

DEPARTMENT OF JUSTICE REGIONAL TASK FORCES



HEARING
BEFORE THE
SUBCOMMITTEE ON CRIME
OF THE
COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES
NINETY-SEVENTH CONGRESS
SECOND SESSION
ON
DEPARTMENT OF JUSTICE REGIONAL TASK FORCES

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**DEPARTMENT OF JUSTICE REGIONAL
TASK FORCES**

THURSDAY, DECEMBER 9, 1982

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIME
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in room 2237, Rayburn House Office Building, Hon. William J. Hughes (chairman of the subcommittee) presiding.

Present: Representatives Hughes, Sawyer, and Kindness.

Also present: Hayden W. Gregory, chief counsel; Eric E. Sterling, assistant counsel; and Deborah K. Owen, associate counsel.

Mr. HUGHES. The hearing of the Subcommittee on Crime of the House Judiciary Committee will come to order.

The Chair has received a request to cover this hearing, in whole or in part, by television broadcast, radio broadcast, still photography, or by other similar methods. In accordance with committee rule 5(a) permission will be granted, unless there is objection.

Hearing none, such coverage will be permitted.

We are pleased to have with us this morning Rudolph W. Giuliani, the Associate Attorney General. Mr. Giuliani has extensive experience as a prosecutor, both in the courtroom and in management and administration.

Mr. Giuliani, we are just delighted to welcome you this morning to talk to us about the organized crime task force operations that we have read about. I know I speak for most of my colleagues when I say that we are just delighted to see the President, and the Justice Department, obviously, being the motivating factor seeking additional resources for law enforcement.

As a veteran prosecutor you know, I am sure, better than most people that law enforcement is labor intensive, and we can't do more with less. We have to make new commitments. I note in your statement that you refer to the war on crime, and equate it with defense in some measure. I suspect that you have probably picked that up from my good friend colleague, Hal Sawyer, who from time to time makes that comparison. In any event, no matter how you arrived at that statement, we are just delighted to see that you are talking in terms of additional resources.

We are looking forward this morning to talking with you about a number of issues that the task force operations might raise. I am hopeful that we can discuss the source of the funding for the program; the guidelines that you have developed for determining task

force operations; the goals that you set and anticipate that this program will accomplish; the relationship of these particular task force operations to other joint Federal, State, and local task force operations and to the organized crime strike force operations.

With that, welcome once again to the subcommittee, and you may proceed as you see fit.

**TESTIMONY OF RUDOLPH W. GIULIANI, ASSOCIATE ATTORNEY
GENERAL, U.S. DEPARTMENT OF JUSTICE**

Mr. GIULIANI. Thank you, Mr. Chairman.

I would like to begin by acknowledging the contribution made by you, Mr. Sawyer, and other members of this committee in the development of this effort over the course of the last year, or year and a half, in testimony, in meetings, both with me and with the Attorney General, your analysis of the crime problem, your questioning about the level of resources has been very, very helpful in focusing our attention on problems in various places and a significant factor in the development of this initiative.

So I want to begin by saying thank you for your efforts, particularly in the drug area.

As you know, Mr. Chairman, in recent years this Nation has been plagued by an outbreak of crime unparalleled in our history and unequalled in any free society. The perniciousness of crime in America has been fostered of late by two related developments. Crime has become increasingly organized, and organized crime has become especially lucrative because of its involvement in the illicit drug trade.

Drugs and organized crime have combined to wreak havoc in our communities and in our lives. The combination of drug trafficking and organized crime represents the most serious crime problem facing our country today. Directly or indirectly, it threatens each person and family in our society. Drug trafficking is particularly the kind of business that organized crime can engage in. You need an organized criminal enterprise in order to bring drugs into this country, to process the drugs, and to distribute the drugs.

One of the unfortunate developments that has occurred of late, and maybe it has gone back even further but we have noticed it at an increased scale in the last several years, is the corruption and additional problems caused by the massive amounts of money that are available to drug dealers.

For the first time in 40 or 50 years, a Federal judge is under indictment for a crime allegedly involving organized criminal enterprises. We have Federal prosecutors and State prosecutors under investigation, and in some cases under indictment, for corruption stemming from drug trafficking. We have local policemen, local sheriffs all over this country, both the State and local level, that have been bought by drug money.

The problem is becoming a national one, really at an emergency level. The amounts of money available to drug dealers can buy what they want. For example, we have had entire communities where the law enforcement apparatus has been bought off to look the other way as drugs were being brought in.

Early in this administration, Attorney General William French Smith directed every U.S. attorney to establish a law enforcement coordinating committee to assess the differing crime problems in each district around the Nation, and to bring to bear a coordinated Federal, State and local effort against the kinds of crime that are of greatest concern in each Federal district. Despite local variations, every law enforcement coordinating committee, except one, has identified drugs as the chief crime problem in its district.

We have reorganized the Drug Enforcement Administration and, for the first time, we have brought the FBI into the fight against the No. 1 crime problem to complement the excellent work of DEA. We have gained not only the FBI's resources, but also its many years of experience in fighting organized and sophisticated crime.

In the last year, the FBI has begun more than 985 drug investigations, including 288 joint investigations with the DEA. Most, if not all, of those investigations would have been impossible were it not for the FBI's involvement on an immediate basis a year ago in drug enforcement.

Last year, the Attorney General's Task Force on Violent Crime assessed the crime problem in this country and presented 64 recommendations to improve our Federal effort. Seventy-five percent of those recommendations have been implemented, and most of the balance are before the Congress in the form of legislative proposals for change in the system of justice that we have.

Additionally, the Department successfully sought congressional enactment of an amendment to the posse comitatus law, so that we may now make appropriate use of military resources, particularly tracking and intelligence capabilities, in the fight against drug trafficking. Through amendments to the Tax Reform Act, crucial information is more readily available to law enforcement, and more tax cases are possible against drug dealers and organized criminals.

When this administration took office, south Florida had become a focal point of drug-related violence and corruption. At the direction of the President, and under the auspices of Vice President Bush, personnel from the Departments of Justice, Treasury, Transportation, and Defense have mounted a coordinated attack on drug smuggling and trafficking in south Florida. Our efforts in south Florida have achieved notable successes by slowing the flow of illegal drugs into south Florida and by galvanizing the community to a new degree of optimism about the drug problem.

To accomplish our initiatives in south Florida, however, law enforcement resources were shifted from other areas of the country, and drug traffickers began to shift their routes toward those areas. Clearly, a national approach was needed. Many months ago, this administration began drafting the initiatives needed to address a national effort against drug trafficking.

On October 14, the President and Attorney General Smith announced a comprehensive eight point program that, in President Reagan's words, will "expose, prosecute and ultimately cripple organized crime in America." I want to discuss this important initiative with you today, and in particular, outline for you the 12 task forces and then, of course, answer any questions you may have on the other initiatives.

Improving our experience with the south Florida task force, and recognizing the increasing organized crime involvement in drug trafficking, we are proposing to establish 12 additional task forces in key areas in the United States. These task forces, under the direction of the Attorney General, will work closely with State and local law enforcement officials; in some cases directly together, in some cases with very close liaison.

Following the south Florida example, they will utilize the law enforcement resources of the Federal Government, including the FBI, DEA, IRS, ATF, Immigration and Naturalization Service, the U.S. Marshals Service, the U.S. Customs Service, and the Coast Guard. In addition, in some regions, Department of Defense tracking and pursuit capability will be made available.

These task forces will permit us to mount an intensive and coordinated campaign against international and domestic drug trafficking and other organized criminal enterprises. Thus, refining the south Florida model, they will target and pursue the organized criminal groups that deal in drugs.

Several points emphasize the significance of these task forces. Our proposal would provide the first major infusion of new agents into the FBI and DEA in about a decade. If I could just trace that for a moment.

Back at the beginning of 1981, there were approximately 1,800 DEA agents whose function was to enforce the Federal drug laws. By bringing the FBI into the fight against drugs and giving them concurrent jurisdiction, over the first year the FBI devoted well in excess of 500 man-hours to drug investigations, and initiated over 700 investigations. That was the equivalent of bringing 500 new, but experienced agents into drug enforcement.

With this increase, if it is approved, we would be able to bring another 1,000 agents into drug enforcement; DEA, FBI, Customs, ATF, IRS, but all devoted to drug enforcement. That is a very, very dramatic increase in the number of Federal agents available to do drug enforcement work in what would be an 18-month period of time, or actually somewhat less than that. So the significance of this is quite substantial.

Unlike prior drug efforts that focused on street level violators, our task forces would concentrate on infiltrating and destroying the top levels of organized drug trafficking, those who supervise the enterprises that bring drugs into this country and those who finance those enterprises.

We expect that the task force effort will begin, if approved, in early 1983. The Department has submitted a 1983 budget amendment requesting approximately \$130 million for expenses necessary to begin funding these task forces.

The task forces will be staffed in part by personnel from a number of existing Federal enforcement agencies. In addition, 1,100 to 1,200 new positions will be created. In all, there will probably be approximately 1,100 to 1,500 persons permanent assigned to the task force operations.

A typical task force is expected to have 52 Justice Department investigations, meaning DEA and FBI, 20 Federal prosecutors, 50 non-Justice Department personnel primarily from IRS, ATF, and Customs, and 28 to 30 paralegal, clerical, and support personnel.

Mr. HUGHES. What was the number of support personnel?

Mr. GIULIANI. Twenty-eight to 30.

The task forces will enhance existing Federal enforcement efforts against narcotics and organized crime.

Mr. Chairman, the task force program is only one of eight points in the President's program. This morning, let me just list very briefly the other seven points and answer any questions you have now or, if you prefer later.

The second point is the creation of a commission on organized crime.

The third is to bring our Nation's Governors into this fight.

The fourth is a Cabinet-level committee on organized crime chaired by the Attorney General.

The fifth is a training program at Glynco, Ga., for State and local law enforcement, particularly in the area of drug enforcement.

The sixth is increased emphasis on legislative reforms in the areas of drug trafficking and organized crime.

The seventh is a requirement that every Attorney General from now on file each year a report on the progress of the Justice Department in this area.

Finally, what I believe, if not most important, of very substantial importance, additional jail and prison space. About \$25 million of the \$130 million would be devoted to increasing the capacity of the Federal prison system and jail system, so that we would have room to house those people that we anticipate these new Federal agents will arrest and, hopefully, new Federal prosecutors will be able to convict.

One of the mistakes, we believe, of the past has been that in efforts to deal with the crime problem, the local government, the State government, or even the Federal Government would increase the number of policemen, increase the number of agents, and the net result was that you just increased the number of people who have to be prosecuted.

If you don't at the same time consider the effect on the entire system, you sometimes create more of a problem than you solve. So what we have asked for is increased prosecutors as well as increased jail and prison space, so we don't end up destroying the Federal prison system, and we also are able, at the time that we convict these people, to credibly argue to a Federal judge that there is room to put them away for as long as they deserve.

No crime problem is more important than drug trafficking and drug abuse. No problem is more challenging to law enforcement at every level, Federal, State, and local.

May I make one other point that I believe of importance to these task force efforts. No matter how much more money we add to the fight against crime, no matter how many more agents and prosecutors, or how many more jails and prisons we build, we believe that this request is about as much as we can credibly do in 1 year. You really can't hire effectively more than 600 or 700 agents in 1 year, train them, make sure you have the right people, and fit them in.

Of equal, if not more importance, and I actually believe of more importance, are the changes in the system that we are using to deal with the problem of crime. I think every observer of the crimi-

nal justice system—recently I have read some articles that even question whether we should be calling it a system—have observed that there are any number of major problems in that system.

Reforms of the system are just as important because there is no point in adding more resources, more dollars, more agents, more prosecutors, more prisons to a system that isn't working in the first place, or is not working as well as it should be, in protecting the rights of the public.

The legislation that this committee has considered involving forfeiture, bail reform, exclusionary rule reform, are all equal and necessary parts of a successful effort against drug traffickers. For example, bail, what is the point in having 1,000 or 1,500 more agents arresting major drug dealers. We arrest major drug dealers now.

We have 3,000 drug fugitives because judges set minimal bail, or what I regard as minimal bail, for these drug defendants who can pay almost anything. They have unlimited amounts of cash available. A judge begins by setting a \$20 million bail, and he finally reduces it to \$2 million, and the drug defendant flees back to Colombia, Bolivia, Asia, or wherever he came from.

Without a change in the bail laws, we will have some success, but we won't have the success that the public is entitled to. The same thing is true of the forfeiture laws. The same thing is true of the exclusionary rule. There is no area of criminal law that is more affected by the application of the exclusionary rule than drug enforcement. Suppression motions are threatened in almost every drug case. They lead to an awful lot of cases that are not brought, and they waste a tremendous amount of prosecutor resources.

There are many, many other reforms that you are more aware of than I am, Mr. Chairman, but I wanted to point out that those reforms in the system are just as important. Otherwise, no matter how many more agents we have or how much more money we spend, we are going to wonder why we did not have the results that we should have.

Thank you very much.

[The written statement of Mr. Giuliani follows:]

PREPARED TESTIMONY OF RUDOLPH W. GIULIANI, ASSOCIATE ATTORNEY GENERAL, U.S. DEPARTMENT OF JUSTICE CONCERNING THE ADMINISTRATION'S INITIATIVE TO ESTABLISH REGIONAL TASK FORCES ON NARCOTICS AND ORGANIZED CRIME

Mr. Chairman and members of the Subcommittee, I am pleased to be here this morning to discuss with you the Administration's new program for combatting organized drug trafficking, a program truly unprecedented in modern federal law enforcement.

As you know, Mr. Chairman, in recent years this nation has been plagued by an outbreak of crime unparalleled in our history and unequalled in other free society. The perniciousness of crime in America has been fostered of late by two related developments. Crime has become increasingly organized. And organized crime has become especially lucrative because of the enormous market for illicit drugs. Drugs and organized crime have combined to wreak havoc in our communities and in our lives. The combination of drug trafficking and organized crime represents the most serious crime problem facing this country today. Directly or indirectly, it threatens each person and institution in this country.

Figures in a ledger book cannot describe accurately the real nature and effect of the drug problem. The real costs are in human lives and human suffering. To obtain money for drugs, criminals commit huge numbers of offenses.

There is a massive toll of violent crimes against innocent victims and an enormous toll of serious property crimes. Half of all jail and prison inmates regularly used drugs before committing their offenses. Some studies have indicated that 50 to 60 percent of all property crimes are drug-related. Researchers found in a study of 243 addicts in one city that they had committed a total of 500,000 crimes over an 11-year period.

Crime now touches about one-third of all households in the United States every year.

The profiteers in this far-reaching pattern of human misery are the organizations in this nation which deal in drugs. The popular notion that the syndicate—or traditional organized crime—stays out of drugs is simply not true. Many of the syndicate's families have developed elaborate drug trafficking networks. Virtually every one of them is involved in drug trafficking in one way or another.

But the problem of organized crime today is by no means limited to its traditional form. In the past two decades, we have witnessed the emergence of new organized criminal enterprises dealing in drugs and the other rackets which traditionally had been controlled by the syndicate. These emerging groups have entered the drug business, often in competition with traditional organized crime.

Violence has become a way of life for the criminal organizations which deal in drugs. Judges, prosecutors, agents, witnesses and cooperating co-defendants have been threatened, assaulted and, in some instances, killed. Last week, Ariel Rios—an agent with the Bureau of Alcohol, Tobacco and Firearms assigned to the South Florida Task Force—was killed while making an undercover drug buy; his partner, Alex D'Atri, was wounded and is in satisfactory condition in a Miami hospital. In 1981 in Dade County, Florida, 25 percent of all homicides resulted from the use of machine-guns. Some of these victims were innocent people killed by drug traffickers carrying out assassinations in public places. Violence is the primary tactic of drug trafficking organizations and money is their common objective.

Equally serious, we see public officials at all levels being corrupted by drug money. We have reports of rural sheriffs and police officers accepting payments of \$50,000 or more just to "look the other way" while traffickers make a single landing at a makeshift airport. The dollar amounts involved are so great that bribery threatens the very foundation of law and law enforcement.

The proceeds from drug sales also enable organized crime to carry out an array of other serious crimes, including the infiltration of legitimate business firms, money laundering and bank fraud which weaken key parts of the economy.

In a real sense, all of us have been touched in some way by the adverse effects of drug trafficking and drug abuse in the United States.

During the last twenty-two months we have recognized the full dimensions of the threat posed by organized crime and its involvement in drug trafficking. This Administration has implemented a series of initiatives to make more efficient use of our limited resources in the fight against drug trafficking and organized crime.

Early in this Administration, Attorney General William French Smith directed every United States Attorney to establish a Law Enforcement Coordinating Committee to assess the differing crime problems in each district throughout the Nation—and to bring to bear a coordinated federal, state, and local effort against the kinds of crime that are of greatest concern in each federal district. Despite local variations, every Law Enforcement Coordinating Committee—except one—has identified drugs as the chief crime problem in its district.

We have reorganized the Drug Enforcement Administration and, for the first time, have brought the FBI into the fight against the number one crime problem to complement the excellent work of the DEA. We have gained not only the FBI's resources, but also its many years of experience in fighting organized crime. In the last year, the FBI has begun more than 985 drug investigations—including 288 joint investigations with the DEA.

Indeed, the FBI and DEA under Judge Webster and Acting Administrator Mullen have scored dramatic successes against organized crime. Working with the Justice Department's Organized Crime Strike Forces, the Bureau has helped to indict and convict numerous high-level members of syndicate families—including the top structure of organized crime families in some cities.

Last year, the Attorney General's Task Force on Violent Crime assessed the crime problem in this country and presented 64 recommendations to improve our federal effort. Seventy-five percent of those recommendations have been implemented.

Additionally, the Department successfully sought Congressional enactment of an amendment to the posse comitatus law, so that we may now make appropriate use of military resources—particularly tracking and intelligence capabilities—in the fight against drug traffickers. Through amendments to the Tax Reform Act, crucial

information is more readily available to law enforcement—and more tax cases are possible against drug dealers and organized criminals.

When this Administration took office, South Florida had become a focal point of drug-related violence and corruption. At the direction of the President, and under the auspices of Vice President Bush, personnel from the Departments of Justice, Treasury, Transportation and Defense have mounted a coordinated attack on drug smuggling and trafficking in South Florida. Our efforts in South Florida have achieved notable successes by slowing the flow of illegal drugs into South Florida and by galvanizing the community to a new degree of optimism about the drug problem.

To accomplish our initiative in South Florida, however, law enforcement resources were shifted from other areas of the country—and drug traffickers began to shift their routes toward those areas. Clearly, a national approach was needed. Many months ago, this Administration began drafting the initiatives to address the need for a national effort against drug trafficking—an effort that incorporates new law enforcement resources, and recognizes the role of organized crime.

On October 14, the President and Attorney General Smith announced a comprehensive Eight Point Program that, in President Reagan's words, will "expose, prosecute and ultimately cripple organized crime in America." I want to discuss this important initiative with you today, particularly our decision to establish task forces in 12 areas around the nation which will attack international and domestic drug trafficking and other organized criminal activity.

Improving upon our experience with the South Florida Task Force, and recognizing the increasing organized crime involvement in drug trafficking, we will establish 12 additional task forces in key areas in the United States. These task forces, under the direction of the Attorney General, will work closely with state and local law enforcement officials. Following the South Florida example, they will utilize the law enforcement resources of the Federal Government including the FBI, DEA, IRS, ATF, Immigration and Naturalization Service, the United States Marshals Service, the United States Customs Service and the Coast Guard. In addition, in some regions, Department of Defense tracking and pursuit capability will be made available.

These task forces will allow us to mount an intensive and coordinated campaign against international and domestic drug trafficking and other organized criminal enterprises. Thus, refining the South Florida model, they will target and pursue the organized criminal enterprises trafficking in drugs.

Several points emphasize the significance of these new task forces in the fight against organized crime and drug trafficking. Our proposal would provide the first major infusion of new agents into the FBI and DEA in about a decade. It would mean about a twenty-five percent increase in the number of agents devoted to drug work. The new Task Forces would complement the work of the Department's existing Organized Crime Strike Forces. Unlike prior federal drug efforts that focussed on street level violators, our Task Forces would concentrate on destroying the top levels of organized drug trafficking. These task forces are a major new undertaking—and they would have the resources to match the significance of the undertaking.

The network of Task Forces will cover the entire country. The areas to be covered by each Regional Task Force are as follows:

New England Region: Massachusetts, Maine, New Hampshire, Vermont, Connecticut, Rhode Island, Western and Northern Districts of New York. Headquarters: Boston.

New York-New Jersey Region: Southern and Eastern Districts of New York, New Jersey. Headquarters: New York City.

Mid-Atlantic Region: Maryland, Virginia, Washington, D.C., Delaware, Eastern and Middle Districts of Pennsylvania. Headquarters: Baltimore.

Southeast Region: Georgia, North Carolina, South Carolina, Alabama, Middle and Eastern Districts of Tennessee. Headquarters: Atlanta.

Gulf Coast Region: Texas, Louisiana, Southern District of Mississippi. Headquarters: Houston.

South Central Region: Missouri, Arkansas, Oklahoma, Kansas, Western District of Kentucky, Western District of Tennessee, Northern District of Mississippi. Headquarters: St. Louis.

North Central Region: Illinois, Indiana, Wisconsin, Iowa, Minnesota. Headquarters: Chicago.

Great Lakes Region: Michigan, Ohio, West Virginia, Western District of Pennsylvania, Eastern District of Kentucky. Headquarters: Detroit.

Mountain States Region: Colorado, Utah, Nebraska, Wyoming, North Dakota, South Dakota, Idaho, Montana. Headquarters: Denver.

Los Angeles-Nevada Region: Nevada and Central District of California. Headquarters: Los Angeles.

Northwest Region: Washington, Oregon, Hawaii, Alaska, Northern and Central Districts of California. Headquarters: San Francisco.

Southwest Border Region: Arizona, New Mexico, Southern District of California. Headquarters: San Diego.

The South Florida Task Force will continue in existence, and will cover Florida, Puerto Rico, and the U.S. Virgin Islands.

We expect that the Task Force effort will begin early in 1983. The Department has submitted a 1983 budget amendment requesting \$130,000,000 for expenses necessary to begin funding these Task Forces. The Task Forces will be staffed in part by personnel from a number of existing federal enforcement agencies. In addition, 1,100 to 1,200 new positions will be created. In all, there will probably be 1,100 to 1,500 persons permanently assigned to the Task Force operations. A typical Task Force is expected to have 52 Justice Department investigators, 20 federal prosecutors, 50 non-Justice personnel from IRS, Alcohol, Tobacco and Firearms, Customs and other agencies, and 28 clerical and paralegal employees.

The Task Forces will enhance existing federal enforcement efforts against narcotics and organized crime. The 12 new Task Forces will supplement the FBI, DEA, Customs, and U.S. Attorney efforts directed against organized criminal groups dealing in drugs. The work of the Organized Crime Strike Forces and the South Florida Task Force will continue. We anticipate that the Task Forces will have close working relationships with state and local enforcement agencies.

In performing their functions, these Task Forces will be provided computers and automated data processing equipment, sophisticated communications capability, aircraft, and equipment for court-approved electronic surveillance.

Congress will be asked to provide regular budgets for the Task Forces following the first year of their operation.

Mr. Chairman, the task force program is just one of eight points in the President's program. I will summarize briefly the remaining seven points which together form a comprehensive national effort to combat organized crime and drug trafficking.

The second point of the program is the creation of a panel of 15 distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combatting organized crime. The purpose of this commission, which will last for 3 years, will be to undertake a region-by-region analysis of organized crime's influence, to analyze and debate the data it gathers, and to hold public hearings on its findings. Not only will the work of this commission lead to important legislative recommendations, it will also heighten public awareness and knowledge about the threat of organized crime and will mobilize citizen support for its eradication.

Third, this Administration will launch a project that will enlist the nation's Governors in bringing about needed criminal justice reforms. Without effective enforcement of local and state statutes against various kinds of racketeering like illegal gambling, this vital source of revenue for organized crime will never be fully dried up. The Governors Project will bring to the attention of the States the importance of such initiatives, and will serve as a sounding board for the Governor's concerns.

Fourth, all the diverse agencies and law enforcement bureaus of the Federal Government will be brought together in a comprehensive attack on drug trafficking and organized crime under a Cabinet-level committee chaired by the Attorney General. This committee will be supported by a working group which will attempt to bring about interagency and intergovernmental cooperation in the struggle against organized crime and will, when necessary, identify problems in these areas to be addressed.

Fifth, we are establishing, through the Departments of Justice and Treasury, a National Center for State and Local Law Enforcement Training at the Federal facility in Glynnco, Georgia. This center, which will complement the excellent training programs run by the FBI and DEA, will assist and train local law enforcement agents and officials in combatting new kinds of syndicated crime such as arson, bombing, bribery, computer theft, contract fraud, as well as drug smuggling.

Sixth, this Administration will urge legislative reforms in several areas essential to the fight against organized crime, including bail, sentencing, criminal forfeiture, labor racketeering and the exclusionary rule.

Seventh, the Attorney General will be required to submit a yearly report to the people of the United States, through the President and the Congress, on the status of the fight against organized crime and organized criminal groups dealing in drugs. This requirement will establish a formal mechanism through which the Justice De-

partment will take a yearly inventory of its efforts in this area and report to the American people on its progress.

Eighth, we will ask Congress to appropriate the necessary funds for prison and jail facilities so that the mistake of releasing dangerous criminals because of overcrowded prisons will not be repeated.

While we expect that the Task Forces will play a principal role in the national domestic law enforcement effort against organized drug trafficking, we are also concentrating on the international aspects of this problem. We have expanded our investigative and prosecution efforts to trace drug-related financial transactions into the banking institutions of the off-shore tax havens. We continue our efforts to encourage source countries to embark on programs of crop control. Finally, we have taken the initiative to modernize our treaties to enable the extradition of defendants located in foreign countries and to obtain evidence from abroad which will be admissible in our courts here in the United States.

The Department of Justice will hold conferences for prosecutors from the Task Forces and other elements of the Department, early in 1983, to focus on issues which arise in connection with obtaining evidence from foreign jurisdictions, and also on the complexities of the prosecution of major drug trafficking organizations. Particular emphasis will be given to the use of civil and criminal forfeiture provisions of the drug and racketeering statutes, and the use of the civil and criminal provisions of the tax laws of the United States.

No crime problem is more important than drug trafficking and drug abuse; no problem is more challenging to law enforcement at every level—federal, state and local. I am confident that the implementation of the initiatives I have discussed today will have a significant impact on the problem. I want to acknowledge the continuing support of this Subcommittee and thank each of you for your interest in our endeavors. I will be pleased to answer any questions you may have.

Mr. HUGHES. Thank you, Mr. Giuliani.

Before we get into the substance of the task force operations, I share your frustration with some judges freeing defendants who are flight risks, but I wonder how you can legislate common sense for those judges. These judges have ample authority right now not to set bail, if no bail can be set to insure that the defendant is going to appear. Setting unrealistically high bail is something that some judges now presently do in high-risk cases.

My own position, as you well know, is that judges should be able to take into account danger to the community, and I regret that to date that particular approach hasn't moved. I tacked onto the only bill that was before this committee, the pretrial services bill, a provision that danger to the community should be taken into account. But that represents a very small portion, really, of the overall number of defendants who are being cut loose, who are flight risks, and where inappropriate bail has been set. How do you legislate that?

Mr. GIULIANI. The version that passed the Senate by a vote of 95 to 1, if the House would pass that version of bail reform, we would be able to argue to a Federal judge that in the case of a major defendant, where money is not an adequate assurance that a person will return, that that defendant could be treated in the same respect as a person who is a danger to the community, and no bail be set for that person.

Mr. HUGHES. I understand that.

Mr. GIULIANI. One other point. One of the other anomalies of Federal law that presently exists, which is absolutely indefensible, after a person is convicted, Federal law requires that a Federal judge presume that that person should be released. If he wants to incarcerate the convicted person, he has to write an opinion stating his reasons for doing so.

The version that passed the Senate, that we would urge the House to also pass, would change that presumption. When a person is convicted, the presumption would be that the person would begin to serve the sentence for the crime for which they have been convicted.

That presumption leads to a number of defendants who are already convicted, including drug defendants, being released on bail pending appeal, and that is why the public wonders why a person has been convicted but is remaining out for 2 years sometimes before they begin serving their sentence.

In drug cases, and particularly high-level drug cases, those two reforms would be very effective for Federal prosecutors. Our U.S. attorneys were asked to poll their offices to determine what would be the most important things that could be done legislatively to help them deal with the problem of crime. The two things they listed as one and two were a legislative change in the exclusionary rule and bail reform.

So at least, insofar as the people on the line are currently, those two things would be very, very crucial to their ability to deal with the drug problem.

Mr. HUGHES. Those particular issues, you know, have gotten a lot of notoriety. I never found that the exclusionary rule really was invoked successfully in very many cases that I was ever involved with, and I was involved for 10 years in active prosecution.

Insofar as bail is concerned, I don't disagree with the premise that perhaps we ought to be looking at that presumption, but the fact remains that presently a judge can deny bail to a defendant who is a flight risk, where there is a drug case, where the defendant has few contacts with the community, or where the evidence suggests that it is very difficult to guess what will keep that defendant in the jurisdiction. In those instances, a court has existing authority to deny bail.

Mr. GIULIANI. A judge has to set reasonable bail for all defendants, but in a capital case.

Mr. HUGHES. The present law is that if a court can't be assured that a defendant will appear when summoned to appear, that court has existing authority to deny bail.

Mr. GIULIANI. There are any number of judges who disagree with that. There are circuit court opinions that disagree with that, and a change by the Congress that made it clear that that was so would be most helpful. That is exactly the position that the Department of Justice argues effectively in some cases, and in most cases ineffectively. For example, dangerousness can only be considered after conviction, not at the time that the person is arrested.

Mr. HUGHES. I don't have to tell you that the circuits disagree on a lot of things. I think as far as we are concerned, the law is very clear. I didn't mean to get into a long digression, I am interested in the task force operations, but it is frustrating to me that some courts are not using a little more commonsense, in some instances, in setting bail that will assure the defendant's appearance.

The President has sent to the Congress an amendment to his fiscal year 1983 budget request for additional funds. Is it correct that the present procedure is an amendment to the budget?

Mr. GIULIANI. That is correct.

Mr. HUGHES. Why was it sent in the form of a budget amendment, rather than a request for a supplemental appropriation?

Mr. GIULIANI. Because we don't have a budget for 1983, and technically what we have to ask for is an amendment to our budget request rather than a supplement to the budget that we already have.

Mr. HUGHES. Since the Justice Department appropriation is reported by the State, Justice, Commerce Subcommittee, and it is close to the allocation under the budget resolution, where do you anticipate getting the funds for these programs?

Mr. GIULIANI. I have a letter from Mr. Stockman to Congressman Whitten that describes that procedure probably more effectively than I can. Why don't I make that part of the record.

Mr. HUGHES. Without objection, it will be made part of the record.

[The document follows:]

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., December 8, 1982.

Hon. JAMIE L. WHITTEN,
Chairman, Committee on Appropriations,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Throughout the fiscal year 1983 budget process, the Administration has maintained the standard that the section 302(a) allocations for discretionary programs consistent with the Budget Resolution must be adhered to if the deficit reductions assumed by the resolution are to be achieved. We have, therefore, held to the clear policy of not sending to the Congress any budget amendments that would take the Administration's request above these Budget Resolution ceilings.

The budget amendments for agencies funded in the Commerce-Justice-State bill for such urgent programs as the President's crime initiative and upgrading U.S. capabilities in the field of international radio broadcasting are very close to the 302(a) ceiling. In fact, offsetting reductions have been proposed wherever possible to hold the increases to a minimum. Increases to the President's original request and reductions from it are as follows:

	<i>In millions</i>
President's February fiscal year 1983 request.....	\$8,252
Changes:	
Request for Voice of America	+23
Request for Board for International Broadcasting	+21
Request for Commerce Department resources for economic and statistical analysis	+2
Request for Justice Department resources for South Florida immigration review, housing prisoners, and debt collection resources	+21
Request for Organized Crime Drug Enforcement resources	+130
Reduction for general operations in the Antitrust Division	-3
Reduction for Maritime Administration Research and Development	-2
Reductions to USIA's special foreign currency fund	-1
Reductions to State Department's International Conferences and Contingencies and Bilateral Science and Technology Agreements	-2
Reductions to the Judiciary.....	-17
President's current request.....	8,424
Resolution 302(a)	8,386
Difference.....	38

We recognize the prerogative of the House in the appropriations process to vary from the subcommittee levels consistent with the Budget Resolution 302(a) allocations for discretionary programs so long as amount for budget authority conforms to the Resolution total. Therefore, we recognize that in its 302(b) allocation the House Appropriations Committee added \$501 million to the 302(a) allocation for the Com-

merce-Justice-State Subcommittee and is now working against a benchmark of \$8,887 million for annually funded discretionary programs.

In regard to the Commerce-Justice-State bill, we note that it is in conformity with the 302(b) benchmark in the absence of the amendments the Administration has requested. We believe these amendments are, however, for high priority purposes, and we have been careful in our requests to be consistent with the 302(a) Budget Resolution target, which are well below the 302(b) ceiling for this bill. We hope that you can fund these requests and nevertheless remain reasonably close to the 302(b) benchmark.

I know that you share the Administration's commitment to reduce the growth of Federal spending. I hope that when this bill is marked-up by the House that you make every effort to stay as close as possible to the 302(b) ceiling.

Sincerely,

DAVID A. STOCKMAN, *Director.*

[Identical letters sent to Hon. Silvio Conte, Hon. Neal Smith, and Hon. George M. O'Brien.]

Mr. GIULIANI. Essentially what it says is that if there has to be a slight increase in the ceiling for this purpose, this is considered a high priority purpose, and so long as it is the present agreement plus only money for this, then there would be no objection to that.

Mr. HUGHES. So in essence what you are saying is that if the Justice appropriation exceeds the President's request by \$157 million, it is safe to assume that it is not going to be vetoed.

Mr. GIULIANI. That is correct.

Mr. HUGHES. Of course, the difficulty is that it still violates technically the present budget ceiling and the law.

Mr. GIULIANI. I am not an expert in how this all works, so it would probably be safer to read it.

Mr. HUGHES. I am not either, and that is why I am interested.

Mr. GIULIANI [reading]:

In regard to the Commerce, Justice, State bill, we note that it is in conformity with 302(b) benchmark in the absence of the amendments the Administration has requested. We believe these amendments are, however, for high priority purposes, and we have been careful in our request to be consistent with the 302(a) budget resolution targets which are well below the 302(b) ceiling for this bill. We hope that you can fund these requests and nevertheless remain reasonably close to the 302(b) benchmark.

You may understand this better than I do.

Mr. HUGHES. I really don't.

Mr. GIULIANI. It is my understanding, in simple language, that if the budget exceeds the ceiling by only the amount of this request, then it would not be vetoed. Put another way, OMB supports it.

Mr. HUGHES. It seems to me that the amendment would be subject to a point of order in the House. I can assure you that I am not going to raise the point of order. But I am concerned because we have gone down this route before, and either a point of order has been raised in the past that it exceeds the ceiling or, on the other hand, the bill is vetoed as exceeding the budget request.

Mr. GIULIANI. I don't believe that it exceeds the ceiling if I read this carefully enough. I believe, even with this amendment, it exceeds the benchmark that had been agreed upon, but not the ceiling. I think we are still within \$38 million of the ceiling even with this amendment.

Mr. HUGHES. I, too, am not an expert on the budget. But as I understand it, we are somewhere between \$5 and \$6 billion over in outlays already, if in fact all the figures submitted to us are accu-

rate, which would suggest to me that it would be subject to a point of order.

Mr. GIULIANI. I am only relying on the sentence that says, "We have been careful in our request to be consistent with the 302(a) budget resolution targets which are well below the 302 budget ceiling for this bill." My interpretation of that is, although this would exceed the benchmark, even if this were enacted it would still be well within the ceiling.

Mr. HUGHES. There are some programs for which moneys have not been requested, but which the Congress has insisted be funded, and what comes to mind is Legal Services Corporation and Juvenile Justice.

What I see developing, perhaps it will not, but what I see evolving is a confrontation once again over programs and priorities. If what ordinarily follows ensues in this case, we end up once again with an effort to either cut those programs, or take the cuts in other law enforcement programs.

Mr. GIULIANI. We would not support, either the department or the administration, any cuts in law enforcement programs. From the very beginning, when this was first recommended, it was agreed that there would be no cuts in any law enforcement programs to fund this and, of course, there is no other place to cut.

I am notified by one of my colleagues that the Attorney General is right now testifying before Senator Weicker on our appropriation, and Chairman Weicker has indicated that he will be able to accommodate this request without any cuts in any of the other programs. So it would be additional money for law enforcement and for the Justice Department.

Mr. HUGHES. My purpose in bringing it out is to suggest that I see some problems with the approach, and I can tell you very clearly for myself, and I am sure for Hal Sawyer, that we are not about to support any cuts in law enforcement programs to accommodate this request.

It is our assumption that it is new money. We are not talking about cutting other programs. If, in fact, it comes down to that type of a confrontation, we are not going to support that in any way, but we will vehemently oppose any further cuts in various missions performed by the law enforcement agencies within this committee's jurisdiction.

Mr. GIULIANI. This was offered, both internally and to the Congress, with that exactly in mind. The Attorney General's approach was that this cannot be done unless there are additional resources.

We don't have the resources in the FBI, DEA, U.S. attorneys, or in the Treasury Department to accomplish this without additional resources for law enforcement. We have been through that process internally, and that has been Attorney General Smith's position and that is the administration's position.

Mr. HUGHES. Let me move on to a number of other areas, but that gives me grave concern, and I just hope we don't end up with a scenario that I fear may occur because of the technical problem that I think exists with the manner in which you are requesting this additional money.

Let me go on to staffing.

One of the things that I have some concern about, and you touch upon it somewhat in your statement, is that the organized crime strike force operations have had some measure of success in ferreting out organized crime throughout the country, and I am still trying to figure out how this would interface with the other operations that you have described to me. What you have described to me seems to parallel what the strike force operations have done.

There we have tried to bring that kind of expertise together and, I think, quite successfully, although there are those who feel it has not been as effective as it could be. We certainly have the regional approach as envisioned by these task force operations.

If the strike force operations have been so successful, why aren't we expanding them, instead of creating a new structure? I have not been able to fathom that.

Mr. GIULIANI. The strike forces deal with organized crime. They end up being run in a very different way than these task forces will be run. What we wanted was an approach that had a single emphasis on drugs, and nothing else but drugs, focused on organized criminal enterprises that deal in drugs, but focused on drugs.

If you expanded the strike forces, and you said, "Now take on drugs," you might get the emphasis that you want in some places, but what traditionally would happen is the same thing that happens in a U.S. attorney's, which is that another emergency problem comes along, then those resources are diverted to, if it were organized crime, extortion cases, labor racketeering cases, other things.

What we wanted was to bring together the expertise of the U.S. attorneys, the Criminal Division, FBI, DEA, Customs, IRS, and focus it on one problem, drugs, not on so many other problems that would be involved if you were dealing with just an expansion of the organized crime strike forces. The possibilities for diversion of resources on to other things would be very, very great.

Mr. HUGHES. There are two things that I say to that. No. 1, when you talk about organized crime, you are often talking about drug traffic, as you have said yourself. You know that drugs are very lucrative, and organized crime moves into anything that is lucrative. So you can't separate the strike force operations from drug enforcement and drug traffic.

Mr. GIULIANI. We don't intend to do that.

Mr. HUGHES. But what you are saying is that they have a mission that might be a little different than the mission of these task force operations. I say to you, they already have as one of their primary missions, as part of their mission to ferret out organized crime, to ferret out that organized crime where it relates to drug trafficking, and that is the No. 1 problem.

Mr. GIULIANI. No, that is not correct. The organized crime strike forces—

Mr. HUGHES. Drug trafficking isn't the No. 1 problem in the country?

Mr. GIULIANI. The organized crime strike forces do not basically deal with the drug problem. The jurisdiction for handling drug prosecutions is vested with the U.S. attorneys. So that most of the major drug cases that you read about are prosecuted by what are known as Controlled Substances Units or Drug Units in the U.S. attorney's offices in the southern district of Florida, the southern

district of New York, the eastern district of New York. They have units with 8 to 10 lawyers of assistant U.S. attorneys who do drug cases.

It would be a major shift within the Department if you were to take drug prosecutions and put them into strike forces. We would have 1 or 2 years of realignment, changing of positions, changing of jurisdictions. We would be stripping away, for example, 30 percent of the cases of the U.S. attorney in the southern district of New York, 40 percent of the cases of the U.S. attorney in the southern district of Florida, probably 25 percent of the cases of the U.S. attorney in the central district of California, almost all of the cases of the U.S. attorney in the southern district of California or in Texas, which are drug cases.

Strike forces primarily have not handled drug cases. When they get involved in an organized crime case involving drugs, they turn it over to the U.S. attorney's office who has what is, in essence, a strike force in his office of, depending on the size of the office, anywhere from 3 to 20 assistant U.S. attorneys who do drug cases.

The task forces, the reason for having the U.S. attorney as the focal point of the task force is to create as few realignment problems as possible, so that we don't spend 1 or 2 years kind of mixing the cards up. Instead, we try to focus upon the organizations that are presently effective in the drug area, and have the expertise in the drug area.

When you look at it from the outside, you think of organized crime, and they must be handling drug cases. The simple fact is for the last 15 years drug cases have been handled by U.S. attorneys, and all the major ones are brought by U.S. attorneys. They have the assistant U.S. attorneys who have this expertise, and we would be ripping them out of U.S. attorneys' offices and putting them in strike forces, and from my experience, having been with the Department for 10 years, we would spend 2 years curing irrelevant problems and not dealing with the drug problem.

Mr. HUGHES. Let me just ask you another question. You do not envision, then, taking any of the expertise developed in the U.S. attorney's office and moving them into these task force operations?

Mr. GIULIANI. Yes; that is the way we are going to do it.

Mr. HUGHES. You would be moving them into task forces?

Mr. GIULIANI. Yes, but it would be under the direction of the U.S. attorney. The U.S. attorney will be in charge of the prosecutors in the task force. He will be the person making the decision as to whether a case is brought, whether you need a wiretap or not, that will be under his jurisdiction. There will not a competitor to the U.S. attorney in the field as there would be if you tried to do it through the strike forces.

Mr. HUGHES. When you take an assistant U.S. attorney, or a chief investigator, from one region and move him to another region, are they going to report to the U.S. attorney in that region, or are they going to be reporting to their own U.S. attorney?

Mr. GIULIANI. First of all, we will do as little moving around as possible. We will try to use people who know the areas that they are in. They will continue to report to their own U.S. attorney. In some cases, we will have to move some people around, but we are going to try to keep that to a minimum.

We had a meeting yesterday with all of the U.S. attorneys that will be involved in this program, the FBI, the DEA, and the Treasury people, and one of the things that we are looking at, assuming that this is going to be funded, is how to get them started with the minimum amount of movement of people.

Among other things, you don't want people working in areas that they don't know, otherwise we are going to have a lot of downtime while someone from San Francisco learns Los Angeles.

Mr. HUGHES. Let me see if I understand it correctly. You are going to endeavor not to move staff from their present office. Let's say, the U.S. attorney of the southern district of New York has an assistant who has a specialty that you need on the task force. You envision, first of all, not moving him, rather, if possible, keeping him in that region so that there isn't that problem. However, if you do, that assistant U.S. attorney or investigator will still report to his U.S. attorney or to the U.S. attorney where he or she is moved?

Mr. GIULIANI. First of all, maybe if I describe the way a task force will operate.

Mr. HUGHES. Why don't you do that.

Mr. GIULIANI. Let's take New York. The New York Task Force will be made up of three districts. The eastern district of New York, the southern district of New York, and the district of New Jersey. They will get probably about 18 to 24 additional prosecutors, and let's assume that they will be split almost equally between the three offices.

Each of these offices would then take experienced drug prosecutors and assign them to the task force. They would then be given positions to backfill these positions. We don't want to go and hire new people and put them into the task forces. So the size of the U.S. attorney's office in the southern district of New York will increase from 100 to 106 or 108, whatever the additional number.

Those lawyers would be assigned to those task forces and they would work and continue to work for the U.S. attorney in the southern district of New York or the district of New Jersey, or the eastern district of New York, and they would be servicing the cases of the task force.

They would be specially designated to spend 100 percent of their time servicing the cases developed by FBI, DEA, Customs, IRS in the task forces which would mean handling wiretaps, handling search warrants, then handling grand jury investigations with the task force agents, and then finally prosecuting the cases.

There might be in any task force, let's say, 22 or 23 prosecutors, there might be a few that would be needed for purposes of filling in in other places. It would not apply, really, in the New York area where things are pretty static, but in a large area like Denver, which covers the Rocky Mountain area, there might be a few assistant U.S. attorneys who would be traveling to different places to help out. But the bulk of assistant U.S. attorneys would remain in the prosecutor's offices where the FBI and DEA are bringing the cases to be prosecuted.

Mr. HUGHES. Are you envisioning taking basically the personnel from existing U.S. attorneys' offices?

Mr. GIULIANI. Yes, that is right, and then having them back-filled.

Mr. HUGHES. Are you going to take any personnel from the strike force operations?

Mr. GIULIANI. We probably will take a few people from the strike force operations, but the large majority would come from the assistant U.S. attorneys who have expertise in handling drug cases, 2, 3, 4 years at least of experience in handling drug cases.

Then the U.S. attorney's office would be given positions to back-fill, to go out and hire newer people who would handle the things that new prosecutors do, so that we end up having experienced people in the task forces.

Mr. HUGHES. The gentleman from Michigan.

Mr. SAWYER. I am still not clear on this organization. Let's take the eastern district and the southern district of New York and New Jersey. Are these people going to physically move somewhere, or are they going to stay physically in the offices they are in?

Mr. GIULIANI. All three of those offices—these are easy ones to deal with—now have what are called drug units or drug sections. In the southern district of New York, which I know best because I used to run that unit, they have 13 lawyers who do only drug cases, and they have about 25 DEA agents and New York City policemen that also work right there in the office.

That unit would be expanded by six or seven prosecutors. They would work right there. The task force cases would be brought to them to work on, to do the prosecutor's work that is necessary on the task force cases. The same thing would be true in the eastern district of New York, and in the district of New Jersey.

One U.S. attorney would be appointed as the administrative focal point of the task force. He would have to handle keeping track of the cases that come into the task force, keeping track of the intelligence that is going to be done in each district. But the work of the prosecutors would be done right in the prosecutor's offices.

As far as the cases are concerned, this was a very big source of discussion yesterday with all of the people who are going to be forming these task forces, the consensus of opinion was that agents should be housed together depending on the cases that are being put together.

If it is a case that involves the FBI, the DEA, and the IRS working together on a major drug operation, they would then be housed together to work on that case. Rather than having one doing it in one way all over the country, in some places the agents would actually be housed together.

Mr. SAWYER. Let's just talk about the assistant U.S. attorney. Let's say that we take them equally from these three districts—New Jersey, and the eastern and southern New York districts. Will they all stay physically in the offices that they are in now?

Mr. GIULIANI. It depends. In a place like New York where you have space for agents to work with them, the answer to that is yes.

Mr. SAWYER. The ones in New Jersey will stay in New Jersey? That is what I am really asking.

Mr. GIULIANI. That is right, they will remain in New Jersey, the ones in New York will remain in New York, to handle cases before grand juries in New Jersey and New York, to present cases to the court in New Jersey and in New York.

Mr. SAWYER. The ones in New Jersey will work physically out of the office they are currently in, and they will handle New Jersey cases, is that correct?

Mr. GIULIANI. That is correct.

Mr. SAWYER. They will be under the jurisdiction of the U.S. attorney in New Jersey; is that correct?

Mr. GIULIANI. That is correct.

Mr. SAWYER. The U.S. attorney would decide whether cases are brought or not brought?

Mr. GIULIANI. That is actually the only way it can be done.

Mr. SAWYER. Then I don't really see what you are doing that is different from what you are doing now.

Mr. GIULIANI. We are adding.

Mr. SAWYER. You are adding some lawyers to the staff of those U.S. attorneys; isn't that all you are doing?

Mr. GIULIANI. We are putting together the agents who bring the cases to them into a task force. There isn't much you could do to change the prosecutors without changing Federal jurisdiction.

If a case has venue in New Jersey, it has to be presented in New Jersey, it has to be presented before the grand jury in New Jersey. There would be no point in taking the assistant U.S. attorneys in New Jersey and moving them to the World Trade Center, only to have to go back out to New Jersey to present cases to the grand jury or to the court in New Jersey.

The thing that is being done differently is to bring together the agents in a centralized task force, so they can bring cases to the assistant U.S. attorneys and work with them in the development of the cases.

Mr. SAWYER. These assistant U.S. attorneys, who will be assigned to the task force are now presently handling drug cases exclusively, is that right?

Mr. GIULIANI. Some are, and some that would be assigned, I imagine, might be doing other things. I don't know the answer to that yet.

Mr. SAWYER. The 13 in the southern district of New York with whom you are familiar are handling exclusively drug cases?

Mr. GIULIANI. That is correct.

Mr. SAWYER. Then why are we adding any more assistant U.S. attorneys to New York? They will not be doing anything other than what they will be doing anyway, and it will all be in New York. I don't understand it.

Mr. GIULIANI. If you look at it backward, we would be adding 1,100 more agents, and those 1,100 more agents are going to produce—

Mr. SAWYER. I am not talking about agents. I am talking about U.S. attorneys.

Mr. GIULIANI. The reason you are adding them is because you are going to be adding more agents who are going to be developing more cases. If you add 1,000 to 1,500 more agents, of necessity, you have to add more prosecutors to handle those cases.

Mr. SAWYER. But you are not using the new ones to handle drug cases. You are using the ones you are using now, if I understood what you said.

Mr. GIULIANI. Maybe I did not make that clear enough.

Mr. SAWYER. You said that you didn't want to use the new ones for drug cases. You wanted to use those who had the expertise and had been involved in it for 4 or 5 years. That is what I understood you to say.

Mr. GIULIANI. That is right, and they will be replaced.

Mr. SAWYER. If they are only handling drugs now, why are you replacing them with people who are going to do different things, when they are not doing different things now? That is what I don't understand.

Mr. GIULIANI. Let me try to explain it again.

Mr. SAWYER. All right.

Mr. GIULIANI. We have 13 assistant U.S. attorneys in New York who are handling drug cases. We are going to allocate 7 additional assistant U.S. attorneys to handle the task force cases, so that at the end there will be 20 assistant U.S. attorneys that will be handling drug cases.

The 7 for the task forces, since they will be dealing with the most sophisticated and complex cases, will primarily come from the 13 who now have expertise in handling drug cases. They are going to have to be backfilled; they are going to have to be replaced.

Presumably, if the U.S. attorney is managing his U.S. attorney's office correctly, he will take seven people from his complement of the assistant U.S. attorneys and put them into the drug unit. Then he will have to go out and hire seven more who will handle postal cases, and other cases as they develop in the U.S. attorney's office.

It is essentially going to be done the same way with the agencies. The FBI will be contributing 300 to 400 agents to the task forces. We want them to contribute experienced agents to the task forces, not new hires. So they will assign 300 to 400 new agents to the task forces, and somebody else will have to be transferred to take that assignment, then eventually someone has to be hired to take the original assignments that the agents are trained in.

Mr. SAWYER. I came in late because I had a doctor's appointment, and you were talking about this when I got here, so I missed some of it. Am I correct in concluding from what I did hear that you are estimating a \$150 million additional cost for this program?

Mr. GIULIANI. It is \$130 million, but that includes money for additional jail and prison space. About \$25 million of that is for increasing the capacity of the Federal prison system.

Mr. SAWYER. Where are you proposing to get this? Are you coming in for a supplemental appropriation?

Mr. GIULIANI. Yes.

Mr. SAWYER. You are not diverting it from your present resources?

Mr. GIULIANI. It is not being diverted from any Justice Department program. The premise of this was that it could not be taken from any ongoing law enforcement function. In fact, I think I can very safely say for the Attorney General that if we were required to do it out of present resources, we couldn't do it. It would be impossible to do it.

Mr. SAWYER. Have they asked for a supplemental appropriation?

Mr. GIULIANI. Yes. I have the letter here which I would like to make part of the record.

Mr. SAWYER. Thank you.

Mr. HUGHES. The gentleman from Ohio, Mr. Kindness.

Mr. KINDNESS. Thank you, Mr. Chairman.

Mr. Giuliani, about a half hour ago, around the corner in room 2247, Assistant Attorney General Jensen testified before a Government Operations Subcommittee. I am shifting gears to another aspect of the matter. He indicated that out of the 94 judicial districts, there are 85 that now have law enforcement coordinating committees, and that the other 9 are on track. Of those 85, 84 have identified drug trafficking as the largest single problem in those districts, the exception being Utah where fraud problems are more predominant than drug trafficking.

I would like to hear your view of how the Justice Department envisions the interaction between the task forces in their active role and the law enforcement coordinating committees and their problem-solving functions, and whether you envision any particular formalization of that interaction?

Mr. GIULIANI. The law enforcement coordinating committees that have been meeting over the last year or so, their input has been very, very important in developing the task force approach. As Mr. Jensen said, and as I mentioned earlier, virtually every law enforcement coordinating committee lists drugs as the major problem, and to the extent that they have formulated advice or recommendations as to what the Federal Government should do, their advice and recommendations were fairly uniform. That is that we should increase our efforts against major drug traffickers, the kind of drug traffickers that State and local law enforcement either do not have the jurisdiction or the expertise to deal with.

Since they are limited often to one small jurisdiction, or even to one State, it is very difficult to deal with an international and national drug distribution network. Their advice to us was that the Federal Government can make a major impact in the crime area if you enhance the efforts to deal with organized criminal enterprises dealing in drugs.

So they are a major component in this program. Each one of the task forces, since it is being run by a U.S. attorney, at least the prosecutors are being run by the U.S. attorney, the agent will be run by agent supervisors who will be bringing cases to them.

The U.S. attorney is also the focal point for the law enforcement coordinating committee. We have now had four meetings in trying to formulate what will be done if this is approved, it will be his job to go to the law enforcement coordinating committee and discuss the best way to bring in State and local enforcement into the task force efforts.

One of the things that the law enforcement coordinating committee has taught us is how different law enforcement is throughout this country. The right way to do it in one place is not necessarily the right way to do it in another. The blueprint has to be one that is flexible, rather than something we enforce. For us to say, in every task force there should be 50 policemen and 40 local policemen might work in one area, and it might not work in another area.

In some areas we have very successful drug task forces. Those drug task forces would be either added to or closely aligned with this new task force effort. In some places, we don't have drug task

forces, or we have some that have been traditionally very unsuccessful. Until we improve those, it would be a mistake to put those together with our task forces.

Each one of the new task forces will have local agents participating in it. The type of participation will differ, however, in the 12 areas. In some cases, they will be working directly with the FBI, DEA, Customs, IRS. In some cases, there will be a liaison between the two, but they will operate separately.

Until we actually sit down and look at each region of the country, I can't tell you exactly how many will be one way and how many will be the other. But we are encouraging and trying to work out maximum participation and cooperation with State and local law enforcement.

I have met with the Attorneys General Association, the Governors Association, and Mr. Jensen has met with the National District Attorneys Association, to discuss ways to do that. I can only assure you that we are looking for maximum participation, but in our view it would be a mistake to dictate one way to do it. We have to be flexible, and in some areas do it one way, and in others vary that.

Mr. KINDNESS. You are viewing the LECC's as a good mechanism for input into the manner in which the task forces in the various areas would be not only put together, but where emphasis should be placed, and that sort of thing.

Mr. GIULIANI. Yes.

Mr. KINDNESS. There is interaction between the local law enforcement and the Federal law enforcement people.

Mr. GIULIANI. We would regard the LECC's as the focal point for telling us how to best adjust the State and local participation and cooperation. They have been of enormous value to us.

We meet—by we I mean the heads of all the Federal law enforcement agencies within the Justice Department—every 2 weeks, and the agenda of that meeting is essentially the problems raised by law enforcement coordinating committees.

They are treated as a very high priority within the Justice Department. The Attorney General considers their advice and their input as very, very valuable. So they will play a very important role in the formation of these task forces.

Mr. KINDNESS. Thank you.

Thank you, Mr. Chairman.

Mr. HUGHES. Mr. Giuliani, I am still troubled about the structure a little bit. I am troubled about the line of command. That gives me some difficulty because as you well know, we already have some problems from time to time with line of command, and in getting various parts of our Government to talk to one another about ongoing investigations.

We have a strike force operation, an organized crime strike force, that deals with a whole host of issues bearing upon organized crime, which you indicated very aptly in your statement is very much involved in drug trafficking.

We have the Drug Enforcement Task Force operations. As I recall we have 18 regional task force operations that have as their function the bringing to bear of all kinds of resources, Federal, State, and local resources, to ferret out drug traffickers, and they

also very often get involved in organized crime as part and parcel of their effort.

Now we are talking about another task force operation which I presume will in many respects be located in the same region as the strike force operations, as well as the DEA task force operations. There is no proposal to phase out either one of those operations, I would presume.

Mr. GIULIANI. That is correct.

Mr. HUGHES. Don't misunderstand me, I think that the task force operations have been very successful. It has done a number of things. It has brought together a lot of expertise. We leveraged that expertise with local officials. It has been a training project. It has been the best type of coordinating council one can envision because it gets agencies talking about overall goals and missions, working together, tying it in with the intelligence gathering. So they have been excellent, and I am very supportive.

What I can't understand is why we are not expanding either strike force operations to take on the additional mission, to get the organized crime, the class I and class II violators that we are after, obviously, as part of this mission, or the Drug Enforcement Administration task force operations which could very easily do that same mission, I would think, pretty effectively just by beefing it up, just by providing those resources.

I don't understand why we are creating a whole new branch, really, and that is what it is, which will have the same problem as every other division within our Government, which is the lack of communication. Often there are parallel investigations where one agency doesn't tell the other agency what is happening, or even what is happening within the same agency or within one branch of that agency.

Why aren't we, instead of trying to create a whole new structure, which I have some problems with the line of command problems that I have outlined, why not build upon the existing task force structures we have?

Mr. GIULIANI. In fact, what we are doing is building upon the structures that now exist and making the least amount of change in those structures, if I can explain it.

The strike forces do not handle drug cases. Drug cases are handled by U.S. attorneys' offices.

Mr. HUGHES. Are you saying that the strike force operation, where organized crime is involved, doesn't pursue that lead?

Mr. GIULIANI. That is not generally the case. If a U.S. attorney agrees, they do. The vast majority of drug cases, organized crime and otherwise, are handled by U.S. attorneys' offices.

Mr. HUGHES. I have gotten a lot of misinformation, then, because I understand that the strike force operation, when they have a line on an organized crime figure who happens to be doing drug trafficking, more often than not, I understand that that strike force operation follows those leads, drug cases or not.

Mr. GIULIANI. You have been misinformed. More often than not, the strike force turns those cases over to the U.S. attorney. The jurisdictional line between the organized crime strike forces in the Criminal Division and the U.S. attorneys is, the organized crime

strike forces handle all organized crime cases, but drug cases. Drug cases are turned over to the U.S. attorneys.

Now, what does happen on occasion is, the U.S. attorney doesn't have the resources to handle drug cases, so he will permit the strike force to continue with that drug case. In every one of the major cities that we are talking about, where the focal point of these task forces will be located, however, that is not the case.

In Boston, the U.S. attorney handles drug cases, including organized crime drug cases, not the strike force. In New York, the three districts in New York have substantially more resources than the strike force, and they handle all drug cases, including Nickey Barnes, a very famous drug case of a few years ago. The U.S. attorney himself prosecuted that case, and that was developed by the drug unit in the U.S. attorney's office.

Mr. HUGHES. My question is, Why shouldn't they be?

Mr. GIULIANI. Also Vito Genovese.

Mr. HUGHES. Let's turn it around, the information is incorrect. If the strike force operations have developed intelligence suggesting that an organized crime figure is doing drugs, why shouldn't that strike force operation be beefed up to follow that lead?

Mr. GIULIANI. You can organize things and you can do things in about 18 different ways usually. However, when you want to change it, after it has been done one way for 20 or 25 years, you have to recognize that you are making a change and you are going to have a lot of downtime.

All the expertise for handling drug cases in almost every city that we have located as a core city, is housed in the U.S. attorney's office. We would have to take 7 of those 13 assistant U.S. attorneys in the southern district of New York, 8 of the 10 in the eastern district of New York, Boston, et cetera, out of the U.S. attorney's office, cease and desist their functioning as assistant U.S. attorneys, and make them Criminal Division lawyers, put them into the strike forces, and put them under the direction of Washington.

That has a whole host of problems attached to it, not the least of which is that the State and local connections that we have developed through the law enforcement committees would be different. Every U.S. attorney that lost seven or eight prosecutors would yell and scream that he was losing direction of his prosecutors, that he was turning them over to a Criminal Division lawyer who would now manage them.

You want the least amount of disruption in the present system. You want it to function quickly and easily. It makes the most sense to add to the resources of the presently existing groups of prosecutors who are handling drug cases.

DEA is used to that arrangement. It is used to bringing cases to the U.S. attorney's office. State and locals are used to dealing with U.S. attorneys' offices in that regard. The DEA task forces that you are talking about are used to dealing with the drug units in the U.S. attorneys' offices. That is the way they work now. They don't work for the strike forces. Often they are located in different buildings.

There would be a whole endless group of problems that we would end up having to address for the next year or two, instead of the problem of, let's focus on the major drug cases, let's figure out

what wiretaps to put in, let's figure out what search warrants to get, and let's figure out who to prosecute.

Mr. HUGHES. Working under the assumption that it would be less disruptive, then why not use existing Drug Enforcement Administration task force operations as the way to build the type of task force operations that get your top traffickers, which is the primary mission of this new operation. Why not use existing task force operations of the DEA?

Mr. GIULIANI. The DEA task forces, and I share your view of them, both when I did that work on the line and now, have largely been very successful, but their focus and mission is somewhat different than these task forces.

First, they tend to be localized. They deal within one jurisdiction. They wouldn't have the ability to work regionally the way these task forces can operate. You have a DEA task force in New York that deals with the New York City Police Department, and that could not be used for a multijurisdictional purpose. In Boston, a task force would deal with Boston, but not with Maine, New Hampshire, upper New York, as the new task forces envision. So the DEA task force operation is inherently a local operation. It would be very hard to marry that together with a regional operation.

Second, their concentration is on street cases. Their concentration is on street level buy and bust cases. We help police departments and they help us. That is the kind of case that a task force most successfully can deal with.

We gain a great deal of intelligence from that kind of operation, and they gain a great deal of intelligence from us, but it is locally anchored and not regional or national in scope. That is why, for example, the south Florida task force has been a Customs/DEA operation, because it is not a street-oriented operation. It is an interdiction-oriented operation.

Mr. HUGHES. But the fact of the matter is, according to the data that we have seen, these DEA task force operations in roughly 30 percent of the cases, were dealing with class I and class II violators.

Mr. GIULIANI. Some of the street level violators can be very major violators.

Mr. HUGHES. Obviously, you can follow leads in the rest of the structure. As you indicate very aptly, you have got to have a criminal enterprise, first of all, to have a successful drug operation. Wasn't that your statement?

Mr. GIULIANI. Yes.

Mr. HUGHES. Obviously, you need that street operation to be able to work it from that end, infiltrate at the lower end and "go up the stream" to the intermediate traffickers into the class I traffickers, just as you are endeavoring through your intelligence gathering capability overseas to try to approach it from that end and infiltrate from that end in source countries.

Why not expand the present DEA task force operations to the regional approach, that is one aspect of it. I realize that this perhaps is not the present mission, but at least you have got one organization dealing with that problem as opposed to three.

You are going to have an overlap no matter what you do. You are going to have the strike force operations touching upon much of the operations of the DEA task force operations, and you are

going to have the DEA task force operations touching upon the strike force operations from time to time, as well as the new structure task force operations. You are still going to have the same problem we presently have in some areas of trying to make sure we are not duplicating the work of other law enforcement agencies, which the coordinating council is trying to address.

Why not do that, why not expand the DEA and make those DEA operations regional?

Mr. GIULIANI. You could not make a DEA task force regional, unless you could give the Boston police jurisdiction to investigate crimes in New Hampshire. They operate best by dealing with local problems. By changing the nature of them, you would probably insure that they would be unsuccessful.

They marry sometimes two or three police officers with the DEA agent, that pulls it in the direction of a local problem. To try to change the nature of that, to try to have them take on, for example, financial investigations, which a lot of the work of these new task forces will be, will insure that these task forces are unsuccessful. It is like trying to make an apple into an orange, that is not the strength of a local task force. Its strength is not dealing with and following a national or an international conspiracy.

The DEA had this very problem 5 or 6 years ago in trying to use some of these essentially local task forces for major international conspiracies, and what they went to was the Centac concept. For a national or international conspiracy, you have got to put together special groups that have the jurisdiction to deal nationally and internationally.

It would be, I believe, a mistake to try and take within a region sometimes three or four local task forces with three and four different groups of police departments, and try to marry them all together. We are better off having them do what they do well, not interrupting that. They do a very good job of handling the local cases, the street level cases. They develop valuable information about where drugs are coming from.

But at the same time, we need something in the rest of America that is more akin to the south Florida task force, and that can only be done with a group of Federal agents that have the flexibility to move to different places, and at times work with State and local law enforcement on particular cases, which we will do.

In a large number of cases, the task force will be working together with the New York Police Department or whatever police department happens to be involved in that particular investigation.

Mr. HUGHES. What you envision, even in the task force operation that you propose, is to move personnel depending upon needs. So you are going to have that problem no matter what, it seems to me.

You are also going to have the additional problem of having assistant U.S. attorneys who are often transient, and many of the assistants find it an excellent training ground to become defense attorneys. It is difficult to really maintain that expertise in the present structure, but you are going to compound that by having that assistant U.S. attorney working in one office, and perhaps being responsible also to a U.S. attorney in a core city who is overseeing that operation. I see some major problems in that type of a management structure.

Mr. GIULIANI. Mr. Chairman, that is no different than if you did it with the strike forces. If you expanded the strike forces and gave them the mission of dealing with drugs, those attorneys would all work for the Criminal Division of the Justice Department.

They could not bring a case, however, without getting the approval of the U.S. attorney. No one but the Attorney General has the statutory authority to bring an indictment in a particular district other than the U.S. attorney.

The Assistant Attorney General in charge of the Criminal Division, the strike force attorney, cannot do that. So they have to work together with the U.S. attorney. He has the jurisdiction to determine whether a case is brought within that jurisdiction.

What we need, I hope, is the least amount of problems between the strike forces and the U.S. attorneys, and by putting the prosecutors under the direction of the person who has to make the prosecutorial decision, rather than putting the prosecutors under someone else, then you have a second person who makes the prosecutorial decision, I think you have the least amount of problems, rather than the most amount of problems. Anything you do, any way you align this, it is going to have a certain number of problems. It is a trade off.

Mr. HUGHES. It is not a perfect.

Mr. GIULIANI. No; it is not.

Mr. HUGHES. It is not perfect, and the structure creates problems for us inherently. But you know the biggest problem that we have is trying to get law enforcement agencies to talk to one another. I don't know how in the world we are going to solve that problem by creating a whole new structure.

Mr. GIULIANI. We are not creating a whole new structure. The structure operates exactly the way the present structure operates.

I might add that a large part of the structure was developed by the law enforcement coordinating committees which accomplish the purpose that you are talking about. It brings together Federal, State, and local law enforcement agents, and a lot of the structure that is developed has come up as recommendations from the law enforcement coordinating committees.

They have all been discussed in great detail with the working group that Mr. Jensen chairs, which involves district attorneys, State police officials from all over the country, and a lot of the decisions and tradeoffs as between whether you use the strike forces or the DEA task forces or the U.S. attorneys' offices, have come from that group.

It is the U.S. attorney who has the greatest local contact, for example. The strike force attorney comes from Washington. He is parachuted into an area. He doesn't have roots in that area. He is not part of the local law enforcement community.

I would venture to guess, I have only talked to four or five, so I can't speak nationwide, that in most places, local law enforcement would feel more comfortable with an operation that was being directed by the U.S. attorney who is part of that community, and who will remain there, and who is accountable to that community.

Mr. HUGHES. If, in fact, I understand you correctly, you pretty much have reinforced what my colleague, Mr. Sawyer, has indicated. If you are not creating a new structure, what you are doing is

calling the old structure a new name, and creating some line-of-command changes which I am afraid might be unworkable.

I don't know how you can have an assistant U.S. attorney, whose loyalty is to one U.S. attorney, responding to a U.S. attorney in a core city. I have some difficulty with that. Explain to me how that is going to operate?

Mr. GIULIANI. The Drug Enforcement Administration develops a case that they would like to see handled by the task force, and the case is a New England case. They go see the administrator of the task force for New England, and they discuss it with him. It turns out that the contacts for that case are in Maine, because the marijuana is coming in through Maine.

The core city U.S. attorney or administrator, who acts solely as a traffic cop, assigns that case to the U.S. attorney in Maine, and from then on the contacts on that case by that group of agents that have now been put together to do the work on it, will be with the U.S. attorney in Maine.

Mr. HUGHES. I see.

Mr. GIULIANI. So that all decisions about whether search warrants, wiretaps, arrest warrants, prosecution, are made by the U.S. attorney in Maine.

Mr. HUGHES. The sole responsibility is just one of assigning the case.

Mr. GIULIANI. That is right, and then from our point of view, the Justice Department's point of view in Washington, it is the U.S. attorney in Boston who has to keep track of it for us.

He has the administrative responsibility of keeping track of that case, and the agents who have been assigned to it, and the prosecutors who have been assigned to it. But he has no case authority. He is not going to decide, we are prosecuting three people instead of four, we are getting a search warrant or we are not. The U.S. attorney in Maine will decide.

Mr. HUGHES. All those decisions will be by the U.S. attorney in that particular district.

Mr. GIULIANI. That is correct.

Mr. HUGHES. The gentleman from Michigan.

Mr. SAWYER. As I understand it, then, the task force name as applied to the U.S. attorneys involved is really somewhat of a misnomer. The task force is really made up of the agents.

Mr. GIULIANI. The agents are going to be the ones that are working together in groups, if that is the way you understand the task force. They will then be assigned to work with a particular assistant U.S. attorney, or maybe two if it is a big case.

Mr. SAWYER. But the assistant U.S. attorneys will stay where they are, and they will not join together in any sense of a physical task force. They will each do just what they are doing now, and within their current jurisdictions. You are then proposing to beef up the personnel of those offices in anticipation of a heavier case-load, is that right?

Mr. GIULIANI. That is it. That is primarily correct, the only difference would be, in some areas, as we have been identifying cases, there are multijurisdictional cases where you would have prosecutors working together.

Mr. SAWYER. Both the chairman and I have the same problem. The task force concept really does not apply to the assistant U.S. attorneys. The task force is the investigative force that is being put together.

Mr. GIULIANI. That is mostly so. It isn't quite so.

The core city U.S. attorney will have an administrative staff, a small administrative staff, as well as an office in which representatives of each of the agencies will be present to evaluate the cases that come in.

Mr. SAWYER. He just decides to which U.S. attorney to send it.

Mr. GIULIANI. He also evaluates the intelligence, and makes sure that they are working together. He has administrative functions. He does not have legal functions. He does not decide who gets prosecuted, et cetera, search warrants, and that kind of thing.

Mr. HUGHES. You used the term "traffic cop".

Mr. GIULIANI. That is right, and I guess I should add to that, an administrator. He administers the resources and the intelligence.

Mr. SAWYER. As I say, I was thinking of a task force of U.S. attorneys. While you call it a task force, the real cohesiveness is among the agents working on it, and the coordinator to direct.

Mr. GIULIANI. That is primarily correct.

Mr. SAWYER. And beefing up personnel in anticipation of developing more cases.

Mr. GIULIANI. That is correct.

Mr. SAWYER. While you are doing this, are you doing any beefing up of overseas source country resources to stop the incoming drugs?

I was just reading a statement by the chief of police of Chicago to the International Association of Chiefs of Police in a meeting in Atlanta, I believe, not very long ago. He has 12,500 officers, which makes it the second biggest force in the country, I guess. He said that it is impossible for them to fight the drug traffic locally. It has to be fought at the borders and in the source countries. Do you agree with that?

Mr. GIULIANI. I partially agree with that. I think that one of the mistakes that has been made in the past in dealing with this whole drug problem is people who take single solution approaches to it, who say, it can only be dealt with in the source country, or it should only be dealt with at the border, or it should only be dealt with nationally.

I think that the most complete answer to that would be that there are three places in which we have to be emphasizing drugs the source country, at the border, and internally. We have to be putting emphasis on all three. This effort is to try and deal with step two and three of that process.

Mr. SAWYER. Isn't it true that the principal success that has been enjoyed in Florida in this fight has been largely because of a change in the posse comitatus law allowing the use of AWACS, and the Cobra helicopters, and what not, from the military to participate in stopping it?

Mr. GIULIANI. It has been a contributor. I could probably cite eight or nine other things that have been equal contributors.

Mr. SAWYER. Bud Mullen, the Acting Director of the Drug Enforcement Administration, says that it is the principal thing that has assisted them.

Mr. GIULIANI. I would say that it is a principal along with eight or nine other things.

Mr. SAWYER. While we are apparently expanding our domestic enforcement, and I agree that we should, we are doing nothing, or nothing to speak of, on either the borders or in the source countries.

Mr. GIULIANI. That isn't so at all that we are doing nothing.

Mr. SAWYER. I know that we are doing something, but I am talking about an increased effort.

Mr. GIULIANI. First of all, these task forces will deal with both the border and internal. It depends on where the task force is operating. For example, the Southwest task force, which will be principally in the southern part of California, Arizona, and New Mexico, will be largely a border interdiction task force, I am certain.

The San Francisco task force that goes up the coast of California, the one in Maine, they will be largely interdiction task forces that will involve Customs, Coast Guard, and somewhat similar to the south Florida task force.

Mr. SAWYER. You include the Air Force and the Navy, too?

Mr. GIULIANI. Yes, in those areas, they will have the same kind of arrangements with the Department of Defense as we have in south Florida.

On the foreign front, the Attorney General, the Secretary of State, and the Assistant Secretary of State for Narcotics Matters have been making, I believe, major efforts in getting cooperation from Southeast Asian Governments, from Pakistan, from Italy, from Bolivia, from Colombia, in the drug effort.

So I really wouldn't subscribe to the thought that nothing is being done, just the opposite. I think more is being done now than has ever been done before. More can be done, but more is being done now than has ever been done before in getting cooperation from source and intermediate countries, including police officials in intermediate countries.

Mr. SAWYER. I am aware of what is being done. We just did a survey of that.

What I meant to say was that you are not doing an equivalent increase in the source country area.

Mr. GIULIANI. The increase that we are talking about here is for domestic enforcement.

Mr. SAWYER. Right.

Mr. GIULIANI. I don't know that you can increase, increase, increase. I don't know exactly where that would be necessary.

Mr. SAWYER. Of course, as I am sure you know, Sicily has essentially taken over the French connection right now.

Mr. GIULIANI. Yes; I am very aware of that.

Mr. SAWYER. They have a situation where their own law enforcement people are somewhat intimidated from even going down there. They just killed the general of police and his wife not too long ago when they went down there. They even enlisted the Pope and the cardinals to try and do something about it.

They have had several hundred Mafia-related murders so far this year. The thing is getting almost out of hand yet we have only five DEA agents in all of Italy. I wonder if we should not do an equivalent beefing up of resources in the source countries and the processing countries.

Mr. GIULIANI. I would be more than willing to look at that with you, but I think the problem, as you know, is different outside the United States than it is inside the United States, and you are not always talking about increasing agents as a way to deal with the problem.

We can't enforce the laws of the rest of the world. What we need is cooperation from the police entities in Italy, for example. We have gotten more cooperation from them in the last 2 years than we have ever gotten before, and a lot of that comes from their own recognition of the problem, and not from anything in particular that we have done.

I think the cooperation from the Italian Government, and I have prosecuted cases that have involved the Sicilian connection and the Corsican connection, I have handled a lot of cases like that, the cooperation 7 or 8 years ago, believe me, was not what it is today. We didn't get any cooperation at all.

Mr. SAWYER. That is because they are developing a big local addiction problem themselves.

Mr. GIULIANI. That is exactly right.

Mr. SAWYER. This wasn't so a few years ago.

Mr. HUGHES. Would the gentleman yield to me?

Mr. SAWYER. Certainly.

Mr. HUGHES. That is not my understanding. When the Attorney General was in Italy recently, he did some good. He was there because we have developed a problem. Italy has created a whole new bureaucratic structure, for the law enforcement agencies, the national police and the others, to work with foreign investigators that has made it almost impossible for us to run down cases.

It has taken us 2 or 3 months to try to determine who owned a telephone in Italy. While the Attorney General was in Italy, he focused in on just that problem, and as a result, we were there just about 2 weeks after that, and they had relented and changed the system, so that our DEA people had some direct access to the people at the local level to get that basic information.

So we did develop some problems in Italy. We have five DEA agents in Italy right now, and they are like one-armed paper-hangers. They are just trying to do everything in a country, some portions of which are out of control. Sicily is out of control. We can't even send an agent into Sicily, except on a temporary basis, because it has deteriorated so badly.

What Mr. Sawyer has been saying, and I agree with him, is that we have not seen a commensurate commitment to our intelligence gathering capability overseas, which gives us great trouble because we can develop all kinds of intelligence, which is very helpful to us in this country, as you know. More and more couriers are coming through, we are letting them through, and we are developing the kind of cases we want to develop because of that. We have major blind spots overseas that we are not addressing. That is what we are talking about.

Mr. GIULIANI. I don't believe that that criticism is a fair criticism. I think that we have devoted a tremendous amount of effort to the overseas problem. We have a sufficient number of agents in most places. If we need more, we will certainly consider increasing the agents in those areas.

We are never going to put enough agents in Italy to handle the law enforcement problems of the Italian Government. We would have to put thousands of agents there, not a few more, and that is really not the best approach. The best approach is to deal with the Government, as the Attorney General did, to try to seek changes in the way they go about their law enforcement.

The problems we have now in Italy, and I did not mean to say that we did not have any problems, I said that the problems were a lot better than they were 7 or 8 years ago. We had no cooperation from the Italian Government 7 or 8 years ago. We had no cooperation from the West Germans, and we now get it because they have their own domestic drug enforcement problem. The level of cooperation with Colombia, Bolivia, and other countries, has increased substantially.

It is not what I would like to see, it is not at the optimum, but I do not think that it is fair to say that we have blind spots or that we are not giving enough emphasis to it. If there are areas where we need to put more agents, we will certainly consider that, but it is not from a lack of emphasis or attention to the foreign aspects of the problem.

The Attorney General personally has spent a substantial amount of time dealing with that. His personal involvement has meant, in a number of areas, cooperation that we have never had before.

Mr. HUGHES. Would the gentleman yield further?

Mr. SAWYER. Certainly.

Mr. HUGHES. There are two parts to that question. You are not saying, first of all, that my criticism of the lack of cooperation was ill founded, are you, let's deal with that first?

Mr. GIULIANI. The lack of cooperation from the Italian Government?

Mr. HUGHES. Yes, the lack of cooperation from the Italian Government in the new structure. You are not suggesting that that criticism is unfair?

Mr. GIULIANI. That was a problem, and it has been corrected. There are other problems that still have to be corrected and they will be.

What I said was unfair was the criticism of our lack of emphasis on the overseas side of the problem, because I think there has been a substantial amount of emphasis on that.

Mr. HUGHES. If the gentleman would yield further.

Italy has become a major transshipment country, and a major source country for heroin. We have seen, I think, eight laboratories in Sicily this year close down. They pop up again just as fast as you close them down. In Sicily in particular, the law enforcement structure has been to a great extent intimidated. We have five agents trying to work cases in Italy. Italy has become the major transshipment area.

I won't just stay with Italy. India has become a major transshipment area, and we have one agent covering India and other areas.

In Egypt, covering Egypt, Saudi Arabia, and other countries, we have one agent working that entire area.

Mr. GIULIANI. Working, meaning gathering intelligence. He is not supposed to be enforcing the laws of Italy, or India.

Mr. HUGHES. I understand, but he has to travel not just throughout Egypt, but also Saudi Arabia. He has other countries, and I forget the exact countries he has, but it is a tremendous area. Yet, that is where we can develop much of the information that is helpful to us.

It is like trying to find a needle in a haystack when we step up our efforts in this country, because the drug traffickers are very innovative. We can develop the task force operations, and they are important, but the criticism, in an endeavor to be constructive, is that it seems to me that we ought to be making a commensurate commitment to intelligence gathering overseas.

It is projected that we are cutting back on crop substitution and eradication. I forget the figures, but we are cutting back on the Mexican program significantly, at a time when Mexico has major economic and budgetary problems, which seems to me to be ill advised.

We have a very modest program in Thailand, I think that it is about \$2 million a year, when in fact there is some indication that the Thais are willing to do much more in that area.

We are doing very little in Burma, and Burma is the major problem. I don't have the figures at my command, but of the 450 to 500 tons of heroin that are coming out of Southeast Asia, my recollection is that 85 or 90 percent of that comes from Burma, and we are doing very little in our initiatives in Burma. It seems to me that that is where we should be putting a commensurate amount of resources and activity.

Mr. GIULIANI. To be putting a commensurate amount of activity into all of those areas, you have to begin by negotiating agreements with the government. We can't substitute crops, and we can't eradicate crops without agreement. We can't have a police force for the entire world, that is just utterly unrealistic.

What we need to do is to emphasize diplomatic initiatives. The State Department has done more of that than has ever been done before. It is a very, very big problem. There are a lot of areas that have to be worked, and there are underlying problems in all of this, including the fact that it is part of the culture of many of these societies to be growing these crops.

We also have foreign policy and other problems on the other side, so to simplify really doesn't help the solution to it. And I don't think that it is fair to say that there has not been the kind of attention to this problem that there should be. I have never seen more attention to it, and I have never seen more gains made in such a short period of time.

Mr. SAWYER. I get a little sensitive on these blind spots because in the western district of Michigan, where there are 3.3 million people, we have three DEA agents, and they don't have to deal with any foreign police force there.

Mr. GIULIANI. That is the reason why we gave jurisdiction to the FBI to deal with drugs.

Mr. SAWYER. We have only 25 FBI agents in the whole area, including the whole Upper Peninsula, too.

Mr. GIULIANI. Mr. Sawyer, if this initiative is approved, we will have almost double the number of drug agents that can handle drug cases on the Federal level. We began with 1,800 when this administration took office, and we added over 500 FBI agents in a 1-year period, and this initiative will add another 1,000. We can't train more agents than that.

Mr. SAWYER. But you should put more than three in the western district of Michigan.

Mr. GIULIANI. I am sure this effort will mean that there will be more agents in that area, as in all areas. But we really can't add more than 1,000 agents in a year, there is no way to do that, unless you want to not train them.

Mr. SAWYER. The way you allocate them is something else. For example, the eastern district has 6 million people, a third of the land area and double the population. You have 62 agents over there, and three in the western district. We have a big drug problem in the western district, too.

The allocation is crazy. You have 150 FBI agents in the eastern district, and 25 in the western district. I just don't understand how you allocate resources. Sometimes I think you do have some blind spots.

Mr. GIULIANI. If we are talking about the FBI allocation of resources, it is done upon their analysis of Federal crime problems. The same thing is true with DEA. I am sure that there are times when they are right. I am sure there are times when other people think they are wrong. I don't know of any part of this country that thinks it has enough DEA or FBI agents. I don't know any Congressman who thinks that there is enough in his district.

Mr. SAWYER. I don't know of any Federal district with 3.3 million people that only has three. I doubt there is another one with that number of people and only three DEA agents, which is what we have in the whole western district.

Mr. GIULIANI. That allocation is made by the Drug Enforcement Administration. They make it internally. They make it based upon the level of cases they believe they can make in that area. It is made professionally, which does not mean that it is always correct, but it is not done with any intent to harm one part of the country.

It is done with the intention of putting the drug enforcement resources in the places where they can make the most substantial cases. DEA makes that analysis and, as I said, there are times when they are right, and times when they are wrong.

Mr. SAWYER. The U.S. attorney for the western district, I am sure, doesn't agree with that any more than I do, and he is living with it.

Mr. GIULIANI. He might not. I don't know that particular problem in detail. I don't know whether that is a correct allocation, or exactly what it is based on.

Mr. SAWYER. Take a look at it.

Mr. GIULIANI. I will.

Mr. HUGHES. The gentleman from Ohio.

Mr. KINDNESS. Mr. Chairman, I have no further questions. I am completely enlightened by the questions and the answers that I have been listening to.

Mr. HUGHES. I just have a couple of areas that I would like to get into.

The task force operations in south Florida have been from all reports very successful. One of the things that has troubled me, however, is that we have begged, borrowed, and stolen agents from all around the country. It has always been my perception that agents, particularly DEA agents who are undercover, have to rely upon developing assets, informants, and other information.

I just wonder how we cope with that problem in other parts of the country where we have taken undercover agents out of their locale and put them into an area where they do not have those contacts. How do we fill that void in those areas where we have taken those agents?

Mr. GIULIANI. There is no doubt that the south Florida task force has been successful, very successful, we believe, but it has caused problems. It has caused problems for some of the rest of the country, and what you have mentioned is one of those problems. As a result of the south Florida task force, we have cut down the flow of drugs into south Florida, but drugs have come in in higher numbers elsewhere. Drugs are being stockpiled before coming in, and we have gaps elsewhere.

This task force effort is an attempt to try to plug up that problem, to try to put task forces in enough places so that we will have the flexibility to deal with the problem as it moves. Also, we would like to assign the agents as permanently as possible to a particular area or region for exactly the reason that you mentioned, that is, we are going to get the most success and the best cases out of agents who have been in a place for a period of time, who are allowed to operate in an area for 1 or 2 years.

In south Florida, we had an emergency situation. We just had to bring agents in and put them there, and there are some trade offs and some things you lose as a result of having done that.

Since we don't have the emergency problem elsewhere at quite the same levels that we had in south Florida, one of the differences between these task forces and the south Florida task force will be that these will be permanent assignments to the fullest extent possible.

Mr. HUGHES. They will be permanent from the standpoint that you are going to move people there and hopefully make that a permanent locale for them. But do you not envision moving some agents, for instance, to new locales to fill out the investigative slots in these new task force operations, and aren't we going to create the same problems that we saw with the south Florida task force?

Mr. GIULIANI. There is going to have to be some movement. We believe that we need an increase in the number of overall agents, and that means bringing new agents on. To the fullest extent possible, we are going to try to use agents who have expertise in that area, but there will have to, of necessity, be some movement.

For example, if we solve Mr. Sawyer's problem and move additional agents to the western district of Michigan, those agents at the beginning are going to have to be people who came from some-

where else. Since we begin with a problem, the solution to it is going to involve a certain kind of phase-in period, there is no doubt about that.

Mr. HUGHES. It takes a drug enforcement agent, to develop the kind of relationship in a community that starts to work assets, 1 year or 2 years. It is not just a matter of training. It takes a long time to do that. What is the transition period that you envision?

Mr. GIULIANI. We will try to blend the people who are assigned to the task force, so that we have a sufficient number of agents assigned from the DEA, FBI, and Customs, who know the area in which they are operating, as well as bringing some people from the outside, because in order to make the increase you have to do that.

There is no doubt that this is going to take a period of time to develop. We don't see these task forces as quick hit task forces. We don't see it as task forces that are going to make a group of cases and then that is going to be the end to it. It is a 4- or 5-year commitment at a minimum.

Mr. HUGHES. How long do you envision that it is going to take us to train these thousands of agents?

Mr. GIULIANI. The way we are going to do it, hopefully, to minimize that problem, is to assign experienced agents to the task force. They won't need training in conducting investigations. They will be experienced agents who have handled very sophisticated investigations.

Some of them may need a certain amount of time to develop local contacts, but we are going to put experienced agents into the task forces, and then backfill. Still, we will be adding 400 or 500 additional agents to each one of the agencies, and it is going to take a certain amount of training time for them to take on their assignments.

Mr. HUGHES. Still we are going to have some gaps as we move agents to these new task force operations, as we remove them from their native environment and the assets that they have built over a period of years. We are going to have gaps.

Mr. GIULIANI. I don't disagree with that, and what we will try to do is to minimize those gaps as much as possible by phasing in the task forces, by using people who have expertise in that area as much as possible. There is no doubt that you are correct, that there will be certain gaps as we try to cure this problem.

Mr. HUGHES. I haven't seen a request for new moneys for the Drug Enforcement Administration. Is there to be a request for moneys specifically for DEA?

Mr. GIULIANI. Yes.

Mr. HUGHES. What is that amount?

Mr. GIULIANI. The budget request is an overall request for the Attorney General.

Mr. HUGHES. What portion of that is DEA?

Mr. GIULIANI. DEA would probably receive a third, or possibly a little less than a third, I really can't say.

Mr. HUGHES. So we are talking of an addition of perhaps \$40 million for DEA?

Mr. GIULIANI. I would say \$30 to \$35 is probably more accurate, because about \$25 million of that money is for prisons and jails. We are really talking about \$100 million in fiscal year 1983, so a third

would be about \$30 million, and the FBI is about the same. It is not just increases for agents, it is also increases for voice privacy, for equipment, for cars, for all the other things that the agents will need, and that will be pretty equally given to all three agencies.

Mr. HUGHES. What is Customs going to need by way of additional resources, and Immigration and Naturalization. You don't mention border patrols, but I suspect that in some regions, you are going to have to interface with border patrols.

Mr. GIULIANI. Yes.

Mr. HUGHES. The Internal Revenue Service?

Mr. GIULIANI. A certain portion of the budget is going to be turned over to the Treasury Department that we have worked with very closely in developing this.

Mr. HUGHES. Is that all included in this \$130 million?

Mr. GIULIANI. Yes; it is.

Mr. HUGHES. It is all included.

Mr. GIULIANI. The \$130 million, I guess I should emphasize, is a partial year figure. The task forces will not get started, assuming that they are approved now, until January. As you point out, they wouldn't be at full strength for 5 or 6 months. As an annualized figure, it would be more than \$130 million.

Mr. HUGHES. What is the request for hardware for the respective law enforcement agencies? How much for DEA, for instance?

Mr. GIULIANI. I don't know the breakdown as to between FBI and DEA, but it would follow the number of agents, and it is probably \$20 to \$25 million.

Mr. HUGHES. Is that total?

Mr. GIULIANI. Yes.

Mr. HUGHES. What is the breakdown between the agencies, do you know?

Mr. GIULIANI. I don't know the breakdown as between FBI, DEA, and Customs, but it would be roughly equal, a third, a third, and a third.

Mr. HUGHES. Would you furnish that for the record.

Mr. GIULIANI. Yes.

Mr. SAWYER. What will it be for the additional assistant U.S. attorneys?

If it is a third, a third, and a third between those three, where do you get the money for the assistant U.S. attorneys?

Mr. GIULIANI. It would essentially be the cost of their salaries, and that is part of the \$130 million. We were just talking about \$25 million of the \$130 million is for hardware, and that would be equally divided, or pretty closely equally divided among the three groups of agencies, FBI, DEA, and then the Treasury agencies. The assistant U.S. attorneys probably are about—

If you want, I can quickly go through the breakdown, I have it right here. The prosecutors would be \$11.5 million of the \$130 million, in fact, \$11,731,000.

Mr. HUGHES. I notice, just looking at the summary sheet of the requirements, hardware for the FBI would total about \$28 million, if I am reading it correctly, as opposed to DEA which totals about \$6 million. It doesn't seem like an even split to me.

Mr. GIULIANI. A lot of the money for the FBI will also be used for DEA. For example, the voice privacy money is to make the

radios more secure, and that will be done for both the FBI and DEA.

The automation would benefit only the FBI, but DEA would get the benefit of whatever is expended for the cars that are going to be used by DEA in the task forces. So assuming they have a third of the agents in the task force, they would get a third of the benefits of that \$12 million.

Mr. HUGHES. In the existing budget, we have, as I recall, \$2 million for voice privacy for DEA. Why wasn't that separated out that way?

Mr. GIULIANI. Because the way we are going to form these task forces is with a single appropriation to the Attorney General. So as we work out the number of agents that DEA, and the FBI put in, the Attorney General can reimburse those agencies for those agents. We don't know at this point whether there are going to be 423 FBI agents and 400 DEA agents, and 300 Treasury agents. We don't know the number, and we wanted to use maximum flexibility for doling out the positions.

Mr. HUGHES. Let me move on to another subject dealing with the task force operations.

My information is that we have increased significantly our seizures of cocaine in southern Florida, but there seems to be a commensurate decrease in the seizures of marihuana. Is that information correct?

Mr. GIULIANI. Yes, recently that is correct.

Mr. HUGHES. Why is that?

Mr. GIULIANI. I don't know. I would be speculating as to the answer for that.

Mr. HUGHES. Has the Justice Department looked at that particular interesting phenomenon?

Mr. GIULIANI. Yes, we have, and there are a number of conclusions that have been drawn from that, and I couldn't tell you which one is the accurate one.

Mr. HUGHES. Arrests in south Florida are up substantially, as you have indicated, which I think is a credit to our operations. What classes of violators predominate in that arrest pattern?

Mr. GIULIANI. From the south Florida task force?

Mr. HUGHES. Yes.

Mr. GIULIANI. They are basically class II and class I violators. I don't know the breakdown as between class I and class II, as to which predominates.

Mr. HUGHES. I am interested because the new task force operation that is proposed will be directed at class I and class II violators.

Mr. GIULIANI. Right.

Mr. HUGHES. High-level traffickers.

Mr. GIULIANI. Yes.

Mr. HUGHES. How many of those top priority offenders were caught in the net in south Florida as a result of our task force operations?

Mr. GIULIANI. That is a good question, and I will get you the exact breakdown.

I should emphasize that there is a difference between these new task forces and the south Florida task force. The south Florida task

force was a dragnet approach because we were dealing with an emergency problem. Eighty percent of the drugs were coming in through that one area.

We don't have that kind of emergency or dramatic problem anywhere else. The task forces elsewhere will have a more long-term effect, and their focus will be to infiltrate organization. The focus of the Florida task force was to pick up every drug case they could pick up. It was not as targeted as that.

Mr. HUGHES. I understand, but we are using what occurred in south Florida as a demonstration that task force operations like south Florida are particularly important in getting class I and class II violators, that is the whole premise. So it would be important for us to know the data.

No. 1, how many class I and class II violators do we have in the data that we compiled. We have a body of data that tells us how many class I and class II violators exist in the country, and there is a pretty good breakdown regionally, so it would be very helpful to us if you would furnish that information to the committee.

Mr. GIULIANI. I will furnish the information, but the premise is not correct. The south Florida task force is not being used as a model because it was particularly successful in getting a certain level of violators. It is being used as a model because it was a successful joint operation of agencies working together very well.

The problem that we faced in south Florida, we do not face elsewhere. In south Florida, we picked up any drug case, basically, that came our way, because the problem was so bad, we had to do something about it immediately.

The task forces elsewhere would be much more highly targeted so that, for example, if in the south Florida task force statistics you saw a lot of cases of class III violators, or class IV violators, that would not be a good indication that that would be the case in New York or Chicago or elsewhere, because we don't face the same kind of problems. This is the only caution I wanted to give.

Mr. HUGHES. I am only going from what I have read by way of press accounts, that is all. I realize the press from time to time does not report accurately, but at least that has been the perception that I have had from reading the press accounts and drawing from the experience in south Florida as a basis for expanding that throughout the country.

Regardless of the premise, I am interested in that data. It would be very significant and interesting as far as I am concerned.

Mr. GIULIANI. Certainly.

Mr. HUGHES. The second thing is, I haven't seen any data on the availability of substances such as heroin and marihuana, as well as cocaine in southern Florida, and in other parts of the country.

DEA has kept a pretty good log of the availability of substances in this country, and I would be interested in knowing if such data are available and could it be provided to this committee?

Mr. GIULIANI. We have statistics on estimates of the availability of drugs in south Florida, yes. Obviously, they are just estimates.

Mr. HUGHES. How much did the south Florida task force operation cost us? Do you have any idea of what the price tag was for doing what we did in south Florida?

Mr. GIULIANI. Again, we could pull the numbers. Since it was an increase in part, but also in part just existing operations, I don't know what number to give you.

Mr. HUGHES. The General Accounting Office estimated some figure around \$50 million, is that in the ballpark?

Mr. GIULIANI. The whole problem here is, does that include, for example, the assistant U.S. attorneys who are in the southern district of Florida anyway, who are working there anyway, or the 43 FBI agents that were permanently assigned there.

With a lot of caveats, I could give you about five different numbers that would range between \$10 million and about \$40 million.

Mr. HUGHES. Rather than take a lot of time right now, why don't you submit for the record, if you will, the best figures you have developed. Obviously, you have had to think it out.

If the General Accounting Office is correct, and we are going to expand that type of an operation in the different regions, then we are going to be terribly underfunded.

Mr. GIULIANI. No; that isn't right.

Mr. HUGHES. If the General Accounting Office figure does not exclude the other costs that would be there in any event.

Mr. GIULIANI. First of all, I don't know if they are or they aren't, but that would sort of be an incorrect assumption.

South Florida had 80 percent of the cocaine and marihuana coming in through one small part of this country. The level of law enforcement and resources that you needed to pour into there would be in excess of the level of law enforcement and resources that you would have to pour into any other part of this country, because the problem is not at that level.

Although the south Florida task force is an excellent model for other parts of the country, it would be silly to use it as kind of a straitjacket, that we must make every task force precisely like the south Florida task force, because the problem elsewhere is very different.

Mr. HUGHES. I think that that is probably true.

Thank you very much. We appreciate your generosity in providing what time you have to a very important and significant development. We have covered a lot of territory today, and it may be that we will want to do some more on this subject because it does have very important impacts that we ought to look at more carefully.

Thank you, we appreciate the testimony.

Mr. GIULIANI. Mr. Chairman, thank you very much. I appreciated the opportunity to explain it, and I will be happy to come back any time.

Mr. HUGHES. Thank you.

The subcommittee stands adjourned.

[Whereupon, at 11:55 a.m., the subcommittee adjourned, to reconvene immediately in a markup session.]

ADDITIONAL MATERIAL



U.S. Department of Justice
Office of Legislative Affairs

MAR 31 1983

FOA

Office of the Assistant Attorney General

Washington, D.C. 20530

MAR 30 1983

Honorable William J. Hughes
Chairman
Subcommittee on Crime
Committee on the Judiciary
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

This is with further reference to your letter of February 7, 1983, which submitted follow-up questions relating to the December 9, 1982 hearing regarding drug task forces. Your questions and our responses thereto are set out below.

Question 1

You said that the arrests made by the South Florida Task Force are "basically class II and class I violators". Would you please provide the exact breakdown of the arrests attributed to the South Florida Task Force as well as other drug arrests in Florida by the four G-DEP classes?

Response

As the Associate Attorney General noted (at pages 82 and 83 of the hearing transcript), the South Florida Joint Task Group is an emergency "dragnet" operation aimed in large part toward interdiction. This is in contrast to the thrust of the new regional drug task forces which will be directed toward penetration of the highest levels of drug trafficking rings. In his comment referenced in Question 1, the Associate Attorney General was referring to the Department of Justice component within the South Florida effort which is aimed primarily at Class I and Class II offenders. Of course, the nature of drug cases is that most cases which result in the arrest of Class I or Class II offenders also result in the arrest of a much larger number of lower level offenders reflecting the pyramid nature of all organizations. A typical high level drug case would involve 2 or 3 Class I and Class II offenders and as many as 10 or 12 more Class III or IV offenders. Put another way, for every Class I and II violator, you should be arresting and prosecuting 3 or 4 times as many Class III and IV offenders because in the course of an investigation their criminal activities come to light. FY 1982 DEA arrest figures in Florida reflect that the percentage of

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Class I and Class II offenders apprehended is substantially higher than the national average. Thus the Associate Attorney General was correct in his description of the Justice Department efforts. DEA arrests in Florida during FY 1982, broken down by violation class, were as follows:

	Class of Violator				TOTAL
	I	II	III	IV	
DEA FL Arrests	144	140	885	110	1279

Overall arrests in South Florida during FY 1982 are as follows:

South Florida Task Force	Arrests
Florida Joint Task Group	651*
DEA Florida Offices	1279
U.S. Marshals (fugitives from narcotics violations)	33
FBI Florida Drug Arrests	87
Operation Greenback	29
TOTAL	2079

Of the 651 arrests made by the Florida Joint Task Group, a much lower percentage of Class I and Class II offenders were apprehended due to the interdiction thrust of the operation. To date we have classified only 435 of the 651 persons arrested by the Joint Task Group. Of those 435, only 24 were Class I or II offenders and 411 were Class III and IV offenders.

*This is not the group referenced by the Associate Attorney General. His answer was based on DEA statistics which show a large percentage of Class I and II arrests as compared to the national figures.

Question 2

Have there been any changes in the G-DEP criteria?

Response

Not in recent years.

Question 3

What are the numbers of known and suspected violators broken down by class of violator and by region of the U.S., nationally and internationally?

- 3 -

Response

Drug violators are classified by DEA using G-DEP criteria either prior to or at the time of their arrest. Statistical summaries for all classifications are only available, however, after arrest. Attachment A represents FY 1982 arrests by DEA, reported by Divisional totals and class of violator. Attachment B displays all known Class I and II violators contained in NADDIS. At the time of classification, under G-DEP, a suspect becomes a known violator. There is no category of "suspect violator" in the G-DEP system. Such persons would be called suspect individuals and this population could theoretically be a sizeable portion of the total number of NADDIS records.

Question 4

Please provide the analysis of the cost of the South Florida Task Force including the expense of personnel temporarily assigned to the task force and reimbursements required by other agencies.

Response

Attachment C is an excerpt from our December 6, 1982 response to an inquiry from the House Select Committee on Narcotics Abuse and Control in which we provided cost figures from all participating agencies. This report includes per diem and other costs but excludes the salaries of personnel temporarily assigned to South Florida. Although we do not have salary figures for all agencies, DEA expenses for salaries of personnel assigned to the South Florida Joint Task Group would be approximately \$3 million on an annualized basis given the current staffing level of 65 work years (50-55 Agents and 10-15 support staff).

Question 5

What percentage of the cases or targets of investigations by the Organized Crime Strike Forces of the Criminal Division involve drug trafficking, or financing drug trafficking?

Response

One of the categories by which the Organized Crime and Racketeering Section indexes its cases is "Drug Related". "Drug Related" is a somewhat broader term than "drug trafficking," or "financing drug trafficking," the terms used in the question submitted. "Drug Related" cases include not only cases involving trafficking and the financing thereof, but also cases involving other offenses such as firearms or extortion offenses, in violation of Title 18, U.S.C., tax offenses in violation of Title 26, U.S.C., or currency transaction offenses in violation of Title 31, U.S.C.

The number of "Drug Related" cases, as a proportion of all cases in Strike Force inventories, varies from time to time, especially because of the effect of changes in intake and disposition figures on the total number of such cases in inventory at any point in time. A measurement in the latter part of 1982 indicated that only 15% of all open Strike Force investigations and indictments were "Drug Related".

Question 6

Please provide a detailed allocation of personnel and resources for DEA for FY-1983 overall and for the task force and the timetable for hiring personnel.

Response

FY-83 Allocation of Positions *

	SA	CI	Chemists	IS	PA	T/C	Total
FY-83 Budget	1895	193	140	171	388	1191	3978**
Task Force Positions	204	—	—	—	—	46	250
Total	2099	193	140	171	388	1237	4228

Hiring Timetable

DEA has scheduled Basic Agent Training Classes (40 per class) for each month during the remainder of FY-83 (January-September). Graduates of these classes will be used to backfill vacancies created by attrition and the assignment of experienced Special Agents to the Organized Crime Task Forces during FY-83.

** includes 25 reimbursable positions

* Position abbreviations are as follows:

SA=Special Agent
 CI=Compliance Investigator
 IS=Intelligence Specialist
 PA=Professional/Administrative
 TC=Technical/Clerical

Question 7

Please describe the voice privacy program in detail and how the equipment will be allocated for the various agencies. In what types of investigations other than drug related will the voice privacy equipment be used? What is the estimated life of the equipment?

Response

The purpose of the voice privacy program is to provide security to the existing two-way radio communications networks of DEA. This is made necessary by the monitoring of enforcement communications by the public and the criminal elements with readily available, commercially produced scanner/receivers. The voice privacy system effectively eliminates outside monitoring by encrypting the officer's voice messages before transmission. The average time required to encode and decode the messages is approximately 10 milliseconds, thus affording, for practical purposes, real time operations. DEA will use Motorola digital voice privacy. The equipment and encryption scheme will be identical to that used by the FBI except that the radios in which the privacy feature is embedded are VHF for FBI service and UHF for DEA service. DEA intends to encrypt only radio (RF) links. If the need arises, the telephone links within the radio system will be encrypted. DEA will equip all of its UHF radio systems with digital voice privacy: about 1,500 new mobile units will be installed, 900 new hand-held radios and 250 or so fixed plant radios; the new equipment will be phased in over a four to five-year period. This newly-configured radio system will continue to serve basic DEA enforcement needs and can be expanded to match expansions in task force requirements.

This system's expected lifetime is ten years. Its radio portions will be protected by an extremely secure encryption; unauthorized intercepts would require months or perhaps years to unscramble, even with highly sophisticated computers.

The system will continue to serve all types of investigations conducted by both agencies.

Question 8

Please provide a detailed analysis of the seizures of marihuana, cocaine, methaqualone, and each other type of drug seized in Florida, distinguishing between seizures due to the efforts of the South Florida Task Force, and those due to any other efforts. Also provide a detailed statement of the seizures of these drugs outside Florida (including place of seizure) attributable to the efforts of the South Florida Task Force.

Response

For background, please see the article titled, "Vice President's South Florida Task Force" which begins at page 50 of the enclosed DEA Office of Intelligence publication, "DEA Quarterly Intelligence Trends - Fall 1982" (Attachment F). Data and trafficking developments mentioned therein represent the best intelligence available through September 30, 1982. More current drug seizure data depicting seizures in Florida

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through December 31, 1982, are presented in the attached charts. Attachment D distinguishes between seizures attributable to the Florida Joint Task Group (FJTG) and those reported by non-Task Group Federal law enforcement agencies in Florida. Attachment E compares drug seizures in Florida occurring during like periods of 1981 and 1982. Because there was no Task Group in existence in 1981, the figures are those recorded by DEA and other agencies which are now Task Group participants.

With respect to your request for a "detailed statement of the seizures of these drugs outside Florida...attributable to the ...Task Force", relatively few such seizures can be positively attributed to operations or the mere existence of the Task Force in Florida, and any link is more likely to be inferential. A notable exception, however, involves a number of major cocaine seizures which have occurred outside Florida, but which are believed to have resulted largely from Task Force investigative and enforcement activity, or the mere presence of the Task Force, in Florida.

In this regard the States of Tennessee, Georgia, and the Carolinas have become the focal point of a number of major cocaine smuggling operations involving unprecedented amounts of drugs and large numbers of traffickers, according to DEA's office in Atlanta. Much of the current smuggling activity clearly represents a significant expansion in trafficking in areas outside of Florida. But, while the entry points of the drug shipments have been shifted to other States, South Florida-based traffickers, mainly Colombians, still control the overall smuggling operations and dominate the wholesale distribution system within the United States.

Airborne trafficking levels experienced in calendar year 1982 represent a quantum leap in cocaine smuggling into the area and multi-hundred-pound quantities of cocaine are no longer a rarity in Tennessee and adjacent areas of Georgia and North Carolina. Moreover, most of the major cocaine smuggling incidents reported in the three States have occurred in the same general, relatively small geographical area comprised of the eastern third of Tennessee, the northern-most part of Georgia, and the western tip of North Carolina--that is, that portion of Appalachia where those three States converge. DEA/Atlanta reports that several 300-to-600 pound loads of cocaine were either seized or successfully smuggled into the area in the first half of 1982. The largest cocaine smuggling investigation ever initiated in the three States was generated by the seizure on 10 July 1982 of 1,254 pounds of cocaine near Cleveland, Tennessee, not far from the Georgia border. That seizure dramatically underscored the area's popularity as an air smuggling base.

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In September, it took authorities a week of searching to recover 654 pounds of cocaine that was air-dropped over a wide area of farmland and forest near Dalton in the northern part of Georgia. In Lafayette, Georgia, in the State's northwest corner, police seized 700 pounds of cocaine and an aircraft on 25 October 1982. A North Georgia smuggling organization reportedly imported between 300 and 600 pounds of cocaine into western North Carolina in early November. On 10 December 1982, a 500-pound shipment of cocaine destined for western North Carolina was seized by Colombian authorities before it could leave the country.

The largest cocaine seizure ever made in South Carolina occurred on 20 December 1982 when DEA agents and other officers arrested six persons and seized an aircraft and 955 pounds of cocaine at the Sumter County Airport near the center of the State. The massive shipment is believed to be the fourth largest seizure made in the United States to date. The aircraft is thought to have flown non-stop from its loading site near Medellin, Colombia to South Carolina.

This seizure is the fourth plane load of cocaine to be seized in Georgia or neighboring States since July 1982, according to DEA's Atlanta office, and the fifth load interdicted as a result of investigations conducted by Atlanta division agents. Collectively, these five loads weighed more than 4,000 pounds. DEA/Atlanta has also documented in the last six months an additional 4,000 pounds of cocaine which either has been successfully smuggled into the area, or was seized elsewhere while en route. In virtually all of these cases, the role of local residents generally has been limited to locating and safeguarding a landing site and off-loading the cargo. Florida-based Colombians have organized the smuggling ventures, supervised the landing and off-loading the aircraft, and overseen or personally transported the load to South Florida. In the Sumter County case, two Colombians from Florida had met the loaded aircraft and intended to personally transport the nearly half-ton load in a mobile home to the Miami area where it would have entered the established Colombian-controlled distribution system.

This latest seizure is further evidence that the Georgia-Tennessee-Carolinas area has replaced Florida as the primary entry point for multi-hundred-pound shipments of cocaine air-smuggled from Colombia into the United States. It also clearly demonstrates that Colombians, particularly those based in South Florida, continue to dominate these large-scale smuggling and internal distribution operations.

QUESTION 9

Please provide all Department of Justice analyses that discuss the significance of changes in the seizure rate for the various drugs.

RESPONSE

There have been several significant developments in cocaine and marihuana trafficking in 1982, and they are believed to have been directly or indirectly caused by the operation of the Task Force in Florida.

Cocaine and marihuana trafficking, mainly from Colombia, has become geographically diversified with less of both drugs entering the U.S. through Florida than in earlier years; the total amounts entering the U.S. are probably unchanged or may have gone up. Specific developments include:

- ° Maritime marihuana smuggling has greatly increased all along the U.S. east coast from Georgia to Maine, and some Colombian marihuana is now entering the U.S. through Mexico.
- ° The shift of large-scale cocaine smuggling away from Florida to neighboring States -- huge quantities, up to 1,000 pounds and more per shipment, are now being flown to Georgia, Tennessee, and the Carolinas, -- but Colombian traffickers from South Florida still organize the importations and control distribution in the U.S.
- ° Some Colombian cocaine traffickers have been forced away from Florida and have now linked up with established Mexican heroin trafficking organizations.
- ° Greatly increased large-scale marihuana cultivation in Mexico evidenced by the discovery of several 100-plus acre plantations and an upsurge in smuggling incidents at the U.S. border, especially in Texas.
- ° Cocaine and marihuana traffickers are now exploiting the U.S.-Mexico border everywhere from Chula Vista, California to Brownsville, Texas.
- ° Traffickers have refined some smuggling techniques, such as Colombian cocaine smugglers using the ingestion method, preparation and training of couriers has become a science, with dozens of swallows successfully entering the U.S. through numerous POE's with relatively few being caught or dying of overdoses caused by ruptured packaging.

A detailed analysis of seizure levels for every major drug or drug class and every known smuggling technique employed in 1982 is presently being prepared by DEA's El Paso Intelligence Center (EPIC). This comprehensive, year-end assessment will be made available when published, which is expected to occur in just a matter of weeks.

In the interim, Attachment F contains information which may be of interest. In addition, we are also providing a paper entitled "Maritime Marihuana Seizure Statistics for 1982" (Attachment G), prepared by the Office of Intelligence at DEA Headquarters based on data compiled by EPIC, and a "General Aviation Assessment" written by EPIC. It is hoped these materials will meet the Subcommittee's needs in this area.

Question 10

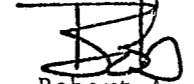
Please provide all studies of drug availability in Florida and/or the U.S., whether developed by the Department of Justice or otherwise, prepared during the two years prior to the initiation of the South Florida Task Force, and any such studies prepared since that time.

Response

The enclosed article, "Drug Abuse Within the United States" which begins at page 65 of Attachment F contains information bearing upon this question. In addition, we are enclosing the publication, "Domestic Drug Situation - October 1982" (Attachment H) which provides data on drug availability in the U.S. through the Fall of 1982 and comparisons with drug abuse and availability levels existing in earlier years. Finally, we are enclosing a copy of an October 21, 1982 report: "Cocaine and Marihuana Availability in the United States: 1981 compared with 1982" (Attachment I). You appreciate, of course, that drug availability statistics are estimates.

Of course, I hope the information set out above and attached hereto will be responsive to your inquiries and that you will let me know if you have questions regarding our responses.

Sincerely,



Robert A. McConnell
Assistant Attorney General

Attachments

DEA Offender Based Transaction System, February 28, 1983

Drug Violators (by office location)

Questions 4, 5, and 6 and Responses of December 6, 1982 to
the House Select Committee on Narcotics Abuse and Control from
~~xxx~~ the Department of Justice

Chart #1 -- Drug Seizures in Florida by the Florida Joint Task Group
(February 15 - December 31, 1982)

Chart #2 -- Drug Seizures in Florida by Federal Task Force Participating
Agencies, between like periods of 1981 and 1982

Vice President's South Florida Task Force (article)

Maritime Marihuana Seizures Statistics for 1982

General Aviation Smuggling Assessment for 1982

Domestic Drug Situation -- October 1982, DEA Office of Intelligence

Cocaine and Marihuana Availability in the United States: 1981
compared with 1982 -- DEA Office of Intelligence, October 21, 1982

ATTACH. A

- 1 -

** INTERNAL DEA USE ONLY **

DRUG ENFORCEMENT ADMINISTRATION
OFFENDER BASED TRANSACTION SYSTEM
FEBRUARY 28, 1983

FY82

	CLASS OF VIOLATOR				
	I	II	III	IV	TOTAL
NATIONAL.....	1340	782	6618	3443	12183
ATLANTA DIVISION.....	94	53	303	207	662
BOSTON DIVISION.....	38	36	314	21	409
CHICAGO DIVISION.....	56	43	615	116	830
DALLAS DIVISION.....	56	24	149	202	432
DENVER DIVISION.....	7	10	170	277	464
DETROIT DIVISION.....	38	30	268	153	489
HOUSTON DIVISION.....	140	62	428	311	941
LOS ANGELES DIVISION.....	85	51	396	127	659
MIAMI DIVISION.....	176	156	1295	265	1892
NEW ORLEANS DIVISION.....	49	22	169	61	301
NEW YORK DIVISION.....	125	51	810	268	1255
NEWARK DIVISION.....	42	14	182	28	266
PHILADELPHIA DIVISION.....	29	31	160	172	393
PHOENIX DIVISION.....	40	10	284	126	460
SAN DIEGO DIVISION.....	56	23	227	614	920
SAN FRANCISCO DIVISION.....	102	39	220	45	406
SEATTLE DIVISION.....	49	32	190	175	446
ST. LOUIS DIVISION.....	41	25	185	86	337
WASHINGTON DC DIVISION.....	116	70	248	188	620

ATTACHMENT B

DRUG VIOLATORS

<u>Office Location</u>	<u>#CLS I & II Violators</u>
Portland, ME	24
Concord, NH	14
Burlington, VT	11
Boston, MA	93
Springfield, MA	16
Providence, RI	24
Hartford, CT	42
Bridgeport, CT	7
New York, NY	738
Long Island, NY	57
Albany, NY	14
Rochester, NY	14
Buffalo, NY	50
Newark, NJ	135
Atlantic City, NJ	39
Philadelphia, PA	131
Pittsburgh, PA	41
Wilmington, DE	12
Baltimore, MD	133
Washington, DC	135
Richmond, VA	15
Norfolk, VA	47
Greensboro, NC	68
Wilmington, NC	28
Columbia, SC	13
Charleston, SC	59
Atlanta, GA	82
Savannah, GA	35
Miami, FL	421
Jacksonville, FL	43
Orlando, FL	59
Tampa, FL	19
West Palm Beach, FL	46
Ft. Lauderdale, FL	73
Panama City, FL	65
Ft. Myers, FL	17
Marathon, FL	31
Key West, FL	2

Office#CLS I & II Violators

Charleston, WV	19
Louisville, KY	24
Nashville, TN	18
Memphis, TN	12
Birmingham, AL	6
Mobile, AL	46
Jackson, MS	7
New Orleans, LA	83
Baton Rouge, LA	38
Little Rock, AR	31
Cincinnati, OH	33
Columbus, OH	1
Cleveland, OH	57
Indianapolis, IN	47
Hammond, IN	37
Detroit, MI	170
Grand Rapids, MI	8
Chicago, IL	234
Springfield, IL	15
Milwaukee, WI	37
Minneapolis, MN	49
Fargo, ND	16
Sioux Falls, SD	16
Wichita, KS	6
Kansas City, MO	52
St. Louis, MO	132
Omaha, NB	11
Des Moines, IA	24
Oklahoma City, OK	49
Tulsa, OK	4
Dallas, TX	105
San Antonio, TX	111
Houston, TX	148
McAllen, TX	132
Laredo, TX	35
El Paso, TX	86
Austin, TX	141
Brownsville, TX	40
Corpus Christi, TX	21
Lubbock, TX	18
Midland, TX	5
Eagle Pass, TX	15
Del Rio, TX	16

<u>Office</u>	<u>#CLS I & II Violators</u>
Alpine, TX	1
Ft. Worth, TX	13
Galveston, TX	17
Albuquerque, NM	58
Las Cruces, NM	13
Phoenix, AZ	87
Nogales, AZ	15
Tucson, AZ	73
San Luis, AZ	8
Douglas, AZ	11
Denver, CO	53
Cheyenne, WY	6
Salt Lake City, UT	16
Great Falls, MT	7
Boise, ID	22
Seattle, WA	139
Spokane, WA	10
Blaine, WA	36
Portland, OR	76
Eugene, OR	39
Anchorage, AK	13
Reno, NV	58
Las Vegas, NV	0
Los Angeles, CA	34
San Francisco, CA	157
San Jose, CA	56
San Diego, CA	268
Calexico, CA	67
Sacramento, CA	80
Fresno, CA	68
Honolulu, HI	60
Domestic Total	<u>6979</u>
Mexico/Central America	119
Far East (incl. Guam)	157
Europe/Middle East	270
South America	502
Canada	15
Caribbean (incl. San Juan)	65
Foreign Total	<u>1128</u>
Grand Total	8107

NOTE: Violator levels III and IV are only entered into NADDIS as violators upon arrest; therefore, class III and IV violators appear as a portion of the violator arrest statistics for FY 1982 and are not part of the above display.

QUESTION

4. What has been the cost to your agency of participation in the South Florida Task Force?

RESPONSE

Costs reported by the various agencies (exclusive of salaries for employees transferred to South Florida) are as follows for FY 1982: DEA - \$3 million (primarily for per diem, purchase of evidence and information, gasoline, rental vehicles, etc.). Marshals Service -- \$1.2 million. Bureau of Prisons -- \$1.8 million. U.S. Attorneys -- \$1.2 million. Coast Guard -- \$10.5 million (for the last six months of FY 1982). Customs -- \$7.3 million. Defense through October 1, 1982 Navy: \$990,000 in costs for its E-2C/B aerial surveillance support and \$32,000 for P-3 missions; and Army: \$60,000 in logistics support costs related to equipment loans (not including costs of training civilian pilots). The Coast Guard notes that part of its commitment was made possible by deferred maintenance which is an elusive factor to cost out.

QUESTION

5. How has your agency funded your participation in the Task Force?

RESPONSE

The Drug Enforcement Administration, Federal Bureau of Investigation, Marshals Service, Bureau of Prisons, Executive Office for U.S. Attorneys, and Customs Service have obtained supplemental appropriations; Defense indicates that all costs incurred to date have been funded through regular defense appropriations for which the Department is anticipating reimbursement from the involved civilian agencies. The Coast Guard has not obtained supplemental funding; costs have been absorbed through reprogramming of appropriations while short-term impact has been partially offset by changing resource employment policies (e.g., combining training with law enforcement missions, deferring maintenance in favor of operational "at sea" days, etc.).

QUESTION

6. How much longer do you anticipate your participation in the Task Force to continue? At what level of resources?

RESPONSE

The Task Force is expected to continue in operation on a permanent basis. The level of resources is expected to vary depending upon conditions in South Florida.

DRUG SEIZURES IN FLORIDA BY THE FLORIDA JOINT TASK GROUP (FJTG) AND OTHER FEDERAL AGENCIES,
 SHOWING NUMBERS OF SEIZURES AND AMOUNTS SEIZED, FEBRUARY 15 - DECEMBER 31, 1982. (Data Source: FJTG.)

DRUG	Number of Seizures			Amount Seized* (in pounds or dosage units)		
	FJTG	Other	Total	FJTG	Other	Total
Heroin	0	12	12	0	2.3 lbs	2.3 lbs
Cocaine	196	145	341	2,886 lbs	3,555.5 lbs	6,441.5 lbs
Cannabis	313	115	428	1,245,160 lbs	960,281 lbs	2,205,441 lbs
Methaqualone	7	40	47	157,514 DU	8,391,381 DU	8,548,895 DU
Other	5	14	19	13,444 DU	618,934 DU	632,378 DU
TOTALS	521	326	847	N/A	N/A	N/A

* (Drug seizure data reflect initial reports of suspected drugs and gross weights. Data are subject to revision upon receipt of detailed written reports and laboratory analyses.)

Chart #1

Chart 2.

DRUG SEIZURES IN FLORIDA BY FEDERAL TASK FORCE PARTICIPATING AGENCIES, SHOWING NUMBERS OF SEIZURES, AMOUNTS SEIZED, AND DIFFERENCES BETWEEN LIKE PERIODS OF 1981 and 1982. (Data Source: FJTG.)

DRUG	Number of Seizures		Change in Number	Percentage Change	Amount Seized (lbs. or dosage unit)		Change in Amount	Percentage Change
	1981*	1982*			1981*	1982*		
Heroin	19	12	-7	-36.8%	11.5 lbs	2.3 lbs	-9.2 lbs	-79.7%
Cocaine	255	341	+86	+33.7%	4,118.4 lbs	6,441.5 lbs **	+2,323.1 lbs	+56.4%
Cannabis	232	428	+196	+84.5%	1,702,455 lbs	2,205,441 lbs	+502,986 lbs	+29.5%
Methaqualone	53	47	-6	-11.3%	8,825,685 DU	8,548,895 DU	-276,790 DU	-3.1%
Other	36	19	-17	-47.2%	106,812 DU	632,378 DU	+525,566 DU	+492.0%
TOTALS	595	847	+252	+42.2%	N/A	N/A	N/A	N/A

* The Florida Joint Task Force was not announced until February 15, 1982 and did not become operational until about 30 days later. Therefore, the data do not represent the entire calendar years, but rather comparable time periods from February 15 through December 31st., the most recent period through which data have been compiled and reported.

** Includes the record-setting Miami seizure of 3,901 pounds made on March 9, 1982.

DEA SENSITIVE

Domestic

Vice President's South Florida Task Force

(DS) Some marihuana and cocaine traffickers have either postponed smuggling activity or have changed smuggling routes and methods as a result of the Florida Joint Task Group (FJTG) according to DEA and other sources.*



IMPACT ON
SOUTH FLORIDA

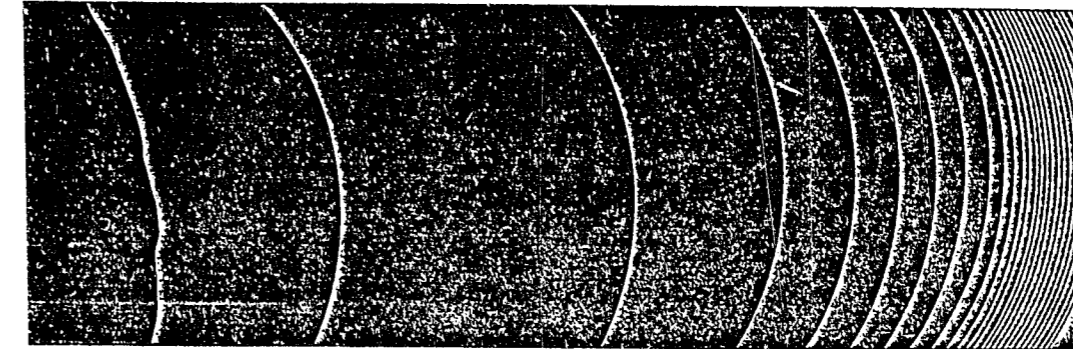
(DS) According to the DEA Miami Division, the continuing presence of the U.S. Navy and Coast Guard patrol vessels and aircraft in the Caribbean has raised the risk factor considerably and may be discouraging many traffickers in the area. There is some evidence of reduced drug trafficking activity as indicated by the depressed state of several south Florida businesses.

(DS) The general manager of a Ft. Lauderdale automobile company which specializes in the sale of Rolls Royce cars reported to DEA that prior to the task group it was not uncommon for an individual to purchase a car

*The Vice President's South Florida Task Force is a cabinet-level committee chaired by the Vice President to address the crime problem in south Florida, particularly as it relates to drugs, illegal aliens, and violent crime. The Florida Joint Task Group (FJTG) is an investigative arm of the Task Force whose primary mission is to interdict drugs destined for Florida and to conduct follow up investigations resulting from arrests and seizures. The major components of the Task Group are DEA, U.S. Customs Service, and the U.S. Coast Guard with liaison representation from the U.S. Border Patrol, Bureau of Alcohol, Tobacco and Firearms (ATF), U.S. Marshall's Service, Department of Defense, and Federal Bureau of Investigation. The Task Group's main office is located in Miami; satellite offices are located in Ft. Lauderdale, Homestead, Key West, Tampa and Jacksonville, Florida.

DEA SENSITIVE

for \$100,000 in cash. This manager stated that his business has not had such a transaction in over six months and attributed the decrease in cash business to the decrease in drug traffic in the Ft. Lauderdale area. Likewise, a bank manager from that area reported a drop in the number of large cash transactions involving amounts of \$10,000 or more during the past six months. A Ft. Lauderdale boat dealer reported that sales



were very poor during the summer of 1982 and attributed this drop in sales to the decrease in smuggling activity.

(DS) The presence of the FJTG has had an effect on real estate activity in south Florida. A local real estate sales person indicated that such activity has always been high in the Florida Keys, but present economic conditions have caused prices to fall and fewer homes to be sold. An officer in a title company that handles a large number of real estate sales in Dade County reported to DEA that the number of commercial and residential purchases by Latin Americans are down by 25 to 50 percent. A large number of these purchases are consummated with cash, usually in the form of cashiers checks. According to this officer, this decline is attributed to both stricter currency controls imposed by several Latin American countries and less narcotics money available to cover a portion of the purchase.

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(DS) Elsewhere in south Florida, a marina which does a large portion of its business repairing boats used to smuggle drugs into the United States from the Bahamas stated that after the FJTG started and through the summer its business was very slow. Recently, however, the repair business is improving. Customers bring in their boats, usually with engine problems, and have a new engine installed rather than wait for the old engine to be repaired. The repairs usually run from \$5,000 to \$25,000 and the marina is paid in cash.

South Florida Illicit Drug Seizures

15 February - 30 September

(DS) Illicit drug seizures since the Vice President announced the formation of the South Florida Task Force on February 15, 1982 continue to be substantial. A comparison of the 1981 and 1982 seizures using all DEA source data is provided below.*

<u>1981</u>		
<u>Drug Type</u>	<u>No. of Seizures</u>	<u>Amount Seized</u>
Heroin	10	0.8 kilograms
Cocaine	183	1,540.7 kilograms
Cannabis	165	571,181.5 kilograms
Methaqualone	40	7,786,816 dosage units
Other	19	31,578 dosage units
<u>1982</u>		
<u>Drug Type</u>	<u>No. of Seizures</u>	<u>Amount Seized</u>
Heroin	11	1.1 kilograms
Cocaine	259	2,405.6 kilograms
Cannabis	300	769,612.2 kilograms
Methaqualone	39	7,588,586 dosage units
Other	12	603,515 dosage units

While the number of marihuana seizure incidents in 1982 increased almost 50 percent over the same period in 1981, the total amount seized did not increase proportionally. The FJTG presence probably caused a sizable amount to be diverted away from south Florida. Likewise, cocaine seizure incidents in the 1982 period increased by about 80 percent over 1981, but the total 1982 figure includes the record-setting Miami seizure of 1,773.3 kilograms made on March 9, 1982, prior to the FJTG becoming operative.

*1981 seizure data includes all those reported by DEA Offices in Florida, Jamaica, Puerto Rico and the Bahamas. 1982 seizure data includes those reported by the FJTG in addition to the offices cited above.

DEA SENSITIVE

SMUGGLING METHODS

(DS) Enforcement officials in Miami report that air dropping of bales of marihuana to waiting vessels continues as a common smuggling method. Traffickers prefer the remote cay areas of the Bahamas as a drop point. Vessels then will retrieve the contraband and head for the United States. Multi-engine aircraft, pleasure craft, and cigarette boats are commonly used.

(DS) The convoy mode of operation, in which numerous narcotics-laden vessels attempt to enter U.S. coastal waters simultaneously, has been used by some smuggling organizations to overwhelm Coast Guard patrols. The traffickers accept the possible seizure of one out of three or four vessels while the others escape interdiction.

(U) Cocaine smugglers have likewise devised new methods as well as modified old ones to evade task group activities. These involve the use of decoys to test the government's ability to track low flying planes with specific destinations; the increased use of commercial and cruise ships, but particularly the use of banana boats; and the use of commercial air passenger couriers with ingested cocaine-filled balloons. This latter method has been noted especially in New York City, Los Angeles and Miami.

DIVERSION OF
DRUG TRAFFICKING

(DS) Diversion of narcotics trafficking activity from Florida to other areas of the United States has become common. DEA officials in Bogota, Colombia report that traffickers now schedule their conferences in Puerto Rico, instead of Miami. These conferences are designed to plan future shipments due to increased task group enforcement pressures. Smugglers reportedly now prefer to use 100-150 foot oceangoing vessels with sufficient fuel capacity to enable them to take the easternmost Caribbean passages before turning north into the Atlantic for the trip to the United States. Smaller vessels still are used, and when they travel the easterly passages they schedule a refueling stop in the Lesser Antilles or Leeward Islands before

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heading into the Atlantic for the extended run to the United States.

(DS) Indicative of this trend was the seizure of six vessels recently brought into Puerto Rico for admiralty proceedings. Of the six, five were apprehended moving their contraband into the open Atlantic through passages in the Lesser Antilles, east of the Anegada Passage. Only one vessel was intercepted attempting to transit the Mona Passage.

Southeastern Coastal States

(DS) Intelligence available to the DEA Atlanta Division indicates that there is considerable smuggling activity along the Carolina coastline, particularly in the Pamlico Sound area of North Carolina. This information, however, has not been confirmed by seizures. An increase in cocaine smuggling is indicated by the fact that one smuggling organization is airdropping loads over north Georgia. As of late September a total of 654 pounds (gross weight) have been picked up. The source of supply for the 1,254 pounds of cocaine seized in Tennessee in July lost another estimated 660 pounds aboard an aircraft which crashed and burned in Florida. This organization is reported to have access to ample cocaine supplies in South America. Intelligence from other investigative activity indicates that the Carolinas are being used as transshipment points for large quantities of cocaine from Colombia for distribution to customers in Toronto, Canada and New York City.

Middle Atlantic States

(DS) There are some indications that vessel traffic from Colombia may be bypassing Florida in favor of the mid-Atlantic coast. Recent intelligence indicates moderate to substantial increases in upper-level cocaine activity outside of Florida, especially in the Chesapeake Bay area. The U.S. Coast Guard, in conjunction with the DEA, has distributed a smuggling profile to charter boat owners and marina operators in the bay area, presumably in response to the heightened drug trafficking activity along the

DEA SENSITIVE

mid-Atlantic coast. Local authorities believe the increase in activity is possibly being caused by spillover diversions from Florida coupled with seasonal increased use of the bay.

New England and Eastern Canada

(DS) In late September the DEA Boston Division reported that cocaine smuggling was increasing in the New England area due to the increased law enforcement pressure in the Southeast. There has been more direct importation of cocaine during 1982 than was evident before. The New England coast is likewise becoming a choice area for marihuana smuggling. The seizure of motherships and off-load craft has increased during 1982 over 1981 levels. Intelligence indicates that previously established smuggling operations continue to operate in New England, but may be joined by former Florida-based groups which are relocating due to pressure from the FJTG.

(DS) Canadian intelligence indicates the coastal regions of Canada, particularly the eastern seaboard, may increasingly become entry points for marihuana and cocaine, as a consequence of FJTG activities in south Florida. Although some changes in drug movement have been noted in recent months, it is still too early to determine whether this has been as a direct result of the task group activity in Florida. Canada's east and west coast areas are being monitored for any substantial increases in smuggling activity.

Gulf Coast and Western United States

(DS) Smuggling by aircraft also has reportedly been diverted from the Florida area as indicated by a 97 kilogram cocaine seizure in Santa Rosa, New Mexico. The defendant, a Colombian resident of Miami, stated he had switched his operation to the Southwest United States due to the presence of the task group in Florida. Another major trafficking group indicated it will shift activity to Mexico and use the border area into Texas.

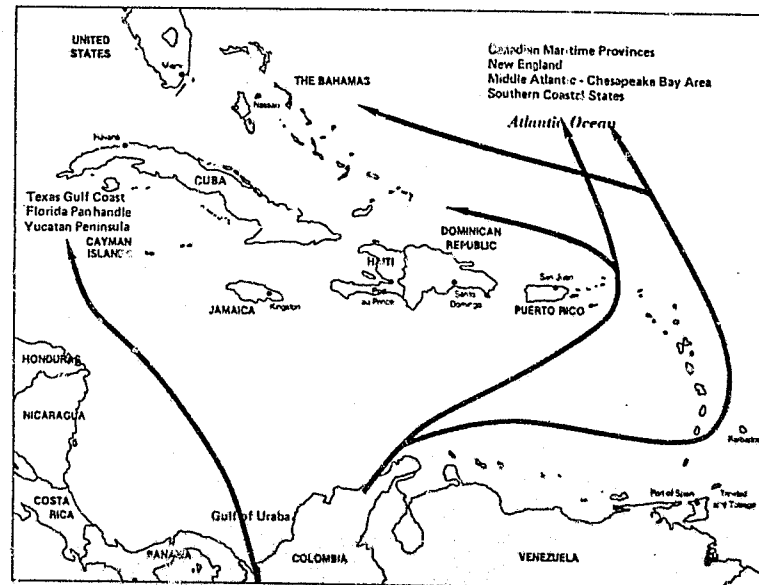
(DS) In late September several vessels were seized in the Yucatan Channel east of

DEA SENSITIVE

Cozumel, Mexico with multi-ton quantities of marihuana. One U.S. Coast Guard (USCG) official in the Homestead, Florida area indicated to DEA that drug smugglers from South America are keeping their vessels to the west side of the Yucatan Channel in Mexican waters to avoid costly payments to Cuban officials. After proceeding north approximately 30 miles above the Yucatan peninsula, drug smuggling vessels follow a northeasterly course to Everglades City, Florida. This route offers the following advantages to drug traffickers:

- o The USCG in Key West and Marathon terminate patrol activity short of Everglades City;
- o Drug traffickers perceive less law enforcement pressure in the Everglades City area; and
- o Drug traffickers believe that this route offers less chance of detection than other Caribbean routes.

Drug Trafficking: Caribbean/Eastern U.S.



DEA SENSITIVE

IMPACT ON SOURCE COUNTRIES

Colombia

(DS) Cocaine appears to be abundant in Colombia with a reported drop in price. The decrease in price reported in the late spring period may have been the result of overproduction and overstocking caused by disruptions in the aftermath of the record-setting cocaine seizure from Tampa Airlines in March 1982. The DEA Bogota Country Office reported in mid-September that smuggling organizations which have pipelines solely into Florida are experiencing difficulty in moving their illicit products from Colombia. These organizations are offering cocaine hydrochloride (HCl) at a wholesale price between \$11,000 and \$12,000 per kilogram. Organizations with established networks in the Northeast and west coast areas are receiving between \$16,000 and \$18,000 wholesale per kilogram in Colombia. The DEA Bogota Country Office attributes the decline in wholesale cocaine prices partially to U.S. law enforcement efforts and partially to the abundance of cocaine on the Colombian market. During the past year Colombia imported a significant amount of ethyl ether--a principal precursor used in the manufacture of cocaine HCl. Comparative cocaine HCl wholesale price data is given below.

Cocaine HCl Wholesale Prices
(per kilogram)

<u>Period</u>	<u>Price</u>
Jan - Jun 1981	\$ 22,000
Jul - Dec 1981	\$ 22,000
Jan - Jun 1982	\$ 17-18,000

(DS) Canadian sources report that marihuana on the north coast of Colombia is widely available, and is probably being stockpiled. Marihuana prices reportedly are down, with wholesale supplies per pound ranging from \$45 to \$50 with suppliers willing to front the whole load. Prices previously were reported at \$85 to \$90 per pound with half of the load value paid in advance of shipment.

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Jamaica

(DS) The American Embassy in Kingston reports that marihuana production has remained relatively stable, but there are indications that it may be increasing. As in Colombia, there are indications of stockpiling resulting from a slowdown in trafficking activity. Several sources in Jamaica, moreover, indicate that marihuana prices remained stable both prior to and during the FJTG operations.

Marihuana Wholesale Prices
(per pound)

Regular	\$ 30 - \$175
Sinsemilla	\$175 - \$600

(DS) The state of the marihuana export industry can be estimated on a quantified basis by the number of suspect general aviation aircraft which are sighted, seized or crash. During 1981 a total of 46 planes fit these categories. During the first six months of 1982, only 13 suspect aircraft were noted. This drastic reduction may be attributed to enforcement activity by the FJTG. During July and August, however, Jamaican authorities reported 16 suspect aircraft indicating a possible revival of marihuana trafficking activity. Drug smugglers possibly have found ways to circumvent law enforcement pressures through the development of alternative routes.

(DS) Recent, unconfirmed news media reports from Jamaica indicate that a number of airstrips on the island have been improved and lengthened and that aircraft arrivals and departures have returned to near their former levels. One noticeable difference, however, is that larger aircraft are now reportedly being used than was formerly the case. If the above reports are true, it may be that the reported lull in trafficking activity represented a wait-and-see/adjustment period in which traffickers assessed the capabilities and limitations of the FJTG and then modified their trafficking procedures in order to circumvent the increased interdiction forces. The use of improved airstrips by larger, longer range aircraft, coupled with a full harvest anticipated in the next month or two, may lead to significantly increased trafficking activity.

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OUTLOOK

(DS) The greatest success of the task group has been against maritime marihuana trafficking. The most recent information available to DEA's Office of Intelligence suggests little overall impact on the cocaine traffic outside of Florida. Continued diversion of trafficking away from south Florida can be expected as long as the task group remains in the area. However, this diversion will be countered by the formation of 12 new joint task forces around the nation planned for 1983.

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Maritime Marihuana Seizure Statistics for 1982

Data on maritime marihuana seizures occurring in 1982 show some significant shifts in seizure locations, according to figures compiled by DEA's El Paso Intelligence Center (EPIC). However, the total number of maritime seizures, and the total amount of marihuana seized from vessels in 1982 showed little variation from comparable data for 1981.

There were 402 seizure incidents recorded in 1981, while the preliminary data for 1982 indicate 410 incidents, for an increase of just two percent. The total amount of marihuana removed from vessels in 1981 weighed 4,141,000 pounds, while that seized in 1982 was down by less than the 2 percent to 4,070,000 pounds. The average amount seized per incident also declined from 10,301 pounds in 1981 to 9,927 pounds in 1982, a decrease of about four percent.

These figures are based on preliminary statistics which are subject to some minor adjustments such as the inclusion of late seizure reports and the revision of some weight estimates. It should also be stressed that this report is a preliminary assessment of just one aspect of the overall cocaine and marihuana trafficking picture -- namely, the seizure of marihuana from vessels other than legitimate cargo vessels. EPIC is currently preparing a comprehensive, in-depth analysis of the entire trafficking picture for 1982, which will evaluate all smuggling methods employed to transport every class of illicit drug and will publish the results of its analysis as a Special Report. Although the preliminary maritime marihuana seizure figures in the chart accompanying this report are subject to further refinement, their variance from the final figures is expected to be relatively slight.

One possible explanation for the minimal changes between 1981 and 1982 is that there may have been a smaller marihuana crop produced in Colombia this past year. This possibility is supported by some reports indicating that a drought afflicted one sector of Colombia's primary marihuana growing region, possibly resulting in an overall reduction in yield from some traditional growing areas. If there was a significant drop in the total amount of marihuana available for export in Colombia, then the seizure of nearly as much in 1982 as in 1981 would suggest that a greater percentage of the exported crop actually was seized in 1982.

Turning to the individual geographic areas, there was a 21 percent increase in the number of seizure incidents occurring in the waters surrounding Florida -- 229 incidents in 1982, up from 190 the year before. But, while the number of incidents

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increased, the total weight seized dropped 22 percent from 1,158,000 pounds in 1981 to 905,000 pounds in 1982. There was an even sharper decline in the average amount per seizure from 6,095 pounds in 1981 to 3,952 pounds in 1982, a 35 percent drop.

Several factors appear to have contributed to these results. The greatly enhanced law enforcement vessel and aircraft patrols in 1982 caused many motherships to be located and seized before they could reach Florida's waters as evidenced by increased seizures in the Caribbean area. Others avoided the patrols and sailed further up the U.S. Atlantic Coast. Another relevant factor was the dramatic increase in the use of the air-drop method this past year. This smuggling technique typically has resulted in the seizure of an aircraft, empty but for a little marihuana debris, and several small speed boats carrying perhaps several hundred pounds of baled marihuana retrieved from the sea in the drop zone. Many more such boats were captured in 1982 than in prior years, but their payloads were considerably less than the fishing boats generally used to off-load motherships.

Increased patrols in 1982 resulted in a 36 percent jump in the number of seizure incidents in the Caribbean, which rose from 91 in 1981 to 124 last year. The amount of marihuana seized also went up from 1,643,000 pounds to 1,867,000 pounds, a rise of 14 percent. The weight of the average seizure, however, dropped by 17 percent from 18,055 pounds to 15,056 pounds.

Figures for maritime seizures along the U.S. east coast north of Florida show an interesting development. While the number of seizure incidents dropped in 1982 by 19 percent from 47 incidents in 1981 to 38 in 1982, the total amount of marihuana seized jumped 77 percent from 429,000 pounds in 1981 to 758,000 pounds in 1982. Even more impressive was the increase in the average amount seized, which more than doubled from 9,128 pounds in 1981 to 19,947 pounds in 1982, an increase of 119 percent. These data clearly substantiate various reports that in 1982 many traffickers avoided the heavily-patrolled passages leading to Florida, and instead, exploited the entire length of the Atlantic seaboard from Georgia to Maine and even Canada's Maritime Provinces. These figures also indicate that the Coast Guard has successfully pursued and captured a greater proportion of motherships along the east coast in 1982 than in earlier years when it had apprehended mostly off-load vessels.

Seizure activity in the Gulf of Mexico west of Florida dropped dramatically in 1982. Seizure incidents went from 36 in 1981 to just 8 in 1982, a 78 percent decline, while there was a 72 percent decrease in the amount seized, from 553,000 pounds in 1981 to 155,000 pounds in 1982. The weight of the average

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seizure went up a modest 26 percent from 15,361 pounds to 19,375. These data support many earlier reports of the diversion of smuggling vessels away from the Gulf of Mexico and especially from the Yucatan Passage.

Seizure activity reported for the U.S. west coast fell significantly in all categories. The number of maritime marihuana seizure incidents along the U.S. Pacific Coast was down in 1982 by 65 percent, the total amount seized dropped by 89 percent and the average amount seized declined by 70 percent. The diversion of some Colombian marihuana shipping to a Pacific route, which was expected by some, apparently failed to materialize.

Comparison of 1981 and 1982 Maritime Marijuana Seizure Incidents
 (Does not include legitimate cargo vessels making
 scheduled port calls. Many incidents involved
 the seizure of more than one vessel. Data Source: EPIC)

<u>Geographical Area</u>	<u>January - December 1981</u>			<u>January - December 1982</u>		
	<u>No. of Seizure Incidents</u>	<u>Total Amount Seized (lbs.**)</u>	<u>Average Amount Seized (lbs.)</u>	<u>No. of Seizure Incidents</u>	<u>Total Amount Seized (lbs.**)</u>	<u>Average Amount Seized (lbs.)</u>
Florida	190	1,158,000	6,095	229	905,000	3,952
Caribbean*	91	1,643,000	18,055	124	1,867,000	15,056
East Coast (less Florida)	47	429,000	9,128	38	758,000	19,947
Gulf Coast (less Florida)	36	553,000	15,361	8	155,000	19,375
West Coast	17	130,000	7,647	6	14,000	2,333
Other	<u>21</u>	<u>228,000</u>	<u>10,857</u>	<u>5</u>	<u>371,000</u>	<u>74,200</u>
TOTAL	402	4,141,000	10,301	410	4,070,000	9,927

* (Includes major choke points/passages, Bahamas, Cuba, West Indies, etc.)
 ** Rounded to nearest thousand.

General Aviation Smuggling Assessment For 1982

According to a preliminary assessment made by DEA's El Paso Intelligence Center (EPIC), there was a significant decline in the number of general aviation drug smuggling flights terminating in Florida in calendar year 1982. In the same period, the number of aircraft placed on EPIC/FAA lookouts substantially increased over the number of lookouts in 1981. EPIC believes that these changes are probably indicative of the impact that 1982's special law enforcement effort has had on Florida drug trafficking.

There are certain indicators, such as the number of private aircraft stolen, crashed, or seized with contraband aboard, which are believed to be closely related to the overall level of smuggling by means of general aviation aircraft. Changes in these indicators should generally reflect changes in the broader airborne smuggling picture itself. EPIC's preliminary analysis of general aviation activity indicators revealed the following trends:

- Thefts of private aircraft in Florida declined from 53 in 1981 to 39 in 1982, a 26 percent decrease;
- o The number of aircraft crashes and accidents documented in Florida went down by 42 percent, from 41 recorded in 1981 to 24 in 1982;
- o The number of seizures of contraband-carrying aircraft dropped by 45 percent, from 219 in 1981 to 121 in 1982;
- o The number of EPIC/FAA lookouts initiated in Florida increased by 16 percent, from 257 in 1981 to 298 in 1982.

EPIC's preliminary analysis reveals an estimated 25-30% decline in the number of marijuana smuggling flights terminating in the United States during 1982 compared to 1981. By far the most notable decline has occurred in Florida, the most frequently used point of entry for smugglers using general aviation aircraft.

Despite a decline in the number of foreign smuggling flights earlier in 1982, flight levels to/from the primary marijuana source countries of Jamaica and Colombia have returned to their normal levels. This, coupled with the decline in the number of flights landing in the U.S. to off-load, leads to the conclusion that the general aviation smugglers are sometimes flying their contraband from source-of-supply locations to transit locations for further transport by means of other vehicles such as small, high speed boats. Lending credence to such a conclusion is the large number of airdrops which occurred in 1982 in Florida and nearby Bahamian territory.

A typical scenario for the airdrops has been that a twin-engine aircraft will arrive at a pre-arranged location and airdrop bales of marijuana to several high speed boats. Upon recovery of the bales, the boats quickly transport the drugs to several different points along the Florida coast. During 1982, nearly 100 confirmed airdrop incidents were recorded at EPIC. Of these, around two-thirds were made over water and one-third over land.

Unrelated to the overall decline in marijuana smuggling flights, but nevertheless quite noteworthy, has been the sharp drop in methaqualone smuggling by private aircraft during 1982. This drop is graphically illustrated by the seizures (both in number of events and in poundage) during 1981 and 1982. During 1981, just over 30 seizures accounted for the confiscation of nearly 11 tons, contrasted with 1982 when less than a half-dozen seizures have accounted for just over 1 ton.

Cocaine smuggling by private aircraft during 1982 continues at a high level, and in fact appears to have increased substantially over 1981. For example, during 1981, EPIC recorded 31 seizures of aircraft used for cocaine smuggling which resulted in the confiscation of just over 5,700 pounds. In the same period of 1982, 47 such seizures have been recorded, resulting in the confiscation of around 9,500 pounds.

Notable among the 1982 seizures have been the seizures of numerous large loads of cocaine outside Florida. (See the response to Question 8 for a detailed discussion of these seizures.)

DOMESTIC DRUG SITUATION

OCTOBER 1982

Office of Intelligence
Strategic Intelligence Section
Strategic Heroin Unit

EXECUTIVE SUMMARY

Heroin availability and abuse in the United States has continued to increase during 1982. Retail purity has risen to 5.1 percent, compared to an average of 3.9 percent in 1981. This increase is largely attributable to the increasing availability of Southeast Asian No. 4 (SEA) on the West Coast, together with an influx of higher purity Mexican heroin. Heroin-related deaths and injuries have increased significantly since 1979. Chemical analysis of selected heroin samples during 1982 found 52 percent to be of Southwest Asian (SWA) origin, 33 percent Mexican, and 15 percent SEA; these proportions represent small reductions in the relative shares of Mexican and SWA, and an increase of SEA. Geographically, SWA is dominant in the eastern United States and Mexico provides the majority of the heroin in the Midwest and West.

Cocaine has been increasingly available in the U.S. during 1982. Seizures have doubled since 1981 while prices have remained stable and retail purity levels have increased significantly. Colombia continues to provide a majority of the cocaine sold in the U.S., with Bolivia and Peru the most important sources of coca leaf. Enforcement efforts in southern Florida have disrupted some trafficking and apparently induced the establishment of alternate trafficking routes and an accumulation of cocaine in Colombia. Since 1977 cocaine deaths, injuries, and treatment admissions have tripled.

Marihuana use in the U.S. has continued at a high rate during 1981-82. Colombia is the primary source, followed by Jamaica, Mexico, and domestic cultivation. Although at present controlling only a small share of the market, domestic cultivation of marihuana, particularly the highly potent sinsemilla variety, appears to be a burgeoning phenomenon capable of reaching epidemic proportions.

The availability and abuse of stimulants has increased steadily during the last several years. These drugs remain popular with a broad spectrum of the drug sub-culture in nearly every region of the country. Injuries and treatment admissions have increased significantly since 1977. Amphetamines and methamphetamines generally are obtained through clandestine manufacture, sometimes under the control of motorcycle gangs, while the other stimulants reach the illicit market through diversion from legitimate sources.

Abuse of depressants apparently has declined since 1980 but remains a serious problem. The availability of methaqualone has been reduced by curbing its importation and by disrupting domestic manufacturing and trafficking operations. Barbiturate deaths and injuries have declined, probably as a consequence of restricted production and substitution of other depressants. Diazepam (Valium) is still the most widely abused drug, in terms of number of overdoses, but its abuse appears to have decreased since the late 1970's.

PCP availability and abuse have declined in most parts of the country. However, several cities, including New York and Washington, D.C., continue to experience serious PCP problems. The Washington area and the West Coast are important PCP manufacturing areas. LSD injuries have been stable since 1980.

The use of pharmaceutical narcotic substitutes for heroin has become common among heroin users in a number of cities. Examples include the widespread use of Dilaudid in Washington, D.C.; the use of Talwin and pyribenzamine ("T's and Blues") in St. Louis and New Orleans; and the combination of Empirin #4, which contains codeine, with Doriden in Newark, Philadelphia, and Los Angeles.

DEA's financial forfeiture and seizure program has produced striking results in the past several years. The national asset seizure total has increased from \$94 million in fiscal year 1980 to \$161 million in fiscal year 1981 and \$118 million for the first eight months of fiscal year 1982. The 1982 total is expected to reach \$200 million. Similarly, forfeitures have risen from \$43 million in 1980 to \$109 million in 1981 and \$87 million through the first eight months of fiscal year 1982.

HEROINNationwide Retail Heroin Price and Purity Index
(average per milligram pure)

		Price (\$)	Purity (%)
CY 1981:	1Q	2.50	3.9
	2Q	2.45	3.5
	3Q	2.35	4.3
	4Q	2.27	3.9
CY 1982:	1Q	2.15	4.5
	2Q	2.20	5.1

At the national level, information from a variety of sources suggests that heroin availability and abuse has continued to increase during 1982. As shown above, average retail purity rose from 3.9 percent at the end of 1981 to 5.1 percent in the second quarter of 1982, suggesting more abundant supplies of heroin.

The principal measures of heroin abuse are deaths and injuries reported through the Drug Abuse Warning Network (DAWN). Heroin related injuries averaged approximately 2,400 per quarter in 1978 and 1979 before increasing to over 3,200 in 1980; since then a steady accretion has been observed:

Heroin-related Injuries

CY 1981:	1Q	3,122
	2Q	3,482
	3Q	3,562*
	4Q	3,605*
CY 1982:	1Q	3,809*

(*subject to revision)

Reporting of deaths attributed to heroin abuse generally is subject to a one year time lag, but the available data support the above injury trend.

Of the exhibits submitted for Signature* analysis during the first six months of 1982, 52 percent were classified as Southwest Asian (SWA), 33 percent as Mexican, and 15 percent as Southeast Asian (SEA).

These proportions represent an apparent reversal of long-term trends; the national market share controlled by SEA had increased from 3 percent in 1978 to 54 percent in 1981, before declining slightly this year. Conversely, SEA had declined from 15 percent in 1978 to 10 percent in 1981, before rising in 1982. Mexican heroin has fallen from 82 percent in 1978 to 33 percent in 1982. SWA continues to dominate in the eastern United States while Mexico provides the majority of heroin in the Midwest and West.

Northeastern United States:Retail Heroin Price and Purity Index
(average per milligram pure)

		Price (\$)	Purity (%)
CY 1981:	1Q	1.71	3.3
	2Q	1.90	3.0
	3Q	2.08	3.1
	4Q	1.87	3.3
CY 1982:	1Q	1.71	3.7
	2Q	1.69	3.6

Heroin purity has increased gradually while price has fallen in the northeastern U.S. during the past year.

It is apparent that traffickers continue to depend upon SWA heroin processed in Mediterranean Europe. Signature analysis for the first half of 1982 found 85 percent of the heroin available in the region to be SWA, with 12 percent SEA and 3 percent Mexican. These results are confirmed by the most recent Domestic Monitor Program** (DMP) in New York City.

*Heroin Signature analysis is an intelligence program in which a special chemical analysis identifies and quantifies selected heroin characteristics and secondary constituents. From the resultant data, heroin exhibits are classified according to the process by which they were manufactured, which in turn enables the association of exhibits with geographic regions.

**The DMP is a retail level heroin purchase program designed to provide information on heroin availability, purity, price, adulterants, color, packaging, distribution networks and geographic source areas for individual cities. An important feature of the DMP involves submitting all exhibits to the heroin Signature analysis.

Heroin injury figures also indicate a worsening situation. Injuries have increased steadily from the first quarter of 1981 through the first quarter of 1982. According to local officials, heroin remains the primary drug problem in Newark, where a large proportion (40 percent) of the treatment population were entering treatment for the first time in 1981, suggesting an increase in heroin abuse. In New York City both sellers and users are younger than in recent years, and many former heroin users who had switched to cocaine are again using heroin because of the high price of cocaine. Philadelphia reports increasing abuse levels, particularly among Hispanics.

Southeastern United States:

Retail Heroin Price and Purity Index
(average per milligram pure)

		Price (\$)	Purity (%)
CY 1981:	1Q	2.84	3.2
	2Q	3.00	3.4
	3Q	2.69	3.3
	4Q	2.34	4.1
CY 1982:	1Q	2.58	3.4
	2Q	2.53	3.7

Heroin purity has increased slightly while price has fluctuated during 1981-1982.

SWA heroin remains dominant, contributing 83 percent of the 1982 Signature exhibits. SEA has doubled its share, from 8 percent in 1981 to 17 percent in 1982. Mexican heroin is generally not available.

Nearly all 1982 DMP purchases in Atlanta and Washington, D.C. were of SWA origin, with occasional SEA samples in Washington. Purities were in the 4 to 5 percent range in Washington and somewhat lower in Atlanta. Most of the heroin sold in the southeastern U.S. is supplied from New York City.

Abuse data suggest a worsening heroin problem in this region. Heroin-related injuries doubled in Atlanta from 1980 to 1981. In New Orleans, where heroin reportedly is used in combination with Dilaudid, injuries have increased 53 percent. Washington has experienced perhaps the greatest increase in heroin abuse in the country:

	Deaths	Injuries
1978	9	195
1979	59	375
1980	75	824
1981*	117	890

*incomplete data

Currently, it is estimated that there are 16,500 addicts in the city, compared to about 9,000 in 1978.

North Central United States:

Retail Heroin Price and Purity Index
(average per milligram pure)

		Price (\$)	Purity (%)
CY 1981	1Q	2.34	3.3
	2Q	2.67	3.3
	3Q	3.05	2.8
	4Q	2.73	3.4
CY 1982	1Q	2.79	3.4
	2Q	3.24	5.5

While the above data reveal retail purity and price both rising during 1982, it should be noted that the index for this area of the country is derived from a very small number of exhibits and thus is of limited value.

Signature analysis reflects the diversity of heroin supplied to mid-western cities. In the first half of 1982, 62 percent of the exhibits analyzed were Mexican, 25 percent SWA, and 13 percent SEA. Detroit, in part due to its large Lebanese population, is primarily a SWA city with some Mexican and SEA. Chicago is the major distribution center for Mexican heroin in this part of the country, with small amounts of SWA from New York City available.

Injury data indicate small but steady increases in heroin abuse in Chicago and Detroit during 1981 and early 1982. Most heroin users in the Chicago treatment programs are polydrug users.

Southwestern United States:

Retail Heroin Price and Purity Index
(average per milligram pure)

		Price (\$)	Purity (%)
CY 1981:	1Q	2.92	4.2
	2Q	2.70	4.0
	3Q	2.36	4.4
	4Q	2.81	4.0
CY 1982	1Q	2.68	3.8
	2Q	2.22	4.5

From the above chart, it appears that average price has declined while purity has increased during 1982. Mexican heroin continues its dominance with 84 percent of Signature exhibits in 1982. SWA and SEA supplied 13 percent and 3 percent respectively.

San Antonio DMP data, generally reflective of street-level availability, support the Signature information. During the last six quarters, only one non-Mexican sample has been purchased. Average purity rose while price per milligram pure fell steadily until the second quarter of 1982:

<u>San Antonio DMP</u>			
		<u>Avg. Purity (%)</u>	<u>Price (\$)</u>
CY 1981:	1Q	1.5	5.79
	2Q	1.9	4.59
	3Q	2.6	3.73
	4Q	4.0	3.13
CY 1982:	1Q	4.0	3.03
	2Q	3.2	3.80

Data collected through the DAWN system indicate higher opiate abuse levels in Denver, San Antonio and possibly Dallas. In Denver, the heroin injury rate doubled in 1982 to an average of 12 per quarter. Incomplete information from San Antonio shows 11 deaths attributed to heroin in 1981, compared to two per year during 1978 to 1980.

Western United States:

Retail Heroin Price and Purity Index
(average per milligram pure)

		<u>Price (\$)</u>	<u>Purity (%)</u>
CY 1981:	1Q	2.45	5.8
	2Q	2.29	6.7
	3Q	2.01	7.5
	4Q	1.91	7.4
CY 1982:	1Q	1.87	6.8
	2Q	1.90	7.6

Retail heroin purity has increased and price has fallen substantially in the West since 1980. Important factors in this situation have been the increasing availability of SEA No. 4 heroin on the West Coast together with an influx of higher purity Mexican heroin. Signature analysis shows SEA increasing from 9 percent of the exhibits sampled in 1980 to 32 percent in the first half of 1982, while Mexican has declined from 82 to 63 percent. Street level purities have increased; San Diego and Seattle report Mexican heroin available at 7 to 8 percent purity.

Recently, there has been increasing use of the postal system to send small quantities of heroin and opium to the U.S., generally from Thailand. It is believed that most of these shipments are intended for the personal use of the recipients. There also have been reports of opium poppies being grown by Asians residing in California and Washington.

The most recent DAWN information supports the hypothesis of increasing heroin availability and abuse. Average quarterly injury totals for Los Angeles, San Diego, San Francisco and Seattle increased from 259 in 1980 to 341 in 1981 and 415 in the first three months of 1982. Death data show an even sharper rise, from 39 per quarter in 1980 to 65 in 1981, with Los Angeles, San Francisco and San Diego all reporting significant increases.

COCAINE

Cocaine has been increasingly available in the United States during 1982. Seizures as of September were already double the amount recorded in 1981, in part reflecting intensified enforcement activity. Despite the impressive interdiction efforts, including two seizures of over 500 kilograms and one of 1,600 kilograms, cocaine prices have remained stable in most parts of the country. Retail purity has increased from an average of 11.6 percent in 1981 to 14.8 percent in the second quarter of 1982. Nearly every major city reports cocaine to be readily available and widely used.

Colombia provides as much as 75 percent of the cocaine sold in the United States. Colombian traffickers dominate the financing and smuggling of cocaine hydrochloride processed in Peru, Ecuador, Bolivia and Brazil. The second most important source for the U.S. is Peru, where higher quality and slightly lower prices attract North American and European buyers. This traffic as yet is not highly organized. Bolivia is a minor source of finished cocaine, but produces much larger amounts of coca paste and base that are then processed in Colombia, Brazil, or Chile. Bolivia and Peru are the world's principal sources of coca leaf.

While the enforcement resources concentrated in the Caribbean and southern Florida have resulted in disruption or displacement of some cocaine trafficking, Miami continues its role as the center in the U.S. for importation, wholesale distribution, and financing. Cocaine seizures in the south Florida area dominate the national totals. Although some shipments were rerouted through alternate ports-of-entry, one result of the recent aggressive and well-publicized enforcement operations in Florida has been a reported accumulation of cocaine in Colombia.

Some of the increased aircraft smuggling in other parts of the country probably is due to the enforcement pressure in Florida. Major seizures from private aircraft have occurred this year in New Mexico, Louisiana, Tennessee, Georgia and New York. Intelligence reports and seizure data demonstrate increased activity as far north as Maine.

Because the preferred methods, commercial flights and light aircraft, have been closely scrutinized, there has been a substantial increase in the use of commercial and cruise ships for illegal cocaine importation. However, air couriers with ingested cocaine-filled balloons have continued to inundate U.S. ports-of-entry. Between March 1 and August 12, 1982, there were 100 seizures involving this method at New York, Miami and Los Angeles. Generally traveling in small groups, the couriers prefer the major, more active entry points, including Atlanta, Dallas, Houston, New Orleans and San Juan. Venezuelan passports sometimes are used in the belief that they arouse less suspicion among U.S. entry control personnel.

DEA estimates that in 1981, somewhere between 40 and 55 metric tons of cocaine successfully entered the United States, roughly comparable to the 1980 estimates. Examination of abuse data reflect increasing availability as well as the widespread popularity of cocaine. Since 1977 cocaine-related injuries have tripled, as shown in the following table:

National Cocaine Injuries

1977	1,588
1978	1,917
1979	2,227
1980	3,234
1981	3,528
1982 (3 months)	1,195

Treatment admission data confirm this trend; nationally, there was an increase of more than 350 percent between 1977 and 1981. These figures undoubtedly greatly understate, because of cocaine's relatively low toxicity, the magnitude of cocaine abuse in the U.S., but the trend is clear. Death data are revealing as well, although the actual numbers are relatively small:

National Cocaine Deaths

1977	33
1978	43
1979	58
1980	96
1981	99

While most drugs of abuse vary in popularity geographically, it is significant that the long term increase in cocaine abuse has not been limited to a few cities, but has been experienced in all geographic areas of the country. This suggests appeal to a wider spectrum of the population than is the case for most substances. That supplies of cocaine consistently have been sufficient to satisfy this demand is shown by the constancy of retail prices in the United States:

Price (\$) per pure gram

1977	\$570-720
1978	\$590-650
1979	\$570-780
1980	\$630-710
1981	\$630-790
1982 (6 months)	\$650-710

This ability of traffickers to meet the growing demand may be attributed to certain factors characteristic of cocaine, including high profit margin, entrenched trafficking networks, broad geographic and sociological appeal, and sophistication in smuggling techniques.

MARIHUANA

Marihuana use in the U.S. has continued at a high rate during 1981-82. Colombia supplies an estimated 80 percent of the imported marihuana and 75 percent of the total U.S. supply. Jamaica, Mexico and domestic cultivation account for the remainder.

Traffickers smuggling marihuana from Colombia continue to rely extensively on the risky but profitable method of smuggling multi-ton shipments in a variety of boats and ships. General aviation aircraft also are used routinely. Islands in the Caribbean play important roles as transfer and storage sites for the major smuggling organizations.

Most of the marihuana coming to the U.S. from Jamaica probably is transported in private aircraft. Small, single and twin-engine planes capable of carrying 500 to 3,000 pounds are popular. Most of the deliveries are to the southern Atlantic seaboard. The frequency of smuggling by boat has increased in the 1980's.

The cultivation of commercial grade marihuana within the U.S. is a burgeoning phenomenon capable of reaching epidemic proportions. Seizures by federal, state, and local authorities have increased sharply since 1980, and the value of the annual crop is estimated at 2-3 billion dollars.

Although marihuana is cultivated in nearly every state, the bulk of commercial production occurs in California, Hawaii, Kentucky, West Virginia, Oklahoma and Mississippi. Cultivators fall into three basic categories:

- a. The amateur grower who produces enough for personal consumption;
- b. The small entrepreneur who supplies a restricted retail market;
- c. The group which controls extensive growing areas and employs others to do the actual growing and harvesting.

Marihuana fields often are located in remote areas that are difficult to reach. When planted on existing farms the marihuana is usually interspersed among licit crops, particularly corn. Growers using small, scattered plots prefer to locate them on or adjacent to U.S. forest land. The larger scale producers employ extensive irrigation systems, hothouses, and fertilizers. Yields range from a few ounces to 1 pound of dried marihuana per plant; for sinsemilla,

a high THC variety which is made from the flowering tops and leaves of unfertilized female plants, up to 2 pounds may be obtained from a single plant.

Marihuana production can be extremely profitable. A pound of sinsemilla or the other high THC varieties sells for \$600 to \$900 at the farm, \$1,600 wholesale and \$2,000 to \$3,000 retail; this yields a profit for the grower of about \$850 per plant, a strong incentive for increased domestic cultivation. Federal, state and local officials have responded to the escalating domestic marihuana production with enforcement operations in the major growing areas. The effectiveness of these programs has caused some California traffickers/cultivators to relocate to other states.

While foreign-sourced marihuana will continue to dominate the U.S. marihuana market in the near term, exotic varieties of marihuana, such as sinsemilla, will almost certainly command a greater share of the total market. This projected upward consumer demand for exotic varieties of marihuana is due to its allegedly higher THC content. Cultivators are also experimenting with developing more potent strains. For example, marihuana plants in Missouri were recently identified as a dwarf mutant strain which produced a large number of buds with few leaves. Further, in Oregon marihuana cultivators are importing marihuana seeds from some traditional hashish producing countries in the mid-East in order to produce plants with greater cannabinoid content. Domestic cultivation, with its high profits, combined with continued foreign importation, may well produce keener competition among traffickers, possibly lowering some retail prices, and increasing the possibility of violence.

CONTINUED

1 OF 2

STIMULANTSI) Amphetamine and Methamphetamine:

The availability and abuse of amphetamine and methamphetamine substances, as reflected by almost all available indicators, continued in a pattern of steady increase during 1981, consistent with the last several years. From 1977 to 1981, amphetamine/methamphetamine related emergency room episodes reported from 24 Standard Metropolitan Statistical Areas (SMSA's) rose over 100 percent, with a 42 percent increase recorded from 1979 to 1981. A total of 2,708 injury episodes were reported in 1979 compared to 3,846 in 1981.

Additionally, data from federally funded treatment centers collected through the Client Oriented Data Acquisition Process (CODAP) show a similar pattern of increase. In 1977, 2,732 admissions per quarter were reported for amphetamine abuse. Through six months of 1981, this figure rose to 4,684 per quarter, an increase of 71 percent.

Amphetamines and methamphetamines, in a fashion similar to cannabis and cocaine, appear to have maintained their appeal to a broad spectrum of the drug sub-culture over a relatively long period of time. When broken down to a geographic level, the injury data cited earlier clearly show long range and steady increases in every part of the U.S.

Distribution of the amphetamine/methamphetamine type substances is found in most cities of the U.S., but currently appears most prevalent in the New York, San Francisco, and Philadelphia metropolitan areas. Drug injury and/or treatment information from each of these cities show domestic increases in recent years in the use of these substances. In 1982, other western cities, including San Diego, Phoenix, and Denver, have reported significant increases in abuse levels.

Concurrent with the rise in amphetamine/methamphetamine abuse has been a sharp increase in illicit manufacture. In 1977, DEA seized a total of 56 clandestine manufacturers of these substances, compared to 146 in 1980 and 110 in 1981.

Intelligence and abuse data related to those seizures suggest that the manufacture of stimulants in the Northeast is primarily for distribution in that region. In the state of Texas, however, where over 25 percent of the clandestine laboratories were seized in 1980 and 1981, it appears that much of the methamphetamine manufactured is trafficked elsewhere. This observation is based upon two points. First, emergency room admissions related to amphetamine drugs for the Dallas and San Antonio SMSA's accounted for 2 percent of the national total in both 1980 and 1981. Of the 24 DAWN SMSA's, Dallas and San Antonio ranked 17th and 19th

respectively in 1980, on an injury per 100,000 population basis. Second, available intelligence indicates that in Texas various motorcycle gangs virtually control illicit methamphetamine distribution; most of these groups maintain links in other states and in Canada.

Intelligence also indicates heavy trafficking of methamphetamine by West Coast motorcycle groups both in the West and in other parts of the U.S.

The involvement of highly mobile motorcycle gangs in the trafficking of methamphetamine is a significant factor in the widespread availability of this substance.

II) Other Stimulants:

Other stimulant substances include phenmetrazine (Preludin), methylphenidate (Ritalin) and anorectic drugs such as benzphetamine, diethylpropion and phendimetrazine.

In the past four years injury episodes from these substances have shown sharp increases in every geographic area, showing trends similar to the amphetamine/methamphetamine group. The increase in injuries is seen in the following chart.

	<u>DAWN Injuries</u>			
	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Other Stimulants	4,395	4,646	5,938	6,935

Stimulant substances reach the illicit market primarily through prescription fraud, theft, and through other forms of diversion.

Their increased popularity appears to be related to several aspects of the drug problem, including the popularity of the amphetamines and poly-drug use.

DEPRESSANTSI) Methaqualone:

From the period of early 1979 through the third quarter of 1980, methaqualone abuse grew sharply. The heavy abuse of this drug was recognized early in the Miami area where it accounted for 34 percent of all drug treatment admissions in 1979. On a national basis, methaqualone injury mentions reported to the DAWN system (24 cities) rose from 2,890 in 1979 to 4,892 in 1980, an increase of about 70 percent. In all, 23 of 24 DAWN cities reported increases in methaqualone during 1980.

Since 1980 methaqualone abuse has abated somewhat, although it remains a serious problem, with 4,037 injury mentions in 1981. This drug remains particularly popular in Chicago, St. Louis, Philadelphia and New York. In Florida and Georgia state legislatures have reclassified methaqualone as a Schedule I substance, prohibiting legitimate distribution.

The primary source of illicit methaqualone is laboratories in South America. Methaqualone is trafficked primarily from Colombia to Florida, and trafficking of methaqualone is linked to the trafficking of cocaine and marihuana. Bulk methaqualone powder, along with diazepam which is utilized in the manufacture of methaqualone counterfeits, originates in Europe, with shipments controlled by major trafficking organizations.

In conjunction with the rise in methaqualone trafficking domestic clandestine manufacturing also increased. In 1979, DEA seized seven methaqualone labs, compared to 15 in 1980 and 13 in 1981. Some areas also reported the distribution of counterfeit methaqualone tablets, some of which contained diazepam.

The reduction in methaqualone availability in the U.S. since 1980 is largely the result of two major initiatives:

1. Diplomatic efforts designed to curb the importation of licitly manufactured bulk methaqualone from Europe to Latin America have been highly successful.

2. Enforcement activities aimed at curtailing high level traffickers have resulted in numerous major seizures of methaqualone, the arrest of high level traffickers, and the closing of a number of clandestine laboratories.

In this light, the trafficking of counterfeit methaqualone containing dangerous amounts of diazepam continues to increase as the illicit supply of methaqualone from Colombia decreases.

II) Barbiturates:

Barbiturate abuse, as measured by deaths, injuries and treatment admissions, has shown long range declines over the last five years.

Barbiturate injuries rose in 1980 but then declined to the levels of 1978 to 1979. Deaths related to barbiturate abuse have fallen from 926 in 1977 to 466 in 1981.

For the most part, barbiturates that are abused are legitimately manufactured. There is little illicit manufacture at the present time. The decline in barbiturate use in recent years appears to be a consequence of restrictions brought by rescheduling, by growing awareness of the dangers of barbiturate abuse, and by the utilization of other depressants, such as methaqualone and diazepam.

III) Diazepam:

Reports of drug abuse "mentions" are often associated with accidental or intentional over-dosage. Since 1971 to the present, diazepam has consistently ranked number one in the list of "mentions" in all facilities collectively, including emergency rooms, crisis centers, medical examiners and out-patient clinics based upon the DAWN.

Since the late 1970's however, diazepam abuse apparently has declined, although its use as a methaqualone counterfeit is increasing.

Injuries have dropped from 15,139 in 1979 to 11,539 last year. The majority of these incidents involved diazepam obtained through legal prescription and used for suicide attempts.

HALLUCINOGENSI) PCP

All available indicators point to a decline in PCP availability and abuse in most parts of the U.S. A broad geographic look at this decline can be seen in the following chart:

	<u>PCP Injury Mentions</u>		
	<u>1979</u>	<u>1980</u>	<u>1981</u>
North East	1,188	917	848
South East	497	404	372
North Central	1,159	844	620
South Central	156	124	116
West	2,223	1,756	1,044
National 24 cities	5,223	4,045	3,000

In the northeastern U.S., PCP injury rates have declined sharply in Philadelphia and Buffalo while remaining stable in Boston. In New York City, however, the number of injuries increased during 1981, and local officials report that the popularity of PCP varies from year to year. Two PCP laboratories were seized in the Northeast during 1981.

The regional decreases observed in the Southeast since 1979 conceal the steady escalation of availability in the Washington, D.C. area, which for some time has been one of the major PCP manufacturing centers in the country. During 1981, 13 clandestine PCP manufacturing operations were terminated in the Washington area. Injuries have increased 16 percent in Washington since 1979.

In the Midwest (North Central Region) PCP injuries have fallen in every city except Kansas City. Chicago and Detroit, traditionally centers of PCP activity, reported injury reductions of 30 and 40 percent respectively. Four PCP laboratories were seized in this region last year.

In the South Central area PCP abuse increased in Oklahoma City and Denver while declining elsewhere. Five laboratories were confiscated.

Since 1979, injuries attributed to PCP decreased 53 percent in the West, reflecting significant declines in all major cities. The West Coast apparently continues to be an important PCP manufacturing and distribution area, as eight laboratories were seized in 1981.

II) LSD:

On a national basis, LSD injuries declined significantly in 1980 but since have remained stable. Much of the LSD available in the U.S. is believed to be manufactured on the West Coast.

In the Northeast, injuries have declined steadily in New York City while increasing in Buffalo and Philadelphia. In the Southeast, total injuries rose 45 percent from 1980 to 1981, reflecting sharp increases in Washington, D.C. and New Orleans. Midwestern cities have reported stable or falling injury rates since 1979. In the Southwest, total LSD injuries have increased; Denver reported 105 LSD mentions last year, compared to 78 in 1979. On the West Coast the LSD situation appears stable in the major cities.

NARCOTICS/ANALGESICS

During recent years, the widespread use of pharmaceutical narcotic substitutes for heroin has become common among addicts and heroin users in a number of cities. Initially, this trend appears to have developed as a response to poor heroin quality; recently, there is increasing evidence that these drugs have become used in conjunction with heroin as a form of bi-modal narcotic use, or frequently as the primary drug of choice. Examples of this trend include the widespread use of Dilaudid in the Washington, D.C. area, and the use of Talwin (pentazocine) in St. Louis and New Orleans. Additionally, the combination of Empirin #4, which contains codeine, and Doriden (glutethimide) has become a major problem in Newark, Philadelphia, and Los Angeles. Sold under the street names of "fours and doors" or "loads", this combination resulted in 55 deaths in the above three cities during 1980-1981.

Talwin and pyribenzamine ("T's and Blues") represent a serious and rising drug abuse problem. Talwin is the brand name for pentazocine, a potent analgesic and a Schedule IV controlled substance. Pyribenzamine is a non-controlled antihistamine. The effect of the two drugs dissolved and injected together is reportedly similar to that of heroin.

At the national level, the increase in abuse is seen in the growing number of pentazocine injury mentions. In 1981, the Drug Abuse Warning Network (DAWN) reported 2,230 injury mentions, compared to 1,450 in 1979. A number of cities including New Orleans, St. Louis, and Cleveland, report pentazocine injuries exceeding heroin injuries. Pentazocine for abuse is obtained through diversion from legitimate supplies, rather than by clandestine manufacture.

FINANCIAL FORFEITURES AND SEIZURES

DEA policy requires that in all major drug cases a "financial" investigation be conducted to determine the scope and magnitude of the money and other assets involved within the drug organization. Both civil and criminal forfeiture statutes are employed to identify and seize these assets.

Enhanced emphasis on the financial aspects of every major drug investigation has resulted in increasing asset removals since the program's inception in 1979, as shown in the following table:

	Amount (millions of dollars)	
	Seized	Forfeited
Fiscal Year 1980	94.0	42.6
Fiscal Year 1981	161.0	109.3
Fiscal Year 1982 (8 months)*	118.5	86.8

The Miami, Florida area is severely impacted by narcotics profits; the Federal Reserve Bank in Miami reports a cash surplus of approximately five billion dollars in 1982. According to the Comptroller of the Currency, California in 1982 has experienced an increase of \$140 million in surplus cash, second only to Florida. The cash surplus in San Antonio is 40 percent above the 1981 level but remains small compared to those in Florida and California. The increase in San Antonio may reflect a shift in trafficking operations from South Florida, where cash deposits have fallen ten percent. A burgeoning cash surplus in San Francisco could be related to large profits accrued from marihuana cultivation in the Northwest.

The success of the financial asset removal effort depends significantly on intergovernmental investigative and intelligence cooperation. The legal framework for this cooperation is provided by mutual assistance treaties, which the United States has formalized with Switzerland and Jamaica and are under negotiation with Austria, the Bahamas, Barbados, the Federal Republic of Germany, Panama, Colombia, and the Caymans.

*It is anticipated that 1982 seizures will reach \$200 million. The final compilation of seizure data will be available by November 1, 1982.

COCAINE AND MARIHUANA AVAILABILITY IN THE UNITED STATES

1981 Compared With 1982

Prepared by
Office of Intelligence

SUMMARY

A variety of statistical indicators and intelligence reports show that cocaine and marihuana trafficking activity in Florida has been adversely affected by the intensified law enforcement activity present there during much of 1982. Nationally, however, the same indicators and reports show an increase in the availability of cocaine and little, if any, reduction in the presence of marihuana. Marihuana imports appear to have been reduced, but domestically-produced cannabis probably has made up for that shortfall.

According to nationwide DEA reporting, the amount of cocaine availability for distribution in the U.S. has increased during the first half of 1982 over the same period last year. This is reflected by a consensus of intelligence reporting and by such indicators as an increase in drug purity, price stability, an increase in overdose injury figures and a sizeable increase in the amount of cocaine seized nationally.

There has historically been a correlation between the amount of narcotics seized and the amount available for distribution. For example, when seizures increase, it usually means the amount of narcotics available at a given place or time have increased. Likewise, when seizures decrease it is generally because availability has lessened, assuming our enforcement efforts have remained relatively constant.

It appears that marihuana imports into the U.S. during the first eight months of 1982 were somewhat below the imports recorded for a like period of 1981. This reduction apparently was the result of lesser amounts of Colombia marihuana entering the U.S.

According to preliminary figures, combined DEA and South Florida Task Force (SFTF) arrests for illicit drug violations in Florida between March and August 1982 were 30% greater than the arrests made by DEA officers only during the same time period in 1981. However, the total of Class I and Class II violators (the most significant traffickers)

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arrested by both DEA and the SFTF in Florida during the 1982 time period was down by over 20%. The reduction in arrests of significant violators is the result of a number of factors. Firstly, there were an unusually high number of important violator arrests in 1981 typified by those in Operation Grouper. Secondly, there have been a number of long-range, high-level investigations this year--such as Operation Swordfish--which demanded considerable commitments of resources and had not progressed to the arrest stage during the comparative time period. Thirdly, the SFTF, which by design is primarily an interdiction effort, caused the diversion of some DEA Special Agents from high-level, conspiratorial investigations.

For the first time since 1977, there has been a reduction in the amount of surplus funds in the Miami Federal Reserve Bank. Despite a drop of some 12%, however, the Bank still has more than a five billion dollar surplus. The large surplus of funds in the Miami Federal Reserve Bank has been largely caused by the presence of substantial amounts of narcotics-related monies deposited in banks within the Miami area. The Federal Reserve Bank in Los Angeles with \$140 million has the second largest surplus nationally.

COCAINE

Preliminary Federal seizure data indicates that a little over seven thousand pounds (7,013.5) of cocaine were seized during the first six months of 1982. In 1981, only 4,353 pounds were seized during the entire year. Air smuggling of cocaine by private aircraft has seen some shifting from Florida to alternate arrival points in the Southeastern and Southwestern portions of the U.S. Although the incidence of such flights remained constant, the amounts seized increased modestly.

There has been an upsurge in the amounts of cocaine seized from commercial airline flights during the first eight months of this year. In that time period in 1982, 5,348 pounds were removed from both couriers and air cargo shipments, while only 1,192 pounds were taken from commercial flights during that time frame in 1981. Two smuggling developments have been noted utilizing commercial airline transportation: 1) air cargo seizures in 1982 accounted for a significantly larger amount of cocaine seized than in 1981 and, 2) the extensive use of ingested balloons by couriers as a means of concealment. The latter smuggling technique has been used for many years, but not to the extent encountered since the inception of the Southern Florida Task Force.

Cocaine overdose injuries in the first quarter of 1982 were up 19% nation-wide compared with the quarterly average reported in 1981.

A number of police departments in the U.S. have commented on the increased purity of cocaine within their jurisdictions. This is consistent with DEA Laboratory analyses which reflect that the retail purity of cocaine samples examined in 1982 is 14.8% compared with 11.6% in 1981. The average purity of all cocaine seized by federal authorities in 1982 is 89%, five percentage points higher than in 1981. These seizures are the result of investigations at the importer/wholesaler level, and are much higher in purity than those at the street level.

MARIHUANA

Approximately 75% of the marihuana in the U.S. originates in Colombia. Marihuana is most frequently moved in bulk to the U.S. from Colombia by sea. Maritime marihuana seizures increased approximately 9% in the first eight months of 1982 compared to the same period last year, although the amount of marihuana seized has decreased somewhat. There was a noticeable shift in 1982 from the traditional use of the Yucatan Channel trafficking route to greater use of passageways in the eastern Caribbean.

Bulk marihuana seizures increased in Colombia during the first six months of this year, as 4,021,190 pounds were removed compared with 2,407,425 pounds recorded in the same time period in 1981. Additionally, 892,182 marihuana plants were destroyed in the first half of 1982. These were the result of stepped-up law enforcement efforts ordered by the Government of Colombia this year.

Commercial air seizures of marihuana within the U.S. were down significantly in the first eight months of 1982 when 7,427 pounds were seized. This compares with 18,451 pounds removed during a similar period in 1981. However, those amounts represent only a small part of the total amount of marihuana seized in the U.S.

Flights to, from or transiting Jamaica--also a principal marihuana source country--have continued at a high level, also suggesting a shift away from the former direct Colombia-Florida route. Smuggling flights from Belize appear to have increased.

In sum, it appears that marihuana imports into the U.S. during the first eight months of 1982 were somewhat below the level recorded for a like period of 1981. This reduction apparently was the result of lesser amounts of Colombia marihuana entering the U.S. because of U.S. Government interdiction efforts and increased law enforcement actions initiated by Colombian authorities.

The continued prevalence of marihuana throughout the U.S., in the face of reduced imports, can almost certainly be attributed to a significant increase in the production of domestic marihuana. DEA seizure statistics, for example, record the removal of 1,587,025 pounds of domestically produced marihuana during all of 1981. In the first six months of 1982, 1,024,973 pounds had already been seized.

While cultivation of marihuana occurs in almost every state of the union, the six largest producers, in order, are California, Hawaii, Kentucky, West Virginia, Oklahoma and Mississippi. Marihuana production in the U.S. has been accelerated by the development of the sinsemilla cultivation technique which produces a higher THC content--the main psychotropic element in cannabis--than does Colombian or non-sinsemilla types of marihuana grown in the U.S.

Sinsemilla marihuana is a profitable commodity, selling for about \$600-\$900 per pound at the production site, and upwards of \$2,500 on the retail market. This profit margin exceeds that of Colombian marihuana.

While foreign-sourced marihuana will continue to dominate the U.S. market in the near term, domestic sinsemilla type--or exotic varieties of marihuana such as Hawaiian--will almost certainly continue to command a growing share of that market. For example, the Atlanta Division reports that the volume of domestic marihuana seized so far in the 1982 in Georgia, Tennessee and North Carolina has reached unprecedented levels compared to previous years. Moreover, the St. Louis Division reported sharply increased amounts of domestic marihuana seized within its area, while the Seattle Division notes a marked increase in domestic cultivation of marihuana throughout the Pacific Northwest.

SPOT REPORTS

The following are selected excerpts from September 1982 DEA reporting and local law enforcement information:

- The Washington, D.C., Police Department reports it is now seizing kilogram quantities of cocaine whereas previously only smaller portions were

available. The purity of cocaine throughout the Washington Division has increased.

- The Philadelphia Division states cocaine is more readily available within its area of jurisdiction.
- The Atlanta Division reports that cocaine seizures have escalated dramatically in 1982, and that multi-hundred kilogram amounts of cocaine are now being smuggled into Southeastern U.S. states other than Florida.
- The New Orleans Division states that the quality of cocaine on the street is up, while prices are down. This may represent attempt by local cocaine distributors to pre-empt the "T's and blues" market by offering a better quality product at lower prices.
- The Chicago Division related that the general consensus in its office, supported by comments from state and local agencies, is that cocaine and marihuana availability has never been higher.
- The Houston Division reports that intelligence provided by the local law enforcement community indicates an increasing abundance of cocaine and marihuana in the Houston-area.
- The El Paso District Office states that the quality of cocaine locally has increased during the first half of 1982. One year ago cocaine was approximately 12-18% pure, while it is now 35-50% pure.
- The Seattle Division reports that the quality of cocaine remains high with gram and ounce quantities ranging in purity from about 20 to 70%.
- The Las Vegas Resident Office states that both cocaine and marihuana are readily available at prices which have remained stable.
- The San Diego Division reports that there has been no appreciable change in the high purity of cocaine there. Seizures were up significantly in the first six months of 1982.

- The Bogota DC reports that cocaine seizures during the first six months of 1982 rose by approximately 28% over last year's totals. Cocaine paste and base seizures were lower in 1982, possibly because of the destruction of over 6.6 million coca plants by the Government of Colombia, and by the concurrent seizure of a large number of coca processing labs. Current wholesale prices of cocaine are depressed in Colombia because of a glut on the local market. In some places, prices for cocaine have dropped from about \$22,000 in the first six months of 1981 to \$11,000-\$12,000 by August of this year. Some smuggling organizations with pipelines solely to Florida have experienced difficulties in transporting their product. Groups with customers in the New England and West Coast areas, however, have not been noticeably hampered. The latter organizations are receiving between \$16,000 and \$18,000 per kilogram.

Highlights of indicators used for comparison purposes is attached.

COCAINE SEIZURES

	<u>Jan-Jun 1981</u>	<u>Jan-Jun 1982</u>
Total U.S.	- 4,353 lbs.	7,013 lbs.
Florida	- 1,870 lbs.	4,736 lbs.

COCAINE REMOVALS - COLOMBIA

	<u>Jan-Jun 1981</u>	<u>Jan-Jun 1982</u>
	721 lbs.	926 lbs.

COCAINE OVERDOSE INJURIES

<u>1981 Qtrly Avq.</u>	<u>1st Qtr. 1982</u>
1,126	1,337

MARITIME-MARIHUANA SEIZURES

	<u>Jan-Aug 1981 Seizures</u>	<u>Jan-Aug 1982 Seizures</u>
East Coast	- 29.....228,500 lbs.	25.....438,000 lbs.
Gulf Coast (Ex. Florida)	- 26.....417,500 lbs.	8.....155,000 lbs.
West Coast	- 15.....128,000 lbs.	6.....14,000 lbs.
Florida	- 136.....890,000 lbs.	157.....574,000 lbs.
Caribbean	- 60...1,200,000 lbs.	93...1,304,000 lbs.
<u>TOTAL</u>	<u>266...2,864,000 lbs.</u>	<u>289...2,485,000 lbs.</u>

NARCOTICS RELATED ARRESTS/FLORIDA

<u>Mar-Aug 1981</u>	<u>Mar-Aug 1982*</u>
DEA - 786	DEA - 598
	SFTF - 568
	<u>TOTAL 1166</u>

CLASS I AND II VIOLATORS/FLORIDA

<u>Mar-Aug 1981</u>	<u>Mar-Aug 1982</u>
DEA - 202	DEA/SFTF - 158

*Preliminary

END