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STATEMENT OF  
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OF THE GENERAL GOVERNMENT DIVISION  
U. S. GENERAL ACCOUNTING OFFICE  
BEFORE THE  
SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT  
HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE  
ON  
FEDERAL DRUG ENFORCEMENT AND SUPPLY CONTROL EFFORTS

Mr. Chairman and Members of the Subcommittee:

Our testimony today deals with actions we believe are needed to enable our Nation to make greater inroads in controlling illegal drugs. As you requested, our comments are based on our October 1979 report "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes" (GGD-80-4), and our March 1978 report "Retail Diversion of Legal Drugs--A Major Problem with No Easy Solution" (GGD-78-22).

Our reviews showed that gains made to reduce the adverse impact of illegal drugs are fragile, requiring constant vigilance, as

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- source countries move quickly to fill temporary drug shortages,
- trafficking patterns shift, and
- the types of drugs consumed readily change.

For example, the heroin shortage created by the breaking of the French Connection was temporary. Mexico emerged as the next principal supplier of heroin to the United States. Today there is evidence that as Mexican heroin availability declines, heroin from Southeast Asia and the Middle East is reaching the United States via Europe. In addition, use of dangerous drugs is on the increase as heroin users find it difficult to obtain heroin. This is demonstrated by increased burglaries of pharmacies and overdosing as a result of using these drugs.

The diversion of legal drugs is a major problem. To illustrate, Drug Enforcement Administration (DEA) data shows a clear relationship between deaths and injuries and the use of licit controlled substances. DEA information indicates that of the 13 most highly abused drugs, 9 were controlled substances. Of the nine, six have a legitimate medical use and are prescribed and dispensed at the retail level.

CONSUMER DEMAND FOR ILLEGAL DRUGS HAS NOT ABATED

The huge supply of and demand for drugs has created a multi-billion dollar worldwide business involving millions of

Americans. The National Institute on Drug Abuse has estimated that there are:

--2.3 million people who have used heroin, with 380,000 daily users.

--13 million people who have abused the use of stimulants such as amphetamines.

--6.9 million people who have used PCP at least once.

--10 million people who have used cocaine.

--43 million people who have tried marijuana at least once and its use has been rising steadily in the past decade.

The enormous profits of drug trafficking attract an ample number of entrepreneurs who see opportunities that far outweigh those offered by legitimate businesses. Payments by users and traffickers for heroin, cocaine, marijuana, hashish and dangerous drugs in the United States are estimated to be on the order of \$45 billion to \$63 billion annually, according to the National Narcotics Intelligence Consumers' Committee. Drug trafficking in the United States today appeals to people from all walks of life, including doctors, lawyers, accountants, businessmen, and entertainers.

#### DEA SUPPLY REDUCTION EFFORTS NEED IMPROVEMENT

All branches of the Government--executive, legislative, and judicial--need to take actions to strengthen our Nation's

supply reduction efforts. While DEA alone cannot be expected to make the inroads necessary to reduce the availability of illicit drugs, there are measures DEA can take to enhance its contributions to the Nation's efforts.

DEA needs to improve investigative capability  
against drug trafficker's financial resources

Federal efforts to reduce drug trafficking by immobilizing major violators have fallen short of expectations. Incarcerating major traffickers for long periods and seizing their financial resources, the key elements to success, have not been accomplished to a sufficient extent. Even in those cases where high-level traffickers are arrested and given stiff prison sentences, their organizations often continue to operate and maintain their distribution capacity because the assets and financial resources of the organizations remain untouched.

The use of financial evidence has received much attention recently as an important conspiracy investigation tool. However, we found that even though DEA had increased its emphasis on conspiracy and financial investigations, it had not attained proficiency in these areas. Many DEA agents simply had not been trained in the latest financial conspiracy techniques.

We believe that DEA must improve its capabilities in this area to successfully immobilize major trafficking organizations. Therefore, we recommended that the DEA Administrator improve investigative capability against drug trafficker's financial resources by training DEA agents and hiring financial specialists to assist in investigations.

In its response to our report, the Department of Justice indicated that DEA will not realize any growth in its overall position strength through fiscal year 1981. Thus, the Department said that DEA would not be able to increase its staff with a significant number of financial specialists to assist in investigations. The Department agrees that financial specialists are needed and is considering several alternatives, but said they were too premature to enumerate.

Firm and clear policy required for Federal, State, and local drug law enforcement roles

The Federal strategy places reliance on State and local drug enforcement efforts in order to focus Federal activities against leaders of national and international trafficking networks. Although the Federal Government has developed numerous programs to assist and cooperate with State and local agencies, the enormous number of jurisdictions, coupled with financial problems, makes it virtually impossible to mount a unified attack. Financial resources have not kept pace with drug enforcement needs, and the effectiveness of agencies' activities has been hampered by security risks, differing priorities, and lack of communication.

In the face of these difficulties, we said that the Attorney General should establish a clear, realistic policy on what can reasonably be expected from State and local governments and what the Federal Government should do to elicit their

support. This policy should include a determination of DEA's role in cooperating with and assisting State and local drug enforcement efforts. Such a role should provide for such things as training, exchanging intelligence, and furnishing technical equipment, but should discourage Federal involvement in actions against low-level violators. The policy should take into consideration the adverse effects of financial and political realities that have hindered cooperation among agencies.

The response of the various levels of government to businesses and individuals promoting the use of drugs through the sale of drug-oriented paraphernalia and magazines must also be addressed. In this regard, the Justice Department has developed a model law that interested States and localities could use to ban the manufacture, advertisement, or sale of a wide range of drug paraphernalia.

INTERNATIONAL NARCOTICS CONTROL:  
SOME PROGRESS BUT TASK IS FORMIDABLE

International efforts have made some inroads in the long and continuous attempt to limit the availability of illicit drugs. Crop substitution, opium poppy and marijuana eradication, and improved law enforcement have yielded temporary results. But, when viewed from the perspective of the worldwide dimensions of the drug trade, they have not substantially reduced cultivation and trafficking.

The United States has been the prime force combatting the illegal drug trade. Because of other countries' priorities and attitudes and the realisms in drug-producing countries, international narcotics control has received only nominal support from international financial institutions and other developed countries in comparison to what is needed.

While international cooperation cannot be fully realized under these circumstances, efforts to obtain greater support must be continual and stressed at the highest levels of government and in international forum. To accomplish more, victim countries must reassess their priorities, develop a unified action plan, and support the plan with the needed resources.

Though drug enforcement and control programs have not overcome the longstanding social, political, and economic conditions in producing countries, they nevertheless have yielded temporary results. These efforts have produced short-term heroin shortages in the United States and helped to motivate foreign agencies in carrying out their drug enforcement missions. For example, the opium poppy and marijuana eradication program in Mexico has significantly reduced the Mexican-produced heroin and marijuana available in the United States. Regardless of the degree of success achieved, these successes are likely to be temporary in nature unless actions are taken to provide growers with an alternative source of income.

To achieve the goals of international narcotics control will require massive expenditures and considerable time. To date, most developed countries of the world have been unwilling to fund such ventures as eradication and crop substitution. A continuing enforcement presence is essential to assure that long-range approaches to supply reduction take hold.

DIVERSION OF LEGAL DRUGS: A FLOURISHING  
ACTIVITY WITH LITTLE ENFORCEMENT ATTENTION

Although the abuse of heroin, cocaine, and other illegal drugs has been well-documented, the use of legal drugs, such as barbiturates, tranquilizers, and amphetamines, for non-medical purposes is equally as serious. Diversion of legal drugs, especially at the retail level, has been flourishing for years, yet it has received little attention compared with the efforts spent against drugs like heroin and cocaine.

Recent DEA data shows that about 20,000 drug products are scheduled under the Controlled Substances Act, and over 20 billion dosage units flow through the distribution chain to the retail level each year. Its estimates indicate that between 250 and 300 million dosage units of controlled substances were diverted at the retail level in 1978, or about one out of every 100 dosage units.

Also, DEA estimates that about 80 to 90 percent of domestic diversion occurs at the retail level. The most common methods of retail diversion include pharmacy thefts,



indiscriminate prescribing, forged prescriptions, and the illicit sale of legal drugs by registrants. Individuals who obtain prescriptions and controlled substances by feigning a medical need, or who obtain multiple prescriptions from different physicians, are also responsible for this diversion.

Limited authority and resources, weak regulatory requirements, and the large number of retail outlets restrict DEA's efforts to control retail diversion at the dispensing and practitioner level. The responsibility to control drugs at retail level has been relegated largely to the States, which generally do not have the capability to provide aggressive anti-diversion programs.

Under the Controlled Substances Act, DEA has extensive authority to register and regulate drug manufacturers and distributors. The situation is different, however, at the retail level. Doctors, pharmacists, and other practitioners are generally registered if they are authorized to dispense and prescribe controlled substances by the State in which they are licensed to practice. As with registrations, DEA lacks authority to impose physical security requirements on practitioners.

Limited resources also preclude DEA from pursuing an extensive regulatory program at the retail level. DEA told us that it had greatly reduced diversion at the manufacturing and distribution level, and that redirecting its present resources toward the retail level could compromise these successes.

Most States are incapable of dealing with the retail diversion problem because of inadequate legislation, ineffective organization, and inadequate resources. One study found that State licensing boards, which are primarily responsible for enforcing drug compliance by practitioners, see their primary role as determining fitness to practice and view their responsibilities over controlled substances as only part of their role.

DEA is trying to assess and upgrade State capabilities to evaluate practitioners. Although the largest assistance effort--diversion investigation units composed of Federal agents and State investigators--has had some success, most of DEA's other activities have had little effect so far. DEA stated that its efforts have not had a major impact on retail diversion.

In our 1978 report, we recommended that the Congress strengthen enforcement efforts against the growing diversion of legal drugs by authorizing DEA to either exercise direct regulatory authority over retail-level practitioners or implement grant programs for assisting States in controlling diversion. We continue to support this recommendation.

DEA recently said that it was working on a revision of the Controlled Substances Act that would increase its ability to provide necessary resources for State efforts against

retail diversion and its authority to act directly against the retail violations when State efforts fail.

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Mr. Chairman, this concludes my prepared statement. We would be pleased to respond to any questions.