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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Stronger Crackdown Needed On Clandestine Laboratories Manufacturing Dangerous Drugs

The Drug Enforcement Administration needs to step up its efforts against clandestine laboratories which manufacture nonnarcotic dangerous drugs. Although DEA has designated trafficking in dangerous drugs its second highest priority, it devotes more resources to investigating lower priority problems and is not making the best use of its precursor liaison program -- an effective investigatory program which uses contacts with the legitimate chemical industry as a source of investigatory leads.

Longer jail sentences for convicted manufacturers and distributors of dangerous drugs made in clandestine laboratories could be an effective deterrent. GAO recommends that the Congress amend the Controlled Substances Act to increase the maximum penalties for trafficking in nonnarcotic dangerous drugs to the level now provided for trafficking in heroin and other equally dangerous drugs.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This report assesses whether the Federal Government is mounting an effective attack on illicitly manufactured dangerous drugs and whether current legal sanctions pose a reasonable degree of risk to dangerous drugs traffickers. Our review was made because of the widespread use of dangerous drugs and the hazards they present when abused.

Copies of this report are being sent to the Director, Office of Management and Budget; the Attorney General; the Acting Administrator, Drug Enforcement Administration; and other interested parties.

A handwritten signature in cursive script that reads "Charles A. Bowsher".

Comptroller General
of the United States



D I G E S T

Synthetic, nonnarcotic dangerous drugs--stimulants, depressants, and hallucinogens--killed over 3,200 people in 1979, more than five times the number of people killed by heroin in that year. Most of these "dangerous drugs" are produced in clandestine laboratories or diverted from the legitimate drug distribution system. The purpose of this report is to assess, and recommend improvements in, the Government's attack on clandestine laboratory operations.

In spite of concerted efforts by a few Drug Enforcement Administration field offices which have produced an impressive increase in the number of clandestine laboratory seizures--234 in 1980 compared to 33 in 1975--clandestine laboratories continue to flourish.

The battle against illegal laboratory operations is falling behind because:

- The Federal strategy of achieving the highest possible level of risk for drug trafficking through appropriate sentencing has not been achieved. (See pp. 11 to 14.)
- The Drug Enforcement Administration devotes more resources to investigating traffickers in cocaine and, in some cases, cannabis--both lower priority drugs--than to investigating traffickers in dangerous drugs, even though dangerous drugs have the second highest enforcement priority--surpassed only by heroin. (See pp. 20 to 24.)
- The Drug Enforcement Administration is not fully using and developing the precursor liaison program--the most important tool available for detecting and suppressing clandestine laboratories. (See pp. 24 to 28.)

Additional resources would help the Drug Enforcement Administration deal with the dangerous drugs problem. But, given economic conditions, a significant increase in resources

is unlikely. Nevertheless, it is important that a more effective attack be mounted against clandestine laboratories. First, their product is deadly. Second, the laboratory drugs, unlike heroin, which is imported, have a domestic source. A strong domestic drug law enforcement program is essential for the United States to convince other nations of its commitment to control drug abuse, add to its credibility in international negotiations, and encourage other nations to cooperate in achieving its international goals.

THE LEVEL OF RISK
IS NOT HIGH

The 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention stresses the need to achieve the highest possible level of risk for drug trafficking through appropriate sentencing. The level of risk for dangerous drugs trafficking, however, is not high. Of the 353 convicted manufacturers and distributors of dangerous drugs arrested in connection with seized clandestine laboratories and prosecuted in Federal courts during fiscal years 1978 to 1980, 227, or 64 percent, received probation or prison sentences of 3 years or less.

The level of risk could be increased by amending the basic U.S. drug control law, the Controlled Substances Act, to increase the maximum penalty provided for trafficking in Schedules I and II dangerous drugs from 5 years to 15 years. The law currently provides a maximum sentence of 15 years for trafficking in Schedules I and II ^{1/} narcotic drugs such as heroin, and prison sentences for convicted heroin traffickers average about 10 years for high-level traffickers. Yet, many dangerous drugs are at least as harmful and as abused as narcotic drugs. (See pp. 2 and 3.)

In 1978, the Congress recognized the need to increase the maximum penalty for trafficking

^{1/}The Controlled Substances Act establishes criteria for placing a substance in one of five schedules. Drugs which are most harmful and subject to abuse are placed in Schedules I and II.

in certain dangerous drugs and increased the maximum penalty for first offense trafficking in phencyclidine (PCP), a highly dangerous and highly abused hallucinogen, from 5 years to 10 years. According to the Drug Enforcement Administration, PCP abuse and trafficking subsequently decreased. (See pp. 15 and 16.)

The extent to which increasing the maximum penalty for trafficking in certain dangerous drugs will reduce the traffic is uncertain; however, increasing the maximum penalty would emphasize the seriousness of these drugs and the Government's commitment to combatting this increasing drug problem. Also, the longer prison sentences that may result would help implement the Federal strategy of making dangerous drugs trafficking a high-risk operation.

THE DRUG ENFORCEMENT ADMINISTRATION
COULD BE MORE EFFECTIVE SUPPRESSING
ILLICIT LABORATORIES

The Drug Enforcement Administration has designated dangerous drugs its second highest enforcement priority; heroin is first. Nationally, however, the Drug Enforcement Administration committed about 20 percent of its enforcement resources to investigating traffickers in dangerous drugs during fiscal years 1978-80 compared to over 30 percent to traffickers in cocaine, a lower priority drug. Further, 20 of the 29 Drug Enforcement Administration district offices devoted more resources to cocaine investigations than to dangerous drugs investigations in fiscal year 1980. (See pp. 21 to 24.)

The Drug Enforcement Administration's policy on drug priorities is flexible to allow field offices to deal with local problems that might not conform to the national priorities. However, GAO believes that if the drug priority system has merit, the resources used nationally should be consistent with the priority system.

Also, the agency needs to increase its effort to establish liaison with chemical supply companies. Clandestine laboratories manufacture drugs from precursor chemicals which are usually

purchased from chemical firms. If a clandestine laboratory investigation program is to be effective, it needs to rely on the legitimate chemical industry as a source of investigatory leads. To do that, the Drug Enforcement Administration has a precursor liaison program. (See pp. 24 to 28.)

However, agency field offices' use of and commitment to the precursor liaison program in terms of contacts with chemical supply houses varied from virtually nonexistent to informal, part-time efforts to well-planned and executed programs. Also, a central system to collect and disseminate information obtained from chemical supply companies on the sellers, buyers, and delivery points of precursor chemicals was not available. (See pp. 28 to 30.)

RECOMMENDATION TO THE CONGRESS

Congress should amend the Controlled Substances Act to increase the maximum penalties for trafficking in all Schedules I and II nonnarcotic dangerous drugs, including phencyclidine, to the level now provided for trafficking in Schedules I and II narcotic drugs. (See p. 16.)

RECOMMENDATIONS TO THE ATTORNEY GENERAL

The Attorney General should direct the Administrator, Drug Enforcement Administration, to have field offices use resources on investigations of dangerous drugs at a level consistent with the drug enforcement priority policy and to improve the precursor liaison program. (See p. 31.)

AGENCY COMMENTS

The Department of Justice was provided a draft of this report on August 14, 1981, for its comments. The Department's comments were received on October 1, 1981. (See app. III.) Because the Department did not respond within the required 30 days as is stipulated in Public Law 96-226, GAO did not evaluate its comments.

A brief summary of the Department's position on the four major issues covered in this report is included as chapter 4. (See p. 32.)

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ABBREVIATIONS

DAWN	Drug Abuse Warning Network
DEA	Drug Enforcement Administration
GAO	General Accounting Office
LSD	Lysergic Acid Diethylamide
NNICC	National Narcotics Intelligence Consumers Committee
PCP	Phencyclidine

CHAPTER 1

THE GROWING PROBLEM OF ILLICITLY

MANUFACTURED DANGEROUS DRUGS

The spread of drug abuse and drug trafficking across America threatens our society as it destroys lives, divides families, and disrupts the social structure of our communities. Federal Government estimates of the economic cost of lost productivity, drug-related crime, and drug abuse prevention and treatment programs range from \$10 billion to \$14 billion annually. Even more important is the human cost in terms of drug related deaths or injuries, broken homes, and ruined lives.

According to the National Narcotics Intelligence Consumers Committee (NNICC), ^{1/} the most notable development in this country's illicit drug trade in recent years is the proliferation of trafficking in synthetic nonnarcotic dangerous drugs--stimulants, depressants, and hallucinogens. The predominant sources of these "dangerous drugs" are domestic production in clandestine laboratories and diversion from the legitimate drug distribution system. However, NNICC does not provide any statistical breakdown of the amount of drugs available through the two sources. In its 1979 Narcotics Intelligence Estimate, NNICC stated that the decreasing availability of heroin in the country's drug market during 1975-78 undoubtedly contributed to the upsurge in abuse of dangerous drugs, although a cause-and-effect relationship cannot be established.

The Drug Enforcement Administration (DEA), in the Department of Justice, is the lead agency for the suppression of narcotics and dangerous drugs and for enforcement of Federal drug laws. The agency has a staff of 2,000 investigators; five domestic regional offices with suboffices in all 50 States; and a \$216 million annual budget. Cooperation and coordination with other countries and Federal, State, and local law enforcement agencies are necessary for DEA to cope with an illicit drug trade estimated by NNICC for 1979, at \$64 billion.

^{1/} NNICC is composed of Federal agencies with drug enforcement, policy, treatment and research, and intelligence responsibilities. The annual Narcotics Intelligence Estimate produced by NNICC is the most comprehensive and authoritative estimate available to the Federal Government on the supply of drugs entering the Nation's illicit market and on the money flows associated with this traffic.

DANGEROUS DRUGS ARE DEADLY
AND WIDELY ABUSED

In 1974 we reported that dangerous drugs were a menace equivalent to heroin. 1/ This conclusion was based on:

- The extent of physical harm that can result from using dangerous drugs. Many dangerous drugs are extremely addictive and cause more deaths than heroin.
- The physiological and psychological dependence that can develop from using dangerous drugs. Dependence on dangerous drugs is similar to dependence on heroin. Many heroin addicts turn to dangerous drugs when heroin supplies are cut off.
- The association between dangerous drugs and crime. Dangerous drugs are associated with aggravated assaults more often than heroin, and in some cities they are the drugs most used by criminals.

Our report stated that dangerous drugs seem to affect a broader spectrum of society than heroin. Children, for instance, if they are vulnerable to drug abuse of any sort, usually begin with the so-called soft drugs--amphetamines or barbiturates--before using heroin.

In 1979, Drug Abuse Warning Network (DAWN) reports showed the number of deaths 2/ induced by or related to dangerous drugs were five times higher than the number involving heroin. The number of injuries related to dangerous drugs were over 12 times the number related to heroin. The table on the following page compares DAWN data on dangerous drugs to data on heroin for the period 1976-79.

1/"Identifying and Eliminating Sources of Dangerous Drugs: Efforts Being Made, But Not Enough", (B-175425, June 7, 1974).

2/DAWN is a drug abuse data collection system developed by DEA and the National Institute on Drug Abuse which collects data from 600 hospital emergency rooms and 70 medical examiners and coroners in 24 standard metropolitan statistical areas. For DAWN reporting purposes, a drug-induced death is caused by an overdose--a toxic level is found or suspected, or death is caused by a drug reaction. A drug-related death is one in which a drug is a contributing factor, but not the sole cause of death. More than one type of drug can be involved in a drug-induced or drug-related death.

COMPARISON OF DAWN DATA ON DANGEROUS
DRUGS AND HEROIN DEATHS AND INJURIES

<u>Deaths</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>Percent increase (decrease) 1976-1979</u>
Heroin	1,705	718	612	619	(64)
Dangerous drugs	1,982	2,117	1,994	3,268	65
<u>Injuries</u>					
Heroin	19,118	12,301	9,494	6,822	(64)
Dangerous drugs	76,626	81,324	83,163	82,382	8

Because abuse of illicit and licit dangerous drugs cannot always be differentiated for reporting purposes, the category of "dangerous drugs" represents both illicitly manufactured and legal dangerous drugs, such as tranquilizers, barbiturates, and amphetamines, that are used for nonmedical purposes. This report deals with the manufacturing of illicit dangerous drugs in clandestine laboratories. We plan to issue another report soon on the problem of diversion of legal drugs.

According to NNICC, domestic clandestine laboratories produced virtually all of the stimulant methamphetamine (Speed) and the hallucinogens, such as phencyclidine (PCP) and lysergic acid diethylamide (LSD), available in the country's illicit market in 1979. In addition, illicit laboratories produced substantial quantities of amphetamine and methaqualone. From 1975 to 1978, clandestine laboratories producing PCP were the most predominant, but in 1979 and 1980 methamphetamine laboratories were predominant, with PCP laboratories in second place.

Methamphetamine

Methamphetamine is the most potent and dangerous of all the amphetamines. It can lead to psychological dependence, violent behavior, and physical tolerance (i.e., power to endure or resist the action of a drug). The methamphetamine user might direct violence at himself or inflict violence on others. So strong is the psychological dependence produced by sustained use that withdrawal produces anxiety, incapacitating tenseness, and suicidal tendencies which might persist for weeks.

Over the last few years abuse of stimulants (primarily amphetamine and/or methamphetamine) has increased significantly.

Between 1976 and 1979, amphetamine/methamphetamine deaths rose 54 percent, and injuries rose 38 percent. Further, DEA reports that stimulants have become increasingly available in most geographic areas of the country because of an upsurge in illicit manufacturing, primarily of methamphetamines.

PCP and LSD

According to a 1978 report of the Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, PCP is the most life and health threatening drug to hit the streets in modern times, far worse than Speed, and more dangerous than LSD. PCP, also known as Angel Dust, Crystal, and Rocket Fuel, produces auditory hallucinations; image distortion; severe mood disorders, including acute anxiety and a feeling of impending doom; paranoia and even violent hostility. PCP became commercially available for use in veterinary medicine in the 1960s, but today PCP is only made in clandestine laboratories.

LSD is a hallucinogen not approved for general medical use, and it poses serious and long-lasting health hazards similar to those of PCP. LSD impairs time and distance perception and causes hallucinations. Overdoses of the drug can result in psychosis and death. The effects of LSD can recur long after the last ingestion of the drug.

Reports of hallucinogen-related deaths and injuries steadily increased between 1976 and 1979; deaths increased over 400 percent and injuries increased over 200 percent. In the western part of the country hallucinogen abuse accounts for more injuries than abuse of any other drug category except nonbarbiturate depressants.

DEA reports that hallucinogens such as PCP and LSD are available on the streets of most U.S. cities. Illicit manufacturing of PCP is widespread in the United States and is especially prevalent in the Los Angeles, California, area. According to DEA, an upward trend in availability of LSD first became evident in the spring of 1978, and availability has gradually increased. Major increases in LSD availability have been reported in New York and Chicago. Recent LSD abuse does not yet compare to that of PCP or Speed, nor to the popularity LSD attained during the 1960s. Today's average dosage unit contains lower potencies and causes fewer "bad trips," which may account for the growing acceptance of LSD today. Recent DEA intelligence suggests that northern California is the focal point for illicit LSD production and distribution in this country.

Methaqualone

Methaqualone is a nonbarbiturate depressant used medically for sedation and to induce sleep. A user develops tolerance and physical and psychological dependence. Withdrawal is particularly severe and can result in death. The potential for misuse and abuse of methaqualone is high, and overdoses result in coma and death. Reported deaths in the United States related to methaqualone increased by 28 percent from 1978 to 1979, while methaqualone-related injuries rose by 42 percent during this period. Although most illicit methaqualone used in this country is smuggled from Colombia, DEA has noted that an increasing number of clandestine laboratories are manufacturing methaqualone to supply the expanding market for this drug.

DANGEROUS DRUGS ARE EASILY MANUFACTURED AT LITTLE COST AND SOLD FOR ENORMOUS PROFITS

DEA attributes the rapid growth in illicit laboratories manufacturing dangerous drugs to

- the ease in which most chemicals, laboratory equipment, and other supplies are obtained,;
- the relatively low cost of most chemicals and laboratory equipment;
- the manufacturing process, which generally requires no special skills; and
- the enormous profits from these laboratory operations.

An individual with no formal chemistry background or training can invest a few hundred dollars and realize a return of tens of thousands of dollars.

Illegal laboratories manufacture dangerous drugs from their component, or precursor, chemicals. Most precursor chemicals used to manufacture dangerous drugs are inexpensive and are available without restriction to the general public from chemical supply firms across the country. These chemicals are unrestricted because they are widely used in industrial and chemical processes. For example, the chemical phenylacetic acid, one of several precursors of Speed, is readily available for about \$15 a pound and is legitimately used as a laboratory reagent by pharmaceutical and chemical manufacturing companies for making items such as medicine, perfume, and flavoring.

The laboratory glassware is also readily available from chemical supply firms. Formulas and "how to do it" information

are readily obtainable from such sources as chemistry journals, libraries, college chemistry departments, and underground publications such as Anarchist Cookbook.

The immense profits available for a small investment of time and money are best exemplified in the manufacture of Speed, a fairly uncomplicated process. Requirements are running water, electricity, glassware, several hundred dollars worth of precursor chemicals, and the ability to follow a recipe. In 4 hours an investment of \$500 can produce a pound of Speed worth up to \$35,000 in the marketplace.

In testimony before the Select Committee on Crime, U.S. House of Representatives, a former clandestine laboratory operator boasted that with an initial investment of only \$200 and overhead of just \$1,800 a month, he realized a profit of \$360,000 a year. This operator said he had never taken a chemistry course; instead, he had learned how to manufacture Speed while serving a jail sentence.

PCP is also relatively easy to manufacture and provides considerable profit. In 1978 hearings before the Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, the DEA Administrator stated that 1 kilogram of PCP could be manufactured with an investment of \$500 to \$1,500 for chemicals and equipment. At a wholesale price of \$700 per ounce, the manufacturer could realize a profit of \$24,000.

OBJECTIVES, SCOPE, AND METHODOLOGY

This report discusses the growing problem of illicitly manufactured dangerous drugs; DEA's resources committed to and procedures used to deal with the problem; Federal legislation applicable to the manufacture and sale of illicit dangerous drugs; and the Federal courts' disposition of convicted dangerous drugs violators. Our objective was to answer the questions, "Do legal sanctions provide a reasonable degree of risk for dangerous drugs traffickers?" and "Is DEA conducting its dangerous drugs program in accordance with the high enforcement priority given that category of drugs?"

We conducted our review during the period March 1980 through March 1981 at DEA headquarters in Washington, D.C.; all five DEA regional offices in Chicago, Dallas, Los Angeles, Miami, and New York; district offices in those cities plus those in El Paso, Houston, Newark, Philadelphia, San Antonio, and San Francisco; DEA resident offices in Austin, Texas, and San Jose, California; and State and local law enforcement agencies in California, Florida, Illinois, New Jersey, New York, Pennsylvania, and Texas. We went to at least one major district office in all five DEA domestic regions and selected

other offices for review because of peculiar drug abuse situations in their area of jurisdiction and/or special DEA enforcement efforts at those locations. Our work included:

- Analyzing DAWN reports of drug abuse data from 1976 to 1979 to show trends in the number of (1) deaths induced by or related to dangerous drugs and (2) injuries related to dangerous drugs and to compare these trends with those for heroin.
- Analyzing in detail all closed clandestine laboratory cases (68) prosecuted in Federal courts from October 1977 through September 1980 at the 13 DEA field offices we visited to gather data on the court's disposition of convicted dangerous drugs violators; analyzing the DEA supplied data on the court's disposition of all 353 dangerous drugs and 3,314 heroin traffickers convicted in Federal courts during the same period; and comparing sentences given heroin traffickers with those given dangerous drugs traffickers.
- Reviewing the drug trafficking penalties provisions of the Comprehensive Drug Abuse Prevention and Control Act, commonly known as the Controlled Substances Act, and the criteria established in the act for scheduling drugs according to their potential for harm and abuse.
- Analyzing DEA's clandestine laboratory seizure reports from 1975 through 1980 to determine the number, type, and location of laboratories seized by DEA.
- Analyzing DEA's staff allocation reports from fiscal years 1978 to 1980 to compare investigative resources spent by major drug category: heroin, dangerous drugs, cocaine, cannabis, and others.
- Reviewing NNICC reports to gather data on the extent and source of trafficking in synthetic nonnarcotic dangerous drugs.
- Discussing with DEA special agents; group supervisors; district, regional, and headquarters officials; and State and local law enforcement officials prescribed procedures for laboratory investigations and cooperation between DEA and State/local personnel in laboratory investigations and procedures actually followed.

We also used information and drew from experience obtained in other GAO efforts which resulted in the following reports:

- "The Drug Enforcement Administration's CENTAC Program--
An Effective Approach to Investigating Major Traffickers
That Needs To Be Expanded" (GGD-80-52, Mar. 27, 1980);
- "Gains Made In Controlling Illegal Drugs, Yet The Drug
Trade Flourishes" (GGD-80-4, Oct. 25, 1979);
- "Identifying and Eliminating Sources of Dangerous
Drugs: Efforts Being Made, But Not Enough" (B-175425,
June 7, 1974).

CHAPTER 2

HIGH LEVEL OF RISK FOR DANGEROUS

DRUGS TRAFFICKERS NOT ACHIEVED

The Federal Strategy for Drug Abuse and Drug Traffic Prevention, formulated in 1979 by a strategy council composed of seven cabinet officers and six public members, states that one of the major objectives of drug law enforcement is:

"* * *to achieve the highest possible level of risk for drug trafficking by investigating major drug trafficking organizations and securing sufficient evidence so that successful prosecutions can be brought which will lead to prison terms for the violators and forfeiture of their assets."

However, the actual level of risk for dangerous drugs traffickers is not high. Manufacturers and distributors of illicit dangerous drugs who have been convicted usually serve little or no time in prison.

The Federal strategy could be better achieved if the basic drug control law--the Controlled Substances Act--is changed to increase the maximum penalty for trafficking in all Schedules I and II drugs from 5 years to 15 years. The law currently provides a maximum sentence of 15 years for trafficking in Schedules I and II narcotic drugs, such as heroin, and prison sentences for convicted heroin traffickers are usually much higher than for convicted dangerous drugs traffickers. Yet, as discussed in chapter 1, many dangerous drugs are at least as harmful and as much abused as heroin.

Whether increasing the maximum penalty for dangerous drugs trafficking would reduce the traffic is uncertain. Nevertheless, an increase in the maximum penalty would emphasize the seriousness of dangerous drugs and the Federal Government's commitment to combatting this growing problem. If the Federal strategy of making dangerous drugs trafficking a high-risk operation is to be carried out, periods of incarceration must be longer.

THE CONTROLLED SUBSTANCES ACT PROVIDES FOR DISPARATE PENALTIES FOR COMPARABLE OFFENSES

The penalty provisions of the Controlled Substances Act--the legal foundation for the Federal Strategy to prevent illicit drug trafficking in the United States--provide for widely disparate prison sentences for comparable offenses. The maximum sentences for trafficking in Schedules I and II narcotic drugs

(15 years for first offenders and 30 years for second offenders) are three times as severe as the maximum sentences for trafficking in Schedules I and II nonnarcotic drugs (5 years for first offenders and 10 years for second offenders). 1/ However, certain nonnarcotic drugs are as harmful and as abused as the narcotic drugs.

The act allows DEA, in conjunction with the Department of Health and Human Services, to bring drugs, and in certain cases their precursor chemicals, under various degrees of control. The degree of control is determined by the schedule in which a substance is placed. The act establishes criteria for placing a substance in one of five schedules. Drugs which are most harmful and subject to abuse are placed in Schedules I and II. The criteria for scheduling drugs and the drugs currently under control, along with their uses and effects, are included in appendix I.

The Controlled Substances Act also provides criminal sanctions for drug trafficking. The term "trafficking" refers to the prohibited acts described in 21 U.S.C. 841, which include the unauthorized manufacture, distribution, or possession with intent to distribute any controlled substance. The term "minimum parole" refers to a special parole term statutorily required by 21 U.S.C. 841 to be imposed in addition to any sentence of imprisonment. The act's criminal sanctions are shown in the table on the following page.

1/Phencyclidine, commonly known as PCP, was classified as a Schedule III substance in the Controlled Substances Act, 31 U.S.C. 812, when enacted in 1970. It was reclassified as a Schedule II substance by regulation, 43 F.R. 3359, January 25, 1978, 21 C.F.R. 1308.12(e), under the authority granted to the Attorney General to transfer substances between schedules, 21 U.S.C. 881(a)(1). The penalty for trafficking in phencyclidine was increased from 5 years to 10 years for first offenders and from 10 years to 20 years for second offenders by section 201 of the Psychotropic Substances Act (Public Law 95-633, November 10, 1978), 21 U.S.C. 841(b)(5).

Schedule	Type of Drug	First Offense			Second Offense		
		Max. Imprison.	Max. Fine (000)	Min. Parole	Max. Imprison.	Max. Fine (000)	Min. Parole
I	Narcotic	15 yrs.	25	3 yrs.	30 yrs.	50	6 yrs.
	Non Narcotic	5 yrs.	15	2 yrs.	10 yrs.	30	4 yrs.
II	Narcotic	15 yrs.	25	3 yrs.	30 yrs.	50	6 yrs.
	Non-Narcotic	5 yrs.	15	2 yrs.	10 yrs.	30	4 yrs.
III	Narcotic	5 yrs.	15	2 yrs.	10 yrs.	30	4 yrs.
	Non-Narcotic	5 yrs.	15	2 yrs.	10 yrs.	30	4 yrs.
IV	Narcotic	3 yrs.	10	1 yr.	6 yrs.	20	2 yrs.
	Non-Narcotic	3 yrs.	10	1 yr.	6 yrs.	20	2 yrs.
V	Narcotic	1 yr.	5	0	2 yrs.	10	0
	Non-Narcotic	1 yr.	5	0	2 yrs.	10	0

The dangerous drugs commonly manufactured in clandestine laboratories--the amphetamines, the hallucinogens, and methaqualone--are nonnarcotic drugs and are in either Schedules I or II. Heroin, on the other hand, is a Schedule I narcotic drug. Amending the act to make all Schedules I and II drug trafficking penalties comparable would emphasize the seriousness of the problems resulting from dangerous drugs and would signal traffickers that the Government is committed to implementing its strategy of making dangerous drugs trafficking a high-risk operation.

DANGEROUS DRUGS TRAFFICKERS
SPEND LITTLE TIME IN JAIL

The Federal strategy to provide the highest level of risk to drug traffickers is not being achieved because manufacturers and distributors convicted of trafficking illicit dangerous drugs often serve little or no time in prison. We reviewed all (68) closed clandestine laboratory cases at 13 DEA field offices. These cases involved 153 violators convicted in Federal court for trafficking dangerous drugs in violation of the Controlled Substances Act during fiscal years 1978-80. Of these 153 offenders, 44, or 29 percent, were not sentenced to prison but were placed on probation, had their sentences suspended, or were fined, and 56, or 37 percent, received prison sentences of 3 years or less. Thus, 100, or 66 percent, of the 153 convicted traffickers received either a nonprison sentence or a prison sentence of 3 years or less.

The sentences given all 153 offenders are shown in the table below.

<u>Sentence (months)</u>	<u>Number</u>	<u>Cumulative percentage</u>
nonprison	44	29
1 to 12 months	9	35
13 to 36 months	47	66
37 to 60 months	34	88
more than 60 months (note a)	<u>19</u>	100
	<u>153</u>	

a/Includes second offenders, offenders convicted on more than one count, and offenders convicted of trafficking in PCP, which carries a maximum penalty of 10 years.

Furthermore, according to Bureau of Prison statistics for calendar year 1980, violators of drug laws served, on the average, only 44 percent of their sentences prior to parole. This further diminishes the traffickers' risk.

Another concern is the problem of recidivism among clandestine laboratory operators. DEA officials told us that previously convicted laboratory operators often return to business after release from prison. Of the 153 convicted drug traffickers in the cases we reviewed, 45 were second offenders. Although second offenders can receive prison terms of up to 10 years under the Controlled Substances Act, few did. Eight of the 45 received probated (nonprison) sentences. Of the 37 who received prison sentences, 13 received sentences of 3 years or less, and 14 received sentences ranging from 37 months to 5 years. The remaining 10 received sentences of over 5 years. Sentences for the 45 second offenders are shown below.

<u>Sentence (months)</u>	<u>Number</u>	<u>Cumulative percentage</u>
nonprison	8	18
1 to 36 months	13	47
37 to 60 months	14	78
61 to 120 months	6	91
more than 120 months (note a)	<u>4</u>	100
	<u>45</u>	

a/Includes offenders convicted on more than one count.

This data shows that 21, or 47 percent, of the second offenders were placed on probation or sentenced to 3 years or less in prison.

Also, DEA provided data on all defendants (353 including the ones we reviewed) arrested in connection with laboratory seizures during fiscal years 1978 through 1980 and convicted in Federal court of trafficking in dangerous drugs. Our analysis of sentences given to the 353 convicted traffickers is shown in the table below.

<u>Sentence (months)</u>	<u>Number</u>	<u>Cumulative percentage</u>
non prison	94	27
1 to 12 months	40	38
13 to 36 months	93	64
37 to 60 months	83	88
more than 60 months	43	100
	<u>353</u>	

Of the 353 convicted dangerous drugs traffickers, 227, or 64 percent, were placed on probation or sentenced to 3 years or less in prison.

This data closely parallels the sentencing data from our sample, although the DEA data did not identify second offenders. The similarities in the data are shown below.

<u>Sentence (months)</u>	<u>Cumulative percentage of traffickers</u>	
	<u>GAO sample</u>	<u>DEA data</u>
non-prison	29	27
1-12 months	35	38
13-36 months	66	64
37-60 months	88	88
more than 60 months	100	100

An example of the low risk of trafficking in dangerous drugs is discussed below.

In 1979 DEA arrested four members of a motorcycle gang in Austin, Texas, and seized a clandestine laboratory with 3 pounds of methamphetamine and enough precursor chemicals to produce another 5 pounds (in all, over 360,000 potential dosage units with a street value of about \$1 million). Three of the four defendants were convicted in Federal court for conspiracy

to manufacture methamphetamine. Two of the violators had prior drug convictions: one received a prison sentence of 3 years and the other received a sentence of 18 months. The third defendant also received an 18-month sentence.

LEVEL OF RISK FOR HEROIN TRAFFICKERS IS HIGHER

The average prison sentence given to convicted heroin traffickers has been much longer than the average sentence given to dangerous drugs traffickers. We realize that average sentences can be distorted by one or more especially high or especially low sentence(s); however, only data on average sentences for heroin traffickers were available from DEA. The table below compares average sentences given to heroin traffickers with those given to the dangerous drugs traffickers in the clandestine laboratory cases we reviewed. The comparison is made by class of violator. 1/

Number of Traffickers and Average Sentence
Fiscal Years 1978-1980

Violator Class	No.	Heroin	No.	Dangerous Drug
		(DEA data)		(GAO cases)
		Average (months)		Average (months)
I	403	117	79	56
II	408	90	8	52
III	1,927	66	21	31
IV	<u>576</u>	<u>51</u>	<u>1</u>	<u>48</u>
Total	<u>3,314</u>		<u>109</u>	

The wide variances between average prison sentences given to dangerous drugs traffickers and heroin traffickers are consistent with the penalty provisions of the Controlled Substances Act.

1/DEA places violators into one of four classes according to the importance of their trafficking activities. The highest designation is Class I, and includes high-volume traffickers, such as major laboratory operators, financiers, and heads of trafficking organizations.

Amending the act to make the penalties for trafficking in Schedules I and II nonnarcotic drugs comparable to penalties for trafficking in heroin will emphasize the seriousness of dangerous drugs and the Federal Government's commitment to implementing its strategy of making dangerous drugs trafficking a high-risk operation.

INCREASING THE MAXIMUM
PENALTY SHOULD PRODUCE
LONGER SENTENCES

Longer sentences--thus, more risk to traffickers--should result from amending the act to increase the penalty for dangerous drugs trafficking. Responding to the alarming increase in the availability and abuse of PCP, the Congress enacted the Psychotropic Substances Act of 1978 (Public Law 95-633), amending the Controlled Substances Act to increase the maximum penalty for PCP trafficking from 5 years imprisonment and/or a \$15,000 fine to 10 years imprisonment and/or a \$25,000 fine. As a result, the average sentences handed down by the courts for PCP trafficking increased threefold in about 2 years.

In addition, the Psychotropic Substances Act increased the penalty for a convicted PCP trafficker previously convicted of a felony offense under Federal drug laws from a maximum of 10 years imprisonment and/or a \$30,000 fine to a maximum of 20 years imprisonment and/or a \$50,000 fine. The act also established certain restrictions on piperidine, a chemical used in manufacturing PCP.

DEA statistics show that Federal prison sentences given to PCP traffickers increased from an average of about 2 years in 1977 to almost 6 years in 1979, the first year after the act was passed. This trend of longer sentences continued through the first half of 1980 (the latest period for which data was available) with sentences averaging 6 years.

The increase in penalties for PCP trafficking, combined with the restrictions placed on piperidine, appears to have affected the availability of PCP. DAWN reports from hospital emergency rooms showed PCP abuse declined by about 9 percent from 1979 to 1980. Prior to this decline, PCP injuries had been doubling each year from 1976 through 1978 before leveling off in 1979. DEA attributes the decline in PCP abuse to

- 1) restrictions placed on piperidine,
- 2) increased enforcement effectiveness,
- 3) increased awareness of the dangers of PCP use, and
- 4) increased penalties for PCP trafficking.

Although the Psychotropic Substances Act increased only PCP trafficking penalties--from 5 years to 10 years--the Congress recognized the need to increase other penalties under the Controlled Substances Act for most dangerous drugs from 5 years to 15 years. A joint House-Senate explanation regarding the PCP amendment said:

"It is recognized that ultimately the penalties for offenses involving the illicit distribution of all non-narcotic drugs in Schedules I and II of the Controlled Substances Act should be increased to make them comparable to those narcotic drugs in Schedules I and II of the Act. It is well recognized that some psychotropic drugs can be as harmful and as subject to abuse as narcotic drugs."

The explanation went on to note that PCP received special treatment because it was extremely harmful to humans and could be easily manufactured. There was no explanation of why the maximum PCP penalty was increased to only 10 years rather than 15 years.

CONCLUSIONS

Dangerous drugs--stimulants, depressants, and hallucinogens--are as harmful and as abused as heroin. But convicted high-level heroin traffickers received prison sentences averaging almost 10 years, while sentences given to high level dangerous drugs traffickers averaged less than 5 years. The disparity between prison sentences given to dangerous drugs traffickers and heroin traffickers by the Federal courts is congruous with the penalty provisions of the Controlled Substances Act, the basic U.S. drug control law.

However, if the Federal strategy of making dangerous drugs trafficking a high-risk operation is to be carried out, the act's maximum prison sentence of 5 years for first offense trafficking in dangerous drugs should be made comparable to the maximum prison sentence of 15 years for first offense trafficking in narcotic drugs, such as heroin. There is a precedent for increasing the prison sentence for dangerous drugs trafficking. The Psychotropic Substances Act increased the penalty for PCP trafficking. Subsequently, PCP traffickers received longer prison sentences.

RECOMMENDATION TO THE CONGRESS

Congress should amend the Controlled Substances Act to increase the maximum penalties for trafficking in all Schedules I and II nonnarcotic drugs, including phencyclidine, to equal the maximum penalties for trafficking in Schedules I and II narcotic drugs.

PROPOSED STATUTORY AMENDMENT

Based on our recommendation to the Congress, the proposed legislation amending the Controlled Substances Act, Pub. L. No. 91-513, as amended, would read:

"The first sentence of Section 401(b)(1)(A) of the Controlled Substances Act, as amended, (21 U.S.C. §841(b)(1)(A)) is amended to read as follows:

"In the case of all controlled substances in Schedule I or II, such person shall be sentenced to a term of imprisonment of not more than 15 years, a fine of not more than \$25,000, or both."

"The first sentence of Section 401(b)(1)(B) of the Controlled Substances Act, as amended, (21 U.S.C. §841(b)(1)(B)) is amended to read as follows:

"In the case of any controlled substance in Schedule III, such person shall be sentenced to a term of imprisonment of not more than 5 years, a fine not more than \$15,000, or both."

"Section 401(b) of the Controlled Substances Act, as amended, (21 U.S.C. §841(b)) is amended by deleting paragraph (5) and renumbering paragraph (6) as paragraph (5)."

CHAPTER 3

DEA COULD COMBAT CLANDESTINE

LABORATORIES MORE EFFECTIVELY

Through dedicated enforcement efforts by a few DEA field offices, the agency has steadily increased the number of clandestine laboratories seized--from 33 in 1975 to 234 in 1980. However, two problems hinder DEA from being even more effective. First, DEA is not committing investigative resources to combat dangerous drugs commensurate to the severity of the problem as recognized by DEA's enforcement priority ranking. Second, DEA has not fully utilized and developed its precursor liaison program--the most important tool available for detecting and suppressing clandestine laboratory operations.

Clandestine laboratories are a domestic problem. The source of most illicit dangerous drugs is right here in the United States. The Federal Strategy recognizes that a strong domestic drug law enforcement program is essential because it

"* * * convinces other nations of our national commitment to control drug abuse, adds to our credibility in international negotiations, and encourages other nations to cooperate with us in achieving our international goals."

LABORATORY SEIZURES HAVE INCREASED
BUT DRUGS ARE STILL AVAILABLE

DEA's statistics show that the number of clandestine laboratories seized increased from 33 in 1975 to 234 in 1980, an increase of over 600 percent.

<u>Number of Laboratories Seized</u>					
<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
<u>33</u>	<u>98</u>	<u>140</u>	<u>182</u>	<u>237</u>	<u>234</u>

DEA attributes this increase to (1) the rapid growth in the number of illicit laboratories and (2) the increased diligence and proficiency of DEA's enforcement agents in detecting and locating laboratories.

The actual and potential amounts of dangerous drugs kept off the streets because of these seized illicit laboratories are enormous. Examples of the actual and potential production of illicit laboratories seized in recent years as reported by DEA are shown below. A comparison of laboratory seizures by type of drug from 1975 to 1980 is in appendix II.

- In January 1981, DEA seized a laboratory located in a Los Angeles home which contained 4 gallons of liquid amphetamine and enough chemicals to produce another 77 pounds of the drug.
- In November 1980, DEA seized a laboratory and 9 pounds of finished amphetamine, worth about \$300,000 at wholesale prices, and enough chemicals to manufacture another 600 pounds of amphetamine. The laboratory was located on a remote farm in central Texas. The farmhouse and a barn had been converted into laboratories to handle the different production stages.
- In August 1980, a graduate assistant working in the Arizona State University Chemistry Department was apprehended with enough crystalline LSD to produce 20,000 high-purity dosage units.
- In May 1980, DEA seized a clandestine laboratory in which the chemical precursors confiscated would have yielded over 1 ton of methaqualone. The laboratory equipment, located in a residence in Hialeah, Florida, consisted of an ordinary home microwave oven, a washing machine, and a clothes dryer.
- In September 1979, DEA seized 23.5 gallons of PCP which could have been converted into an estimated 1.5 million dosage units. The laboratory was located in Tucson, Arizona.
- In February 1979, DEA seized a northern California laboratory and confiscated 53 pounds of PCP valued at \$6.7 million.
- In a 30-day period during November and December 1978, DEA and State and local authorities seized three laboratories in the Houston and Austin, Texas, areas and confiscated 73 pounds of methamphetamine in various stages of production.

Notwithstanding the number of laboratory seizures and drug removals incidental to the seizures, hundreds of millions of dangerous drugs dosage units still find their way to the streets of U.S. cities each year. For example, although DEA recorded 182 clandestine laboratory seizures in 1978, NNICC estimated that the seizures represented only 20 percent of the over 900 active laboratories.

RESOURCES COMMITTED TO COMBAT
DANGEROUS DRUGS DISPROPORTIONATE
TO ITS HIGH ENFORCEMENT PRIORITY

DEA has designated dangerous drugs its second highest enforcement priority, exceeded only by heroin. Yet, DEA commits fewer enforcement resources to the pursuit of dangerous drugs violators than would be expected given the high enforcement priority. Our analysis of DEA's use of its enforcement resources showed:

- Nationally, DEA used about 20 percent of its enforcement resources pursuing dangerous drugs investigations during fiscal years 1978-80, compared to 34 percent for heroin investigations and 31 percent for cocaine investigations.
- Twenty-one of DEA's 29 district offices devoted more resources to cocaine and/or cannabis investigations, both lower priority drugs, than to dangerous drugs investigations in fiscal year 1980.

DEA's enforcement priorities

As the lead agency responsible for Federal drug law enforcement, DEA has established drug priorities to, in its words, "* * * ensure the proper allocation of investigative resources * * *." These priorities, established in early 1979, are as follows:

1. Heroin
2. Dangerous Drugs
 - PCP
 - Amphetamine, Dextroamphetamine, and Methamphetamine
 - Methaqualone and LSD
3. Cocaine
4. Other Depressants, Stimulants, Hallucinogens, and Scheduled Narcotics
5. Cannabis--Marihuana, Tetrahydrocannabinol, Hashish, and Hashish Oil

In establishing these drug priorities, DEA considered the following factors:

1. The dangers the drug poses to the user in severity of adverse consequences and the likelihood that the user

will become either physically or psychologically dependent.

2. The adverse impact that the abuse of drugs and the trafficking organizations involved in their distribution have on the community as they influence crime and public safety.
3. The corruptive influences exerted by the individuals and organizations involved in drug trafficking through political and economic ties in our communities. Also, the corruptive influences on source and transit countries that can create an affluent drug trafficking elite almost immune from the law.
4. The impact that the drug traffic has on the economy through the loss of tax revenue and the outflow of U.S. capital to foreign countries. Also, the impact of the traffic on other countries and international commerce by undermining legitimate market economies and creating drug-based economies.

DEA's policy provides, however, that these priorities are flexible enough to allow field offices to deal with local drug problems that might not conform to the national priorities. In our opinion, if the drug priority system has merit, the resources used nationally should be consistent with the priority system.

Resource utilization by
drug priority

Overall, the agency is not committing resources to combat dangerous drugs commensurate with its priority ranking. DEA's statistics on the nationwide utilization of enforcement resources for fiscal years 1978-1980 are shown in the following table.

Use of DEA Staff Resources by Drug Priority
(note a)

----- (percent) -----

<u>Fiscal year</u>	<u>Heroin</u>	<u>Dangerous drugs</u>	<u>Cocaine</u>	<u>Cannabis</u>	<u>Others</u>
1978	41.3	17.1	28.2	12.7	0.7
1979	30.0	19.5	32.1	17.7	0.7
1980	<u>30.2</u>	<u>21.7</u>	<u>31.5</u>	<u>15.8</u>	<u>0.8</u>
3-year average	<u>33.5</u>	<u>19.6</u>	<u>30.7</u>	<u>15.4</u>	<u>0.8</u>

a/ Table represents use of resources for all regions. Regional totals include totals for all district and resident offices within the regions.

The table shows that each year the resources expended pursuing cocaine investigations, a lower priority drug, have far exceeded resources used on dangerous drugs investigations. In setting its drug priorities, DEA established that cocaine does not pose as high a degree of danger as heroin and dangerous drugs in terms of adverse consequences: cocaine use produces few overdose deaths or injuries.

The discrepancies between the relative amount of DEA resources allocated to established drug priorities were widespread among DEA's district offices. Twenty of DEA's 29 district offices in the United States and Puerto Rico expended more resources in fiscal year 1980 pursuing investigations on cases involving cocaine traffickers than on investigations involving dangerous drugs traffickers. Seven of these 20 offices -- Boston, Long Island, New Orleans, McAllen, El Paso, San Juan, and Miami -- used more resources on both cocaine investigations and cannabis investigations than on dangerous drugs investigations. Another DEA district office -- Dallas -- spent more resources on cannabis investigations than on either dangerous drugs or cocaine investigations. The percentage of resources expended on criminal investigations by drug type at each of DEA's 29 district offices in fiscal year 1980 is as follows.

DEA District Offices Utilization
of Enforcement Staff Resources
Fiscal Year 1980
 ----(percent)---

Office	Drug category				
	Heroin	Dangerous drugs [*]	Cocaine	Cannabis	Other [*]
Albuquerque	22.6	34.3	28.5	7.4	7.2
Atlanta	11.6	37.0	34.8	16.4	0.2
Baltimore	36.5	22.6	19.4	19.5	2.0
Boston	38.8	15.1	19.8	26.2	0.1
Chicago**	49.4	12.0	29.3	9.2	0.1
Dallas**	23.2	28.7	12.3	32.4	3.4
Denver	5.1	16.6	74.1	4.2	0.0
Detroit	34.2	27.3	34.8	3.7	0.0
El Paso**	40.4	7.0	33.4	18.2	1.0
Houston**	24.1	25.6	31.8	15.0	3.5
Kansas City	5.2	31.0	51.2	12.3	0.3
Long Island	18.4	24.7	26.5	29.9	0.5
Los Angeles**	30.0	13.4	44.4	11.7	0.5
McAllen	33.9	14.4	20.2	31.1	0.4
Miami**	7.0	11.5	50.3	31.2	0.0
Minneapolis	11.9	26.2	56.4	5.3	0.2
Newark**	29.3	18.1	30.8	8.7	13.1
New Orleans	4.2	3.4	31.0	56.2	5.2
New York**	44.2	33.1	18.4	3.9	0.4
Philadelphia**	37.9	47.3	10.8	4.0	0.0
Phoenix	51.3	14.5	30.9	3.3	0.0
Saint Louis	11.0	42.8	17.7	28.2	0.3
San Antonio**	53.3	27.3	13.0	6.3	0.1
San Diego	38.7	19.5	37.8	4.0	0.0
San Francisco**	31.5	38.6	19.5	10.2	0.2
San Juan	11.9	6.6	69.6	11.9	0.0
Seattle	42.6	16.0	26.3	14.9	0.2
Tucson	31.6	18.9	40.9	8.5	0.1
Washington, D.C.	<u>70.3</u>	<u>10.0</u>	<u>10.5</u>	<u>8.8</u>	<u>0.4</u>
Average all DEA District Offices	<u>33.0</u>	<u>21.5</u>	<u>30.5</u>	<u>14.0</u>	<u>1.0</u>

*Includes such drugs as Flurazepam (Librium), Diazepam (Valium), Pentazocine (Talwin), and D-Propoxyphene (Darvon).

**Offices visited by GAO.

DEA headquarters officials told us that although the amount of resources committed to dangerous drugs has gradually increased each year since 1978, they have trailed resources spent on cocaine trafficking because of (1) the significant amount of violent crime

associated with cocaine trafficking, and (2) the enormous volume of cocaine and amount of money associated with cocaine trafficking. These officials emphasized that although they recognize the serious and growing problem of clandestine laboratory production of dangerous drugs, DEA does not have the resources to effectively combat the enormous and multifaceted drug problem in the United States.

The explanations for the discrepancies between resources spent by level of drug priority from local DEA officials varied. In one field office we were told that the utilization of their resources is based on DEA headquarters directives that investigations of major cocaine and marijuana traffickers, including the pursuit of asset seizures, would be that field office's number one priority. Officials at 2 of the 13 field offices we visited said that they must commit substantial resources to heroin investigations even though heroin trafficking is not a significant problem in those areas. At 8 of the 13 DEA offices, we were told that more could be done to suppress laboratory operations, if the proper resources could be devoted to those investigations.

Additional resources would, of course, help DEA deal with the dangerous drugs problem. Given economic conditions, however, a significant increase in resources is unlikely. Thus, any increase in resources used for dangerous drugs investigations must come from existing staff.

PROGRAM FOR SUPPRESSING CLANDESTINE
LABORATORIES IS NOT FULLY UTILIZED
OR DEVELOPED

DEA is not fully utilizing and developing its most effective tool for combatting clandestine laboratory operations--the chemical precursor liaison program. Dangerous drugs produced in clandestine laboratories are manufactured from their precursor chemicals which are obtained, for the most part, without legal restriction from chemical supply firms across the country. An effective strategy for suppressing clandestine laboratories, therefore, needs to rely on the legitimate chemical supply industry as an invaluable source of information. A DEA survey found that between 50 and 90 percent of all clandestine laboratory investigations begin with a lead from chemical supply companies.

Some precursor liaison program problems, which were identified by a 1977 DEA survey, still existed at the time of our fieldwork. The major problems were:

--DEA field offices varied extensively in their use of and commitment to the precursor liaison program.

--A system to collect information on the sellers, buyers, and delivery points of precursor chemicals was not available.

According to DEA officials, funding and staffing constraints have been the greatest obstacles to more fully using and developing the precursor liaison program.

The precursor chemical program

Recognizing the need for liaison with chemical and laboratory equipment suppliers, the precursor liaison program was established in 1968. Program guidelines require each DEA field office to designate a clandestine laboratory coordinator who is to:

1. Identify the firms in the area handling key precursors and equipment.
2. Establish liaison with these firms and visit each one at least semi-annually to maintain personal contact and assure the firms of DEA's continuing interest.
3. Provide the firms "watch lists" of key items essential to the production of drugs being produced by clandestine laboratories.
4. Develop a reporting procedure by which the firms notify DEA of all unusual or suspect orders for these items and agree on how DEA should react to the notifications to minimize interruption to the firm's operations.

The better the liaison with chemical and equipment suppliers the greater the chance of successful investigations and laboratory seizures. The best liaison programs involve regular visits and close personal contact by designated DEA agents with key chemical firm employees. Employees are briefed on what to look for and what procedures to follow. In some cases, suppliers ask customers for identification and advance payment before placing or filling orders, then call DEA with descriptions of customers and their automobiles. One DEA Region developed a suspicious customer profile as a guide for chemical house employees in that area. DEA officials told us that valuable parts of an overall program include feedback to the chemical supply companies on the success or lack of success of an investigation, and monetary rewards or letters of appreciation for the assistance of key employees.

Field office commitment to precursor liaison program has varied

A DEA survey conducted in 1977 concluded that the precursor liaison programs at field offices varied from virtually non-existent to informal part-time efforts to formal, well-planned and executed arrangements. In late September 1977, DEA held a conference of carefully selected personnel, each representing a particular source of expertise or viewpoint, and collectively representing the best available agency talent to discuss and analyze the program. The conferees concluded that only a handful of DEA offices had good liaison with chemical suppliers in their areas. The success of these offices in uncovering clandestine laboratories demonstrated the need for the remaining DEA offices to improve their liaison programs. A DEA report issued in 1979 pointed out that six DEA offices--New York; Washington, D.C.; Detroit; Chicago; Houston; and Los Angeles--accounted for 34 percent of all clandestine laboratories seized by DEA in 1979, and 36 percent of all clandestine laboratories seized in 1978.

At the time of our fieldwork at 13 DEA field offices, conditions of the precursor liaison program were about the same as in 1977. Programs varied from virtually nonexistent to informal part-time efforts to well-planned and executed programs.

In one field office, part-time clandestine laboratory coordinators had been designated. However, other higher priority duties, such as the Sinsemilla Project (an investigation of marijuana growers), prevented these agents from maintaining liaison with chemical firms and from following up on leads.

In another office the clandestine laboratory coordinator could establish and maintain liaison with chemical firms when he was not needed for higher priority cocaine and marijuana investigations. Because of the limited resources available, the coordinator could begin an investigation only when he received information from a chemical firm that a significant quantity of suspicious precursors had been purchased. As a result, it was likely that many "small" clandestine laboratories were being allowed to operate almost with impunity.

In a third office, a well-planned and executed precursor liaison program was being carried out with very significant results. Four full-time DEA agents working in conjunction with State and local law enforcement agencies have established excellent liaison with local chemical suppliers. This DEA office led the Nation with 30 clandestine laboratory seizures in 1979.

During the 1977 survey, DEA officials cited a lack of available staff as the greatest obstacle to having better precursor liaison programs and pursuing more investigations of

clandestine laboratories. We were told the same thing in 1981. For example, the special-agent-in-charge of one office stated that the office did not have the resources to investigate clandestine laboratories. He said that with additional agents he could establish an enforcement group dedicated to investigating clandestine laboratories.

In another office we were told that liaison is maintained only with a few chemical firms because the resources are not available to investigate additional leads which might be obtained as a result of contact with other firms. DEA agents assigned to the clandestine laboratory enforcement group stay busy investigating leads obtained from five or six cooperating chemical firms, other DEA offices, and local police and fire departments. Additional leads would be of limited usefulness unless additional resources for investigating the leads were made available.

The following is an example of investigative leads not being pursued. Three of the DEA offices we visited developed innovative approaches to dealing with increasingly sophisticated clandestine laboratory operators. Because illicit drug manufacturers must obtain their precursor chemicals from legitimate suppliers, these three offices established DEA-owned chemical supply companies to sell chemicals to, and maintain a continuing undercover dialogue with, clandestine laboratory operators. This technique is known as a storefront operation.

When customers of the store requested that their orders be shipped to a distant area, DEA storefront agents would refer the information to the DEA office nearest the delivery point. Data for one storefront (information for the other two was not available) shows that the referral system was effective when the referrals were accepted by the receiving office. However, 30, or 27 percent, of the referrals by the storefront to other DEA offices were declined.

DEA offices declined acceptance of the referrals citing heavy workloads and management directives to place priority on investigations of cases involving other types of drugs. There was no overview by DEA headquarters of the justifications for these decisions.

DEA has left oversight of the precursor liaison program and clandestine laboratory investigative efforts to the discretion of each field office agent-in-charge. DEA headquarters does not monitor the progress of its field offices in establishing and maintaining liaison with area chemical suppliers, nor does it evaluate the precursor liaison program's effectiveness at field offices.

DEA headquarters officials acknowledged that the clandestine laboratory investigation program is lacking oversight. They stated that they intend to look closely at their procedures to see where changes can be made to strengthen inter-regional coordination of leads involving the purchase and delivery of precursor chemicals and followup on these leads. The officials told us that field office evaluative procedures can be amended to incorporate a closer review of the precursor liaison program.

No system exists for tracking precursors
and coordinating intelligence data

A nationwide system for tracking precursor chemicals from their origins to their ultimate uses, although recommended by a DEA study group, has not been implemented. DEA, according to headquarters officials, does not have the resources to implement a complete system but is considering automating certain nationwide data obtained from chemical supply companies that sell to the public.

In 1977, DEA's Office of Intelligence, Dangerous Drugs Section, conducted a national survey of the magnitude of clandestine laboratory production of dangerous drugs in the United States. According to the survey report, the consensus of DEA personnel in most regions was that the incidence of clandestine laboratories was rising and that laboratory operators were becoming more sophisticated in their operations, more knowledgeable of DEA's precursor chemical control techniques, and more adept at countersurveillance and detection of DEA's precursor chemical tracking mechanisms.

Clandestine laboratory operators had begun to purchase their chemicals from distant parts of the country or from foreign countries, or make only very small purchases in an attempt to allay the suspicions of chemical supply company employees. The survey found that requisite chemicals and equipment were purchased from several companies and/or stored for long periods before being transported to the laboratory. Also, laboratories were using front companies--those companies seemingly engaged in activities requiring the legitimate use of certain precursor chemicals.

The study group concluded that DEA headquarters must be the central point for coordinating precursor chemical data. Under this system, manufacturers and importers of precursor chemicals were to be identified as were the quantities manufactured and imported, their legitimate uses, and whom the manufacturers and importers supplied with the precursor chemicals. The names and locations of those supplied with the precursor chemicals were to be given to DEA field offices. The field offices would then establish liaison with these suppliers in an effort to obtain voluntary information on sales of precursor chemicals for further investigation.

The overall objective was to systematically track the movement of key precursor chemicals from their point of origination to their ultimate licit or illicit use. The study concluded that without a systematic tracking process, the only alternative for field offices to identify firms handling these chemicals in their area was to work their way through the telephone book "Yellow Pages" of each city in their jurisdiction.

Clandestine laboratory coordinators at the DEA field offices we visited used the telephone book Yellow Pages as the primary means of identifying chemical suppliers in their area to determine whether a local firm carried a specific precursor chemical or whether the firm sold the precursor "over the counter" on a walk-in basis. The DEA precursor liaison coordinators did not have any systematic way of determining when a local chemical firm began or quit carrying specific precursors or when a new firm entered the marketplace.

DEA headquarters officials told us that they have identified the manufacturers and distributors (but not quantities) of two key precursor chemicals--piperidine, a key precursor used in manufacturing PCP, and phenyl-2-propone (P2P), the immediate precursor of amphetamine/methamphetamine. They said that they have notified their field offices of the names and addresses of the various suppliers of these chemicals.

DEA officials stated that further tracking of precursor chemicals is not done. They said that most precursors have legitimate uses throughout industry and to try tracking these chemicals from their origin to their ultimate use would require more resources than DEA has available. Further, they said that DEA does not have the resources in the field that would be required to follow up on all the leads which might be received if DEA had an elaborate precursor chemical tracking system.

Also, they feel that burdening the chemical supply industry by more formal tracking of numerous precursors could be counterproductive by causing some suppliers to discontinue their voluntary cooperation.

In addition to a precursor tracking system, the DEA study group suggested the need for an automated precursor information system. Such a system was developed, but not implemented, in early 1979 by the DEA Offices of Enforcement and Intelligence. The system was to serve as a valuable adjunct to the precursor liaison program by processing and displaying information reported by chemical suppliers, such as:

- Supplier's name, identifier, address, and phone number.
- Purchaser's name, identifier, address, and phone number.

- Method and date of delivery of chemicals.
- Kinds of chemicals, quantities, container size, manufacturer, lot number, and date of sale.
- Intended use of the chemical precursors.
- Theft or loss information.

The system would generate periodic statistical reports on the movement of various chemicals around the country. In addition, the system would provide indexes of precursor chemicals, chemical suppliers, and their company locations.

This automated data system has not been placed in operation, according to DEA officials, because of funding constraints. However, these officials stated that the feasibility of implementing the system has been reviewed once again and has been ranked first among competing Office of Enforcement requests for automated data support systems.

CONCLUSIONS

Clandestine laboratories are a domestic problem. The source of most illicit dangerous drugs is right here in the United States. A strong domestic drug law enforcement program is essential for the United States to convince other nations of our commitment to control drug abuse, add to our credibility in international negotiations, and encourage other nations to cooperate with us in achieving our international goals. The increases in the number of clandestine laboratories seized in the last few years have been impressive. Clandestine laboratories continue to thrive, however, and illicit dangerous drugs continue to flourish on the streets of most U.S. cities.

DEA has designated dangerous drugs as its second highest priority enforcement area--surpassed in severity only by heroin. However, the amount of resources applied by DEA to combat dangerous drugs trafficking has not been commensurate with the severity of the problem. Furthermore, in many DEA field offices more resources have been used to fight problems caused by other drugs--such as cocaine and cannabis, which are both lower priorities according to DEA's enforcement priorities--than have been used to combat dangerous drugs. If DEA is to be more effective in this area of drug enforcement, more resources must be committed. We agree that the priorities should be flexible so that field offices can deal with local drug problems that might not conform to the national priorities. In our opinion, however, the resources used nationally should be consistent with the priorities.

Also, DEA's most important investigative tool in the fight against clandestine laboratories--the chemical precursor liaison program--has not been fully developed and is not being used to its fullest potential. Management oversight and direction have been missing. DEA must forcefully direct this program if its potential is to be fully recognized.

RECOMMENDATIONS TO THE
ATTORNEY GENERAL

We recommend that the Attorney General direct the Administrator, DEA, to:

- Analyze field offices' use of investigative resources that deviate from the high enforcement priority ranking assigned to dangerous drugs and, where deviations are not justified, formulate plans to allocate investigative resources commensurate with the severity of the problem.
- Direct field offices to comply with the requirements of the precursor liaison program and establish procedures to be followed by DEA headquarters staff in monitoring field offices' compliance with such requirements.
- Carry out the current plans to implement the precursor chemical information system developed by DEA's Offices of Enforcement and Intelligence in 1979.

CHAPTER 4

AGENCY COMMENTS

The Department of Justice was provided a copy of our draft report on August 14, 1981, for comment. The Department's comments were received on October 1, 1981. (See app. III.) Because the Department did not respond within the required 30 days as prescribed in Public Law 96-226, we did not evaluate its comments.

The Department generally agreed with our recommendations, but took issue with some of our conclusions. A brief summary of the Department's position on the four major issues covered in our report follows:

- The Department generally agreed with our conclusion that the incarceration sentences imposed upon dangerous drugs traffickers are normally too lenient and the level of risk must be raised in order to establish a more meaningful deterrent. However, the Department prefers a recodification of the entire Controlled Substances Act, rather than individual amendments, to correct problems in addition to those involving dangerous drugs traffickers. Additionally, the Department believes that the use of schedules as a basis for sentencing nonnarcotic violators is too broad. In the Department's opinion, sentencing maximums should discriminate on the basis of the drug, not upon the schedule in which the drug is classified.
- DEA agrees with and plans to implement our recommendation to strengthen the monitoring of its precursor liaison program and to emphasize the need for increased compliance with program requirements.
- DEA agrees with us that the precursor chemical information system will serve as a valuable adjunct to the precursor liaison program and will take action to implement the system.
- The Department stated that although it did not disagree with our recommendation on the allocation of investigative resources, it could not, for various reasons, accept our comparison of investigator workhours as a basis for concluding that DEA is not committing resources to combat dangerous drugs commensurate with its priority ranking.

III Criteria By Which Drugs are Scheduled

The Controlled Substances Act sets forth the findings which must be made to put a substance in any of the five schedules. These are as follows (Section 202(b)):

Schedule I

(A) The drug or other substance has a high potential for abuse.

(B) The drug or other substance has no currently accepted medical use in treatment in the United States.

(C) There is a lack of accepted safety for use of the drug or other substance under medical supervision.

Schedule II

(A) The drug or other substance has a high potential for abuse.

(B) The drug or other substance has a currently accepted medical use in treatment in the United States or a currently accepted medical use with severe restrictions.

(C) Abuse of the drug or other substances may lead to severe psychological or physical dependence.

Schedule III

(A) The drug or other substance has a potential for abuse less than the drugs or other substances in Schedules I and II.

(B) The drug or other substance has a currently accepted medical use in treatment in the United States.

(C) Abuse of the drug or other substance may lead to moderate or low physical dependence or high psychological dependence.

Schedule IV

(A) The drug or other substance has a low potential for abuse relative to the drugs or other substances in Schedule III.

(B) The drug or other substance has a currently accepted medical use in treatment in the United States.

(C) Abuse of the drug or other substance may lead to limited physical dependence or psychological dependence relative to the drugs or other substances in Schedule III.

Schedule V

(A) The drug or other substance has a low potential for abuse relative to the drugs or other substances in Schedule IV.

(B) The drug or other substance has a currently accepted medical use in treatment in the United States.

(C) Abuse of the drug or other substance may lead to limited physical dependence or psychological dependence relative to the drugs or other substances in Schedule IV.

In making these findings, DEA and HEW are directed to consider eight specific factors (Section 201(c)):

- (1) Its actual or relative potential for abuse;
- (2) Scientific evidence of its pharmacological effect, if known;
- (3) The state of current scientific knowledge regarding the drug or other substance;
- (4) Its history and current pattern of abuse;
- (5) The scope, duration, and significance of abuse;
- (6) What, if any, risk there is to the public health;
- (7) Its psychic or physiological dependence liability;
- (8) Whether the substance is an immediate precursor of a substance already controlled under this title.

Aside from the criterion of actual or relative potential for abuse, subsection (c) of Section 201 lists seven other criteria, already referred to above, which must be considered in determining whether a substance meets the specific requirements specified in Section 202(b) for inclusion in particular schedules and accordingly should be designated a controlled substance under a given schedule (including transfer from any other schedule) or removed entirely from the schedules. A brief discussion of each of these criteria follows.

*GAO Note: HEW is now the Department of Education.

(1) *Scientific evidence of its pharmacological effects.* The state of knowledge with respect to the effects of uses of a specific drug is, of course, a major consideration, e.g., it is vital to know whether or not a drug has a hallucinogenic effect if it is to be controlled because of that. The best available knowledge of the pharmacological properties of a drug should be considered.

(2) *The state of current scientific knowledge regarding the substance.* Criteria (1) and (2) are closely related. However, (1) is primarily concerned with pharmacological effects, and (2) deals with all scientific knowledge with respect to the substance.

(3) *Its history and current pattern of abuse.* To determine whether or not a drug should be controlled, it is important to know the pattern of abuse of that substance, including the social, economic, and ecological characteristics of the segments of the population involved in such abuse.

(4) *The scope, duration, and significance of abuse.* In evaluating existing abuse, the Attorney General must know not only the pattern of abuse but whether the abuse is widespread. He must also know whether it is a passing fad or a significant chronic abuse problem like heroin addiction. In reaching his decision, the

Attorney General should consider the economics of regulation and enforcement attendant to such a decision. In addition, he should be aware of the social significance and impact of such a decision upon those people, especially the young, that would be affected by it.

(5) *What, if any, risk there is to the public health.* If a drug creates no danger to the public health, it would be inappropriate to control the drug under this bill.

(6) *Its psychic or physiological dependence liability.* There must be an assessment of the extent to which a drug is physically addictive or psychologically habit-forming, if such information is known.

(7) *Whether the substance is an immediate precursor of a substance already controlled.* The bill allows inclusion of immediate precursors on this basis alone into the appropriate schedule and thus safeguards against possibilities of clandestine manufacture.

It should be noted that the above-mentioned factors do not require specific findings to be made with respect to control under, or removal from, schedules, but rather are factors to be considered in making the special findings required under Section 202(b) for control under such schedules.

IV International Obligations

The CSA further provides that if control of any drug is required by obligations of the United States under international treaty arrangements, the drug shall be placed under the schedule deemed most appropriate to carry out these obligations. As cited in the CSA, the United States is a party to the Single Convention on Narcotic Drugs of 1953, designed to establish effective control over international and domestic traffic in narcotics, including within the legal definition coca leaf, cocaine, and cannabis. A second treaty, the Convention on Psychotropic Substances of 1971, which entered into

force in 1976, is designed to establish comparable control over such drugs as LSD, the amphetamines, certain barbiturates, and other depressants. Legislation has been passed by the Congress authorizing the United States to become a signatory to this treaty, and ratification is expected shortly.

CONTROLLED SUBSTANCES: USES & EFFECTS

Drugs	Schedule	Trade or Other Names	Medical Uses	Physical Dependence	Psychological Dependence	Tolerance	Duration of Effects (in hours)	Usual Methods of Administration	Possible Effects	Effects of Overdose	Withdrawal Syndrome
Opium	II, III, V	Dover's Powder, Paregoric, Parepectolin	Analgesic, antidiarrheal	High	High			Oral, smoked			
Morphine	II, III	Morphine, Pectoral Syrup	Analgesic, antitussive					Oral, injected, smoked	Euphoria, drowsiness, respiratory depression, constricted pupils, nausea	Slow and shallow breathing, clammy skin, convulsions, coma, possible death	Watery eyes, runny nose, yawning, loss of appetite, irritability, tremors, panic, chills and sweating, cramps, nausea
Codeine	II, III, V	Codeine, Empirin Compound with Codeine, Robitussin A-C	Analgesic, antitussive	Moderate	Moderate			Oral, injected			
Heroin	I	Diacetylmorphine, Horse, Smack	Under investigation				3-6	Injected, sniffed, smoked			
Hydromorphone		Dilaudid	Analgesic	High	High	Yes					
Meperidine (Pethidine)	II	Demerol, Pethadol	Analgesic								
Methadone		Dolophine, Methadone, Methadose	Analgesic, heroin substitute				12-24	Oral, injected			
Other Narcotics	I, II, III, IV, V	LAAM, Leritine, Levo-Dromoran, Percodan, Tussionex, Fentanyl, Darvon*, Talwin*, Lomotil	Analgesic, anti-diarrheal, antitussive	High-Low	High-Low		Variable				
Chloral Hydrate	IV	Noctec, Somnos	Hypnotic	Moderate	Moderate	Possible	5-8	Oral			
Barbiturates	II, III, IV	Amobarbital, Phenobarbital, Butisol, Phenobarbital, Secobarbital, Tuinal	Anesthetic, anticonvulsant, sedative, hypnotic	High-Moderate	High-Moderate		1-16		Slurred speech, disorientation, drunken behavior without odor of alcohol	Shallow respiration, cold and clammy skin, dilated pupils, weak and rapid pulse, coma, possible death	Anxiety, insomnia, tremors, delirium, convulsions, possible death
Glutethimide	III	Doriden									
Methaqualone	II	Optimil, Paral, Quaalude, Somnolac, Sopor	Sedative, hypnotic	High	High	Yes		Oral, injected			
Benzodiazepines	IV	Ativan, Azene, Clonopin, Dalmane, Diazepam, Librium, Serax, Tranxene, Valium, Verstran	Anti-anxiety, anti-convulsant, sedative, hypnotic	Low	Low						
Other Depressants	III, IV	Equanil, Miltown, Noludar, Placidyl, Valmid	Anti-anxiety, sedative, hypnotic	Moderate	Moderate						
Cocaine	II	Coke, Flake, Snow	Local anesthetic			Possible	1-2	Sniffed, injected	Increased alertness, excitation, euphoria, increased pulse rate and blood pressure, insomnia, loss of appetite	Agitation, increase in body temperature, hallucinations, convulsions, possible death	Apathy, long periods of sleep, irritability, depression, disorientation
Amphetamines	II, III	Biphentamine, Delcobese, Desoxyn, Dexedrine, Mediatric						Oral, injected			
Phenmetrazine	II	Preludin									
Methylphenidate	II	Ritalin	Hyperkinesia, narcolepsy, weight control	Possible	High	Yes	2-4				
Other Stimulants	III, IV	Adipex, Baccarat, Cylert, Dieldex, Ionamin, Plegine, Pre-Cate, Seroquel, Tenosate, Tepanil, Voranil						Oral			
LSD		Acid, Microdot						Oral			
Mescaline and Peyote	I	Mesc, Buttons, Cactus	None	None	Degree unknown	Yes	8-12	Oral, injected	Illusions and hallucinations, poor perception of time and distance	Longer, more intense "trip" episodes, psychosis, possible death	Withdrawal syndrome not reported
Amphetamine Variants		2,5-DMA, PMA, STP, MDA, MDMA, TMA, DOM, DOB		Unknown			Up to days				
Phencyclidine	II	PCP, Angel Dust, Hog	Veterinary anesthetic	Degree unknown	High			Smoked, oral, injected			
Phencyclidine Analogs		PCE, PCPy, TCP									
Other Hallucinogens	I	Bufofenine, Ibogaine, DMT, DET, Psilocybin, Psilocy...	None	None	Degree unknown	Possible	Variable	Oral, injected, smoked, sniffed			
Marihuana		Pot, Acapulco Gold, Grass, Reefer, Sinsemilla, Thai Sticks	Under investigation	Degree unknown	Moderate	Yes	2-4	Smoked, oral	Euphoria, relaxed inhibitions, increased appetite, disoriented behavior	Fatigue, paranoia, possible psychosis	Insomnia, hyperactivity, and decreased appetite occasionally reported
Tetrahydrocannabinol	I	THC									
Hashish		Hash	None								
Hashish Oil		Hash Oil									

the interrelationship of these factors in comparing heroin sentences with those adjudged for dangerous drugs. We assume that the average heroin defendant has a more extensive arrest record than his dangerous drug counterpart, a possibility not addressed by GAO which could conceivably account for the noted difference in sentence norms. This academic reservation notwithstanding, we agree that dangerous drug trafficking must be made a high risk operation, but we are reluctant to automatically acquiesce to amending the Controlled Substances Act to increase the maximum penalties for trafficking in Schedules I and II for non-narcotic drugs to equal the maximum penalties for trafficking in Schedules I and II of narcotic drugs. We believe the use of schedules as a basis for sentencing non-narcotic violators is too broad. Sentencing maximums should discriminate on the basis of the particular drug involved in the particular case, not merely upon the schedule in which the drug is classified. A further revision of the statute which the Department believes would help establish a meaningful deterrent is the differentiation between possession with intent to distribute, and manufacture with intent to distribute. The revision should provide significantly higher penalties for the latter.

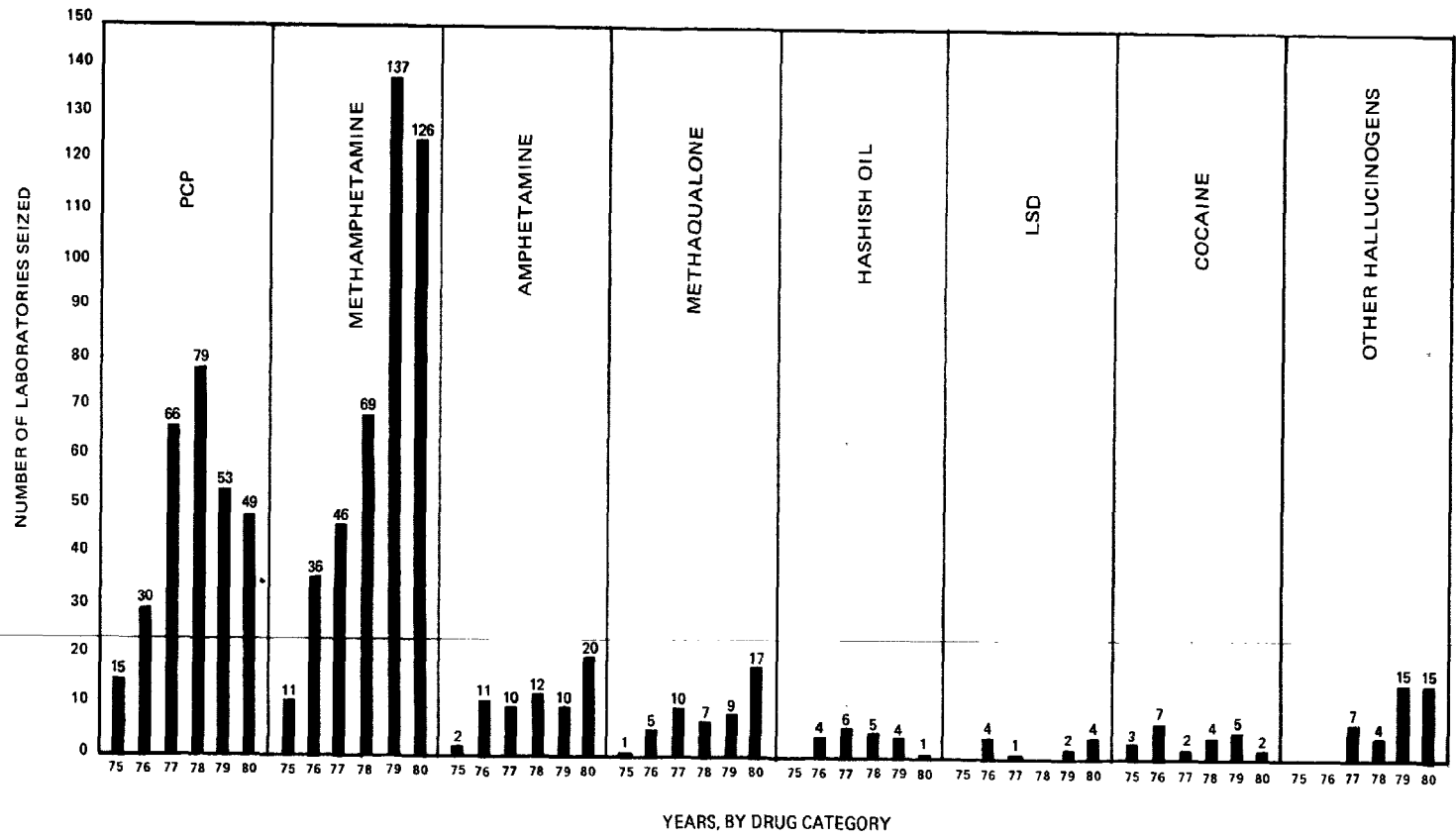
Federal prosecutors generally laud sentence enhancement measures such as GAO's proposal to increase the penal exposure of drug traffickers so that when such traffickers conduct a cost-benefit analysis vis-a-vis their illegal activities they will be deterred from further crimes. However, the Department does not favor piecemeal amendments of Title 21. We would prefer an extensive recodification of that statute to avoid inconsistent results.

In conclusion, we note that the Final Report of the Attorney General's Task Force on Violent Crime (August 17, 1981) addresses separately the topics of narcotics and sentencing. The commentary to Recommendation 16 states that ". . . the imposition of inconsistent and inadequate sentences are particularly pronounced in drug cases" (pp. 28-29). Recommendation 41 urges "greater uniformity and certainty in sentencing through the creation of sentencing guidelines and the abolition of parole" (p. 56). This Final Report is currently being reviewed. Future changes may ameliorate the noted difference in sentences of heroin and dangerous drug defendants with the creation of appropriate sentence guidelines for the two drugs.

Allocating Investigative Resources to Dangerous Drug Cases

We agree with GAO that more can be done to improve the Government's attack on clandestine laboratory operations. DEA is already taking steps to ensure the implementation of the recommendations proposed. Unfortunately, the report tends to focus on the negative without giving equal treatment to the positive steps that have already been taken to suppress clandestine laboratories. GAO does make the statement that "Concerted efforts by a few Drug Enforcement Administration field offices have produced an impressive increase in the number of clandestine seizures," but gives little evidence of its true meaning. The record of the clandestine laboratory program shows that over the 6-year period from 1975 through 1980, clandestine laboratory seizures increased dramatically from 33 to 234, an increase of over 600 percent. Additionally, while GAO credited these efforts to "a few Drug Enforcement Administration field offices," this impressive number of laboratory seizures was actually achieved by 70 of the approximately 100 domestic field offices seizing one or more laboratories in

COMPARISON OF U.S. CLANDESTINE LABORATORY SEIZURES (1975-1980)



It is also important to recognize that the dangerousness of the drug involved is not the only index used to determine the enforcement priority of the target defendant because the size and viciousness of the trafficking organization needs to be considered. This factor is recognized by DEA in classifying violators, with Class I being the most serious and Class IV the least important, and enforcement resources are allocated in accordance with this classification. The GAO report fails to even mention DEA's violator classification system. Under these circumstances, we consider GAO's findings to be based upon faulty premises, thus resulting in misleading conclusions.

We also contend that GAO erred in construing the seizure of laboratories as the only indicia of enforcement effectiveness. This notion is misleading for two reasons. First, as noted on page 5 of the report, laboratories are simple to construct so they are easily replaced. Thus, seizing a laboratory may have only a transitory effect upon the organization. Second, the incarceration of dangerous drug ring organizers and distributors disrupts trafficking at least as effectively as seizing the laboratories, and has a more permanent effect, but the report neglects to discuss the number of such key persons incarcerated in cases where the laboratories could not be located.

Finally, we note that it is generally recognized by narcotics prosecutors and agents that heroin traffickers are likely to also deal in cocaine. Thus, the practical effort of many cocaine convictions is to concurrently immobilize heroin traffickers. The report does not note this effect, which often constitutes an important enforcement justification for cocaine investigations.

All of the above conditions and circumstances reflect on the final decisions as to how resources should be allocated and brings into consideration the balancing of competing policy goals with expected benefits. A simple analysis such as that developed by GAO obfuscates or ignores many of the important issues and factors that act and interact with each other. DEA attempts to allocate its resources in the most responsive and effective manner possible, considering all factors.

Another major issue concerning this report, and others as well, is GAO's tendency to suggest the redirection of investigative resources without addressing how other DEA competing priority demands can also continue to be effectively accomplished on a relatively fixed resource level. GAO recognizes in this report that such a problem exists but offers no constructive means of dealing with it. GAO states that "Additional resources would, of course, also help the Drug Enforcement Administration deal with the dangerous drugs problem. Given economic conditions, however, a significant increase in resources is unlikely. Nevertheless, it is important that a more effective attack be mounted against clandestine laboratories." Similarly, an earlier GAO report of March 27, 1980, concerning DEA's Central Tactical (CENTAC) program, and another dated April 10, 1981, covering criminal asset forfeitures, recommended that DEA reexamine its investigative resources and consider allocating more resources to the CENTAC program and hiring additional financial analysts to combat organized crime through the forfeiture of assets. To accomplish GAO's recommended objectives means that resources must be reassigned from other committed investigative areas. In view of the many competing demands for DEA's limited resources, management must continually assess its programs on a cost/benefit basis, and the redirecting of priorities may not necessarily be in full conformity with those recommended by GAO.



U.S. Department of Justice

Washington, D.C. 20530

OCT 1 1981

Mr. William J. Anderson
Director
General Government Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

This letter is in response to your request to the Attorney General for the comments of the Department of Justice (Department) on your draft report entitled "Illicitly Manufactured Dangerous Drugs--A Growing Problem That Must Be Dealt With More Effectively."

The General Accounting Office's (GAO) draft report covers four major issues relating to dangerous drug investigative activities of the Drug Enforcement Administration (DEA). These issues pertain to the sentencing of dangerous drug offenders, allocating investigative resources to dangerous drug cases, strengthening the precursor liaison program, and carrying out current plans to implement the precursor chemical information system. The Department's response centers on these four major issues.

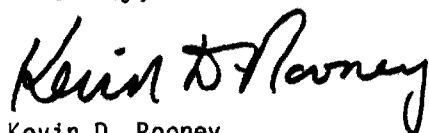
Sentencing of Dangerous Drug Offenders

The Department agrees generally with GAO's conclusion that the sentences imposed upon dangerous drug traffickers are normally too lenient and the level of risk must be raised in order to establish a more meaningful deterrent. GAO's analysis showing that 64 percent of the dangerous drug traffickers received probation or sentences of 3 years or less clearly demonstrates that the risks are not high enough in this lucrative illegal enterprise.

The draft report indicates that the maximum Federal term of imprisonment impossible for dangerous drug offenses is only 5 years under the Controlled Substances Act, whereas heroin offenders can be imprisoned pursuant to that statute for 15 years. Similarly, the average sentence adjudged for Federal heroin offenses is greater than for dangerous drug violations. The report concludes that the desirable Federal goal of achieving the highest level of risk possible for drug traffickers would be served by increasing the penalties for dangerous drug crimes to be identical with heroin violations. Essentially, this means escalating the term of imprisonment for dangerous drug offenses from 5 to 15 years. With respect to sentencing, it is important to point out that sentencing is a judicial function which reflects the interplay of numerous factors, including, inter alia, the prior record of the defendant; the perceived seriousness of the crime; the skill of the advocate for the prosecution; the judge's penal philosophy; and the maximum imposable sentence. It is impossible to quantify

We appreciate the opportunity to comment on the draft report. Should you desire any additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kevin D. Rooney". The signature is written in a cursive style with a large, prominent "K" and "R".

Kevin D. Rooney
Assistant Attorney General
for Administration

(186610)

calendar year 1980. GAO also stated that the actual and potential amounts of dangerous drugs that were kept off the streets because of the illicit laboratory seizures are enormous. Again, these accomplishments represent dramatic steps in DEA's efforts to combat dangerous drugs that are given minimum exposure in the report.

Although we do not disagree with GAO's recommendations, we are unable to accept GAO's gross comparison of criminal investigator workhours as a basis for concluding that "Overall, the agency [DEA] is not committing resources to combat dangerous drugs commensurate with its priority ranking." The analysis is flawed in several respects. The conclusion is based upon statistics indicating that DEA allocated 19.6 percent of its staff resources to dangerous drugs in fiscal year 1980, whereas two drugs with a lower enforcement priority, cocaine and cannabis, were allocated 30.7 percent and 15.4 percent of staff resources, respectively, for the same time period. After interpolating this data, GAO has concluded that enforcement funds should be expended in proportion to the priority of the drugs involved. In our opinion, GAO's attempt to equate resources used to priorities without factoring for noted differences in the investigations, such as volume, complexity, violation classification and transitory effect, results in misleading conclusions.

We consider GAO's conclusion to be too simplistic in that it fails to consider that the sheer volume of marihuana and cocaine cases nationwide is much greater than clandestine laboratory cases, thereby requiring the allocation of substantially more staff resources. According to Chart 6 of the United States Attorney's Office FY 1980 Statistical Report, the 5,982 controlled substances cases pending last year comprised 24.88 percent of the Federal criminal docket nationwide. In contrast, the report notes that only 234 clandestine laboratories were seized in 1980. Considering that cocaine and marihuana are widely abused as recreational proclivities, the public becomes more tolerant of these drugs. It is not surprising that the cresting wave of cocaine and marihuana cases would cause the expenditure of more enforcement resources than the cumulative total of comparatively rare clandestine laboratory cases. Indeed, it seems obvious that processing a large volume of lower priority cases would also generate a cumulative cost in excess of the total spent for relatively isolated clandestine laboratory cases. Under these circumstances, the GAO approach of equating resources used to priorities without factoring in the noted difference in volume of cases appears to be both simplistic and inherently misleading.

In addition, the relative complexity of the type of investigation involved is another indicator that the dangerousness of a particular drug is probably unreliable as the sole determinant of the resources required to combat its use. Enforcement resources need not be proportional to the drug priority rankings if another allocation is more cost effective. For example, clandestine laboratory cases are generally regarded by prosecutors as being relatively simple cases to prove. Manufacturers and distributors tend to be localized, and the seizure of a laboratory would normally generate sufficient evidence to convict the traffickers involved. In contrast, cocaine and marihuana importing operations require a greater investment of investigative effort if an entire trafficking organization is to be destroyed. For example, the seizure of a planeload of contraband would normally justify the conviction of the pilot and loading crew while leaving the foreign source, distribution networks, and conspiracy organizers untouched. In contrast, laboratory cases are comparatively inexpensive to conduct and essentially completed once the laboratory is confiscated.

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As a final comment, GAO fails to recognize DEA's true commitment to combatting dangerous drugs because of the exclusion of compliance investigator resources in their percentage analysis on page 21. Compliance investigators have targetted substantial resources against the diversion of dangerous drugs. In recognition of the need to bring more resources to bear against the diversion of dangerous drugs, DEA has reordered its compliance activities program to place greater emphasis upon the detection of retail level diversion of licit drugs and the identification and apprehension of criminal registrants. It is expected that the enhanced emphasis on identification of criminal registrants by compliance investigators will reinforce the trend over the last 3 years of an increasing percentage of criminal investigative workhours being invested in dangerous drug investigations.

Strengthen the Precursor Liaison Program

DEA agrees with GAO that its chemical precursor liaison program is an effective tool for combatting clandestine laboratory operations, and all DEA field offices have established such programs. The headquarters staff plans to strengthen its monitoring of the program and emphasize the need for improved compliance, particularly in those offices where more can be done to make substantial contributions to the success of the program. Also, compliance with the requirements of the precursor liaison program will be one of the subjects discussed at the next round of field supervisors' meetings (Special Agent-In-Charge Conferences).

Implement the Precursor Chemical Information System

The precursor chemical information system was developed in early 1979 but not placed into operation because of funding constraints. We agree with GAO that the system will serve as a valuable adjunct to the precursor liaison program and action will be taken to implement it. The system has been ranked first among competing priorities of DEA's Office of Information Services for final development and implementation.

- - - -

In conclusion, the Department agrees that more can be done in several areas to improve its attack on clandestine laboratory operations. DEA plans to take action in these areas. Future program accomplishments with respect to dangerous drug traffickers look very promising. In fiscal year 1980, of approximately 9,000 violators arrested in DEA-initiated cases, 2,323 (or 23 percent) of them were dangerous drug traffickers. Of the 1,700 most serious offenders (Class I and II violators), 572 (or 33.7 percent) were dangerous drug offenders. DEA is committed to improving this record and will make every concerted effort to do so.

