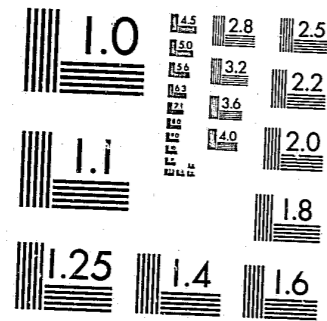


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Department of Justice

REMARKS

OF

THE HONORABLE WILLIAM FRENCH SMITH
ATTORNEY GENERAL OF THE UNITED STATES

AT

NCJRS

MAR 21 1983

FBI/DEA SAC CONFERENCE

ACQUISITIONS

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MONDAY, MARCH 21, 1983
THE HOMESTEAD
HOT SPRINGS, VIRGINIA

It is a great pleasure for me to be here at The Homestead, one of the loveliest settings if not for a wiretap, at least a game of tennis.

I would like first to comment briefly on the guidelines regarding domestic security and terrorism investigations. Based upon our experience during the past seven years, and particularly that of our agents in the field, we decided that the procedures needed to be revised in certain respects.

The new guidelines issued week before last will enable the FBI to deal more effectively with the increasing problem of terrorism that democratic nations face today. The generally favorable reception of these guidelines illustrates that a free democracy can still take the steps necessary to defend itself while remaining steadfast in its commitment to protecting individual liberties. We hope that these procedures will encourage the FBI in its important work.

All of you here today have especially important roles in the federal government's intensified battle against drug trafficking. This morning I want to express my admiration and appreciation for the work you do, and to outline what the Administration proposes to do to make your tasks easier for you.

I recognize, of course, that in one way your task can never be made easier. You have chosen a form of public service that is not only difficult but also fraught with danger. I do not have to tell you that you deal with some of the most violent and unpredictable elements of our society.

Recently I was reminded of the hazards each of you face. A week ago today Secretary of the Treasury Donald Regan and I held

a memorial service at the Great Hall in the Department of Justice for the 13 federal law enforcement officers who had been killed within the past six months while serving their country. Four of these men, as you know, were FBI agents. Another was a DEA agent. All of them were professionals who did their duties without regard to personal danger.

Many within your own ranks have also performed bravely while on the job. The Attorney General's 32nd Annual Awards Ceremony took place in January, and on that occasion two agents, one from DEA and one from the FBI, were recognized with the Distinguished Service Award for Extremely Courageous Service. Their unusual stories deserve retelling.

In February 1982, DEA Special Agent Kelly McCullough was assigned on temporary duty to Cartagena, Colombia, in connection with operation Trampa. Agent McCullough and Agent Charles Martinez visited a hotel to inquire about two U.S. fugitives. Early on a subsequent morning, one of the fugitives and six associates, armed and impersonating Colombian National Police Officers, burst into the agents' room and abducted them.

Later these two agents were shot. Left for dead by his assailants, Agent McCullough managed to pick himself up despite severe wounds and walk three miles in search of help. Although unable to speak Spanish, he located a priest, a doctor and a policeman. Gravely injured, he refused medical treatment -- instead joining the priest, the doctor and the policeman in the effort to return to the scene and rescue Agent Martinez. Only later did he leave the scene and seek medical attention. He recovered, as did Agent Martinez, and today both are back on their

jobs. Agent McCullough's act of unselfish courage in a foreign country honored not only the Department of Justice but also the United States.

FBI Special Agent Joseph D. Pistone, the other man honored for his courageous service, fortunately was not wounded in discharging his duties. But he was no less a hero. For all of six years Agent Pistone acted undercover in order to gain the confidence, and penetrate the operation, of an extensive and well-organized group of criminals. During this time, his life was in constant jeopardy, and he endured lengthy periods of separation from his family. Traveling in his role, he frequently encountered new situations and persons, each presenting entirely new hazards. Fully aware of the dangers and the necessary personal sacrifices, Agent Pistone nonetheless accepted all FBI requests to continue in his role.

The results of his work speak for themselves: indictments of leaders of the New York Bonanno "Family" in the Southern District of New York; and indictments of members of the Milwaukee "Family" hierarchy. Still more federal grand jury cases are in progress.

All of you here today know, as Agents McCullough and Pistone know, the truth of James Madison's observation, that the reason we have laws and punishments is that men are not angels. Indeed, the occasionally brutish nature of man is the reason positions such as yours must exist. At the memorial service I mentioned earlier, the President spoke. And the last thing he said is what I would like to say now: "All of us should give

thanks to God that there are men in this society of ours who are willing to take these jobs."

This conference is one I am most proud to attend. Fourteen months ago we assigned the Federal Bureau of Investigation concurrent jurisdiction with the Drug Enforcement Administration to investigate Federal drug offenses. We sought this consolidation in order to strengthen, with the full resources of the FBI, the already outstanding effort of the DEA. It had become plain that the federal government needed to deploy all its resources in the fight against drug trafficking, which remains the most serious problem facing law enforcement in the United States.

This audience knows better than anyone why drug trafficking is such a problem. By its very nature, drug trafficking is organized crime. Large-scale drug dealers must organize their operations. From overseas they obtain the illicit substances. Within our borders, they set up elaborate enterprises for cutting the pure imported drugs and distributing them over wide geographical areas.

And the organization does not stop there. Drug money is laundered through businesses set up as "fronts" for drug dealers. The profits then are plowed back into the drug business, just like any major enterprise. Increasingly, some of the profits are actually invested in legitimate businesses -- including real estate in Florida, restaurants in California, and other enterprises across the nation. And the tremendous multi-billion dollar profits from drug trafficking are used to finance the other illegal activities of organized crime -- gambling, pornography,

prostitution, extortion, loansharking, fraud, weapons trafficking, and public corruption.

Meanwhile, there is a clear association of illicit drug-use with violent and property crimes. Today the Bureau of Justice Statistics is releasing a remarkable survey of state prison inmates. According to the survey, more than fifty percent of the prisoners interviewed said they had taken illegal drugs during the month before they committed the crime for which they were serving their sentences. And almost one-third said they were under the influence of an illegal drug when they committed the offense. Furthermore, the study contains evidence indicating that the more convictions inmates had on their records, the more likely they were to have taken drugs during the month before their offense.

These are just some of the dimensions of the drug trafficking problem. Others include the emergence of outlaw motorcycle gangs, prison gangs and other groups as competitors with traditional organized crime in the illicit-drug business. They deal in not only drugs, but also violence, often involving innocent Americans. Also, there is corruption -- specifically the corruption of public officials by drug money. When a sheriff accepts \$50,000 to look the other way while traffickers make a single landing at a makeshift airport, as happened last year, the drug problem becomes an assault on the very foundations of law and law enforcement.

This morning I am pleased to report to you that on all fronts we are now waging a more effective battle against drug trafficking and the variety of crime it helps to spawn. On your

front in particular -- that of investigations -- we already are doing noticeably better, thanks in large part to the outstanding leadership of FBI Director William Webster and DEA Acting Administrator Bud Mullen.

Prior to the consolidation in early 1982, the FBI had only a few specific drug investigations underway. As of the start of this month, the FBI had over 1200, more than a fourth being conducted jointly with DEA. With the FBI's help, DEA has been able to employ, to a far greater extent, law enforcement techniques such as court-authorized electronic surveillance. Drug-related wiretaps rose from a total of 37 in 1981, before the consolidation, to 103 in 1982, some 35 of which were conducted jointly. DEA had the expertise for this surveillance but not the manpower -- as you know, those wires are like babies: they require attention 24 hours a day. The FBI also has been able to help DEA extend its enforcement effort to areas of the country where previously its presence was minimal.

Last year's conference in Williamsburg is worth recalling because out of it came one of the most significant investigations conducted by the FBI and DEA.

Conference participants learned that in the Southern District of New York the FBI and DEA were unknowingly working on different sides of the same case -- the FBI was conducting a gambling investigation, and DEA a drug investigation, and both investigations pursued the same individuals. After the Williamsburg Conference, the FBI and DEA, with pooled resources commenced a project called "Sailfish" that by the end of last year produced 14 arrests. The charges included heroin trafficking and

distribution, racketeering, operating an illegal gambling business, and harboring a federal fugitive. "Sailfish" is one of the largest narcotics cases involving organized crime members ever to be investigated.

Many other joint investigations have been conducted since the Williamsburg Conference. Let me note the results so far of several of these joint efforts:

- In the Northern District of Texas, after a seven-week trial, John R. Webster -- who is, by the way, no kin to the Director of the Bureau -- and three co-defendants were variously convicted of various charges relating to their involvement in cocaine trafficking.
- In the Eastern District of Pennsylvania, the three principal figures in the so-called "Black Mafia" were given consecutive federal sentences. One got 134 years, another 126.5, the third 34. Fines of \$230,000, \$210,000, and \$40,000, respectively, also were levied. The charges against these men included conspiracy, obstruction of justice for the attempt on the life of a government witness, operation of a continuing criminal enterprise, and sale of controlled substances. Maximum sentences were imposed in these cases. They are the longest sentences ever issued for violations of the Controlled Substances Act in the Eastern District of Pennsylvania, and among the highest anywhere in the United States.

- In the District of Oregon, 14 suspected drug violators were arrested, 9 on Class 1 LSD charges. Records seized in this case indicate millions of dollars of drug transactions. Two hundred thousand dollars in assets were seized.
- In the Central District of California, John Z. De Lorean, the chairman of the bankrupt De Lorean automobile manufacturing company, was indicted in Los Angeles in connection with a conspiracy to distribute 220 pounds of cocaine valued at \$24 million. Two others also were indicted in this case.
- Finally, in the Southern District of Florida, the undercover investigation known as Operation Swordfish, which lasted 18 months, resulted in grand jury indictments of 67 individuals.

I look forward to more good news resulting from your work. Meanwhile, I want you to know the nature of the Administration's comprehensive commitment to fighting crime, including drug-related crime.

Just this past week the White House announced the creation of a new drug interdiction group headed by Vice-President George Bush. As a practical matter, this group will be looking outward from our borders in an effort to stop the movement of illicit drugs towards our borders and shorelines. The new group will not have responsibility within the fifty states, where the Organized Crime Task Forces are in operation. The purpose of the new group is to harness the power of the U.S. Customs, the Coast Guard, and the military in order to set up a first line of

domestic defense against illicit substances shipped towards the United States.

Meanwhile, the budget request for fiscal year 1984 by the Department of Justice seeks nothing less than the funds necessary for a significant escalation in the war on crime, particularly drug-related crime. It would add \$447 million to the Department of Justice's existing resources. It would provide, for the first time in history, the Federal Bureau of Investigation with more than \$1 billion. And it would increase DEA's budget by \$20 million.

Our budget addresses the need for more investigators, more prosecutors, and more prison space. It reflects our approach of applying resources in a balanced manner across the entire criminal justice system.

We also strongly support the crime legislation President Reagan submitted to Congress last week. It includes provisions on a number of matters, including racketeering, capital punishment, and extradition. You may be interested in six provisions in particular.

First, our bill would make it much more difficult for a defendant likely to be a threat to his community to be released on bail pending trial.

Second, our proposal would change the sentencing system to ensure that sentences would be determinate and consistent throughout the federal system, with no parole possible.

Third, under our proposal, evidence in a criminal case that may have been improperly seized, which is now excluded from evidence by the so-called "exclusionary rule," would be admissible

upon a showing that the officer making the seizure acted in a reasonable good-faith manner.

Fourth, our bill would strengthen the ability of Federal prosecutors to confiscate the assets and profits of criminal enterprises.

Fifth, our legislation would substantially increase the penalties for trafficking in drugs. And it would strengthen the regulatory authority of the Drug Enforcement Administration with respect to the diversion of legitimate drugs into illegal channels.

Finally, there is one other proposal that I am sure will interest you. As you all know, 12 years ago the Supreme Court permitted law suits against federal law enforcement officers for allegedly injurious actions committed while carrying out their duties. Although few of these lawsuits have been successful, the United States, in whose behalf you work, should be the defendant. Our proposal would accomplish this.

We also support the establishment of a Senior Executive Service in both the FBI and DEA; payment of lump-sum stipends of \$10,000 to SES Meritorious Executives and \$20,000 to SES Distinguished Executives; annual performance awards; reimbursement of incomes taxes paid in connection with an official transfer; and some travel expenses not only for SES members but also their families.

I know you will profit from this Conference, and of course I hope you and your families enjoy the awakening of spring here in this beautiful place. We feel a special obligation to do our best for you and your families, and to coordinate our law

enforcement efforts so that you do not extend yourselves in vain. The resources you represent will be employed in the most productive manner.

My last word to you this morning is inspired by the great Supreme Court Justice, Oliver Wendell Holmes. A day or so after his inauguration in March, 1933, Franklin D. Roosevelt learned that the aging Holmes -- he was now 92 -- was celebrating his birthday. FDR insisted on paying his respects and, given that perilous point in our history, decided to ask some advice. "We face grave times," the new President said to the wise old Justice. "What would you do?"

"Form your ranks," said Holmes, "and fight."

We will do the same. Keep up the good work.

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