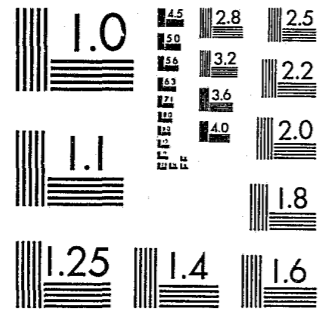


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National Institute of Justice
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Washington, D. C. 20531

6/22/83



Department of Justice

MF-1

TESTIMONY

OF

RUDOLPH GIULIANI
ASSOCIATE ATTORNEY GENERAL
UNITED STATES DEPARTMENT OF JUSTICE

BEFORE

THE
SUBCOMMITTEE ON CRIME
AND
SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

CONCERNING
COORDINATION BETWEEN THE DRUG ENFORCEMENT AGENCY AND
THE FEDERAL BUREAU OF INVESTIGATION

ON

MARCH 29, 1982

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U.S. Department of Justice
National Institute of Justice

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Chairman Edwards, Chairman Hughes, Members of the Judiciary Committee:

FBI Director Webster, DEA Acting Administrator Mullen and I are pleased to be here today to represent the Attorney General and to present the Department of Justice strategy for implementing a coordinated, effective drug law enforcement program.

The drug trafficking industry has been growing rapidly, and has become increasingly more sophisticated. There has been a marked acceleration in the involvement of traditional organized crime, outlaw motorcycle gangs and other groups in the highest levels of narcotics trafficking. Furthermore, the FBI has encountered increasing drug trafficking violations coincident with its investigations into public corruption and major theft. We estimate that about one-quarter of our traditional organized crime or public corruption investigations involve drug trafficking. The Attorney General's Task Force on Violent Crime emphasized the significance of drug trafficking in relation to the overall crime problem and the need for the implementation of a clear, coherent and consistent national policy regarding drug law enforcement that reflects an unequivocal commitment to combatting international and domestic drug trafficking.

Law enforcement has adapted to these changing circumstances by pursuing investigative avenues not conventionally associated with drug investigations. These techniques are

designed to reach and immobilize drug trafficking cartels. They include longterm electronic surveillance and property title searching and require skills such as accounting as well as familiarity with investment banking. Although it has made great progress, DEA, acting alone, was never able to utilize these tools fully. The FBI, however, has proven expertise with these investigative avenues. Furthermore, the FBI has had the resources to pursue these directions, which require substantial manpower and other resources.

Therefore, in June 1981 the Attorney General initiated a management experiment to capitalize on the FBI's experience, expertise and resources. Both DEA and FBI issued simultaneous communications from headquarters instructing all senior field officials to establish formal contact with their counterparts and ascertain how their joint resources could best be directed at the uppermost levels of drug trafficking organizations.

Our primary consideration in this move was the need to expand and develop an integrated investigative approach which concentrates on conspiracy violations, drug-related financial investigations and drug asset forfeitures. Because this strategy requires management experienced in investigations of this type, the Attorney General appointed Bud Mullen, an FBI Executive Assistant Director, to supervise DEA during this transition.

At the same time, we undertook certain actions within DEA. DEA's own senior managers had already concluded that

their organization needed streamlining to make the agency more efficient and more effective in support of the drug law enforcement program in the field. As a model, we looked to the FBI's centralized management, which has assured the responsiveness of headquarters to field efforts and the proper allocation of resources. We concluded that such a system would further enhance DEA's efficiency and better support the overall mission of the agency. Accordingly, in recent months we disestablished DEA's regional structure and implemented a system of direct field office reporting to headquarters. By July, we will have reorganized DEA's headquarters structure along program lines, rather than geographical lines, with a "desk" or unit in headquarters for each type of drug investigation.

While the interim management team was at DEA's helm and while the number and quality of DEA/FBI cooperative endeavors were increasing, a Committee of high-ranking Department of Justice officials was studying alternatives to permanently ensure better coordination between DEA and the FBI. Based on the recommendations of this Committee, on January 21, 1982, the Attorney General formalized the DEA/FBI reorganization. Most central to this realignment of responsibilities are the following:

- * DEA will continue intact as a law enforcement agency headed by an Administrator. However, the Administrator of DEA will report to the Department of Justice through the Director of the FBI.

- * The FBI has been assigned jurisdiction over the violations of the federal criminal drug laws, concurrent with the jurisdiction of DEA.
- * The Director of the FBI will assure that maximum available FBI resources are used effectively to supplement DEA's existing resources and expertise.
- * The Administrator of DEA, subject to the general supervision of the Director of the FBI, is responsible for developing strategies for joint DEA/FBI drug enforcement efforts and should assure that DEA is organized in the manner most conducive to effective drug enforcement.

The most critical element and noteworthy consideration is that, for the first time, FBI resources will be used to supplement and complement those of the DEA to jointly attack the drug crime problem nationwide. The directive of the Attorney General recognizes the strengths and unique capabilities of each agency. The FBI's resources and expertise will enhance, without at all displacing, DEA's capabilities. The infusion of FBI resources will augment the national drug enforcement effort and permit the development and implementation of long-term, joint investigative strategies. Harnessing these investigative assets will ensure that the maximum available resources will be used effectively to conduct upper-echelon drug cases and the "spin-off" investigations of related crime.

More specifically, the principal benefits accruing to the federal drug law enforcement effort can be categorized and described as follows:

1. Additional personnel will be available for drug enforcement. FBI resources will add to the pool of agents, in

a greater number of locations, around the country. In some areas of the country, DEA has such a minimal presence that federal drug investigations have been virtually non-existent. The FBI's wide deployment in approximately 500 locations in the United States will expand the presence of federal drug enforcement. Moreover, in some locales, the presence of a sufficiently large FBI contingent could permit DEA to redeploy personnel to high priority areas, such as Florida. Greater numbers of agents will also allow for greater flexibility in conducting Title III electronic surveillances and complex drug-related financial investigations.

2. More sophisticated investigative tools will be available for drug enforcement. DEA's limited use of the more sophisticated investigative techniques, such as electronic surveillance, has been attributed for the most part to a lack of resources. The FBI considers the utilization of such techniques essential to the investigation and prosecution of large, complex criminal organizations. The FBI's expertise and success in this area can readily be transferred to multi-subject drug trafficking networks.

3. The proposed structure will enhance asset seizure efforts. Drug trafficking cartels can be immobilized only if their financial bases are destroyed. Although DEA has realized increasing successes in this regard, it has barely scratched the surface. DEA simply does not have the resources to fully exploit the potential of such investigations. The FBI has

1,200 Special Agents trained in accounting. Their expertise in conducting financial investigations is outstanding and will significantly enhance the Department's drug asset removal program.

4. The FBI's network of informants and criminal intelligence can be used in drug cases. FBI informants, particularly those involved in organized crime, often provide information about drug trafficking activity, which can be used to initiate drug investigations. The existence of a large FBI intelligence data base has also proven to be a significant resource in drug investigations, and increased shared use of respective intelligence information by DEA and the FBI can be readily accomplished. This concentration of effort by utilizing the sources, techniques and intelligence information of both agencies, together with a multi-jurisdictional approach toward dismantling major drug trafficking organizations, will enhance the federal government's enforcement strategies, planning and operations.

This FBI contribution is intended only to supplement -- not supplant -- DEA's work. Placing DEA under the general supervision of the FBI Director is not intended to limit the responsibility of the DEA Administrator as the nation's chief federal drug law enforcement officer. The Director, however, is uniquely situated to oversee the joint workings of both agencies and, therefore, has been assigned this responsibility by the Attorney General. Under the Attorney General's mandate, DEA will continue to function as the principal federal drug enforce-

ment agency, responsible for (1) the enforcement of the Controlled Substances Act, (2) the diversion control efforts associated with regulation of the legitimate drug industry, (3) drug intelligence analyses, and (4) collection, publication and dissemination of appropriate strategic assessments. The FBI, however, will assume a significant role in drug enforcement, to be carried out in close cooperation with DEA. The FBI has been directed to focus its resources on (1) drug investigations involving traditional organized crime and violence-prone non-traditional criminal groups such as outlaw motorcycle gangs, (2) financial investigations and (3) white-collar and corruption investigations, insofar as they are related to drug trafficking. In all such cases, where it is feasible, the FBI and DEA will support each other's investigative endeavors. FBI expertise in court ordered surveillance will be available to DEA. Of course, there will be many joint, cooperative investigations against mutual targets.

The specific areas of responsibility and precise coordination between the agencies will vary with the locale, the nature of the local drug problem, the availability of resources and the extent of the drug/crime problem in a particular field division. It will, therefore, be incumbent upon FBI and DEA field office management to identify the drug enforcement needs of their area and to coordinate their activities, subject to all appropriate supervision from headquarters.

DEA will continue to be responsible for the coordination of the drug enforcement effort with state and local enforcement agencies. This responsibility will also carry over in relations with the balance of the federal community with drug interdiction responsibilities. Finally, DEA will continue to be responsible for the conduct of drug investigations in foreign countries, in order for the United States government to present a single point of contact for our foreign drug enforcement counterparts.

On March 12, 1982, FBI Director Webster and DEA Acting Administrator Mullen approved the Implementation Directive for Concurrent Drug Investigative Jurisdiction between the Drug Enforcement Administration and the Federal Bureau of Investigation. This document clearly establishes areas of responsibility and accountability for both agencies. The directive will be reviewed periodically and modified if necessary. I would be pleased to provide a copy of this Implementation Directive to the Committee.

We expect to enjoy economies of scale and other administrative economies under our new cooperative strategy. Several separate DEA and FBI programs might well be redesigned to accommodate and support each other. We are actively examining our training programs, our laboratory systems, our ADP systems and our communications networks, to determine whether and how they can be integrated or made more compatible.

We are striving to achieve conformance and compatibility in this program. Our objective is to standardize, to the

extent that is realistic and possible, the DEA and FBI personnel and administrative procedures. The Attorney General has endorsed the need to place the Drug Enforcement Administration in the excepted, rather than competitive, service. The excepted service provides the necessary discipline and flexibility of management actions to most efficiently and effectively accomplish the needs of a law enforcement service. It is important that the two major law enforcement organizations within the Department of Justice be able to exchange personnel, which cannot be done until DEA is in the excepted service. For the same reasons, it has also been recommended that DEA and the FBI have uniform hiring standards and promotional systems for Special Agents. The Department will consider legislation to place DEA in the excepted service.

DEA and FBI training officials have been working together to develop cross-training programs that will give all agents the requisite knowledge and understanding of their tasks, standardize the operating procedures and investigative methods employed by both agencies and, generally, achieve the goals enunciated above. The completion of such training will permit us fully to utilize the FBI's wide deployment in more than 500 locations nationwide.

We are in an era of transition. We have had several notable investigative successes thus far; I am certain they will increase significantly. Both DEA and FBI personnel have demonstrated their willingness to make this realignment

of responsibilities work. No doubt, there will be some problems as we proceed with the transition. But we will adjust our operations and procedures as experience gives us a benchmark from which to make those judgments. To aid us in this regard, we are establishing a DEA/FBI Working Group at both headquarters. This working group of DEA and FBI supervisors will resolve conflicts that may arise in the course of investigative work.

At the field level, the Attorney General has begun an innovative program to ensure that the drug problem is addressed in a manner that will effectively respond to local needs. Implementing one of the key recommendations of the Task Force on Violent Crime, the Attorney General has directed the United States Attorney in each federal district to establish a Law Enforcement Coordinating Committee (LECC). Each LECC is composed of the heads of the federal law enforcement agencies in the district, as well as state and local law enforcement officials with significant responsibility in the district. Each Committee is to assess the crime problem in the district and the resources and jurisdiction of the federal, state and local agencies. The Committees are then to develop cooperative strategies for using those resources and that jurisdiction.

The problem of drug crime will be on the agenda of every LECC. Each Committee is to form a drug enforcement Sub-Committee comprised of prosecutors and investigators involved with the drug problem. The Sub-Committee members will explore the dimensions of the drug problem in the district and the

law enforcement resources -- federal, state and local -- arrayed against that problem. The chief task of the Sub-Committee will be to assess how those resources can be utilized to achieve the greatest impact in the most serious areas with the least overlap.

There is an additional component to this new approach. Based on what he learns at the LECC meetings, each United States Attorney will develop and submit a District Law Enforcement Plan. The Plan will set forth the law enforcement priorities in the district and outline the ways in which federal jurisdiction and federal resources in the district will be used against those priorities. Needless to say, a detailed assessment of the district drug problem and a comprehensive set of strategies to deal with that problem will be an essential part of each Plan.

Over 50 United States Attorneys have convened their first LECC meeting and the District Plans are beginning to come in. I am confident that this program will lead to more effective enforcement of federal, state and local drug laws.

Finally, many of the issues involved in drug enforcement require interdepartmental and interagency coordination and action. Accordingly, the Attorney General is chairing the Cabinet Council on Legal Policy, which will address these very issues. The Cabinet Council met last week to establish its goals and responsibilities. I am chairing the Working Group on Drug Enforcement within the Cabinet Council to implement a

comprehensive strategy that will bring the full range of federal resources to bear to halt the flow and illegal use of drugs in the United States.

No crime problem is more important than drug trafficking and abuse; no problem is more challenging. I am confident that the implementation of the initiatives I have discussed today will have a measurable impact on the problem. I would like to thank each of you for your interest in our mission and your support of our endeavors. Judge Webster, Mr. Mullen and I will be pleased to answer any questions you may have.

END