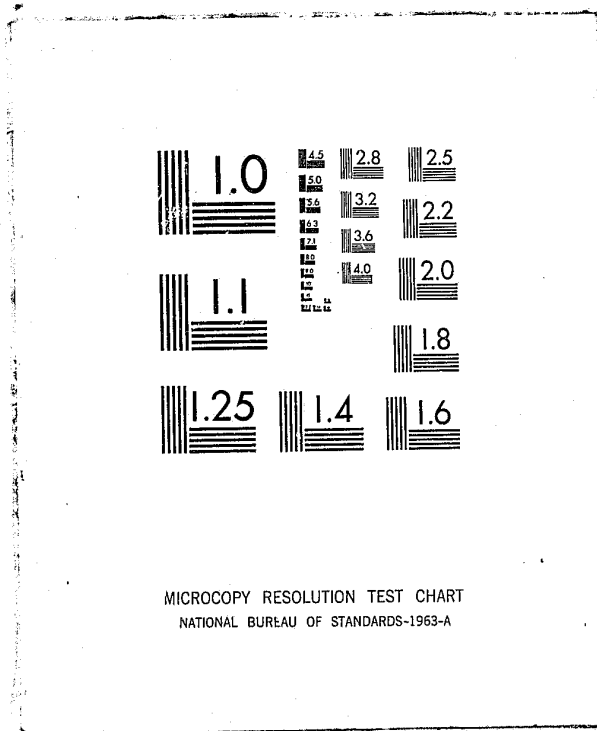


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National Institute of Justice
United States Department of Justice
Washington, D. C. 20531

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OCTOBER 13, 1980

REPORT ON FEDERAL LAW ENFORCEMENT AND CRIMINAL JUSTICE ASSISTANCE ACTIVITIES

ATTORNEY GENERAL'S REPORT ON FEDERAL LAW ENFORCEMENT AND CRIMINAL JUSTICE ASSISTANCE ACTIVITIES

1979



U.S. DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

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Office of the Attorney General
Washington, D. C.

To the President and to the Congress of the United States:

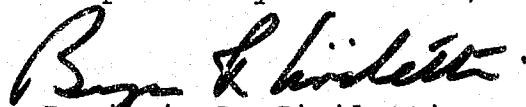
I herewith submit the Attorney General's Biennial Report on Federal Law Enforcement and Criminal Justice Assistance Activities, pursuant to Section 670 of the Crime Control Act of 1976 (P.L.-503).

The report sets forth the programs conducted, expenditures made, results achieved, plans developed and problems discovered in the operation and coordination of Federal efforts in law enforcement and crime control.

In these days of rising crime rates, the report is intended to help members of Congress assess Federal performance over the wide spectrum of such activities and chart new policies and improved programs.

This report also will provide continued insight into the Federal leadership role in the cooperative effort needed at all governmental levels to fight crime.

Respectfully submitted,


Benjamin R. Civiletti
Attorney General

December, 1979

 THE ATTORNEY GENERAL'S REPORT ON FEDERAL LAW ENFORCEMENT
 AND
 CRIMINAL JUSTICE ASSISTANCE ACTIVITIES

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INTRODUCTION

This report describes the activities of 33 national agencies that are responsible for the Federal effort in America's battle against crime.

Though State and local jurisdictions continue to carry the greatest burden in reducing crime and enforcing law, the Federal share of the burden has increased.

The U.S. Government is, of course, responsible for enforcing all Federal statutes, and also assists the States in fighting crime through direct action as well as indirectly through financial aid, technical assistance and research programs.

Congress, especially with its passage of the Omnibus Crime Control and Safe Streets Act of 1968, has mandated the greater Federal role.

This report is intended to help the Administration and Congress find new ways to improve criminal justice and law enforcement to the benefit of all Americans.

ADMINISTRATIVE OFFICE OF THE U.S. COURTS

The Administrative Office of the U.S. Courts serves as the administrative agency for the Federal judicial system (except the U.S. Supreme Court). The Office collects statistics on the workload of the courts of appeals (11) and district courts (95) which appear in several different publications. Statistics pertaining to the criminal justice process are compiled and published on the implementation of the Speedy Trial Act of 1974 and administration of the Criminal Justice Act of 1964. Annual compilations are published on the number of wiretaps approved under the Omnibus Crime Control and Safe Streets Act of 1968. General statistics on the criminal caseload in the district courts and appeals from decisions on criminal cases as well as statistics on persons placed under the supervision of the Federal Probation System are provided under the Director's statistical collection powers in Title 28 of the United States Code.

The Speedy Trial Act of 1974

The Speedy Trial Act became effective July 1, 1976. From July 1, 1976 through June 30, 1979, criminal cases pending in district courts declined 23.4 percent. Paralleling the overall decline in pending cases has been a continuing drop in criminal filings. This decline can be attributed to the impact of a Department of Justice policy announced in November 1977 of "fashioning an anti-crime program with four priorities: organized crime, narcotics, public corruption, and white-collar crime."

Other changes in Federal prosecuting policy also have reduced criminal filings. Only 100 juveniles were prosecuted in Federal courts in 1979 compared to over 1,000 in previous years. This reflects a Department of Justice policy to divert juveniles to State and local authorities.

Auto theft dropped from 4,600 new filings a year to about 750. Current prosecutions concentrate on auto thefts connected with organized crime.

As a policy, United States Attorneys are using pretrial diversion in criminal complaints, resulting in fewer criminal filings. Since 1975 the number of defendants placed on pretrial diversion supervision under the Federal Probation System has doubled to 2,255.

In the 36-month interim speedy trial implementation period, compliance rates reached 94 percent in the time

interval between arrest and indictment or information. For the 10 day interval from indictment or arraignment the compliance rate reached 93 percent and for those defendants who went to trial (including those who entered a guilty plea) the compliance rate was 97 percent.

Federal Criminal Cases

The downturn in criminal cases filed continued into 1979 with 31,226 (including transfers between districts) compared to 35,983 in 1978 over 43,282 in 1975 (the year preceding the implementation of the Speedy Trial Act).

Auto theft led the list of major offenses with downturns in filings followed by burglary, prosecutions for liquor law violations, robbery, larceny, and forgery and counterfeiting. Drug law violations which peaked in the early 1970's at 8,817 filings declined by 62.8 percent in 1979, down to 3,277 cases. Prosecutions of weapons and firearms statutes declined to 1,209 cases compared to 3,165 in 1975. Most of this decline reflects diversion of simple gun cases to State or local authorities.

There were increases in two types of criminal case filings. In 1979, prosecutions for fraud (5,005), mostly postal, were up by 7.9 percent over 1978 and violations for immigration laws (1,869) which had been on a decline were up by 13 percent over 1977.

Criminal Justice Act

Under the provisions of the Criminal Justice Act of 1964, the Office administers the payment of counsel appointed by the district courts or circuit courts of appeals for persons financially unable to obtain adequate representation. This includes the Federal Defender program which consists of 31 Federal public and seven community defender organizations. It also provides compensation for investigators, experts, and other services.

During the year ended June 30, 1979, 43,000 cases were recorded in which counsel was appointed under the Criminal Justice Act. Of this total, 21,671 persons or 50 percent were represented by private panel attorneys and 21,329 or 50 percent by defender organizations. When all claims are received and paid, the costs per case for representation during 1979 will average \$420 per district court representation and \$880 for cases represented on appeal.

Federal Probation System

The Federal Probation System is supervised by the Administrative Office through its Division of Probation; however, primary control of the system is exercised by the separate district courts. In 1979, there were 1,604 probation officer positions, of which 214 were required for presentence investigations. The remaining 1,390 probation officers supervised 66,610 persons for an average of 47 cases per officer.

During 1979, the probation service conducted 107,208 investigations, of which half were presentence studies for district courts. The balance included investigations of alleged violations of conditions of supervision, reports of persons in a parole or work-release status, and investigations connected with inter-district transfers.

Persons received for supervision in 1979 numbered 34,808 of which 45 percent were placed on probation supervision by a district judge and 16.7 percent were placed on probation by a U.S. Magistrate. Another 16.7 percent were received for supervision as parolees from Federal correctional institutions, while 9.5 percent were received as mandatory releasees from these institutions. Special parole for persons released from prison under provisions of the narcotic drug laws represented 5.5 percent of new supervision.

Staff of the Probation Division regularly visit the probation offices in the district courts and confer with staff of the Bureau of Prisons and Parole Commission. The Division works closely with the Federal Judicial Center which sponsors extensive training programs for probation officers, supervisory staff, and clerical assistants.

Pretrial Services Agencies

Title II of the Speedy Trial Act provides that the Chief Justice of the United States, with the concurrence of the Attorney General, designate 10 district courts to establish pretrial services agencies.

The ten pretrial services agencies have been in operation an average of 38 months through March 31, 1979.

Of the 30,552 interviews conducted during that time, 23,190 or 75.9 percent, were conducted prior to the initial bail hearing. Interviews of 6,256 persons, or 20.5 percent of the total, were conducted shortly after the initial bail hearing and, where appropriate, the information was furnished to the judicial officer at a bail review hearing. Only a small number

of persons, 443 or 1.5 percent, of the total who were eligible for an interview refused to cooperate in providing information. Information was obtained and furnished to the bail officer without an interview in 2.1 percent of the cases.

Of the 30,552 persons interviewed, 17,018 (55.7 percent) were subsequently released to the supervision of the pretrial services agencies.

Wiretapping

Under law, Federal and State judges and prosecuting officials are required to report to the director of the Administrative Office on each application made for an order authorizing the interception of a wire or oral communication. Since 1969, the first full reporting year, the number of reported applications authorized has averaged approximately 675. In general, about 20 percent are granted by Federal judges and 80 percent by State judges.

The 1978 calendar year wiretap report, submitted to the Congress on April 26, 1979, stated that there were 572 intercept applications made to judges. Of these, two were denied, one by a State judge in Arizona and the other by a State judge in New Jersey. Of the 570 authorized orders, 241 (42 percent) specified gambling as the most serious offense under investigation. The total number of days in operation for the 560 intercepts which were installed was 10,721.

The average number of persons intercepted was 68 per installed intercept in 1978. The average number of conversations overheard was 738 per installed intercept, while the average number of intercepted communications which were deemed to be incriminating was 205. The average cost of intercept reported in terms of equipment, manpower, and other costs was \$11,275 (the highest ever reported), with 156 intercepts costing more than \$10,000. To date there have been 1,825 persons arrested and 337 convicted as a result of intercepts terminated during calendar year 1978.

New Reporting Requirement

On March 10, 1979, Public Law 95-630 included provisions for reporting customer challenges to government acquisition of financial records and all applications by a government authority for a delayed notice to a customer. The first report will be submitted to the Congress by April 30, 1980.

DEPARTMENT OF AGRICULTURE

Office of Inspector General

The Office of Inspector General is operationally independent of other agencies of the Department of Agriculture. OIG has the responsibility to conduct, coordinate, and provide policy direction for audit and investigative activities relating to programs and operations of the Department and to prevent and detect fraud and abuse in the Department's programs and operations.

The Office of Inspector General is headquartered in Washington, D.C., and has regional offices in: New York, New York; Hyattsville, Maryland; Atlanta, Georgia; Chicago, Illinois; Temple, Texas; Kansas City, Missouri; and San Francisco, California.

OIG issued 2,563 investigations reports in 1978 and 2,402 in 1979. OIG investigations resulted in 303 indictments and 239 convictions in 1978 and 590 indictments and 361 convictions in 1979. A total of 107 fines were levied in 1978 and 144 fines in 1979.

The major programs involving significant law enforcement activity include:

Food Stamp Program

OIG, over the past few years, has concentrated investigative resources on areas of major fraud, including large scale trafficking in Food Stamps and Authorization to Purchase (ATP) cards. The detection of organized fraud ring operations continued to have a high priority during fiscal years 1978 and 1979. Trafficking in Food Stamps and ATP's has become very sophisticated and involves large business entities and criminal elements where successful investigation and prosecution requires extended surveillance, undercover operations, and coordination with other Federal and local enforcement elements. In fiscal year 1978, this work resulted in 178 indictments for Food Stamp offenses and in 1979 the total Food Stamp indictments approached 335. Some examples are:

- o Investigation of a series of fencing operations in a major Eastern city where development of Food Stamp trafficking cases led to 55 Federal and local indictments of individuals. Those indicted were dealing in a wide variety of contraband and stolen property which they sold to undercover OIG Special Agents for Food Stamps.

- o The conviction and \$520,000 fine of a large city meat wholesaler for trafficking hundreds of thousands of dollars in Food Stamps and moving these illegally acquired Food Stamps into legal redemption channels.
- o The conviction of a group who operated a Food Stamp/ATP broker-fencing scheme from a "store-front" facility in another large city where hundreds of recipients regularly sold ATP's and Food Stamps at discount.

OIG continues to provide training and assistance to State and local investigators and prosecutors handling Food Stamp fraud cases. In Florida, Texas and South Carolina, where investigators were training and assisted by OIG, enforcement activities have been strengthened. We expect that the new 1977 Food Stamp Law will provide the incentive for greater investigative participation from local law enforcement.

Child Nutrition Programs

During fiscal years 1978 and 1979, OIG continued to investigate fraud and abuse in the Summer Feeding Program; Women, Infants and Children (WIC); and other Child Nutrition Programs. For the two years mentioned, OIG efforts resulted in 30 indictments and about \$100,000 in fines and claims in the Summer Feeding Program. These Feeding Program cases involved kickbacks, payroll padding, conspiracies, and false claims misrepresenting the numbers of children receiving meals or the number of meals provided.

Farmers Home Administration

This Agency provides billions of dollars in direct and guaranteed loans for rural development and construction. OIG investigations disclosed misrepresentation of subcontractor costs and inflated land appraisals to increase profits; tenants influenced to falsify income statements for income-credit subsidies so that full occupancy of multi-family units are maintained for increased profit. OIG investigations during this period led to 49 indictments and \$1.5 million in recoveries and collections.

Federal Grain Inspection Service

As required by the Federal Grain Standards Act, OIG continues to monitor the implementation of the act to assure the integrity of official inspection and weighing. A special OIG survey, coordinated with FGIS and the General Accounting

Office, of the extent of irregularities or problem areas under the current inspection and weighing system was conducted. The results of this survey were reported to Congress in May 1979.

Civil claims against major grain companies and elevators involved in shortweighing and misgrading of grain exported under Government financed programs which, to date, exceed \$30 million, continue.

Within the past year, the grain industry has experienced several major explosions of grain elevators resulting in some fatalities. OIG personnel have been detailed by the Secretary to assist in attempting to determine the cause of explosions and recommend safety standards.

A joint OIG-FBI-IRS investigation developed evidence of shortweighing and shortloading of ships and diversion of grain to a company's own use. Prosecution was pursued under Racketeering Influence and Corrupt Organization (RICO) and Income Tax statutes. This resulted in indictments of officials of a grain company and a public grain elevator.

Food Safety and Quality Service

The constant threat to the integrity of USDA's Meat Inspection and Grading programs require a high level of surveillance. OIG utilizes existing Departmental compliance forces, ongoing intelligence operations and other techniques to help assure program integrity.

Investigation activity in this program area led to 54 indictments, 39 convictions and fines totalling \$356,000 for violations of the Federal Meat Inspection Act and other offenses involving meat company personnel and USDA employees.

CIVIL AERONAUTICS BOARD

The Civil Aeronautics Board (CAB) is an independent agency established by the Civil Aeronautics Act of 1938 and continued by the Federal Aviation Act of 1958 and the Airline Deregulation Act of 1978.

The Board's objective is to regulate, promote, develop and maintain an effective and efficient air transportation system. To achieve these ends, the Board is granted broad administrative, investigative, quasi-judicial, and rulemaking powers.

The Board's law enforcement efforts are designed to provide effective implementation of its policy objectives, particularly protecting consumers and promoting competition. These responsibilities fall on the Bureau of Consumer Protection, created by the merger of the former Bureau of Enforcement and the Office of Consumer Advocate in July 1978.

The principal reasons for establishing the Bureau were to increase the Board's ability to inform, assist and protect consumers in their relationship with the air transportation industry, to increase the Board's capability in the antitrust enforcement area, and to resolve consumer complaints in the most effective and timely manner possible.

The new Bureau has four operating divisions: the Legal Division, the Antitrust Division, the Consumer Action Division, and the Policy Development Division.

The major part of the Bureau's enforcement efforts have been directed toward defaulting tour operators, carriers' failure to compensate passengers denied boarding because of oversold flights, carrier violations of the smoking regulations, equal credit availability for air transportation purchases, and false and deceptive advertising. They have been accorded top priority in the administration and implementation of the economic provisions of the Federal Aviation Act and the Board's regulations promulgated thereunder.

The highest priority has been accorded those cases involving violations by tour operators of the Board's bonding requirements and escrow account rules directed toward protecting consumer funds in the hands of tour operators. The Bureau has prosecuted cases such as CAB v. Traval Enterprises et al., wherein for the first time a court held the Board's escrow regulations applicable to a depository bank. In CAB v. Global International, Inc., et al., the Bureau sought and

obtained a permanent injunction against a tour operator who had failed to comply with the Board's escrow regulations. In an instance when 150 passengers had been stranded in Haiti, the Bureau was able to effect their return and secure \$25,000 in claims by the passengers from Global's surety. In CAB v. Reindeer Lake Enterprises, Inc., et al., a preliminary injunction was obtained enjoining the defendants from operating unauthorized charter flights in which many of the passengers received neither the air transportation purchased nor appropriate refunds. The court appointed a trustee to act on behalf of the defrauded tour participants. A total of \$8,000 was refunded to the tour participants.

One of the unique cases undertaken by the Bureau was a successful action against Southern Airways resulting in the refunding of \$271,800 in excess subsidy payments which had been paid out because of the carrier's improper accounting practices. In addition, the settlement included the payment of civil penalties in the amount of \$7,265. This was the first such action brought by the Board involving the recapture of excess subsidy payments. During the two-year period from October 1977 through September 1979, we anticipate that the Bureau will have received 97 third-party enforcement complaints for adjudication or dismissal, that petitions for enforcement will be filed by the Bureau in 77 cases, and that 35 cases will be dismissed. In addition, the Bureau has already collected over a half million dollars in civil penalties.

The principal antitrust efforts have involved the Bureau's participation in six major merger cases pending before the Board and the development and implementation of a major enforcement effort directed at possible collusion in the air transportation industry. The Bureau also is representing the Board in the U.S. District Court for the Western District of Washington in a case involving a possible takeover of Wien Air Alaska by Alaska Air Lines, Inc., and Alaska Northwest Properties, Inc.

The Bureau has been actively involved in six major merger cases. The merger of North Central and Southern Airways, was approved by the Board in May 1979 on the basis that it had no anticompetitive effect. Three other proposed mergers, involving the acquisition of National Airlines by Texas International, Pan American and Eastern, are pending at this time. The Bureau has opposed all three applications on the grounds of lessening competition. The Texas International and Pan American proposals are now pending before the Board for resolution and the Eastern-National acquisition, which was tried separately, was disapproved by the Administrative Law Judge because of the probability of lessening competition. The Board has not issued written decisions on

any of these three cases but it has tentatively voted at an open meeting to approve both the Pan American and Texas International applications.

The Bureau also has opposed the proposed merger of Continental and Western Airlines, again on competitive grounds.

Finally, a hearing on the merger of the two largest U.S. all-cargo airlines, Flying Tiger and Seaboard World Airlines, has been held before an Administrative Law Judge and is now awaiting the filing of briefs by the parties. The Bureau is concerned that a diminution of competition may result from the consolidation of two of the four U.S. flag all-cargo carriers.

The Bureau's major investigation into possible collusion in the airline industry was launched by the Antitrust Division on December 29, 1978, and has been a major focus of the Bureau's attention since that date.

In another area, the Bureau investigated a complaint that a \$40 million charter market was unlawfully monopolized by the use of improper business tactics. A formal investigation begun in March 1978 was completed in the fall of 1978. The matter was referred to the Antitrust Division of the Department of Justice with a recommendation that it investigate.

DEPARTMENT OF COMMERCE

The Department of Commerce provides technical, statistical, and other support to the Nation's law enforcement and criminal justice system through the activities of its Bureau of the Census, Economic Development Administration, National Bureau of Standards, and National Telecommunications and Information Administration. It also enforces specific laws, treaties, and regulations in the areas of marine fisheries, wildlife protection, and export administration. This work is carried out by the National Oceanic and Atmospheric Administration and by the Industry and Trade Administration, respectively.

Bureau of the Census

The Bureau of the Census, under agreement with the Law Enforcement Assistance Administration (LEAA) and others, conducts surveys and censuses on a number of subjects related to the criminal justice system.

The National Crime Survey obtains information on the nature of crime and its impact on society through victimization surveys of a national sample of households, the Criminal Justice Expenditure and Employment Survey which shows annual public expenditures and employment data for certain criminal justice activities at the State and local levels and provides LEAA with the percentage of block grants that the States must "pass through" to their local governments, and the National Prisoner Statistics Program which conducts a series of periodic surveys that provide data on Federal and State prisoners. Bureau expenditures for criminal justice activities were \$8 million in fiscal year 1978 and \$9.7 million in fiscal year 1979.

Economic Development Administration (EDA)

The Economic Development Administration provides assistance to communities suffering from long-term economic distress. It works to create long-term private sector jobs. Because of EDA's statutory mandate to carry out activities that stabilize or strengthen an area's economic base, there has been only negligible program activity pertaining to law enforcement. They include \$127 million to help in the construction and renovation of numerous public safety buildings, detention centers and correctional facilities and grants to severely distressed communities for the construction and renovation of public facilities.

National Bureau of Standards (NBS)

The National Bureau of Standards, through its Law Enforcement Standards Laboratory (LESL), assists law enforcement and criminal justice agencies by providing them with the information needed to select equipment.

The Laboratory completed performance standards for intrusion alarm components, transceiver equipment, courtroom reel to-reel audio tape recorders, riot helmets and face shields, body armor, narcotic test kits, and breath collection devices.

Reports were written on the effectiveness of intrusion alarm systems; test methods for metallic window foil; field operating characteristics of speed measuring devices; juror response to pre-recorded video tape trials; the transfer of monochrome video information from magnetic tape to motion picture film for archival storage; ballistic-resistant material for use in guard towers, exposed dockside locations and vehicles; and the solubility characterization of automobile paint.

The Laboratory developed physical security standards for doors and windows; communication systems and mobile facsimile equipment, and police firing ranges. It also prepared a standard reference collection of 1977 and 1978 automobile paints for use by forensic science laboratories and developed an improved handcuff locking design.

The Laboratory helped the International Association of Chiefs of Police evaluate police equipment and complete the testing of body armor, handcuffs, and hand-held transceivers.

The Laboratory also prepared reports on ergonomic data requirements, intruder detection using trace constituent analysis, and a guide to the selection of high speed tires for police vehicles.

The Laboratory completed some 30 projects during fiscal years 1978-1979. Expenditures are about \$1 million per year.

National Telecommunications and Information Administration (NTIA)

The National Telecommunications and Information Administration's Federal-State coordination program disseminates information about the emergency telephone number 911. NTIA chairs the 911 Task Force section of the Emergency Medical Services Communications Interagency Work Group. The Task Force convened a national 911 conference in May 1979 and published suggested State 911 legislation to encourage further implementation. Almost all 911 systems include police agencies.

National Oceanic and Atmospheric Administration (NOAA)

The National Oceanic and Atmospheric Administration enforces various marine fisheries and wildlife laws, international agreements, treaties, and regulations. This work is carried out by NOAA's National Marine Fisheries Service (NMFS), which has a budget of \$2.9 million and is the only agency of the Department that presently has its own arrest authority, and by the Office of Coastal Zone Management, which imposes administrative fines for unlawful activities in designated marine sanctuaries.

Enforcement activities included 1,491 cases opened and 93 closed with \$3,521 in penalties collected during 1978. In 1979, 735 cases were opened, 7 closed and \$1,629 collected.

Industry and Trade Administration

The Industry and Trade Administration enforces the Export Administration Act of 1969.

The Office of Export Administration investigates violations that include the exportation of certain specific commodities or technical data without a valid license, re-exportation without specific authorization, and exportation or re-exportation to prohibited parties or destinations. Also included are attempts to avoid Export Administration Regulations such as those pertaining to short supply controls.

Enforcement activities for 1978 include 271 opened cases with 19 referred to the Department of Commerce's Office of General Counsel or Department of Justice and 24 orders were issued. The Office opened 214 cases in 1979, referred 21 and issued 14 orders.

The Anti-Boycott Compliance Staff investigates complaints of restrictive trade practices or boycotts and initiated more than 100 investigations of potential violations of the foreign boycott provisions since 1978.

The Bureau of Trade Regulation, responsible for the administration of the provisions of the Defense Production Act of 1950, completed eight audits to evaluate defense contractors compliance with the Defense Priorities System, initiated three investigations to determine defense contractors compliance with the Defense Priorities System and has one investigation pending relating to the use of the Defense Priorities System in obtaining a material in short supply.

COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration is the central agency within the Federal Government for developing, testing, and operating various programs to eliminate poverty in the United States.

Basic programs operated by the Agency include: Community Action, Community Economic Development, Emergency Energy Conservation Services, Senior Opportunities and Services, Summer Youth Recreation, Community Food and Nutrition, State Economic Opportunity Offices and Demonstrations. Although the principal thrust of these programs is not directed to Federal law enforcement and criminal justice assistance, the Community Services Administration has initiated a few demonstrations in this area during the two-year period ending September 30, 1979.

In conjunction with the Administration on Aging, the Community Services Administration has funded projects in New York City, Milwaukee and New Orleans to study ways of preventing elderly criminal victimization and, where necessary, provide assistance to the elderly after victimization. These projects received approximately \$250,000 each in CSA funds over the two-year period.

Three ex-offender programs were funded in New York, Virginia and Louisiana at approximately \$200,000 each to study ways of assisting the ex-offender with education, job training and job placement to help prevent the return to a life of crime.

The Community Services Administration has also funded the Menninger Foundation for approximately \$3.2 million to provide community based residential facilities for the care of neglected, predelinquent and delinquent children.

The above mentioned programs are all demonstration programs which have not yet been formally evaluated. It is therefore premature to discuss the results of these programs at this time.

DEPARTMENT OF DEFENSE

Upon the request of civil authorities and by advance agreement, the Department of Defense provides law enforcement assistance to Federal, State and local authorities.

Assistance During Civil Disturbances

The Army, as Executive Agent for the Department of Defense, plans for the commitment of all Federal military forces in civil disturbance operations. While no military forces were employed during the period, technical advice and military resources were provided or loaned to Federal, State and local law enforcement agencies to assist during potential or actual civil disturbances. For example, during the trucker's strike in the spring of 1979, National Guard weapons and ammunition were loaned to the highway patrol in Alabama and a sheriff's department in Kansas. The Army also assisted the FBI with communications and counterterrorist surveys in preparation for the 1979 Pan American Games in Puerto Rico. In addition, a helicopter on loan to the FBI was transported by the U.S. Air Force to Puerto Rico.

Support to the FBI in Combating Terrorism

During 1977-1978 Air Force security police participated in joint terrorism seminars with the FBI and the Air Force Office of Special Investigation. The seminars were presented throughout the Air Force and open to civilian law enforcement agencies. The seminars covered transnational terrorism, national terrorism, aircraft hijacking, hostage negotiations, psychological profile of a terrorist organization, terrorist weaponry, and security police special operations.

In addition, Air Force security police at Plattsburg AFB, New York, have developed a concept of security operations to assist the FBI in support of the 1980 Olympic Games. This plan includes protection of distinguished visitors and support for FBI ground and helicopter-borne response forces.

Anti-Crime Assistance to the District of Columbia

In implementation of a March 1970 Presidential directive to all Federal agencies to assist the District of Columbia government in combating crime, the Air Force entered into a

contract with the Washington Metropolitan Police Department to provide facilities on Bolling AFB for an Emergency Vehicle Operations Course.

Explosive Ordnance Disposal Training and Support

Explosive ordnance disposal support is provided to Federal agencies and includes training conducted by the Army for law enforcement personnel in explosive ordnance reconnaissance and procedures for dealing with improvised explosive devices. In addition, assistance is provided with explosive ordnance disposal when such assistance is required in the interest of public safety.

Provision of Explosives Detector Dog (EDD) Training for Federal and Non-Federal Civil Authorities

The USAF Security Police (SP) Academy at Lackland AFB, Texas, participates in several programs involving training of both Federal and non-Federal civilian agencies. One example is the explosives detector dog team training for the Federal Aviation Administration (FAA). Under this program, the SP Academy trains police officers from selected cities as explosives detector dog handlers and provides them with explosives detector dogs. The trained teams then return to their home cities and provide EDD service to the FAA as required in support of the aircraft security program. The program is funded by the Law Enforcement Assistance Administration.

Additionally, explosives detector dog team training is provided for the U.S. Secret Service. During the period October 1976 to December 1977 the Air Force provided 13 explosives detector dog teams to the U.S. Secret Service. Twelve U.S. Secret Service handlers received EDD training at the SP Academy and in the Washington, D.C., area. Nine of the 13 dogs trained under this program were supplied through the DoD Dog Center. The U.S. State Department also is provided support similar to that furnished the Secret Service. Additionally, by agreement, the 76 Security Police Squadron, Andrews AFB, Maryland, provides EDD service for each arrival and departure of foreign dignitaries at Andrews AFB.

Polygraph Training Support to Non-DoD Law Enforcement Agencies

The U.S. Army Military Police School (USAMPS) provides basic and advanced polygraph examiner training for all DoD personnel requiring such expertise. USAMPS also provides such training to non-DoD Federal law enforcement/intelligence agency

personnel and other State, county, and municipal law enforcement personnel in that order on a space available, reimbursable basis. In the past two years, USAMPS has trained 36 Federal law enforcement officers (24 FBI, two ATF, three DEA, two U.S. Postal Service, four U.S. Secret Service, and one Metropolitan Police Department of Washington, D.C.). In the same period, USAMPS trained six State and municipal polygraph examiners (five Georgia Bureau of Investigation, one South Carolina Law Enforcement Division, one Opelika, Alabama, PD, and one Upper Arlington, Ohio, PD).

Interdicting Illegal Aliens and Imports

The Department of Defense continues to support the U.S. Customs Service, Drug Enforcement Administration and Immigration and Naturalization Service in their attempts to interdict illegal substances and aliens entering the United States. Equipment such as aircraft, vehicles, radar, sensors, weapons, communications equipment, ammunition, and night vision devices are on loan to these agencies in accordance with authority of DoD Directive 3025.12. Technical training on the more sophisticated equipment has been provided to personnel of these agencies and maintenance service agreements have been arranged when commercial maintenance is not available. In addition, the DoD shares with the U.S. Customs Service radar information regarding air traffic crossing the borders of the United States. Additionally, military personnel serve as customs inspectors at overseas locations for the inspection of military mail, cargo, carriers, and personnel in efforts to interdict contraband, principally drugs, that may enter the United States through military channels.

Protection of Foreign Dignitaries, U.S. Government Officials and Federal Witnesses

The Military Department investigative offices provide protection services for foreign officials visiting the United States at the invitation of the Department of Defense. For example, during the period May 21 through June 9, 1978, 22 United States Army Criminal Investigation Command (USACIDC) special agents provided support to the U.S. Department of State during the United Nations Special Session on Disarmament in New York City and the NATO Conference in Washington, D.C. The support provided included residence security, chase vehicle, advance detail, fixed security posts and direct protection of the principals. Similarly, from March 23 through April 13, 1979, 19 USACIDC special agents coordinated and provided protective services for Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs, during the Middle-East treaty negotiations. By agreement between the Department of Justice and the Department of Defense, the Army

also periodically provides housing facilities on active military installations for key Federal Government witnesses and their families who need protection from overt threats on their lives.

Defense Industrial Facilities Protection

The Department of Defense continues to assist law enforcement authorities by helping private industry develop plans and procedures to protect facilities considered vital to the national defense from physical security threats. The 2353 facilities and 184 company or system offices currently covered by the program are offered advice and recommendations designed to reduce vulnerability to bombings, sabotage, civil disturbances and other hostile or destructive acts. The Defense Department's role is purely advisory and recommendations may be accepted or rejected by industry management. Since assumption of responsibility for this function by the Defense Logistics Agency from the Department of the Army in 1973, it has been redesignated the Defense Industrial Facilities Protection Program. Since October 1977, 1204 representatives from industry and government have received program-related training, conducted at the Defense Industrial Security Institute near Richmond, Virginia.

DEPARTMENT OF ENERGY

The Department of Energy (DOE) has worked to resolve the remaining cases stemming from the 1973 oil embargo and to investigate current unlawful acts and practices associated with the severe shortages and escalating prices of oil during 1979. To do this, DOE established new organizational structures for its varied enforcement activities.

Although substantial enforcement programs will be required in connection with new legislation, the mandatory allocation and pricing of crude oil and petroleum products remain the primary compliance responsibilities of DOE.

The Department's enforcement offices accelerated auditing, enforcement and case resolution of existing cases, including those dating back to 1973-74. Some cases were referred for court prosecution, bypassing administrative proceedings; there was increased use of special report orders; and the employment of negotiation toward comprehensive settlement of a firm's potential liability. Remedies included refunding overcharges to the United States Treasury; implementing special refund procedures so purchasers and other special claimants could establish their rights as "ultimate victims;" and the disgorgement of profits obtained by means of certain unlawful practices. The Department also streamlined procedural regulations governing the issuance of subpoenas and special report orders.

During the last two years, investigations of willful misconduct have resulted in grand jury indictments involving allegations of fraud, filing false statements with the United States, and other Federal felony offenses.

The Department also expanded its program of investigating the pricing, certification and other practices of crude oil resellers. In addition to its referral of cases to the Department of Justice for criminal prosecution, DOE issued civil enforcement documents to a number of resellers for alleged violations of the Emergency Petroleum Allocation Act (EPAA) regulations.

DOE revitalized its enforcement program with respect to the pricing practices of motor gasoline retailers during 1979. As a means of obtaining leads and targeting audits, the public was invited to phone in complaints on a toll-free hot-line.

During 1979 certain responsibilities for regulation, investigation and enforcement under EPAA were delegated from the Federal to the State level. The DOE delegated responsibility for enforcement of EPAA regulations governing independent

retail motor gasoline pricing practices to several States at their request. In addition, by executive order the President authorized the Governors to establish a system of end-user allocation for motor gasoline.

Economic Regulatory Administration

Responsibility for completing audits of the 34 major refiners' compliance with the EPAA regulations was assigned to the Office of the Special Counsel for Compliance, Economic Regulatory Administration (ERA). Its initial goal is to complete the audits of 15 of the largest major refiners by the end of 1979 and turn its attention to the remaining 19 in 1980.

The Office of Enforcement, which is responsible for firms other than those under the jurisdiction of the Office of the Special Counsel, issued 616 enforcement documents alleging violations totaling \$733 million in a recent 12-month period.

The Special Investigations Division in its initial 20 months of operation referred 43 cases involving more than 100 petroleum industry firms to the Department of Justice on charges of willful misconduct.

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC), an independent Commission within the Department of Energy, succeeded to the authority of the former Federal Power Commission (FPC) as of October 1, 1977.

The Commission has established an Office of Enforcement and, upon the recommendation of that Office, has made several criminal referrals and has sought injunctive relief from the courts. The Commission also has moved to significantly strengthen its compliance capability. Additional resources have been obtained in the area of dam safety, electric rate regulation and natural gas producer regulation.

ENVIRONMENTAL PROTECTION AGENCY

The unlawful discharge of pollutants into the navigable waters of the United States, violations of State plans and emission standards for combatting air pollution, noncompliance with toxic substance, hazardous waste, pesticide interstate shipment and use, and noise emission standards all fall within the jurisdiction of the Environmental Protection Agency (EPA).

The Agency relies principally on administrative and civil sanctions and on voluntary compliance. Its rulings are backed in a number of instances by the sanction of criminal law.

Enforcement Activities

The Assistant Administrator for Enforcement is the Agency's principal advisor to the Administrator on enforcing standards for environmental quality.

Office of Water Enforcement. The Office of Water Enforcement directs the enforcement activities of the Agency relating to compliance with water pollution, drinking water and solid waste sanctions. It also manages the nationwide National Pollutant Discharge Elimination System (NPDES) permit program.

Office of General Enforcement. The Office of General Enforcement directs Agency enforcement activities in the stationary source air, pesticides, and toxic substances areas.

Office of Mobile Source and Noise Enforcement. The Office of Mobile Source and Noise Enforcement directs mobile source air and noise pollution enforcement efforts of the Agency.

Office of General Counsel. The Office of General Counsel is directly responsible to the Administrator and provides legal services to all organizational elements of the Agency with respect to the programs and activities of the Agency.

Major Source Enforcement Effort

A major enforcement effort was launched in 1977 to bring into compliance, with appropriate penalties, that small percentage of major air and water sources which had not yet taken the steps to bring themselves into compliance with the Clean Air and Water Acts.

Excellent progress has been made on the actions against the 383 cases designated for EPA civil actions. As of May 1, 1979, on a case basis:

--Only 18 cases (4 percent) remain to have litigation reports prepared.

--154 facilities (40 percent) had litigation reports and are pending at EPA headquarters, Justice Department or a U.S. Attorney's office.

--98 facilities (25 percent) had cases filed in court against them and were pending trial or settlement.

--113 facilities (29 percent) had the actions against them concluded.

Clean Water Act. Under authority first acquired in 1972, the Clean Water Act makes it unlawful to discharge pollutants from point sources into navigable waters unless the discharge is in compliance with the regulatory requirements of the act, including the obligation to have a discharge permit. The act encourages State assumption of the NPDES permits program with continuing EPA oversight. Where the State has not been approved to administer the NPDES program, EPA issues and enforces the permits.

Between October, 1977, and September, 1979, the emphasis in civil litigation has been on the Major Source Enforcement Effort (MSEE). This effort was directed at the larger or otherwise more dangerous to the environment industrial dischargers who had failed to complete construction of treatment works by the July 1, 1977 deadline set in the statute. EPA also has requested a limited number of criminal actions for willful or negligent discharge without a permit or in quantities greater than allowed in an issued permit. This includes actions against "midnight" dumpers of hazardous waste materials. In addition several criminal actions have been brought for false reporting to EPA or State governments. In several of these cases both offending officials and the governmental agencies by whom they were employed have been named as defendants, and in several cases responsible officials have been joined as defendants. A number of the defendants have, on conviction, been sentenced to jail terms.

EPA water enforcement has a number of highly skilled technically trained personnel capable of performing the technical aspects of its investigations, but as an agency which has only recently been given criminal justice responsibilities it lacks a reservoir of personnel who are trained in criminal investigation and other law enforcement areas. This latter type of training is, to the extent possible, being given to our scientifically trained personnel.

Clean Air Act. Under the Clean Air Act, it is unlawful to violate any requirement of an applicable State implementation plan or to violate any EPA standard for a new stationary source or for hazardous pollutants.

Violations are punishable by a civil penalty of as much as \$25,000 per day of violation. Knowing violations are punishable by criminal fines of as much as \$25,000 per day, by imprisonment of not more than one year, or by both.

The Mobile Source Enforcement program of the act is directed primarily toward achieving compliance with vehicle emission standards, fuel regulations, and related aspects of State implementation plans.

From October 1977 to date, 724 Notices of Violation were issued against stationary source violators; 148 administrative orders were issued, and 85 actions were referred to U.S. Attorneys. Mobile source violations included 90 violations referred to U.S. Attorneys.

Pesticides. Under the Federal Insecticide, Fungicide, and Rodenticide Act, it is unlawful to distribute in interstate commerce a pesticide that has not been registered with EPA or one that is adulterated or misbranded. Use of a pesticide in a manner inconsistent with its prescribed label also is prohibited. Violation of the act's requirements may result in civil penalties of as much as \$5,000. Knowing violations are misdemeanors punishable by fines of up to \$25,000, one year imprisonment, or both.

From October 1977 to September 1979, 416 civil actions were initiated, and \$1,032,491 in penalties or fines were assessed.

Toxic Substances Control Act. The act authorizes the EPA to obtain from industry data on the production, use, health effects, and other matters concerning chemical substances and mixtures. If warranted, EPA may regulate the manufacture, processing, distribution in commerce, use, and disposal of a chemical substance or mixture. Pesticides, tobacco, nuclear material, firearms and ammunition, food, food additives, drugs, and cosmetics are exempted from the act. These products are currently regulated under other laws.

From October 1977 through September 1979, 20 civil actions and one criminal action were initiated. In addition three injunctions were filed and two others were referred to the Department of Justice.

Resource Conservation and Recovery Act (RCRA). Passed by Congress in 1976, this law has given EPA broad new responsibility and authority in the area of regulating hazardous waste disposal and toxic chemicals.

The RCRA specifies technical standards which must be met by all hazardous waste handlers. In addition, facilities which treat, store or dispose of hazardous wastes must receive a permit in order to engage in these activities. The act is geared toward State assumption of the hazardous waste regulatory program with EPA overseeing State enforcement activities. However, in the event that a State chooses not to assume the program, EPA has responsibility for issuing facility permits and enforcing the requirements of the act .

EPA now has 44 site investigations under way with a view to possible civil actions to require containment and clean-up of the hazards by the responsible parties. In addition EPA, working with the Department of Justice, has begun seven civil or criminal actions against "midnight dumpers" of PCBs, and civil actions against parties responsible for sites containing abandoned toxic chemicals of various kinds.

Noise Control Act. The Noise Enforcement Program works towards achieving compliance with the noise emission standards. To date, medium and heavy duty trucks and compressors are regulated. The Agency has had an active compliance program since January 1, 1978 for these products. There have been four voluntary recalls resulting from this program. Orders also have been issued under the act in two cases to recall non-complying compressors distributed in commerce by two manufacturers. In one of the cases a cease-to-distribute order was issued for failure to comply with regulatory requirements. In the other case the manufacturer was ordered to test all units of a particular compressor model to verify that they conform to the compressor standard.

Marine Protection, Research, and Sactuaries Act. EPA and the Corps of Engineers have responsibility for administering a permit system designed to regulate transportation for ocean dumping and to prevent or strictly limit the ocean dumping of any material which would unreasonably affect human health, welfare, or amenities, or the marine environment, ecological system, or economic potentialities. During 1977 the act was amended to require that ocean dumping of sewage sludge cease as soon as possible and in any event no later than December 31, 1981.

The reduction in overall ocean dumping during 1978 is the result of the continuing EPA effort to require those permittees whose wastes are unacceptable for ocean dumping to seek alternative means of disposal as rapidly as possible. During 1978, 32 permittees were phased out of ocean dumping, increasing the number of permits denied, phased out or withdrawn since the inception of the program to a total of 307.

In calendar year 1978, the Coast Guard referred to EPA Regional Offices nine cases that involved nine alleged violations which included, among others, four for dumping at an improper dispersal rate, and two for failure to provide proper notification.

In late 1977, EPA Region III initiated enforcement actions against the City of Philadelphia for failure to comply with their implementation schedule for phasing out ocean dumping. Following an adjudicatory hearing, litigation was carried out and in 1978 a fine of \$225,000 was levied against the city. The case has since been resolved in Federal District Court by the city signing a consent decree to end ocean dumping and paying a fine totaling \$2,165,000.

FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission is an independent agency created by Congress to regulate non-Federal, interstate, and foreign communications by wire and radio.

This regulation includes the allocation of frequency space in the radio spectrum, a limited natural resource, for use by private radio services (such as aviation, marine, public safety, industrial, amateur, and citizens band), common carrier services (such as mobile telephone, international telegraph-telephone, and satellite communications), and broadcast services (such as AM and FM radio, and UHF and VHF television).

Additionally, millions of low-powered radio frequency devices are regulated, although not individually licensed. Examples of such devices are diathermy machines, microwave ovens, garage door openers, wireless microphones, and walkie-talkies.

Enforcement

Enforcement of interstate and foreign common carrier wire and radio communications rules is achieved chiefly through civil administrative proceedings. These include adjudicatory hearings, cease-and-desist orders, and monetary forfeitures. Commission investigations of alleged or suspected offenses are conducted principally by the Field Operations Bureau and the Complaints and Compliance Division of the Broadcast Bureau.

Major violations of the Communications Act or of the Commission's rules where the authorized administrative sanctions are inadequate, may be referred to the Department of Justice. Moreover, the evidence may indicate violations of the U.S. Criminal Code, such as use of a counterfeit radio station license or violations specifically related to the misuse of radio broadcasting lottery information, fraud by wire or radio, and broadcasting obscene, indecent, or profane language. During fiscal year 1978, 69 cases involving unlicensed operations, rule violations, or radio transmissions containing obscenity were forwarded to Justice for prosecution.

During the past two years, the Commission has continued to press for revocations of Citizens Band licenses where operation has taken place on unauthorized frequencies and where overpower operation and other serious violations have taken place which are possible sources of interference to users of other radio services. In addition, the Commission is looking closely at cases of suspected fraud in attempting to obtain

or upgrade classes of operator permits in the Amateur Radio Service. For example, one applicant paid an Amateur licensee to take the qualifying examination in his place. After evidentiary hearing before an Administrative Law Judge and appeal to the Review Board, the Commission took the following action:

- (1) For the individual who initiated the scheme to bribe the other licensee to take the examination in his place, the Commission denied his applications for Amateur radio station license and Advanced Class operator permit and Third Class Radiotelephone Operator permit, revoked the Amateur radio station license held by him at the time, and suspended his Amateur operator permit for the balance of its term.
- (2) For the individual who attempted to take the examination, the Commission found mitigating circumstances, but, nevertheless, suspended his Amateur operator permit for a period of one year and denied his application for Extra Class Amateur operator permit and station license.

On February 21, 1978, Congress enacted Public Law 95-234, which governs the imposition of forfeitures by the Commission. The new amendments to the Communications Act greatly expand the types of violations for which forfeiture may be imposed. The Field Operations Bureau (FOB) was delegated the authority to assess forfeitures pursuant to the new section of the act for unlicensed radio operations. Other Commission bureaus and offices delegated to the FOB the authority to issue Notices of Apparent Liability on their behalf. This latter delegation should reduce the cost of the first step in many forfeiture cases. The amendment should also permit enforcement of station license requirements at a reduced cost to the government.

During fiscal year 1978, the Commission conducted investigations into the activities of high-frequency clubs in the Citizens Band Radio Service. Members of these clubs operate on frequencies not authorized for use by Citizens Band licensees and identify their transmissions with numbers instead of call signs in order to avoid detection. Such unlicensed activity causes interference to communications of licensees in other services and to Government radio stations. The Commission's enforcement effort resulted in revocation of Citizens Band and Amateur radio licenses of a number of these club members.

The Field Operations Bureau also investigates violations of equipment marketing laws, and members of the Bureau appear

as expert witnesses in cases involving radio communications. Fiscal year 1977 saw the first criminal prosecution and conviction of an individual for the manufacture and sale of linear amplifiers for use with Citizens Band radios. Linear amplifiers increase the power output of a CB set to as much as 10,000 watts. (FCC regulations limit CB power to either four or 12 watts, depending on the equipment used.) Use of linear amplifiers and other overpower equipment resulted in more than 23,000 complaints of CB interference to private telephone and home entertainment devices during fiscal year 1978. Such use also results in potential interference to users of public safety radio systems.

Licensees in the Citizens Band Radio Service numbered 14,600,000 in May of 1979, an increase of 18 percent from May of 1977. This produced concomitant increases in all types of criminal, civil and administrative sanctions.

Those regulatory functions most relevant to criminal law enforcement are the licensing of radio stations operated by State and local law enforcement agencies, allocation of radio frequencies for such services, and authorization of the agencies' equipment.

Police Radio Communications

The Police Radio Service is one of the more than 50 different types of radio communications services the Commission regulates through its Private Radio Bureau, formerly the Safety and Special Radio Services Bureau. Police departments use stations in this service for two-way radio communications between central headquarters and squad cars, motorcycles, and foot patrols. At the end of fiscal year 1978, the Commission had licensed almost 39,000 police radio stations. This increase of close to 3,000 stations since fiscal year 1977 shows a continued demand for police radio service frequencies. The Commission has responded to this demand by allocating additional frequencies in the 470-512 and 806-866 MHz bands for public safety use, and by encouraging the development of modern, sophisticated radio communications systems, such as multi-channel trunked systems communications. Communications by trunked radio channels equipment is more efficient than communications by conventional equipment.

In major cities businesses have quickly filled the new spectrum that the Commission has allocated for these systems. This threatens to prevent law enforcement agencies, which must plan their systems in advance and wait for appropriations to purchase new equipment, from using this new technology. To help solve this problem, the Commission this year will explore the possibility of reserving a number of channels for these slow-growth law enforcement and other similar systems.

The Commission also has under way a rulemaking proceeding which will expand law enforcement use of low power miniature transmitters for vehicle tracking purposes. Federal law enforcement officers have used these devices effectively for some time. This rulemaking will allow their use by State and local law enforcement officers.

The Commission expects that by 1980, 20-25 million mobile Citizens Band radios will be in use on the Nation's highways. In recognition of the assistance that licensees in this service give in reporting unsafe drivers, accidents, hazardous conditions, and stranded motorists, the Commission assigns distinctive Citizens Band call signs, if available, to State police departments. The distinctive call sign consists of the letter K plus the postal initials of the State, followed by 0911. So far, 18 States, the District of Columbia and Puerto Rico have requested these call signs.

Intersystem Communications

One of the communications problems police have faced for years is the inability of one police jurisdiction to communicate with another. In recognition of this problem, the Commission instituted a nationwide intersystem police emergency frequency in 1976. Use of this nationwide frequency allows police jurisdictions to coordinate their communications systems with other police jurisdictions. This coordination has improved police communications, which, in turn, has improved law enforcement activities.

Assistance to License Applicants

The Commission makes personnel available in its field offices to advise police departments of Commission requirements. This advice helps police departments plan their communications systems. Commission personnel also assist police departments in preparing license applications.

Liaison With LEAA

The Commission maintains liaison with the Law Enforcement Assistance Administration through the Coordination Committee, which distributes information between the two agencies to assure that LEAA communications projects are in accordance with FCC regulations prior to the expenditure of public funds. This liaison also provides FCC staff with information on LEAA's communications plans and requirements to better coordinate and accommodate the law enforcement communications needs.

Investigative Functions

To preserve the utility and integrity of all radio communications, including critical police messages, the Commission's Field Operations Bureau investigates and attempts to eliminate all sources of interference, both inadvertent and intentional. Moreover, upon request of the Department of Justice, field engineers assist in locating, through radio direction-finding techniques, persons using radio to commit crimes.

In cooperation with the FBI, Commission field personnel investigate allegations of unauthorized interception and divulgence, or illicit use of law enforcement radio communications.

FEDERAL DEPOSIT INSURANCE CORPORATION

Created by the Banking Act of 1933, the Federal Deposit Insurance Corporation (FDIC) is responsible for protecting the Nation's depositors, maintaining confidence in the banking system, promoting safe banking practices and enforcing numerous banking laws and regulations. The FDIC accomplishes these objectives through the Federal deposit insurance program in which approximately 14,719 of the Nation's banks participate, and through the regulation and supervision at the Federal level of the 9,098 FDIC-insured State-chartered banks that are not members of the Federal Reserve System.

The FDIC is managed by a three-member Board of Directors: the Chairman, a Director, and the Comptroller of the Currency who serves ex officio as a member.

Bank Supervision

The FDIC exercises general supervisory authority only over insured State-chartered banks that are not members of the Federal Reserve System. As of June 30, 1978, there were 9,098 such banks. Together with the State authorities which charter them, the FDIC regularly examines these banks. The examination of a bank is performed to assess the bank's financial condition, evaluate its management, determine whether the bank is engaging in unsafe or unsound banking practices, and to determine whether it is in compliance with applicable laws and regulations.

FDIC personnel also conduct special investigations of applications for Federal deposit insurance, mergers, requests to establish branches, changes in control of bank management, and other actions which require prior approval of the FDIC.

Consumer Protection

In recent years the FDIC has become responsible for enforcing a host of consumer protection and civil rights laws and regulations. These laws include the Truth in Lending Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act and the Fair Housing Act. The FDIC carries out these enforcement responsibilities primarily through a program of separate specialized examinations directed primarily to checking for compliance with the various laws and regulations. These examinations are conducted by trained examiner specialists at times other than during the regular safety and soundness examinations.

Recent Legislation Expanding FDIC's Regulatory Role

The FDIC's supervisory role was expanded by the enactment of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA). The FDIC was given the power to levy fines on both banks and bankers for certain violations, impose restrictions on loans by banks to their insiders, place prohibitions on certain bank management interlocks, and to disapprove changes in control of financial institutions. In addition, FIRIRCA authorizes the FDIC to oversee the establishment and operation of foreign branches and foreign bank acquisitions by insured State banks not members of the Federal Reserve System.

The FDIC's supervisory role was expanded further by the International Banking Act of 1978 (IBA). That act provides for Federal regulation of foreign banking activities in domestic financial markets. Specifically, it gives the FDIC primary supervisory responsibility for insured State-licensed branches.

A third law, the Community Reinvestment Act of 1977 (CRA), also enlarges the FDIC's regulatory role. That act directs the FDIC to encourage its banks to help meet the credit needs of their communities, including low and moderate income neighborhoods. Further, the FDIC is required to assess the institution's records and to take those records into account when evaluating applications requiring prior agency approval. Regulations issued to implement this law became effective in late 1978.

Enforcement Proceedings

Upon finding that an insured State nonmember bank has operated in an unsafe or unsound manner or that it has violated an applicable law or regulation or that it has violated a written agreement with the FDIC, the FDIC may initiate a cease-and-desist proceeding. During 1978, 26 final cease-and-desist orders were issued.

The FDIC may initiate termination-of-insurance proceedings if it finds that a bank has been conducting its affairs in an unsafe or unsound manner and is in an unsafe or unsound financial condition. Three such proceedings were initiated in 1978.

Criminal Violations

Alleged criminal violations, when uncovered during investigations and examinations of insured nonmember banks, are referred to the U.S. Attorney's Office and the appropriate investigatory agency. Offenses reported in the past have included teller and vault cash shortages, misapplication and em-

bezzlement of banks funds, check "kiting," financial statements which were falsified in order to obtain loans, false entries on bank records, and commissions or gifts that were given to obtain loans.

Bank Security Measures

In accordance with the Bank Protection Act of 1968, the FDIC monitors supervised banks to ensure that they have adequate internal controls to discourage robberies, burglaries, and larcenies, and to assist in the apprehension of persons committing these acts. Issued regulations govern the installation, maintenance and operation of bank security devices. Compliance is checked when applications for insurance are received or when regular examinations are conducted. In 1978, approximately 6,565 crime reports were filed pursuant to the regulations.

Removal Proceedings

Under the FDI Act, as recently mandated by FIRIRCA, the FDIC may remove an officer, director, or other person participating in the management of an insured State nonmember bank under certain conditions. During 1978, no removal proceedings were initiated.

Under section 8(g) of the FDI Act, also amended by FIRIRCA, the FDIC is authorized to suspend a person charged with a felony involving dishonesty or breach of trust if continued service by the person may pose a threat to the interests of the bank's depositors or may threaten to impair public confidence in the bank. Three individuals were suspended pursuant to this section in 1978.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Federal Insurance Administration (FIA)

The FIA is responsible for administering the Federal Riot Reinsurance Program and the Federal Crime Insurance Program.

Federal Riot Insurance is available to any insurer who participates in a State FAIR Plan meeting Federal standards. FAIR Plans are pools of private insurers established under the regulation of the State Insurance Authority and designed to provide essential property insurance to residents of areas plagued by the lack of the availability of such coverage at reasonable cost from private insurance companies.

Since 1968 FAIR Plans have been established in 26 States, the District of Columbia, and Puerto Rico. As of December 31, 1978, there were about 980,000 policies in force with a total coverage of \$32.5 billion.

FIA is encouraging the development of anti-arson measures by the States and the property insurance industry. FIA is now conducting a study of the New York FAIR Plan to attempt to detect possible patterns of fraud or abuse of the plan and assist in developing guidelines and regulations geared to prevent such abuse. The FAIR Plan regulations have also been revised to spell out the underwriting flexibility which can be employed by insurers to limit the possible abuse of the plans.

The Riot Reinsurance Program has accumulated a reserve of \$115 million as of June 30, 1979, and has paid claims in excess of \$16 million.

The Federal Crime Insurance Program provides insurance against losses resulting from burglary and robbery of residential or commercial property. FIA provides crime insurance in areas where it is unavailable at reasonable rates. The insurance is now available in 28 States and as of April 30, 1979, there were 55,672 policies in force.

Office of Plans and Preparedness

Under a FEMA-funded contract the International Brotherhood of Police Officers is developing a civil preparedness training component for the Brotherhood's Law Enforcement Apprenticeship Program that will ensure quality training for police officers in designing and implementing civil preparedness emergency plans.

FEMA also publishes and distributes police training publications on law and order in civil defense emergencies.

The Office provides information and guidance to Federal, State and local agencies for the disposal of explosive devices--primarily explosive ordnance.

The Agency awards matching Federal funds to local emergency services, including police departments for communications links to the local Emergency Operating Center (EOC). Limited financial assistance to local government also is available to help interface the local 911 system and the local EOC.

U.S. Fire Administration (USFA)

The Office of Planning and Education, USFA, has received \$500,000 from the Law Enforcement Assistance Administration to develop a national attack on arson.

These funds will be used to develop and conduct arson detection and investigation courses in each of the 10 Federal regions; pilot a three-day course on arson for prosecutors; design an arson program for volunteer firefighters and provide technical assistance to States and localities in establishing arson task forces.

These programs are expected to train an additional 700 arson investigators, expose 3,000 local fire and police officials to the arson task force concept and make available 3,000 workbooks to State training officials to help instruct firefighters.

FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board is responsible for the organization, supervision, and regulation of Federal savings and loan associations under authority of the Home Owners' Loan Act of 1933. The Board is operating head of the Federal Savings and Loan Insurance Corporation (FSLIC). Under the National Housing Act, it has broad supervisory and regulatory authority over FSLIC insured, State-chartered associations and their parent holding companies and affiliates. In addition, the Board administers a system of 12 regional Federal Home Loan Banks created pursuant to the Federal Home Loan Bank Act.

In fulfilling its primary role pursuant to the acts, the Board is engaged continuously in examining 4,038 savings and loan associations.

The Board considers the examination process the first step in preventing violations of statutes or regulations, and for eliminating unsafe and unsound industry practices. The Board can issue cease-and-desist orders against associations and their directors and officers, as well as against service corporation affiliates and holding companies. In addition, the Board is empowered to suspend and remove officers and directors from further participation in association affairs, to appoint receivers and conservators for Federal associations and to terminate the insurance of accounts of State-chartered institutions. Cases of possible criminal activities--embezzlements, misapplications of assets, and falsifications of documents and records--are referred to the Department of Justice.

Examinations

The Board's Department of Examinations evaluates the quality of management and the performance of savings and loan associations as well as their objectives, policies, procedures, and internal controls. It also reviews their compliance with Federal and State laws and regulations, and with the institution's own charter and by-laws. The examination process is designed to pinpoint probable trouble areas where general standards of conduct and uniform requirements can be enforced promptly.

As of September 30, 1978, the Board has an authorized strength of 809 field examiners, as contrasted with 756 examiners on October 1, 1977. Field office expenses were \$26,721,680 in fiscal 1978 and \$24,358,055 for the fiscal year ending September 30, 1977.

There were about 1,929 examinations of federally-chartered associations in fiscal 1978 and 1,918 such examinations in fiscal year 1977. During these same periods, examinations of insured State-chartered institutions totaled 1,277 and 1,326 respectively.

The Board determines the eligibility of State-chartered institutions for insurance of accounts. It conducted five examinations of this type in fiscal 1978 and 28 in the 12-month period ended September 30, 1977. Examinations of affiliates of insured institutions totaled 1,508 and 1,401 in 1977 and 1978, respectively, while examination fees paid to the Board, including fees for eligibility and affiliate examinations, amounted to \$16,250,437 and \$15,608,663 for the same periods.

Supervision

Supervisory agents of the Board oversee operations of all federally insured savings and loan associations, affiliated service corporations and holding companies. They use the data contained in the periodic reports filed by the institutions, as well as that in the reports of the Department of Examinations. The agents draw management's attention to any violations of laws or regulations and to any unsafe or unsound industry practices in order that they may be corrected.

Enforcement

Designated representatives of the FSLIC may, in connection with examinations of insured institutions, inquire into any matter that concerns the affairs or ownership of any such institution or affiliate. The FSLIC can subpoena witnesses and documents, and take testimony under oath. When lack of compliance with appropriate statutes and regulations is demonstrated, when safe and sound industry practices are not maintained, and when relevant information cannot be obtained by using ordinary examining techniques and supervision, formal examinations are conducted by the Office of General Counsel.

Equipped with the evidence derived from the examination process, the Board may institute administrative cease-and-desist proceedings. It also may commence conservatorship, receivership, and termination of insurance proceedings against associations, and suspension and removal proceedings against individual officers and directors.

Moreover, the FSLIC can, as it deems necessary, investigate savings and loan holding companies and their affiliates to determine whether the Savings and Loan Holding Company Act and other regulations are being complied with. Cease-and-desist

and civil money penalties, as well as criminal sanctions may be imposed for particular Holding Company violations.

From July 1, 1977 to June 30, 1978, the Board's Compliance Division, with 12 attorneys, conducted 41 formal examinations; from July 1, 1978 to June 30, 1979, 10 attorneys handled 50 formal examinations.

Cease-and-desist orders issued by the Board totaled 10 in the 1977-78 period and 19 in the 1978-79 period, and removals totaled 6 during the same periods. In 1979, one termination of insurance order was issued. In addition, 175 criminal referrals were sent to the Department of Justice in the 1977-79 period. Approximately 88 percent of these referrals involved small shortages of funds, while 21 involved possible violations by officers and directors of insured institutions.

FEDERAL MARITIME COMMISSION

The Federal Maritime Commission regulates the foreign waterborne and domestic offshore commerce of the United States. It was established in 1961.

The Commission accepts or rejects tariff filings by common carriers engaged in foreign commerce, regulates the rates and fares of common carriers engaged in domestic trades, and investigates discriminatory rates, classifications, and practices in domestic offshore and foreign commerce. The Commission enforces statutes against the falsification of or the failure to submit required reports, and the requirements for filing of anticompetitive and other agreements among common carriers by water, terminal operators, and independent freight forwarders.

It ensures that owners and operators of passenger vessels are financially able to meet liability for the indemnification of passengers in case of injury or death, and for return of fares in the event of cancellation of voyages and cruises. It similarly ensures that owners or operators of vessels using U.S. waters are financially able to meet liability for the discharge of oil and hazardous substances. The Commission renders decisions, issues orders, and promulgates rules and regulations which govern common carriers by water, terminal operators, freight forwarders, and any other persons subject to the shipping statutes.

The Commission cooperates with the Department of Justice to prosecute both criminal and civil penalty offenses under the statutes it is responsible for enforcing. Commencing October 1975, the Commission initiated a major enforcement program using both voluntary and compulsory disclosures to eliminate illegal rebating in the foreign waterborne commerce of the United States. The Commission reactivated its Bureau of Enforcement on May 17, 1976. Prior to that date, investigative functions were administered by other components of the agency.

The Bureau presently consists of 71 employees in Washington and in six field offices in major port areas. As of June 15, 1979, the Bureau was investigating 648 cases, with 164 of these involving the possible payment or receipt of rebates prohibited by the Shipping Act, 1916.

Since October 1, 1977, the Commission, utilizing the authority granted to it by Congress in 1972 to compromise civil penalties, has entered into 74 settlements calling for the payment of approximately \$8.3 million in penalties. In

seven cases which were referred to the Department of Justice because compromise was considered inappropriate or because criminal provisions were involved, the courts have levied, since October 1, 1977, a total of \$255,000 in penalties against violators of the Shipping Act.

On June 19, 1979, the Commission was given additional enforcement authority by Public Law 96-25. The Commission now has the power to assess civil penalties in a formal proceeding for any violation of the Shipping Act which occurred within five years prior to the commencement of the proceeding. This power applies to all civil penalties set forth in the Shipping Act, including but not limited to those applicable to rebating. Public Law 96-25 also substantially increased the penalties for rebating, and created new authority for the Commission to suspend a carrier's tariffs for failure to comply with subpoenas or discovery orders in a rebate investigation.

Other areas of Commission enforcement activity include daily cooperation with the United States Customs Service and the United States Coast Guard to assure the existence of valid "Certificates of Financial Responsibility (Water Pollution)" on vessels operating in and/or wishing to enter or depart United States waters. A similar program is maintained in cooperation with the Panama Canal Company concerning vessels wishing to go through the canal. The certificates provide evidence that vessel operators are financially able to meet liability for certain economic loss and cleanup costs created by spills of pollutants from vessels.

As of June 15, 1979, approximately 24,000 vessels maintained valid certificates under the Federal Water Pollution Control Act, the Trans-Alaska Pipeline Authorization Act and the Outer Continental Shelf Lands Act programs. Under these programs, 48 vessels have been either detained in U.S. ports or denied entry into U.S. waters during the period from October 1, 1977 to June 15, 1979 for failure to maintain valid certificates.

Similar to the pollution certification programs, passenger vessels are required to carry Performance and Casualty Certificates under Public Law 89-777 to ensure their financial responsibility for death or injury, and nonperformance of service. As of June 15, 1979, 196 such certificates were outstanding. The United States Customs Service provides field enforcement similar to its function under the water pollution certification program. Detainments very rarely are necessary under this program.

FEDERAL RESERVE SYSTEM

One of the purposes underlying the establishment of the Federal Reserve System by Congress in 1913 was to establish a more efficient supervision of banking in the United States. To that end, the Federal Reserve System is one of several governmental bodies that have been given responsibilities for regulating the structure and operations of the United States banking system and certain related activities.

The Board of Governors of the Federal Reserve System places primary responsibility for the enforcement of Federal criminal laws with its Division of Banking Supervision and Regulation, its Division of Consumer Affairs, and Legal Division. The 12 regional Federal Reserve Banks, pursuant to authority delegated by the Board of Governors, conduct regular field examinations of the 1,015 State-chartered commercial banks that are members of the system.

The Federal Reserve System, acting pursuant to its supervisory responsibilities under Federal law, reports possible violations of Federal criminal statutes to the Department of Justice. Alleged violations involving less than \$50,000 are referred directly to the appropriate United States Attorney. Alleged violations involving more than \$50,000 and any alleged violation involving political contributions by financial institutions, regardless of amount, are referred both to the United States Attorney and to the Justice Department.

Criminal referrals from the Federal Reserve System to the Department of Justice involving, among other things, the disappearance of cash, checks, or securities, the misapplication or theft of funds, or willful violations of the Bank Holding Company Act totaled 592 in calendar year 1977. In calendar year 1978, the Board made 69 criminal referrals involving amounts over \$10,000.

The Federal Reserve System also enforces the provisions of the Bank Protection Act of 1968 and Regulation P requiring the installation, maintenance, and operation of bank security devices and procedures.

Examination Process

The Federal Reserve System either conducts examinations of State member banks jointly with State banking authorities or makes alternate independent examinations with the State authorities. The System furnishes reports of its examinations

to the appropriate Federal and State banking agencies. The bank examination is designed to insure the safety and soundness of the institution and to monitor the bank's compliance with applicable laws and regulations.

The Federal Reserve System also conducts special examinations of State member banks by specially trained examiners to determine bank compliance with the Trust in Lending Act and other Federal consumer credit laws and to determine the community lending record of banks. The Board's Regulation AA provides for expedited processing of consumer complaints concerning unfair, deceptive or unlawful practices by State member banks.

The System enforces the provisions of the Bank Holding Company Act of 1956 with respect to the 2,222 registered bank holding companies by inspections, and by evaluation of reports, applications, and other information submitted by bank holding companies.

Removal Powers

Under the Financial Institutions Supervisory Act of 1966 the Board of Governors may remove from office an officer or director of a State member bank for certain irregularities.

Cease-and-Desist Authority

Under the Financial Institutions Supervisory Act of 1966 the Board of Governors issues cease-and-desist orders against State member banks, bank holding companies and their directors, officers, employees, agents or other persons participating in the conduct of the bank's or bank holding company's affairs, in order to curtail unsafe or unsound banking practices, violations of statutes or orders, or to enforce the regulations of the Board. As required by the Act, the issuance of each order is coordinated with the appropriate State banking authority prior to initiation of enforcement proceedings. The Board initiated 25 enforcement proceedings in 1978 and 12 in 1977.

Civil Money Penalties

The Board of Governors also may assess civil money penalties pursuant to several regulations.

FEDERAL TRADE COMMISSION

The basic objective of the Federal Trade Commission is the maintenance of strongly competitive enterprise as the keystone of the American economic system. The public policy underlying all of its duties is essentially the same--to keep the free enterprise system unfettered by monopoly or restraints of trade, and to protect consumers from unfair or deceptive trade practices.

This basic purpose is expressed in the Federal Trade Commission Act and the Clayton Act, both enacted in 1914. The FTC Act prohibits the use in commerce of "unfair methods of competition" and "unfair or deceptive acts or practices." The Clayton Act outlaws specific practices recognized as monopolistic. The Commission as an administrative agency acting quasi-judicially and quasi-legislatively, deals with trade practices on a continuing and corrective basis. Its function is to prevent, through cease-and-desist orders and by other means, those practices condemned by law or trade regulations promulgated by the Commission. The Commission is not authorized to impose criminal sanctions but may secure court ordered civil penalties up to \$10,000 for each violation of a Commission order. When its investigations disclose criminal activities, this information is furnished to the Department of Justice.

The Commission's principal functions are:

- To promote free competition in interstate commerce through prevention of general trade restraints such as price-fixing agreements, boycotts, illegal combination of competitors, and other unfair methods of competition.
- To prevent the dissemination of false or deceptive marketing of consumer products in general, and food, drugs, cosmetics, and devices in particular, as well as other unfair or deceptive practices.
- To prevent discrimination in price, exclusive-dealing and tying arrangements, corporate mergers, acquisitions or joint ventures which may substantially lessen competition or tend toward a monopoly, anticompetitive interlocking directorates, the payment or receipt of illegal brokerage, and discrimination among competing customers in the furnishing of, or payment for services or facilities used to promote the resale of a product.
- To ensure truthful labeling of textile and fur products.

- To regulate packaging and labeling of consumer products covered by the Fair Packaging and Labeling Act to prevent consumer deception and to facilitate value comparisons.

- To supervise the registration and operation of associations engaged in export trade to prevent domestic anticompetitive effects.

- To petition for the cancellation of registered trademarks used contrary to the Trademark Act of 1946.

- To achieve true credit cost disclosure by creditors pursuant to the Truth in Lending Act.

- To protect consumers against circulation of inaccurate or obsolete credit reports, and to ensure that consumer reporting agencies operate fairly and equitably as required by the Fair Credit Reporting Act.

- To make available to Congress, the President, and the public, economic and business conditions data.

The Commission enforces its statutes by a variety of methods including: securing compliance through the rendering of staff advice and Commission advisory opinions; trade regulation and other rulemaking proceedings; and the entry of orders, either by consent or after administrative adjudication, requiring persons to cease-and-desist from specified acts or practices.

Increasingly, the Commission has focused its law enforcement efforts on those areas of the economy such as health care, food, and other necessary expenditures which are not discretionary, and where inflation hits the consumer the hardest. The following Commission activities are illustrative:

Health Care - Programs to remove restrictions on price advertising of eyeglasses, prescription drugs, and medical and dental services; investigation of physician control of Blue Shield plans which may increase medical fees; and regulations requiring full disclosure of hearing-aid information to consumers. A recent order prohibiting price maintenance agreements by hearing-aid manufacturers is saving consumers some \$15 million a year.

Food - Litigation alleging monopoly against major breakfast cereal manufacturers; and litigation to end exclusive territorial arrangements in soft drink marketing and to promote price competition.

Housing and Construction - Orders barring anticompetitive pricing in the plywood industry, and reimbursing consumers who

were overcharged for land; investigation of pricing systems in the cement industry, competition in real estate brokerage, and in the insulation industry; and rulemaking dealing with the "R" value (efficacy) of insulation to allow comparison shopping.

Transportation - Divestiture orders against anticompetitive acquisitions in the truck component industry; investigation of the structure, conduct, performance and competitive conditions of the auto industry; support for administrative and legislative efforts to deregulate trucking, and support for lower "no frills" airline fares; and rulemaking hearings to determine the need for disclosure of the condition of used cars to protect consumers.

Energy - Litigation against eight major oil companies alleging monopoly control of refining and the fixing of artificial prices; regulations requiring the disclosure of octane rating for gasoline to allow consumers to purchase the most economical grades; rulemaking hearings on requiring the disclosure of the energy costs of operating major appliances; and the investigation of the accuracy of reporting reserves by members of the gas industry.

Insurance - Investigation and report on the need to require cost disclosure of the life insurance policies to allow cost comparisons, and support of Federal and State legislation to require cost disclosure.

Clothing - Orders barring retail price maintenance of jeans, shoes, raincoats and other apparel. Investigation of resale price maintenance in the women's and children's apparel industries.

The Commission's traditional cease-and-desist order remedy has been augmented in recent years by new legislation authorizing a broad range of civil remedies such as injunctions, fines for knowing violation of orders and rules, and such consumer redress as rescission or reformation of contracts, refund of money or return of property, and the payment of damages.

GENERAL SERVICES ADMINISTRATION

Purpose and Responsibility

The General Services Administration (GSA) was established in 1949 as part of the Executive Branch to manage the Federal Government's property and records. The largest service within the Agency is the Public Buildings Service (PBS) with approximately 25,000 employees. PBS is responsible for the design, construction, leasing, operation, maintenance, and protection of most of the Federal buildings located in the 50 States, Guam, the Pacific Trust Territories, Puerto Rico and the Virgin Islands. Overall PBS has responsibility for about 230 million square feet of space in approximately 10,000 buildings.

The Office of Federal Protective Service Management (OFPSM) is an integral part of the PBS organization. OFPSM establishes national policies for the protection of persons and property under GSA's charge and control. The responsibility for implementing these policies and performing all field operations is assumed by 11 Federal Protective Service Regional Divisions throughout the country. The Federal Protective Service currently employs approximately 3,400 Federal Protective Officers (FPO's) and field supervisors. Additional protective services are secured through the use of 2,800 contract guards.

Self-Protection Plans for GSA-Controlled Buildings

The Federal Protective Service (FPS) has taken steps to reduce the disruption of persons and daily activities within Government facilities due to demonstrations and unexpected emergencies. Specific guidelines were developed to provide the Federal protective officer with precautionary measures when dealing with suspicious objects and explosives discovered in Federal buildings. Also the Facility Self-Protection Program was designed as a self-help program for the occupants of tenant agencies. This program assists agencies in protecting their facilities by first designating officials within an agency as program coordinators, and then by prescribing specific activities that prepare for and deal with actual emergency situations.

Mobile Response Capability

In the past FPO's were primarily assigned to fixed posts within a particular facility. Recognizing that sole reliance on this method of protection resulted in an ineffective use of manpower resources, the Mobile Patrol Concept was adopted in 1974. Coupled with the total transition to portable radio equipment and automated communications centers, FPS units could

now be dispatched to any incident requiring their assistance immediately after the calls were received. As a direct result of these occurrences, individual FPS units are better able to provide security and protection services to a greater number of Federal buildings, employees, and the visiting public.

Crime Prevention and Resource Allocation

Insuring that FPS employs effective manpower allocation strategies to prevent and deter criminal activity is a major operational goal. However, the FPS operation presents a unique mixture of private security and law enforcement services. FPS authority also is limited only to those buildings and grounds under the charge and control of GSA. To accommodate these operating conditions and still be able to provide an effective system of allocating resources, FPS has initiated a comprehensive crime and management information system. Particulars of the system include a new standardized offense reporting system which requires each FPO to collect more detailed and relevant data on criminal incidents, suspects, and modus operandi during the preliminary investigation. Data received from these reports will be utilized as baseline data for crime analysis, tactical deployment, directed patrol, and crime prevention activities. A fully automated resource allocation model will also determine standard protection requirements for each GSA facility by total man-hours, the type of security system, and the most applicable patrol strategy.

Utilization of Intrusion Detection Systems

An integral part of the FPS total protection program are the 11 regional control centers. These centers perform a dual function as a contact point for radio communications with patrol units and as a receiving station for Intrusion Detection Systems installed in various Federal facilities. Utilization of sophisticated automated systems enables the monitoring of numerous buildings in different States from one regional control center.

FPS security systems specialists are currently designing and installing security systems in the new John F. Kennedy and Gerald Ford libraries.

Training

In May 1977, FPS became a participating member of the Federal Law Enforcement Training Center (FLETC) located in Glynco, Georgia. FLETC trains over 95 percent of all Federal law enforcement officers in either its police or investigations schools. The basic course requires eight full weeks of instruction including both academic and practical exercises. To provide specialized instructions to its personnel, FPS instituted a

Command Officers' Training Course at FLETC in June 1978 for all its line supervisors and command personnel above the rank of sergeant. Field corporals and sergeants will receive similar instructions through the FPS Field Training Program.

Inspections

The Federal Protection Service conducts both a staff and a line inspection program to assess its operating efficiency and productivity as well as to determine internal compliance with established rules and regulations. During fiscal year 1978, over 850 inspections were conducted by regional and Central Office inspections personnel.

Special Operations

To provide an available pool of trained officers to meet regional and national emergencies, FPS has initiated the concept of Special Operations Response Teams (SORT). Each regional FPS director can assemble on short notice one of these teams. Each SORT team consists of FPO's who have received special training at FLETC in crowd control, the handling of sensitive trials, and emergency and disaster relief. Inter-region deployment is coordinated through the FPS Central Office.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare's Office of Investigations (OI) in the Office of the Inspector General is the focal point for the investigation of all suspected wrongdoing with respect to any HEW program. The OI budget for fiscal year 1978 was \$3.7 million and for fiscal year 1979 was \$7.1 million; OI staff in fiscal year 1979 was authorized at 234.

In January 1978, OI had a total work force of 87 personnel in its 10 regional offices and the Washington field office. By January 1979, the staff had expanded to 136, and the number of resident field locations had grown to 297. Indictments increased from 46 in 1978 to 109 in 1979. Convictions in 1979 increased by 34 over the previous year's total of 59.

Office of Education

The Division of Compliance investigates potential fraud and abuse by institutions and students participating in the seven aid programs administered by the Office of Education. The Division generally develops facts to support civil and administrative sanctions against institutions and students who abuse student financial aid programs, although it does conduct some criminal investigations.

Health Care Financing Administration

The Health Care Financing Administration's Office of Validation identifies potential fraud and abuse in the Medicare and Medicaid programs and determines the degree to which program provisions are properly applied. It provides a great deal of technical assistance to the States on Medicaid.

Social Security Administration

A reorganization of the Social Security Administration (SSA) in early 1979 created the Office of Assessment. This organization has national responsibility for investigating and referring to U.S. Attorneys cases involving applicants and recipients for the Retirement, Survivors, and Disability Insurance program and the Supplemental Security Income program. Investigation of fraud involving the last SSA program, Aid to Families with Dependent Children (AFDC) is the responsibility of the States. SSA provides training and technical assistance to State AFDC investigative agencies.

State Fraud Control Units

The Office of the Inspector General is responsible for overseeing and assisting the States in their efforts to establish and maintain Medicaid Fraud Control Units. These are State investigative bodies composed of investigators, lawyers and accountants. A special incentive of 90 percent Federal funding for up to three years is available to any State that creates such a unit.

Once a State unit is certified, the Office of the Inspector General monitors its activities and provides technical assistance. To date 25 Medicaid Fraud Control Units are certified. Some 800 professionals are working in these units.

Other HEW Components

Various offices throughout the Department provide funds and other resources (e.g., technical assistance and training) for broad purposes related to law enforcement activities. These include:

The HEW Audit Agency in the Office of the Inspector General, which assures that the Department's programs are conducted with maximum efficiency and integrity by its own employees and the 50,000 entities which execute departmental programs. The Audit Agency refers cases of suspected fraud or other criminal acts to the Office of Investigations.

The Office of Civil Rights, which is responsible for civil rights compliance in a variety of Federal and federally assisted programs. These compliance activities encompass reviews of institutions, contractors and construction projects which receive Federal funds.

The Food and Drug Administration is a scientific and regulatory agency. It serves as the Federal government's primary consumer protection agency, with the responsibility for assuring that Americans get safe, sanitary and properly labeled foods, drugs, cosmetics and medical devices. FDA inspects plants where such products are made, and extensively tests new drugs, food additives and certain medical devices for safety and effectiveness before they can be marketed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Department of Housing and Urban Development (HUD) administers the principal Federal programs and policies designed to make decent, safe, and sanitary homes in suitable environments available to all citizens and to assist in the orderly growth of the Nation's communities and urban areas.

HUD programs and activities involving criminal justice and crime prevention include the supporting of crime prevention programs in public housing; the financing of public safety and security efforts of localities in connection with housing and community development programs; the protection of consumers against fraudulent actions by land developers; the enforcement of fair housing laws; and the investigation of indicated or alleged violations of Federal criminal or civil statutes or HUD regulations by HUD employees or program participants. Prior to April 1, 1979, HUD also administered the Federal Riot Reinsurance Program and the Federal Crime Insurance Program.

Office of Inspector General Activities

The Office of Inspector General is responsible for HUD's audit, investigation, fraud control and designated security programs.

Since 1972, HUD, through its Office of Inspector General, has participated in the Target Cities Program with other Federal agencies to eliminate fraud and corruption in various HUD programs and prevent future violations. To date, more than 860 indictments have been returned against more than 1,180 defendants in 30 cities, with over 893 convictions.

Operational surveys of selected HUD field offices and programs in fiscal year 1978 and 1979 resulted in the initiation of about 220 investigation cases. Since the inception of the program in 1972 through September 30, 1979, 68 reports have been issued and over 1,400 investigations opened.

On-going investigatory efforts during fiscal years 1978 and 1979 led to 4,300 investigation cases being opened, 1,900 cases referred for prosecutive consideration, 333 persons or firms indicted, and 224 persons or firms convicted.

Additionally, the Office of Inspector General established in 1979 a new office to address fraud, waste, and mismanagement in HUD called the Office of Fraud Control and Management Operations.

Committee on Fraud, Waste and Mismanagement

Effective November 2, 1978, the Secretary of HUD established a Committee on Fraud, Waste and Mismanagement to coordinate HUD's efforts to minimize the opportunities for the occurrence of fraud, waste and mismanagement in its programs and advise the Secretary on related policy matters. The committee consists of representatives from all principal offices in HUD, including regional and area offices.

Employee Hotline

An employee hotline was established in HUD effective February 1, 1979. It is available to all HUD employees to report fraud, waste, or mismanagement in HUD. HUD, through its Office of Inspector General, also follows up on all HUD-related calls referred by the General Accounting Office as a result of its hotline.

Urban Initiatives Anti-Crime Program

The Urban Initiatives Anti-Crime Demonstration, announced May 10, 1979, provides for a comprehensive strategy on crime prevention in a limited number of public housing projects.

This \$41 million demonstration is administered by HUD in partnership with the Department of Labor, the Law Enforcement Assistance Administration (LEAA) and nine other Federal agencies, with HUD contributing over \$22 million. Funds are awarded to Public Housing Agencies with serious crime and vandalism problems that can be reduced through a comprehensive anti-crime program.

Other Housing Security Initiatives

HUD provides several other forms of financial assistance and protective measures for security in housing. These include:

- Repair and refurbishing plans for HUD-acquired multi-family projects tailored to provide the best security features.

- Consideration of the physical security of tenants in processing applications for housing projects and in establishing minimum standards for property and facilities.

- Financial relief for insured housing projects to improve security features when the lack of such features makes the units difficult to rent or contribute to its financial instability.

Security Research Program

In cooperation with the LEAA, HUD, through its residential security research program, seeks to produce for use by communities practical strategies, tools and technical information which contribute to both short and long-term solutions to reduce crime and the fear of crime in housing developments and surrounding neighborhoods. HUD's research program has produced design guidelines for improving residential security and creating defensible space; technical memoranda on safety and security; profiles of victimization for several public housing projects; and films and other technical assistance aids on hardware and for family and elderly housing security.

In fiscal years 1978 and 1979, HUD developed a series of guidebooks for local public housing officials to assist them in conducting assessments of the scope and severity of the crime problem at housing projects and in developing comprehensive anti-crime plans to address such problems. HUD also prepared two guidebooks for local communities interested in addressing the problem of the criminal victimization of the elderly.

Participation Controls and Compliance

HUD policy requires that grants and contracts be made only to those contractors and grantees which can demonstrate that Federal funds will be used properly.

To obtain compliance, HUD's Office of Inspector General refers applicable audit and investigation cases to program officers for review and administrative action. Ninety-five percent of the serious compliance cases involve participants in HUD's housing programs. Serious offenders are excluded from further participation in HUD programs for up to five years. In fiscal years 1978 and 1979, the Department debarred 616 and suspended 519 individuals/firms from participating in HUD programs. In addition, 111 debarments and 19 suspensions were issued against participants in the Title I program for the same period.

Mortgagee Review Board

In order to strengthen the Department's monitoring and control of mortgagee performance, to ensure better responses to consumer complaints, and to act on poor or improper performance by mortgagees, HUD established the Mortgagee Review Board in 1975. The Board has the authority to take a range of sanctions up to and including the withdrawal of the HUD-approved status of mortgagees.

In fiscal years 1978 and 1979, HUD's Office of Inspector General referred 24 mortgage companies to the Mortgagee Review Board for appropriate action.

Fair Housing and Equal Opportunity

HUD's Fair Housing Program was established under the Civil Rights Act of 1968. Under the Fair Housing Law, the Secretary of HUD has the authority to investigate complaints of discrimination in housing on the basis of race, color, religion, sex, or national origin. The law further permits the Secretary to attempt resolution of complaints through conciliation.

During fiscal years 1978 and 1979, HUD allocated \$28.6 million for the administration of Fair Housing and Equal Opportunity programs and provided staff support for 461 and 493, respectively. Since October 1, 1977, the Department has processed about 6,000 housing discrimination complaints. In fiscal years 1978 and 1979, an estimated 100 complaints were referred to the Department of Justice.

Community Planning and Development Funds

HUD community planning and development funds are awarded to cities, counties and States as grants and are used for a wide variety of activities, including law enforcement and criminal justice assistance. It is estimated that nationwide in fiscal year 1978, metropolitan cities used \$11.2 million in community development block grant funds for police services and \$15 million for modernization of public housing, including security activities.

Crime Prevention in Urban Neighborhoods

HUD's Office of Neighborhoods, Voluntary Associations and Consumer Protection (NVACP), distributes information on potential anti-crime resources and project models to local neighborhood groups. Under this program, HUD has assisted LEAA in developing and implementing the Community Anti-Crime Program and provided funding for technical assistance and training for tenants participating in HUD's Urban Initiatives Anti-Crime Program.

Protection of Land Purchasers

The Interstate Land Sales Full Disclosure Act, administered by NVACP through its Office of Interstate Land Sales Registration (OILSR), assures to land purchasers full disclo-

sure of all facts pertaining to a proposed land sales transaction before they obligate themselves to purchase. Land developers are required to register offerings with HUD and give purchasers a Property Report. More than 8,000 subdivisions have been registered with OILSR.

Since October 1977, 19 civil injunctive cases have been initiated by OILSR. Nine injunctions have been obtained as well as six indictments, four of which resulted in convictions. Further, 15 subpoena enforcement cases have been filed. Between October 1, 1977 and June 15, 1979, OILSR issued 275 subpoenas, 96 notices of proceedings and 48 suspension orders.

DEPARTMENT OF THE INTERIOR

The law enforcement functions of the Department of the Interior are vested in the Bureau of Land Management; the Bureau of Reclamation; the Office of Territorial Affairs; the U.S. Fish and Wildlife Service; the Bureau of Indian Affairs; and the National Park Service.

Bureau of Land Management

The Bureau of Land Management is responsible for approximately 457 million acres of federally-owned lands (as of September, 1978). Its mandate is to protect the public lands and their natural resources from destruction and misuse.

The Bureau's program consists of investigations conducted by special agents, patrol duties conducted by uniformed rangers, cooperative agreements with local law enforcement agencies to handle violations of State law on public lands, and cooperative agreements with other Federal law enforcement agencies for mutual assistance. The Bureau of Land Management is an organization that is field oriented and managerial responsibility for the law enforcement program has been delegated to the State directors.

Bureau of Reclamation

The Bureau of Reclamation has law enforcement authority only at Hoover Dam, on the Colorado River near Boulder City, Nevada. Federal police at this facility control vehicular and pedestrian traffic in the area, and provide protection for the dam and associated facilities by prevention of violence and acts of vandalism. At all other locations, the Bureau of Reclamation relies upon State and local authorities for law enforcement and protection of facilities.

U.S. Fish and Wildlife Service

The law enforcement mission of the U.S. Fish and Wildlife Service is to protect domestic and international wildlife. The Division of Law Enforcement is the Service's organizational unit principally concerned with such efforts.

Enforcement emphasis centers upon commercial or large-scale operations having great impact on wildlife resources, violations which cannot be effectively controlled by State

and local enforcement agencies, and inspection and clearance of wildlife importations and exportations. These operations are administered through 13 District Offices.

The FWS refuge management program has about 700 employees who are engaged in law enforcement work for 10 to 20 percent of their time. During the last three years, training has been provided through the Federal Law Enforcement Training Center in Glynco, Georgia, for over 500 of these employees. This training will be continued until all law enforcement personnel have received training. New recruits are now being given long-term law enforcement training provided for Federal Land Management Agencies at Glynco.

Bureau of Indian Affairs

Officials of the Bureau of Indian Affairs work cooperatively with tribal authorities to enforce law on Indian reservations. This complex operation is strictly reservation oriented. BIA officers provide technical assistance and training for tribal police but exercise no legal authority over them. Historically, BIA criminal justice activities have reflected top-heavy involvement in the area of enforcement. The recent past, however, has seen marked improvement in the areas of prevention, rehabilitation and judicial programs.

Under the Indian Self-Determination and Education Assistance Act, the Bureau of Indian Affairs is contracting with some tribes for law enforcement on the reservations. The contracting tribes are required to meet the standards set forth in the departmental and BIA manuals.

In 1977, the Bureau developed an Inspection/Evaluation Unit whose functions are to inspect tribal and Bureau programs to insure compliance with existing rules and regulations and with accepted law enforcement standards and procedures. Technical assistance and training is provided by the Bureau of Indian Affairs. The program has not been in operation long enough to make a valid assessment of its efficacy.

National Park Service

The Service has protection responsibilities in the approximately 320 park areas which comprise the National Park System. The enforcement of laws and regulations and crime prevention activities are performed by designated park rangers and by members of the United States Park Police.

The typical park ranger is a generalist and law enforcement

is but one of his duties. The ranger also is responsible for duties relating to search and rescue, fire prevention, water related activities and other duties pertaining to park management.

The U.S. Park Police are responsible for providing law enforcement services in the urban park areas of Washington, D.C., at Gateway National Recreation Area in New York City, and at Golden Gate National Recreation Area in San Francisco. Criminal investigators are sometimes detailed from the force to field areas to assist park rangers. The U.S. Park Police Special Operations Force is responsible for policing special events in parks of the National Capital Region and responds as needed to other park areas of the National Park System to cope with law enforcement emergencies.

Office of Territorial Affairs

Law enforcement activities in the Trust Territory of the Pacific Islands and in American Samoa are administered by the chief executives of those territories. Each territory has an attorney general appointed by the chief executive. In the Trust Territory, the attorney general administers the police force. In American Samoa, the commissioner of public safety administers the police force.

Judges of the High Court of both territories are appointed by the Secretary of the Interior but receive funding and administrative support from their respective governments. The Secretary is administratively responsible for civil government of both territories. Neither territory nor subordinate entities thereof are legally considered Federal agencies. Both are treated as States for purposes of Federal programs.

INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission combats disruptive influences within the Nation's interstate surface transportation system.

The Commission is charged with the responsibility of enforcing laws relating to the regulation of rail, motor carrier, water carrier, and freight forwarder operations. The scope of the Commission's jurisdiction includes not only general freight and cargo, but also transportation of passengers and household goods. A number of enforcement remedies are available, including administrative sanctions, civil injunctive actions, civil forfeitures, and criminal referrals to the Department of Justice.

The Bureau of Investigations and Enforcement, consisting of 81 investigators and 42 attorneys, is the prosecutorial arm of the Commission. It is comprised of a headquarters unit and six regional offices. The headquarters unit formulates policy and conducts litigation on matters having national impact, crossing regional lines, or involving novel issues of law. Regional offices investigate and prosecute cases of regional importance.

Enforcement efforts are concentrated on those areas which affect consumers most directly including service deficiencies, rebating and concessionary schemes, lack of insurance, anti-competitive conduct, and those areas which constitute an attack on the integrity of the Commission.

Of particular note are the following programs:

1. Household Goods. Abuses in the household goods industry are a priority area of enforcement because of the direct impact upon the public. One well-publicized area of concern is weight bumping--the practice of adding weight to a shipment of household goods beyond its true weight. Through cooperative enforcement efforts with State authorities, including California, agents and drivers have been prosecuted for related State offenses.

2. Unlawful Entertainment Practices. In a significant decision by the United States Court of Appeals for the Sixth Circuit in January of 1978, the Court upheld a lower court ruling that a motor carrier engaged in unlawful rebating practices by providing certain traffic managers expense-paid trips to the Kentucky Derby.

This precedent-setting case set the stage for a recent prosecution against a major rail carrier and several of its affiliates charged with unlawful entertainment/rebating practices. A fine of \$1.2 million was imposed by the court.

The Commission is pursuing other cases in the entertainment area.

3. Owner-Operator Abuses. The plight of the owner-operator (independent trucker) is of great concern to the Commission. Because owner-operators are often placed in an unequal bargaining position with carriers or their agents, abuses are prevalent. On October 28, 1977, a Federal jury in Baltimore, Md., convicted a former trucking commission agent for "skimming" revenues from independent truckers. The Bureau is continuing to attack owner-operator abuses through application of the criminal law where warranted and through agency proceedings.

Recently, the emphasis on owner-operator abuses has included another issue relating to the current fuel crisis. The Commission has ordered a special fuel pass-through to owner-operators. The Bureau will take enforcement action against carriers which fail to pass through the full amount to owner-operators.

4. Service Deficiencies. Attempts to cut back on the quality of service is given immediate attention. Actions have been taken against motor bus carriers for attempting to cut back services and rail carriers for refusing to serve customers, including local grain companies.

5. Integrity of the Commission Process. Those individuals or carriers who are dishonest in their dealings with the Commission are dealt with harshly. An attorney for a carrier was convicted of felony charges and sentenced to imprisonment for fraudulently securing licenses. In another action, a major carrier was forced to relinquish several routes of authority for making false representations to the Commission.

In an effort to manage scarce enforcement resources and to evaluate field and headquarters action, the Bureau has developed a computerized case tracking system. The system, initiated in October, 1978, not only tracks major events in investigations and cases, but also permits retrieval of data by case types, nature of cases, respondents involved, relevant statutes, and status.

Regulation of surface transportation activities is undergoing change, either through Commission or congressional action. The enforcement of regulatory requirements is also undergoing change. In the future, actions with serious consumer impact, serious anticompetitive conduct, and matters affecting the integrity of the Agency's process will be emphasized.

DEPARTMENT OF JUSTICE

Introduction

The Department of Justice, which has some 54,000 employees, serves as counsel for our Nation's citizens. It provides investigative, prosecutorial, and crime-control services in the enforcement of Federal laws. It assists States and local communities in the administration of justice.

In carrying out its duties, the Department must be even-handed and fair, balancing its law enforcement efforts with the protection of individual rights.

For the last two years, the Department has concentrated its resources in the areas of white-collar crime, organized crime, public corruption, and drug trafficking. But the Department's wide-ranging responsibilities include foreign counterintelligence, immigration irregularities, tax evasion, antitrust violations, and civil rights violations, among others.

This chapter highlights some of the work of the Department in the last two years.

ANTITRUST DIVISION

Enforcement Program. The Antitrust Division of the Department of Justice is charged with promotion and maintenance of competition in the American economy primarily through the criminal and civil provisions of the Sherman and Clayton Acts. These laws generally prohibit monopolies, unreasonable restraints of trade, and anticompetitive mergers.

The Division is authorized 489 lawyers and has a fiscal 1979 budget of \$47.5 million. It is the largest legal division in the Department.

During the past several years, a substantial portion of the Division's enforcement efforts have focused on such criminal antitrust violations as price fixing, bid rigging, and customer and territorial allocation. In fiscal 1977, the Antitrust Division filed 37 criminal cases, in which 147 corporations and 88 individuals were indicted. In fiscal 1978, the Division filed 30 criminal cases in which 140 corporations and 103 individual defendants were indicted.

During the same period, the penalties imposed upon corporations and individuals for criminal violations of the Sherman Act increased substantially. In fiscal 1977, 90 corporations

were fined a total of \$2,642,000, while 87 individuals were fined a total of \$755,200. Of the 87 individuals, 24 received jail sentences totaling 1,561 days. In fiscal 1978, 126 corporations were fined a total of \$10,931,000. During that same year, 69 individuals were fined a total of \$1,093,750, and 29 individuals were sentenced to jail terms totaling 2,921 jail days.

During the past two years, the Division has initiated and tried major criminal cases in several industries and has brought a number of cases involving bid rigging against Federal or federally funded projects.

In fiscal 1979, a Federal grand jury indicted 5 corporations, 2 groups of shipping firms, and 13 individuals on charges of conspiring to fix the prices on the ocean transportation of freight between the United States and Europe. The conspiracy, which continued from at least 1971 into 1975, involved seven major container lines in United States-Europe trade. The total revenue of this trade in 1974 was approximately \$1 billion. All defendants pleaded "no contest" and were sentenced to a total of \$6 million in fines.

Also in fiscal 1979, a Federal grand jury indicted two marine construction firms and six of their executives on charges of conspiring to allocate contracts and rig bids for marine construction projects. This indictment charged the corporations and six officials with felony violation of Section 1 of the Sherman Act and also charged the six individuals with mail and wire fraud. The defendants--all of whom pleaded "no contest"--conspired to allocate among themselves certain contracts for marine construction services and to submit rigged bids for a period from at least 1960 through 1975. The services in question included installation of subsea pipelines and fabrication and installation of offshore platforms, primarily for the oil and natural gas industries. The two corporations received the maximum fine of \$1 million each.

In fiscal 1978, the Antitrust Division commenced a criminal trial against the leading manufacturers of consumer bags in the United States and officials of various companies. The Division has charged the companies and officials with conspiring to fix prices of consumer bags from at least 1950 until 1976. After a nine-week trial, the jury convicted two corporations and two individuals. Two other corporations and one individual pleaded "no contest" to the felony charges and two individuals pleaded "no contest" to misdemeanor charges. Total fines against the corporations and individuals were \$2,165,000, and two individuals were each sentenced to four months imprisonment. The case is pending on appeal.

In major civil cases, the Division is continuing its monopolization suit against International Business Machines (IBM). The Division's complaint charged the world's largest computer manufacturer with unlawful monopolization under the Sherman Act and contended that IBM had the power to control prices and to exclude competition for the manufacture and marketing of general purpose electronic digital computer systems manufactured and marketed principally for business data processing. The Government concluded its case in chief and IBM's defense has been going on for nearly one year. It is expected that the case will conclude in 1980.

The Division has been continuing discovery in its monopolization suit against American Telephone & Telegraph Co., Western Electric Co., and Bell Telephone Laboratories, which was filed in fiscal year 1975. The suit alleges a full range of violations of Section 2 of the Sherman Act--monopolization, conspiracy to monopolize and attempt to monopolize--in the telecommunications service market and in the telecommunications equipment market. The case is moving rapidly through discovery and trial is expected to begin on September 1, 1980.

The Antitrust Division was active in its participation in the National Commission for the Review of Antitrust Laws and Procedures, which was headed by John H. Shenefield, Assistant Attorney General in charge of the Antitrust Division. The Commission completed its work late in 1978 and made numerous recommendations to the President and the Attorney General concerning the management and handling of complex litigation, monopolization law, and a wide range of present antitrust immunities. As a result of the Commission's work, substantive legislation has been introduced concerning the area of complex litigation and recommending changes in various antitrust immunities.

The Division has also taken major responsibilities in the enforcement of the consumer protection statutes. The Division supervises the prosecution and defense of cases involving the client agencies that administer these acts and, in cooperation with U.S. Attorneys, prepares and tries such cases. The principal client agencies are the Food and Drug Administration, Consumer Products Safety Commission, and the Federal Trade Commission.

Legislative changes. In 1977, President Carter signed into law amendments to the Federal Aviation Act of 1958. One of the amendments brought about the deregulation of the shipping of cargo by air. This bill affected those airlines whose sole business was the transportation of cargo; however, the President indicated that he hoped that this would be the first step toward deregulating the entire airline industry. The Air Transportation Regulatory Reform Act of 1978 also has been

signed into law. The law changed the focus of Civil Aeronautics Board activities from promoting and protecting the airline industry to increasing competition and facilitating entry into the marketplace. Under this law, most Federal regulation of commercial passenger airlines industry will eventually end and the Board will be abolished by 1985. Both of these bills were strongly supported by the Antitrust Division.

The Division has endorsed legislation during 1977 to 1979 that would deregulate other industries, and Division officials have testified on behalf of railroad deregulation and have provided support for similar legislative activity in the communications and trucking industries. The Division has continued its strong support for legislation to overturn the Supreme Court's Illinois Brick decision, which limited damage actions for price fixing to direct purchasers. Legislation on this issue is pending in Congress.

The Antitrust Procedural Improvements Act of 1979 has been introduced by Senator Howard Metzenbaum, Chairman for the Subcommittee on Antitrust and Monopolies. The Division has indicated its support for this legislation, which generally incorporates the recommendations of the National Commission for the Review of Antitrust Laws and Procedures and is designed to streamline antitrust trials and pretrial activities.

Regulatory and interagency affairs. With the increased emphasis on regulatory policy and legislation, the Division has restructured some of its regulatory activities through the reorganization of various sections. The Division now has an Energy Section and a Transportation Section, as well as a Special Regulated Industries Section. Each of these is responsible for antitrust law enforcement and regulatory intervention in their assigned areas. During the past two years, the Division has engaged in a substantial amount of competition advocacy before regulatory agencies in the energy, transportation, communications, financial and other areas. In fiscal 1978, the Division issued its first Coal Report, under congressional mandate, and published a second report in fiscal 1979 under its continuing obligation to monitor the state of competition in the coal industry.

CIVIL RIGHTS DIVISION

Federal criminal statutes that prohibit specified acts of interference with federally protected rights and activities are enforced by the Civil Rights Division.

The Division also enforces laws and executive orders that prohibit discrimination in employment, education, housing, voting, credit transactions, public accommodations and facilities, and federally assisted programs.

Fiscal year 1977 activities. The Criminal Section reviewed approximately 12,000 complaints alleging criminal interference with the civil rights of citizens. Nearly 3,200 of these were investigated by the Federal Bureau of Investigation. The results of 35 investigations were presented to Federal grand juries. Twenty-five indictments were returned, and two informations were filed charging a total of 73 defendants.

Twenty-five cases were tried, resulting in 33 defendants being convicted and 17 acquitted. In addition, 12 defendants pleaded guilty or "no contest" to violations of criminal civil rights statutes.

Investigations into complaints alleging summary punishment by law enforcement officials continued to account for much of the Criminal Section's activities. Nineteen of the cases tried involved violations by police or other law enforcement officials.

A significant portion of the Criminal Section's time and resources was spent on investigating possible civil rights violations by the Federal Bureau of Investigation. One indictment was returned in the South District of New York, and a Federal grand jury was held in the District of Columbia.

Other significant cases included the conviction of six territorial prison guards and two supervisory officials on the island of Guam for brutalizing prisoners. A conviction was returned against a Castroville, Texas, town marshal, his wife, and sister-in-law in the fatal shooting of a young Mexican-American.

In enforcing the involuntary servitude and peonage statutes, the Criminal Section achieved convictions of four defendants in Florida. Seven defendants were also charged with similar violations in North Carolina.

In Mobile, Alabama, the county sheriff and eight deputies were charged with conspiracy in the alleged ambush and killing of a prisoner who they knew was going to attempt to escape from the county jail. The case was dismissed, and an appeal of the dismissal was taken.

Fiscal year 1978 activities. The Criminal Section reviewed approximately 10,000 complaints alleging criminal interference with the civil rights of citizens. Nearly 3,200 of these were investigated by the Federal Bureau of Investigation. The results of 52 investigations were presented to Federal grand juries. Thirty indictments were returned and 6 informations were filed charging a total of 66 defendants.

Twenty-five cases were tried, resulting in 28 defendants being convicted and 19 acquitted. In addition, 13 defendants pleaded guilty or "no contest" to violations of criminal civil rights statutes.

Investigations into complaints alleging summary punishment by law enforcement officials resulted in 21 cases being tried involving violations by police or other law enforcement officials.

Significant cases included the conviction of three Houston police officers for the beating and subsequent death of a young Mexican-American. A private citizen in the State of Washington was convicted of interfering with the fishing rights of the Lumi Indians. The mayor, chief of police, and a police officer of Mountain View, Georgia, were convicted of a charge of conspiracy and deprivation of rights by beating in order to coerce a confession from the victim.

On appeal, the dismissal of the indictment charging the county sheriff of Mobile, Alabama, and eight deputies with conspiracy was reversed. The defendants were alleged to have ambushed and killed a prisoner who they knew was going to attempt an escape from the county jail.

CRIMINAL DIVISION

Except for laws specifically assigned to other divisions, enforcement of all Federal criminal laws is under the supervision of the Criminal Division. Seven sections and three offices under the direction of the Assistant Attorney General, Criminal Division, enforce the Federal criminal statutes.

Participation in criminal justice assistance activities financed by the Law Enforcement Assistance Administration has been productive. Major participants of the Division in LEAA-aided programs have been Organized Crime Strike Forces of the Organized Crime and Racketeering Section.

Initiated in 1966, the Strike Force concept is a team approach, uniting representatives in Federal investigative agencies under the legal guidance of attorneys in the section and a United States Attorney.

The "undercover business" or "sting" technique developed by the New York Strike Force with LEAA assistance has been used in other major cities, including in the past year a project in Buffalo that uncovered an arson ring and a ring providing luxury cars by order.

Since 1974, the Boston Strike Force has operated under a grant that has been extended and to date has totaled \$1.6

million, for assisting joint investigations of at least 20 Federal, State, and local law enforcement agencies on 40 projects, involving investigation of gambling, extortion, loan-sharking, income tax, narcotics, and other violations. A recent project known as Operation Lobster dealt with truck cargo hijacking, in contrast to street level operations of the "sting" variety. More than \$3 million in stolen goods, including at least 17 full truck trailer loads of goods, was recovered by Operation Lobster at an overall cost of \$500,000. All 30 Federal defendants were convicted as were a similar number of State and local defendants.

Created by the Attorney General on February 8, 1979, the Office of Economic Crime Enforcement of the Criminal Division has assumed a role as white-collar crime liaison with the LEAA-financed National District Attorneys Association's Economic Crime Project, the National Association of Attorneys General, and the Advisory Committee of the United States Attorneys.

The Office of Economic Crime Enforcement will be establishing over the next two years specialized units in 30 United States Attorney offices to focus on fraud and public corruption. Under the National District Attorneys Association's project, 72 local prosecutors have established economic crime units to coordinate nationally those offenses that cross jurisdictional boundaries. The National Association of Attorneys General has a similar but less formalized arrangement with more than two-thirds of the State attorneys general.

This cooperative effort of Federal, State, and local prosecutors, through efforts beginning in early 1979, will establish mechanisms for liaison on all levels; establish criteria for provision of Federal investigative support for State or local prosecution of white-collar criminal offenses; and identify and eliminate gaps or duplication in present enforcement efforts.

An area of narcotics enforcement in which LEAA has had historical importance is the Federal-State and local task forces. LEAA helped to establish and fund the original task forces, resulting in closer cooperation among Federal, State and local authorities. Since October 1, 1978, the Drug Enforcement Administration has funded and directed the 23 task forces, financed by a \$6.1 million appropriation that formerly was part of the LEAA's budget allocated to funding the regional task forces.

Since early 1978, particular emphasis has been given by the General Litigation and Legal Advice Section toward achieving the goal of establishing in all the States Federal-State law enforcement committees. At present, such committees have

been established in 35 States and in addition State or local groups are performing the functions of such committees in 11 other States.

The principal purpose of the committees is to increase the prosecution of dual jurisdiction offenses by preventing prosecutable cases from falling into "gaps" between Federal and State enforcement. To achieve this purpose, the committees encourage Federal and State prosecutors to enter into informal agreements on case referrals and such matters. The committees also channel information on a continuing basis relating to the effectiveness of Federal and State prosecutive policies.

In its efforts to reduce motor vehicle theft, the Interagency Committee on Auto Theft Prevention, co-chaired by the Departments of Justice and Transportation, strongly supports the enactment of uniform State laws to make it more difficult to use titles from salvaged vehicles and efforts to establish effective export controls in the movement of stolen motor vehicles. Further, the Administrator of the National Highway Traffic Safety Administration is expected soon to issue a final rule to strengthen motor vehicle locking systems. The Committee in large measure was responsible for submission to Congress of the Motor Vehicle Theft Prevention Act of 1979.

On another front, efforts of the Interagency Committee were supported by the insurance industry in funding of major campaigns against auto thefts conducted in a number of States and in large metropolitan areas, including Newark-New York City, Detroit, and the States of Texas and Massachusetts.

Since its creation in 1970, the Interagency Committee on Transportation Security has been represented by the General Litigation and Legal Advice Section for the Justice Department in establishing working groups in major cities to increase crime resistance in cargo thefts.

Division attorneys worked closely with Congress and the Securities and Exchange Commission in drafting and implementing the Securities Act Amendments of 1975 (Public Law 94-29) regarding the theft and use of stolen and counterfeit marketable securities. SEC has established a single instrumentality for the Nation's financial institutions to validate securities utilized in certain transactions to determine whether they are lost, missing, stolen, or counterfeit.

Reintroduced into the 96th Congress, antiterrorism legislation, drafted by the Division to implement the Montreal Convention for Suppression of Unlawful Acts Against the Safety of Civil Aviation, would deal with disruptive acts which are inimical to the safety of world air travel. To provide an alternative to criminal prosecution for those unaggravated

instances of boarding or attempting to board an aircraft with a weapon, the Federal Aviation Agency adopted a Division-recommended sanction of a fine for such weapons violation.

One phase in the aftermath of the 1976 report of the Federal Advisory Committee on False Identification has the Division working with the Department of Health, Education, and Welfare as to whether to institute a system of matching birth and death certificates in the States.

In the area of weapons and explosives control, the Division supports the Bureau of Alcohol, Tobacco, and Firearms in the establishment of 20 strike forces in major cities to investigate the serious problem of arson for profit under the explosives statute.

OFFICE FOR IMPROVEMENTS IN THE ADMINISTRATION OF JUSTICE

The Office for Improvements in the Administration of Justice (OIAJ) was established in early 1977. Under the direction of an Assistant Attorney General, OIAJ develops ways to improve the civil and criminal justice system. Special emphasis is placed on finding solutions to Federal court problems. The Office also works with other organizations, within and outside the Department, to formulate legislation for improving the administration of justice and to implement improvement programs.

The OIAJ agenda is based on four major goals: To assure access to effective justice for all citizens; to reduce the impact of crime on citizens and the courts; to reduce impediments to justice resulting from the separation of powers and Federalism; and to increase and improve research in the administration of justice.

The following projects illustrate the Office's work during its first two years:

- Development of legislation to expand the jurisdiction of Federal magistrates.

- Development of legislation to introduce the use of arbitration in the Federal system to settle certain types of cases involving money damages only.

- Development of neighborhood justice centers for use on an experimental basis by State and local governments and of legislation to promote resolution of minor civil disputes through such centers.

--Preparation of legislation to create a new Federal intermediate appellate court through the merger of the Court of Claims and the Court of Customs and Patent Appeals.

--Coordination of Justice Department efforts in working with Congressional committees for enactment of a new Federal criminal code.

--Review of the practicality of adopting a determinate sentencing system for Federal criminal cases.

--Assessment of the effect of the Speedy Trial Act on the Federal criminal justice system.

--Coordination of the Department's efforts in support of legislation to abolish the general diversity of citizenship jurisdiction of the Federal courts.

--Development of a proposal to establish new statutory procedures for class damage actions.

--Initiation of a variety of projects through the Federal Justice Research Program.

LAND AND NATURAL RESOURCES DIVISION

Civil and criminal litigation concerning environmental pollution is conducted under the supervision of the Land and Natural Resources Division and its Pollution Control Section. Major statutes imposing civil and criminal liability falling under the Division's responsibility include: the Clean Air Act, the Clean Water Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Toxic Substances Control Act of 1976, the Resource Conservation and Recovery Act, the River and Harbor Act of 1899, and the Safe Drinking Water Act. In 1979, the Division was given responsibility for certain litigation under three energy statutes enacted in 1976: the Powerplant and Industrial Fuel Use Act, the National Energy Conservation Policy Act, and the Public Utility Regulatory Policies Act.

Significant enforcement cases during the years 1977-1979 include the following civil and criminal suits: City of Philadelphia, Bunker Hill Corporation (civil cases under the Clean Water Act); West Penn Power Company, United States Steel Corporation (civil cases under the Clean Air Act); Frezzo Brothers, Inc., and Donald Distler (criminal prosecution under the Clean Water Act); and the Tennessee Valley Authority (Clean Air Act civil case).

The Bunker Hill case resulted in a judgment awarded against a zinc smelter and a civil penalty in excess of \$115,000 for discharging industrial process wastes in excess of Federal permit limits.

The City of Philadelphia agreed to install \$650 million worth of pollution control equipment and to pay \$2.1 million into an environmental trust fund. The environmental trust fund will be used to undertake environmentally beneficial projects not required by law, including development of a sophisticated monitoring system for toxic substances. The Philadelphia consent decree represents the largest municipal enforcement settlement to date under the Clean Water Act.

The Department's action against TVA was an intervention in a citizen suit. It sought to bring all TVA coal-burning plants into compliance with standards under the Clean Air Act. The action resulted in a \$2.1 billion settlement, pending approval of the District Court in mid-1979, in which TVA agreed to reduce substantially the sulfur dioxide emissions from its Kentucky, Tennessee, and Alabama facilities. Since those facilities contribute a major percentage of all sulfur dioxide emitted into the atmosphere in the United States, implementation of the decree will have major air quality significance.

Settlement with United States Steel resolved air and water pollution enforcement actions concerning all of the company's western Pennsylvania plants. U. S. Steel agreed to achieve greater-than-required emission reductions at several of its facilities in lieu of paying \$16 million in civil penalties.

In West Penn Power, the case was settled following the government's victory on a preliminary injunction in which the government claimed that "scrubbers" to control sulfur dioxide emissions were feasible and required at West Penn's power plant. The court's adoption of the government's position was a significant victory in an issue fought vigorously by the utility industry.

The Frezzo and Distler criminal cases typified the Department's initiative in seeking to place corporate criminal responsibility on individual officers, where appropriate. Two officers of Frezzo Brothers, Inc., were convicted, along with the corporation, of willfully discharging pesticide residues into a stream in violation of the Clean Water Act. The individuals were each assessed a fine and sentenced to six months in prison. In Distler, a corporate president was convicted of willfully dumping a toxic substance into the Louisville sewer system.

In 1977, the Department entered into a Memorandum of Understanding with the Environmental Protection Agency, assuring participation by Agency attorneys in litigation conducted by the Department, while reaffirming the Department's authority over the conducting of environmental litigation. A review of two years of operation under the memorandum has

concluded that it has produced an effective functional relationship between the Department and its client agency.

Finally, the Land and Natural Resources Division moved decisively in late 1978 to deal with dangerous, hazardous, and toxic waste dumps. A task force was formed to take the lead in developing litigation to assess responsibility for removing waste that is presenting an imminent hazard to public health.

OFFICE OF LEGISLATIVE AFFAIRS

The Office of Legislative Affairs (OLA) serves two primary functions: First, it assists in formulating and coordinating Justice Department legislative policy among the various offices, boards, and divisions; second, it maintains Department liaison with Congress and other government departments and agencies.

Under the direction of an Assistant Attorney General, OLA develops and manages the Department's legislative program and supervises preparation of reports and testimony to implement it. The Office also reports on legislation submitted to Congress from outside the Department.

In addition, the Office arranges witnesses for congressional hearings and prepares or coordinates testimony. It prepares or supervises preparation of reports on the legal sufficiency of various legislative proposals presented to the President.

OLA is the Department's focal point for all congressional contacts, both on general legislation and on matters of interest to individual House or Senate members, and ensures timely, appropriate responses. It deals with its counterpart offices in other departments and agencies, with the Office of Management and Budget, and with the White House domestic policy staff.

Legislative Program. The important legislation enacted by the 95th Congress concerning Federal law enforcement and criminal justice assistance activities included:

1. The Foreign Intelligence Surveillance Act (P.L. 95-511), which provides a system for obtaining judicial warrants for most electronic surveillance within the United States for foreign intelligence purposes. Evidence of criminal activity is required before a warrant can be issued for surveillance of a U. S. citizen.

2. The Ethics in Government Act of 1978 (P.L. 95-521), which provides financial disclosure requirements for Executive, Legislative, and Judicial branch officials; provides post-employment restrictions for Federal employees, and provides mechanism for appointment of a special prosecutor in appropriate cases.

3. The Juvenile Justice Amendments of 1977 (P.L. 95-115), which extended and provided authorization for the program for fiscal years 1978, 1979, and 1980, and substantially strengthened operation of the basic Act.

4. Prisoner transfer legislation (P.L. 95-144), which is implementing legislation for treaties concerning the transfer of criminal offenders with foreign countries.

5. The Psychotropic Substances Act of 1978 (P.L. 95-633), which permits the United States to meet its obligations under the provisions of the Convention on Psychotropic Substances; provides for forfeiture of proceeds of illegal drug transactions; and includes provisions for the control of PCP (phencyclidine).

6. Cigarette bootlegging (P.L. 95-575), which makes interstate transfer of large quantities of untaxed cigarettes a Federal offense.

7. Amendments to the Federal Rules of Criminal Procedure (P.L. 95-78), which included revision of Rule 6(e) concerning disclosure of grand jury information.

8. Care and subsistence of prisoners (included in P.L. 95-624), which clarifies the responsibility for custody and safekeeping of prisoners between the Bureau of Prisons and the Marshals Service.

9. P.L. 95-537, which transferred from the Bureau of Prisons to the Administrative Office of the U.S. Courts the authority to provide services for certain drug dependent Federal offenders.

10. False Claims Act Amendment and confiscation of vehicles used to smuggle aliens (P.L. 95-582).

The legislative program for the 96th Congress includes:

1. The Magistrates Act, which expands the jurisdiction of U.S. magistrates in criminal cases.

2. Drug trafficking control legislation, which would fill a gap in the Comprehensive Drug Abuse Prevention and Control Act that has prevented successful prosecution in some instances when ships carrying illicit drugs were intercepted outside U.S. territorial waters.

3. The Criminal Code Reform Act, which would substantially revise and recodify Federal criminal law.

4. The Law Enforcement Assistance Administration re-authorization and reorganization bill, which would authorize a substantially changed Federal criminal justice assistance program.

5. Stanford Daily bill, which would revise the rules on government access to material of the news media.

6. Juvenile Justice Reauthorization, which would authorize the program beyond fiscal year 1980 and further strengthen it.

7. Speedy Trial Act amendments, which would facilitate transition to a fully operable Speedy Trial Act for Federal criminal cases.

8. "Graymail" legislation, which would provide appropriate procedures and safeguards for Federal criminal cases that involve national security information.

OFFICE OF PROFESSIONAL RESPONSIBILITY

The Office of Professional Responsibility (OPR), established December 17, 1975, in the Department of Justice, oversees investigations of allegations of illegal or professional misconduct by departmental employees. The head of this Office is the Counsel on Professional Responsibility, who serves as a special reviewing officer and advisor to the Attorney General and the Deputy Attorney General.

The Counsel and his staff receive and review information or allegations concerning conduct by a Justice Department employee that may violate the law, Department orders or regulations, or applicable standards of conduct. The Office also supervises all investigations involving mismanagement, gross waste of government funds and abuse of authority.

The Counsel is authorized to make a preliminary inquiry into such allegations. Those cases in which there appears to be a violation of the law are referred to the agency that has jurisdiction to investigate such violations. Other matters are referred to the head of the agency to which the employee is assigned or to the agency's internal inspection unit.

The Counsel on Professional Responsibility makes recommendations to the Attorney General and Deputy Attorney General on what further specific action should be undertaken on any matter involving a violation of law, regulation, order, or standard, and on matters involving mismanagement, waste of funds and abuse of authority. Such action may include direct supervision of an investigation when the Attorney General or Deputy Attorney General considers it appropriate.

The heads of the Department offices, boards, divisions, and bureaus make periodic reports to the Counsel on administrative matters in which their employees have been accused of misconduct. The Counsel submits to the Attorney General an annual report reviewing and evaluating the Department's various internal inspection units. The Counsel also makes recommendations to the Attorney General on the need for changes in policies or procedures that become evident during the course of the internal inquiries reviewed or initiated by the Office.

TAX DIVISION

The United States has a voluntary self-assessment tax system, relying, in the first instance, on the full disclosure of an individual's or corporation's income. Those taxpayers who would seek to conceal income must be deterred from doing so, and the most effective deterrent is the swift, consistent, and successful prosecution of those who choose not to file or to be truthful on their tax returns. Taxpayer compliance will suffer where criminal prosecution is not consistently successful.

The Tax Division, through its Criminal Section, controls and supervises all cases involving criminal violations of the Internal Revenue Code and certain specified criminal code offenses. The Criminal Section consists of 57 attorneys, 11 in a supervisory capacity. The centralized control over criminal tax cases enables the Government to apply standards of prosecution on a national basis to ensure equal treatment in all parts of the country. This control also ensures that only those cases that have a reasonable probability of conviction will be prosecuted.

In the Criminal Section, the attorneys subject each case to an in-depth review and make a detailed written recommendation to the Assistant Attorney General on whether prosecution is warranted and on what charges. In fiscal year 1978, there were 2,130 such criminal prosecution memoranda prepared. This contrasts with 1,539 criminal prosecution memoranda written during fiscal 1977.

If the Tax Division authorizes a prosecution, the report and exhibits are generally transmitted to the appropriate U.S. Attorney. However, in certain special situations, the Tax Division will retain control over cases that are multi-jurisdictional in scope or contain issues vital to tax administration.

In fiscal 1978, the Criminal Section spent increasing amounts of its available trial attorney manpower on field assignments. At the close of fiscal 1977, the Criminal Section was directly responsible for the conduct of 34 grand jury investigations and 49 trials. At the close of 1978 this direct involvement had grown to the conduct of 52 grand

jury investigations and the same number of trials. This increased involvement has continued to rise sharply in the current year. Due primarily to manpower shortages in the U.S. Attorneys' offices, as of the close of June, 1979, the Criminal Section was responsible for 67 grand jury investigations and 104 trials. This is an unprecedented level of direct involvement by the Criminal Section.

In fiscal 1978, the Division received 2,782 new criminal tax cases. This contrasts with 2,534 cases received in the prior year and follows the trend established in the past several years. At the close of fiscal 1978, pending criminal tax cases, including those in the hands of U.S. Attorneys and in the appellate courts, numbered 3,745. This compares with the overall docket of 3,337 cases pending at the close of fiscal 1977 and 2,927 pending at the close of 1976.

In fiscal 1978, convictions were obtained by way of either plea or trial in 94.8 percent of all cases prosecuted. Preliminary figures for fiscal 1979 indicate that this success rate will be substantially maintained.

In summary, the workload of the Tax Division has substantially increased in fiscal 1976, fiscal 1977, and fiscal 1978. The Internal Revenue Service is referring many more cases to the Division than it has in the past, and U.S. Attorneys and Strike Forces have been increasingly asking the Division for help in investigations, pretrial preparation, and trials.

DRUG ENFORCEMENT ADMINISTRATION

The Drug Enforcement Administration was established July 1, 1973, and is charged with enforcement of Federal narcotics and dangerous drug laws.

Domestic Enforcement Efforts

In cooperation with the U.S. attorneys offices, DEA uses conspiracy statutes to investigate and prosecute drug traffickers. DEA enforcement activities are carried out by 1,610 agents in 5 regional offices and 116 district offices in the United States. These domestic enforcement efforts are supplemented by special enforcement programs.

Central Tactical Units (CENTAC). Through these units staffed by special agents, DEA has indicted 868 persons, of whom 491 were identified as Class I and II (major) violators.

State and local task force program. DEA operates 22 task forces in 15 States funded by DEA directly. In these task

forces State and local police officers and DEA agents operate as a single unit to maintain maximum enforcement pressure on drug violators.

Operation Janus. This joint United States-Mexico operation involves extraterritorial criminal jurisdiction. Through April, 1979, 57 cases were initiated in Mexico with evidence obtained in the United States. Forty-seven persons have been arrested, and 24 of those have been convicted and sentenced. There have been five acquittals. The remaining cases are being processed.

International Enforcement Efforts

There are 165 special agents overseas. These agents, along with 140 support personnel, are assigned to 56 offices in 41 foreign countries.

Numerous seizures of opium, morphine base, heroin, cocaine, hashish, hashish oil, and marijuana have been made in various countries in liaison with DEA and its predecessor agencies. DEA has developed joint programs with counterpart law enforcement agencies in more than 65 countries. Some 9,602 pounds of opium, 656 pounds of morphine base, 1,706 pounds of heroin, 5,958 pounds of cocaine, and 1.3 million pounds of marijuana were confiscated during calendar year 1978 by these cooperative efforts of police and DEA special agents in foreign countries.

Office of Intelligence

This Office provides continuous tactical and operational intelligence, improved liaison and exchange with Federal, State, and local agencies and a national narcotic intelligence capability at the Federal level.

DEA also has launched several multiagency efforts in sharing drug-related information. These efforts include the El Paso Intelligence Center (EPIC), Field Intelligence Exchange Group (FIEG), currently operational in Chicago and Miami, and the National Narcotics Intelligence Consumers Committee (NNICC).

In 1978, the Office of Intelligence distributed 203 analyses of drug networks and 2,970 biographic profiles of traffickers, and identified 32,334 potential violators in illicit drug traffic for Federal, State, and local enforcement authorities.

Science and Technology

This Office has a staff of more than 250, trained in a wide range of disciplines, including chemistry, engineering, and psychology.

The Research and Engineering Division develops new surveillance techniques, detection and tracking of vehicles, improved communications systems, and protection equipment for the special agents.

The Forensic Sciences Division manages DEA's laboratory system, which consists of seven regional laboratories and a special testing and research laboratory. The regional laboratories analyze evidence and give expert scientific testimony in prosecutions. They also conduct training programs for State and local forensic chemists.

The special testing and research laboratory carries out long-range research programs, performs source identification of powders, tablets and capsules, provides backup support to DEA's regional laboratories and other forensic laboratories, and trains forensic chemists in drug analysis.

The Technical Operations Division manages the telecommunications system, radio communication systems and the technical operations groups in DEA regional offices. The technical operations groups are staffed with technically trained special agents as well as electronic technicians responsible for the maintenance and deployment of specialized equipment to aid in narcotic and drug investigations.

Compliance

Under the Comprehensive Drug Abuse Prevention and Control Act of 1970, DEA monitors the flow of legitimate controlled substances through the pharmaceutical industry's distribution chain. In fiscal 1977, DEA registered approximately 567,000 handlers of controlled substances and approximately 550,000 in fiscal 1978.

Using approximately 180 compliance investigators, DEA conducted 1,440 regulatory investigations in fiscal 1977, while in fiscal 1978 compliance investigators conducted 1,243 regulatory investigations. In fiscal 1977, some 2,000 import-export declarations and 1,000 import-export permits were reviewed and processed, while approximately 1,199 import-export declarations and 916 import-export permits were reviewed and processed in fiscal 1978.

In those fiscal years, 11 scheduling actions were taken involving addition to or removal from control under the Controlled Substances Act.

National Training Institute

This Institute provides both basic and advanced training in direct drug law enforcement skills, management and training

of drug units to its own and other Federal, State, local and foreign law enforcement officials.

From fiscal year 1969 through the end of fiscal year 1978, some 7,900 DEA employees were trained in such widely divergent subjects as foreign languages, advanced investigative skills, mid-management, aviation, emergency medical treatment, conspiracy investigations, firearms instruction, and technical, clerical, and chemical programs. Almost 50,000 non-DEA law enforcement officers have been trained during the same period.

COMMUNITY RELATIONS SERVICE

The Community Relations Service (CRS) is a nonlitigative, nonenforcement arm of the Department of Justice, which, through conciliation and mediation, helps communities settle "disputes, disagreements, or difficulties. . . based on race, color, or national origin." Since the last report, CRS has interceded in more than 600 incidents involving law enforcement and the criminal justice system.

Reduction of Police-Minority Group Hostility

An important factor in effective law enforcement is how well police and citizens get along. A major problem affecting police-minority group relations, as reflected by CRS cases, is alleged use of excessive force by police against minorities and their reaction. The agency has made this a top priority.

One aspect of the problem is a major increase since 1977 in complaints from hispanics, especially in the state of Texas --many involving fatalities. This prompted CRS to set in motion unprecedented talks between Texas law enforcement officials and hispanic leaders to achieve greater mutual understanding and increased cooperation.

In March, 1979, CRS, hispanic civil rights organizations, and the Texas Police Association sponsored a two-day conference for 200 police officials and hispanic leaders to discuss issues contributing to hostile relations. The meeting was first of its kind in Texas. Similar meetings are planned in other areas of the State. The effort has the support of the police chiefs of Austin, Dallas, San Antonio, and other large cities.

The Agency has sponsored similar exchanges in other parts of the country where police-civilian hostility has led to confrontations--for example, a two-day statewide conference in Rhode Island during October, 1978. In May, 1978, at the request of Atlanta's new commissioner of public safety, CRS conducted an in-depth assessment of citizen attitudes toward, and expectations from the Public Safety Department. In Illinois,

where the State legislature is considering action to tighten police firearms policies, CRS has served as a consultant to committees having jurisdiction.

In addition to these generalized efforts, the Agency has negotiated written agreements in specific police-minority disputes in Cedar Rapids and Waterloo, Iowa; Warren, Ohio; Woodland, California; and other cities. Another element of the CRS program is providing technical assistance to police departments, such as supplying models of successful programs and training officers in human relations.

Dispute Resolution in Correctional Institutions

CRS also helped settle more than 50 disputes in correctional institutions over the last 2 years. Under an order issued by a Federal district court, the Agency has served for two years as fact finder in a consent decree involving Kansas City, Missouri's, Jackson County Jail. The decree concerns improvements to be made in living conditions and operating procedures at the facility.

School Desegregation Assistance to Federal Courts

Equally important is the assistance to Federal district courts dealing with school desegregation. Since 1975, CRS has helped implement desegregation at the specific request of courts in approximately 15 major cities. The Agency monitors the progress of desegregation and advises the courts on potential problems, occasionally taking on special assignments. In addition, CRS assists schools, police, and other officials with planning to avoid disruption and violence. The objective is to create a condition in which orderly implementation can take place.

Other Aid to Federal Courts

In February, 1979, Federal district court in Boston postponed action in two suits growing out of racial incidents in public housing to give CRS an opportunity to resolve some of the issues through conciliation. The Agency is also conducting a two-year pilot project in the Seventh Circuit in which certain civil rights cases will be referred to CRS for resolution through mediation.

Other Activities

Over the past two years, CRS also carried out other activities that aided law enforcement. For example, in June, 1979, the Agency persuaded Decatur, Alabama, city officials to enact a parade ordinance after blacks and the Ku Klux Klan,

marching at the same time, clashed and two members of each group were shot. Marches a week later, controlled by the ordinance, were peaceful. Also in June, 1979, CRS and the Alaska Human Rights Commission, with State court officials' endorsement, sponsored a two-day conference on such alleged racial biases in the State criminal justice system as disparate sentencing of blacks, Alaskan Natives, and whites.

FEDERAL BUREAU OF INVESTIGATION

As the principal investigative arm of the Department of Justice, the Federal Bureau of Investigation (FBI) investigates violations of Federal criminal statutes and civil matters in which the U.S. Government has an interest, provides information to the executive branch relating to national security, and aids other law enforcement agencies, particularly at the State and local level.

The FBI has field offices in 59 cities across the United States and in Puerto Rico. At the end of fiscal year 1978, the Bureau's personnel complement stood at just over 19,300, including some 7,900 special agents.

Investigative Activities

To discharge its responsibilities to the American people more effectively, the FBI continued to give investigative priority to white-collar crime, organized crime, and foreign counterintelligence matters.

White-Collar Crime. The FBI has set a high priority on the investigation of public corruption, fraud against the Government, bribery, financial crimes on both the national and international levels, including bank fraud and embezzlement, and antitrust violations. Because these investigations require considerable expertise, the Bureau has continued to provide special training courses and seminars for its agents, as well as Assistant U.S. Attorneys and other Department of Justice attorneys who must prosecute these cases.

Approximately 15 percent of the FBI's total investigative manpower has been committed to combatting white-collar crime. Federal prosecutions arising from these investigations resulted in 4,439 convictions in fiscal year 1977 and 3,072 convictions in fiscal year 1978.

The magnitude of white-collar crime is illustrated by the large number of violations involving complex schemes to obtain Government funds fraudulently. During fiscal 1977, FBI investigations of such violations involving funds of the Veterans Administration and the Department of Housing and Urban

Development resulted in the convictions of 241 persons. In fiscal 1978, the FBI devoted considerable resources to investigating fraud in the Medicare-Medicaid programs administered by the Department of Health, Education, and Welfare. Also in fiscal 1978, more than 20 Federal grand jury indictments were returned in Washington, D.C., and Baltimore, Maryland, as a result of FBI investigations into the widely publicized abuses in the General Services Administration.

Provisions of the Organized Crime Control Act of 1970 dealing with racketeer influenced and corrupt organizations (known as the RICO statute) have been highly effective in combatting both white-collar and organized crime. In one public corruption case investigated by the FBI, a group of 36 Allegheny County, Pennsylvania, criminal justice personnel, who had used the local court system for their personal gain, were convicted of RICO violations.

Organized Crime. Convictions in this area totaled more than 1,000 and approximately 900 respectively for fiscal years 1977 and 1978. An important facet of the FBI's drive against organized crime has been the dissemination to local, State, and other Federal agencies of criminal intelligence information developed during FBI investigations. In fiscal 1977, this information contributed to more than 1,000 gambling and narcotics arrests, confiscation of almost \$157 million worth of illicit drugs, and seizure of cash, property, weapons, and wagering paraphernalia valued at about \$1.5 million. In fiscal 1978, such information led to some 800 arrests on gambling and narcotics charges, confiscation of narcotics valued at \$192 million, and the seizure of \$1.27 million worth of cash, property, weapons, and gambling paraphernalia.

Use of the RICO statute played an important role in the successful conclusion of a major organized crime case involving a massive arson-for-hire scheme which had operated in the Tampa, Florida, area over a period of years. As a result of the FBI's investigation, 19 persons were convicted in Federal court under the RICO and other statutes.

Foreign Counterintelligence. The FBI's foreign counterintelligence program, targeted against both overt and covert hostile intelligence-gathering operations, is conducted in strict conformance with guidelines issued by the Attorney General, which became effective June 1, 1976.

FBI's duties in these matters also involve investigations of international terrorists espousing the cause of foreign powers or elements. To facilitate these efforts, the FBI maintains liaison with other U.S. agencies and cooperating foreign police and security services.

A series of espionage cases investigated by the FBI in 1977 and 1978 highlighted the critical need for continued vigilance against foreign intelligence activities in the United States. In one case, FBI investigation led to the convictions of two men in the spring of 1977 for providing sensitive national defense data to representatives of the Soviet Union. In another instance, in fiscal 1978, FBI agents arrested an American employed by a Federal agency and a Vietnamese national on espionage and related charged for their roles in the passing of classified State Department cables to the Socialist Republic of Vietnam. The two were convicted in Federal court. Additionally, the Vietnamese Ambassador to the United Nations was named and unindicted co-conspirator and recalled to his home country.

Other Criminal Matters. Many other Federal crimes are under the jurisdiction of the FBI. Convictions for Federal kidnaping violations totaled more than 150 for fiscal 1977 and 1978. Reported violations of the Federal bank robbery and incidental crimes statute totaled 4,776 in fiscal 1977, and 5,326 in 1978; convictions for these crimes numbered approximately 3,800 in 1977 and 1978. Some 28,300 FBI fugitives were located during fiscal 1977 and 1978.

Terrorist acts by radical, revolutionary and exile groups to achieve political objectives continued, and the FBI directed intense efforts to prevent and detect these acts in the United States. FBI investigations into such activities resulted in approximately 110 convictions during fiscal 1977 and 1978.

Undercover Operations. Fiscal 1977 and 1978 saw continued use of FBI personnel in undercover roles and of store-front operations designed to ferret out large-scale pornographic operations, narcotics trafficking, infiltration of legitimate business by organized crime, and extensive "fencing" activities. In one instance, use of an FBI agent in an undercover capacity played a vital role in an investigation that resulted in the convictions of two organized crime figures who were attempting to influence and control the private sanitation industry in the Bronx. In another case, FBI agents in undercover assignments were a significant factor in an extensive investigation of a complex series of "advance fee" fraud schemes. The investigation--a cooperative effort on the part of the FBI and authorities in several foreign countries--resulted in the convictions of five members of this international, multi-million-dollar financial crime ring.

Cooperative Services

The FBI provides assistance to local, State, and Federal agencies throughout the Nation in the areas of training, forensic science, crime statistics, fingerprint identification,

and the countrywide computer network known as the National Crime Information Center. These services are provided on a cost-free basis.

IMMIGRATION AND NATURALIZATION SERVICE

The Immigration and Naturalization Service (INS) administers and enforces the Nation's immigration and nationality laws. It supervises the admission, exclusion, detention, deportation, and naturalization of aliens. The increasing number of undocumented aliens in the United States has placed a renewed emphasis on the investigation of alleged violations as well as the need to patrol the borders to prevent illegal entries.

The Service investigates organized crime figures, narcotics and dangerous drug traffickers, smugglers of undocumented aliens and contraband, and subversives. The enforcement efforts are conducted by the Border Patrol and Investigations Divisions augmented by the support functions of the Detention and Deportation Division. This includes the inspection of aliens at ports of entry and the maintenance of a central index containing the names of all aliens admitted to or excluded or expelled from the United States.

People with criminal records and certain others are denied admission at the more than 400 ports of entry. During fiscal 1978, more than 277 million inspections were conducted by INS personnel. Of this total, 852,084 were denied entry on various grounds but mainly for presenting fraudulent or inadequate documents.

The fiscal year expenditures for INS enforcement programs during the past three years were as follows: fiscal 1976, \$118,447,158; fiscal 1977, \$139,650,713; and fiscal 1978, \$151,494,175. Personnel involved in INS enforcement activities during these years numbered 4,528 in fiscal year 1976; 4,935 in fiscal year 1977; and 5,136 in fiscal year 1978.

Border Patrol agents investigated 802,487 criminal immigration violations in fiscal 1978. Of this number, 793,901 were closed by waivers authorized by various U.S. Attorneys. Of the 8,586 violations of the immigration and nationality laws presented to U.S. Attorneys, prosecution was authorized in 8,492 cases with 8,376 defendants convicted. Sentences of 1,404 years and fines of \$16,350 were suspended, leaving actual fines of \$202,343 to be paid.

Investigating the Status of Aliens

During fiscal 1976 through 1978, INS investigators closed 308,698 cases, and located 521,259 deportable aliens. Of the total closed, 48,812 investigations involving criminal,

immoral, and narcotics charges were completed, with 10,941 applications for orders to show cause in deportation proceedings issued, resulting in the formal deportation of 3,043 aliens.

At the close of fiscal 1978, 12 representatives of INS were on the Department of Justice Organized Crime Strike Force operating in major cities throughout the United States. The Service also assists the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, by moving against criminals and racketeers found to be subject to INS action.

An annual average of 1,657 investigations of possible subversives were completed during fiscal years 1976 through 1978. During the same period, Service investigators completed an average of 28,187 cases a year of possible fraudulent activities to circumvent immigration laws.

The Caribbean Investigations Coordination program and index is designed to deter the entry into the United States of Latin American aliens in the criminal, immoral, narcotic, and subversive categories. The index, now containing 221,741 references from INS and other agencies, is accessible to all Government investigative agencies on a 24-hour basis. During fiscal years 1976 through 1978 more than 16,000 checks of the index resulted in the location of 706 records.

Border Patrol

During fiscal 1978 the Border Patrol, which guards against illegal entrants, located 862,217 deportable aliens, 44 percent more than the number located three years earlier. During the past three fiscal years more than 2.3 million undocumented aliens were located by this uniformed enforcement body of the Service. More than 37,350 of those persons located during fiscal years 1976 through 1978 had previous criminal records.

Of the total 1,047,687 deportable aliens located by all Service officers during fiscal 1978, 93 percent (971,456) entered the United States surreptitiously, not at ports of entry. Almost all, 99 percent, entered without inspection across the Mexican border. Electronic detection systems, 28 single-engine, low-flying aircraft, and 2 helicopters were used to spot illegal border crossers. During the three-year period 224,907 deportable aliens were located by the Service's air arm.

The smuggling of aliens, particularly across the Mexican border, is a major problem confronting the Service. During fiscal 1978, Border Patrol agents apprehended 159,191 aliens who had been smuggled into the United States, a 15 percent

increase over the number located during fiscal 1977. In addition, 13,305 smugglers of aliens were apprehended, a 7 percent increase over the previous year.

Service officers participated in the seizure of \$46.3 million worth of illicit drugs during fiscal 1978. During fiscal years 1976 through 1978, almost 273 tons of marijuana were seized by INS officers in addition to considerable amounts of hard drugs and dangerous drug pills.

Detention and Deportation

During fiscal years 1976 through 1978, 2,690,721 aliens found to be illegally in the United States were expelled, the majority having been granted voluntary departure across the Mexican land border. During this same three-year period, the number required to depart or formally deported included 935 violators of criminal laws, 21 who were found engaged in immoral activity, and 1,207 violators of narcotic laws.

Service Indices

In addition to the Service's master index, which was created pursuant to section 290 of the Immigration and Nationality Act, various other indices exist within INS to aid in the enforcement of immigration laws and to serve investigative agencies throughout the Government. The El Paso Intelligence Center (EPIC) houses the Service's Air Detail Office, which records cross-order flights by private aircraft thought to be engaged in smuggling. EPIC also houses the Fraudulent Document Center, a depository for false documents used by Mexican aliens, and the antismuggling information system for the Mexican border. The Canadian Border Anti-Smuggling Information Center is at Swanton, Vermont.

The Service lookout book is kept at all ports of entry to help detect undesirable aliens, as well as suspect U.S. citizens. Currently, there are more than 55,000 names in this book.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The Law Enforcement Assistance Administration (LEAA), created by Congress in 1968 to provide Federal financial, technical, and research support to State and local criminal justice agencies, was to undergo a major revision in 1979.

Under the 1968 legislation, LEAA awarded grants to support improvements in the criminal justice system, sponsored comprehensive State criminal justice planning, and fostered new approaches to such problems as arson, drug abuse, organized crime, victim-witness, white-collar crime, correctional standards, and court reform.

The Agency also coordinated all Federal juvenile justice and delinquency programs, administered the Public Safety Officers' Benefit Act, conducted research into criminal behavior, criminal justice operations, criminal justice statistics and systems analysis, evaluated the effectiveness of criminal justice programs, and provided educational assistance to those in the criminal justice field.

The LEAA budget for fiscal 1978 was \$647.3 million, down \$105.8 million from 1977. For fiscal 1979 the budget was reduced to \$646.5 million.

Most of LEAA funding is distributed through formula grants to the States with amounts based on populations. This money is used as each State deems fit under a comprehensive plan and finances planning and action programs, including corrections and juvenile justice and delinquency prevention.

In fiscal 1978, \$397 million was allocated for formula grant distribution and \$410 million was allocated in 1979.

The rest of the money, \$208 million in 1978 and \$209 million in 1979, was distributed at LEAA's discretion through grants, education loans, and grants for technical assistance, research, planning and statistics, and training. About 4 percent of the budget went for administrative costs in 1978 and 3.8 percent in 1979.

LEAA funding represents about 4 percent of the total State and local criminal justice expenditures.

The key LEAA contribution to the Nation's criminal justice and law enforcement system is the innovative, experimental and successful criminal justice programs that simply would not exist today were it not for LEAA financing.

Examples of such programs include Treatment Alternatives to Street Crime (TASC), Career Criminals, Integrated Criminal Apprehension Program, One Day/One Trial, Neighborhood Watch, Operation Identification, Comprehensive Data Systems, and Sting. These programs are described later in this chapter.

The principal contact for State and local criminal justice agencies within LEAA is the Office of Criminal Justice Programs.

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It approves, awards, monitors, evaluates, and terminates all planning and formula action grants, and manages much of the Agency's discretionary grants and technical assistance activities.

Over the last two years, this Office has focused its attention on white-collar crime and the plight of victims and witnesses of crime. In 1979, it initiated efforts to combat arson.

The Office has helped to establish 72 Economic Crime Units in 34 States serving 41 percent of the population. These units have collected \$38 million in fines, restitution, or settlements as a result of 192,941 complaints and 23,770 investigations. More than 6,800 felony charges have been made resulting in 3,600 guilty verdicts.

Jointly with the U.S. Fire Administration, LEAA is developing a national strategy for arson control. LEAA is supporting a substantial number of projects at the State, local, and regional levels directed at arson prevention and control. In fiscal 1980, the total anti-arson funding was set at \$4 million.

Over the last two years, more than \$50 million in formula and discretionary funds have been used to develop programs for victims and witnesses. These programs focus on better treatment of victims and witnesses and work to eliminate public apathy toward the criminal justice system.

Two new initiatives in this area are now under way--the Integrated Police and Prosecutor Witness Assistance Program and the Family Violence Program.

Another project has been to assist the States in unifications of their courts through trial court simplification, centralized management, and centralized rule making. Currently seven States have LEAA projects addressing court reform.

The antifencing (STING) program continued to post impressive results in the 2 years with the total value of stolen property recovered reaching \$160 million and indictments totalling 6,629. The Career Criminal Program, which emphasizes the prosecution of repeat offenders accused of serious crimes, is now fully operational in 36 jurisdictions.

Greatly expanded use of the Prosecution Management Information System highlighted the efforts of LEAA's National Criminal Justice Information and Statistics Service. It is operational in 21 State, city, and county jurisdictions and is being developed in 100 other areas. Another effort, the Offender-Based State Corrections Information System, is a national program active in 33 States that supports the development and implementation of

State-level correctional information systems. About \$14 million has been expended so far for this system.

The National Criminal Justice Information and Statistics Service has published reports on crime and its victims, parole, capital punishment, prison populations, and State court processing. In addition, under the Comprehensive Data Systems Program, more than \$6 million has been provided to support statistical analysis units in 37 States, and \$1.6 million expended for uniform crime reporting activities in 16 States.

The National Institute of Law Enforcement and Criminal Justice, LEAA's research arm, ran studies on white-collar crime, corruption in government, the relationship between drugs and crime, prison conditions, pretrial processes, and the concept of "defensible space" in community crime prevention.

The newest addition to LEAA is its Office of Community Anti-Crime Programs. Over the past two years the Office has awarded \$30 million for 180 projects that have mobilized residents into volunteer-based anticrime efforts conducted by grassroots community and neighborhood organizations. The projects include activities such as neighborhood watch, escort services for the elderly, juvenile delinquency prevention, rape prevention efforts, and police-community relations.

The Office's Comprehensive Crime Prevention Program helps to consolidate all Federal, State, and local crime prevention efforts in an urban area into one coordinated program. There are 15 sites getting money through this program.

The Office of Juvenile Justice and Delinquency Prevention, created in 1974, supports Federal, State, and local governments in preventing and treating juvenile delinquency and improving juvenile justice. The Office awarded more than \$30 million in discretionary funds in 1978 to support special emphasis initiatives such as deinstitutionalization, diversion, prevention, restitution, and model programs. In fiscal 1979, the Office awarded \$22 million.

During 1978 and 1979 the National Institute for Juvenile Justice and Delinquency Prevention awarded \$13.3 million for research efforts in the areas of serious juvenile crime and the efforts to deal with it.

LEAA continued its emphasis on education for criminal justice personnel, mainly through the Law Enforcement Education Program. Some \$30 million was appropriated in 1978 and \$25 million in 1979 to help pay education costs for about 70,000 students annually, 90 percent of whom were employed fulltime in criminal justice work.

The Office of the Comptroller has administered the Public Safety Officers' Benefits Act since its enactment in 1976. Through April, 1979, LEAA awarded \$24.8 million in benefits under the Act to the survivors of 493 State and local police officers, fire fighters, and other public safety officials who died as the result of injuries sustained in the line of duty.

As mandated by Congress, LEAA provided aid to both government and international agencies in their efforts to combat terrorism and skyjacking. Administered by LEAA's Office of Operations Support, technical assistance money for this purpose amounted to \$800,000 in fiscal 1978 and \$820,000 in fiscal 1979.

An LEAA-supported effort to develop a Model Procurement Code for State and local governments culminated in an American Bar Association approved Model Code in 1979. It is designed to provide far-reaching and long-term improvements in all facets of State and local contract operations.

UNITED STATES MARSHALS SERVICE

The United States Marshals Service is primarily responsible for supporting the Federal judiciary, protecting the integrity of the judicial process, and performing operational and administrative assignments for the Attorney General. The Service serves writs and summonses issued by congressional committees, governmental regulatory bodies, and Federal courts on behalf of the United States and private litigants. It maintains order during court sessions, congressional hearings, and meetings of other governmental agencies. It arrests, guards, and transports Federal prisoners. It provides security assistance to other Federal prisoners. It provides security assistance to other Federal agencies. It seizes, protects, and sells real and personal property in accordance with orders of the court. It maintains the security of deliberating and sequestered juries. And, it protects Government witnesses whose lives may be in jeopardy.

Each of the Service's 95 districts are uniformly organized. They are authorized 21,144 full-time positions, including 94 Marshals, 94 Chief Deputy Marshals, approximately 1,360 Deputy U.S. Marshals, 115 Supervisory Deputy U.S. Marshals, and 481 administrative personnel. The Service is also authorized 332 intermittent Deputy U.S. Marshal positions.

Judicial Security

The Service is responsible for ensuring the security of judicial proceedings in nearly 400 buildings housing U.S.

courts as well as the personal safety of more than 800 Federal trial judges and full-time U.S. magistrates, in addition to witnesses, jurors, and the 1,700 U.S. attorneys and trial assistants.

Adequate protection of judges and courtrooms is essential for the Service to maintain court security and to safeguard court proceedings from intimidation.

Prisoner Movement and Custody

The Service has custody of Federal prisoners from the time of their arrest until they are delivered to a penal institution or released by the court. The Prisoner Transportation Division schedules aircraft and ground transportation equipment and coordinates the movement of prisoners crossing Federal judicial boundaries, including prisoners transferred between Federal institutions. The Service received and processed over 90,000 prisoners during fiscal year 1978 and transported 61,670 prisoners to or from Federal institutions and contract jail facilities.

A national Prisoner Transportation Program (NPTS) was started during FY 1979 using passenger aircraft made available under interagency agreements and a fixed schedule bus and van feeder system. The NPTS was proved to be effective and efficient even under limited passenger capacity. An expanded air program proposal is being considered.

In addition, the Service contracts with nearly 800 local jails for the housing of prisoners of the U.S. Marshals Service, Bureau of Prisons, and Immigration and Naturalization Service. The Service also provides technical assistance and excess Federal property to local jails in an effort to improve jail conditions.

Witness Security

The Witness Security Program was formally created under the Organized Crime Control Act of 1970. The responsibility for protecting and maintaining Government witnesses lies with the Marshals Service.

Since 1970, the Service, working closely with the Criminal Division of the Department of Justice, has protected more than 3,000 witnesses and their families. The Witness Security Program has expanded at a rate of about 25 percent a year since its inception.

A witness can receive protection for his lifetime, including a new identity, relocation to a new geographical area, and for

a designated period subsistence payments, rental, medical care, movement of household goods, and assistance in finding employment if necessary.

Special Operations Group

The Special Operations Group is a highly trained, self-sufficient mobile force designed to provide a Federal response short of military intervention to situations of national significance at the request of the Attorney General. In addition, this unit provides backup support for each of the Service's 95 districts. All members are subject to 24-hour call. Elements of this force can be deployed and fully operational at any point in the United States within six hours.

The American Indian Movement at Wounded Knee, South Dakota; trials in the Virgin Islands; labor unrest in West Virginia; the eviction of squatters in Pennsylvania; nuclear power demonstrations in California and the 1979 disorder on an Indian reservation at Red Lake, Minnesota, all led to action by the Special Operations Group.

Process and Warrants

During fiscal 1978, the Service served a total of 677,280 pieces of process in support of the judicial system. During this same period, the Service investigated 78,842 arrest warrants leading to the arrest of 27,871 Federal fugitives.

New Security Program

To provide assistance to allied Federal agencies in the security field, the Service has conducted feasibility studies for such diversified organizations as the Nuclear Regulatory Commission and the Military Traffic Management Command. It is providing continual convoy security assistance to the U.S. Air Force in the movement of nuclear warheads and component weapons systems in the north-central United States.

All these programs performed by the U.S. Marshals indicate the versatility of an organization created in 1789 that has grown to meet the changing needs of the Federal judiciary and the Attorney General.

UNITED STATES ATTORNEYS

The U.S. Attorney is the chief law enforcement representative of the Attorney General in each Federal judicial district. As an arm of the Deputy Attorney General, the Executive Office for United States Attorneys supports and oversees the 95 U.S. Attorneys' offices and maintains liaison between those offices

and various other components of the Department of Justice, as well as other Government agencies.

By September, 1978, the number employed in 154 staffed offices totaled 1,701 attorneys and 1,747 support personnel--an overall increase of 8 percent over the comparable June, 1976, figures. There was a 1.3 percent increase in the number of civil cases filed and a decline of 20.7 percent in the number of criminal cases filed. This decline in criminal filings pointed out the priorities placed on white-collar crime and public corruption cases, which are more time and manpower consuming than some other types of criminal cases. The emphasis on termination of criminal cases, mandated by the Speedy Trial Act, resulted in a further backlog of civil cases, which increased 26 percent in the two-year period, despite the increase in personnel.

Funds budgeted to U.S. Attorneys have increased as well. The \$116,974,000 budget for fiscal year 1978 was an 11.6 percent increase over the previous year.

Official Corruption

A priority area of the Attorney General and the U.S. Attorneys was vigorous investigation and prosecution of corrupt public officials. A Congressman and former Congressman were convicted of defrauding the Government with payroll irregularities. A former Congressman was sentenced to one year in prison and to a \$10,000 fine, after pleading guilty to violations of the Federal Election Campaign Act.

A former administrative assistant to a Congressman was convicted on various charges involving bribes in return for school accreditation to enable participation in Federal financial aid programs. This case led to the indictment of the Congressman also. Numerous city and county officials were convicted of crimes involving payoff and kickback schemes in connection with their official duties.

White-Collar Crime

As increased resources were devoted to the prosecution of white-collar crimes, significant successful prosecutions were obtained against perpetrators of various frauds against Government programs. These included violations in connection with Medicaid and Medicare, Government contracts, use of labor union funds, VA educational benefits, the food stamp program, and land sales.

There were several land fraud cases in Arizona, involving losses from \$6.5 million to \$40 million; the number of victims

ranged from 1,500 to approximately 10,000 throughout the United States. After a 5-week trial in the Middle District of Florida, top officials of several land development companies were convicted on 29 counts of mail fraud and conspiracy; the companies had defrauded public investors of over \$1 billion.

Perpetrators of major Medicare or Medicaid frauds were convicted in Southern Georgia, Southern Florida, Southern Ohio and Southern Texas. Significant convictions of owners and operators of nursing homes, in connection with Medicare/Medicaid frauds were obtained in Vermont, New Hampshire, and Southern Ohio. The joint "Summer Lunch" investigation conducted by the Eastern and Southern Districts of New York and the Eastern District of Pennsylvania resulted in the conviction of a New York rabbi, who headed an organization administering several multimillion-dollar Federal job and summer lunch programs, and five subordinates on various charges including tax evasion, perjury, and conspiracy to defraud the Government. The rabbi was also convicted for repeated bribes of a Congressman.

The Criminal Division and the United States Attorneys, at the end of fiscal 1978, were setting up Economic Crime Units within U.S. Attorneys Offices to provide a more unified and comprehensive national enforcement program.

Controlled Substances

Prosecutions involving violations of the Federal Narcotics laws continued to make up a large part of the caseload of U.S. Attorneys nationwide.

Particularly noteworthy were the convictions in Southern New York of Leroy (Nicky) Barnes and 10 associates, whose multimillion-dollar operation involved distribution of heroin at the street level in Harlem and the South Bronx and the bulk sale of heroin out of a Harlem garage. Barnes was sentenced to life imprisonment without parole. Eight associates received sentences ranging from 10 to 30 years, and two received youthful offender treatment.

The conviction of nine persons in Central California brought a successful conclusion to efforts to neutralize the Valenzuela family organization, identified as one of the chief sources of Mexican heroin in the United States. The leader of the organization was sentenced to life imprisonment and two concurrent 60-year terms.

Organized Crime

U.S. Attorneys, at times in conjunction with Criminal Division Organized Crime Strike Forces, prosecuted a number of

organized crime figures. In New Jersey, 34 defendants were convicted on various charges resulting from the granting substantial loans by bank officials in return for kickbacks. Those convicted included three bank presidents, a labor union official, and a number of bank officers. After a joint investigation by the Federal Bureau of Investigation, Drug Enforcement Administration, and the D.C. Metropolitan Police Department, 18 individuals were convicted on felony charges of conspiracy to violate the narcotics laws, narcotics distribution, use of the telephone, interstate transportation in aid of racketeering, and racketeering influence in corrupt organizations.

In Maryland, one individual pleaded guilty and another individual was found guilty of conspiracy to deal in approximately \$650,000 worth of counterfeit U.S. Treasury notes and stolen corporate securities valued at approximately \$20,000; both are known to have connections with organized crime. Members of a large-scale numbers and betting ring, along with a police chief, a magistrate, a constable, and a mayor, were sentenced to prison in Western Pennsylvania.

In Middle Florida, in what was reported as the "largest antiracketeering case in U.S. history," a jury returned a guilty verdict against 16 prominent Tampa citizens. Special verdicts declared certain property, including more than \$350,000 and controlling interests in two loan companies, forfeited to the Government, in connection with an "arson-for-hire" enterprise that had defrauded insurance companies of hundreds of thousands of dollars for more than four years.

Environmental Litigation

The continuing conflict between the need to preserve the Nation's natural environment and the pressures of the Nation's economy resulted in a wide range of environmental litigation during these two years. An example of this conflict occurred in Central California when three major tuna packers resisted Environmental Protection Agency efforts to force each to cease discharging pollutants into the Los Angeles harbor by connecting to a new city waste treatment facility, citing a cost factor of well over \$1 million collectively. Court action was required to force two companies to comply, but the third volunteered to comply and charges were dismissed. The ultimate agreement by the tuna packers to connect to the treatment facility successfully culminated an environment controversy that has lasted five years and will result in an enhanced and clearer marine environment in the Los Angeles harbor.

The first enforcement action was taken against a real estate developer for filling some of the last remaining unspoiled wetlands along the New Jersey coast. Court action

halted the filling activity and required the defendants to remove the fill and restore the damaged wetlands to their original condition. The successful outcome of this case sets the pattern for control of other real estate development operations along the New Jersey coast.

Civil Litigation

In the civil area, U.S. Attorneys are involved in numerous tort claim and civil fraud cases, actions filed against offices of the executive branch, Freedom of Information Act cases, and other civil matters. U.S. Attorneys are charged with collecting criminal fines, civil judgments, prejudgment claims, forfeitures, penalties, and other such money owed the Federal Government. In fiscal years 1977 and 1978, these collections totaled more than \$431 million, a figure well over the cost of operating all 95 U.S. Attorneys' Offices.

PARDON ATTORNEY

The Constitution gives the President power to grant reprieves and pardons for all offenses against the United States except in impeachment cases. He has no authority in State cases. The exercise of the pardoning authority is not subject to review by the courts and may not be circumscribed by Congress. There is no appeal from a clemency decision.

The Attorney General advises the President on all matters concerning executive clemency. As a member of the Attorney General's staff, the Pardon Attorney reviewed all petitions for clemency, initiates the necessary investigations, and prepares the Attorney General's recommendations to the President personally. This power is not delegated to any other official or agency except that modification of prison sentences in military cases is performed by clemency boards within the military departments.

Pardon after completion of sentence is the most common form of clemency, and demonstrated good conduct for a significant period of time after release from confinement is a customary criterion.

President Ford, in the opening months of fiscal 1977 granted 129 pardons and seven commutations of sentence exercising the power the Constitution vests in the President to grant pardons.

He received 159 new applications for executive clemency; 132 were denied, and 475 were pending on January 20, 1977.

President Carter granted no pardons and one commutation of sentence during fiscal 1977. He received 563 new applications

for executive clemency; 168 were denied and 868 were pending at the end of September, 1977.

In fiscal 1978, he granted 162 pardons and three commutations of sentence. In all, 641 new applications for executive clemency were received in fiscal 1978; 836 were denied, and 508 were pending at the end of September, 1978.

The President granted 137 pardons and four commutations of sentence during fiscal 1979 as of June 30, 1979. New applications for executive clemency were received in fiscal 1979 as of June 30 totaled 547. There were 299 denied, and 614 were pending at the end of June, 1979.

PAROLE COMMISSION

The United States Parole Commission was established by the Parole Commission and Reorganization Act of 1976. It replaced the Board of Parole created by Congress in 1930. Although administratively within the Department of Justice, the Commission is an independent agency for decision-making purposes.

The Parole Commission consists of nine Commissioners, appointed by the President with the advice and consent of the Senate. One Commissioner is designated by the President as chairman. Each of the five regional offices of the Commission is under the supervision of a Commissioner, and three Commissioners make up the National Appeals Board in Washington.

To establish a national parole policy the Commission has adopted explicit guidelines for parole release decision-making. Developed by the Board of Parole from a three-year research project and subsequently mandated by the Parole Commission and Reorganization Act, the guidelines indicate the customary period of time to be served before release for various combinations of offense severity and offender characteristics.

The national policy guidelines are initially applied to individual prisoners at parole hearings conducted by panels of two hearing examiners. Decisions outside the guidelines may be made when warranted by circumstances of a case. After the parole hearing, the hearing summary and recommendation of the hearing examiner panel are reviewed by a regional administrative hearing examiner and the Regional Commissioner. If the prisoner is dissatisfied with the decision in his case, he may appeal to the Regional Director for reconsideration and then may further appeal to the National Appeals Board.

After a successful pilot test in the Commission's Western Region, the Commission began in September, 1977, to implement

a new procedure called "presumptive parole." This process is designed to reduce uncertainty by telling prisoners their expected release dates as early as possible in their sentences. Now, all prisoners except those serving life sentences are given parole hearings within 120 days of commitment, or as soon thereafter as practicable. As a result of this hearing, the prisoner is told the date on which it is presumed that he will be released, provided that he maintains a good institutional conduct record and develops adequate release plans.

The supervision of parolees and prisoners released "as if on parole" at the expiration of their sentences is performed by United States Probation Officers, acting as agents of the Parole Commission. A parolee charged with violation of parole is given a revocation hearing by a panel of the Commission's hearing examiners. The same administrative appeals are provided for revocation decisions as for parole release decisions.

From October, 1977, through September, 1978, the Commission conducted 23,180 hearings and record reviews, 1,436 more than the previous year. In addition, there were a total of 6,102 regional and national level appellate decisions from October, 1977, through September, 1978, an increase of 927 over the previous year.

In addition to its parole functions, the Commission, under the Labor Management Reporting and Disclosure Act of 1959, must grant specific permission before persons convicted of certain crimes may serve as officials in the field of organized labor or in labor-oriented management positions. The Commission has a similar responsibility under the Employee Retirement Income Security Act of 1974 with respect to such persons providing services to, or being employed by, employee benefit plans.

BUREAU OF PRISONS

Persons convicted of Federal crimes and sentenced to incarceration are placed in the custody of the Bureau of Prisons. The Bureau, established in 1930, was charged by Congress to be "responsible for the safekeeping, care, protection, instruction, and discipline of all persons charged or convicted of offenses against the United States." To do this, the Bureau has 41 correctional institutions ranging from penitentiaries to minimum security camps, plus 9 community treatment centers.

Inmate Population

The Federal inmate population declined from more than 30,000 in July, 1977, to 25,500 in July, 1979, reduce overcrowding to 8 percent. Part of the decline is attributable

to the Bureau's policy of moving as many inmates as possible into halfway houses, consistent with its responsibility of protecting the public.

New Facilities

The Bureau of Prisons has opened three new institutions during calendar 1979. Two are minimum security camps at Boron, California, and Big Spring, Texas. Boron will house 250 offenders and Big Spring 500.

The Bureau also opened a new medium security institution at Bastrop, Texas, with a capacity of 460.

The Bureau now has under construction medium security institutions at Talladega, Alabama; Otisville, New York; Lake Placid, New York; and Camarillo, California. Talladega, with a capacity of 490, should open by the end of 1979. Otisville and Lake Placid will open in 1980. Otisville, with camp, is designed for 540, and Lake Placid for 490. Camarillo, slated to open in late 1980 or early 1981, has a capacity of 500.

Community Programs

One reason for the decline in population was the Bureau's increased use of community facilities. In fiscal 1977, 39 percent of all offenders discharged were released through Federal and contract community treatment centers. Today the rate is slightly above 50 percent, and the number of offenders in these centers is 3,200. Inmates in community treatment centers serve out the last three or four months of their sentences while re-establishing community ties.

Less than 30 percent of the 96,000 convicted offenders today who are under Federal supervision are in institutions. The remaining 70 percent are in community programs, such as probation or parole, or the community-based programs run by the Federal Bureau of Prisons, which include, in addition to the community treatment centers, furloughs, work and study release and drug aftercare. The Bureau annually grants around 20,000 furloughs usually of three to several days to help re-establish family ties.

Better Use of Facilities

To make better use of its facilities, the Bureau, in 1978, introduced a new security designation and classification system designed to place offenders in the least restrictive institution necessary for security and to move them as close to their homes as possible.

The new system means more inmates can be moved into open camps and community treatment centers, cutting down on overcrowding in the more secure facilities and making institutions more safe and humane. The new system has already cut down on inmate transfers by more than half.

Accreditation

To maintain and improve conditions for inmates and staff, the Federal Prison System is in the process of having 10 major institutions and all Federal community treatment centers accredited by the Commission on Accreditation for Corrections. The Bureau plans to have all its institutions accredited by 1983.

Equal Employment Opportunity

Women were barred as correctional officers in all-male institutions until 1976 when the Bureau set a goal of 10 percent of all correctional officer jobs to be held by women except in the major penitentiaries. By March 31, 1979, the number of female officers rose to 9 percent of all correctional officers. Women also accounted for 16.6 percent of all employees compared to 15.8 percent in 1977 and 9.8 percent in 1970.

Minorities in the work force stood at 20.5 percent on March 31, 1979, compared to 18 percent in 1977, and 6.6 percent in 1970.

More Jobs Through Industries

To help offset the problems associated with inmate idleness, the Bureau last year added 11 new Federal Prison Industries (trade name: UNICOR) to provide employment opportunities and income for more inmates. The Bureau now has 75 industrial operations in its institutions and employs an average of 6,700 inmates, earning up to 75 cents an hour.

Staff Training

The Bureau of Prisons substantially revised its training program in 1978 to achieve greater balance and variety in program content and to provide more training for each employee.

The Dallas Training Center was converted to a specialty and management training center. The Atlanta and Denver centers continue to conduct the two core programs, which have been lengthened. The introductory course to correctional techniques has been expanded to three weeks from two, and the advanced course to 6 1/2 days from 3 1/2.

Courses in firearms, self-defense, disturbance control, staff stress, inmate supervision, and first aid have been added.

Professional Responsibility

All officers and employees of the Federal Prison System are required to conduct themselves in a thoroughly professional manner and to refrain from acts that are contrary to law, in violation of policies or regulation, or otherwise destructive to public confidence.

The Bureau, in 1977, created an Office of Professional Responsibility to help maintain professional standards and has now enlarged it into a new Office of Inspections, which reports to the Director.

National Institute of Corrections

The National Institute of Corrections (NIC) was established by the Juvenile Justice and Delinquency Prevention Act of 1974 and attached to the Bureau of Prisons. It provides technical assistance and training for State, local, and other correctional personnel.

A 16-member panel of Government officials and private citizens governs the NIC, which also carries out correctional research and evaluation programs, serves as a clearinghouse and information center, helps improve corrections programs at State, local, and Federal levels, and helps establish correctional policy goals and standards.

Four primary funding targets selected by NIC after extensive public hearings are staff development, jail operations and programs, field services and screening, and classification of inmates. NIC also operates a Jail Center at Boulder, Colorado, to provide training and technical assistance to jailers.

Other Highlights

The Bureau's religious services, education, vocational training, medical care, counseling and recreation programs have been expanded. Last year \$15,289,000 was devoted to education, training and leisure activity programs for inmates, designed to help them acquire a profession or salable skill and develop the ability to cope with the problems of everyday life.

During fiscal 1978, there were 64,618 enrollments in education and occupational training. A total of 78 percent were completed or still active by the end of the year. An

additional 16,100 enrolled in leisure activities, with a combined completion and active rate of 89 percent. A total of 224 inmates earned college degrees. Currently, the Bureau offers 120 programs in 41 different trades in 21 institutions in apprenticeship programs registered with the U.S. Department of Labor and State apprenticeship agencies.

In addition to regular medical, dental and psychiatric and psychological services, the Bureau conducts drug abuse treatment programs at 21 institutions for addicted inmates. Several hundred more were enrolled in alcohol abuse treatment units at six institutions.

DEPARTMENT OF LABOR

The Department of Labor is primarily responsible for administering and enforcing statutes promoting the welfare of wage earners, improving their working conditions, and advancing their opportunities for more profitable employment. Six of its offices have functions related to Federal law enforcement and criminal justice activities.

Office of Inspector General

The Inspector General Act of 1978 established the Office of Inspector General (OIG) in the Department of Labor. The OIG consolidates into one organization the Department's external and internal audit functions, fraud and employee security investigative activities, and the organized crime strike force activity.

Fraud and Employee Integrity Investigations--Through March 31, 1979, fraud and employee integrity investigations resulted in indictments against 99 individuals, resulting in 73 convictions or guilty pleas. In November 1978, OIG initiated Fraud and Abuse Prevention Surveys to identify and correct conditions that could lead to fraud and abuse. Three-person teams (including an investigator, an auditor and an analyst familiar with the program) survey a high-risk DOL program or grantee, check for the existence of necessary management systems and controls, identify systems weaknesses and recommend changes in procedures. After completion of the actual investigative work, reports are prepared and referred to the appropriate authorities for criminal or administrative action.

Strike Force Activity--The OIG is a full participant in the DOJ Organized Crime Strike Force investigations. It concentrates on labor-management racketeering cases or other criminal violations, by elements of organized crime, of laws and programs within the jurisdiction of the DOL.

Since OIG's October 1, 1978 assumption of the Department's Organized Crime Strike Force activity, 14 individuals have been indicted.

Labor Management Services Administration (LMSA)

The Labor-Management Reporting and Disclosure Act (LMRDA) and the Employee Retirement Income Security Act (ERISA) authorize public disclosure of certain union operations, and of certain

aspects of employee pension and welfare plans. They also contain criminal penalties for kick-backs to union officials and falsification of required records and reports.

LMRDA Enforcement--Under the LMRDA, LMSA requires annual financial reports from all labor unions, as well as reports in particular circumstances from their officers, employers, and labor consultants. It also requires that democratic procedures be followed in conducting unions' affairs. LMSA refers to the Justice Department for prosecution situations involving evidence of embezzlement, unlawful payment of fines by an employer, prohibition against individuals holding union office, extortionate picketing, and deprivation of rights by acts of violence.

Since October 1, 1977, approximately 71 individuals were indicted and 54 were convicted.

LMSA investigates union financial reports when audits or other information indicate the Labor-Management Reporting and Disclosure Act has been violated. During the period October 1, 1977, through September 1979, 3,908 audits were conducted and 12,490 field investigations were closed, including 493 involving union elections. During this period, LMSA supervised 122 elections.

ERISA Enforcement--The Secretary of Labor has the authority to bring a civil action against any fiduciary who breaches any responsibility, obligation, or duty imposed by Title I of ERISA. Between October 1977 and September 1979 LMSA conducted 4,900 investigations under the enforcement provisions of ERISA. The results of 45 investigations were referred to the Justice Department.

Employment and Training Administration (ETA)

Under the original Manpower Development and Training Act (MDTA) of 1962, neither prison inmates nor ex-offenders as a group were targeted for employment/training services. Subsequent amendments to MDTA and enactment of its eventual successor, the Comprehensive Employment and Training Act (CETA), increased involvement of ETA in providing services to offenders in employment and training programs.

Offender Rehabilitation--Under CETA the Department of Labor provides employment and training services to offenders at each stage of the criminal justice system--pretrial, probation, incarceration, parole, and post-release.

The Department also encourages the more than 400 CETA prime sponsors at the State and local levels to integrate ETA's

experience in offender rehabilitation into State and local manpower systems.

Research and Development--The Office of Research and Development has supported efforts to improve the delivery of services to the offender population by improving marketable skills as well as removing external societal barriers to full participation in the labor force.

Accordingly, ETA's research and development activities have dealt with a variety of issues including, but not limited to, in-prison and post-release job training, job development and placement, pretrial intervention, Federal bonding for ex-offenders, removal of artificial barriers to employment and licensing of former prisoners, and mutual agreement programming for release or parole.

The National Supported Work Demonstration Program is an on-going transitional work experience program designed to increase the employability and job readiness of persons, who traditionally have had difficulty obtaining and holding jobs, by giving them 12-18 months of experience, confidence and discipline in subsidized low-stress work environments so that they might move into the regular labor market. Other objectives include reduction in welfare dependence, drug use and criminal activity. DOL is the lead agency for this endeavor which is funded through a consortium of Federal agencies and the Ford Foundation, and administered by the Manpower Development Research Corporation (MDRC). Approximately 2,000 individuals in this program between October 1977 and September 1979 had some involvement with the criminal justice system. While by no means conclusive at this stage, early evidence indicates that supported work is having positive impact on job retention, earnings, hours worked, and reduced reliance on income transfer payments.

Employment Standards Administration (ESA)

ESA's Office of Workers' Compensation Programs (OWCP), administers compensation benefits to non-Federal law enforcement officers who sustain disease, are injured, or are killed under circumstances involving a Federal crime.

To date, 316 State or local law enforcement officers, or beneficiaries, have received compensation benefits totaling \$2.4 million per annum.

Occupational Safety and Health Administration (OSHA)

The Occupational Safety and Health Act of 1970 provides for criminal sanctions against employers for various viola-

tions of the act, including any willful violation of any standards or regulation promulgated thereunder which causes death to an employee.

Prior to April 1978, six cases were referred to the Department of Justice for criminal prosecution. Since that time however, because of increased emphasis on this area, 23 cases have been referred to the Justice Department for criminal prosecution. These cases are still pending.

Mine Safety and Health Administration (MSHA)

The Federal Mine Safety and Health Act of 1977 provides for criminal sanctions against mine operators and certain other persons for various violations of the act and mandatory safety and health standards.

The criminal acts covered include willful violation of mandatory safety and health standards and closure orders, advance notice of inspection, false statements knowingly made in records or reports required to be kept under the act, and distribution or sale of uncertified mine equipment. The criminal penalties for these offenses range from a prison term of six months or less up to five years and/or fines of \$1,000 or less up to \$50,000, depending on the charge.

Since October 1977, the Mine Safety and Health Division of the Solicitor's Office (DOL), has referred 13 multi-defendant cases to the Department of Justice for criminal prosecution under the act. Of these 13 cases, 4 were declined for prosecution by Justice, 1 resulted in a judgment of acquittal, and 1 in guilty pleas by the 4 defendants charged. The remaining cases are in various stages of procedure; i.e., still under review by Justice, before the grand jury, or set for trial.

NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Board (NLRB) is an independent agency created by the National Labor Relations Act of 1935, as amended by the Taft-Hartley Act of 1947 and the Landrum-Griffin Act of 1959.

It is a quasi-judicial Agency with two principal functions--to investigate questions concerning employee union representation and, when appropriate, to resolve them through elections, and to render decisions on unfair labor practice charges brought against employers and unions after they have been investigated and prosecuted by the general counsel.

Each of the five members of the Board serves a 5-year term. NLRB is headquartered in Washington, D.C., and field operations are carried out through 33 regional offices.

Compliance Proceedings

The general counsel, appointed by the President and approved by the Senate for a four-year term, is responsible for handling injunction proceedings and for obtaining compliance with Board rulings.

When Board orders are not complied with, the general counsel files applications for court enforcement. If a court judgment enforcing a Board order is not complied with, the Board may seek civil or criminal contempt citations. Civil citations are more frequently used.

Criminal Activities

When it uncovers actual or potential criminal acts during its hearings and investigations, NLRB contacts the appropriate Federal, State or local law enforcement agency.

Bribe offers, fraud, extortion, false statements to governmental officials, and other suspected criminal acts associated with labor matters, which are discovered during unfair labor practice and representation proceedings before the Agency, are referred to the Department of Justice or to U.S. Attorneys for appropriate disposition.

From October 1977 through September 1979, 40 cases of suspected criminal activities were so referred by the NLRB. The Agency instituted four criminal contempt of court actions: Two involved repeated secondary boycott offenders, one involved picket line violence, and the remaining action involved willful violations by a company of a temporary injunction.

NATIONAL SCIENCE FOUNDATION

The National Science Foundation was established by the National Science Foundation Act of 1950 and was given additional authority by the National Defense Education Act of 1958.

The Foundation supports basic and applied research with grants and contracts. While the Foundation has broad program authority which could include research on law enforcement and criminal justice, proposals in this area are not encouraged for submission to the Foundation. Interested researchers are referred to the Law Enforcement Assistance Administration.

Two programs within the Foundation support research which relates to the legal system: The Applied Behavioral and Social Science program in the Engineering and Applied Science Directorate and the Law and Social Science program in the basic research Directorate for Biological, Behavioral and Social Sciences.

The Applied Behavioral and Social Science program supports research on increasing productivity and efficiency in the delivery of legal services, primarily civil legal services. Procedural, organizational and technological strategies are investigated.

The Law and Social Science program strongly emphasizes studies in the noncriminal law, although appropriately designed studies on the criminal law may be supported if they are general and relate to basic studies rather than narrow criminal law concerns.

Some recent projects which may be of interest include:

Police: An analysis of the factors which motivate police officers to make arrests.

Study of the exercise of discretion by criminal justice system personnel at various stages of the legal process in cases in which a killing has been certified as a homicide.

Courts: An examination of changes in composition of case-load, both civil and criminal, in State high courts, 1890-1970.

Two studies on the effects of court operating rules on the types of people, cases and judgments in the courts.

Judiciary: An analysis of the various roles performed by trial judges, e.g. adjudicator, negotiator, administrator, and the judges preparation for and performance in those roles.

Legislation: An analysis of the differing impacts of the legal system which various types of legislation produce.

Study of compliance with a government policy affecting many members of the public, specifically the 55 MPH speed limit, to test deterrent effects and the effects of social interaction on deterrence.

OFFICE OF PERSONNEL MANAGEMENT

The Office of Personnel Management (OPM--formerly the U.S. Civil Service Commission) supports and assists programs concerning the selection, assignment, and training of law enforcement personnel.

OPM's Legal Education Institute, an ongoing activity of the Workforce Effectiveness and Development Group, promotes better administration and civil enforcement of Federal enabling and procedural statutes and trains new Government attorneys, attorney managers, general counsels, administrative law judges, and paralegals. During fiscal year 1977-78, the Institute conducted programs in Washington, D.C., Berkeley, California, and Kings Point, New York. It also led the symposium on Tort Claims Litigation for the Tort Branch of the Department of Justice; conducted the Defense Litigation Seminar and the Seminar on Litigation Organization, for the Civil Division, Office of the U.S. Attorney, District of Columbia; assisted the Office of the Solicitor General by coordinating the course, Review of Supreme Court Decisions--October 1977 Term; and conducted a Legal Aspects of Grants Seminar, with the support and participation of the Law Enforcement Assistance Administration.

On January 11, 1979, OPM issued Federal Personnel Manual Bulletin No. 410-95, to provide guidance on the minimum training essential for adequate performance of Federal protective officers. The bulletin resulted from an interagency effort led by the Office of Personnel Management. OPM also worked closely with officials of the Treasury and Justice departments, the Office of Management and Budget, and several Inspectors General, in an effort which produced a report released in February 1979, titled "Improving Audit and Investigative Training--A Plan for Government-Wide Action."

OPM's Office of Intergovernmental Personnel Programs (IPP) awards grants and provides technical assistance to State and local governments for a variety of law enforcement projects. In 1978 grant funds were awarded to the city of Topeka, Kansas, to validate examinations for police officers. In 1979, Chicago was given a grant for the purpose of determining appropriate passing grades on police examinations, and how to rank potential police officers according to test scores and other factors.

Funding also was made available to two small Mississippi cities to cross-train their personnel in both police and fire protection methods. It is expected that this will result in combining the police and fire departments into smaller, more efficient public safety units.

A national discretionary grant awarded to the Urban Institute in May, 1979, will be used to study the impact of performance targeting, and monetary incentive rewards, on the effectiveness of police crime control in five local jurisdictions.

Mobility assignments--the temporary assignment of a State or local law enforcement official to a Federal agency or vice versa--have been used to provide assistance to law enforcement agencies. A criminal justice program specialist with the Department of Justice is on a two-year detail to the city of Atlanta to review and revise police department policies and procedures. A Papago Tribe police officer in Arizona has been detailed to the Department of the Interior to perform law enforcement functions on the Papago, San Xavier and Gila Bend Indian Reservations.

Under contractual agreement with a private research firm, IPP defined basic measures of service delivery performance in criminal justice systems. These measures were then used to compare the delivery of services in 87 North Carolina municipalities. Use of these comparative measures allow individual communities to determine their level of service and to take whatever actions they deem necessary. Similar studies have been conducted, under the same terms, in the New York and Denver areas.

Finally, OPM's Staffing Services Group issued single-agency, interim qualification standards for special agents of the Fish and Wildlife Service, single-agency qualification standards for Treasury enforcement agents, and as a result of revised qualification standards issued a new examination announcement for border patrol agents.

U.S. POSTAL SERVICE

Postal Inspection Service

The Postal Inspection Service is responsible for protecting the U.S. mails (99 billion pieces annually), postal personnel (650,000), property (31,000 post offices and equipment) and funds (\$18 billion annual revenue) and for investigating violations of postal laws. It also conducts internal audits of all financial activities and operational functions bearing on the Postal Service.

With a total of approximately 5,500 employees, the Inspection Service consists of a national headquarters in Washington, D.C., five regional offices and 18 geographically deployed field divisions. An additional division with specialized responsibilities is based at headquarters and reports directly to the Chief Postal Inspector.

There are some 2,000 postal inspectors. Over 60 percent are assigned to criminal investigations. The remainder are concerned with auditing and various types of security and service investigations. Inspectors are assigned to each of the Federal strike forces established in metropolitan areas throughout the United States to combat organized crime.

The uniformed Postal Security Force has approximately 2,500 members assigned to protect 121 postal installations in the 50 States, Puerto Rico and the District of Columbia. Eleven of these locations include responsibility for protecting Federal court facilities. The uniformed cadre also functions in some areas as an adjunct to the investigative force.

Robberies, burglaries, thefts of mail, bombs, whether directed against postal property or transmitted through the mails, assaults on employees and embezzlement of official funds, are crimes against the postal establishment which are investigated. One of the most concentrated areas of involvement is the investigation of white-collar crime where the mails are used to obtain money or other valuables through fraud or false representations.

From October 1977 through September 1979, the Inspection Service completed a total of 86,434 criminal investigations. A total of 35,222 convictions were obtained with a rate of 99 percent of cases brought to trial. Recoveries, restitutions and fines amounted to \$34 million.

Consistent with the mounting public concern about white-collar crime and the potential for application of the mail fraud laws, we have committed increasingly greater resources to these investigations. Along this line, we have structured specific programs aimed at the protection of those most vulnerable.

During the period of this report, the Inspection Service received 428,842 mail fraud complaints, completed 11,221 investigations and obtained 4,075 convictions for violation of the Mail Fraud Statute. Also, 75 administrative "mail stop" orders were processed under the False Representation Statute whereby delivery of mail to the operator of a scheme can be cut off pending establishment of, or in the absence of, provable criminal intent.

The theft of mail is among the most frequently occurring Federal crimes and requires the expenditure of considerable investigative time. The 750 million government checks mailed each year, many to retired and disadvantaged persons are popular targets. For this period, 288,022 complaints were received, which yielded 24,589 arrests.

Internal thefts, embezzlement of official funds, employee shortages and revenue deficiencies produced 2,068 convictions and the recovery of \$809,818. The deterrent set up by persistence in these investigations has historically reinforced the integrity of the entire postal system.

The Postal Inspection Service recorded 700 burglary and 237 robbery convictions. A comprehensive counter-measures program involving employee education, bulletproof counterlines, more sophisticated alarms, cameras and security containers has contributed to generally good success in controlling these offenses although they still present a nagging problem in some locations.

Bomb related postal offenses constitute a relatively small segment of the overall criminal effort. They do, however, receive the highest investigative priority. Convictions totaled 63 in this report period. Child pornography in the mail stream is similarly not too prevalent from a volume standpoint, but is vigorously pursued. Investigations numbered 92 and resulted in 19 convictions.

The Postal Inspection Service performs a supportive, yet critical role in collaborating with other Federal law enforcement agencies having primary statutory jurisdiction with regard to the mails being used for illicit narcotics traffic. The same situation exists in connection with the investigation of foreign and domestic terrorist group activities.

SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission was created under authority of the Securities Exchange Act of 1934 to regulate the securities exchange and over-the-counter markets, prevent inequitable and unfair practices on such exchanges and markets, and generally protect public investors.

The Commission issues rules and regulations governing financial activities in the United States and assures compliance through an aggressive enforcement program, including extensive investigative activity into all aspects of the financial community. These investigations may be followed by civil injunctive actions, administrative proceedings, and referrals to the Department of Justice for criminal prosecution.

Management Fraud

The Commission gives very high priority to investigations of management fraud--the undisclosed use of funds of public companies for questionable or illegal corporate political contributions, commercial bribery, and other such activities. False and misleading entries on the books and records of the company are very often involved, with, in many instances, the knowing participation of top management.

Beginning in 1973, as a result of the work of the Office of the Watergate Special Prosecutor, the Commission became aware of the pattern of conduct involving the use of corporate funds for illegal domestic political contributions. Subsequent Commission investigations and enforcement actions revealed that instances of undisclosed questionable or illegal corporate payments--both domestic and foreign--were wide-spread, that they represented a serious breach of the system of corporate disclosure administered by the Commission and that such payments threatened public confidence in the integrity of the system of capital formation, which rests on a foundation of full and fair disclosure of corporate business and financial transactions.

To date the Commission has filed more than 40 civil actions in this area, obtaining not only injunctions prohibiting further violations of the Federal securities laws, but court-ordered internal investigations by special committees, generally composed of outside directors. Over 450 public companies have made disclosures of past activities of this type in their public filings with the Commission. In response to these disclosures of wide-spread abuse, Congress enacted the Foreign Corrupt Practices Act of 1977, which gives the Commission specific responsibilities in this area.

Organized Crime

The Commission also gives high priority to the investigation of organized crime. Liaison is maintained with the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, and with other Federal and State agencies.

When enforcement action appears appropriate, the Commission may institute injunctive actions in appropriate United States district courts, or it may refer the matter to the Department of Justice for criminal prosecution.

The Commission may initiate administrative proceedings which could result in a Commission order imposing remedial sanctions on the persons involved. When appropriate, the Commission also may refer cases to State or local enforcement agencies or to industry self-regulatory organizations.

To increase the impact of its enforcement of the Federal securities laws, the Commission regularly conducts training seminars at its headquarters and regional offices and regional seminars in financial centers nationwide.

Since the Commission's work encompasses many administrative and civil proceedings, there is no breakdown on expenditures specifically in the criminal law enforcement areas.

The Commission publishes quarterly a Securities Violations Bulletin that indexes the names of individuals implicated in any public action related to securities violations on the Federal, State or local level.

SMALL BUSINESS ADMINISTRATION

The Small Business Administration makes loans and/or guarantees loans to small business concerns, State and local development companies, and to victims of floods and other disasters. Additionally, the agency licenses and funds in large measure approximately 400 small business investment companies, which in turn make loans to, and purchase equity positions in small business.

Statutory authority for SBA law enforcement activities lies principally in the Small Business Act, the Small Business Investment Act of 1958, Title IV of the Economic Opportunity Act of 1964, the Small Business Protection Act of 1967, and the Inspector General's Act of 1978.

Monitoring SBA Activities

SBA loan and assistance programs are monitored continually to assure compliance with Agency regulations, determine the level of compliance with Agency regulations, and with contracts or agreements, and to ascertain that loan proceeds or other assistance are used in accordance with the loan authorization. Each of the licensed small business investment companies is examined once a year.

Investigation of all SBA activities, including personnel, are made on a complaint basis, as well as at the initiative of the Inspector General. Investigations involving fraud, bribery, or manipulation of collateral are coordinated with other Federal agencies. The SBA is empowered to issue subpoenas in conducting its investigations.

Name Checks and Referrals

The SBA Security and Investigations Division, Office of Inspector General, checked 150,514 individuals through intelligence and law enforcement agencies during fiscal year 1978. More than 11,411 reports containing adverse information were received, and of these 63 resulted in declining the loan application. During fiscal year 1979, the office checked 126,614 individuals with approximately 6,338 of these reports containing adverse information, resulting in 56 loan applications being rejected. Loans withheld as a result of such investigations amounted to approximately \$4,301,309 in fiscal 1978 and \$3,070,088 in fiscal year 1979.

During fiscal year 1978, SBA made 415 referrals to the FBI for investigation involving suspected fraud by SBA loan applicants or recipients. FBI investigations resulted in 15 indictments and 31 convictions. SBA made 430 referrals to the FBI in 1979 resulting in 16 indictments and 50 convictions.

The SBA's Security and Investigations Program calls for a field inspection program, under which each district and regional office will be visited at least once over a two-fiscal-year cycle. These inspections are in addition to specific requests for investigation.

SBA conducted 59 field investigations of SBA personnel during 1978. Twenty-six personnel cases were referred to the FBI, resulting in one indictment and no criminal convictions. During fiscal year 1979, SBA conducted 76 field investigations with 22 personnel cases referred to the FBI, resulting in 2 indictments and 2 criminal convictions.

Public Education Program

The SBA carries on several activities designed to educate the public in general and small businessmen in particular about crime prevention. SBA management assistance personnel, for instance, with 89 field offices throughout the United States, cosponsors crime prevention programs with local groups.

SMITHSONIAN INSTITUTION

The Secretary of the Smithsonian Institution is authorized by Federal law to maintain a special police force to protect the buildings and grounds under his control. The Cooper-Hewitt Security Force, the National Zoological Park Police, and the Protection Division of the Office of Protection Services are the units which provide police services and security to the Institution. Within their jurisdictions they enforce the rules and regulations of the Institution, local criminal codes, and the criminal statutes of the United States.

The Smithsonian Protection Forces employ more than 400 men and women as special police, guards, canine handlers, alarm control operators, and technicians. Investigative support is provided by the Security Services Division. The Protection Division and the Zoological Park Police work closely with the U.S. Park Police and the District of Columbia Metropolitan Police Department and receive technical assistance from them, especially in dealing with bomb threats and transporting and jailing prisoners. The Cooper-Hewitt Security Force works with the New York Police Department.

Since the Office of Protection Services administers the Smithsonian's fire protection and occupational safety and health programs, the guards and special police of the Protection Division are training to recognize and report fire and safety hazards. Fire protection engineers, safety specialists, and an industrial hygienist employed by the Office of Protection Services investigate those reports and conduct regular inspections of Smithsonian facilities. Registered nurses and a physician operate health units that provide health counseling for employees and emergency medical treatment for staff and visitors.

Scientists and curators in various divisions of the Institution, such as Physical Anthropology, are often requested to identify stolen objects and forged documents for law enforcement agencies.

DEPARTMENT OF STATE

The Department of State's law enforcement efforts cover international narcotics traffic and international terrorism.

Scope of Major Activities in Law Enforcement and Criminal Justice

To control narcotics, the Department coordinates international cooperation efforts, conducts bilateral negotiations with other foreign states, promotes more effective United Nations activity against drug abuse, and encourages multilateral negotiations of international agreements on drug control. These include:

Bilateral Action through which the Department develops mutual assistance arrangements with a number of countries against illegal drug traffic.

Mexico continues to be the focal point of a major opium poppy eradication effort and an intensified illicit narcotics traffic interdiction program.

The cocaine belt (Bolivia, Colombia, Ecuador, and Peru) continues to pose a problem. International efforts to control the abuse of this drug and to curtail its traffic will continue to receive full support of the United States. Negotiations with Colombia have resulted in signing a new extradition treaty and in much progress on a treaty on mutual assistance in criminal matters.

Support for the Role of the United Nations which encourages and directs international efforts to cope with the drug problem. The U.N. Economic and Social Council has primary responsibility within the world body for this task. The Council, in turn, delegates responsibility to the Commission on Narcotic Drugs. The United States supports this important narcotic control effort by its backing of the Commission and the International Narcotics Control Board formed under the Single Convention on Narcotic Drugs in 1961.

Multilateral Treaties the United States has taken a leading role in negotiating include the Single Convention on Narcotic Drugs of 1961, the basic international treaty providing for the international regulation of narcotic drugs, and a protocol amending the Single Convention.

The President currently is awaiting Senate ratification of the Convention on Psychotropic Substances, which was

adopted by a plenipotentiary conference in Vienna in February 1971.

Cabinet Committee to Combat Terrorism

The Department coordinates domestic and international efforts to combat terrorism through the Secretary's chairmanship of this Committee. The Committee coordinates the intelligence resources of the United States and cooperating governments to combat terrorism and provide physical security for United States interests abroad and foreign diplomatic interests in the United States.

The hijacking and sabotage of commercial aircraft have received major attention from the Department in its efforts against terrorism.

The United States took a leadership role in the signing of three international conventions dealing with terrorist moves against commercial aircraft.

The U.N. Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons entered into force on February 20, 1977, the United States depositing its instrument of ratification on October 26, 1976. It obligates parties to impose appropriate penalties on those guilty of crimes against internationally protected persons, e.g., murder, kidnapping, assault, etc.

The U.S. Act for the Prevention and Punishment of Crimes Against Internationally Protected Persons of 1976 implements the convention and codifies into U.S. law the relevant obligations of a party to the convention.

Criminal Investigations

If the Department of State discovers evidence of crimes against the United States during its continuing investigations and inquiries, it refers the evidence to the Department of Justice for appropriate disposition.

The Department can refuse or revoke the passport of a person subject to a Federal felony warrant, thus restricting or sometimes preventing the international movement of fugitives.

Mutual Legal Assistance

The United States' treaty with Switzerland for mutual assistance in criminal matters entered into force on January 23, 1977. Under it law enforcement agencies of the respective countries can request and obtain specific assistance from the appropriate authorities of the other, including the aid of the courts of the other country. Similar treaties have been signed with Turkey and are under negotiation with Colombia, Mexico and the Netherlands.

Informal judicial assistance arrangements also have been made with Colombia, Peru, and Mexico in the course of narcotic control cooperation. Under the Single Convention on Narcotic Drugs, 1961, as amended, arrangements have been made for cooperation in the prosecution of offenders. More formal arrangements with these and other countries are under consideration.

Extradition of Fugitives

The Department of State is responsible for international extradition and return of certain fugitives.

The Department continually reviews outstanding extradition treaties and seeks to modernize extradition relations by negotiating amendments to existing bilateral treaties or new comprehensive bilateral treaties. New treaties with Finland, the Federal Republic of Germany, Japan, Mexico, Norway, and Turkey have been signed and sent to the Senate for advice and consent to ratification.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation does not have the authority to prosecute under criminal statutes. But it does set security standards, and it cooperates with the Department of Justice in efforts to apprehend and punish violators.

Office of the Inspector General

The Office of the Inspector General conducts audits and investigations of DOT's programs and operations to prevent and detect fraud and abuse.

The cases which are investigated relate to collusion and bid rigging among contractors; submission of false statements, payroll claims and certifications by contractors; falsification of travel vouchers and time and attendance records; kickbacks; conflicts of interest; and fraud and diversion of funds in connection with grants and programs financed by DOT.

Investigations which find possible violations of Federal criminal laws are referred to the Department of Justice for prosecution.

Civil Aviation Security Program

In January 1973, increased air hijackings forced the Department of Transportation to shift from voluntary controls to the mandatory procedures prescribed by Federal air regulations to prevent air piracy. From January 1, 1969 until the new rules went into effect, 69 scheduled U.S. airlines had been successfully hijacked. Since then there have been only three successful hijackings of U.S. airliners.

National Cargo Security Program

The Department of Transportation has encouraged American industrial firms to participate in a national voluntary effort to control cargo theft by providing motivation and technical assistance and establishing Cargo Security Advisory Standards. DOT has a computer system containing loss data for transportation modes and companies.

On January 27, 1975, the President issued an executive order formally establishing the National Cargo Security Program. The order required the Secretary of Transportation to report annually to the President on the effectiveness of the voluntary program. On March 31, 1979, the Secretary recommended

continuing the voluntary program at least through March 1980 because cargo losses have stabilized and industry has shown a greater determination to support the program.

Federal Aviation Administration

The Federal Aviation Administration operates a number of programs which concern Federal law enforcement and criminal justice activities. These programs focus primarily on anti-hijacking and antisabotage measures and the prevention of crimes affecting civil aviation security.

There were 1,032 bomb threats made against aircraft during 1978. Under an FAA-sponsored program, explosive-sniffing dogs are deployed at 29 airports throughout the country. No aircraft is ever more than one hour from one of these airports, where it can land and be checked for explosives.

United States Coast Guard

The U.S. Coast Guard, DOT's second largest operating administration, is the primary maritime law enforcement agency of the U.S. Government. The statutes, which give the Coast Guard general law enforcement power, authorize its personnel to make searches, seizures, and arrests on the high seas and waters in which the United States has jurisdiction to prevent, detect, and suppress violations of the law. Other statutes specifically empower the Coast Guard to act in certain situations as a primary or secondary law enforcement agency.

In meeting its general law enforcement responsibilities, the Coast Guard concentrates on regulating marine traffic control and safety; protecting the safety of ships, boats, recreational boaters, ports, and offshore structures; enforcing laws, treaties, and other agreements involving environmental protection and conservation; and acting as the primary law enforcement agency when any crime is committed on the high seas. Port security forces work closely with the Bureau of Customs and the Immigration and Naturalization Service to control smuggling and the entry of illegal aliens. The Coast Guard may levy penalties for the harmful discharge of oil offshore, and in 1977 it was empowered to enforce the 200-mile fishery conservation zone.

Federal Highway Administration

Persons involved in crimes or improper activities connected with the Federal aid highway program are declared unacceptable for employment under that program for periods varying from

three months to three years, thus denying them the privilege of participating in the construction of Federal or Federal aid highways.

National Highway Traffic Safety Administration

Since 1966, State and local police agencies have improved their traffic law enforcement capabilities by using Federal funds provided by the National Highway Traffic Safety Administration to begin programs and acquire needed equipment. Emphasis is now on programs which require a minimum purchase of equipment.

NHTSA has been very active in efforts to control drunken driving, both through a nationwide public information campaign, and through a series of federally funded Alcohol Safety Action Programs. These demonstration programs were designed to determine the most effective combination of countermeasures for dealing with the drunken driver. Many states now are operating their own programs based on the success and experience of the demonstration programs.

Since the national speed limit of 55 miles per hour was passed by Congress in 1974, NHTSA has been working with the States to encourage tighter enforcement of the speed limit. Funds have been made available for increasing highway patrol time, and for the purchase of various speed control devices and other equipment.

Urban Mass Transportation Administration

The Urban Mass Transportation Administration funds technical studies; capital purchases; operating assistance; and research, development, and demonstration projects.

UMTA assists local transit operators in purchasing a variety of security-related equipment under the capital assistance program, including two-way radio communications systems for bus and rail operations, TV security systems, safes, subway supervisory control systems, motorized security doors for transit facilities and vehicles, emergency alarm systems, and fire detection devices.

DEPARTMENT OF THE TREASURY

The Department of the Treasury's criminal justice concerns include the supervision of laws on income and other taxes, customs, the international movement of monetary instruments, forgery, counterfeiting of currency, protection of the President and other officials, arson, cigarette bootlegging, and enforcement of Federal firearms, explosives and alcoholic beverage laws. Its anti-crime programs include ways to combat organized crime through strike forces and by the Department's Internal Revenue Service's identification of groups and individuals evading taxes on profits from illegal activities. An anti-narcotics program focuses on tax evasion by high-level drug traffickers and on violations of the Currency Reporting Statutes.

Enforcement and Operations

The Assistant Secretary for Enforcement and Operations formulates law enforcement policies for all Department criminal justice activities and has oversight and general supervisory responsibility for the U.S. Customs Service; the U.S. Secret Service; the Office of Foreign Assets Control; the Federal Law Enforcement Training Center and the Bureau of Alcohol, Tobacco and Firearms.

United States Customs Service

The Customs Service during fiscal years 1978 and 1979, cleared more than 520 million persons arriving in the United States. It seized \$291 million worth of prohibited articles and undeclared goods, and made 41,000 seizures of illicit drugs, the value of which is not included in the above figures. Information from the Treasury Enforcement Communications System resulted in the arrest of 2,900 wanted (NCIC) felons. There were a total of 41,700 arrests for fiscal years 1978 and 1979.

The Customs Patrol anti-smuggling operation was more efficient through the upgraded Customs aircraft and vessel fleet (60 aircraft and 75 vessels). Customs opened 47,500 investigations and closed 49,800 during fiscal years 1978-1979. It also expanded the analysis and dissemination of reports required under the Currency Reporting Statutes.

United States Secret Service

The Secret Service enforces the laws relating to coins, obligations and securities of the United States and foreign governments. The Secret Service also protects the President, Vice President, President-elect, Vice President-elect and their immediate families; major presidential and vice presidential candidates and nominees; visiting foreign heads of State and others.

During fiscal year 1978, the Secret Service seized \$18.3 million in counterfeit currency prior to circulation and arrested 1,583 counterfeiters. In the first six months of fiscal year 1979, agents seized nearly \$16 million prior to circulation. By March 31, 1979, arrests in connection with counterfeiting laws were up 8 percent over the first six months of fiscal year 1978.

The Secret Service continued to provide physical security for permanent protectees and visiting heads of state and official representatives of the United States performing special missions abroad in 1978 and 1979. In fiscal year 1979 the number of permanent protective details was 18. The number of foreign dignitary details was approximately 150.

Federal Law Enforcement Training Center

The Federal Law Enforcement Training Center (FLETC) is the interagency training facility where Federal police officers and criminal investigators with the authority to make arrests and carry firearms are trained. The Center's mission is to serve as the focal point for the U.S. Government's law enforcement training effort.

At the end of fiscal year 1979, over 20,000 students will have graduated from basic and advanced programs at the Center since the beginning of fiscal year 1977.

Bureau of Alcohol, Tobacco and Firearms

The Bureau of Alcohol, Tobacco and Firearms is charged with enforcing Federal laws and regulations pertaining to firearms, explosives, alcohol and tobacco. From October 1, 1977 through May 1, 1979, the Bureau recommended prosecution of 4,650 defendants for violations of the Gun Control Act.

From October 1, 1977 through May 1, 1979, ATF recommended 739 defendants for prosecution under the Federal explosives statutes. From January 1, 1978 to February 28, 1979, ATF investigated a total of 587 arson cases. ATF also recommended 301 defendants for prosecutions of alcohol violations during the period of October 1, 1977 and May 1, 1979 and seized 18,000

cartons of cigarettes and 9 vehicles along with arresting 14 individuals on charges of interstate cigarette smuggling.

The National Firearms Tracing Center assists about 5,550 local, State and Federal enforcement agencies each month and, during fiscal years 1978 and 1979 (to June 1, 1979), has processed 93,340 trace requests.

Comptroller of the Currency

The Office of the Comptroller of the Currency supervises the national banking system. A staff of over 2,000 bank examiners performs the statutorily required regular examinations of all national banks.

The revenue required for the examination of national banks comes from annual assessments on all national banks. During fiscal year 1978, the Comptroller's Office received revenues of \$93,498,000 of which \$86,021,000 was generated by assessment.

The Enforcement and Compliance Division ensures that appropriate administrative procedures are undertaken when necessary and that appropriate criminal referrals are made to law enforcement authorities when crimes are discovered during examinations. It also trains examiners in the detection, investigation and prosecution of white-collar crime. To the extent consistent with Office priorities these trained examiners are available to assist law enforcement authorities in their handling of bank fraud cases.

Internal Revenue Service

The Internal Revenue Service encourages the highest possible degree of voluntary compliance with U.S. tax laws and regulations. Willful evasion of taxes is dealt with by the Criminal Investigation Division of the IRS. Attempts to improperly influence IRS personnel are dealt with by the Internal Security Division.

Criminal Investigation Division

The Criminal Investigation Division recommended prosecution of 3,439 cases in fiscal 1978 for alleged criminal violations of the Internal Revenue Code and offenses relating to tax evasion and willful failure to file returns.

General Enforcement Program - Significant areas of coverage in the General Enforcement Program included cases

on multiple filers, tax protesters, improper use of foreign tax shelters and corporate slush funds, and corruption of public officials. In fiscal 1978, the Division recommended 2,898 cases for prosecution.

o Special Enforcement Program. This program primarily relates to criminal tax investigations of individuals engaged in illegal business activities and organized crime. In fiscal 1978, the Division recommended prosecution in 541 cases.

Internal Security Division

The Internal Security Division investigates attempts to bribe or otherwise corrupt IRS employees and allegations of criminal misconduct on the part of IRS employees.

In fiscal year 1978 Internal Security Inspectors were responsible for the indictment of 110 persons based upon charges of bribery, assaults on IRS employees, unauthorized disclosure of confidential tax information, embezzlement, perjury, and conspiracy to defraud the Government. In fiscal year 1978 Internal Security conducted 186 investigations of possible bribery, resulting in 37 prosecutions; in fiscal year 1979 there were approximately 250 bribery investigations resulting in approximately 70 prosecutions. The conviction rate in bribery cases conducted by Internal Security is approximately 86 percent. One bribery investigation conducted in 1978 and 1979 exposed conspiracies involving 14 persons, including IRS employees, former IRS employees, attorneys, certified public accountants and taxpayers, to falsely lower estate property values undergoing audit by approximately \$17 million, with a resultant tax loss to the Government of about \$4.5 million.

In fiscal year 1979 Internal Security conducted over 2,500 complaint-type investigations. It also conducted over 13,000 background investigations on IRS job applicants in fiscal year 1978 and approximately the same number is projected for fiscal year 1979.

VETERANS ADMINISTRATION

The Veterans Administration administers the laws authorizing benefits for former members of the Armed Forces and for the dependents and other beneficiaries of deceased members of such forces.

While the Veterans Administration is not a law enforcement agency as such, this agency is involved in the following activities relating to law enforcement:

1. Maintenance of a VA Hospital Police System which is charged, by law, with maintaining security and protecting persons and property at facilities under the charge and control of the Veterans Administration;
2. Providing educational benefits for persons training in jobs which lead to positions in the law enforcement field; and
3. Providing treatment and rehabilitation programs for individuals with drug and alcohol problems.

Law Enforcement Activities to Protect Persons and Property at VA Facilities

The Administrator of Veterans' Affairs is responsible for the maintenance of law and order and the protection of persons and property at facilities under the jurisdiction of the Veterans Administration. These facilities include 172 hospitals, 244 clinics, 3 supply depots, and various other administrative support facilities. Each hospital facility contains a minimum of two bulk drug storage areas, three cash handling functions, radioisotope material, and medical supplies and equipment of inestimable value. Of paramount importance is the protection of the approximate 80,000 daily hospital inpatient population, and nearly 200,000 employees.

Within the statutory authority of Title 38, United States Code, Section 218, the Veterans Administration conducts a comprehensive security and law enforcement program which is limited to the protection of properties which are under its control and not under the control of the General Services Administration. When regulations governing conduct on such property are violated, as well as other Federal laws, they are enforced by 1,700 police officers, organizationally

titled "VA Hospital Police," through United States District Courts and, in limited cases, through courts of State jurisdictions. A full range of common criminal acts is experienced daily.

Law enforcement operations and police officer methods employed at VA hospitals are often of a unique nature. Veterans seeking medical treatment, including those in need of drug or alcohol rehabilitation and those with mental or emotional disorders which may underlie exhibited criminal misconduct, require special consideration by VA Hospital police officers. Intensive training efforts have been implemented to assure that none of the veterans who are armed or act in a criminal manner while seeking or undergoing medical treatment are seriously injured by VA Hospital police officers.

Losses of controlled and dangerous substances through burglary of hospital pharmacies and supply warehouses have been drastically curtailed by rigid physical security requirements implemented in the past few years. Within the current fiscal year, major actions were accomplished in providing police training and operational procedures which are responsive to individual rights. An additional major action, which will improve coordination of law enforcement and public safety activity at VA facilities with other Federal and State law enforcement agencies, is the entry of VA Hospital Police units into the FBI National Crime Information Center through respective State terminals.

As mentioned, VA Hospital Police enforce VA regulations governing standards of conduct on VA property. Most of the United States District Courts have approved the use of U.S. District Court Violation Notices by VA Police and have adopted Rules of Court allowing forfeiture of collateral for petty offenses. In those several districts where Rules of Court do not yet permit the VA Police to issue citations, or permit forfeiture of collateral, law enforcement activities are definitely more cumbersome. We are continuing our efforts to have all U.S. District Courts adopt Rules of Court. Another problem encountered is the selection, training, and retention of qualified police personnel. Through internal agency efforts and participation in CSC studies of the problems of wage structures and personnel standards, progress is being made to ameliorate this situation.

Law Enforcement Training

Law enforcement agencies which are engaged in recruiting and training programs are assisted by the VA. It encourages on-the-job training programs for recruits who meet the requirements of the G.I. Bill's education benefits.

Published VA guidelines describe programs which may be approved, and VA Regional Offices offer advice and help to police departments in their areas. Courses last from six months to two years and must be approved by the appropriate State agency and by the VA.

During a veteran's training period his earnings from the police department are supplemented by the VA. It is a VA requirement that, from the start of a program, the veteran must be paid at least half of the salary of the job for which he is training. By the veteran's last month of training, he must be paid a minimum of 85 percent of the salary he would receive as a regular employee.

Basic requirements for hiring police trainees generally include a personal interview, a character investigation, and a driver's license. The District of Columbia Metropolitan Police have approved programs.

During fiscal year 1977, a total of 10,324 persons were in training under VA programs for police-type service jobs. These programs included training to be police and detectives; guards and watchmen, sheriffs and bailiffs. In fiscal year 1978, there were 9,301 persons in similar on the job training programs.

Drug Dependence Treatment

Scope of Problem: The VA started its first five drug dependence treatment programs in 1971. There are now 52 specialized treatment programs. During the 1970's the VA has seen a significant increase in the number of drug dependent veterans seeking treatment in all hospitals, not only in the special treatment centers. In fiscal year 1978 approximately \$40 million dollars will have been spent by the VA for drug dependence treatments. During that year, 27,825 veterans with drug problems were admitted (including approximately 400 active duty servicemen transferred through the Armed Services Medical Regulating Office) to beds set aside for detoxification, withdrawal, screening, and residential treatment. This caseload generated more than 985,000 outpatient visits. A typical treatment takes in two to four weeks of hospitalization followed by an extended period of outpatient care. It includes a combination of medical, social, psychiatric, and vocational services designed to combat an individual's dependence on opiates and other drugs. The program goal is to get a patient away from drugs and try to keep the patient away from them.

It aims to restore drug dependent veterans to healthy, social-functioning individuals and to obviate the criminal and anti-social behavior common to narcotic users. By helping

an addict to return to a productive life by removing him from the cycle of thefts and other crimes by which he supports his habit, the VA hopes to bring about a direct reduction in crime.

Alcohol Dependence Treatment

The VA staffs and operates the nation's largest unified system of treatment for alcoholics. Specialized treatment units are located in 78 VA hospitals. A variety of medical-behavioral approaches are utilized to treat alcohol dependent veterans. During FY 1978, 137,079 veterans with principal diagnoses of alcoholism (defined as alcohol addiction including chronic alcoholism) were treated and discharged. The total budgeted operating cost of this alcoholism treatment program in fiscal year 1978 exceeded \$80 million. The VA cooperates with the LEAA Treatment Alternatives to Street Crime (TASC) project by accepting significant numbers of referrals who meet VA eligibility criteria, for drug and alcohol dependency treatment.

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