOMS SERVICE

<u>Fiscal Year</u>	<u>Heroin</u>	<u>Cocaine</u>	<u>Marijuana</u>	<u>Hashish</u>	<u>Vessels</u>	<u>Aircraft</u>
1981	234	3,741	5,109,793	17,992	556	272
1982	290	11,150	3,958,871	58,277	500	206
1983	594	19,602	2,732,974	2,210	405	203
1984	655	27,498	3,264,187	42,390	558	157
1985	<u>784</u>	<u>49,297</u>	<u>2,388,502</u>	<u>22,970</u>	<u>570</u>	<u>155</u>
TOTAL	2,557	111,288	17,454,327	143,839	2,589	993

U.S. COAST GUARD

<u>Fiscal Year</u>	<u>Cocaine</u>	<u>Marijuana</u>	<u>Hashish</u>	<u>Vessels</u>
1981	0	3,720,977	0	184
1982	40	3,595,351	34,580	185
1983	55	2,299,825	0	145
1984	1,932	2,857,511	29,962	223
1985	<u>5,890</u>	<u>1,951,511</u>	<u>0</u>	<u>184</u>
TOTAL	7,917	14,425,175	64,542	921

\* Due to differences in accounting methods, numbers in common categories cannot be added to arrive at an aggregate for all Federal agencies.

Some of the achievements of the Federal interdiction effort can be quantified, such as the amount of drugs and conveyances seized, and number of people arrested. Other important contributions are difficult or impossible to measure, such as the deterrent effect of interdiction or its impact on smugglers' profits. Nevertheless, by analyzing the impact of the various elements of the interdiction strategy, one can begin to appreciate its overall effectiveness.

### Seizures

Interdiction forces continued to seize large quantities of drugs in 1984 and 1985, including millions of pounds of marijuana and tens of thousands of pounds of cocaine and hashish. However, because trafficking is so dynamic and smugglers so versatile, it is not advisable to attach great significance to either actual numbers or trends, or to treat interdiction in a vacuum. The amount of drugs shipped, source diversification, route variations, and ever-changing smuggling methods have major impacts on interdiction. Higher seizure figures may indeed mean greater interdiction success, or that greater quantities are being shipped. Similarly, though lower seizures could suggest less interdiction success, it could also indicate the value of interdiction as a deterrent. Nevertheless, one trend the figures do strongly support is the huge increase in cocaine availability in the last two years.

Major efforts have been undertaken during the last two years to close established smuggling routes. This was especially true in the maritime program where Operation WAGONWHEEL, under the HATRICK umbrella, effectively denied maritime traffickers use of the Caribbean during November and December 1984. During the first month of Operation WAGONWHEEL, the Coast Guard seized 320,000 pounds of marijuana in the Southeastern United States, Caribbean, and Gulf of Mexico. In December, however, the total

amount of marijuana seized in the same area dropped to 46,000 pounds, down from over 233,000 pounds the previous December when no special operation was in place. When the traffickers stockpiled their drugs, Colombian forces were able to destroy and confiscate large caches of the fall harvest. The combination of interdiction efforts with source country cooperation resulted in a major disruption to the marijuana trafficking organizations in Colombia that continued into the following year.

During the two major operations in 1984 and 1985, HAT TRICK and BLUE LIGHTNING, the presence of the interdiction forces became almost immediately apparent to smugglers. BLUE LIGHTNING took place in April 1985, and continued pressure was applied in the Bahamas through much of the remainder of fiscal year 1985. The reactions of smuggling organizations to BLUE LIGHTNING and the follow-up interdiction efforts provide some insights into the effectiveness of drug interdiction in 1984 and 1985.

Traditionally, the Bahamas are a transshipment point for drug smugglers, and a significant amount of the illicit drugs entering the United States transits through them. The enforcement pressure from BLUE LIGHTNING and subsequent operations was designed to disrupt this traffic. Interestingly, from January through April 1985, approximately 28 percent of the marijuana seized from vessels by the Coast Guard was interdicted in the Gulf of Mexico, the area north of Puerto Rico, or off the Atlantic and Pacific Coasts. Following the advent of BLUE LIGHTNING, seizures shifted significantly. From May through September 1985, the percentage of marijuana seized in those areas jumped to 57 percent of the total interdicted by the Coast Guard for that period. This suggests that many maritime traffickers were avoiding the Bahamas as a transshipment point, preferring to transfer their cargo at sea in areas which traditionally saw lower levels of smuggling activity. There was no significant increase in enforcement patrol activity in the Gulf, the Atlantic

or Pacific, or off Puerto Rico. Also, the longer ocean voyages associated with this shift in trafficking patterns provided more time for law enforcement agencies to detect the smugglers.

Unpredictable strategies and tactics were effectively used during 1984 and 1985 to keep drug smugglers off guard. Smugglers did not anticipate operations HAT TRICK and BLUE LIGHTNING; such extensive operations had rarely been mounted before. Other strategies and tactics were applied throughout the period, albeit on a much smaller scale. Combinations of air and maritime enforcement units successfully interrupted airdrops of contraband by aircraft to fast boats offshore on numerous occasions. Bahamian officials began riding on Coast Guard units and smugglers could no longer seek refuge in Bahamian waters. Enforcement officers' increased efforts and more sophisticated techniques resulted in the detection of more hidden compartments on conveyances.

Smugglers are shipping smaller loads of marijuana, many in hidden compartments, as a result of interdiction efforts. In 1981 and 1982, the average marijuana load seized on a vessel interdicted by the Coast Guard was 19,000 pounds. By 1984 the average load was down to 12,500 pounds, and in 1985, it was further reduced to just over 10,000 pounds. Customs Service figures show a similar decline in the average amount of marijuana seized per interdiction. The reduction in the average marijuana seizure amount was not the result of changing areas of emphasis on the part of enforcement, since both the Customs Service and the Coast Guard continued to concentrate their efforts on interdicting bulk shipments of drugs throughout the entire period. Smugglers are shipping smaller loads of marijuana, often trying to conceal it in hidden compartments or among legitimate cargo. This translates into increased shipment and logistics costs for smuggling organizations.

In contrast to the marijuana situation, record amounts of cocaine have been seized each year since 1981, and the average amount per seizure has increased. At the same time, however, the amount of cocaine available in the United States grew from 40 - 65 metric tons in 1982 to 71 - 137 metric tons in 1984. The estimated amount of cocaine consumed in the United States increased from 33 - 60 metric tons in 1981 to 55 - 76 metric tons in 1984. Furthermore, the apparent ability of trafficking organizations to absorb the losses associated with large seizures underscores the magnitude of the cocaine interdiction problem. These increased seizures reflect both more effective law enforcement and the greater quantities of cocaine being smuggled.

### Conclusion

Until the demand for illicit drugs in the United States is eliminated, or the supply of drugs at their source is removed, drug smuggling will continue. As long as drug smuggling continues, so must the Federal resolve to stem the flow. Interdiction, a highly visible portion of the Federal drug law enforcement program, graphically demonstrates at home and abroad the government's determination to combat the drug problem. It pressures smugglers and deters others from becoming involved.

The Federal drug interdiction program made significant strides in 1984 and 1985. The advent of large-scale international and multi-agency interdiction operations fostered cooperation between the United States and key foreign governments in combating a mutual enemy. These operations disrupted drug trafficking, and the unprecedented international cooperation in interdiction efforts sent a clear message to drug traffickers that they would be opposed on many fronts.

The value of NNBIS as a coordinating body in planning and executing large-scale, complex operations was clearly demonstrated in 1984 and 1985. The exceptional level of interagency support, cooperation, and dedication in the last two years resulted in considerable successes.

The continuous, concerted effort to attack marijuana smuggling, a key element of the drug smuggling problem, has had considerable impact. Decreases in the amounts of marijuana seized and other indicators show that interdiction efforts have made it more difficult for the marijuana smuggler to conduct his business. The ability of interdiction forces to essentially bottle up Colombia's 1984 fall marijuana crop, allowing in-country forces to confiscate or destroy it, was probably the most noteworthy success in interdiction in recent years. Continued interdiction efforts, coupled with strong eradication and in-country removal programs, are necessary to maintain the offensive against the supply of foreign marijuana destined for the United States. At the same time, enforcement agencies must be alert to the emergence of new foreign sources and be prepared to meet developing threats.

Compared with marijuana, the high value, low volume nature of cocaine often makes interdiction difficult. Small quantities, worth staggering amounts of money, are easily secreted within conveyances in ways that can escape detection. Recently however, there has been an alarming increase in bulk maritime shipment of cocaine, sometimes exceeding 2,000 pounds in a single load. As with marijuana, these bulk shipments are being targeted at sea, before arrival in coastal areas where interdiction becomes more difficult. In addition to actual seizures, targeting bulk shipments in transit will drive up the smugglers' cost of doing business, forcing them to ship smaller loads and making them shift to more vulnerable routes and methods of cocaine smuggling.

Interdiction is a vital component of the Federal drug law enforcement effort. It is a dynamic program, which must react to new and constantly shifting threats. Because the enemy is a resourceful adversary that constantly seeks ways to avoid detection in order to protect profitability, interdiction must remain flexible in order to be equal to the challenge.

IV: INTERNATIONAL DRUG CONTROL

#### IV: INTERNATIONAL DRUG CONTROL

Destroying drugs at their source is an integral part of America's anti-drug strategy. The United States recognizes that it cannot do this job alone, from either the political or resource perspective. Thus, international control efforts play a key role in breaking the grower-to-user chains that stretch across six continents. These efforts include source country crop control, international drug law enforcement, and drug abuse prevention and education programs. Since 1981 the United States has conducted an aggressive campaign balanced between diplomatic initiatives to secure multilateral cooperation and bilateral efforts to ensure achievement of critical U.S. program objectives in key source countries.

In 1985 the United States government set forth and then accomplished a series of significant objectives for its international drug crop eradication and interdiction program. The broad objectives were to expand the program base, with a priority on increasing both the number of countries eradicating crops and the scope of eradication and enforcement operations, and to internationalize the response to the problem by encouraging greater participation by other countries and international organizations.

The strategy to reduce international drug production and trafficking is necessarily long-term. The United States gives high priority to yearly campaigns that demonstrably advance the major components of the strategy, especially crop control. The record shows that 1985 was a very productive year for program expansion and internationalization.

A new international climate for drug control, created by changes in the perceptions of both drug source countries and consumer countries, permitted a strong expansion of this program in 1985 and gives good promise for stronger gains in 1986.

Perhaps the most profound change has been the realization by other governments that drug trafficking is a threat to their national security and their economic and social well-being, and the fact that drug abuse has become a major problem in many countries whose leaders once thought that they were immune to the problem of drug abuse. These realizations have spurred efforts for more cooperative multilateral enforcement and demand reduction programs, thus broadening the base for international cooperation.

Diplomatically, the global perspective of the priority that should be given to drug control was measurably improved at the economic summit in May, 1985, when President Reagan and the heads of government of Canada, the Federal Republic of Germany, France, Italy, Japan, and the United Kingdom declared their collective concern for the need to improve both demand and supply reduction programs. Following approval of a report by drug experts from the seven nations, the heads of government are expected to address the issues further during the next economic summit in Japan in 1986. There was considerable diplomatic activity through the United Nations, including planning for a 1987 world conference on drugs and a new international convention on drug trafficking. Prevention efforts also received a strong global boost through the "mother-to-mother" conferences which First Lady Nancy Reagan hosted in April and October 1985 for First Ladies from around the world.

In 1985 drug eradication programs were conducted in 14 countries, compared with just two in 1981. The Department of State's Bureau of International Narcotics Matters (INM), working closely with the Drug Enforcement Administration, provided the equipment and technical assistance to improve enforcement efforts in these and other countries. In several countries, INM and the Agency for International Development (AID) collaborated on assistance programs linked to crop reduction. Public awareness programs sponsored by INM, AID, and the United States Information Agency (USIA) significantly enhanced these control initiatives.

These programs have contributed to the realization that drug abuse is a problem common to many nations.

However, drug production remains high. Illicit drug cultivation continues to exceed demand, with the amounts needed to supply the U.S. illicit market often representing only a part of the total production. Drug abuse is spreading in many producing and trafficking countries, and in some areas, trafficking groups are so powerful that they challenge the government for control and pose a national security threat. Drug-related violence increased in 1985, and many lives again were lost as a result of such violence.

In sum, then, the record of 1985 is that the United States made significant progress toward that time when drug availability in the United States will be substantially reduced by having effective programs operating simultaneously in enough foreign countries. That goal has not yet been achieved, but progress is being made. The important improvements in the program in 1984 and 1985, and the programs already being implemented in 1986, promise further significant gains.

## Crop Control

### Cannabis

As a result of increased commitments to cannabis control in several source countries, particularly through aerial herbicidal eradication, 1985 was the most effective year to date in reducing cannabis cultivation in countries that supply the U.S. market.

Colombia. Colombia, the principal source of marijuana imports into the United States in recent years, achieved a dramatic 67 percent reduction in cannabis production in 1985 through effective eradication efforts. After extensive testing

of glyphosate against cannabis in mid-1984, the government undertook a comprehensive aerial eradication program along the north coast in 1985. A 1985 aerial survey, conducted under INM's auspices, showed that cultivation was 85 percent below 1983 levels in the key north coast growing regions. It is anticipated that this production decrease will be sustained in 1986.

Jamaica. In 1985 the government of Jamaica took a strong public stand against the cultivation and trafficking of marijuana, and made significant strides in combating them. Prime Minister Seaga stated the objective of eliminating the export of marijuana through eradicating crops and severing transportation links. Through a more extensive manual eradication program against cannabis, confirmed by U.S.-Jamaican aerial photographic surveys, 955 hectares of cannabis were eradicated in 1985, compared with 260 in 1984. Net yield was reduced from 1,565 metric tons in 1984 to 950 metric tons in 1985.

Panama. Aerial reconnaissance in September showed that 400 to 500 hectares of cannabis were being cultivated in different parts of Panama, making that country an important new producer of marijuana. In response, Panama undertook its first aerial eradication of cannabis in September 1985, using glyphosate to destroy 210 hectares. The United States assisted in this spray campaign, which is scheduled to resume in January 1986.

Belize. The government of Belize agreed in late 1985 to the test spraying of glyphosate on cannabis in a northern area that has been a primary marijuana source. An estimated 42 percent of the crop was sprayed in a U.S.-assisted effort, which brought the total of hectares eradicated to 512 in 1985, up from 84 hectares in 1984. Estimated marijuana exports to the United States decreased by 39 percent in 1985. Aerial spraying is scheduled to continue in February 1986.

Mexico. The focus in 1985 was upon rejuvenating the once highly effective Mexican eradication campaign. Cannabis available for export increased in 1984 to about 2500-3000 metric tons. Mexican cannabis cultivation is believed to have increased again in 1985, to 2,500 to 3,500 metric tons, as a result of program inefficiencies and corruption.

Thailand. Cannabis cultivation in Thailand increased substantially during 1984 and 1985. The Border Patrol Police and the Provincial Police mounted a major manual eradication program resulting in the eradication of more than 160 hectares of marijuana.

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Table IV.1.

CANNABIS ERADICATION  
(hectares, except Brazil)

<u>Country</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Belize	-	593	84	512
Brazil	-	1,037MT*	2,651MT*	1,375MT*
Colombia	857	1,048	4,000	6,000
Costa Rica	0	1	34	45
Mexico	-	-	3,600	2,945
Panama	0	0	0	210
Venezeula	0	20	3,000	-
Jamaica	220	350	260	955
Thailand	115	47.5	139	160

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\* MT = Metric Ton.

Source: International Narcotics Control Strategy Report, for the years 1982-1986.

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## Coca

In contrast to the progress made against cannabis production, coca eradication results have been modest. While Peru, Ecuador, Colombia, and Brazil began manual eradication programs in 1984 or earlier, Bolivia began initial coca eradication only as 1985 ended. Bolivia and Peru remain the world's principal sources of coca leaf supporting the cocaine trade. However, a May 1985 decree provided a broad mandate to restrict the production and trafficking of illegal coca in Bolivia. In addition, the firm commitment and more effective leadership of the new Bolivian government under President Paz improves the prospects for more extensive coca eradication in Bolivia in 1986. An incentive for Peru and Bolivia to cooperate in U.S.-supported eradication programs has been the agricultural development programs funded by AID that are linked to coca eradication. The United Nations Fund for Drug Abuse Control (UNFDAC) is also supporting coca control-related programs in Peru and Bolivia.

Colombia. Colombia, with U.S. support, has taken the lead in testing herbicides for use in the aerial eradication of coca plants. Tests during 1984 and 1985 identified a herbicide which has been effective in killing coca plants when sprayed intensively from backpacks, but the effectiveness of aerial application is still being assessed in tests that were continuing at year's end. The government of Colombia also carried out a manual coca eradication program which destroyed 2,400 hectares in 1984 and 2,000 hectares in 1985. A joint manual eradication program was carried out with Ecuador along their common border in mid-1985 and a cross-border interdiction campaign was conducted with Peru.

Peru. A coca eradication program was begun in Peru in April 1983 following assistance agreements with both the Department of State and AID. The program resulted in the destruction of 703 hectares that year, 3,134 hectares in 1984, and 4,823 hectares in 1985, despite a precarious security situation. Dozens of

eradication workers have been killed, and scores more threatened with violence.

Ecuador. In Ecuador, where significant coca cultivation was discovered in late 1983, the government eradicated 114 hectares in 1984 and 464 hectares in 1985, with operational support supplied by the United States. Fifty-seven cocaine laboratories were destroyed in 1985, compared with 27 in 1984. Seizures of cocaine increased substantially, from 80 kilograms in 1984 to 1,000 kilograms in 1985.

Brazil. In Brazil extensive coca cultivation is a recent phenomenon in the Amazon region while marijuana cultivation is fairly widespread in that country. The government initiated coca eradication operations in 1984, with operational support provided by the United States.

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Table IV.2.

COCA ERADICATION  
(hectares)

<u>Country</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Bolivia	0	0	0	30
Colombia	1,970	1,981	2,400	2,000
Ecuador	--	--	114	464
Peru	0	703	3,134	4,823

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Source: International Narcotics Control Strategy Report, for the years 1982-86.

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## Opium

Efforts to reduce the amount of opium poppy harvested during 1984-1985 were encouraging, particularly in Asia.

Burma. In Burma 9,551 hectares of opium poppy were eradicated in 1985, the highest annual destruction since 1974. Following completion of testing of aerial eradication techniques in 1984 and expanded tests in 1985, an aerial eradication program is expected to be initiated in 1986. Burma remains the location for most Golden Triangle heroin refining.

Thailand. In Thailand, the government's goal is to eliminate most of the country's opium cultivation in the shortest time possible. Despite a small increase in the area planted during the 1984-85 season, net opium production fell from 40.6 metric tons to 35.7 metric tons. Although eradication was once limited, the government now favors a more sustained and extended military and civilian program to eradicate further production. By the end of 1985, the government of Thailand had eradicated 517 hectares out of 9,654 under cultivation.

Pakistan. Although the government of Pakistan is extending its ban on opium cultivation into additional areas of the Northwest Frontier Province, the country remains both an important producer of opium and a major processor/exporter of morphine base and refined heroin. Opium cultivation decreased from 1,878 hectares in 1984-85 to 1,562 hectares in 1985-86, partly as a result of a shortage of rainfall.

International donors have agreed to fund Pakistan's new Special Development and Enforcement Plan (SDEP). SDEP will extend the ban on opium cultivation and will be carried out under the auspices of the United Nations Fund for Drug Abuse Control (UNFDAC). Pakistan and UNFDAC signed a project agreement in June

1985 under which \$14.5 million will be spent on a five-year program for the Dir District. Donations since June have brought the total pledged to SDEP to \$23.5 million. Major contributors include the United States, the United Kingdom, the Federal Republic of Germany, Italy, and Canada.

Mexico. In Mexico, opium production is estimated to have increased in both 1984 and 1985 because of eradication program inefficiencies and corruption, although estimates of both cultivation and eradication are imprecise. The estimated net opium production figure of 21 metric tons for 1984 was expanded in 1985 to 21-45 metric tons. Recent agreement with Mexico to initiate a more systematic program to verify eradication and to undertake photographic surveys of opium cultivation beginning in 1986 should soon make more precise data available and improve eradication efforts.

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Table IV.3.

OPIUM ERADICATION  
(hectares)

<u>Country</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Burma	4,454	3,213	4,500	9,551
Thailand	56	--	175	517
Pakistan	82	210	70	90
Mexico	--	2,472	3,200	2,750

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Source: International Narcotics Control Strategy Report, for the years 1982-86.

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## New Aircraft and Surveys

The introduction of the Thrush aircraft with its improved spray boom represents a significant technological improvement in U.S.-supported aerial eradication programs, which heretofore primarily used rotary wing aircraft. Use of the turbo Thrush fixed wing spray aircraft in the eradication programs in Burma, Mexico, Colombia, and elsewhere should improve the effectiveness of aerial eradication in these countries. The Thrush was tested in Burma in 1984 and in Colombia and Mexico in 1985. An aerial eradication program in Burma was initiated in November 1985 with three new Thrush-65's; nine Burmese pilots were trained in the United States and three Bureau of International Narcotics Matters (INM) pilot instructors assisted the program in-country. Aerial spraying of cannabis by the Thrush was carried out in Panama and Belize in late 1985. Two new Thrush-65's will be provided to Burma during 1986. The Thrush eventually may be used for aerial eradication of coca in 1986.

Crop control has been greatly assisted by aerial photographic surveys of drug crops in major source countries. Aerial photography using U.S.-provided equipment and/or technical assistance was conducted in 1984 in Thailand, Burma, Jamaica, Bolivia, and Peru, resulting in improved crop estimates. In 1985 similar surveys were conducted in Peru, Colombia, Jamaica, Pakistan, and Thailand, and agreement was reached on a Mexican survey that began in February 1986. These surveys are designed to meet three objectives: improve crop production estimates, provide tactical maps and monitoring systems to guide better managed crop eradication efforts, and provide data that can guide development assistance programs.

## Enforcement

The Bureau of International Narcotics Matters (INM), DEA, and the U.S. Customs Service have worked closely with law enforcement agencies in key source and transit countries, providing training, supplies, operational and technical support, intelligence exchange, and investigative cooperation. As a result, foreign law enforcement agencies have become more effective in conducting operations which have led to significant seizures of drugs and arrests of traffickers. Still, much remains to be done to transform local enforcement into a significant deterrent to international drug trafficking.

### Asia

Thailand. While Thailand remains the major transit country in the Golden Triangle, refining and production of opium into morphine and heroin have been nearly eliminated inside Thai territory. Improved law enforcement, supported by the United States, has resulted in increased arrests and seizures with greater emphasis being placed on the disruption of major trafficking organizations. This is particularly true along the Thai-Burmese border, where the Royal Thai Army has continued operations against the Shan United Army, the main trafficking organization.

Burma. In Burma U.S. assistance has risen above \$5 million annually to support military and police enforcement efforts. This has included funding for the maintenance of aircraft supplied earlier and now used in the military's annual "Mohein" operations against drug caravans, heroin refineries, units of the Shan United Army, the Burmese Communist Party, and other insurgent groups involved in drug trafficking. In FY 1985 the United States provided support to the People's Police Force for the first time under a new project agreement which should improve Burmese enforcement capabilities significantly.

India. The government of India has begun to face the threat posed by increasing transshipments of heroin from Pakistan and Burma and shipments of precursor chemicals to heroin laboratories in the Golden Triangle. The government is moving to institute new drug enforcement policies and programs, and plans to strengthen its drug control laws.

Pakistan. Despite declining opium production, Pakistan remains a major producer of heroin exported to the United States, processed in part from opium smuggled from Afghanistan. Authorities destroyed three significant heroin laboratories in the Khyber Agency of the Northwest Frontier Province in 1984 and six more during the first six months of 1985. Another 27 laboratories were surrendered in the Khyber Agency during 1985.

U.S. assistance to improve Pakistani enforcement capabilities has been channeled to support Joint Narcotics Task Force (JNTF) units made up of local law enforcement agencies, and toward the establishment of new special customs drug enforcement cells in eight principal cities around the country. DEA advisors were assigned to Pakistan in 1985 to work exclusively with the JNTF, the first arrangement of its kind in any country.

The United States reviews bilateral cooperation on drug control regularly with the government of Pakistan through the bilateral Narcotics Working Group, established in 1983 under the U.S.-Pakistan Joint Commission. The Working Group met most recently in Islamabad in November 1985.

Turkey. In Turkey rigorous controls on poppy cultivation and opium production instituted in 1985 continued to be effective, but because of its geography, Turkey remains an important transit country for morphine base and heroin smuggled from the Near East to Europe and the United States. An estimated three to four tons of morphine base and heroin are transported out of the country each year.

Conversion of morphine base and opium gum continues in eastern Turkey, but the amount refined there is unknown. Two heroin laboratories were destroyed in 1984 and four in 1985. The Turkish National Police, the principal drug enforcement agency, now has drug units in all of Turkey's 67 provinces. Its Narcotics Enforcement Division is working intensively to improve training and to better equip its narcotics units, with support from the United States. The Jandarma, which polices remote border areas, is also involved in a program to expand personnel and upgrade equipment and training, again with U.S. assistance.

### Latin America

Colombia. In Colombia the government assigns drug enforcement a top priority. Colombian forces seized 22 metric tons of cocaine in 1984 and ten metric tons in 1985. The government extradited 12 defendants to the United States and other extradition requests are under review. One American was extradited to Colombia in June. Increased Colombian enforcement efforts resulted in the capture of the notorious Juan Ramon Matta Ballesteros; police continue to hunt for other major traffickers.

In early 1985 the Defense Ministry launched a large, combined-forces sweep of northern drug producing and trafficking areas, targeting traffickers, their properties, boats and aircraft, laboratories, and airstrips. Scores of clandestine airstrips were destroyed by cratering; another 22 airstrips were destroyed in the Amazon area in May. The destruction of cocaine laboratories increased from 275 in 1984 to 725 in 1985. These actions followed a decision in 1984 by the National Council on Dangerous Drugs to ground aircraft suspected of links to drug traffickers, which had resulted in the revocation of 150 operating licenses by the end of that year. All of these efforts add up to an impressive record in improved enforcement by Colombia during 1984-1985. Nevertheless, this improved

performance has occurred chiefly in the area of interdiction, not prosecution. Unfortunately, very few major Colombian traffickers of international stature have been prosecuted for drug-related crimes in Colombia. Furthermore, while the government of Colombia has publicly acknowledged that some lawyers in Colombia are knowingly receiving drug money for performing facilitating services for traffickers, there have been no prosecutions yet based on this corrupt activity.

In July 1984 Nicaraguan official Frederico Vaughan, an assistant to the Interior Minister, and two Colombians were charged in U.S. District Court in Miami with possession, conspiracy to distribute, and importation of cocaine. Between March and July 1984, these men allegedly conspired to smuggle a shipment of approximately 1,500 kilograms of cocaine from Colombia to the United States through Nicaragua.

Peru. In 1984 Peru's Guardia Civil had a solid record of seizures and the destruction of 41 clandestine airstrips in the principal trafficking area of the Upper Huallaga Valley. However, the outbreak of terrorism at mid-year changed the situation considerably. The area was designated an emergency zone under Army control, which limited the Guardia Civil's anti-drug role. The performance of Peru's law enforcement agencies was unimpressive during the first half of 1985 as the Belaunde administration finished its term. With the inauguration of President Alan Garcia in mid-1985, top priority was given to replacing corrupt officials in the law enforcement agencies and to new offensives against drug traffickers.

Despite continued violent opposition, Peru and Colombia conducted a highly successful joint effort, known as Operation Condor, against a major processing and trafficking complex near the common border in northeast Peru in mid-August. Peru continued the Condor operation and other enforcement efforts and,

by year's end, seized 73 tons of coca leaf and 17 tons of cocaine paste, and destroyed 50 cocaine laboratories and 69 airstrips. In the area of prosecutions, Peruvian authorities arrested major Peruvian cocaine traffickers, including Reynaldo Rodriguez-Lopez, who was arrested after a cocaine processing laboratory located in his residence in Lima exploded. The follow-up investigation has thus far led to the seizure in Peru of over 100 buildings and businesses associated with Rodriguez-Lopez' trafficking activities.

Bolivia. Bolivia has finally begun to create an enforcement record. Three different enforcement units, created under the National Police and funded by project agreements between the United States and Bolivia in August 1983, became operational during 1984. An elite 30-man police group devoted to investigation and apprehension of major narcotics violators, and a 200-man mobile rural patrol unit (UMOPAR) operated against major cocaine processing centers in the Beni and Chapare areas in 1984 and 1985. Assisted by the Bolivian Air Force, these units seized over one ton of cocaine base and hydrochloride, several airplanes, and numerous laboratories, including what is believed to be the main processing facility of Bolivia's most notorious trafficker.

Numerous control efforts were begun in 1985, building on the mid-1984 action to move the Bolivian military into the field to re-establish government control over the Chapare coca growing region, the major area for coca production, where illegal activities were flourishing. In February 1985 a 260-man Specialized Rural Police (PRE) force entered the Chapare region, while the UMOPAR strike force was deployed to the nearby Valle Alto coca paste manufacturing and trafficking region of the Cochabamba Department. In April, the PRE, UMOPAR, and the National Police together seized over three tons of cocaine. In early June UMOPAR made an impressive strike against traffickers in the northwest Chapare resulting in the deaths of two

traffickers, the seizure of coca paste, and numerous arrests. In July UMOPAR troops used information provided by DEA to complete a major enforcement operation in the Department of Beni. Ten persons were arrested and 200 kilograms of cocaine, six 55 gallon drums of ether, and laboratory equipment were seized. Finally, in November 1985 UMOPAR returned to the Chapare to support the commencement of the voluntary eradication effort, and immediately located and dismantled the largest coca paste refinery yet discovered in Bolivia.

A new decree law in May improved Bolivian law enforcement by giving the government a broad mandate to restrict the production and marketing of illegal coca, and increasing criminal penalties for manufacturing and trafficking drugs. In August Victor Paz Estenssoro assumed the Presidency, pledging forceful action against drug trafficking through an energetic enforcement program. Legislation was introduced at year's end to create a national ministry on drugs and to strengthen enforcement laws.

Brazil. In Brazil drug trafficking is recognized as an increasingly serious problem. One major effort to combat this problem, known as Operation Eccentric and partly funded by the United States, crowned a nine-month investigation. Simultaneous police raids against cocaine traffickers in six states in February 1985 netted scores of arrests and seizures of large quantities of ether and acetone, aircraft, and documentary evidence. The arrests included major Colombian, Brazilian, and Peruvian criminal figures. President Sarney has named key officials dedicated to the anti-drug effort to top positions in the Justice Ministry, the Federal Police, and the Federal Drug Council. In June the Sao Paulo unit of the Federal Police seized 130 kilograms of pure cocaine valued at \$3.5 million U.S. dollars in the interior city of Barretos, one of the largest cocaine seizures in Brazilian history. Five people were arrested, including a Bolivian identified as one of South America's most wanted traffickers. The chemical control unit of

the Federal Police actively monitors the sale and distribution of ether and acetone.

Venezuela. Venezuelan President Lusinchi signed a decree in December 1984 controlling the importation of precursor chemicals. Since then the Ministry of Justice, the National Guard, and the Judicial Police have seized approximately one million gallons of ether and acetone throughout Venezuela, arresting approximately 75 persons involved. The government seized significant amounts of cocaine in both 1984 and 1985. In April 1985 the National Guard immobilized a marijuana trafficking organization which was operating in Colombia, Venezuela and southern Florida, and seized 12.5 tons of marijuana.

Mexico. In Mexico the kidnapping and murder of DEA agent Enrique Camarena in February 1985 marked a turning point in U.S.-Mexican relations on drugs. The ensuing investigation exposed many weaknesses in the Mexican enforcement system. As a result the Mexican government has initiated major changes in its enforcement and security forces, as well as high-level personnel changes within the Attorney General's office. Among those arrested in connection with the Camarena investigation were major Mexican traffickers Rafael Caro-Quintero, Ernesto Fonseca and Jose Contreras-Subias (who later escaped). Another major trafficker, Jaime Herrera-Herrera, was recently arrested in Mexico City. The Herrera organization in Durango has long been prominent in heroin trafficking.

Mexican enforcement remains a critical concern. In late 1984 Mexican enforcement units operating in the State of Chihuahua seized an estimated 10,000 tons of unprocessed cannabis and broke up a major marijuana processing and transportation center. The amount of cannabis found and destroyed would have yielded between 1,900 and 2,400 metric tons of manicured marijuana, the largest seizure ever recorded. While marijuana

production was in the range of 2,500-3,500 metric tons in 1985, only 173 tons were seized in that year. Although opium production apparently increased, opium and heroin seizures were negligible.

Jamaica. Until January 1985 the government of Jamaica focused its enforcement strategy on measures to impede aerial drug trafficking. The Civil Aviation Act, passed in October 1984, significantly increased penalties for the illegal use of air space and for unauthorized landings and take offs. The government continued efforts begun in December 1983 to destroy illegal airstrips using Jamaican Defense Force (JDF) engineers. The JDF destroyed 31 illegal airstrips in the 1985 campaign, although the traffickers were quick to rebuild many of the strips. Nevertheless, the destruction of illegal airstrips and the use of JDF soldiers since February 1985 to operate the four domestic airfields have curtailed the traditional means of exporting much of Jamaica's marijuana. This has caused the traffickers to turn increasingly to use of the international airports and maritime shipping routes.

Enforcement actions in Jamaica during 1985 resulted in several large seizures of marijuana (a total of 80 tons for the year), one of cocaine, and put two groups of major traffickers in jail. A joint command structure headed by the JDF Chief of Staff was recently established to coordinate the drug enforcement and eradication efforts of the JDF and the Jamaica Constabulary Force (JCF). The government of Jamaica has also worked closely with U.S. Customs to identify ways in which the international airports and the national airline, Air Jamaica, can improve their security practices.

Panama. Panama's performance during 1984 in the interdiction of drug shipments in transit to the United States and chemical shipments enroute to drug processors in South America was impressive. In April a large cocaine laboratory was found and destroyed in the Darien area. In May cooperation by

Panamanian and DEA enforcement personnel led to the seizure in Miami of a Panamanian aircraft carrying 2,000 pounds of cocaine. In June two large shipments of ether were intercepted while passing through Panama, and a high ranking officer in the Fuerzas de Defensa de Panama (FDP) was arrested and fired in connection with the case. In March 1985 Panamanian officials seized the First Inter-Americas Bank, through which a Colombian trafficker allegedly laundered his drug proceeds. This case represents the first effort of the government of Panama to move against a major money laundering operation.

Bahamas. In the Bahamas cocaine seizures made by Operation BAT (Bahamas and Turks and Caicos) teams under the joint U.S.-Bahamas Interdiction program quadrupled from 2,000 pounds in 1983 to 8,000 pounds in 1984, and remained at that level in 1985. A new DEA helicopter augmented the Operation BAT strike force in 1985. The installation of the tethered aerostat radar balloon at High Rock on Grand Bahamas Island, agreed to in 1984, will be linked to a regional U.S. Customs network. This radar balloon, along with improved Bahamian radio communications that the Department of State is funding, will enhance Operation BAT operations as well as U.S. interdiction activities. Testing for contract acceptance of the aerostat began in mid-1985. Operation BLUE LIGHTNING, discussed in the previous chapter, was a significant U.S.-Bahamian drug interdiction effort conducted in April 1985.

Other innovations with the government of the Bahamas in 1985 included a joint U.S.-Bahamian command post and embarking Bahamian Defense Force officers aboard U.S. Coast Guard vessels. On March 13 the government permitted the Coast Guard to search and seize in international waters the Bahamian-flag vessel "Andro," which was found to have 15 tons of marijuana. In a June trial, the Bahamian operator was convicted and the ship forfeited. In July the Defense Force made a major seizure: 1,500

pounds of cocaine on a Bahamian vessel near Nassau. Negotiation of a mutual legal assistance treaty between the United States and the Bahamas, designed to facilitate reciprocal prosecution of violators of U.S. and Bahamian law, including drug traffickers, was completed during 1985.

Regional Cooperation on Enforcement. Regional cooperation on enforcement among Colombia, Brazil, Ecuador, and Peru in the area of their common borders has developed recently. Colombia provided intelligence which contributed to the success of Brazil's Operation Eccentric and the arrest of major traffickers, including Colombians, in early 1985. Ecuador and Colombia collaborated in the first bi-national coca eradication operation in Latin America in mid-1985, destroying 190 hectares of coca and 39 cocaine paste laboratories along Ecuador's northern border. In mid-1985 Peru and Colombia together carried out Operation Condor in which a major cocaine processing and trafficking complex was seized in northeast Peru. Colombia has taken the lead in developing a regional communication system linking Ecuador, Peru, Colombia, and eventually Bolivia to facilitate improved dissemination and use of tactical intelligence in drug enforcement. The system, funded by INM, will become operational in early 1986.

Another example of regional cooperation on enforcement that occurred in the Caribbean in 1984 and 1985 was the operation known as HAT TRICK I, described in detail in Chapter III. U.S. enforcement agencies and military services collaborated with counterparts from Colombia, Panama, Venezuela, Jamaica, the Dominican Republic, the Bahamas, the United Kingdom, and the Netherlands to carry out a concerted sea, air, and land interdiction effort over an appreciable period of time. Special enforcement Operation Chem Con is described below.

## OPERATION CHEM CON

Operation Chem Con began in December of 1983 as a result of an intelligence study of the worldwide movements of ethyl ether and other essential precursors used in the production of cocaine hydrochloride. The basic objective of this operation is to disrupt cocaine hydrochloride conversion on a worldwide basis.

During the two-year intelligence project known as Operation Steeple, which preceded Operation Chem Con, DEA worked with foreign law enforcement authorities to identify the major sources of ethyl ether and several other important precursor chemicals. At that time most of the conversion from paste to hydrochloride was occurring at clandestine laboratories in Colombia, often in extremely remote locations. Two principal strategies were developed to meet the operation's goal. The first was to identify suspect shipments of precursors in international commerce and track them with sophisticated electronic devices to the clandestine laboratories, thereby locating the laboratory and making possible follow-up law enforcement action. The second strategy was to arrange the voluntary restriction of sales of selected precursor chemicals by manufacturers and brokers to suspect buyers. This strategy led to the additional step of promoting laws in affected countries to control commerce in precursor chemicals.

During Operation Steeple, DEA determined that although 12,000 metric tons of ether were imported into Colombia in one year, less than five percent of that quantity was needed for legitimate industrial use. In December 1982 Colombia passed a law that requires permits to import ether and other precursors. Since then the legitimate importation of ether into Colombia has become much more consistent with legitimate industrial needs.

At the same time, DEA initiated an extensive liaison effort with major manufacturers and brokers throughout western Europe, the United States, Brazil, and Mexico. As a result numerous suspect orders and shipments of large quantities of ether and other precursor chemicals have been identified, leading to the seizure of approximately 16,000 barrels of ether and 5,000 barrels of acetone in 1984 alone. These seizures were effected in the United States using the forfeiture provisions of the Controlled Substances Act in Title 21, United States Code. Seizures were also made in a number of other countries including Panama, Costa Rica, Paraguay, Colombia, Ecuador, and Brazil.

Selected shipments were identified for electronic tracking. One such shipment resulted in an unprecedented success. In December 1983, a cooperating manufacturer advised DEA of a highly suspect order. Although the company had declined the order, it provided DEA with sufficient information to initiate an undercover approach using a DEA storefront in Chicago. DEA undercover agents contacted a Colombian suspect and negotiated with him for the delivery of 1,300 55-gallon barrels of ether.

Initially, 76 55-gallon drums of ether were shipped to Barranquilla, Colombia with electronic tracking devices attached. Subsequently, another, larger shipment was made to the suspect.

The original shipment of 76 drums was followed via the tracking devices to a ranch owned by the infamous Colombian trafficking family headed by Jorge and Fabio Ochoa in the Department of Atlantico, Colombia. The shipment was subsequently tracked to another location in the eastern plains (Llanos) of Colombia. The second location turned out to be an airstrip in an extremely remote location in the jungles of the Llanos. As a result of the DEA tracking and subsequent aerial intelligence regarding the jungle site, on March 10, 1984, the Colombian National Police raided a complex of laboratories, undoubtedly the largest ever discovered. This complex, known as Tranquilandia, was located in the Department of Caqueta near the Yari River and was accessible only by air. The Colombian National Police found a veritable company town complete with a stockpile of food supplies for several weeks, generators, barracks for about 100 workers, and most of the amenities of modern living. Police were met with sporadic armed resistance. Although they arrested 36 people, many more individuals escaped via the river. Most of those arrested were laborers and low-level supervisors.

After the initial raid, an additional five airstrips and a number of other hydrochloride laboratories were identified, all within an area approximately 30 miles in diameter. The total cost of building this complex is estimated at \$4-5 million. Over 10,000 kilograms of cocaine hydrochloride and cocaine base were destroyed, along with 10,800 barrels of precursor chemicals, seven aircraft, and a stockpile of weapons and ammunition. Some of the seized weapons and uniforms linked Colombian anti-government guerillas with the complex.

Partly as a result of Operation Chem Con, Colombian traffickers are beginning to shift cocaine hydrochloride laboratories to the United States where they have easier access to ether and other organic solvents. The following cocaine laboratory seizures in the United States suggest this trend: 1981, 5; 1982, 6; 1983, 11; 1984, 21; 1985 (through 11/15/85), 31. DEA has responded to the trend with an increased emphasis in Operation Chem Con initiatives in the United States.

### Regional Cooperation on Drug Control

Regional cooperation on drug control is increasing in many areas. The growing regional response to the drug challenge has perhaps been the most dramatic in Latin America.

The growing threat posed to regional political and social well-being by illicit drugs was dramatically acknowledged by Latin American chiefs of state at the Presidential inauguration in Ecuador in August 1984. The resultant "Spirit of Quito" was translated into resolutions passed at the Organization of American States General Assembly in Brazilia in November 1984. It called for a special Inter-American Conference on drugs, now planned for 1986. Meanwhile, several Latin American countries have been cooperating on enforcement actions, as discussed above, and on joint efforts to increase official and public awareness of the growing drug abuse problem and how to deal with it.

In Southeast Asia, ASEAN, the Association of Southeast Asian Nations (Malaysia, Indonesia, Philippines, Singapore, and Thailand), has become actively engaged in responding to the international drug challenge. The United States has been providing funding to support a drug coordination office, and for surveys and training. Malaysia has taken the lead in initiating a diplomatic campaign to highlight the drug problem and to encourage regional leaders to focus on this threat to local populations. In July 1985 the ASEAN foreign ministers endorsed a Malaysian-sponsored joint statement recognizing drug abuse and trafficking as an international problem, and adopted a draft U.S. resolution supporting the U.N. Secretary General's call for an international drug abuse conference to be held in Vienna in June 1987. In September Malaysia hosted a regional conference of drug experts. Malaysia also has stepped up cooperation with Thailand against drug traffickers on their joint border, initiated joint operations with Singapore to combat drug smuggling, and pressed Burma's Foreign Minister for closer bilateral cooperation against drug trafficking, while seeking the concurrence of individual ASEAN countries for Burma to become an observer at ASEAN anti-drug meetings.

The United States has provided funding support for the Colombo Plan, a broader grouping of Asian nations, whose Drug Advisory Program is focusing on a public awareness campaign designed to involve official leaders, the media, and non-government organizations such as parent and community groups.

In Europe, the 14-nation Pompidou Group, created by the Council of Europe in 1981, has been playing an increasingly active role in drug control. Members have been exchanging information on how to combat drug problems and making recommendations on future actions, particularly with regard to trafficking, confiscation of assets, epidemiology, youth, and the application of the criminal justice system to drug abusers. The Nordic Council provides a forum for the discussion of drug issues among member countries. INTERPOL, the international police organization, continues to be an important coordinating mechanism among the European countries in the enforcement field.

#### Education/Prevention

The United States has collaborated with a variety of countries in an effort to make government officials more aware of the growing threat posed by drug trafficking and domestic drug abuse. In the last two years, key source and transit countries have come to recognize the serious social and health implications of drug abuse.

In Latin America, Pakistan, and Thailand, the Department of State and United States Information Agency (USIA) have helped organize and fund public awareness seminars for government officials and private sector representatives. USIA has increased its drug awareness efforts in many Latin American countries, frequently supported by Department of State funding. The Agency for International Development (AID) is funding public education projects in Peru, Bolivia, Ecuador, Jamaica, and Belize. The Department of State has funded a joint National Institute on Drug

Abuse-Pan American Health Organization survey on the need for epidemiology studies of drug abuse in Latin America. The United Nations Fund for Drug Abuse Control has provided assistance to Colombia and Jamaica in undertaking epidemiological studies. All of these efforts have played a key role in raising regional awareness of the drug threat.

### United Nations Efforts

The United Nations has assumed a greater role in marshaling countries and resources in support of drug control. The Secretary General prominently raised the drug issue in a speech delivered to the General Assembly's Third Committee in November 1984. He later called for a World Conference on drugs to be held in Vienna in June 1987, a proposal which the General Assembly enthusiastically endorsed.

In 1984 the General Assembly and the Economic and Social Council (ECOSOC) both agreed to forward to the U.N. Commission on Narcotics Drugs (CND) for consideration a Venezuelan proposal for a new international convention on drug trafficking. The CND discussed the proposal at its annual meeting in February 1985, and member countries submitted proposed articles for inclusion in a new convention. The issues of procedure and content were scheduled for consideration at the next CND meeting in February 1986.

The United Nations Fund for Drug Abuse Control (UNFDAC) has assumed an expanded role in international drug control. A major development was the pledge of \$40 million over five years by Italy for coca control projects in the Andean region of South America. This is the first UNFDAC program to address the coca problem. UNFDAC has received pledges of more than \$23.5 million from Italy, the United States, Canada, the Federal Republic of Germany, and the United Kingdom for Pakistan's Special Development and Enforcement Program. Key donors to source countries also include Saudi Arabia, Sweden and

Norway, among others. The major donors support the Fund's policy that all United Nations drug development projects will contain drug enforcement provisions, and agree that economic assistance should be linked to commitments by recipient governments to eliminate illicit drug crops by specified dates.

### Diplomatic Initiatives

As the Secretary of State said in his speech on drugs in Miami in September 1984, "Other nations have come painfully to realize that narcotics is their problem, too, and that only through international cooperation can the world community hope to combat the international narcotics network." This realization has been nurtured by countless efforts over the last few years by a broad range of U.S. officials, including the President and Vice President, the Secretary and senior officers of the Department of State, the Attorney General, and members of Congress, together with our Ambassadors and drug control personnel in the field. All of these individuals have stressed the urgency and importance of enlisting producer, transit, and consumer countries alike in a more active, better coordinated campaign against drug production, trafficking and abuse. Through her First Ladies Conferences on Drug Abuse in April 1985 in Washington and Atlanta, and in October at the United Nations, First Lady Nancy Reagan has called for parent and private sector groups to become more engaged in the crusade against drug abuse. A United States interagency team visited European capitals in June 1985 to provide information on the dangers of cocaine trafficking and consumption, and to alert the Europeans to a potential cocaine epidemic.

A strong boost to the international effort was given by President Reagan and many world leaders during the economic summit last May in Bonn. The drug experts' report called for by these leaders, and endorsed by their foreign ministers in September, urges a higher priority for drug control in bilateral

diplomatic relationships, calls for intensified crop control and interdiction efforts, and recognizes that development assistance to drug source countries and effective drug enforcement measures go hand in hand. The report was widely recognized as representing an advance in the collective thinking of the seven governments on drug-related issues. Recommendations for further discussion based on the findings of the experts will be proposed to the heads of government at their next economic summit in Japan in 1986.

These various diplomatic initiatives have contributed to the growing commitment to drug crop control and interdiction by important source countries, have encouraged new regional leadership by concerned governments such as Colombia and Malaysia, and have prompted important new players, such as China and India, to become interested in international drug control efforts. These initiatives have led to increased contributions and participation by UNFDAC and various donor countries in supporting international drug control programs. Finally, these efforts have led the Association of Southeast Asian Nations, the Organization of American States, and the United Nations to focus regional and world attention on the growing drug threat and to prepare a more effective response.

### Conclusion

Of the many positive changes on the international drug scene, the most profound has been the realization by other governments that drug trafficking is a threat to their national security and their economic and social well-being. Now, in forum after forum, the operative phrase is, "it's our problem." There are no more spectators. In a time when drug traffickers rule segments of some countries and dominate local economies, when the rule of terror challenges the rule of law, when the children of virtually every continent are at risk to drug addiction, there can be no passive nations; the international community has begun to recognize this.

V: DOMESTIC CANNABIS ERADICATION

## V: DOMESTIC CANNABIS ERADICATION

In 1984, 12 percent of the marijuana available in the United States was produced domestically. To combat domestic production, the Drug Enforcement Administration (DEA) has given material support for cannabis eradication efforts by State and local law enforcement agencies in California and Hawaii since 1979. In 1981 this support was extended to an additional five States, and a year later, 16 more began receiving assistance. By 1985 all 50 States participated in the Domestic Cannabis Eradication/Suppression Program. Other Federal agencies with land management responsibilities also joined the Program during this period. The United States Forest Service, National Park Service, Bureau of Land Management and the Bureau of Indian Affairs became more involved during the early 1980's in the detection and eradication of domestically cultivated cannabis. Planning and coordination at the Federal level now includes the National Guard, Bureau of International Narcotics Matters, National Institute on Drug Abuse, and White House Office of Drug Abuse Policy. Federal and State law enforcement and land management agencies have formed a strong partnership in this national effort.

DEA's role in this cooperative venture is to encourage State and local eradication efforts and to contribute needed resources to participating agencies. During fiscal years 1984 and 1985, DEA expended 6.45 million dollars in support of State and local programs. This approach offers a flexible strategy in which Federal involvement is tailored to the local situation, and local initiative is strongly encouraged.

The goals of the program are to suppress cultivation in established areas, to deter cultivation in potential growing areas, and to minimize product availability through crop destruction. Specific program objectives are to:

1. Encourage State and local agencies in each of the 50 states to recognize the extent of cannabis cultivation in their own areas and assign law enforcement resources accordingly.
2. Provide funding to State and local agencies for an aggressive cannabis detection and eradication program.
3. Provide training to State and local officers in the various cannabis detection and eradication techniques.
4. Identify any new or unusual cannabis cultivation trends or techniques.

### Program Results

The eradication efforts of all agencies during 1984 and 1985 resulted in the destruction of 52 million cannabis plants in 58,900 plots. In addition to the crop destruction, there were 10,000 arrests and 3,200 weapons seized from growers.

Three types of cannabis plants were eradicated during the last two years: sinsemilla, commercial grade marijuana, and fiber cannabis, better known as "ditch-weed." Sinsemilla consists of buds from seedless, female plants bred to produce THC (tetrahydrocannabinol--the psychoactive ingredient in marijuana) levels that average seven percent and range as high as 14 percent. Commercial grade marijuana consists of leaves and flowers from mixed male and female plants that average about three percent THC. Ditch-weed or wild cannabis has little commercial value alone because of average THC levels under 0.2 percent, but has been sold mixed with cultivated or imported marijuana.

Over the last two years, most (85 percent) of the plants eradicated were uncultivated "ditch-weed." Of the cultivated plants eradicated, 30 percent were sinsemilla and the remainder were commercial grade cannabis plants.

Most commercial cultivation occurs on public lands or on private property used without owner consent. This tactic makes ownership of the plants more difficult to ascribe and limits grower assets subject to seizure. In 1984-1985, each bureau within the Interior Department reported extensive cultivation and eradication activities. For example, during Operation Delta-9, Interior Department officers destroyed 17,822 plants on 147 separate plots.

The United States Forest Service reports illicit cannabis cultivation in every national forest. In 1985, 2,115 plots were eradicated by law enforcement authorities, an estimated 30 percent increase from 1984. This increase is largely accounted for by additional law enforcement efforts. The number of known and estimated plots rose by less than 1 percent in 1985, to approximately 5,600.

DEA has compiled the following statistics on eradication and suppression activities:

Table V.1.

DOMESTIC ERADICATION/SUPPRESSION PROGRAM STATISTICS

	Plots Sighted	Plots Eradicated	Plants* Eradicated	Number of Green Houses	Number of Arrests	Number of Weapons Seized
1984	21,075	19,199	12,981,200	649	4,941	1,424
1985	47,399	39,745	39,231,500	951	5,151	1,768

\* Increased ditch-weed eradication accounts for the large increase between 1984 and 1985. For both years, the number of cultivated plants eradicated was just under four million.

One noteworthy by-product of the Domestic Cannabis Eradication/Suppression Program was the destruction of seven separate opium poppy fields during July and August 1985. The poppy plants were mostly interspersed among marijuana plants, and many had been scored and the resin extracted. Three seizures were made in California, two in Washington State, and one each in Michigan and Vermont. Although climatic conditions in the Pacific Northwest and the Southeast region are favorable for opium poppy cultivation, it is unlikely to become a large-scale threat due to the labor intensive nature of opium poppy cultivation.

### Special Operations

Special law enforcement operations, such as Operation Green Harvest in Hawaii and CAMP in California, are developed to respond to unique or regional conditions. In 1985 the Attorney General decided that the severity of the domestic cultivation problem required a national statement in the form of simultaneous raids in all 50 States. During August 5-9, 1985 DEA coordinated Operation Delta-9, the largest initiative against marijuana cultivation in U.S. history. It involved more than 2,200 Federal, State, and local law enforcement officers and resulted in 225 arrests, the seizure of 78 weapons, the immobilization of eight indoor cultivation operations, and the eradication of over 404,000 plants.

### Training

During the last two years, DEA conducted 58 eradication schools and seminars, which were attended by over 2,000 Federal, State, and local enforcement officers. One of the most important of these activities was the training of State and local pilots as spotters. DEA's Aviation Unit also provided extensive on-site surveillance and spotting during 1984-1985, flying 1,088 missions and 2,869 hours.

## Other Issues Related to Cannabis Eradication

Overt violence and the use of passive booby-trap devices to protect illicit cannabis gardens continue to be a serious problem. During 1985, 21 states reported violent incidents affecting the general public and/or law enforcement personnel. The majority of violent incidents appears to be between growers and "patch pirates," individuals who try to steal mature cannabis plants.

Alarm systems employed by growers range from innocuous, monofilament wires to deadly, shotgun shell booby-traps. Growers have also used pipe bombs, punji pits, animal traps, electric fences, and guard dogs to deter the theft or destruction of their crops. Unfortunately, those devices can be activated by anyone, including unsuspecting visitors or law enforcement personnel. Last year a real estate agent set off two booby-traps in Butte County, California while she was attempting to show property. A vice officer in Hawaii now wears boots with steel soles after having his foot pierced by a punji board.

In previous years this violence has been confined primarily to west coast areas. However, in 1984-85, shootings, assaults, and injuries from booby-traps were reported in all southeastern States. Death from violence believed to be associated with cannabis cultivation occurred in both east and west coast states. Although rare, deadly confrontations have occurred between growers and police. In August 1985 a United States Forest Service officer shot and killed an armed grower in the Plumas National Forest.

The toll from illegal cultivation of cannabis also extends to the environment. Poisons such as Warafin and Havoc are used in numerous areas to prevent deer from eating cannabis plants. In some areas growers have used as much as 300 pounds of

rodenticides per acre. Such massive use not only kills the rodents, but also birds and other small wildlife. This situation may also introduce these poisons into the food chain.

### Use of Herbicides

DEA has adopted a careful and systematic approach to the limited use of herbicides for cannabis eradication. In November 1983 DEA began preparation of the Environmental Impact Statement on the Eradication of Cannabis on Federal Lands and Intermingled Forests and Rangelands in the Continental United States (EIS). Public sessions were held in four cities in the United States to determine the scope of the EIS. Three types of eradication methods (manual, mechanical, and herbicidal) were selected for detailed study, along with three herbicides (paraquat, glyphosate, and 2,4-D). The draft EIS was published in July 1984 and, after more public hearings, became final on August 26, 1985.

On September 6, 1985 DEA Administrator John C. Lawn signed a Record of Decision with respect to the Environmental Impact Statement. The decision called for the use of the full range of manual, mechanical, and both spot and broadcast herbicidal methods to eradicate illegally cultivated cannabis on Federal lands. This position provides DEA and Federal land managers the operational flexibility to choose the most appropriate method of eradicating cannabis, and it underscores U.S. resolve to foreign governments being encouraged to expand their eradication efforts.

On the same day, a herbicidal eradication project was conducted in the Mark Twain National Forest near Poplar Bluff, Missouri. DEA, assisted by the U.S. Forest Service, sprayed five separate one-tenth acre plots of cultivated cannabis with glyphosate from a backpack ground sprayer. Approximately 16,000 plants, ranging from 10 to 12 feet in height, were eradicated. A second herbicidal eradication was conducted on October 6, 1985 on

Bureau of Land Management property in Otero County, New Mexico. One field of over six acres was sprayed by air and approximately 40,000 plants, ranging in height from six to ten feet, were destroyed.

On October 12, 1984 DEA published in the Federal Register a Notice of Intent to prepare a second EIS on the possible environmental and health implications associated with cannabis eradication on non-Federal and tribal lands in the continental United States and Hawaii. This study should be completed by May 1986.

### Conclusion

According to the 1984 Narcotics Intelligence Estimate, net domestic cannabis production declined from a two-year high of 2,000 metric tons to approximately 1,700 metric tons in 1984. Market share also declined from 15 percent in 1982 to 12 percent in 1984. Coordinated Federal, State, and local law enforcement efforts continued to escalate the costs to commercial growers by destroying crops, seizing assets, and incarcerating offenders.

During the last two years, more than 10,000 persons were arrested on cultivation or related charges and approximately 7,765,000 cultivated cannabis plants were destroyed. In 1985, the number of arrests rose by slightly over four percent from the previous year. Marijuana offenders sentenced in U.S. District Courts during 1984-1985 for violation of 21 U.S.C. §841 (manufacture or distribution of a controlled substance) received an average sentence of two years in prison plus a fine. The national partnership of Federal and State law enforcement and land management agencies is working to suppress cannabis cultivation in the United States and project American resolve abroad.

VI: LICIT DRUG CONTROL

## VI: LICIT DRUG CONTROL

Law enforcement agencies continued their efforts to prevent the diversion of legitimately produced drugs into the illicit market, the production of controlled substance analogs, and the distribution of drug precursors for the manufacture of illicit drugs. Domestic clandestine production of controlled substances has been described in Chapter II.

During FY 1984 and 1985, the advances in the Federal effort against diversion can be directly linked to new legislative initiatives granting broader authority to suppress diversion; effective investigative efforts both by Federal authorities and through cooperative ventures with State/local authorities; and extensive activities at the international level to combat diversion from international commerce. The success of these initiatives is clearly demonstrated by the recent reductions in drug-related injuries involving diverted drugs. Although diverted drugs continue to constitute over one-half of emergency room mentions (including drug-related injuries), significant declines in the number of mentions of methaqualone, pentazocine (Talwin), and other diverted drugs can be traced to Federal efforts against diversion.

The Drug Enforcement Administration (DEA) Office of Diversion Control enforces provisions of the Controlled Substances Act (CSA) that pertain to the manufacture and distribution of controlled substances for medical and research purposes. The office is responsible for the detection and prevention of diversion from legitimate channels. It conducts periodic inspections of drug manufacturers and wholesalers, and special investigations of targeted registrants who are high-level violators. It identifies drug shipments in foreign countries that are destined for illegal smuggling operations, monitors all imports and exports of controlled substances, and annually registers all handlers of controlled substances. In addition, it establishes manufacturing quotas for all Schedule I

and II substances, controls drugs of abuse by placing them in the appropriate CSA schedule, and conducts pre-registration investigations prior to approval of applications for registration. (Appendix B describes the Controlled Substance Act drug schedules.)

### Implementation of the Drug Enforcement Amendments of the Comprehensive Crime Control Act of 1984

The Comprehensive Crime Control Act of 1984 provided the Federal government a variety of new weapons to attack the problem of diversion of legally produced controlled substances into the illicit market. Upon its passage in October of 1984, DEA immediately began to implement the major provisions of the bill, including an emergency scheduling provision, new authority to revoke and deny registrations of diverting registrants, a major new State assistance initiative, and other measures.

#### Emergency Scheduling Provision

The passage of the new emergency scheduling authority coincided with the emergence of a major threat to the public safety: the clandestine production of controlled substance analogs, known as "designer drugs." The largest group of these dangerous and potent analogs are the analogs of fentanyl, which are sold in the illicit traffic as heroin, "synthetic heroin," or fentanyl. They can be several hundred times more potent than heroin and have been linked to over 100 overdose deaths in recent years.

The DEA has used its new emergency authority to control ten fentanyl analogs; two analogs of the potent narcotic meperidine, which were linked to the development of Parkinson's Disease in its abusers; and the popular hallucinogen/stimulant MDMA (with the street name Ecstasy). All these drugs were controlled in Schedule I of the Controlled Substances Act, the most stringently controlled schedule.

In addition to these emergency scheduling actions, 25 regular scheduling actions were undertaken in 1984 and 1985. Most notable of these was the rescheduling of methaqualone into Schedule I of the Controlled Substances Act in August 1984.

#### Administrative Revocation Authority

The enhancement of DEA's authority to revoke, suspend or deny the registration of practitioners who are responsible for diversion of controlled drugs into the illicit market was a major step in combating the diversion problem. DEA's new authority provides for the administrative revocation of a practitioner's registration based on public interest grounds. In FY 1985, 73 public interest revocation cases were pursued. In FY 1986, with the implementation of the Public Interest Program and the increase in diversion investigator resources, public interest revocation actions against practitioners responsible for diversion will probably greatly increase.

#### State Assistance Authority

The Comprehensive Crime Control Act presents the framework for a new DEA State Assistance Program providing for cooperative efforts between Federal and State and local governments in the area of diversion of legally produced drugs. DEA's new State Assistance Program provides for periodic assessments of the capabilities of State and local governments, advice and counsel on methods to strengthen controls against diversion, and for cooperative investigative efforts. In FY 1985, DEA took steps to implement both the cooperative provisions of the Comprehensive Crime Act and the State Assistance Program.

## Domestic Diversion Investigative Activity

In FY 1984 and FY 1985, DEA investigated over 550 registrants. These investigations resulted in 360 arrests, numerous registration revocations and surrenders, and fines and civil penalties totaling almost five million dollars. Additionally, over 1,250 scheduled investigations of registered drug wholesalers and manufacturers were conducted to ensure their compliance with regulatory requirements that reduce the threat of diversion.

These investigative efforts, combined with strict application of DEA's manufacturing quota authorities, import/export controls, drug scheduling actions, cooperative activity with the drug industry and other activities, have been effective in sharply curtailing the diversion of a wide variety of legally produced drugs both in specific geographic areas and on a national basis. The availability and abuse of methaqualone have been greatly reduced. There has been an extensive reduction in the abuse and trafficking of Talwin. Major inroads have been made, through the Michigan Diversion Impact Program, in the trafficking and abuse of diverted drugs in Michigan, the State which once had the highest per capita distribution of several major drugs of abuse. Investigative efforts targeted towards diversion will likely increase in FY 1986 as additional resources are applied to the effort.

## International Diversion

In FY 1984 and 1985, the United States continued to maintain its leadership role with regard to the efforts to curtail diversion of legally produced drugs from international commerce. Drugs diverted from legal international commerce into the illicit market constitute a significant problem for the United States and many other nations. In an effort to address this problem, DEA and foreign authorities have engaged in cooperative investigative efforts. In addition, DEA coordinated numerous diversion control conferences and seminars with foreign officials and international organizations to develop national and regional strategies for control of international diversion. Some of the key efforts in this area were:

- o Rome Conference on the Diversion of Drugs, Precursors and Essential Chemicals from International Commerce, May 1984. DEA initiated a conference of ten key manufacturing countries and several international organizations to explore additional international efforts, specifically in manufacturing countries to disrupt the flow into the illicit traffic of legitimate drugs and chemicals. Following the conference, several participating nations initiated or enhanced precursor and chemical monitoring programs and have demonstrated increased vigilance with regard to controlled drug shipments. In addition, the International Narcotic Control Board has adopted administrative changes recommended by the participants. These changes have helped deter and uncover diversion attempts. A follow-up conference, with expanded participation, is scheduled for FY 1986. A similar meeting between the United States and Asian manufacturing nations is also scheduled for FY 1986.
- o South/Central American Seminars on Diversion of Drugs and Chemicals. DEA sponsored seminars in South America and Central America to bring together law enforcement and regulatory and customs officials to explore country techniques to detect, prevent, and control the diversion of controlled substances and chemicals destined for the illicit market. The diversion through false and forged permits and the manipulation of free trade zones were studied in depth. To date, seminars have been held in Panama, Brazil, Venezuela, Ecuador,

- and the Dominican Republic. These seminars have provided for more effective oversight of drug and chemical shipments into or through their countries.
- o Interpol Diversion Seminars. DEA was also instrumental in initiating the first Diversion Investigations Training Seminar given by Interpol. This first seminar was held at Interpol Headquarters in France. DEA and others provided instruction; representatives from 15 countries attended. This was the first exposure to diversion control techniques for most participants. Due to favorable results, a similar seminar was conducted in Bangkok for Asian drug control and law enforcement officials.
- o New International Convention on Drug Trafficking. The United States, principally through the efforts of the State Department's Bureau of International Narcotics Matters, DEA, and the U.S. Customs Service has taken an active role in supporting the United Nations Commission on Narcotic Drugs initiative on the development of a new international convention on drug trafficking. Such a convention would address drug law enforcement issues which are not adequately addressed in the existing international conventions. Some key areas being considered include the use of controlled deliveries and the adequacy of penalties.

#### State and Local Cooperative Activity

In addition to the extensive investigative programs conducted with State and local authorities, DEA has been actively involved with the States in a variety of drug control issues. DEA assists these agencies in their fight against the diversion of legitimately manufactured controlled substances and diversion through administrative or voluntary compliance measures. These efforts are designed to maximize cooperation between the Federal government, State and local law enforcement and regulatory agencies, professional, and industry groups.

- o National Conference on the Control and Diversion of Controlled Substances. This conference was held in Kansas City, Missouri, from November 26 to 29, 1984. Ninety-six high-level regulatory and enforcement officials, having the authority to influence and establish pharmaceutical drug laws

and policies at both the State and Federal levels, attended. The participants represented the governors of 43 States, Puerto Rico and the District of Columbia. The conference discussed drug policy decisions that enhance diversion control efforts. It also increased cooperative efforts between states and DEA and among the States themselves.

As a result of the 1984 conference, three DEA/State working groups met to discuss a variety of legislative issues, model State diversion control programs, and multiple copy prescription systems.

- o State Diversion Institutes. During January and February 1984, the Office of Diversion Control conducted State Board and Drug Control Institutes in Dallas, Texas; Seattle, Washington; and Washington, D. C. These institutes assisted State and local investigators in conducting diversion investigations. The three-day seminars, attended by 225 representatives of professional and regulatory boards and law enforcement agencies from 47 States, provided an excellent training mechanism for State officials. An additional training seminar was held for State of Wisconsin authorities.

VII: INTELLIGENCE PROGRAMS

## VII: INTELLIGENCE PROGRAMS

Intelligence is a central element of the U.S. drug law enforcement strategy in bringing to bear the full range of Federal, State, and local resources against the drug trafficking problem. There are over 20 Federal agencies and approximately 14,000 State and local law enforcement entities with jurisdiction in drug matters, as well as numerous counterparts in source and transshipment countries. The effectiveness of cooperative and coordinated law enforcement efforts depends on adequate, timely, and reliable intelligence provided by the foreign intelligence community and the drug enforcement agencies. Such strategic and tactical intelligence is crucial in identifying and anticipating areas of drug production, drug trafficking routes and methods, and those individuals and organizations involved in the illicit drug business.

The Drug Enforcement Administration, U.S. Customs Service, U.S. Coast Guard, and the Federal Bureau of Investigation have intelligence programs devoted in whole or in part to drugs. Their intelligence activities primarily serve the particular investigative, strategic, or tactical needs of the agency. Intelligence efforts are coordinated and products shared among these agencies and with other anti-drug organizations. In addition, nine Federal agencies participate in the El Paso Intelligence Center, which serves Federal, State, and local law enforcement needs.

In just the last few years, the intelligence community has become increasingly involved in collecting and analyzing strategic and tactical foreign intelligence for the drug law enforcement agencies. This foreign intelligence information covers all aspects of foreign drug production and trafficking, including its impact on the political and economic well-being of producing and trafficking countries. A healthy relationship has been established between the intelligence community and law

enforcement agencies, which receive intelligence community analytic products and attend briefings on trends in drug production and trafficking.

### Drug Enforcement Administration Intelligence Program

DEA's five-point intelligence strategy includes tactical and operational intelligence support, strategic intelligence products, special field intelligence programs, interagency liaison and cooperation, and financial intelligence support.

#### Ongoing Operations

During 1984 and 1985, DEA continued to maintain several intelligence programs. DEA provided interagency intelligence support to Federal, State, and local law enforcement organizations through DEA's leadership at the El Paso Intelligence Center (EPIC); and provided intelligence support for hundreds of drug investigations leading to the seizure of drugs, the identification of several co-conspirators, and the conviction of several Class I violators. DEA also continued to provide assessments, estimates, and warnings on drug availability, production, trafficking, and trends to foreign, Federal, State and local authorities.

#### Special Projects

DEA developed hundreds of investigative leads through Operations Fountainhead and Bookkeeper to link cases and define conspiracies through comprehensive analysis of seized wholesale shipments of cocaine and documents, which played a significant role in targeting major Colombian cocaine traffickers. DEA also identified a technique being used by traffickers to move drugs and money between Florida and other parts of the United States by motor vehicle, leading to the establishment of Special

Enforcement Operation Pipeline, which has expanded to a nationwide effort involving DEA and State law enforcement agencies.

### Management Improvements

DEA developed a new information system in 1985 to help combat the problem of the domestic illicit manufacture of drugs. The Precursor Chemical Information System (PCIS) will catalog sellers and buyers of precursor chemicals needed to produce dangerous drugs. DEA also conducted preliminary testing to automate data gathered from pen registers, which will lead to expansion of the Automatic Phone Number Recording System (APRS) and the Direct Automatic Phone Number Recording System (DAPRS) in 1986.

DEA improved the interaction of the 11 agencies participating in the National Narcotics Intelligence Consumers Committee (NNICC) to broaden involvement in the analytical process resulting in the annual Narcotics Intelligence Estimate (NIE). DEA refined its computerized intelligence data base, PATHFINDER, using state of the art technology to enable DEA personnel to make highly flexible queries in support of major investigations; improved several case support techniques by summarizing investigative reporting into comprehensive documents; and refined sophisticated techniques in the areas of money, drug, and asset flow charting.

To more effectively address tactical intelligence requirements, DEA reallocated workforce and redistributed functions at the interagency El Paso Intelligence Center and improved the DEA intelligence library with fully automated search capabilities for retrieving intelligence reports.

## Particular Products and Efforts

DEA has developed intelligence concerning drug production and trafficking in several parts of the world, which has led DEA to expand its presence in several areas. For example, DEA conducted an intelligence collection project throughout Africa that provided an overview of the continent's emerging role as an illicit drug producer and transshipment area, leading to the establishment of a DEA office in Lagos, Nigeria. DEA also decided to establish an office in Bombay after conducting a comprehensive study on the emerging threat of India as a major production and transit area for heroin and hashish. Finally, DEA developed intelligence regarding the drug situation in Australia and its implications for the United States, which will lead to a DEA presence in Australia in the near future.

Based on multi-agency coordination and input, DEA has developed several inventories of both legal and clandestine airstrips in high-density trafficking areas in Latin America, for use in both strategic and tactical planning. DEA conducted an analysis of the illicit drug situation in the eastern Mediterranean area in order to mount intelligence collection and enforcement operations in the area, and to educate concerned officials. As a result of DEA's intelligence concerning increased opium and marijuana production in Thailand, the Thai government drafted pending legislation concerning conspiracy and asset seizures in drug trafficking cases.

## Reports

DEA's Office of Intelligence published many recurring and more than 60 special reports in 1984 and 1985. DEA publishes the annual, multi-agency Narcotics Intelligence Estimate that presents a compendium of worldwide illicit drug cultivation, trafficking trends, U.S. consumption, availability, and near term projections; the Quarterly Intelligence Trends report on issues

and developments of long-term strategic interest; the DEA Monthly Digest of Drug Intelligence, which provides timely information on current drug law enforcement-related developments throughout the world; a weekly all-source report on Colombia that covers important political, economic, and social issues, which would have an effect on DEA personnel or operations; and a weekly report providing interdiction-oriented intelligence in support of multi-agency operations, such as NNBS' Operation Hat Trick II.

DEA's Controlled Substance Analog Report, the first report to describe the synthetic heroin threat, contributed to the emergency control of meperidine and fentanyl analogs. The two reports, Clandestine Laboratory Seizures in the United States and Cocaine Laboratory Seizures in the United States, identified new smuggling and distribution trends for illicit drugs, and new techniques in precursor chemical synthesis. The Domestic Marijuana Trafficking Report published conclusions regarding the extent of domestic marijuana production in more than 30 States, and the Worldwide Cocaine Trafficking Trends report presented an overview of all aspects of the worldwide cocaine situation. The Domestic Cities Report: The Illicit Drug Situation In Metropolitan Areas consolidated drug abuse and distribution intelligence for 20 metropolitan areas in the United States, and the Illicit Drug Situation in the United States and Canada report compared the dimensions of the illegal drug problems in the two countries.

#### Special Field Intelligence Programs

DEA conducted more than 40 collection probes known as Special Field Intelligence Programs (SFIPs) to meet a wide variety of intelligence requirements. Intelligence probes regarding Southeast Asia's opiate production and trafficking resulted in increased anti-drug enforcement by the Burmese, while probes in Iran and Afghanistan led to the identification of major Iranian traffickers and increased DEA's understanding of opium

poppy cultivation and heroin laboratory activity in Afghanistan. An SFIP to locate opium poppy and cannabis cultivations in Guatemala prompted the Guatemalan government to launch a manual eradication campaign against both crops. An intelligence probe in the Mediterranean developed trafficking information which led to several large heroin and hashish seizures.

Investigation of the Thai cannabis situation provided the basis for the Thai Government's plan to initiate a cannabis eradication campaign in 1986. An SFIP initiated in Bolivia identified a new generation of major suppliers of cocaine, while another probe designed to develop telephone toll information on cocaine violators resulted in the arrest of a leading Class I fugitive.

Intelligence probes have provided important information concerning the financial aspects of drug trafficking. For example, a probe of money laundering activities through a prominent Latin American financial center identified couriers and the origin of \$45 million in cash transactions. Three other SFIPs targeted the movement of drug profits and identified couriers and methods used to move drug profits out of the United States. An intelligence probe of the "Hundi" black market money system in Pakistan yielded valuable information about illicit money movement activities throughout much of the Mideast.

#### DEA Interagency Cooperative Efforts

The DEA Intelligence Program emphasizes the exchange of information with enforcement counterparts and cooperating agencies worldwide to provide optimum support for domestic and international drug law enforcement operations. The El Paso Intelligence Center (EPIC) is at the forefront of DEA's interagency efforts. EPIC provides research and response to inquiries (294,805 inquires in FY-1985), and enters suspect persons, vehicles, aircraft, and vessels into the various Federal

look-out systems. DEA assigned an officer full-time to the National Narcotics Border Interdiction System (NNBIS), Washington, D.C. office; provides intelligence personnel and information to special NNBIS operations, and participates in NNBIS coordinating and planning sessions. DEA provided significant amounts of analyzed drug intelligence for use in major intelligence community studies on drug traffic.

A U.S. Customs' analyst is assigned to DEA's Office of Intelligence and has access to all drug related documents. During FY 1985, at least 1,628 documents relating to drug trafficking were requested and provided to Customs. DEA is supplying state of the art communications capabilities in six Latin American countries to improve the exchange of drug-related intelligence for coordinated action by law enforcement authorities.

DEA, along with the Bureau of International Narcotics Matters and the intelligence community, also participates in the Subcommittee on Production, created under the auspices of the National Narcotics Intelligence Consumers Committee. This cooperative venture works with embassies to produce drug production estimates.

#### Financial Intelligence Program

DEA's Financial Intelligence Program provides both strategic assessments and operational case support. DEA continues to identify countries in which drug traffickers use, or have the potential to use, bank secrecy laws to their own advantage. As a result of DEA's research, the Departments of State and Justice are actively negotiating treaties in various countries for the exchange of select types of banking information. To thwart the efforts of some drug traffickers, who seek to launder their illicit profits by acquiring ownership interests in domestic financial institutions, DEA works closely with regulatory agencies to identify such takeover efforts.

DEA has been working closely with other Federal agencies and the American Bankers Association to develop and present seminars on money laundering and the Bank Secrecy Act in order to increase the awareness of financial institution employees to drug money laundering problems. Initially the seminars were presented at a variety of locations by a team of government agents and private sector consultants who traveled to each conference location. The traveling seminar program was later replaced with a 60-city closed circuit telecast.

### U.S. Customs Service Intelligence Program

The general mission of the intelligence organization of the Customs Service is to provide strategic intelligence to managers to support policy and planning decisions, and to provide operational and tactical intelligence to field elements to support enforcement actions. Customs intelligence elements maintain a close watch over all drug smuggling activities and trends affecting the U.S. border - the entire physical border, foreign preclearance stations, and the inland ports-of-entry. Customs intelligence programs and activities support day-to-day interdiction operations, investigations, programs, configuration of resources, and the evaluation of policies related to drug smuggling directed against the United States. Customs intelligence components coordinate their activities with appropriate elements of the enforcement and intelligence communities.

### Ongoing Operations

The Customs Office of Intelligence published its annual predictive estimate of the drug smuggling threat, "1986 Drug Smuggling: Impact on the U.S. Customs Service." During 1984 and 1985, the Customs Service produced over 200 alerts related to drug matters, ranging from information on foreign activities

provided by DEA and foreign Customs elements to unique smuggling techniques discovered by Customs field personnel.

Customs intelligence also contributed to the arrest of 107 individuals through a continuing program of profiling Nigerian heroin couriers; only two such arrests had been made prior to the program. Customs also analyzed Bank Secrecy Act data to identify suspect transactions and provided targets to Customs and other law enforcement agencies, both domestic and foreign.

### Special Operations

Customs Intelligence provides continuing support to all Customs special operations, most recently providing trend analyses for Operation BLUE LIGHTNING, participating in the planning of Operation HAT TRICK II, and actively supporting the national efforts against Mexican drug smugglers, especially in the operations following the kidnapping and murder of a DEA Agent when Customs closed portions of the border.

Customs has provided analytical support to a marijuana and cocaine smuggling investigation, culminating in the arrest of numerous suspects in Florida in the fall of 1984; targeted Guatemalan carriers, leading to the identification of the smuggling vessel STERNA CARRIER and seizure of 1,650 pounds of cocaine; and developed information through Operation Ice Bucket, leading to the seizure of 211 pounds of heroin in Seattle in June 1985.

### Management Improvements

In the past three years, Customs has greatly expanded its intelligence organization. An Office of Intelligence was created at Headquarters, with functional guidance responsibility for all Customs intelligence activities. Intelligence support has been expanded to cover each of the seven Customs Regions, and

intelligence positions have been created at all major Customs district and enforcement offices.

Customs improved its intelligence support to drug operations in the Miami area with increased personnel and equipment. A 24-hour-a-day, 7-days-a-week tactical intelligence center was established, and in 1986 an improved computer system for command and control will become operational. Customs initiated efforts to establish an automatic interface with the Federal Aviation Administration (FAA) computer system in order to make airmen and aircraft registration data available on-line to Customs personnel.

A two-year program was initiated to collect and automate information about all Customs air and marine elements, all ports of entry, and all land border areas between ports of entry to provide managers up-to-date information to plan and conduct drug enforcement operations. Customs administratively transferred the Financial Intelligence Unit at Headquarters from the Office of Investigations to the Office of Intelligence.

#### Customs Interagency Cooperative Efforts

Customs representatives regularly attend general intelligence community meetings and review information provided by the intelligence community. Customs maintains daily contact with DEA and the Coast Guard. Customs maintains a full-time intelligence representative at DEA Headquarters and has established the first of several Customs representatives in DEA Country Offices in Latin American drug source countries.

Customs maintains continuing communication with the Department of State, providing officials there with data regarding the drug trafficking activities of selected country nationals in support of diplomatic initiatives and operations in these nations. In return, the Department provides Customs with

detailed current information regarding conditions and drug trafficking activities in foreign countries. This data, incorporated into trafficker profiles and threat information, is used to forewarn Customs field personnel of smuggling activities. Customs also participated in special drug intelligence programs and projects with the Coast Guard, Department of Defense, and Immigration and Naturalization Service, and cooperated with NNBIS on joint planning projects. Customs also exchanges information of selected foreign Customs organizations on general and specific drug trafficking matters.

### U.S. Coast Guard Intelligence Program

The mission of the Coast Guard's Operational Intelligence Program is to provide the best possible intelligence in a timely manner to Coast Guard operational commanders and planners in order to ensure the successful execution of all Coast Guard missions. The established use of the seas for illicit drug trafficking and the increasing requirement of operational commanders for intelligence support to maximize the use of limited resources has required the Coast Guard to streamline and enhance its intelligence collection and analysis activities.

### Ongoing Operations

The Coast Guard has significantly expanded its ties to the National Intelligence Community, and has created a rising awareness of Coast Guard needs for intelligence in the interdiction of illicit drugs. As a result, there has been a dramatic increase in the amount of raw data and processed intelligence information available to the Coast Guard. The Coast Guard is now able to task National Intelligence Community assets to collect intelligence directly applicable to Coast Guard missions.

## Special Operations

The Coast Guard has initiated several classified intelligence collection activities, which have provided tactical intelligence on approximately 50 percent of all vessels seized by the Coast Guard. The most successful of these classified programs directly contributed to the seizure of 25 percent of all vessels interdicted by the Coast Guard in 1984, and accounted for about 45 percent of all marijuana confiscated that year. The Coast Guard shares fully the information collected in this program with the Intelligence Community, NNBIS and other law enforcement agencies.

## Management Improvements

The Coast Guard established an Intelligence Coordination Center (ICC) at Coast Guard Headquarters in October, 1984. The ICC is the Coast Guard's key facility for the collection, analysis, and dissemination of information from the National Intelligence Community and other national sources. This 24-hour center, capable of handling all levels of classified information, is responsible for the coordination of all Coast Guard intelligence collection and production efforts, and supports the Commandant, Area and District Commanders, and other Coast Guard field commands. The ICC has a detachment at the Naval Operational Intelligence Center for direct access to Navy intelligence sources.

The Coast Guard established Atlantic and Pacific Area intelligence staffs to function as collection managers and analysts for the increased activities of Coast Guard subordinate units, and to produce immediate tactical intelligence for operational commanders. A program has been developed whereby two Coast Guard officers are enrolled each year at the Defense Intelligence College in the Master of Science in Strategic Intelligence program, thus providing the Coast Guard with a

professional cadre of intelligence-trained officers for the future. The Coast Guard is pursuing a request by the Defense Intelligence Agency to assign Coast Guard Officers as Defense Attaches in several locations in order to improve the flow of drug trafficking information from source countries.

### Reports

Coast Guard intelligence has produced and disseminated various reports, studies, intelligence summaries, and analytical products to both law enforcement and intelligence agencies in support of maritime drug interdiction. These reports include a major analytical report entitled "Jamaica: Implications for Maritime Smuggling," and a major study, "The Baja Peninsula and Its Involvement in International Narcotics Trafficking," both produced by the Intelligence Coordination Center (ICC).

More than 50 major analytical message reports and more than 100 spot reports of drug activities have been produced during the past two years. The Coast Guard generates various analytical products of technical collection efforts and provides specialized intelligence information support to NNBIS operations, such as weekly summaries from Area Commanders and strategic assessments of maritime drug activities and ICC-projected trends. Daily reports include twice-daily message intelligence summaries by the ICC to operational commanders and a daily tactical summary of drug intelligence by each Area Commander.

### Coast Guard Interagency Cooperative Efforts

The Coast Guard participated with National Intelligence Community members in many studies and served on various committees such as the Narcotics Intelligence Consumers Committee. The Coast Guard also participates as one of seven Federal agencies that comprise the El Paso Intelligence Center (EPIC), providing six personnel to EPIC's staff, including a Captain serving as an Assistant Special Agent in charge.

## Federal Bureau of Investigation Intelligence Programs

In accordance with the Implementation Directive for concurrent drug investigative jurisdiction between the Drug Enforcement Administration and the Federal Bureau of Investigation, DEA is the principal Federal drug enforcement agency for drug intelligence analysis and strategic assessments. The FBI's drug intelligence responsibility is to support DEA efforts through the Organized Crime Information System (OCIS).

OCIS is an automated data base originally designed as a repository for intelligence information concerning the traditional organized crime families (La Cosa Nostra) and their criminal activities in the United States. The system enables agents and analysts working on organized crime matters to rapidly retrieve, collate and analyze information from other field divisions for use in their own investigations. As organized crime has expanded to include non-traditional groups, such as outlaw motorcycle gangs and drug cartels, OCIS has also expanded its data base and operations by adding terminals and personnel in a number of field offices not originally scheduled for OCIS because of the lack of traditional organized crime activity.

In 1985 an OCIS terminal was established in Rome to support investigations of the relationships between Italian/Sicilian based drug groups and their U.S. counterparts. Supplemented by a computer flash system, the OCIS terminal enables the FBI to better coordinate intelligence information with Italian law enforcement officials and other investigative agencies. Files being developed in OCIS will depict links between U.S.-located members of the Italian-based Camorra and N'Drangheta, the Sicilian Mafia, and the drug activities of the La Cosa Nostra.

DEA foreign operations are supported by OCIS at the FBI El Paso field office through EPIC. OCIS installations at major FBI field offices similarly support domestic operations. The

scheduled implementation of OCIS at DEA Headquarters will further enhance the coordination and sharing of drug intelligence information. DEA's placement of NADDIS terminals at FBI Headquarters has already improved interagency intelligence sharing.

In addition to providing intelligence information to EPIC, the FBI has assigned a program manager and analytical and communication support personnel to the Center. During FY 85, the FBI began a major project to convert EPIC into a state of the art center for tactical intelligence by October 1987. Specific project goals include reducing the time required to process inquiries; avoiding missed opportunities concerning perishable information; providing patterns and trends to allow agents to identify suspect violators; providing a fully integrated data base for the analysis of multi-agency intelligence; providing an institutional data base; and providing more timely and accurate intelligence information for decisionmaking.

#### Bureau of International Narcotics Matters Intelligence Program

The Department of State Bureau of International Narcotics Matters (INM) is both an important collector of drug intelligence information and the primary consumer of finished narcotics intelligence on policy-level international narcotics developments. In addition to participating in the joint INM, DEA, intelligence community Subcommittee on Production (created under the auspices of the National Narcotics Intelligence Consumers Committee), INM embarked on a new aerial survey and reconnaissance program in 1984. This program assists source country governments in drug data generation and analysis. INM shares the intelligence generated by the program with the U.S. drug enforcement community.

VIII: LEGISLATIVE INITIATIVES

## VIII: LEGISLATIVE INITIATIVES

### Comprehensive Crime Control Act of 1984

Prior to 1984 it had been almost 14 years since the enactment of significant Federal criminal law reforms. During that period Federal criminal laws had become increasingly outdated. This changed dramatically when President Reagan signed the Comprehensive Crime Control Act (CCCA) into law on October 12, 1984, as Title II of Public Law 98-473. This omnibus package of criminal law measures is the most substantial and far-reaching reform of the Federal criminal justice system ever enacted at one time. While the more than 50 parts of the Comprehensive Crime Control Act strengthen laws in virtually every area of criminal activity, the anti-crime package has already been, and promises to remain, particularly useful in the investigation and prosecution of drug traffickers. This section of Chapter VIII discusses the provisions of Public Law 98-473 that are of the greatest assistance in Federal drug law enforcement. 1/

Chapter I, Bail Reform, amends the Bail Reform Act of 1966 to permit Federal courts to consider danger to the community in setting bail conditions and to deny bail altogether when a defendant poses an especially grave danger to others. Defendants charged with serious drug offenses are among those targeted for pretrial detention because they are presumed to be a danger to the community. The Act also tightens the criteria for post-conviction release pending sentencing and appeal; provides for revocation of release and for increased penalties for crimes committed while on release; and increases penalties for bail jumping.

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1/ This discussion of the CCCA provisions pertaining to drug law enforcement is adapted from that which appeared in the March 1985 Annual Report of the Organized Crime Drug Enforcement Task Force Program.

Chapter II, Sentencing Reform, revises the sentencing system to establish a determinate sentencing system with no parole and limited "good time" credits. It promotes more uniform sentencing by establishing a commission to set a narrow sentencing range for each Federal criminal offense; requires courts to explain in writing any departure from sentencing guidelines; allows defendants to appeal sentences which are harsher than commission guidelines and to allow the government to appeal those that are more lenient than commission guidelines; and increases criminal fine levels. With the exception of increased fine levels, these sentencing reforms will not take effect until November 1987.

Chapter III, Forfeiture Reform, strengthens Federal criminal and civil forfeiture laws by providing for forfeiture of profits and proceeds of organized crime (RICO) offenses; criminal forfeiture in all drug trafficking cases; and expanded procedures for "freezing" forfeitable property pending judicial proceedings. It provides for the forfeiture of land used to grow, store, and manufacture dangerous drugs. It also enables an expanded use of efficient administrative forfeiture procedures in uncontested cases and the sharing of forfeited property with participating Federal, State, and local law enforcement agencies.

Chapter V, Drug Enforcement Amendments, strengthens Federal penalties applicable to drug offenses by providing longer prison terms for large-scale drug crimes. It authorizes the emergency scheduling of dangerous new substances pending formal hearings. It also reduces the regulatory burden on law-abiding manufacturers and distributors of legitimate controlled substances and strengthens DEA's ability to prevent diversion of legitimate controlled substances to illegal uses. Among other things, the new drug diversion amendments facilitate revocation of the registrations of those who dispense or distribute controlled substances in violation of Federal law.

Chapter IX, Foreign Currency Transaction Amendments, improves Federal laws designed to prevent international money laundering by expanding prior law to cover attempts to transport currency out of the United States in violation of reporting requirements. (Prior law only reached completed offenses.) It strengthens civil and criminal penalties for currency violations and authorizes payment of rewards for information leading to the conviction of money launderers, and clarifies the authority of Customs agents to conduct border searches related to currency offenses.

Chapter X, Miscellaneous Violent Crime Amendments, Part A, establishes Federal jurisdiction over murder-for-hire and crimes in aid of racketeering. Part B establishes Federal jurisdiction over solicitation to commit a crime of violence (although several courts have held that drug trafficking is not a "crime of violence" for purposes of this law). Part D establishes a minimum mandatory five-year sentence for use of a firearm in a Federal crime of violence, Part E establishes an additional, minimum mandatory five-year sentence for use of armor-piercing bullets in a Federal crime of violence, and Part F expands 18 U.S.C. 1201 to include kidnapping of Federal officials. Lastly, Part G establishes a new Federal offense for crimes against family members of Federal officials.

Chapter XI, Serious Non-Violent Offenses, includes two provisions of benefit to drug law enforcement. Part B makes it a felony to warn the subject of an impending search and Part H enhances penalties for trafficking in drugs, weapons, or other contraband in Federal prisons.

Chapter XII, Procedural Amendments, includes four provisions of interest to drug law enforcement. Part A lowers from 16 to 15 the age at which a juvenile may be prosecuted as an adult for serious crimes of violence and drug trafficking offenses. Part B amends wiretap laws to permit emergency wiretaps in

life-endangering situations and expands the range of predicate offenses to include money laundering and crimes against victims and witnesses. Part E authorizes government appeal of new trial orders and Part F improves the Witness Security Program through codification of case law and other changes.

Chapter XIII, National Narcotics Act, establishes the National Drug Enforcement Policy Board.

#### Other Drug-Related Laws Enacted in 1984

The two other drug enforcement measures enacted in 1984 are the Controlled Substance Registrant Protection Act and the Aviation Drug-Trafficking Control Act.

#### Controlled Substance Registrant Protection Act

Public Law 98-305, signed on May 31, 1984, provides Federal criminal penalties for certain thefts and robberies directed against persons or establishments (such as pharmacies) registered with the Drug Enforcement Administration to manufacture, distribute, or dispense controlled substances. This statute authorizes Federal investigation and prosecution of some drug-related crimes that were not previously within the jurisdiction of Federal authorities.

#### Aviation Drug-Trafficking Control Act

Public Law 98-499, signed on October 19, 1984, amends the Federal Aviation Act of 1958 to require, among other things, that the Administrator of the Federal Aviation Administration (FAA) revoke the certificate of registration of an aircraft which, following investigation, review, and appeal, is found to have been used with the knowledge of the owner in certain criminal activities relating to a controlled substance. It also requires revocation of the certificates of all other aircraft registered

to that owner, and further requires the revocation of the certificates of airmen involved in similar criminal activities. The FAA has set up procedures to implement the required actions.

## Drug-Related Laws Submitted to Congress in 1985

### Money Laundering Bill

The Administration's omnibus bill to combat money laundering was submitted to Congress on June 13, 1985. Money laundering is defined by the President's Commission on Organized Crime as "the process by which one conceals the existence, illegal source, or illegal application of income and then disguises that income to make it appear legitimate." This bill would establish a Federal offense based on the commerce clause that would directly prohibit the laundering of money. Moreover, the bill would make other discrete substantive revisions in the criminal code that would be particularly helpful in combatting money laundering, although they would not be limited to this offense. Finally, the bill contains amendments to the Bank Secrecy Act, the Right to Financial Privacy Act, and the Federal Rules of Criminal Procedure designed to aid financial institutions which possess information indicative of money laundering in sharing it with law enforcement officials.

### Controlled Substance Analog Bill

A legislative proposal to amend the Controlled Substances Act to create new penalties regarding controlled substance analogs, known as "designer drugs," was submitted to the Congress on behalf of the Administration on July 10, 1985. The bill has passed the Senate as S.1437 and has been referred to the House. The proposal adds a new section 403A to the Controlled Substances Act (21 U.S.C. §843A) to make it a crime, punishable by imprisonment for 15 years and a fine of \$250,000, to manufacture with the intent to distribute, to possess with the intent to distribute,

or to distribute a dangerous class of substances known as controlled substance analogs intended for human consumption unless such action is in conformance with section 505 of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §355, regarding new-drug approval.

Specifically, the term "controlled substance analog" is defined for purposes of the proposed provision to mean a substance other than a controlled substance that has a chemical structure substantially similar to that of a controlled substance in Schedules I or II or that was specifically designed to produce an effect substantially similar to that of a controlled substance in Schedules I or II. (Appendix B describes the Controlled Substance Act drug schedules.)

Currently, unlawful activity under the Controlled Substances Act is tied to the substances listed in the schedules of controlled substances issued under the Act. Thus, if a particular substance is not included in one of the schedules, it is not unlawful to manufacture or distribute it without complying with the Act's registration and other requirements. As a consequence, a substance which is substantially similar in chemical structure or effect to a controlled substance is outside the purview of the Act, despite the potential for abuse created by the drug. The practice of inventing such new substances for human use is gaining popularity and leading to the distribution of dangerous, new drugs by those intent upon evading the law. Authority recently provided by section 508 of the Comprehensive Crime Control Act of 1984 for the emergency scheduling of substances on a temporary basis addresses this problem and reduces the potential for abuse to some extent. However, it does not eliminate the problem because activity is not proscribed until the substance in question is controlled through the emergency scheduling process. Drug traffickers can engage in activity until that time without violating the Controlled Substances Act.

## Amendments to the Comprehensive Crime Control Act

Technical amendments have been submitted to Congress by the Administration, including suggested amendments to the forfeiture and drug penalty provisions, which are currently pending in the Senate as S. 1236 and in the House as H.R. 2774.

### Anti-Smuggling Bill

The Anti-Smuggling Act of 1985 was submitted to the Senate by Senators DeConcini, Chiles, and Hawkins in September 1985, and in the House by Congressman English. The bill would tighten the reporting requirements for marine, air, and land border arrivals, forcing all vessels, vehicles, and aircraft to report to Customs immediately rather than delay their check-in at the borders or airports. Currently a vessel must report to Customs within 24 hours of its arrival. In 24 hours a drug smuggler could offload tons of drugs or contraband and have it distributed virtually anywhere -- in the New York or Phoenix school system, for example. This bill would require immediate reporting to the nearest Customs facility upon entry.

The bill would provide civil and criminal penalties and civil forfeiture for the relatively new phenomenon of airdropping drugs from an aircraft to a waiting vessel on the high seas or within customs waters. It would also shift the burden to the claimant of seized property to explain why an aircraft, for example, had illegally installed fuel tanks, or false registration markings, or other classic profiles of a suspect smuggling aircraft. In addition, the bill would provide authority for the Secretary of the Treasury to operate Customs facilities in foreign countries and extend U.S. Customs laws to foreign locations with the consent of the country concerned.

Because there are a number of difficulties with the proposed anti-smuggling bill, the Administration intends to submit to

Congress a similar but more expansive bill to cover both drug and non-drug law enforcement that will resolve these problems.

### Federal Aviation Administration (FAA) Notices

The FAA has initiated five notices for proposed changes to Federal Aviation Regulations (FAR) to support the drug interdiction effort. These are in the rulemaking process and, if adopted, would require:

1. 12-inch high nationality and registration marks (N-numbers) to be displayed on aircraft that penetrate an Air Defense Identification Zone (ADIZ) or a Defense Early Warning Identification Zone (DEWIZ).
2. An aircraft identification plate to be displayed in a visible area on the exterior of an aircraft near the main entrance.
3. A copy of the FAA Form 337 documenting an approved installation of fuel tanks installed in the passenger or cargo compartment under the provisions of FAR Part 43 to be physically kept in the aircraft until the system is removed.
4. Aircraft to have a functional transponder when operating into, within, or out of the United States through an ADIZ.
5. Any civil aircraft operation into, within, or out of the United States through an ADIZ to be conducted under a filed flight plan regardless of true airspeed. The pilot of any such aircraft must make position reports, and the aircraft's functioning air traffic control (ATC) transponder must be replying on the appropriate code assigned by ATC.

### Extradition Treaties

Since 1980, the United States has ratified new extradition treaties, including a supplementary extradition treaty, with the following countries: Colombia, Ireland, Italy, Japan, Mexico, the Netherlands, Sweden, Turkey, and Uruguay. Each of these has entered into force. During this period, the United States also ratified extradition treaties with Costa Rica, Jamaica, and

Thailand, although those treaties have not yet entered into force. Our current extradition treaty with the Federal Republic of Germany entered into force in 1980.

The United States now has pending negotiations to update our extradition treaties with the following countries: the Bahamas, Belgium, France, Israel, Malaysia, Switzerland, and Venezuela. In addition, the US-UK Supplementary Extradition Treaty, which was signed on June 25, 1985, is pending before the Senate Foreign Relations Committee.

Efforts to revise and update our extradition treaties have been motivated by the desire to develop improved law enforcement cooperation with foreign countries, an objective that becomes even more important as criminals increasingly seek to elude justice by crossing international borders. The United States seeks to negotiate with countries that are ready to negotiate, and in which United States law enforcement needs have been identified. These needs may take several forms: the existing treaty may be antiquated and set forth only a limited range of extraditable offenses; the procedures it contemplates may have been found over time to be cumbersome; or it may not provide for the extradition of nationals.

The volume of potential extraditions is also an important factor in setting negotiation priorities. The United States may also seek to negotiate new extradition treaties or amend existing ones where it finds that the existing treaty does not adequately address a pressing problem between our respective countries. Currently the United States is particularly emphasizing the improvement of our extradition treaties to deal with drug trafficking and terrorism. With respect to drugs, this emphasis gives effect to the intent of Congress in Section 133 of the State Department FY 1986-87 Authorization Act.

## Mutual Legal Assistance Treaties

In order to provide a more comprehensive picture of efforts to establish formal mechanisms to enhance criminal law enforcement cooperation with foreign countries, the United States also seeks to negotiate mutual legal assistance treaties (MLATs).

MLATs are reciprocal treaties that establish a mechanism to expedite and simplify the obtaining and transfer of evidence and other forms of assistance from abroad needed in investigations and prosecutions at home. A basic feature of our MLATs is the establishment of a "central authority" in each country, which serves as the focal point for receiving and transmitting the legal assistance sought. The central authority in the United States is the Attorney General.

In general, the United States seeks to negotiate MLATs which provide for the broadest range of legal assistance for the widest range of offenses. In particular, these treaties can serve as effective tools in obtaining evidence in areas of major criminality, such as drug trafficking and terrorism. These treaties are not intended, however, to supplant other forms of assistance that may exist or be developed between countries to cooperate in law enforcement matters.

The United States now has MLATs in force with Italy, the Netherlands, Switzerland, and Turkey. We have also ratified two MLATs with Colombia and Morocco which have not yet entered into force. In addition, the United States recently concluded negotiations on an MLAT with Canada. Other MLAT negotiations are underway with the Bahamas, the Federal Republic of Germany, Israel, Jamaica, Sweden, and Thailand. We are in the process of instituting MLAT negotiations with Panama and expect to have exploratory MLAT discussions with the United Kingdom (on a bilateral agreement) in 1986. Last year, we also concluded with the United Kingdom, on behalf of the Cayman Islands, an agreement

permitting expedited access to records located in the Cayman Islands that are relevant to criminal investigations of drug-related offenses in violation of U.S. law. This agreement has functioned very well and has served as the precursor to our current negotiations of a broad MLAT to apply to the Cayman Islands. We now have in motion the prospect of negotiating similar drug agreements leading to broader MLATs that would be applicable to other UK dependencies in our hemisphere.

This process of revising our extradition treaties and concluding MLATs reflects the concerted activity by the United States (primarily, the Departments of Justice, State, and Treasury) to enhance our ability to combat effectively the transnational dimension of crime -- crime against U.S. laws, as well as against the laws of our allies. Although we are doing much in this area, much more remains to be done.

IX: DRUG ABUSE PREVENTION AND EDUCATION

## IX: DRUG ABUSE PREVENTION AND EDUCATION

Recognizing the importance of reducing the demand for drugs, Federal law enforcement agencies are involved in several drug abuse prevention and education programs. The Federal government recognizes that drug abuse prevention is a national effort, involving private sector groups and individual citizens, in addition to Federal, State, and local efforts. Thousands of prevention programs exist across the country, such as SPECDA (School Program to Educate and Control Drug Abuse) in association with the New York City Police Department, the National Partnership to Prevent Drug and Alcohol Abuse, and the National Federation of Parents for Drug-Free Youth.

### Law Enforcement Coordinating Committees

The Law Enforcement Coordinating Committee (LECC) Program, managed by the Executive Office for U.S. Attorneys (EOUSA), is a mechanism through which U.S. Attorneys direct their efforts in the drug abuse prevention and education field. Federal, State, and local law enforcement personnel are alerted to and trained in drug abuse prevention and education issues through the LECCs. In addition, the LECCs coordinate law enforcement support of community, parent, school, and other district drug prevention activities by sponsoring conferences and other events.

The Executive Office for U.S. Attorneys maintains extensive information on the issue of drug abuse prevention and education including:

- o A complete directory of the drug prevention resource materials available in the office;
- o A collection of speeches by high level Department of Justice officials and by experts in the drug prevention field;
- o Numerous agendas, minutes, and evaluations from LECCs that have held drug prevention meetings;

- o Videos of speeches by experts in the prevention field;
- o A limited supply of informative pamphlets and newsletters suitable for distribution to parent or law enforcement groups; and
- o A large collection of articles, research, and information on many aspects of the drug abuse issue.

Through personal contacts with individuals associated with many of the key public and private groups involved in drug abuse prevention and education, the Executive Office for U.S. Attorneys helps identify and schedule appropriate LECC speakers.

In addition to their involvement in the LECCs, U.S. Attorneys have worked extensively with Drug Enforcement Administration personnel and parent groups to learn more about the drug abuse problem and ways to combat it. The U.S. Attorneys will sponsor a two-day conference in March 1986 devoted to the subject of drug abuse prevention.

#### Sports Drug Awareness Program

The Drug Enforcement Administration (DEA) and Federal Bureau of Investigation (FBI) have worked together to develop the Sports Drug Awareness Program, which was formally inaugurated by Attorney General Smith in June 1984. The program initially sought to reach 48,000 coaches in 20,000 high schools across the country to help them set up programs using the 5.5 million student athletes as role models, promoting positive peer pressure to dissuade other students from using drugs. Key elements of this program include the development and distribution of two publications: "For Coaches Only: How to Start a Drug Prevention Program," and "Team Up for Drug Prevention." The DEA has printed and distributed more than 50,000 of these publications. DEA has conducted seminars and clinics for coaches to help them understand the nature of the drug problem. This program has reached more than 7,000 coaches through its clinics and seminars.

DEA has filmed the first of many drug abuse prevention public service announcements featuring NFL Commissioner Pete Rozelle and Gene Upshaw, Executive Director of the NFL Players Association. Other announcements will feature players from other professional sports.

### Explorer Drug Abuse Prevention

The DEA has been involved with the Law Enforcement Exploring program of the Boy Scouts of America (BSA) since 1980. The agency has provided personnel in support of three National Law Enforcement Exploring Conferences and sponsors an award for explorer posts, which rewards outstanding drug abuse prevention efforts.

In May 1984 BSA, DEA, and the Texans War on Drugs jointly sponsored a pilot drug abuse prevention training seminar for explorer posts from six communities in Texas. In the summer of 1985 DEA sponsored two seminars for explorers from across the Nation. One held in Ft. Collins, Colorado included presidents from all exploring specialties. The second seminar was part of the first annual Law Enforcement Explorer National Academy held in Washington, D.C.

The result of the pilot project has been the development of a law enforcement explorer drug abuse prevention guidebook, which was printed and distributed to the approximately 2,000 law enforcement explorer posts and BSA councils around the country in the fall of 1985. DEA and BSA are considering expanding the program to other exploring specialties and perhaps eventually to the boy scout and cub scout divisions of BSA. This program could have an impact on millions of young people.

## Publications and Display Program

The DEA has distributed, through its headquarters and field offices, more than one million publications describing the effects of the most common drugs of abuse. These publications include the "Just Say No" fliers, "Controlled Substances: Use, Abuse, and Effects," Drug Enforcement magazine, "Are You A Drug Quiz Whiz?" and Drugs of Abuse. In addition, DEA has a display program on drug abuse prevention, which is used at approximately three national drug abuse prevention conferences each year and at State and community gatherings.

X: TRAINING

## X: TRAINING

Federal law enforcement agencies have developed a wide range of training programs on drug law enforcement. These agencies train their own personnel on the various facets of drug control, as well as the personnel of other Federal, State, local, and foreign law enforcement agencies.

### Training Agency Personnel

#### Drug Enforcement Administration

During FY 1984 and FY 1985 DEA conducted basic training for 505 DEA special agents. During this period, 77 minority candidates and 74 female candidates graduated as special agents. The Basic Agent Training Program, which was revised to increase the training cycle from 12 to 13 weeks, emphasizes asset removal and automated information systems to enable new agents to enter the field force fully qualified to initiate and participate in complex financial and conspiracy investigations. To combat the increasing terrorist threat to DEA agents overseas, DEA initiated an Individual Terrorist Awareness Program with the priority of selection given to agents assigned to foreign posts. Automated information system training was initiated for all agents to prepare the field force for implementation of the M-204 Information System in FY 1986.

#### U.S. Coast Guard

The Coast Guard's Maritime Law Enforcement (MLE) Basic Course provides a six week program for commissioned, warrant, and petty officers covering such topics as Coast Guard authority and jurisdiction, criminal law and procedure, enforcement of laws and treaties, use of force, and applied concepts of law enforcement. Approximately one-half of the students' time is spent in the class room and the other one-half engaged in practical exercise

(including arrest and prisoner control, personal self-defense techniques, boarding exercise, judgmental shooting, and moot court).

In conjunction with Coast Guard Headquarters, the Maritime Law Enforcement school at Yorktown, Virginia provides an annual one- week conference for representatives of the various law enforcement training entities. The conference includes information about the most recent agency policy and allows an exchange of training ideas and identification of training needs.

The Coast Guard has established Training Teams in both its Atlantic and Pacific area offices. Team members attend the MLE basic course for general background, and are then assigned to traveling teams within their respective areas. Combined, these teams provide over 100 weeks of training to field units. Tactical Law Enforcement Team (TACLET) training also begins with MLE basic course. Additional training, including advanced training in some areas, for TACLET members is obtained through district offices, other agencies, or private sources.

The Maritime Law Enforcement Senior Officers Course provides four one-week courses per year, two on the east coast and two on the west coast. The course is designed to give senior operational field commanders and staff personnel an intensive and comprehensive overview of Federal law enforcement principles, including interagency relationships at the unit, district, area, and headquarters levels. The course also considers national and international strategies in drug law enforcement, provides a forum for the exchange of operational tactics and procedures, and discusses present and future trends in maritime law enforcement and their impact on Coast Guard operations.

## Department of Justice

The Attorney General's Advocacy Institute has contributed to the training and education of Assistant United States Attorneys and attorneys from the divisions of the Department of Justice. The Institute sponsors basic Advocacy Skills Training, a course offered twelve times per year, which places emphasis on trial skills training through the use of drug cases including presentations by DEA agents and chemists. The Institute also sponsors conferences and seminars. Seminars have been devoted to such topics as forfeiture and advanced narcotics prosecution. Conferences have included the 15th Major Drug Traffickers Prosecution Conference, Money Laundering Conference, and the Crop Eradication and Drug Diversion Conference.

## U.S. Customs Service

Customs has several training programs ranging from the one-week Advanced Law Enforcement Photography Course to the 13-week Patrol School. Other courses include Basic Development Program for Supervisors, Marine Law Enforcement, Contraband Enforcement Team Program, Firearms Instructor, Basic Special Agent Criminal Investigation, Canine Enforcement Officer Program, Cargo Theft and White Collar Crime. Recognizing that drug smuggling methods are continually changing, Customs is constantly developing and updating the training programs for its inspectional force. Recent course developments have included Behavioral Techniques, Aircraft and Vessel Search, and Search of Propane Tank Trucks.

## Training Other Federal Agency Personnel

### Drug Enforcement Administration

The DEA provides significant support to other Federal agencies in drug identification and enforcement techniques, including the U.S. Customs Service, INS, the U.S. Marshals

Service, FBI and others. For example, DEA provided Narcotic Specialization Training for 265 FBI agents at the Federal Law Enforcement Training Center (FLETC), Glynco, Georgia and 1,138 FBI agents at the FBI Academy.

#### Federal Bureau of Investigation

The FBI has provided a money laundering training class to the participating agencies in ten of the Organized Crime Drug Enforcement Task Force (OCDETF) regions. This training is scheduled for the three remaining OCDETF regions in FY 1986. These three-day seminars provide an overview of money laundering, obtaining financial records, banking, and investigative and prosecutive considerations. In conjunction with DEA, the FBI participated in 22 Asset Removal Training Classes at the Federal Law Enforcement Training Center (FLETC). The FBI and DEA provided an overview of money laundering, banking, and review of books and records to 341 FBI and DEA Special Agents. The FBI offered seven Forfeiture and Abandoned Property Training Classes in eight OCDETF regions and one class is presently scheduled for FY 1986. This training covers pre-seizure of property, seizure of property, custody, appraisal, quick-release procedures, notice, forfeiture, petitions for remission and mitigation, and disposition of property.

#### Department of Defense

The Army continues its efforts to assist the civilian law enforcement agencies charged with the responsibilities for drug enforcement consistent with law and Department of Defense policy. For example, the program to loan several types of aircraft to these agencies continues, requiring both initial and refresher pilot training of Federal agency personnel at Fort Rucker. Other Army training facilities and courses are made available to local and Federal agencies when requested.

## Training of State and Local Personnel

### Drug Enforcement Administration

During FY 1984 and 1985, DEA conducted programs for 22,391 Federal, State, and local officials. These programs included the Cannabis Detection Program in which 1,720 individuals were trained on the use of aerial observation techniques to identify and locate illicit cannabis cultivation sites in the United States.

### Department of Defense

The enactment of Public Law 97-86 in December 1981 facilitated DOD cooperation with Federal, State, and local civilian law enforcement officials. The Department of Defense's primary emphasis has shifted from support of local law authorities adjacent to military installations to assisting the nationwide campaign against illicit drug trafficking. Under the law, DOD provides civilian law enforcement agencies with information collected during the course of normal military operations, makes military equipment and facilities available, and provides training and expert advice.

### Internal Revenue Service

The Internal Revenue Service (IRS) has been active in training State and local law enforcement officials. The Criminal Investigation unit of the Internal Revenue Service offers a training course on financial investigative techniques to State and local law enforcement agencies. This course, known as FITS (Financial Investigative Techniques School), was developed to assist those who investigate white-collar crime and related abuses and those who supervise and interact with investigators in this field. The course orients the investigator of white-collar

or financial crime to new approaches, tactics, and techniques. Further, it provides reference or resource documents which provide guidance on particular problems.

FITS serves as an important training resource to other law enforcement agencies for several reasons. First, it is taught by experienced criminal investigators. Second, there are no prerequisites for attendance. Third, there is no charge for FITS. Participating agencies are responsible only for incidental costs such as travel and lodging. FITS is offered on request throughout the year and is available nationwide by contacting the chief of the criminal investigation division of the local IRS District.

The IRS also provides a five-day training program to other law enforcement agencies. Lessons are structured so that one day's program is not dependent upon the others. Therefore, the material is adaptable to shorter and more concentrated training sessions. A majority of time is devoted to accounting, indirect methods, and practical exercises which are usually unfamiliar areas to participants.

In an effort to educate the financial community, particularly financial institutions, on the requirements of Title 31, the IRS has implemented several important measures. In May 1984, the IRS Criminal Investigation Division introduced a publication entitled, "If You Notice Suspicious Currency Transactions," to alert financial institutions of IRS interest in suspicious currency transactions exceeding \$10,000. Thus far, more than 60,000 copies of the publication have been distributed throughout the country.

In response to the problems associated with money laundering, IRS Criminal Investigation Division assisted the American Bankers Association and various Federal regulatory and enforcement agencies in designing a seminar to educate the

Nation's financial community on the Bank Secrecy Act and money laundering activities. As a result, one-day seminars were held throughout the country in 64 cities during September-November 1985. These seminars are thought to be the most comprehensive educational programs ever produced on the topic. Speakers included officials from all of the Federal enforcement and regulatory agencies, local law enforcement agencies, and operations personnel of financial institutions.

#### U.S. Customs Service

During FY 1985, the U.S. Customs Service completed the training of 11 drug detector dogs for State and local police and for Department of Corrections personnel. This program will continue when space is available at the the Canine Enforcement Training Center in Front Royal, Virginia.

#### Training Source and Transit Country Personnel

##### Drug Enforcement Administration

The DEA committed significant resources in support of State Department efforts to encourage the suppression of illegal drugs in source and transit countries. The training included topics such as intelligence collection and analytical methods, asset removal, and management and supervision of drug units. DEA conducted training for 2,787 local officials in host countries and 850 foreign officials were trained in the United States.

##### U.S. Customs Service

The U.S. Customs Service provides comprehensive training and assistance programs on drug control and interdiction to major drug producing and transit countries. These programs are provided under the auspices of the State Department's Bureau of International Narcotics Matters. High ranking foreign customs

officials participate in the Customs Executive Observation Program, a series of executive briefings at Customs Headquarters and at other Washington agencies followed by a tour of Customs field operations. The Mid-Management Seminar is an intensive month long U.S. based seminar presented for mid-level foreign Customs officers.

Customs develops specially tailored advisory programs to meet individual country needs as part of the Short-Term Assistance Project. This program is designed to complement the training being provided in the other programs. The first of these projects (structuring an anti-drug brigade) was provided for Peru. Regional conferences provide a forum in which Customs officials from various countries exchange views and reach agreements on mutual assistance and cooperation. Internal Narcotics Control Special Projects are offered on a selected country basis for such areas as laboratory training, airport and canine assessment and profile development. This area also includes providing expert instructional support for programs like the United Nations Division of Narcotic Drugs (UNDND) Drug Seminars, Colombo Plan Training, DEA Joint Training and other similar endeavors. A vast array of special international drug control projects were supported, including two Airport Security Surveys for Jamaica and one for Colombia; Canine Assessment Surveys in Hong Kong and Dominica; instructional support, including six Customs officers and three UNDND Drug Programs; a Colombo Plan Program; and two DEA programs.

Customs is providing search and security training to airline personnel in source countries. These airlines are then expected to increase the security of their foreign operations and conduct pre-arrival searches of aircraft. Currently used in source countries, the program will expand to transit countries in FY 1986. Customs continues to provide training of drug detector dogs for foreign governments. In FY 1985, Customs placed 24

canine units on line under the Saudi Arabian Assistance Program. Additional canine training is conducted in Saudi Arabia by Customs personnel.

Customs' Instructional Development (Train-the-Trainer) Workshop is designed for officers whose responsibilities include the training of personnel performing Customs enforcement activities. The Regional Supervisory Management Seminar is intended for supervisory Customs personnel within a designated region, (e.g., Southeast Asia, South America, the Caribbean Basin), who attend the program at the major U. S. port-of-entry closest to their area. Overseas Enforcement Training is an in-country program intended for line officers directly involved in Customs interdiction and border control work. Specific training modules are incorporated into a program designated to meet the needs of the host country. Finally, Contraband Enforcement Team Training is conducted as a corollary to the overseas enforcement course. The teams are instructed in the best methods for identifying high risk passengers and shipments of cargo. This training was provided recently to 12 members of the Yugoslav Federal Customs Administration.

XI: A LOOK TO THE FUTURE

## XI: A LOOK TO THE FUTURE

The preceding chapters document Federal drug enforcement efforts to reduce the availability of illegal drugs in the United States and abroad. By following the President's 1984 strategy, Federal agencies with drug enforcement responsibilities have made major achievements in international drug control, interdiction, investigation and prosecution, domestic cannabis eradication, and control of licit drug diversion. These accomplishments illustrate the dedication and perseverance of professionals from a variety of backgrounds. In many instances the achievements may be credited to single agencies, but just as frequently the efforts reflect extensive interagency cooperation, demonstrating the high level of Federal drug enforcement coordination.

### Summary Achievements

International drug control improved during 1984 and 1985. Fourteen countries conducted eradication programs against opium poppies, cannabis, or coca. Extradition and mutual legal assistance treaties have been ratified or implemented in several countries, extending the rule of law and reducing the opportunities for drug traffickers to escape justice. Multilateral cooperation has expanded through such groups as the International Drug Enforcement Conference, the Customs Cooperation Council, the Association of Southeast Asian Nations, and the United Nations Fund for Drug Abuse Control, among others. The resolve of many countries remains firm in the face of growing drug abuse, adverse economic consequences, terrorism and intimidation, showing that the United States is not alone in fighting drug abuse and drug trafficking.

Unprecedented efforts to interdict drugs before they enter the United States have resulted in massive drug seizures and the disruption of established trafficking routes. In response to these efforts, traffickers have changed their tactics. For

example, major interagency efforts such as Operation HAT TRICK, under the leadership of the Vice President, and Operation BAT have contributed to source diversification and shifts in trafficking routes. The evidence on total deterrence is much less conclusive than on the shift in trafficking patterns, but some interdiction projects resulted in stockpiling of marijuana in Colombia in 1984 and 1985. Aggressive enforcement action against these stockpiles forced some cannabis growers into less developed regions of Colombia and Brazil. In addition, Department of Defense and intelligence community support for United States interdiction efforts expanded substantially in 1984 and 1985.

Just as illustrative of interagency coordination in interdiction programs is the principal Federal interagency investigative and prosecutorial program, the Organized Crime Drug Enforcement Task Force Program (OCDETF). Nearly every measure of this program shows steady improvement since its inception. The number of defendants charged in OCDETF cases increased 22 percent from 1984 to 1985, and 90 percent of all defendants charged in adjudicated cases either pleaded guilty or were brought to trial and found guilty. The value of non-drug assets forfeited in OCDETF cases increased 44 percent from 1984 to 1985.

Total drug arrests, convictions, and asset and drug seizures show increases over the past few years. For example, DEA removals of cocaine increased 53 percent from 1984 to 1985, while dangerous drug removals increased 86 percent during the same period. Clandestine laboratory seizures increased 45 percent in 1985 and significant convictions were obtained against several members of the major outlaw motorcycle gangs and other groups.

The Federal government has kept pace with domestic cannabis production by working with all 50 States to establish eradication and suppression programs. Public lands, lost to cannabis growers, have been reclaimed through successful enforcement

actions, such as the one in Hawaii Volcano National Forest. Nevertheless, concerted efforts by Federal, State, and local enforcement agencies are essential to reduce domestic marijuana production.

In 1984 we witnessed a substantial reduction in methaqualone abuse, resulting from international and domestic enforcement and regulatory actions. The Comprehensive Crime Control Act of 1984 improved Federal enforcement tools against diversion. The Act also increased drug trafficking penalties and established an asset forfeiture fund, among other significant improvements.

### Deep Concern

Despite the considerable progress in every part of the Federal strategy, drug abuse and drug trafficking remain serious problems for our society and the world. Drug abuse is a major health problem that damages our social institutions and threatens our most valuable human resource - our young people. The criminality, violence, and corruption associated with drug abuse and drug trafficking affect all of us, individuals and governments alike.

The growing resources of major drug trafficking groups present one of the most difficult problems confronting drug enforcement efforts. Vessels and aircraft are expendable items. Enormous illegal profits make it easy to find poor farmers to cultivate illegal drug crops. Many organizations have para-military capabilities, and associations between drug traffickers and terrorist groups have been documented. Intimidation and corruption of public officials at all levels make international drug trafficking an even more severe problem. The security of some foreign countries, and their commitment to democratic institutions, could be undermined by corruption and violence.

As a nation we must be particularly concerned about the abuse of cocaine. In 1975 the Federal White Paper on Drug Abuse stated that cocaine had a moderate abuse potential. We now know from medical research and human experience that cocaine is in fact addictive and abuse of this drug is more serious than that of heroin. Over 55,000 pounds of cocaine were removed by Federal agencies in FY 1985, yet cocaine remains widely available. Clearly, we must redouble our efforts.

Progress in eradicating and seizing drugs and in convicting drug traffickers provides little solace in light of the grave health and criminal problems that continue to confront us. New drug abuse problems threaten all the time. The use of controlled substance analogs (so-called designer drugs) is potentially a serious drug problem. Last year also saw an increase in the abuse of PCP and methamphetamine as well as cocaine. Nevertheless, we have reason to hope for the future.

#### Reasons for Optimism

The national will to fight drug trafficking and abuse has never been greater. Congress and the Administration worked together to pass the Comprehensive Crime Control Act of 1984 that provides new tools and enhances others to fight drug traffickers. Similarly both branches of government have made long term resource commitments to address drug abuse. The increase in numbers of field personnel (primarily investigators and prosecutors), added resources for interdiction, and increased support from the military and the intelligence community have begun to show improved results as experience levels and program coordination mature.

This coordination occurs in the context of such programs as OCDETF, NNBS, and DEA State and Local Task Force efforts, as well as in numerous interagency procedures and methods. With over 20 Federal agencies contributing to the fight against drug

trafficking, defining and clarifying roles is a continual process, and one that has seen annual improvement. The National Drug Enforcement Policy Board offers a promising mechanism to further enhance coordination.

The global nature of drug abuse has resulted in the internationalization of control efforts, uniting the peoples of the world against a common enemy and limiting those areas where traffickers can operate with impunity. Drug abuse is now discussed at economic summit meetings as well as at United Nations sponsored conferences designed specifically for that purpose. The U.N. is considering a new international drug trafficking convention, and 1987 will see a world conference on drug abuse. In addition, Mrs. Reagan held two conferences on drug abuse with her counterparts from around the world.

At home the Federal government continues to seek solutions to drug abuse by reducing the demand for mind and mood-altering substances. The progress in this area includes a reduction of heroin and marijuana consumption in 1984, and evidence that the overall number of drug abusers appears to be stabilizing despite the availability of illicit drugs. Influence over the individual's choice to use, or not use, illegal drugs resides primarily with families and schools, and private sector initiatives have blossomed with such groups as the National Federation of Parents for Drug-Free Youth. In addition, many businesses, realizing the severity of drug abuse by employees, have implemented drug-testing programs. Federal law enforcement acknowledges the importance of reducing the demand for drugs, and engages in such efforts as the DEA/FBI Sports Drug Awareness Program and the Law Enforcement Coordinating Committee outreach programs.

Our optimism for the future, by no means unbridled, springs both from the international resolve to combat drug trafficking and abuse, and from the accomplishments of Federal drug

enforcement. There is no doubt that the campaign against drug abuse - and against the many forms of associated criminality - is far from over. There is also no doubt that the national and international will to persevere in this fight has ever been greater. The achievements documented in this report demonstrate the Federal commitment to meet the challenges posed by drug traffickers everywhere.

APPENDIX A: GEOGRAPHICAL DRUG ENFORCEMENT PROGRAM  
CLASSIFICATION SYSTEM

The Geographical Drug Enforcement Program (GDEP) is the Drug Enforcement Administration's (DEA) basic system for measuring its enforcement activities to assure that they are properly focused. Internally, DEA management uses GDEP as a means of monitoring the productivity and efficiency of its organizational elements and programs. Externally, this system is used by the Executive and Legislative branches of the government to evaluate DEA's collective productivity and efficiency in pursuit of mission objectives.

The system functions by assigning an identifier to all reported investigative activities at the time the case file is opened. This identifier contains five characters which signify:

1. The nature of the investigative target;
2. The nature of involvement by other agencies in the investigation;
3. The geographic scope of the investigative target;
4. The major drug involved in the investigation; and
5. The level of the investigation based upon the level of the principal subject.

The terms "GDEP Class I and II violator" and "GDEP Class I and II case" refer to the fifth character listed above. This character consists of a number code assigned to the most significant violator, based on specified qualitative and quantitative criteria, in an investigation. Class I and II violators are those that are the most significant, and include laboratory operators, heads of criminal organizations, financiers, registrants, major sources of supply to other major violators, corrupt public officials, and certain other non-drug facilitators. Statistics for Class I and II violators only

pertain to those violators. Class I and II cases include those cases that involve at least one Class I or II violator; the Class I and II case statistics include data pertaining to all Class I and II case-related violators regardless of their classification.

## APPENDIX B: CONTROLLED SUBSTANCES ACT DRUG SCHEDULES <sup>1/</sup>

The various procedures for controlling a substance under the Controlled Substances Act (CSA) are set forth in section 201 of the CSA. Proceedings may be initiated by the Department of Health and Human Services (HHS), by the Drug Enforcement Administration (DEA), or by petition from any interested person: the manufacturer of a drug, a medical society or association, a pharmacy association, a public interest group concerned with drug abuse, a State or local government agency, or an individual citizen. When DEA receives a petition, the agency begins its own investigation of the drug. In most cases, this process has led to a report and recommendation to HHS.

After publication of notice in the Federal Register, a substance may be placed in Schedule I for a period of up to one year if it is found to be an imminent public safety hazard. This emergency scheduling enables a substance that is being abused and is a risk to the public health to be scheduled while the formal rulemaking and procedures described in the CSA are being conducted. This emergency scheduling applies only to substances with no accepted medical use.

### Formal Scheduling Procedure

Once DEA has collected the necessary data, the Administrator of DEA (by authority of the Attorney General) requests from HHS a scientific and medical evaluation and recommendations as to whether the drug or other substance should be controlled or removed from control. This request is filed with the Assistant Secretary for Health of HHS; HHS solicits information from the

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<sup>1/</sup> Drug Enforcement Administration, Drugs of Abuse 6-10 (1985).

Commissioner of FDA, who is responsible for coordinating activities within HHS. The Commissioner solicits evaluations and recommendations from the National Institute on Drug Abuse, and the scientific and medical community at large. Once these evaluations are received, the Commissioner submits a report and recommendations to the Assistant Secretary for Health. The Assistant Secretary (by authority of the Secretary) then transmits back to DEA the medical and scientific evaluation regarding the substance and recommendations as to whether the drug should be controlled.

The medical and scientific evaluations are binding on DEA with respect to scientific and medical matters. The recommendation on scheduling is binding only to the extent that if HHS recommends that the substance not be controlled, DEA may not control the substance. While the issue has never been legally resolved, it is understood that DEA may not exceed the level of control recommended by HHS but may take final action for a lower level of control than that recommended. For example, if a drug is recommended by the Assistant Secretary for Health for control in Schedule III, DEA may place the drug in Schedule III, IV, or V, but may not place it in Schedule II.

Once DEA has the medical and scientific evaluation and recommendation from HHS, it will proceed to make a final internal decision on whether to control the drug and, if so, in which schedule. If it is determined to control the drug, a proposal will be published in the Federal Register setting forth the schedule in which the control is proposed, summarizing the reasons for control, and inviting all interested persons to file comments with DEA. Affected parties may also request a hearing with DEA. If no hearing is requested, DEA will evaluate all comments received and publish a final order in the Federal Register, controlling the drug as proposed with or with modifications based upon the written comments filed. This order will set the effective dates for imposing the various control mechanisms.

If a hearing is requested, DEA will enter into discussions with the party or parties requesting a hearing in an attempt to narrow the issues for litigation. A hearing will then be held before an administrative law judge; the judge will take evidence on factual issues and hear arguments on legal questions regarding the control of the drug. Depending on the scope and complexity of the issues, the hearing may be brief or quite extensive. The administrative law judge, at the close of the hearing, prepares a recommended set of findings of fact and conclusions of law which are submitted to the Administrator of DEA. The Administrator will review these documents as well as the underlying material, and prepare findings of fact and conclusions of law (which may or may not be the same as those drafted by the administrative law judge). The Administrator then publishes a final order in the Federal Register either imposing controls or declining to do so.

Once the final order is published in the Federal Register, interested parties have 30 days to appeal to a U.S. Court of Appeals to challenge the order. Findings of fact by the Administrator are deemed conclusive if supported by "substantial evidence." The order imposing controls is not stayed during the appeal, however, unless so ordered by the court.

There are additional procedures for partial control of a controlled substance, that is, the exemption of a controlled substance from certain control mechanisms. They are of three types:

1. Any non-narcotic substance which may be sold over the counter without a prescription under the Food, Drug, and Cosmetic Act will be excluded by regulation from control. See section 201(g) of the CSA. This section has been interpreted to apply to over-the-counter products which contain controlled substances.
2. Chemical preparations and mixtures containing one or more controlled substances which are intended for laboratory, industrial, educational or research

purposes, and not for general administration to a human being or other animal, may be exempted from certain controls. The preparation or mixture must be packaged in a form or concentration such that it presents no significant potential for abuse, or contains one or more adulterating or denaturing agents in such a way that the combination does not present a potential for abuse. The exemption was adopted to eliminate unnecessary restrictions on chemical preparations which contain very small quantities of controlled substances or which were combined or treated in such a way as virtually to eliminate any potential for abuse. It in no way reduces criminal liability for illegal acts involving the excepted product. Among the items included in this list are buffering agents, reference standards, and diagnostic test kits.

3. Non-narcotic prescription drugs listed in Schedules II, III, IV, or V may be excepted from some or all control mechanisms of the CSA if contained in a compound, mixture, or preparation which contains one or more active ingredients which are not listed in any schedule and combined in such a way as to vitiate the potential for abuse of the controlled substance. This exception in no way reduces criminal liability for illegal acts involving the excepted product.

### Criteria by which Drugs are Scheduled

The Controlled Substances Act sets forth the findings which must be made to put a substance in any of the five schedules. These are as follows (section 202 (b)):

#### Schedule I

- o The drug or other substance has a high potential for abuse.
- o The drug or other substance has no currently accepted medical use in treatment in the United States.
- o There is a lack of accepted safety for use of the drug or other substance under medical supervision.

#### Schedule II

- o The drug or other substance has a high potential for abuse.
- o The drug or other substance has a currently accepted medical use in treatment in the United States or a

currently accepted medical use with severe restrictions.

- o Abuse of the drug or other substance may lead to severe psychological or physical dependence.

#### Schedule III

- o The drug or other substance has a potential for abuse less than the drugs or other substances in Schedules I and II.
- o The drug or other substance has a currently accepted medical use in treatment in the United States.
- o Abuse of the drug or other substance may lead to moderate or low physical dependence or high psychological dependence.

#### Schedule IV

- o The drug or other substance has a low potential for abuse relative to the drugs or other substances in Schedule III.
- o The drug or other substance has a currently accepted medical use in treatment in the United States.
- o Abuse of the drug or other substance may lead to limited physical dependence or psychological dependence relative to the drugs or other substances in Schedule IV.

In making these findings, DEA and HHS are directed to consider eight specific factors (section 201 (c)):

1. Its actual or relative potential for abuse;
2. Scientific evidence of its pharmacological effect, if known;
3. The state of current scientific knowledge regarding the drug or other substance;
4. Its history and current pattern of abuse;
5. The scope, duration, and significance of abuse;
6. What, if any, risk there is to the public health;
7. Its psychic or physiological dependence liability; and

8. Whether the substance is an immediate precursor of a substance already controlled under this title.

Aside from the criterion of actual or relative potential for abuse, subsection (c) of section 201 lists seven other criteria, already referred to above, which must be considered in determining whether a substance meets the specific requirements specified in section 202(b) for inclusion in particular schedules and, accordingly, should be designated a controlled substance under a given schedule (including transfer from any other schedule) or removed entirely from the schedules. A brief discussion of each of these criteria follows:

1. Scientific evidence of its pharmacological effects. The state of knowledge with respect to the effects of uses of a specific drug is, of course, a major consideration, e.g., it is vital to know whether or not a drug has a hallucinogenic effect if it is to be controlled because of that. The best available knowledge of the pharmacological properties of a drug should be considered.
2. The state of current scientific knowledge regarding the substance. Criteria 1 and 2 are closely related. However, 1 is primarily concerned with pharmacological effects and 2 deals with all scientific knowledge with respect to the substance.
3. Its history and current pattern of abuse. To determine whether or not a drug should be controlled, it is important to know the pattern of abuse of that substance, including the socio-economic characteristics of the segments of the population involved in such abuse.
4. The scope, duration, and significance of abuse. In evaluating existing abuse, the Attorney General must know not only the pattern of abuse but whether the abuse is widespread. He must also know whether it is a passing fad or a significant chronic abuse problem like heroin addiction. In reaching his decision, the Attorney General should consider the economics of regulation and enforcement attendant to such a decision. In addition, he should be aware of the social significance and impact of such a decision upon those people, especially the young, that would be affected by it.

5. What, if any, risk there is to the public health. If a drug creates no danger to the public health, it would be inappropriate to control the drug under the CSA.
6. Its psychic or physiological dependence liability. There must be an assessment of the extent to which a drug is physically addictive or psychologically habit-forming, if such information is known.
7. Whether the substance is an immediate precursor of a substance already controlled. The CSA allows inclusion of immediate precursors on this basis alone into the appropriate schedule and thus safeguards against possibilities of clandestine manufacture.

It should be noted that the above-mentioned factors do not require specific findings to be made with respect to control under, or removal from, schedules, but rather are factors to be considered in making the special findings required under section 202 (b) for control under such schedules.

#### International Obligations

The CSA further provides that if control of any drug is required by obligations of the United States under international treaty arrangements, the drug shall be placed under the schedule deemed most appropriate to carry out these obligations. As cited in the CSA, the United States is a party to the Single Convention on Narcotic Drugs of 1961, designed to establish effective control over international and domestic traffic in narcotics, coca leaf, cocaine, and cannabis. A second treaty, the Convention on Psychotropic Substances of 1971, which entered into force in 1976, is designed to establish comparable control over stimulants, depressants, and certain hallucinogenics. Congress ratified this treaty in 1980.