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BY THE COMPTROLLER GENERAL

Report To The Congress

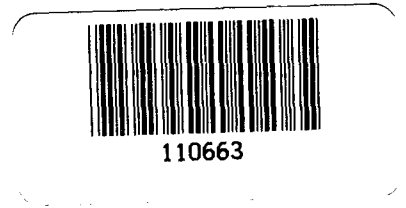
OF THE UNITED STATES

Gains Made In Controlling Illegal Drugs, Yet The Drug Trade Flourishes

This report assesses the Federal Government's drug enforcement and supply control efforts during the last 10 years, including information contained in a series of GAO reports issued on drug control and various related topics during this time.

Federal agencies have fought hard to reduce the adverse impact of illegal drugs on American society. While current indicators suggest some positive results in reducing drug-related deaths and injuries and decreasing heroin supplies, the drug trade continues to flourish, and the problem persists for reasons tied to the enormous supply of and demand for drugs.

Effective law enforcement, crop eradication, and other controls will cause shifts and temporary disruptions in trafficking and use patterns, and buy time to enable the Nation to concentrate on long-term solutions. But if the United States is to make greater inroads, it must take a much tougher and consistent stance. The executive and legislative branches must form a partnership to agree upon and vigorously carry out a consistent national policy on drug abuse.



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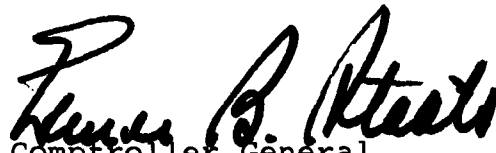
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To the President of the Senate and the
Speaker of the House of Representatives

The United States drug abuse problem has been a matter of national concern for decades, and, in recent years, the illegal use of drugs has been increasing in many countries throughout the world. The huge supply and demand for illegal drugs continues to frustrate attempts to contain the problem.

This report presents an assessment of the extent and nature of drug abuse in the United States, focuses on the Federal drug supply reduction strategy, and identifies a number of long-standing problems hampering the effectiveness of the Government's drug law enforcement and supply reduction efforts. The report contains recommendations for improving efforts under the present Federal strategy and proposes that the executive and legislative branches form a partnership to agree upon and vigorously implement a consistent national policy on drug abuse. The report also points out that the drug abuse problem is too much for the United States to overcome alone and recommends the establishment of a consortium of victim countries to develop a global plan of action.

We are sending copies of this report today to the Director, Office of Management and Budget; Director, Administrative Office of the U.S. Courts; Director, Central Intelligence Agency; the Secretaries of Health, Education, and Welfare, Transportation, Treasury, and State; and the Attorney General of the United States.


Comptroller General
of the United States

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ABBREVIATIONS

ADB	Asian Development Bank
AID	Agency for International Development
BNDD	Bureau of Narcotics and Dangerous Drugs
CCE	Continuing Criminal Enterprise Statute
CCINC	Cabinet Committee on International Narcotics Control
CENTAC	Central Tactical Unit
CIA	Central Intelligence Agency
CSU	Controlled Substances Unit
DAWN	Drug Abuse Warning Network
DEA	Drug Enforcement Administration
FBI	Federal Bureau of Investigation
GAO	General Accounting Office
GOM	Government of Mexico
GUB	Government of Burma
IBRD	International Bank for Reconstruction and Development
INC	International Narcotics Control
INM	Assistant Secretary for International Narcotics Matters
IRS	Internal Revenue Service
NCAP	Narcotics Control Action Plan
NDDS	Narcotic and Dangerous Drug Section
NIDA	National Institute of Drug Abuse
NTP	Narcotics Traffickers Program

NWFP North-West Frontier Province
ODALE Office for Drug Abuse and Law Enforcement
ODAP Office of Drug Abuse Policy
ONNI Office of National Narcotics Intelligence
RICO Racketeer Influenced and Corrupt Organizations
SAODAP Special Action Office for Drug Abuse Prevention
TECS Treasury Enforcement Communications System
UN United Nations
UNFDAC United Nations Fund for Drug Abuse Control

D I G E S T

Federal agencies have fought hard to reduce the adverse impact of illegal drugs, primarily heroin and dangerous drugs, on American society. These efforts have shown some positive results as measured by decreased drug-related deaths and injuries, and reduced availability of some illegal drugs.

Nevertheless, drug trafficking and abuse still flourish despite several decades of U.S. efforts both here and abroad. The gains made are fragile, requiring constant vigilance, as

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

This report assesses the Federal Government's drug enforcement and supply control efforts during the last 10 years, including information contained in a series of GAO reports issued on drug control and various related topics during this time. (See pp. 161 to 164.)

WHAT SUCCESSES HAVE BEEN ACHIEVED?

Notable successes have been attained in carrying out the Federal supply reduction strategy, as a result of actions taken in the United States and overseas to immobilize major trafficking networks and control the production of illicit drugs. (See pp. 15 to 21.)

- Turkish restrictions on poppy cultivation and increased United States and French enforcement disrupted the French-Turkish heroin connection in the early 1970s and produced a dramatic shortage of heroin in the United States.
- Joint U.S.-Mexico efforts in crop eradication and narcotics enforcement, assisted by a drought,

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are decreasing Mexico's share of the U.S. illicit heroin market. Street-level heroin currently has the lowest purity and highest price since 1973, and National Institute of Drug Abuse statistics show that heroin-related deaths have been declining.

- Enforcement activities in the United States and abroad have caused significant drug removals and increased clandestine laboratory seizures.
- Emphasis on conspiracy investigations has led to many high-level drug traffickers being convicted on conspiracy charges, some receiving substantial prison sentences.
- Other countries have increased their efforts to reduce supply on their own and through United Nations and United States programs.
- The amount of diversion of legal drugs at the wholesale and manufacturing levels has declined sharply in recent years.

Current indicators suggest that there is a major shortage of heroin in the United States, a significant accomplishment against the Nation's number one drug enforcement priority. However, this and other such hard-won successes are short-lived. Growing areas, shipment routes, trafficking organizations, and even the types of drugs abused all readily change and adapt to new conditions.

For example, the heroin shortage created by the breaking of the French Connection was temporary. Mexico emerged as the next principal supplier of heroin to the United States. (Today's concern is that as Mexican heroin availability declines, heroin from Southeast Asia and the Middle East will fill the gap. Some also fear that use of dangerous synthetic drugs will continue to increase as heroin users find it difficult to obtain heroin.)
(See pp. 19 to 21.)

WHY DOES THE PROBLEM PERSIST?

(*Handwritten mark*) THE ENORMOUS SUPPLY OF AND DEMAND FOR DRUGS has created a multibillion dollar worldwide business involving millions of Americans.) The National Institute on Drug Abuse has estimated that there are:

- 1.7 million persons who have used heroin, with 453,000 daily users.
- 13 million persons who have used stimulants such as amphetamines.
- 6.9 million persons who have used PCP at least once.
- 10 million who have used cocaine.
- 43 million people who have tried marijuana at least once.

The marijuana market alone consumes between 60,000 and 91,000 pounds per day, resulting in an outlay of \$13 billion to \$21 billion per year. (See pp. 21 to 25.)

THE SOCIAL, ECONOMIC, AND POLITICAL REALITIES OF DRUG-GROWING COUNTRIES make it difficult to prevent cultivation of illicit crops and stop trafficking at the source.) Most producing nations are poor, underdeveloped, struggling countries presenting problems that are too complex for a predominantly law enforcement approach to be effective in reducing drug supplies. Suppression efforts have been hindered by long-standing and socially accepted traditions of smuggling and corruption. As seen from several pilot projects, the other approach of substituting legitimate crops for drugs requires massive economic development that is both costly and long-term. To date, the developed countries of the world have been unwilling to fund such high-risk ventures. (See pp. 29 to 31, and 44 to 55.)

THE ENORMOUS PROFITS OF DRUG TRAFFICKING attract an ample number of entrepreneurs who see opportunities that far outweigh those offered by legitimate businesses.) Payments by abusers and traffickers for heroin, cocaine, marijuana, and hashish in the United States are estimated to be on the order of \$35 billion to \$51 billion annually. Drug trafficking in the U.S. today appeals to people from all walks of life, including doctors, lawyers, accountants, businessmen, and entertainers. (See pp. 31 and 32.)

IT IS EASY TO ENTER AND DISTRIBUTE DRUGS in the United States.) While nobody knows for sure how much illicit drugs come into the country, it has been estimated that law enforcement agencies seize only 5 to 10 percent of all illicit drugs available. (See pp. 31 and 32.)

ACTIONS NEEDED TO FULLY SUPPORT FEDERAL DRUG STRATEGY IMPLEMENTATION HAVE NOT MATERIALIZED.) Differing views among Government agencies, as well as the public, make it difficult to attain the necessary legislative, executive, and judicial actions. Drug supply reduction efforts have yet to achieve a well-integrated, balanced, and coordinated approach. (See pp. 32 to 34.)

WHAT CAN WE DO ABOUT THE PROBLEM?

The United States must take a much tougher and consistent stance to make real gains in reducing the availability of illicit drugs. The following long-standing problems must be resolved:

- Organizational difficulties between Federal agencies diluting law enforcement efforts at borders.
- Large-scale drug traffickers, in terms of immobilization from trafficking, being incarcerated for short periods of time while their ill-gotten gains remain intact.
- Unclear Federal, State, and local enforcement roles hampering attacks on drug traffickers.
- Inconsistent and sometimes conflicting drug policies resulting in no clear overall direction.
- Businesses and individuals promoting the use of drugs through the sale of drug-oriented paraphernalia and magazines.
- Governments of developed countries and international financial institutions providing little or no support for controlling illicit drug production.

The executive and legislative branches must form a partnership to agree upon and affirm a national policy for dealing with drug abuse and support necessary legislation. A joint commission could be formed to accomplish this and to recommend a course of action to promote vigorous implementation of the agreed policy. (See pp. 34 and 35.)

BORDER MANAGEMENT PROBLEMS
NEED TO BE RESOLVED

Although the U.S. border provides opportunities for interdicting illicit drugs, the availability of drugs attests to the fact that the border has not been a serious impediment to illegal entry. Large amounts of heroin and marijuana have crossed the land border with Mexico. More recently, our Southeastern States have been flooded with marijuana and cocaine shipped by air and sea from South America. (See pp. 66 to 82.)

GAO recommended in its 1977 report on the Southwest border (GGD-78-17) that the Congress require the executive branch to develop a comprehensive border control plan. A border management agency should be established to overcome organizational difficulties and better respond to the problems created by drug smuggling. (See pp. 69 and 70.)

OPPORTUNITIES TO OVERCOME
OBSTACLES IN IMMOBILIZING
MAJOR TRAFFICKERS

Federal efforts to reduce drug trafficking through attempts to immobilize major traffickers have fallen short of expectations. Even though numerous high-level traffickers have been convicted their organizations often continue to operate and maintain distribution capacity. A concerted effort among numerous Federal agencies to incarcerate major drug dealers for long periods and take away their financial resources has not materialized to the extent necessary. (See pp. 83 to 112.)

For recommendations to the Congress and Federal agencies that will strengthen prosecution of drug traffickers and dealers and help to better attack the tremendous financial gains from trafficking. (See pages 111 and 112.)

CHANGES IN BAIL AND SENTENCING COULD STRENGTHEN IMMOBILIZATION EFFORTS

Bail and sentencing practices in Federal courts throughout the country have diluted the effect of drug enforcement efforts. Many defendants who are released on bail continue their drug trafficking because Federal law does not allow judges to consider danger to the community a reason for denying bail. Even when convicted, drug traffickers are often not effectively immobilized for long periods because prison sentences are short. (See pp. 113 to 126.)

The Congress should consider modifications to the bail law that take into account both constitutional principles and the means to prevent traffickers from engaging in illegal activities that present a danger to the community. Correcting the sentencing problem is not easy, however; any changes to the criminal justice system must be comprehensive and approached with utmost caution. GAO therefore recommends that the Judicial Conference of the United States assess the effects of judicial discretion, including the sentencing of drug violators. (See p. 126.)

NEED TO CLARIFY FEDERAL, STATE, AND LOCAL ENFORCEMENT ROLES

Increased reliance has been placed on State and local drug enforcement efforts because Federal efforts have focused on leaders of national and international trafficking networks. Even though the Federal Government has developed numerous programs to assist and cooperate with State and local agencies, the mounting of a unified attack has been made virtually impossible by financial, political, and other realities. State and local agencies are allocating fewer resources for drug enforcement,

and Federal grants for the same purpose have declined as well. In addition, jurisdictional problems in some regions hinder attempts to fully mobilize the more than 15,000 police agencies in the United States against drug abuse and trafficking. (See pp. 127 to 134.)

In the face of these difficulties, the Attorney General must establish a clear, realistic policy on what can reasonably be expected from State and local governments and what the Federal Government should do to elicit their support. The response of the various levels of government to businesses' and individuals' promoting the use of drugs through the sale of drug-oriented paraphernalia and magazines must also be addressed. (See pp. 134, 21, and 22.)

SOMEONE MUST OVERSEE STRATEGY IMPLEMENTATION

The Congress has long recognized the Federal Government's continuing failure to provide a central mechanism to establish drug policy and be accountable for its effective implementation. Even though the Office of Drug Abuse Policy was established to do this, it was abolished before it had a chance. If any improvement is to be made in coordinating Federal drug control efforts, someone is needed who has a clear delegation of authority from the President to monitor activities and demand corrective actions. This responsibility is currently entrusted to the President's Domestic Policy Staff, and it is too early to tell whether this arrangement will ensure the vigorous implementation of the Federal drug strategy. The presence of a tough and consistent stance will go a long way in demonstrating within the United States and to other countries the strong commitment our Nation is making in combatting the drug abuse problem. (See pp. 10 to 12 and pp. 34 and 35.)

DRUG PROBLEM REQUIRES WORLDWIDE COMMITMENT

The United States has been the prime force in efforts to control illicit drug production, but

increased commitment of developed countries is needed if we are ever to have a great impact on the problem. With this reality in mind, GAO recommends that the Secretary of State, with the support of the Congress, promote a world conference and the formation of a consortium of victim countries that would develop a plan of action to fight the global drug problem in a unified way. (See pp. 37 to 65.)

To further develop strong drug control within foreign countries, GAO also recommends that the Secretary of State require the Assistant Secretary for Narcotics Matters to prepare realistic Country Narcotics Actions Plans detailing short and long-term objectives, the means of achieving these goals, and the methods for reviewing progress. For drug-producing areas that encompass several countries, action plans should be prepared on a regional basis.

GAO believes law enforcement and crop eradication will always have a major role in drug control, and can have an even greater impact if GAO's recommendations are implemented. However, there is no guarantee that the supply and use of drugs will be reduced significantly for a long time. Effective enforcement, eradication, and other controls will cause shifts and temporary disruptions in trafficking and drug use patterns and will buy time to enable the Nation to concentrate on long-term solutions. Also, it is generally acknowledged that the demand for drugs would be even greater were it not for law enforcement and supply control efforts.

One question which remains unanswered is: How does this Nation effectively curtail the demand for illicit drugs? In the Nation's search for long-term solutions to the drug abuse problem, it must continue to give high priority to each vital component of the Federal effort: law enforcement and control, treatment and rehabilitation, education and training, and research.

Eight Federal Government organizations having direct supportive responsibilities for activities discussed in this report were asked to comment on the report. The Administrative Office of the U.S.

Courts and the Federal Judicial Center offered no specific comment on GAO's report. The Department of the Treasury, the Central Intelligence Agency, and the Department of Health, Education, and Welfare in their responses did not take issue with any of the report's contents. The Departments of Justice, Transportation, and State, while generally agreeing with GAO's assessment of the drug problem and recommendations to address it, expressed some concern with certain areas in the report they considered misleading, outdated, or disappointing. Chapter 8 contains a discussion of these Departments' concerns and GAO's evaluation. (See pp. 135 to 147.)

CHAPTER 1

INTRODUCTION

(Drug abuse and trafficking still flourish despite several decades of efforts to overcome the problem.) Since 1968, the Federal Government has frequently reviewed and adjusted its strategy--both domestic and international. (Our country's \$5.5 billion drug abuse program during the past decade has dealt with both demand reduction (\$3.4 billion) and supply reduction (\$2.1 billion).

This report presents (an assessment of the extent and nature of drug abuse in the United States, focuses on the Federal drug supply reduction strategy, and identifies a number of long-standing (problems hampering the effectiveness of the Government's drug law enforcement and supply reduction efforts.)

ASSESSMENT OF THE NATURE AND EXTENT OF DRUG ABUSE

The adverse social costs of drug abuse to the Nation are staggering, although impossible to measure precisely. Federal Government estimates of the annual social costs to counter drug-related crimes and lost productivity, and to carry out treatment and prevention programs range from \$10 billion to \$14 billion. The human tragedy of more than 7,800 drug-related deaths in 1977, broken homes, ruined lives, and divided communities are results of drug abuse which cannot be calculated in dollars and cents.

(A continuing trend of great concern is the levels of drug use and abuse among young people in the United States. Since the mid-1960s drug abuse has increased dramatically, spreading from colleges to high schools to junior high schools and below. The serious implication of this trend is illustrated by the fact that drugs were the seventh most common cause of death for Americans aged 10-19 and ranked fourth for the 20-24 age group in 1976. These age categories represented one-fourth of all drug-related deaths during 1976.)

National drug use and abuse trends are illustrated by the following, and are also detailed in Appendix I.

--The National Institute on Drug Abuse (NIDA) estimates that, since 1973, at any one time an estimated 450,000 to 500,000 persons use heroin daily. In 1977 an estimated 1.7 million persons

used heroin on less than a daily basis. It is also estimated that 19 percent of the property crime committed in the United States is heroin-related.

--Heroin is readily available to U.S. troops in Europe. Additionally, the services have experienced an increase in the use of marijuana by the troops. In some instances the drug abuse problem that the military has encountered is more serious than the drug abuse problem in major U.S. cities.

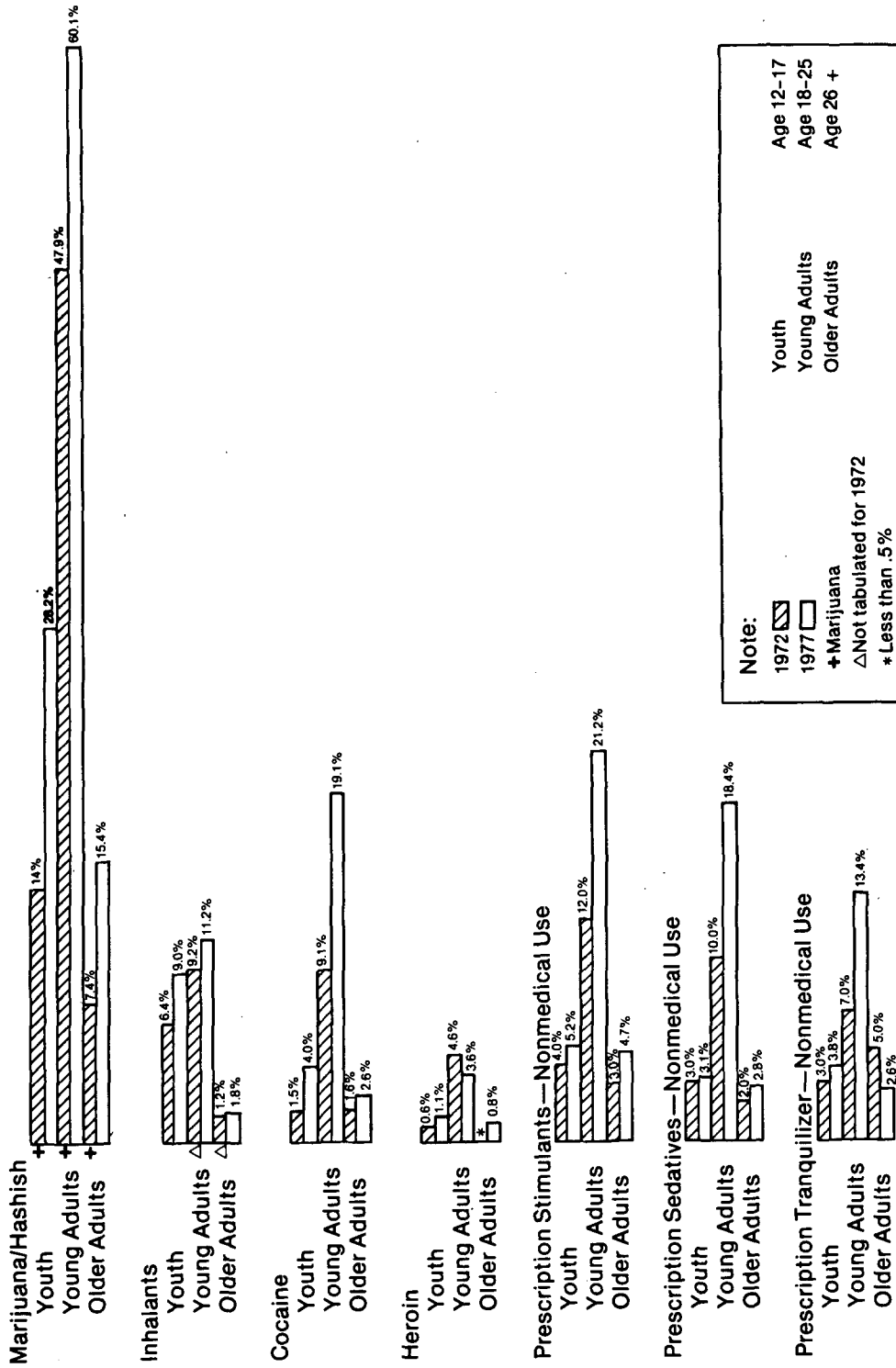
--The use of the hallucinogen PCP has nearly doubled over the past year and surpassed the use of LSD. PCP is regarded by many medical experts as potentially the most harmful of the commonly abused drugs.

--Cocaine and marijuana use has moved from the fad stage and has become accepted by an increasing number of the Nation's population. Cocaine use is increasing. Its use occurs primarily among people age 12 to 25, and in 1977 it was reported that the first use of cocaine occurred at the sixth grade level and below in the Nation's schools. The public uses marijuana more than any other psychoactive drug. An estimated 43 million Americans have tried marijuana, and its use has been rising steadily in the past decade. The portion of young people using marijuana on a daily basis is increasing and is now approaching 9 percent among high school seniors nationwide. Average monthly use of marijuana is estimated at 1 person in 25 for those 12 to 13 years old and 1 in 7 for those 14 to 15 years old. Recent studies have shown that the use of marijuana can be a stepping-stone to other drugs, and that dependency and tolerance do occur.

--An estimated 7,800 persons died in 1977 as a result of abusing drugs, a decrease of about 1,600 from 1976. Deaths from heroin declined by about 59 percent, while deaths from tranquilizers and barbiturates each declined by about 5 percent. Deaths related to PCP are up 18 percent.

In 1972, and again in 1977, thousands of Americans were asked whether they ever had taken any of a variety of illegal drugs. The following chart presents their answers.

The Expansion of Drug Abuse in the United States From 1972 to 1977



Note:
 1972 [Hatched Box] Age 12-17
 1977 [White Box] Age 18-25
 + Marijuana Age 26 +
 Δ Not tabulated for 1972
 * Less than .5%

*National Institute on Drug Abuse

HISTORICAL EVOLUTION OF FEDERAL CONCERN AND EFFORT

The drug problem has been a matter of national concern since the early 1900s when the first narcotics laws were passed. Early efforts to deal with the problem primarily focused on reducing the supply of drugs, first through taxation, then by prohibition and strict legal control. The basic assumption behind this approach was that reducing the supply and availability of drugs would lead to a reduction in their use by encouraging drug-dependent individuals to detoxify, and by keeping drugs out of the hands of users.

By the end of the 1950s there was a general agreement on the part of both the public and legislators that the Federal policy of strict supply reduction by itself was not enough. During the 1960s and early 1970s, as drug abuse increased and spread to new markets, the almost exclusive emphasis on supply reduction and stiff penalties was challenged with growing frequency, leading to increased research and experimentation with treatment for drug abusers.

Beginning in 1968, in response to rising public and political concern about drug abuse and its consequences for society, a variety of changes occurred in an attempt to curtail drug abuse.

Reorganization of the Federal drug law enforcement efforts

As drug abuse was increasing, Federal counter-efforts were found to be highly fragmented and generally ineffective in curtailing drug supplies. To overcome the needless overlap and competition between rival agencies, an effective organization structure was needed.

President Johnson's Reorganization Plan No. 1 of 1968 transferred primary drug investigative responsibility to the Justice Department. Drug law enforcement agencies in the Departments of Treasury and Health, Education, and Welfare were merged to create the Bureau of Narcotics and Dangerous Drugs (BNDD). Treasury's U.S. Customs Service continued to be responsible for drug smuggling investigations.

The formation of this new agency did not solve the problem. Drug law enforcement continued to be characterized as "fragmented" and having "serious operational shortcomings." By 1972, the criminal investigative and intelligence functions were shared by (1) BNDD and the Office for Drug Abuse Law Enforcement (ODALE) in the Department of Justice and (2) the U.S. Customs Service, as part of its antismuggling functions, in the Department of the Treasury. The Office of National Narcotics Intelligence (ONNI), also in the Department of Justice, was responsible for developing and maintaining a national narcotics intelligence system and for serving as a clearinghouse for Federal, State, and local agencies needing access to such intelligence.

To correct these problems, President Nixon's Reorganization Plan No. 2 of 1973 created a single agency approach to drug enforcement. BNDD, ODALE, and ONNI were abolished and all Federal drug enforcement was vested in one new agency, the Drug Enforcement Administration (DEA) in the Department of Justice. The functions and resources of the abolished agencies, together with the investigative and intelligence gathering functions and resources of the Customs Service relating to drug law enforcement, were transferred to DEA. The Customs Service's anti-drug role was limited to interdiction of illicit drugs at U.S. borders and ports of entry. This plan also intended a more significant role for the Federal Bureau of Investigation (FBI) in drug enforcement.

Even after this reorganization problems continued to exist. In our report entitled "Federal Drug Enforcement: Strong Guidance Needed," dated December 18, 1975, we pointed out that the problems of fragmented organizations and inter-agency conflicts had not been resolved, and we endorsed the recommendation in the Domestic Council's September 1975 report calling for settlement of jurisdictional disputes between DEA and Customs. Our report contained a note of caution that it was questionable whether agreements brought about by Presidential directive will ever work without a clear delegation of authority to someone acting on behalf of the President to monitor adherence to guidelines and tell agencies what is expected of them. The report also pointed out a need to clarify the FBI's role in drug law enforcement.

The effectiveness of the present organization structure in carrying out drug law enforcement operations is discussed in the succeeding chapters of this report.

Reorganization of the Federal drug abuse prevention efforts

Prior to the early 1970s no single office had primary responsibility for coordinating the Federal drug abuse prevention effort.

President Nixon, in a message to the Congress on June 17, 1971, stated that the drug abuse problem had reached the dimension of a "national emergency" and that drug law enforcement must be balanced by a "rational approach" to the reclamation of the drug abuser himself. By Executive Order he created the Special Action Office for Drug Abuse Prevention (SAODAP). SAODAP was given the responsibility of mobilizing, coordinating, and overseeing the resources of the Federal Government to provide treatment and rehabilitation for drug abusers. The Federal drug abuse prevention functions were scattered among as many as 14 agencies engaged in research, prevention, training, education, treatment, and rehabilitation, all aimed at reducing the demand for drugs.

With the enactment of the Drug Abuse Office and Treatment Act of 1972 (Public Law 92-255) Federal policy clearly called for a balanced response to the problem of drug abuse by adding a vigorous prevention and treatment component to the existing law enforcement effort. The act mandated the temporary Special Action Office, and authorized the permanent establishment of NIDA--a separate organization within the Department of Health, Education, and Welfare--to handle research, prevention efforts, treatment, training of professional and paraprofessional personnel, and rehabilitation programs.

The Drug Abuse Office and Treatment Act also created the Strategy Council on Drug Abuse and directed the development, promulgation, and yearly publication of a comprehensive, coordinated, long-term Federal strategy for all drug abuse prevention and drug enforcement functions conducted, sponsored, or supported by the Federal Government. The first Federal Strategy for Drug Abuse and Drug Traffic Prevention prepared by the Strategy Council was published in 1973, and four others followed in 1974, 1975, 1976 and 1979. In addition, the White Paper on Drug Abuse, a report to the President from the Domestic Council Drug Abuse Task Force, was released in 1975.

Reorganization of Federal international narcotics control

Narcotics control considerations have played a fluctuating role in foreign policy since the early 1900s. As the Federal Government moved to a more comprehensive drug abuse and traffic prevention policy, curtailment of drug supplies originating outside the United States received an increasingly higher priority.

In his June 17, 1971, message to the Congress, President Nixon asked for accelerated international cooperation and made narcotics control a top priority foreign policy objective. With the establishment in August 1971 of the Cabinet Committee on International Narcotics Control (CCINC) and the designation of the Secretary of State as Chairman, the President gave the Department of State primary responsibility for developing an intensified network of international cooperation and controls. CCINC was charged with developing a strategy to check the illegal flow of narcotics to the United States and coordinating the efforts undertaken abroad by involved Federal departments and agencies to implement that strategy. While the CCINC was assisted by various subcommittees, the Senior Advisor to the Secretary and Coordinator for International Narcotics Matters chaired the CCINC Working Group and, as the Secretary's designee, was given the authority to coordinate the programs and policies of various U.S. agencies involved in international narcotics control.

U.S. embassy involvement in drug law enforcement increased in many countries as a result of the President's directive establishing the CCINC. To complement the Washington effort, drug control committees were formed in some foreign nations to deal with illicit drug trafficking. The committees were responsible for coordinating and guiding U.S. anti-drug activities in their respective countries. Their first task was to develop plans outlining, among other topics, the (1) host country's influence on the U.S. drug problem, (2) U.S. goals and objectives to counteract this influence, and (3) specific steps to achieve these goals and objectives.

The CCINC met five times in 1971-1973 to determine overall policy and to act on recommendations from the Working Group. CCINC's last meeting was in November 1973, when it met jointly with the President and the Domestic Council Cabinet Committees on Drug Abuse. The Select Committee on Narcotics Abuse and Control noted this in a

1977 report, and said that CCINC's not holding meetings eliminated high level policy direction to the working interagency subcommittees.

The Agency for International Development (AID) was also active in international narcotics control. In 1967, it first authorized funds to provide enforcement and agricultural equipment for poppy control and substitution in Turkey. Between 1971 and 1973, AID, using contingency funds provided by the Foreign Assistance Act, financed, managed, and implemented almost all narcotics assistance. For the first time the Congress specifically appropriated international narcotics control funds for fiscal year 1974, and, in November 1973, the Secretary delegated to the Senior Advisor the responsibility for administering the international narcotics control program funded under Foreign Assistance Act legislation. This program provided technical assistance, equipment, supplies, and training to key producing and trafficking countries. Most of the expenditures, however, were programmed through AID under a State/AID Participating Service Agreement.

The President abolished the CCINC and its subcommittees in March 1977, along with the cabinet committees on drug abuse prevention and drug law enforcement. At the same time, the President activated the Office of Drug Abuse Policy (ODAP) to oversee the formation and implementation of drug abuse policies, and he directed that the Strategy Council be revitalized to serve as the Government-wide advisory committee for this problem area.

During fiscal year 1978, the Department of State assumed those narcotic control functions previously performed by AID. In October 1978, the Congress approved the creation of the Bureau of International Narcotic Matters in the State Department which provides the focus for integrating narcotic control considerations within the general foreign policy of the United States.

FEDERAL GOVERNMENT STRATEGY

Federal strategy to curb the extent and impact of drug abuse in the United States has become multifaceted, recognizing the link between education, treatment, rehabilitation, research, law enforcement, crop eradication, and rural development. It consists of a variety of domestic and international efforts to reduce the supply of and demand for illicit drugs and those legal drugs diverted to illicit use. The strategy points out that successful Government efforts can minimize drug abuse.

The strategy consists of a three-part effort to reduce the negative effects of drug abuse and parallels the authority of the single-purpose, lead agencies in the drug field. In the area of drug abuse prevention, treatment, and rehabilitation, NIDA has overall responsibility. For supply control activities, two agencies are chiefly responsible. DEA is the lead agency for drug law enforcement. The Department of State has responsibility for coordinating international narcotics control efforts and crop substitution efforts, with authority vested in the Assistant Secretary for International Narcotics Matters.

The objective of supply reduction is to reduce drug availability for illicit use by making drugs difficult to obtain, expensive, and risky to possess, sell, or consume. Supply reduction efforts attempt to disrupt the entire chain of production and distribution through substituting and eradicating crops in illegal growing areas abroad, interdicting illicit shipments, arresting and jailing important traffickers, and seizing and confiscating the equipment and fiscal resources needed to operate trafficking networks. The basic assumption is that decreasing availability will result in fewer people experimenting with drugs, fewer experimental users advancing to chronic, intensive use of drugs, and many current drug users abandoning their use and seeking treatment.

Key elements of domestic drug law enforcement are

- interdicting drugs at the border,
- carrying out conspiracy investigations and otherwise targeting Federal enforcement resources at high-level traffickers,
- immobilizing drug traffickers by incarcerating them for long periods and reducing their financial resources,
- controlling the supply of legally manufactured drugs in order to prevent diversion into illegal channels, and
- relying on State and local police for directing efforts against local drug dealers and providing leads to conspiracy cases.

The Federal Government's goal in international drug control programs is to control illicit drugs at their source and thus prevent them from entering the United States. The key activities of the international control program are:

- gaining the support of other nations and international institutions for drug control,
- preventing the cultivation of the raw materials in the source countries by means of illicit crop destruction and crop substitution programs, and
- developing strong drug control organizations within foreign countries.

NEED FOR CENTRALIZED DIRECTION OF DRUG ABUSE AND DRUG TRAFFIC PREVENTION

The success of the Federal strategy and the present organizational structure relies on an effective interaction and a close, complementary relationship among 17 Federal agencies ^{1/}, State and local agencies, key foreign governments, and international institutions. Since the early 1970s several reviews of the overall drug control efforts initiated by the executive branch, the Congress, and GAO have pointed to a continuing need for high-level policy and program oversight of the rapidly expanding drug abuse effort.

In July 1976 the Select Committee on Narcotics Abuse and Control was created by the House of Representatives to assist committees having legislative jurisdiction in the area of narcotics abuse and control.

^{1/}The Domestic Council's 1975 "White Paper" on drug abuse described 17 Federal entities operating programs in the area of supply and/or demand reduction. Subsequent investigations by staff of the House Select Committee on Narcotics Abuse and Control, however, revealed that there were in fact as many as 100 Federal entities within departments, independent agencies, or executive offices which have operated such programs between 1969 and 1976.

On March 19, 1976, the Congress amended the Drug Abuse Office and Treatment Act of 1972 (Public Law 94-237) to establish ODAP in the Executive Office of the President. One year later, on March 14, 1977, President Carter activated the office. The legislative intent made clear that the Congress was dissatisfied with inconsistent and sometimes conflicting Federal drug abuse policies with no clear overall direction. The Congress wanted a central accountability mechanism to insure a coherent Presidential drug abuse policy throughout the executive branch. ODAP's statutory authority, responsibility, and objectives were to oversee all organizational and policy issues for drug abuse and drug traffic prevention, to coordinate the performance of drug abuse functions by Federal departments and agencies, and to recommend and implement resource and program priorities.

By the end of March 1978, ODAP conducted seven inter-agency policy reviews and issued reports covering the areas of demand reduction, drug law enforcement, international narcotics control, narcotics intelligence, regulatory and compliance activities, drug abuse in the armed services, and border management and interdiction.

In July 1977, President Carter submitted Reorganization Plan No. 1 to the Congress which included a proposal to abolish ODAP. Many members of Congress expressed concern over the termination of ODAP because of their belief in the continuing need for such a high level policy and coordinating office, but also saw the need for reorganization in the Executive Office. A responsible official assured the Congress that the various functions of ODAP would continue to be fully carried out within the Executive Office of the President. On March 26, 1978, the reorganization plan took effect, and ODAP was abolished in April. All functions of ODAP have been absorbed by the Office of Drug Policy in the Domestic Council. Six staff members are assigned exclusively to drug abuse issues.

Various Members and committees of the Congress continue to be concerned about the possible adverse impact on drug abuse policy and coordination in the Government in the future as a result of the abolishment of ODAP. This concern centers around whether (1) the essential characteristics of the ODAP structure, accountability and accessibility to the Congress, will be maintained and (2) the policy studies and recommendations promulgated by ODAP as approved by the President will be implemented vigorously by all affected elements of the executive branch. The responsible committees of the

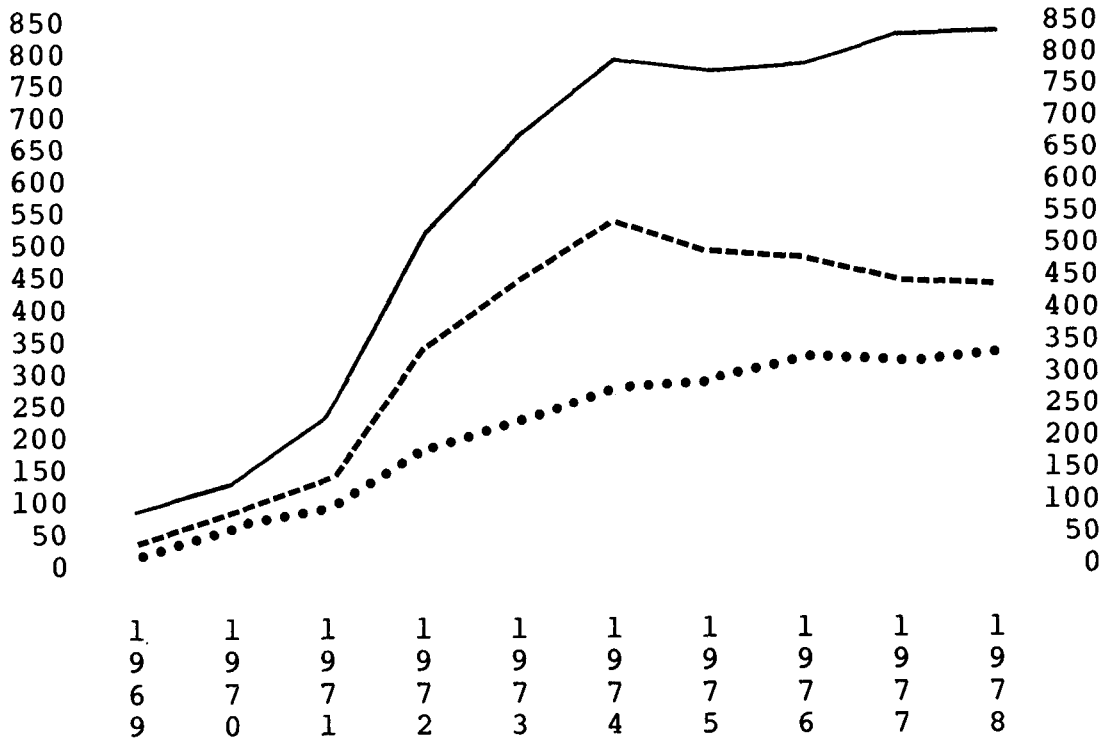
Congress have reserved judgment on how effective this new coordinating structure is until sufficient experience under the new setup has been gained.

FEDERAL RESOURCES--FISCAL YEARS 1969-1978

During the past decade, the Federal Government has spent about \$5.5 billion on programs to prevent drug abuse and reduce the availability of illicit drugs. Prior to 1969, most resources were used to support law enforcement activities, but as the United States moved to other approaches for combatting the drug problem, demand reduction became the predominant effort in terms of financial assistance, receiving \$3.4 billion, or 62 percent of Federal resources. Since 1969, \$2.1 billion, or 38 percent of the Federal resources, were used for supply reduction, mainly for law enforcement efforts of BNDD/DEA and the U.S. Customs Service.

TOTAL U. S. DEMAND REDUCTION/SUPPLY
REDUCTION OBLIGATIONS
F. Y. 1969-1978 (note a)

Total Obligations -
 Demand Reduction --
 Supply Reduction ...
 (in millions of dollars)



a/ Figures for 1977 and 1978 are projected amounts

Source: Oversight Hearings on Federal Drug Strategy, 1977
 House Select Committee on Narcotics Abuse and
 Control, p. 60.

Most U.S. efforts have concentrated on the domestic drug abuse problem. A small portion of total resources were devoted to the supply and demand problems in drug-producing countries. Assistance provided by the Department of State increased from \$5.4 million in 1971 to \$40 million in 1978. Overall, this support amounted to about \$222 million, or about 4 percent 1/ of the Federal resources budgeted for drug abuse control over the past 10 years. The majority was used for supporting supply reduction efforts, namely crop eradication programs in Mexico and Burma.

1/This percentage would increase slightly if the expenditures for other Federal agencies' supply and demand reduction programs in foreign countries were included.

CHAPTER 2

REDUCING DRUG AVAILABILITY IN THE UNITED STATES--EFFORTS HAVE NOT HAD LASTING BENEFITS

Law enforcement and diplomatic accomplishments have shown some positive results in reducing the availability and adverse impact of some illegal drugs, yet the drug trade flourishes. Most evidence indicates that these gains have not permanently reduced overall drug availability, but have shifted trafficking and distribution patterns and caused users to switch to other drugs when their preferred drug becomes hard to get.

The drug problem persists because of enormous consumer demand, tremendous profits, little risk, and the characteristics of the underdeveloped source countries. In addition, the Federal drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. The huge supply and demand for drugs and the enormity of the undertaking will continually frustrate attempts to contain the problem under the present approach.

WHAT SUCCESSES HAVE BEEN ACHIEVED?

Notable and well-publicized successes have been attained in carrying out the Federal supply reduction strategy. These have resulted from actions taken by the United States to immobilize major drug trafficking networks through drug law enforcement and to elicit foreign support in controlling the production of illegal drugs. For example:

- A Turkish restriction on poppy cultivation and increased United States and French enforcement suppressed the French-Turkish heroin connection in the early 1970s and produced a dramatic shortage of heroin in the United States.
- Although cold weather and drought may have helped, DEA reports that joint United States-Mexico efforts in poppy eradication and narcotics enforcement have reduced heroin availability in the United States.

- DEA reports that heroin currently has the lowest purity and highest price since 1973 and that heroin-related deaths have been declining, 1/ which it attributes to a lessening of heroin supplies in the United States.
- Enforcement activities in the United States and abroad have caused significant drug removals and increased clandestine laboratory seizures.
- DEA has increased its emphasis on conspiracy investigations, and many high-level drug traffickers have been convicted on conspiracy charges. As a result, some convicted traffickers have received substantial prison sentences.
- Foreign countries have increased their support of supply reduction efforts, both on their own and through programs sponsored by the United Nations and the United States.
- The amount of diversion of legal drugs at the wholesale and manufacturing levels has declined sharply in recent years.

Current indicators suggest that there is a major shortage of heroin in the United States, a significant accomplishment against the Nation's number one drug enforcement priority.

Such successes are, however, short-lived--growing areas, shipment routes, trafficking organizations, and even the types of drugs abused all change and adapt to new conditions. For example, the heroin shortage created by the breaking of the French Connection was temporary--Mexico emerged as the principal supplier of heroin to the United States. Now the concern is that, as Mexican heroin availability declines, heroin from Southeast Asia and the Middle East will fill the gap. Some also fear that use of dangerous synthetic drugs will continue to increase as heroin users find it difficult to obtain heroin.

1/DEA uses these three factors to measure its performance and the availability of heroin. DEA and ODAP recognized these factors as indicators and not precise measurement devices.

French-Turkish Connection broken

Perhaps the most widely publicized success was when the so-called "French Connection" was suppressed in the early 1970s. It was estimated that in the late 1960s as much as 90 percent of the heroin used in the United States was derived from opium diverted from legal production in Turkey. Much of this high-quality "white" heroin was processed by French-Corsican smugglers and transshipped via France for distribution in the United States. Partly because of a Turkish ban on poppy cultivation, and partly because of increased United States and French narcotic enforcement against the trafficking networks, this source of heroin was nearly dried up by 1973. Heroin availability in the United States declined and, reportedly, the number of users dropped dramatically during 1972 and 1973.

Success with the eradication program in Mexico

With the success in suppressing the supply of heroin from Turkey, Mexico emerged as the principal supplier of heroin to the United States. Production was stepped up to meet the heroin shortage, and Mexico's share of the U.S. market is estimated to have increased from 38 percent in 1972 to 90 percent by 1976. Correspondingly, the use of heroin in the United States started increasing again in early 1974 after declining in 1972.

Mexico decided in 1975 to dramatically increase its effort to eliminate illicit opium cultivation by expanding crop destruction operations and committing more personnel to the task. Now it is reported that successes in eradication campaigns and enforcement actions have reduced overall availability of heroin in the United States and contributed to a shift in marijuana sources from Mexico to Colombia. It has also been reported that cold weather and drought in Mexico's poppy-growing areas have contributed to this decrease.

Heroin indicators show declines

Though the effectiveness of drug control efforts is virtually impossible to precisely measure, DEA's three heroin availability indicators all point to decreased supplies of the drug. The retail heroin purity index, which measures the purity of heroin available at the street level, has declined from 6.1 percent in 1976 to 4.1 percent during

November 1978. At the same time, the price of heroin has reached its highest level since 1973, when the full impact of the Turkish opium ban was evident. Heroin-related overdose deaths, as reported by the Drug Abuse Warning Network (DAWN) ^{1/} were 770 in 1977, down almost 60 percent from 1976. (See app. I, pp. 154 and 155.)

Drug seizures and removals increase

Enforcement activities in the United States and abroad have caused significant removals of drugs from the illicit market and an increased number of clandestine laboratory seizures. Total domestic and foreign heroin/opium removals increased substantially in 1977, to almost 41,000 pounds from about 22,000 pounds in 1975. During the same period, seizures of cocaine, marijuana, and hashish also increased substantially. In addition, the seizure of clandestine drug laboratories increased 65 percent from 1976 to 1977. Of the laboratories seized in 1977, 50 were producing PCP, and 77 were producing stimulants, hallucinogens, and other drugs. According to DEA, the number of seizures suggests a proliferation of clandestine laboratories in the United States.

The preceding statistics are difficult to interpret and are not necessarily true measures of enforcement effectiveness. With the exception of marijuana, most drugs are seized closest to the source of production, and foreign seizures do not necessarily mean that these drugs were destined for the United States. However, drug seizures by law enforcement over the years have been significant. (See app. II, p. 156.)

Conspiracy cases stressed

One of the most significant accomplishments in the law enforcement area has been DEA's increased emphasis on conspiracy and financial investigations to immobilize high-level traffickers and their organizations. In 1978, 104 traffickers were charged with conspiracy violations in Federal Court, compared to 90 in 1974. Moreover, there has been increased numbers of complex conspiracy cases. This topic is more fully discussed in chapter 5.

^{1/}NIDA and DEA have developed a national drug abuse data collection system which collects data associated with drug abuse-related crises as reported by hospital emergency rooms and medical examiners in 24 of the largest metropolitan areas of the United States.

Complex conspiracy cases directed at financiers and organizational heads who isolate themselves from actual drug transactions are much more time-consuming than "substantive" cases where an individual is arrested immediately after drugs are purchased from him. A breakdown of DEA's arrest statistics of traffickers arrested during the period 1975 through 1978 are contained in appendix II, page 156.

Greater foreign support for drug control programs

Foreign countries have increased their support of efforts to reduce drug supplies. The Department of State has used its diplomatic offices and narcotics assistance funds to establish cooperative efforts with 10 countries which are principal sources of drugs flowing into the United States. To illustrate, Mexico's decision to use herbicides and increase its eradication efforts is considered to be the single most important factor contributing to the decrease in Mexico's share of the U.S. illicit heroin and marijuana markets. These efforts by Mexico are also believed to be the primary reason for the favorable changes in the heroin-related fatalities and heroin retail price purity.

Through the United Nations Fund For Drug Abuse Control (UNFDAC), more than 70 foreign governments have contributed to international narcotics control programs. The increase from the 40 member nations contributing in 1975 illustrates the increased international concern for the drug problem. Other indications include a judicial assistance treaty between the United States and Switzerland, development and ratification of the Single Convention on Psychotropic Substances, and the assignment of drug control attaches to Thailand by at least six foreign nations.

Successes have few lasting benefits

Despite these many hard-won achievements, the Federal supply reduction efforts have not had a significant impact on the overall drug problem. Successes have been temporary, as drug trafficking and drug use patterns shift in response to supply reduction efforts.

Even though recent successes in attacking the supply of Mexican heroin have reportedly reduced overall heroin availability in the United States, it remains to be seen whether this gain can be maintained. Experts consider it likely that the United States will become an increasingly

attractive market for heroin from Southeast Asia and, perhaps, the Middle East. Mexico currently remains the principal supplier of heroin to the United States, but DEA intelligence reported in 1978 that traffickers are finding Asian heroin a desirable alternative to Mexican heroin because of its low price and availability throughout Asian markets. Narcotics traffickers are conscious of the demand created by the dwindling availability of Mexican heroin and are reaching out to Asian representatives who are anxious to connect these distribution networks to their sources of supply. White Asian heroin has, in fact, already become a significant source in the illicit market of the New York metropolitan area and a dominant source in Washington, D.C.

Supply reduction accomplishments have also contributed to a shift in the U.S. supply of marijuana. It is believed that at least partly because of the success of the paraquat-spraying program in Mexico, marijuana users in the United States have switched to Colombian marijuana. Colombia is now the major supplier of marijuana to the United States, with most of the illegal substance entering through the Southeastern United States.

Patterns in the types of drugs abused also change as a result of "successful" drug supply reduction efforts. Compulsive and chronic drug users, who create the largest portion of the drug abuse problem, tend to use whatever drug is available. When one substance becomes unavailable, these users switch to another or to a combination of drugs which they use in the same self-destructive pattern. Thus, it is not surprising that DEA reported an increasing trend in the use and trafficking of heroin substitutes and supplements as retail heroin purity declined in 1977.

In its New York Region, for example, DEA found that since heroin purity has fallen, polydrug abuse has increased, and many users have switched to synthetic drugs such as PCP, Talwin, and Preludin. Intelligence reported that a scarcity of quality heroin has given rise to a dramatic increase in PCP sales, particularly in Harlem, where it is marketed in the same manner as heroin. DEA also found that former heroin distributors are involved in the New York PCP trade, and there are indications of the overall acceptance of PCP by the addict population.

The 1979 Federal Strategy recognizes the great potential for increased abuse of synthetic drugs. Abuse of PCP, in particular, has recently reached alarming proportions in several major cities. The strategy noted that

the marketing and use of PCP have been increasing and that PCP may represent the drug abuse wave of the future. It further stated that:

The control of cheap and easily manufactured synthetic drugs is difficult and may well be a major concern of the future. It is quite possible that the marketing of PCP will serve as a model for further illegal synthetic drugs.

The reactions of both drug users and traffickers to drug supply reduction's accomplishments demonstrate that successes have been short-lived and have had little impact on the overall drug abuse problem.

WHY DOES THE PROBLEM PERSIST?

The drug problem persists because of the enormous supply of and demand for drugs. The Federal strategy implementation can be improved for greater effectiveness, but the desire for drugs, the situations faced in the underdeveloped source countries, and the low risk of the trafficking business relative to the tremendous profits will continually frustrate attempts to contain the problem.

Enormous drug demand

Drug use has become engrained in our society, and the demand for drugs will not be easily reduced. With society's changing attitudes toward the drug culture, millions of Americans have experimented with many types of illicit drugs, including cocaine, marijuana, and PCP. In addition to this increasing abuse, there continues to be an enormous demand for heroin.

The ever growing demand for illicit drugs in the United States includes both the young and elderly, and crosses racial, cultural, social, and economic lines. NIDA estimated that about 43 million people have experimented with marijuana, 6.9 million people have used PCP, 2 million have used heroin, and 19 million have used hashish.

The total list of substances abused by Americans is extensive, but recent studies show that the demand for marijuana, cocaine, and PCP is increasing more rapidly than for other drugs. The age levels at which these drugs are first used have moved steadily downward, now affecting even those of grade school age. Also influencing the greater

use of these drugs is the fact that various implements and rituals associated with drug abuse have become commercially exploited by magazines and retail shops. As an example, certain magazines depict the drug culture as the "in" society. Through advertisements in these magazines, readers may buy any number of implements to facilitate drug consumption.

Drug abuse is not confined to citizens residing in the United States, but has also affected American troops serving overseas. An Army semiannual drug survey, for instance, showed significant increases in the use of marijuana/hashish, dangerous drugs, and heroin. Furthermore, military officials have recently stated their concern about the high purity heroin that has become available to service personnel.

Over the last decade the illicit use of opium-based drugs has become a worldwide problem, growing in the countries of origin and spreading to many of the industrialized countries of the world, especially in Europe.

Reducing this enormous demand for drugs is an extremely difficult undertaking, as recognized by President Carter in his 1977 Message on Drug Abuse. The President said:

"No government can completely protect its citizens from all harm--not by legislation, or by regulation, or by medicine, or by advice. Drugs cannot be forced out of existence; they will be with us for as long as people find in them the relief or satisfaction they desire."

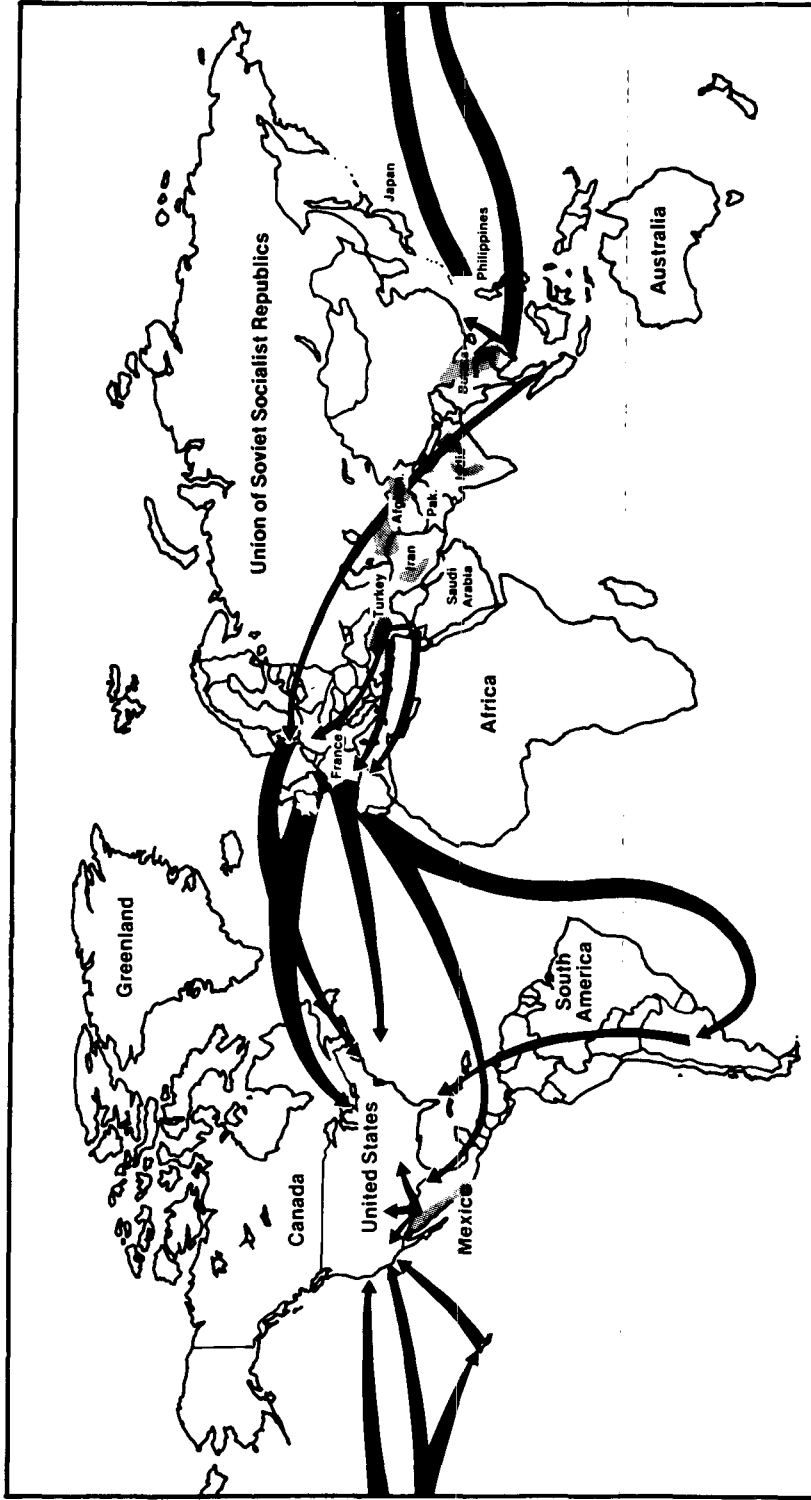
An unlimited drug supply exists

Numerous foreign countries produce opium, cocaine, and marijuana. Legally manufactured drugs are exported, but some are returned for the U.S. illegal market. Dangerous drugs are clandestinely manufactured both here and abroad, and drugs are diverted in legitimate U.S. channels from manufacturers, pharmacies, and physicians. Drug clinics are sometimes the source for the abuse of methadone, a drug used to treat heroin addicts. Even the process of filling recognized medical needs is the source for drug abuse.

Because of the hidden nature of an illicit activity that transcends the borders of many nations and which has both licit and illicit sources, it is impossible to accurately estimate illicit drug production and supply. Even for heroin

and cocaine--drugs traditionally receiving high priority in U.S. supply reduction efforts--estimates have varied and at best, are educated guesses. However, these estimates, along with the many drugs abused and the many sources, show that a virtually unlimited supply easily meets the world demand. The charts on the following pages show the opium-growing areas throughout the world and the major trafficking routes for illicit drugs flowing into the United States.

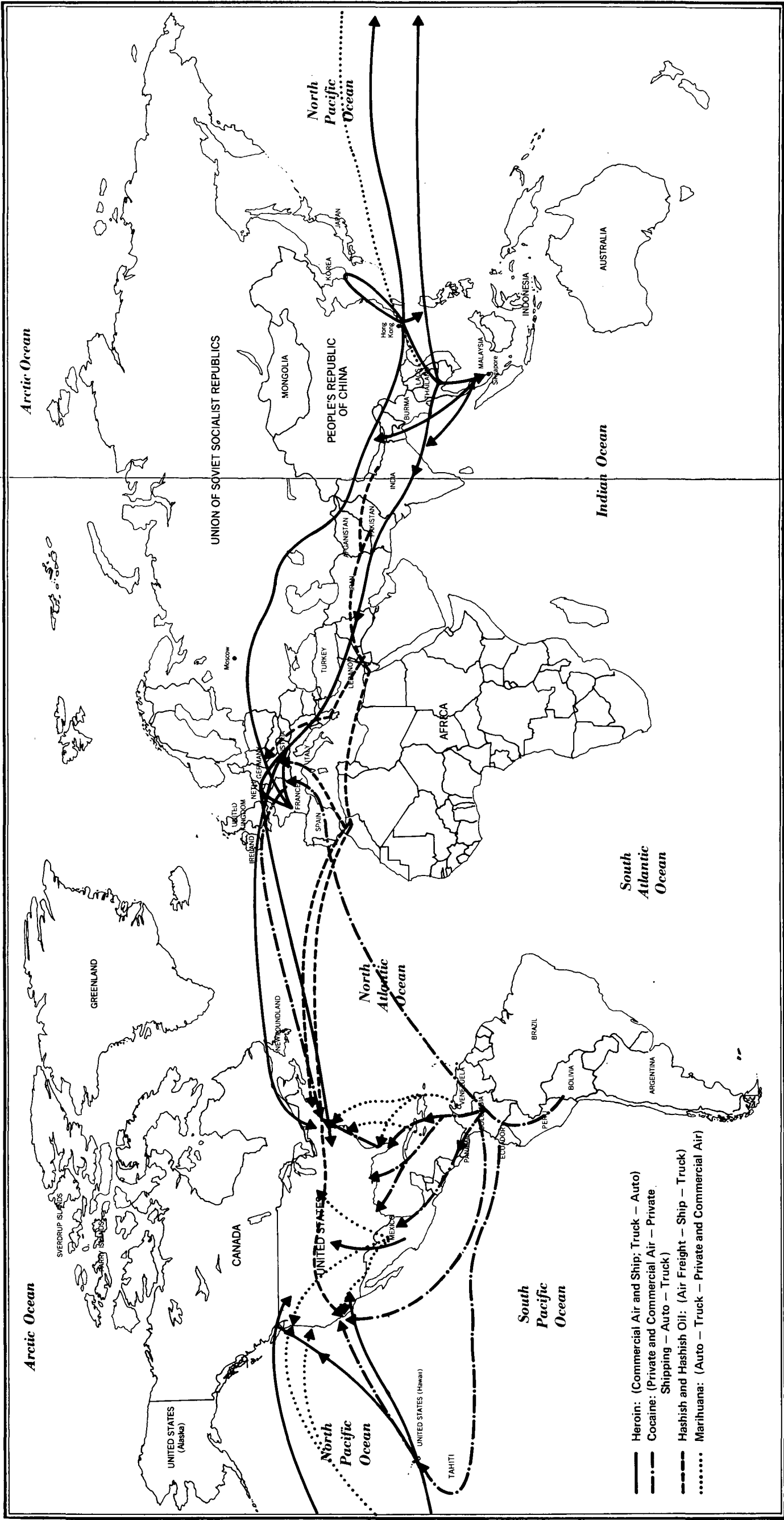
OPIUM GROWING AREAS & GENERAL TRAFFICKING ROUTES



■ OPIUM GROWING AREAS OF THE WORLD

Source: Drug Enforcement Administration

ILLICIT DRUG ROUTES INTO THE UNITED STATES



Many countries can easily
meet U.S. heroin needs

Opium poppies are cultivated both legally and illegally in many countries. Licit opium production is geared to meet the world demand for manufacturing pharmaceuticals such as morphine and codeine. Much of the illicit opium production is consumed by the local addict population, while that converted into heroin is consumed both locally and in other countries, primarily the United States and Western Europe. Overall, licit and illicit production far exceed both the licit and illicit opium demand.

No accurate information is available on illicit opium production. DEA, the Central Intelligence Agency, and the State Department estimate this production, however, and the following data are based on the "educated guesses" made by these agencies. The table is intended only as a general guide to gauge present illicit opium production in the major producing areas.

Estimated Illicit Opium Production
By Major Producers

<u>COUNTRY</u>	<u>METRIC TONS</u>
Pakistan	500-600
Afghanistan	300-400
Burma	300-400
Thailand	70-80
Laos	50-60
Mexico	28-40
Total	<u>1,248-1,580</u>

Most of the opium used to supply the U.S. heroin market is illicitly produced. However, this was not always the situation. In the past, the diversion of part of the 200 metric tons legally produced in Turkey found its way into the infamous French Connection and subsequently into the United States.

The changing licit and illicit production is presently causing concern among United Nations and U.S. officials. These changes illustrate the ease with which heroin demand is satisfied by a variety of countries.

- Pakistan and Afghanistan production dwarfs production in Mexico and the Golden Triangle, the primary sources supplying the United States. With opium now being refined into heroin in Pakistan, this area has emerged as a potential source.
- Concern exists in some quarters over the possibility of diversion from licit production in Turkey since more poppy straw has been produced and stored than can be sold on the licit market. Reportedly in 1978, Turkey harvested 36,400 metric tons of poppy straw, and 30,500 tons of straw from the 1976 and 1977 crops were in storage.
- Seizures of Middle Eastern heroin destined for Canada and Western Europe are also on the rise, and evidence shows that the number of heroin laboratories in various countries, including Turkey and Italy, is increasing.
- India is producing more opium than the licit market needs, thereby creating the potential for diversion. India has been practically the sole supplier of licit opium for the past 5 years with production increasing from 866 tons to 1,651 tons.
- Previously unknown illicit growing areas have been found in Lebanon and Egypt. Some illicit production has reportedly surfaced in Turkey and Colombia, but Department of State officials have seen no reports which verify the production.

--The existence of large inventories of seized illicitly produced opium in Thailand and Afghanistan further increases the risk of diversion and could further disrupt the licit market.

Coca production increasing rapidly

Nearly all of the cocaine flowing to the United States comes from South America. For the most part, the coca is grown in Peru and Bolivia, then processed into cocaine in Colombia. Past estimates of the amount of cocaine available for world use each year have ranged from 63 to 100 tons with an estimated 15 to 46 tons entering the United States annually.

Officials generally agree that the amount of cocaine coming to the United States is increasing and that a similar increase is occurring in Europe. In line with these increases, coca-growing areas have expanded in South America. DEA officials in Peru and Bolivia in 1978 reported that over 107,000 acres may be used for coca production. Excluding exports and local consumption, their reports show that 37,360 tons of coca could be available for the illicit market. Depending upon the method used in estimating the cocaine production, 82 to 248 tons of cocaine could be available for world use.

Marijuana is in abundant supply

Marijuana, the most widely used illicit drug in the United States, is chiefly grown in Colombia and Mexico. Until recently, Mexico provided most of the marijuana consumed in the United States. But, as paraquat-spraying and enforcement efforts there took hold, Colombia emerged to become the primary source, most of the marijuana coming into the Southeastern United States by the tonload in boats and aircraft. According to some news reports, Colombia has 300,000 acres of marijuana under cultivation, helping to provide users in the United States with the 60,000 to 91,000 pounds per day needed to satisfy their demand.

There are several other marijuana-growing areas, including Jamaica, Thailand, Panama, Afghanistan, Pakistan, and the United States. While domestic marijuana production can be found in all parts of the United States, DEA believes it represents no more than 10 percent of the total market. The most sophisticated domestic cultivation appears to be taking place in Hawaii, where potent marijuana capable of rivaling many foreign varieties is being produced.

Dangerous drugs have many sources

Dangerous drugs come from many licit and illicit sources. Each year as much as 15 billion dosage units are licitly manufactured in the United States, and over 1.4 billion prescriptions are written. Diversion from this licit source by forged prescriptions, scrip rings, prescriptions issued by unscrupulous practitioners, and thefts easily meets the illicit demand.

Clandestine laboratories are easily established and maintained, and illicitly produce barbiturates, amphetamines, and heroin substitutes such as Dilaudid and Quaalude (methaqualone). Laboratories in the United States were the sources for the much-abused LSD and presently produce all of the illicit PCP.

Large quantities of drugs are licitly manufactured and exported, but some eventually are returned for distribution in the illicit U.S. market. In 1977 for example, such drugs were coming from Mexico, Canada, Spain, Jamaica, and The Netherlands.

In the past, the primary source of illicit methaqualone was diversion from the legitimate market or from clandestine laboratories in the United States. Now Colombia has become an important new source. The operators of clandestine laboratories easily obtain methaqualone base from European pharmaceutical companies even though the base is a controlled substance in Colombia.

Realities of growing countries make it difficult to prevent cultivation of illicit crops and stop trafficking at the source

Most countries producing opium, coca, and marijuana are poor, underdeveloped, struggling nations with similar social and economic characteristics. Cultivation is typically done by people having little to do with the national government and are outside the mainstream of society. They live in areas where the national government has little or no actual control and insufficient resources to gain control.

In Burma, the largest producer of opium grown in the Golden Triangle, the production of opium is more a political problem than a police matter. The overwhelming

majority of opium production occurs in areas under the control of various insurgent groups rebelling against the government. These areas are almost totally inaccessible to modern transportation. The farmer grows opium because of economic need and political pressure from the various warring groups which traffic in opium as a means of supporting their guerrilla wars against the Government of Burma.

Opium and coca are traditional crops in many areas and an integral part of the culture. The leaves of the coca bush have been chewed by members of the Andean civilization for at least 3,000 years for religious ceremonies and to relieve fatigue, hunger, and cold. Similarly, opium and its byproducts have been used in most producing regions for centuries to relieve pain or as part of their social customs or religious rites.

Perhaps more important than any other is the reality that drug cultivation is a key economic factor in the lives of the farmers who lack viable economic alternatives to illicit drug cultivation. Farmers are unconcerned about the moral and political consequences of drug cultivation, seeing it only in economic terms. This is best illustrated by the hill tribes in Northern Thailand. Those farmers who do not cultivate the opium poppy have an average family income of about \$175, while those who grow opium receive about \$250 for each acre cultivated. In Colombia, for instance, the estimated \$1-billion-a-year business generated by illegal drug-smuggling reportedly almost equals what coffee, Colombia's main legitimate export, brings in annually.

Suppression efforts have been hindered by longstanding and socially accepted traditions of smuggling and corruption. Not surprisingly, in some countries the enormous profits made in the opium, coca, and marijuana trade provide the means to finance corruption which nurtures and protects the drug traffic and is the most important factor inhibiting efforts to deal with the traffic. It saps the will and capability of the governments to mount an effective effort against traffickers and their organizations. Some government, police, judicial, and military officials profit from narcotics trafficking with near impunity. For example, in some countries widespread corruption exists within the principal unit empowered with narcotics enforcement.

These realities are too complex for a predominately law enforcement approach to be effective and too much for the United States to overcome alone. Other foreign countries are not fully committed to providing the assistance needed to reduce illicit production in producing countries. International drug control and the realities of growing countries are discussed in chapter 3.

Risk of trafficking business low
relative to the tremendous profits

The enormous profits of the drug trafficking business attract an ample number of entrepreneurs who see opportunities for profits that far exceed those available from legitimate businesses. Notwithstanding the obstacles created by law enforcement, it is relatively easy to enter and distribute drugs in the United States. The appeal of drug trafficking is demonstrated by the diversity of traffickers, many of whom do not have the typical backgrounds associated with other kinds of criminal activity.

It is widely recognized that illegal drug sales in the United States are a multibillion-dollar business, directly affecting the U.S. economy. The National Narcotic Intelligence Consumers' Committee estimated payments by users and traffickers for heroin, cocaine, marijuana, and hashish, and other dangerous drugs are between \$35 billion and \$51 billion annually.

To place the financial rewards and the extensive activities of the drug traffic in perspective, an Assistant Secretary of the Treasury reported that the 1974 sales of the A & P grocery chain amounted to less than \$7 billion. To make those sales, A & P required more than 3,000 stores, 100,000 employees, and \$200 million in working capital, and recycled billions of dollars through the banking system. According to DEA, the financial base of any major international drug trafficking ring is vast and complex, with operating funds running into millions of dollars.

The potential for accumulating large and quick profits is a strong lure which many find irresistible. The drug business is filled with numerous "rags-to-riches" stories. For example, DEA reported one Florida case where the head of a marijuana smuggling ring became a millionaire in just a few years. In 1971, before entering the illegal traffic, the individual was allegedly in such desperate

financial condition that he burned his boat to collect the insurance on it. Shortly afterwards he became involved in drug smuggling, and, by 1974, he reportedly had become a millionaire with foreign bank accounts and interests in several corporations. In another case, a truck driver earning \$1.65 an hour in 1972 rose to become a leader of an organization grossing \$200,000-\$300,000 per week in 1976 from the sale of heroin. During this time period the trafficker became a partner in a taco factory, paid \$74,000 in cash for seven automobiles, and moved from a \$70-a-month apartment to a \$330,000 house, paid for in cash, in an exclusive Los Angeles neighborhood.

Drug trafficking today appeals to people from all walks of life. A review of convicted traffickers shows that they have backgrounds ranging from hardcore criminals to highly respected professionals, such as lawyers, accountants, businessmen, doctors, and entertainers. According to those involved in drug enforcement, the increased marijuana and cocaine trafficking has particularly attracted many who do not fit the usual stereotype of a drug violator. In chapter 5 we discuss the particular problem of doctors who, intentionally and for profit, prescribe or sell drugs to individuals with no legitimate medical need.

The risks of drug trafficking are low relative to the profits that can be made, thus assuring the continual replacement of those traffickers who are caught. Law enforcement creates obstacles; however, (1) the border has not been a serious impediment to drug smuggling (see ch. 4 for details), (2) success in immobilizing traffickers has been limited (see chs. 5 and 6), (3) only an estimated 5 to 10 percent of all illicit drugs available in the United States are seized, (4) efforts to attack and confiscate the financial resources of traffickers are disappointing, and (5) sentencing of convicted traffickers has failed to provide a strong deterrent to drug trafficking.

Actions needed to support Federal strategy implementation have not materialized

The Federal strategy has sought to contain and, ultimately, reduce the supply of illicit drugs. However, the huge supply of and demand for drugs and the enormity of the undertaking have frustrated attempts to achieve the goal. Moreover, differing views among Government agencies as well as the public make it difficult to attain the necessary legislative, executive, and judicial actions.

There has been and continues to be longstanding fragmentation in and among the agencies involved in drug supply reduction. Since 1968, there has been a variety of changes in drug strategy, policy, and agency structure to reduce this fragmentation and provide clear high-level direction so that supply reduction effectiveness would be increased.

Chapters 3 through 7 of this report demonstrate that the drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. Our work shows that:

- The United States, emphasizing short-term measures to reduce drug availability, has not received the degree of international support needed to overcome the long-term nature of the problem (i.e., social, political, and economic conditions in producing countries) nor is it likely that these problems will be overcome within the foreseeable future. (See ch. 3.)
- There is no comprehensive border control plan, and thus, Federal agencies at the U.S. border carry out separate but similar lines of effort with little consideration for overall border security. This has diluted border coverage and control and meant that the border has not been a serious impediment to the illegal entry of drugs. (See ch. 4.)
- Legal obstacles, lack of expertise, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating their unique skills, jurisdictions, and resources. As a result, the Federal Government has had only limited success in immobilizing high-level traffickers and their organizations through conspiracy investigations, the use of financial evidence, and other techniques. (See ch. 5.)
- Bail and sentencing practices throughout the country have further weakened efforts to immobilize drug traffickers. Many arrested for trafficking take advantage of the bail

law and traffic in drugs while awaiting trial, while those eventually convicted are often not incarcerated for long periods of time. (See ch. 6.)

--The enormous number of jurisdictions, coupled with financial and political realities, make it virtually impossible to mobilize State and local enforcement resources on a coordinated nationwide attack on drug trafficking. (See ch. 7.)

As discussed in chapter 1, various members and committees of the Congress have expressed concern that ODAP's elimination may have an adverse impact on drug abuse policy and coordination in the Government. Our work shows their concern is well-founded in light of past history. A clear delegation of authority to someone acting on behalf of the President is needed to improve drug supply reduction. It remains to be seen whether the accountability of ODAP will be maintained in the new coordinating structure, and whether ODAP's policy recommendations will be implemented vigorously by all affected members of the executive branch.

PROPOSED ACTIONS

Drug problem requires Federal partnership and tougher stand

While the United States has articulated a strong stance to combat drug abuse in its Federal strategy and policy statements, the implementation has not consistently supported such a stance and has indicated to many a growing acceptance of drug use within this country. This reality has fueled misunderstanding as to what drug abuse policy the United States is willing to back up with action. The confusion is shared by the public at large, law enforcement officials at all levels of government, and other nations.

The United States must take a much tougher and consistent stance to make real gains in reducing the availability of illicit drugs. We must resolve these longstanding problems:

--Federal agencies' organizational difficulties diluting law enforcement efforts at our borders.

- Large-scale drug traffickers, in terms of immobilization from trafficking, being incarcerated for short periods of time while their ill-gotten gains remain intact.
- Unclear Federal, State, and local enforcement roles hampering the attack on drug traffickers.
- Inconsistent and sometimes conflicting drug policy, resulting in no clear overall directions.
- Businesses and individuals promoting the use of drugs through drug-oriented paraphernalia and magazines.
- Developed countries and international financial institutions providing little or no support for controlling illicit drug production.

To remedy these and other problems discussed in this report will take a Federal partnership of the executive and legislative branches of Government. They must reach agreement upon and affirm the Nation's policy for dealing with the drug abuse problem and enact the legislation for achieving the desired results. A joint commission could be formed to clearly set forth the Nation's policy and recommend a course of action to ensure vigorous implementation of the agreed-upon policy. The presence of a tough and consistent stance will go a long way in demonstrating within the United States, and to other countries, the strong commitment the United States is making in combatting the drug abuse problem.

Drug problem requires worldwide commitment

The United States has been a prime force in efforts to control drug production, but increased commitment of developed countries is needed if we are to have a great impact on the problem. GAO's recommendations to improve worldwide commitments are set forth on page 65.

* * *

Though we believe law enforcement and crop eradication will always have a major role in drug control and can have a greater impact if our recommendations are implemented,

there is no guarantee that the supply and use of drugs will be reduced significantly for a long time. Effective enforcement, eradication, and other controls will cause shifts and temporary disruptions in trafficking and drug use patterns and buy time to enable the Nation to concentrate on longrun solutions. Also, it is generally acknowledged that the demand for drugs would be even greater were it not for law enforcement and supply control efforts.

One question which remains unanswered is: how does this Nation effectively curtail the demand for illicit drugs? In the Nation's search for long-term solutions to the drug abuse problem, it must continue to give high priority to each vital component of the Federal effort--law enforcement and control, treatment and rehabilitation, education and training, and research.

CHAPTER 3

INTERNATIONAL NARCOTICS CONTROL:

SOME PROGRESS BUT TASK IS FORMIDABLE

The United States, working with producing nations, has been the predominant force in efforts to control illicit production in source countries, where the potential to impact drug availability and the drug problem is considered to be the greatest. These efforts have centered on programs for drug crop eradication and substitution, cooperative drug law enforcement, and obtaining assistance from other nations.

If success is viewed from the perspective of conditions existing before these programs began, progress and meaningful accomplishments are evident in some source countries. International narcotics control efforts have had the greatest impact in producing short-term heroin shortages in the United States. If the measurement of success lies in those conditions that must exist if cultivation and trafficking are to be substantially reduced, progress has been modest.

Longstanding political, economic, and social problems in growing countries have limited the impact of international drug control efforts. The conditions discussed below demonstrate that illicit drugs will continue to be available to meet the demand for years to come and even decades because:

- Growers lack viable economic alternatives to the cultivation of opium, coca, and marijuana. Replacing the illicit crops is a long-term and expensive undertaking and such extensive economic development has rarely occurred in the past, if at all.
- Most countries are not seriously committed to resolving the worldwide drug problem. Prospects that additional resources will be provided for drug control are further lessened by the development priorities and risks in producing countries and the uncertainty of contributions by international financial institutions and the Agency for International Development (AID).

--Foreign drug enforcement, while one of the few elements which has had an immediate impact and which is necessary to help achieve long-term objectives, has not had a lasting effect on overall drug availability and trafficking.

ERADICATION: SHORT-TERM RESULTS
BUT NO SOLUTION

Eradication as a tool for reducing drug availability faces many obstacles. Currently this approach is operating in Burma and Mexico, two of the nine narcotics producing countries which are viewed as the major sources of narcotics abused in the United States. These programs have met with varying degrees of success. Regardless of the degree of success achieved, these successes are likely to be temporary in nature unless actions are taken to provide growers with an alternative source of income. To do this would require massive expenditures and would take considerable time to achieve the goal. Experiments with such programs are discussed on pages 44 through 48 of this chapter.

Eradication impact on Mexican production:
cautious optimism advised

During fiscal years 1970-78, U.S. narcotics assistance to Mexico, not including the estimated \$3 million spent annually by DEA, amounted to approximately \$69 million. Most of it was used for remote sensing and communication equipment and the purchase and maintenance of the 64 helicopters and 24 airplanes used in the narcotics control program.

The use of helicopters and aerial eradication using herbicides overcame many of the problems associated with past efforts to destroy the opium poppy. Plants were manually destroyed with sticks, machetes, and hoes, and the almost inaccessible terrain, where crops were grown and often processed, prevented the use of conventional land transportation or fixed-wing aircraft from transporting eradication personnel to the growing areas. Even with helicopters, manual eradication could not make the needed impact on opium production. With the increasing Mexican heroin in the United States, the Mexican Government considered alternatives and decided to use aurally sprayed herbicides as an eradication tool.

Since 1976, aerial eradication using herbicides has had some notable successes in Mexico. According to DEA,

eradication destroyed an equivalent of 34,861 pounds of heroin during 1976-77--over 17 times the amount of heroin seized domestically by DEA and other agencies during the same period. Largely because of these efforts, DEA stated availability was reduced and heroin purity reached 4.2 percent by September 1978, the lowest point since 1971. Field sizes are getting smaller, and growers are going to great lengths to avoid detection. Fields are being planted and camouflaged by trees and canopies, and clusters of fields are being found outside traditional growing areas.

Despite eradication successes, prospects are that Mexico will continue to be a major heroin source for U.S. addicts. After about 3 years of aerial eradication, the Mexican share of the U.S. market has decreased from 89 percent, or 5.2 metric tons, in 1975, to about 65 percent, or 2.76 metric tons, in 1978.

In our 1977 report on the eradication program, 1/ we reported that cautious optimism was advised. This is the same position the United States must take today despite the estimated reduction of 2.4 metric tons of heroin entering the United States from Mexico and the Mexican Attorney General's claim that the program destroys 95 percent of the known production.

Most recently, uncertainty on crop production and destruction surfaced when the eradication statistics for the 1978 campaign declined dramatically from similar periods in 1977. For the first 3 months of 1978, the number of fields and areas eradicated in the major poppy-growing areas declined 62 and 86 percent respectively. Over the next 6 months, further reductions were experienced in the overall program.

1/"Opium Eradication Efforts In Mexico: Cautious Optimism Advised" (GGD-77-6, Feb. 18, 1977; Confidential).

Eradication Statistics for the Tri-State
Area of Sinoloa, Durango, and Chihuahua

<u>3-month period</u>	<u>Fields</u>	<u>Hectares</u>
January - late March		
1977	23,699	5,802
1978	9,009	785
Percent of decrease	62	86

Eradication Statistics for the Overall Program

<u>6-month period</u>	<u>Fields</u>	<u>Hectares</u>
April 1 - September 30		
1977	5,146	576
1978	3,937	262
Percent of decrease	25	30

The Mexican officials contend that the decline in the opium poppy eradication was due to a successful 1977 fall eradication campaign which caused farmers to plant fewer poppies. During that campaign 11,299 fields, or 1,482 hectares, were reported to have been destroyed in the Tri-State area.

As early as February 1978, this decline was a cause of concern among U.S. program officials who at that time had insufficient information to determine what factors were responsible. In August 1978 the question of whether the decline in Mexican opium cultivation was due to eradication

or to a drought in the fall of 1977 was raised. Some analysts believed that the drought significantly contributed to the decline in the amount of opium poppy reportedly eradicated from January through March 1978, and that it affected the poppy growers to much the same degree as it did the legitimate farmers who were forced to reduce their planting by as much as 50 percent.

Some analysts believed that there was still insufficient information to quantify the impact of the drought. It concluded that if the fall 1977 eradication campaign was successful and the drought was not a prime factor, eradication for the upcoming fall crop should decline. If there is an increase over the spring 1978 totals, it would appear that the drought and not the fall 1977 eradication campaign was a key factor in the reduced number and size of fields eradicated in early 1978.

The severe drought conditions were also reported by the Mexican National Meteorological Service and the Mexican hydrologists. By December 1977, the drought was prevalent throughout the major opium-producing region, and at one location crop conditions were reported to be the driest in 10 years. In February 1978, the U.S. Agricultural attache reported that there was little or no precipitation in Sinaloa.

In May 1978 a verification team, jointly funded by the United States-Mexico, reported that as a result of flying to various parts of the country to inspect the eradication efforts, they felt that the Government of Mexico (GOM) representatives were sincere in their opinion that the 1978 spring campaign was their most successful campaign. It is GOM's opinion that the fewer fields found by the verification team substantiate the effectiveness of the eradication campaign. However, the team reported that in the Tri-State area of Sinaloa, Durango, and Chihuahua where crops usually received sufficient rainfall, trees had lost their foliage, streams were dry, and few animals were visible except around isolated ponds.

In commenting on this section of the report, the Department of State outlined a number of factors which it believes enhance the potential for success in the Mexican program. The Department is more optimistic about the program in 1979 than it was in 1978 when our audit work was performed. Its comments are included in appendix VIII, page 183.

Political problems in Burma
overshadow manual eradication

In 1974, the Government of Burma (GUB) started a campaign to reduce and eliminate drug trafficking because of its domestic drug abuse problem and the relationship between narcotics and insurgency--narcotics trafficking had become the major source of financial support for most of the antigovernment insurgent organizations. From fiscal year 1974 through fiscal year 1978, the United States provided over \$27 million in aid, including 26 helicopters and 5 planes. One additional helicopter was requested for fiscal year 1979.

The eradication effort in Burma, unlike the program in Mexico, is done manually and lacks the advanced technology and extensive resources available to the Government of Mexico. Although GUB has reported some success in destroying opium poppies, these claims have not been verified by outside sources.

Prospects are slim that the program will have a significant impact on production in the near future for the following reasons.

- The estimated 100-110 metric tons of opium produced in Mexico outpaced manual destruction efforts. In Burma, an estimated 300 to 400 metric tons are produced.
- The government lacks control over most of the opium-producing areas of the country. These areas are infested by roughly 30 insurgent groups, with the largest of these groups, the Burmese Communist Party, operating where an estimated 40 percent of the opium is produced.

If GUB did not have to contend with the Burmese Communist Party and other insurgent groups, their capability to deal with the production would be enhanced since their scarce resources could be devoted to narcotics.

Nonparticipating countries
face similar problems

Pakistan and Afghanistan, the world's largest producers of opium, and five other major opium, marijuana, or cocaine-producing countries, have no eradication program. Like Mexico and Burma, these countries have similar inhibiting social, political, and economic problems.

In Pakistan, poppy is cultivated on about 98,000 acres, or three percent of the cultivated land in the North-West Frontier Province (NWFP). An estimated 200,000 farmers are directly involved in poppy cultivation, which provides income for about 619,000 people there. According to DEA in December 1978, eradication of the problem will be a long and difficult process because (1) existing narcotic legislation in Pakistan does not apply to the tribal areas of the NWFP, (2) the NWFP is politically unstable, (3) effective enforcement is impossible, and (4) the economic and cultural importance of the opiate trade is formidable in this poor area.

Convincing countries to implement an eradication program is difficult. Such a program is costly, has many operating problems, and is often labeled drastic. For example, a proposed marijuana herbicide eradication program in Colombia was discussed for over 2 years, but appears to have been discarded for the time being. According to DEA, Colombia cannot financially afford to institute an aerial eradication program, and the Department of State has not funded an herbicide eradication program because of the paraquat issue.^{1/}

The Department of Justice believes that the concept of eradication cannot be applied broadly to all areas. The area used for the cultivation of marijuana in Colombia, for example, has been used for this purpose only recently. Its current large-scale production evolved only within the last 3 to 5 years. An eradication program in Colombia would entail

^{1/}Because of the potential health risk of paraquat-sprayed marijuana, in September 1978, the International Securities Assistance Act of 1978 was enacted as an amendment to the Foreign Assistance Act of 1961. This amendment prevents the usage of monies authorized under the Foreign Assistance Act for any program involving the spraying of marijuana with any herbicide if it is likely to cause serious harm to the health of persons who may use or consume the sprayed marijuana. The prohibition does not apply to an herbicide used in conjunction with another substance that would clearly identify the marijuana as having been sprayed. As provided under this statute, the Secretary of State has informed the Secretary of Health, Education, and Welfare (HEW) of the use of paraquat by Mexico to spray marijuana. The former Secretary of HEW recently circulated his proposed determination on the "serious harm" test to the Secretary of Agriculture and the Administrator of the Environmental Protection Agency for comment, as required by the statute.

socio-political problems. The influx into the country of enormous amounts of money generated by the marijuana traffic is already causing serious economic problems. The Colombian Government has recently expressed a renewed interest in eradication and recognizes that there are less controversial herbicides than paraguat. To reduce marijuana in the United States will require destruction of the Colombian crop and other principal sources. In Colombia, eradication, combined with an adequate regulatory program and the continuation of existing interdiction efforts, may well provide a viable long-term solution to the Colombian marijuana problem.

CROP SUBSTITUTION: A MATTER
OF LONG-TERM ECONOMIC DEVELOPMENT

One much-talked about proposal for reducing illicit drug production is the development of crop substitution programs to provide growers with alternate sources of income. While several demonstration projects have made some progress, the chances that crop substitution programs will have an appreciable impact on the drug trade are undermined by longstanding social, political, and economic conditions. Crop substitution must be recognized for what it is--long-term rural development requiring many skills, much expertise, and lots of money. If it is ever successful, such success will only come in the very distant future. Even then, as long as there are economic imbalances in the world, production of drugs can easily shift to other countries where income replacement has not been tried.

Greater emphasis on substitution programs

In the past, most international drug control projects were aimed at drug law enforcement, which produces short-term impact, while little attention was placed on long-term programs for reducing farmers' economic motivation for cultivating drugs. Now these programs are being stressed, and pilot projects are being funded by the United States and the United Nations in such countries as Thailand, Burma, Afghanistan, Bolivia, and Peru.

To offer any promise of success, these projects must (1) be within the administrative and political control of the host government, (2) obtain extensive financial resources and technical expertise for comprehensive rural development, (3) control and avoid leakage from the traditional drug

use often ingrained in foreign cultures, (4) develop marketing and distribution systems in rugged areas, and (5) develop a capability to vigorously enforce bans on illicit cultivation. Obviously, satisfying many of these requirements would be a difficult task even in developed countries. It is virtually impossible in the Third World, where most illicit drug cultivation occurs.

Crop substitution in Thailand has modest success with little impact

Developing viable income alternatives for the poppy farmer has been the goal of the United Nations, the Royal Thai Government, and the United States since 1972, when a pilot crop substitution project was implemented in Northern Thailand. After 6 years and about \$12.1 million this premier project has shown that crop substitution is possible at least to a limited extent, and that a combination of crops can compete with opium. Even so, the conversion process has been painstakingly slow. In addition, the small reduction in opium cultivation in Thailand means little to worldwide drug control, since Thailand is not a major heroin supplier.

Even though Thailand has received much bilateral and multilateral assistance over the years, it continues to have the classic image of a developing country. Incomes vary widely from the per capita average of about \$380 a year. The many poor farmers and laborers face a dismal and questionable future. Those who grow opium belong to the tribal minorities who are outside the mainstream of Thai society and, with few exceptions, are not citizens. The Thai Government limits these farmers' marketing of legal crops to those that do not compete with crops marketed by the lowland farmers. The highland farmers see opium poppy cultivation in strictly economic terms and are unconcerned about the moral and political consequences of the business.

Overall, the crop substitution demonstration project has shown some success in 30 of the estimated 800 to 1,000 opium-growing villages in Thailand. Even though the Thais believe opium production can be reduced 90 percent by 1981 with extension of the program, U.S. officials see this as unrealistic in light of the number of villages that need to be covered. Program expansion would face many obstacles, including resistance from the hill tribes, and the complicated task of developing an economic infrastructure so that crops from the highlands can be marketed effectively. Furthermore, the costs of such a tremendous undertaking appear to be beyond the resources of Thailand, the United Nations Fund

for Drug Abuse Control (UNFDAC), and U.S. narcotics control budgets.

Political factors inhibit program in Burma

As the result of a 1976 agreement between GUB and the United Nations, over \$2 million in drug control funds were made available to introduce livestock and crop substitution programs in Burmese opium-growing areas. Both U.N. and U.S. officials consider such efforts a modest start in a country that is one of the largest producers of illicit opium in the world. The problems associated with Burma appear even more overwhelming than those encountered in Thailand. Insurgent groups control the major poppy-producing areas, there is little U.N. or U.S. presence to monitor progress in Burmese society, and the country itself is among the poorest in the world.

Unlike the demonstration projects in Thailand, Burma's substitution program is managed totally by the Burmese Government. It is located in an area formerly used for legal agricultural projects until the economic benefits convinced farmers to turn to the opium poppy about 10 to 15 years ago. Although the area is only a very small portion of the total Burmese land under poppy cultivation, it is the only opium area actually controlled by the government.

Whatever the results of the present crop substitution project in Burma, it is clear that its impact, at best, will be minute compared to the problem. The country's limited marketing and transportation networks will not make it easy for crop substitution to take hold.

The long road to replacing illicit coca in South America

Bolivia and Peru are the world's largest producers of coca leaf for both the licit and illicit market. In Bolivia programs have been implemented to limit production to only that needed for legal internal use, and experiments are being conducted with replacement crops. While similar efforts are under consideration in Peru, there appears to be little hope for any substantial cutbacks in coca production for a variety of economic and cultural reasons.

Because coca provides Andean farmers with their only source of income, the only potential way for curtailing its production is to substitute alternative crops or nonfarming activities for coca production. Prior to October 1978,

programs to identify suitable alternative crops were developed by AID, which has also supported crop substitution projects in Bolivia.^{1/} According to AID, however, the search for suitable crops will take several years, since it involves finding marketable crops that will grow in coca areas as well as solving transportation, storage, and other marketing problems. State Department and DEA officials in Washington believe the key to success of these projects lies in basic rural development in coca-growing areas designed to improve the quality of life for the farming population, thus allowing a phased ban on production.

In a March 1978 report ^{2/} we disclosed that U.S. officials in Peru and Bolivia were pessimistic about the success of crop substitution, with or without related economic development projects, because

- coca has been grown and used in Bolivia and Peru for centuries;
- coca growing requires little work, while potential alternative crops require much attention; and
- no alternative crop can match the economic return of coca, especially considering the unlimited amount of funds available to encourage production.

Since then, DEA reported that crop substitution was virtually nonexistent or ineffective in both countries and that in Bolivia the U.S. Ambassador was recommending a long-range and very large-scale crop substitution project which involved government monopoly buying of the coca leaf crop. The report stated the belief that only a massive program could begin to deal with the production in Bolivia. According to the Department of State, some suitable crops such as tea and coffee have been found. Because of the many conditions which are necessary to offer any promise of success (see p. 44), replacing illicit coca production in South America remains a long and difficult process.

^{1/}On October 1, 1978, the Assistant Secretary of State for International Narcotics Matters assumed responsibility for the programs.

^{2/}"Drug Control in South America Having Limited Success-- Some Progress But Problems Are Formidable" (GGD-78-45, Mar. 29, 1978).

Outlook for substitution is even
more bleak in other growing countries

Crop substitution projects in Thailand, Burma, and South America have been given the most emphasis by the United Nations and the United States. Crop substitution of limited scope is either ongoing or has been tried in Laos, Pakistan, and Afghanistan. Unfortunately, the modest progress that has been made in Thailand, Burma, and South America is considerable when compared to the progress in Laos and the Middle East.

Presently, neither UNFDAC nor the United States are funding crop substitution projects in Laos. A program planned by UNFDAC was scheduled to start in 1977, but because of differences over its location the project was never implemented. Although it is not known whether UNFDAC will be allowed to resume its efforts, past experience with drug control in Laos yielded few results. Farmers there resisted the agricultural redirection, and no substitute crop was ever identified.

In Pakistan and Afghanistan, substitution programs supported by UNFDAC are only in their infancy--a preliminary study of Afghanistan has been completed, and a major project was begun in Pakistan during 1976. Prospects for success in these countries are not encouraging. Poppy cultivation is deeply ingrained in the cultures of the inaccessible mountain regions, where there is little or no government authority. Further, illicit production in the region has increased to the point where it is the world's largest producer of opium.

Even with success, drug cultivation is likely to continue

After analyzing the experience of the several countries that have ongoing programs to substitute legitimate crops for illicit drugs, it becomes all too clear that success will not be measured in years, or even decades. The massive economic development necessary to divert impoverished farmers from drug cultivation has not been accomplished to date in very many regions of the world, if at all. Even if it could occur, however, there is risk that drug cultivation will merely shift to other countries where economic development has not taken hold and the farmers see opportunities for the usually higher income that drugs produce.

A SERIOUS COMMITMENT BY THE
INTERNATIONAL COMMUNITY IS NEEDED

Foreign governments have long recognized the international implications of drug abuse by entering into international treaties and conventions, and by supporting international organizations such as UNFDAC. Within their own countries, narcotics laws have been passed, enforcement efforts have disrupted drug trafficking, and some radical measures, such as eradication and crop substitution, have been undertaken. While these actions demonstrate that international cooperation exists, other factors challenge whether the international community is seriously committed to resolving the drug abuse problem. Foreign countries provide little assistance in helping the United States prosecute fugitives, traffickers, and financiers who live or conduct their business in their countries (see p. 100), and their bilateral and multilateral support is insufficient to achieve the needed impact on the production and movement of illicit drugs. Prospects that additional resources will be provided for improved drug control are further lessened by the development priorities and risks in producing countries and the uncertainty of contributions by international financial institutions and AID.

Minimal support--even for
pilot and feasibility projects

Representatives to the United Nations have spoken strongly against the worldwide drug problem and make various commitments in the political arena, but often member countries have not demonstrated that they are committed to resolving the problem. A significant number of signature countries to the international treaties titled "Single Convention on Narcotic Drugs of 1961" and "Convention on Psychotropic Substances of 1971" 1/ have not fulfilled their responsibilities. Some countries either do not understand the treaty requirements or do not sincerely intend to carry out their commitment. Others, although sincere, lack the capability and/or resources to meet their commitment.

Regardless of the good intentions expressed or even what a country believes can be accomplished multilaterally or bilaterally in terms of its direct interest, providing assistance for drug abuse activities demonstrates a country's drug

1/The U.S. Senate has not yet ratified the Convention on Psychotropic Substances of 1971.

priority and its concern for the problems of other countries. The needed support has not been forthcoming. Even though their own drug abuse problems have been increasing in recent years, economically viable countries have provided little bilateral support for law enforcement and other narcotics control projects.

Who is supporting drug control besides the United States?

Funds contributed to UNFDAC by foreign governments have been substantially below that needed to ever begin to come to grip with worldwide drug production and abuse. In establishing UNFDAC in 1971, the Secretary General said that \$5 million annually was expected for the first 5 years and about \$20 million a year thereafter. While the number of countries contributing to UNFDAC has increased to 71 in 1977, cash contributions from 1971 through 1977 have amounted to only \$30.7 million--substantially less than a year's appropriation for the U.S. international narcotics control program. Of this amount the United States contributed \$22 million, or 72 percent. Norway provided the second largest assistance, contributing \$1.7 million in cash and pledging an additional \$4 million in development assistance from 1978 through 1981.

Even though UNFDAC pilot and feasibility projects require substantially less resources than the large-scale development projects envisioned as the ultimate solution to illicit production, contributing countries have not met these minimal needs. UNFDAC officials have indicated that they are committing more funds each year than UNFDAC has received. Some existing UNFDAC projects will have to be reduced or cancelled unless additional funds become available.

This situation exists at a time when the United States is decreasing its contribution. According to UNFDAC officials, the change in U.S. funding levels could cause other governments to lose interest and confidence in UNFDAC, especially when there is a need to get more countries to contribute to the fund.

Other examples of limited support of drug control by foreign nations are:

- Six countries have assigned narcotics attaches to work with the Thai Government on international narcotics problems but

only to the extent that it relates to trafficking in their individual countries. These representatives make use of information paid for by the United States but do not contribute to the informants' payments or rewards, nor do they provide any financial assistance to the Thai Government in their efforts to control drug trafficking.

--Besides some South American countries, Canada is the only country that has police attaches in South America.

--Norway had no success in getting other European countries to contribute money for narcotics control in Burma.

Difficulties in focusing development assistance on narcotics control

Since 1972 international financial institutions such as the International Bank for Reconstruction (IBR) and the Asian Development Bank (ADB) have been encouraged to help prevent the trafficking or production of illicit narcotics. Providing alternatives for farmers growing illicit crops requires extensive development assistance, and international financial institutions are looked upon as a major source of financial assistance for these large-scale efforts. However, no significant support has been provided, partly because of host country determinations that drugs are not a priority item and the risks the banks see in financing such projects. Although AID has been directed to give greater attention to crop and income substitution projects, AID and host country priorities may limit the support given.

International financial institutions-- an unused resource

When legislation in 1972 increased U.S. contributions to the international financial institutions, the National Advisory Council on International Monetary and Fiscal Policies asked the institutions to provide technical and economic assistance for development projects which directly or indirectly curb production, processing, or transportation of illegal drugs. The Council pointed out that to some extent agricultural diversification, infrastructural

expansion, and industrial development provide economic alternatives to opium poppy cultivation, thus helping to reduce narcotics production and marketing for illicit purposes.^{1/}

Financing these kinds of activities was a normal part of international financial institutions' operations, and the U.S. Executive Directors were instructed to encourage their development in regions where such alternatives were feasible. By mid-1975, no such loans were made because, according to U.S. officials, such loans were made on their economic and financial merit and no proposals requested financing for the expressed purpose of reducing or eliminating illicit narcotic production.

Many drug-producing countries provided local counterpart contributions to support projects initiated by UNFDAC, but by mid-1977 no countries had been willing to borrow from an international financial institution to finance a project involving narcotics control.

A country's hesitancy to use international financial institution support for narcotics control is influenced by economic and governmental considerations. This is illustrated by the following information contained in a 1977 AID report on Thailand.

- The Thai Government has always been cautious about foreign borrowing on any but the most concessional terms because of perceived problems of debt servicing.
- Technical ministries within the government are hesitant in seeking cabinet approval for rural, noncapital projects financed at IBR and ADB lending terms.
- Risk aversion is an innate part of Thai cultural tradition and has a particularly inhibiting influence on public sector policies and practices. While politically committed to investments in the rural economy, the Thai Government bureaucracy is reluctant to commit limited financial and institutional resources to carry out non-conventional and somewhat experimental approaches to rural development.

^{1/}"If the United States is to Develop an Effective International Narcotics Control Program, Much More Must Be Done" (ID-75-77, July 29, 1975).

On the other hand, international financial institutions perceived other factors which would cause them to support capital revenue-producing and capital infrastructure projects rather than narcotics control. According to ODAP, the banks' experience indicated that crop substitution in itself was not sufficient to counteract illicit cultivation of narcotics crops without the strong support of the government involved and an adequate enforcement program. According to a 1977 World Bank memorandum, the following additional difficulties were present:

- The income generated by a poppy crop is significantly higher than could be obtained by growing other crops in the same environment.
- The margins in the opium trade are large and could easily absorb a significant increase in producer price and still compete effectively with any substitute crop.
- The poppies are mostly grown by politically disaffected insurgency groups and/or by people who do not have security of tenure.

The memorandum further observed that "for a comparable investment, one could reach and benefit many more of the target population than would be affected by investment in a remote poppy-cultivating area."

While there have been difficulties in harnessing international financial institutions' support, its importance has not been reduced. According to the ODAP study:

- A U.S. sponsored resolution was adopted by the U.N. Commission on Narcotics Drugs and the U.N. Economic Social Council urging governments to include narcotics crop substitution projects in their national development programs when applying for assistance from institutions.
- The IBR has now stated that, in agreement with recipient countries, the Bank was prepared to strongly support efforts to develop viable projects which could lead to a reduction in poppy and coca cultivation.

--The ADB and IBR were prepared to obtain assurances that development assistance did not contribute to increased cultivation in recipient countries.

However, the IBR still believed that there were difficulties in designing effective crop substitution programs and that broad-based rural development was necessary to reduce the illicit production of drug crops if costly failures were to be avoided.

In November 1978, the State Department reported that it and other relevant agencies would continue to encourage such support and to hold up project assistance where it might directly or indirectly encourage narcotics production. In June 1979, Department officials informed us that AID had obtained the assurance that project assistance would not support narcotics production in Peru and Afghanistan by inserting a "poppy clause" in the loan agreements and that the ADB was including a similar provision. They said that AID had invoked the poppy clause in Afghanistan in 1977.

No assurance of AID assistance

To assure that greater attention would be given to providing income alternatives for growers, the President in August 1977 directed the Administrator of AID to include such measures as income and crop substitution in its development assistance programs. In response to his request, AID instructed its missions in December 1977 to consider appropriate economic development projects in drug-producing areas and to give assistance priority to these areas over other areas in the country which normally would qualify for development assistance. However, other AID requirements and host country development priorities could lessen the impact these actions will have on narcotics production.

The amount of AID funds used for this purpose is influenced by the following considerations:

--Narcotics projects must meet normal development assistance funding levels and be considered in light of AID's overall integrated development program, which is aimed at the rural poor and basic human needs. In some instances, farmers producing illicit crops may exceed the rural poor and basic human needs standard.

--Because of the relationship between economic development and population growth, Section 194(d) of the Foreign Assistance Act of 1977 was enacted. AID is required to identify the potential impact development assistance projects will have on population growth and to design appropriate development assistance projects to build motivation for smaller families.

--Developing countries must fully support the use of AID development funds for narcotics-related projects since it would compete with other country priorities for scarce development funds.

--Because these efforts require extensive development assistance, narcotics-producing countries will have to depend on support from international financial institutions. As discussed on page 51, such support was rarely, if ever, used in the past.

Although this effort is only beginning, the President's policy of using development assistance funds has not materialized since, as of August 1978, the State Department indicated that no significant agricultural developments have occurred since the issuance of the AID guidelines.

COOPERATIVE ENFORCEMENT IS IMPORTANT TO FOREIGN STRATEGY

Unlike some long-range and perhaps unproven approaches, enforcement is one of the elements of the Federal strategy which has yielded immediate results in temporarily disrupting the flow of drugs in producing countries. Although countries such as Mexico and Thailand have increased their cooperation and improved their narcotics suppression capabilities, it has generally occurred through the joint assistance of Department of State and DEA personnel stationed in those countries. Because of the many internal factors adversely affecting drug enforcement in other nations, we believe the U.S. policy should continue to stress the need for programs to strengthen the capacity of foreign police for deterring drug production and traffic.

The role of enforcement in source countries

Experience has shown drug enforcement activities are important to overall control efforts because:

- Traffickers overseas are likely to move large amounts of drugs, and successful enforcement actions have the immediate effect of disrupting the flow of drugs at the source, thus having a larger impact than smaller seizures made in the United States.
- Enforcement provides intelligence for U.S. domestic and border cases.
- An enforcement capability is necessary to the success of any crop substitution program.
- Police agencies must enforce the ban on illicit production and ensure that fertilizer and irrigated fields are not used to increase opium yields.
- By lending its expertise in making cases and providing intelligence, DEA acts as a constant motivator of foreign enforcement agencies, improving their capability and strengthening their institutions.
- Enforcement fills a present need until other long-term approaches achieve the desired results.
- If enforcement pressure is removed, there would be no obstacles or risks to the production and movement of illicit drugs.

In the 1973 reorganization of drug control activities, DEA was given responsibility for cooperating with foreign law enforcement agencies. At the same time, the Federal strategy placed greater emphasis on efforts in source countries. The number of DEA positions assigned to other nations has doubled from 1972 to 1977, increasing from 186 to 379. Recently these positions have declined to 303, of which 274 were filled as of February 1979.

In past studies by our office and other organizations, the value of overseas enforcement programs and the need to improve such programs have been continuing themes. In 1975,

we reported that DEA operations may infringe on foreign sovereignty, and in some countries DEA appeared to be reaching a point where its overseas operational activity may be substantially replacing the narcotics control functions of local police.1/

In our 1975 report on South America, Embassy officials believed that sometimes DEA agents pose a real threat to country relations, and DEA agents were often not willing to balance enforcement efforts with the overall objectives of the mission.2/

In 1976 DEA activities were somewhat curtailed with the passage of the Mansfield Amendment, which prohibited DEA from participating in any direct police arrest actions overseas. DEA officials informed us that this restriction has not substantially affected their ability to operate in foreign countries.

In 1978 differing views continued to exist regarding DEA's presence overseas.3/ Some State Department officials found it objectionable that "U.S. Police" are operating in a foreign country, and they believed that U.S. interests in the long run would be better served if host government police were able to actively participate in unilateral drug enforcement without relying on DEA's involvement. Other officials support the presence of DEA overseas. DEA believed that involvement of its agents is not only justified but needed if the United States is ever to be successful in controlling drugs flowing into the country. In any event, foreign drug enforcement agencies are still hindered by political and operational limitations, such as the prevalence of corruption, insufficient intelligence, inadequate narcotics laws and penalties, and poor investigative techniques.

1/"If the United States Is To Develop an Effective International Narcotics Control Program, Much More Must Be Done" (ID-75-77, July 29, 1975).

2/"Problems in Slowing the Flow of Cocaine and Heroin From and Through South America" (GGD-75-80, May 30, 1975).

3/"Drug Control In South America Having Limited Success-- Some Progress But Problems Are Formidable" (GGD-78-45, Mar. 29, 1978).

DEA presence in Mexico may be weakened

The United States has long been involved in assisting Mexico in its efforts to suppress heroin and other illicit drugs. U.S. funding for the Mexican narcotics control program and DEA have been important to the success of the aerial eradication program, and DEA agents have actively worked with the Mexican Federal Judicial Police in developing cases and exchanging narcotics information. However, recent developments in Mexico resulted in DEA's role being significantly reduced.

As far as the opium and marijuana eradication program is concerned, DEA's participation has ended. In March 1978 the Attorney General of Mexico stated that there should be no permanent U.S. police participation in the program.

Several months after Mexico ended DEA's participation in the eradication program, other positions stated by Mexican officials made it clear that DEA's role in Mexico might be further reduced. The Mexican Attorney General has been striving for a self-sufficient narcotics control program in terms of personnel but not necessarily financial resources. As Mexico moves toward this goal, a gradual reduction of DEA's activity may be requested, eventually limiting the agency's role to that of liaison.

The Mexican Federal Judicial Police had unprecedented enforcement successes in August and September 1978. During that period the Federal Police, with DEA support, took action against two drug traffickers DEA considered to be the largest traffickers in Mexico. One trafficker was arrested and the other was killed during an armed confrontation with Mexican police. Ten other major traffickers were either arrested or were killed in armed confrontation with the police. It is still too early to tell whether these arrested traffickers will be immobilized for a long time.

Conditions in the Golden Triangle warrant strong DEA role

While the Royal Thai Government and GUB have developed a limited capability to respond to some aspects of the narcotics problem, Burma has been unable to prevent the refining of opium along its border, and Thailand has failed to halt the transportation of Burmese heroin across its land. Suppression efforts have been diluted by the longstanding enmity between the two countries. However, there have been some recent enforcement successes,

but certainly not sufficient to justify a lessening of DEA resources in the Golden Triangle.

In early 1976 the United States was concerned about the threat posed by drugs from Southeast Asia as a result of the success with suppression programs in Mexico. In evaluating the capability of Thailand's enforcement groups, a number of factors that adversely affect control efforts in the country were mentioned, including the lack of recognition of drug addiction as a major problem in the Thai society at the time, and the political realities involving the hill tribes who grow opium and the communist insurgents who are an even greater threat to the government. Even if some of these problems were mitigated, Thailand was still thought to face difficulties because most heroin shipped from the country was produced in the Burmese border areas, where inaccessible terrain and armed gangs complicate enforcement efforts.

Since then things have changed. The Government of Thailand has committed itself to some degree, not only in word but also in deed, to suppressing the narcotics trade. By mid-1978, Thai enforcement authorities were continuing to make large drug seizures and arrest important traffickers. Four of the 10 top trafficking groups in Thailand have been disrupted, to some limited degree. For example, a joint Thai/DEA enforcement operation resulted in the seizure of 97 kilograms of heroin, 58 kilograms of morphine base, and 83 kilograms of prepared opium.

U.S. efforts have helped the Thais improve their enforcement capability. However, it is still questionable whether this improvement will be long-lasting without a continued high level of U.S. support. There is some question as to the Thai Government's preparation for assuming a larger share of the burden and responsibilities of narcotics suppression. The drug control effort in Thailand is very dependent on U.S. Government support. Thus, it appears that Thailand, like Mexico, cannot withstand any significant reduction in U.S. drug control support without some decrease in effectiveness and capability.

Whatever the capability and commitment of Thailand's drug enforcement effort, that of Burma is even more uncertain and more dependent on outside help. The narcotics control program in Burma is a moderate operation, its limited resources permitting only a few operations each year with only limited impact at best. In one operation,

for example, the Burmese military destroyed a number of heroin laboratories, but when the troops pulled out the traffickers went right back in and re-established the refineries.

Because of the interwoven nature of narcotics production and trafficking in Burma and Thailand, it seems essential that the two Governments must work together to stop it. This will be an extremely difficult task. The relationship between the countries is characterized by centuries-old mistrust and suspicion. In a recent attempted Burmese/Thai operation, for example, the Thai Border Police were to support Burmese troops in an attack on an opium refinery and capture the refinery workers as they retreated into Thailand. During the operation, however, a helicopter carrying the Thai police landed accidentally in Burma. Burmese officials seized the aircraft and detained its passengers. Though the incident was resolved after several days of strained negotiations, the incident readily illustrates the problem that must be overcome if there is to be even the slightest success in curtailing illicit drug production. Needless to say, it is difficult to see how this can be done without continued encouragement from the countries which suffer from the traffic in opium.

Other nations' drug enforcement efforts

Though much attention has been placed on drug cultivation and activities in Mexico and the Golden Triangle, other areas of the world have emerged recently as either major suppliers or potential major suppliers to the international drug market. The countries, unfortunately, do not appear any better off with regard to drug enforcement capabilities, and they too require assistance from the United States.

In Colombia, Bolivia, and Peru the production and distribution of marijuana and cocaine has become a huge business. Poverty, official corruption, and many other problems common to underdeveloped nations mean that none of these countries has been able to mount a successful enforcement program against drugs. DEA and U.S. Customs, however, have developed worthwhile programs for liaison, training, and intelligence exchange. In Colombia, the DEA office, with the Ambassador's support, has spurred the establishment of a narcotic unit in the Attorney General's office, while in Peru DEA helped establish cooperative relationships among Peru and several bordering nations. It is clear, then, that because of economic conditions and the lack of adequate enforcement capability, continued U.S. efforts to assist in and cooperate with foreign enforcement efforts in those countries are both necessary and appropriate.

The Middle East Asian countries of Pakistan and Afghanistan, only now becoming known for their vast drug-producing capacities, present certain problems to U.S. enforcement and narcotics control efforts overseas. Neither of the two countries has strong crop substitution or eradication programs, and corruption, uncontrolled areas, political instability, and limited central government control undermine control efforts. Until recently, no one had served a drug-related sentence in a Pakistani jail. The United States has been able to provide limited assistance to these countries because of the political situation, and as of February 1979, there was only one DEA agent in Afghanistan and five DEA agents in Pakistan.

NARCOTICS CONTROL PLANS NEEDED TO CHART GOALS AND ACCOMPLISHMENTS

In order to assess the capability and gauge the success of drug suppression efforts overseas, certain U.S. Embassies have been required in the past to develop Narcotics Control Action Plans (NCAPs) for their respective countries. However, because this or a similar requirement no longer exists, it is not possible to assess whether efforts are having the desired impact. It is essential that the United States develop detailed plans for implementing and evaluating narcotics activities in individual countries and on a multinational basis.

Beginning in 1971, NCAPs were intended to be the basic planning documents for narcotics control activities in individual countries. They represented each Mission's analysis of the drug situation within a country, and contained programs which should be implemented to achieve desired results. Once approved by the Cabinet Committee on International Narcotics Control, NCAPs served as the basis for negotiating narcotic control agreements with foreign governments.

In the past, there were problems in developing useable NCAPs. Generally the plans lacked consistent and clearly defined objectives and did not contain well-defined projects. Most were really not action plans because they lacked program specifics and the lack of detail and criteria for measuring progress prevented meaningful evaluations. Still, NCAPs were viewed as necessary for narcotics control, and the Department of State in 1975 initiated actions to improve them.^{1/}

^{1/}"If the United States is to Develop an Effective International Narcotics Control Program, Much More Must Be Done" (ID-75-77, July 29, 1975).

In subsequent reports, the Department of State agreed with our findings and recommendations on the need for detailed NCAPs. In our report on opium eradication in Mexico, which was based upon field work completed in 1976, we pointed out that U.S. assistance had escalated without detailed planning, and that it is difficult to evaluate how well the narcotics program is meeting its objectives without a sufficiently-detailed description of the timing and nature of expected improvements in the Mexican government's institutional capability to handle increased program assistance.^{1/} In our report on the U.S. Mexican border, the Department agreed with us that the U.S. Mission in Mexico be required to expand the NCAP to include program goals and specific objectives supporting border interdiction efforts.^{2/}

In March 1978, ODAP's report on "International Narcotics Control Policy" addressed similar needs:

Country Narcotics Action Plans for those countries affected by the supply and/or demand for drugs should be developed by the U.S. Country Team led by the Ambassador and the appropriate narcotics components within such Embassies in accordance with specific guidelines issued by S/NM (the Senior Advisor for Narcotics Matters). The plans should look to the future and, as such, recommend both long and short-term objectives in the areas of income substitution, law enforcement and intelligence cooperation, training, prevention, and treatment, which would, in the end, enable foreign governments to deal with the problems associated with narcotics control within, and at, their borders and more fully participate in international cooperative efforts. The plans should explicitly include the means of achieving these goals as well as proposed initiatives with host country governments and should identify offices which might further assist in the international narcotics control effort. On a semi-annual basis the plans and progress within each country would be reviewed and assessed by the Executive Director of the Strategy Council or his designee.

^{1/}"Opium Eradication Efforts in Mexico: Cautious Optimism Advised" (GGD-77-6, Feb. 18, 1977).

^{2/}"Illegal Entry At United States-Mexico Border--Multiagency Enforcement Efforts Have Not Been Effective In Stemming the Flow of Drugs and People" (GGD-78-17, Dec. 2, 1977).

In responding to this recommendation, the Department of State replied that approximately 2-1/2 years ago, the NCAP requirements were suspended when the narcotics functions were transferred from AID to the Department of State. Narcotics control planning was subsequently incorporated into the Department of State's yearly Goals, Objectives, and Resource Management planning process and its Zero Based Budgeting procedures. Department officials believed that narcotics should not be treated differently from other foreign policy issues.

This change, however, did not provide the detailed plans which were previously considered necessary for managing the narcotics control effort. The above documents provide general guidance but do not contain specific objectives and milestones which can be used to measure and evaluate the progress toward intended goals.

In Burma and Thailand, for instance, no formalized strategies had been developed to integrate long and short-term objectives, the means for achieving these objectives, and the methods for monitoring activities and assessing progress. In Mexico there has not been a detailed planning document since the NCAP in 1975, even though there are indications of changing roles for DEA and the U.S. Embassy with regard to drug control matters. Without a serious assessment of the capabilities in Mexico to carry out enforcement, eradication, and other drug control activities, it is not possible to know the course that U.S. drug control programs should follow to achieve the desired effects.

While NCAPs were previously required for 59 countries we believe the concept is still workable, especially if it is limited to the 10 countries now considered the major sources of drugs in the United States. Since the U.S. drug strategy has begun to emphasize economic development and international cooperation in addition to traditional enforcement-oriented activities, there is probably even greater need for comprehensive planning documents on both a countrywide and a multi-national, regional basis. Such plans could be used to help decide the best mix of resources and approaches needed to accomplish our objectives within each country's operating constraints. Overall, an evaluation of progress would help to shed some light on our accomplishments under the broad strategy, what we can expect to achieve from additional resources and approaches, and how it will affect the level of domestic drug abuse.

We also believe that the NCAPs should be integrated in areas of the world where narcotics production and trafficking is a multinational problem. For example, a regional NCAP could be developed in the Golden Triangle from the individual plans for Burma, Thailand, and Laos, and the same could be done for the South American countries of Colombia, Bolivia, and Peru.

CONCLUSIONS

International efforts have made some inroads in their long and continuous efforts to limit the availability of illicit drugs. Crop substitution, opium poppy and marijuana eradication, and improved law enforcement are widely recognized as steps in the right direction but, when viewed from the perspective of the worldwide dimensions of the drug trade, they have not substantially reduced cultivation and trafficking.

The United States has been the prime force in efforts to combat the illegal drug trade. International narcotics control has received only nominal support from international financial institutions and other developed countries in comparison to what is needed, because of other country priorities and attitudes and the realisms in drug-producing countries. While international cooperation can not be fully realized under these circumstances, efforts to obtain greater support must be continual and stressed at the highest levels of government and in international forum. To accomplish more, victim countries must reassess their priorities, develop a unified action plan, and support the plan with the needed resources.

Though drug enforcement and control programs have not overcome the long-standing social, political, and economic conditions in producing countries, they nevertheless have yielded temporary results. These efforts have produced short-term heroin shortages in the United States and helped to motivate foreign agencies in carrying out their drug enforcement missions. A continuing enforcement presence is essential to assure that long-range approaches to supply reduction take hold. The Strategy Council on Drug Abuse should, therefore, continue to give enforcement efforts a high priority in formulating the Federal strategy.

In the face of the realities that make worldwide drug supply reduction such a difficult task, the United States has not developed comprehensive country and regional plans to implement and evaluate its programs. These plans have become

more important as our Nation looks to long-range, costly measures for reducing drug availability and greater participation by other countries and international financial institutions.

RECOMMENDATIONS

We recommend that:

- The Secretary of State, with the support of the Congress, promote a world conference and the formation of a consortium of victim countries that would develop a plan of action to fight the global drug problem in a unified way.
- The Secretary of State require that the Assistant Secretary for Narcotics Matters prepare realistic country narcotics action plans detailing short and long-term goals, the means of achieving these goals, and the methods for reviewing progress. Because narcotics production and trafficking often encompasses several countries, as in the Golden Triangle, the Assistant Secretary should also be instructed to prepare similar plans on a regional basis.

CHAPTER 4

BORDER MANAGEMENT PROBLEMS

NEED TO BE RESOLVED

The U.S. border provides an important opportunity for interdicting illicit drugs and obtaining intelligence about domestic and international drug distribution systems. However, the availability of drugs in the United States attests to the fact that our border has not been a serious impediment to illegal entry. Large amounts of heroin and marijuana have crossed our border with Mexico, and, even more recently, our Southeastern States have been flooded with marijuana and cocaine that is shipped by air and sea from South America. The issue of improved border control has been studied and recommendations have been made, but the problems remain unresolved. The seriousness of the problems and the ever-expanding segments of the border being used for large-scale smuggling dictate a need for corrective action.

WHY IS THE BORDER IMPORTANT TO DRUG CONTROL?

The major portion of the Nation's efforts to reduce availability of illegal drugs is directed toward disrupting the entire supply chain of production and distribution from overseas sources to domestic trafficking networks. This has been attempted by focusing enforcement efforts on the vulnerable parts of the supply system. The U.S. border provides an opportunity to affect the supply chain by intercepting drug traffic resulting in the arrest of persons and the seizure of drugs, discovery of previously unknown narcotics trafficking activities, and the possible determination of the source or the ultimate destination of the illegal drugs. This task is difficult at all borders, and is further complicated by our Nation's desire to maintain an essentially open border for facilitating the flow of legitimate traffic.

Control of the border is basically a problem of controlling the movement of people, vehicles, aircraft, boats, and goods. Presently, 8 agencies representing 7 cabinet departments are involved in border operations, enforcing over 400 Federal laws and regulations relating to border traffic. The principal agencies involved in law enforcement are the Customs Service, Immigration and Naturalization Service, and DEA. Other agencies with a role in controlling the border include the FBI; Bureau of Alcohol, Tobacco and Firearms; Department of Defense; Federal Aviation Administration; Coast Guard; Department of Agriculture; and Public

Health Service. In performing its responsibilities, each agency is expected to use its limited resources to achieve optimum results.

Over the past few years, the Congress, the executive branch, and our office have issued reports dealing with efforts to control illegal entry into the United States. Studies by the Congress and the executive branch have delineated the policy and direction that a border control program should take and the areas of operation that should be improved. The predominant recurring theme of these reports and studies is the need for greater coordination and cooperation among the various agencies having enforcement responsibilities in this area.

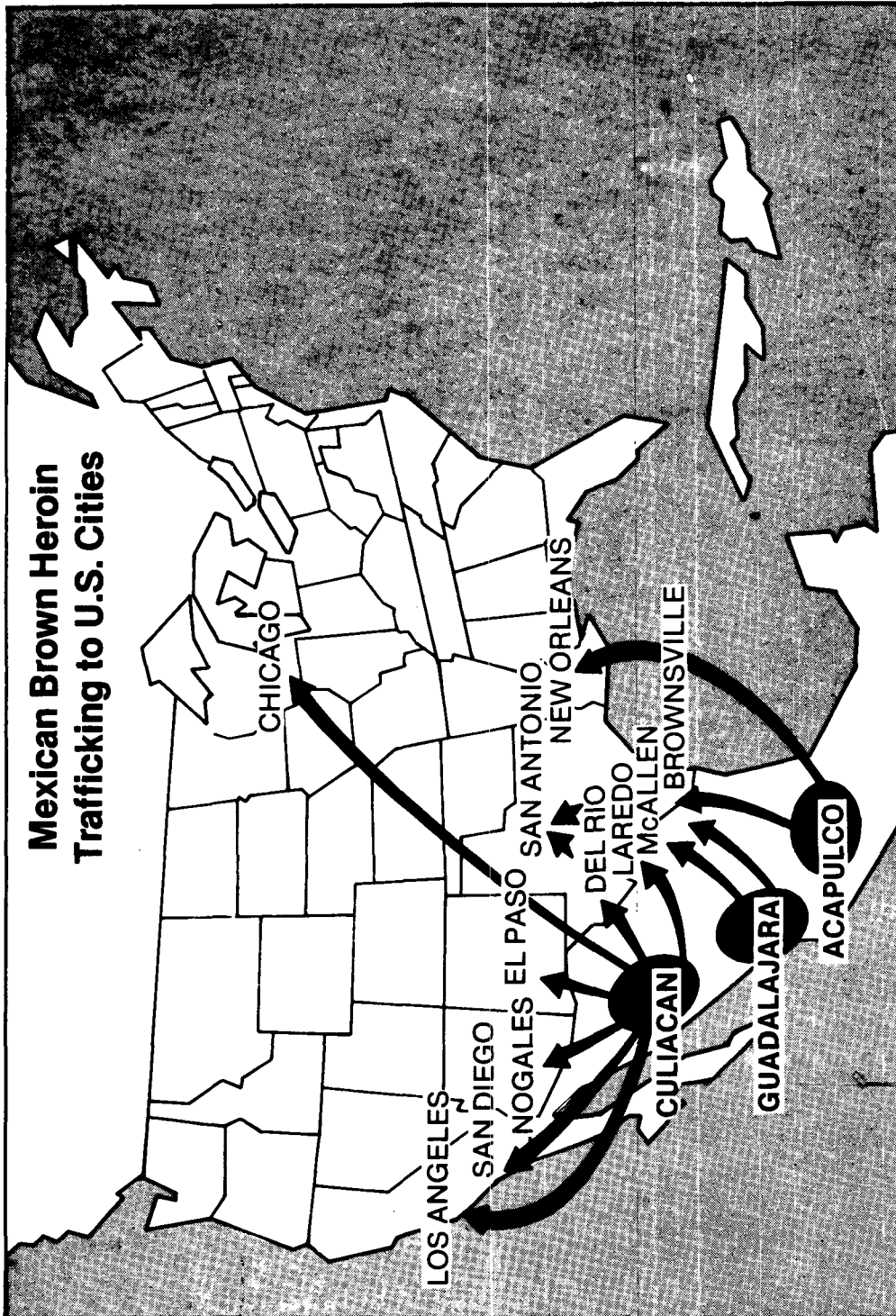
ILLEGAL ENTRY AT UNITED STATES-MEXICO BORDER

Mexico is a principal source or transit country for illicit drugs entering the United States. The map on the next page shows the trafficking routes for drugs flowing from Mexico across the Southwest border. Law enforcement activity along the U.S.-Mexico Border is a large part of the Nation's domestic and international efforts to contain this problem. Despite these efforts, the flood of illicit drugs across the border continues. If Federal enforcement activities along the border were better planned, coordinated, integrated, and executed, more control could be maintained.

While measuring the deterrent effect of border law enforcement is not possible, the available supply of drugs attests to the fact that it has not been a serious impediment to illegal entry. The substantial Federal investment for enforcement at the Southwest border is achieving only limited measurable impact on the drug problem. Border forces interdict only a small quantity of the estimated heroin and cocaine entering the United States from Mexico. Most seizures are marijuana.

Border apprehensions seldom involve high-level traffickers. The overwhelming majority of persons crossing the border in possession of drugs who are apprehended by Customs and Immigration and Naturalization Service (INS) are drug users, smalltime operators, couriers, or low-level members of drug trafficking organizations.

Mexican Brown Heroin Trafficking to U.S. Cities



Source: Drug Enforcement Administration

In 1978 we testified before congressional committees on the findings of our report 1/ on Southwest border control problems. We addressed the need for effective leadership and direction of our Nation's effort at this most critical border area. Controlling the movement of people, aircraft, boats, and vehicles along this 2,000 mile open-land border is complex and difficult. It requires what has not yet been achieved--a comprehensive, coordinated effort by all Federal law enforcement agencies. We found that separate Federal agencies carried out their specific missions with limited consideration for the activity of the others. This has produced separate but similar lines of effort, diluting border coverage and control, with little consideration for overall border security.

Although the border alone will not solve the drug problem, it is a necessary element if the Nation is ever to control this problem. The executive branch of the Federal Government has not developed an integrated strategy or a comprehensive border control plan to consider all aspects of the problem and establish clear, measurable objectives indicating what it intends to accomplish with the various law enforcement resources. A plan of this type is critical because of the many agencies with overlapping responsibilities.

We believe that sound management principles and the inherent difficulties of multiagency cooperation call for an integrated Federal strategy and comprehensive border control plan. Until this is accomplished, we recommend the following interim actions to strengthen law enforcement at the border and provide the data needed for evaluating the problem and determining what legislation is needed.

1. The Director of the Office of Management and Budget should prepare an annual analysis of law enforcement along the U.S.-Mexican border. Such an analysis would bring together the separate budget requests of the various border enforcement agencies to facilitate integration of agencies' plans, programs, resources, allocations, and accomplishments. The analyses should be included with the agencies' appropriation requests.

1/"Illegal Entry at United States - Mexico Border-- Multiagency Enforcement Efforts Have Not Been Effective In Stemming The Flow of Drugs and People" (GGD-78-17, Dec. 2, 1977).

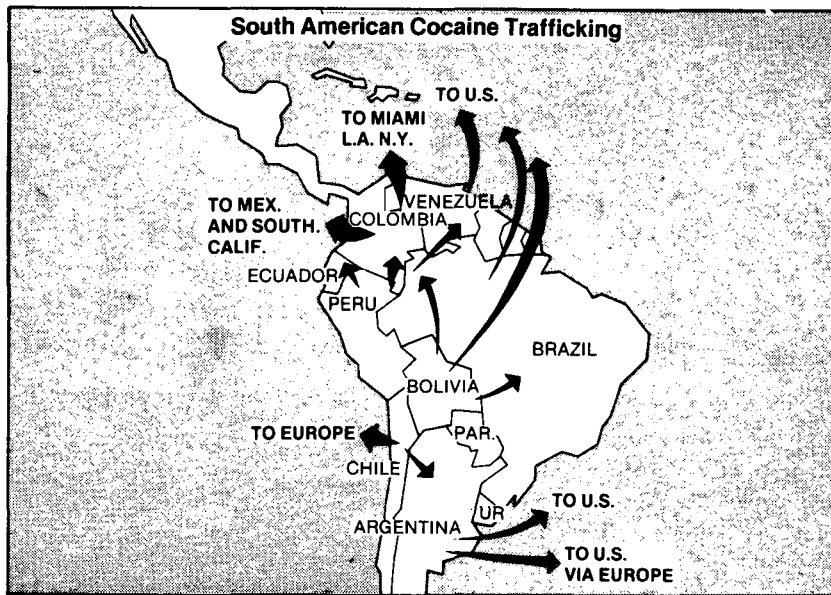
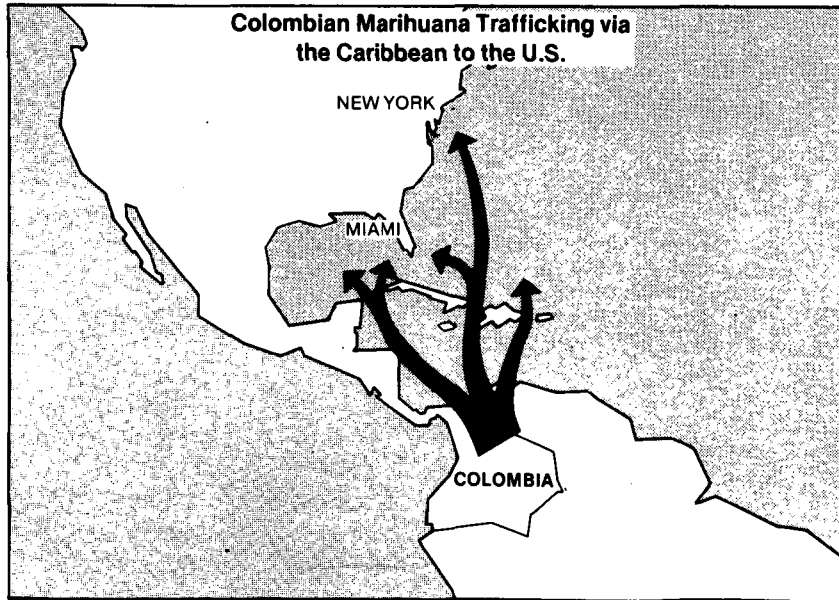
2. The Director of the Office of Management and Budget and the Domestic Policy Staff, together with the Attorney General, Secretary of the Treasury, and the other Department heads having responsibility for border law enforcement, should develop an integrated strategy and comprehensive operational plan for border control.
3. The Office of Management and Budget should coordinate closely with responsible congressional committees in developing legislation needed to accomplish the proposed plan.
4. The Secretary of State should require the U.S. Mission in Mexico to expand the NCAP to include program goals and specific objectives for supporting border interdiction efforts.

The above recommendations were presented in our December 1977 report, together with various agencies' comments. The Office of Management and Budget and the Departments of Justice, Treasury, and State generally agreed with our findings and recommendations. The various departments supported the conclusion that the absence of a Federal Government integrated strategy and an overall border control plan has resulted in overlapping, duplicative, and poorly coordinated activities.

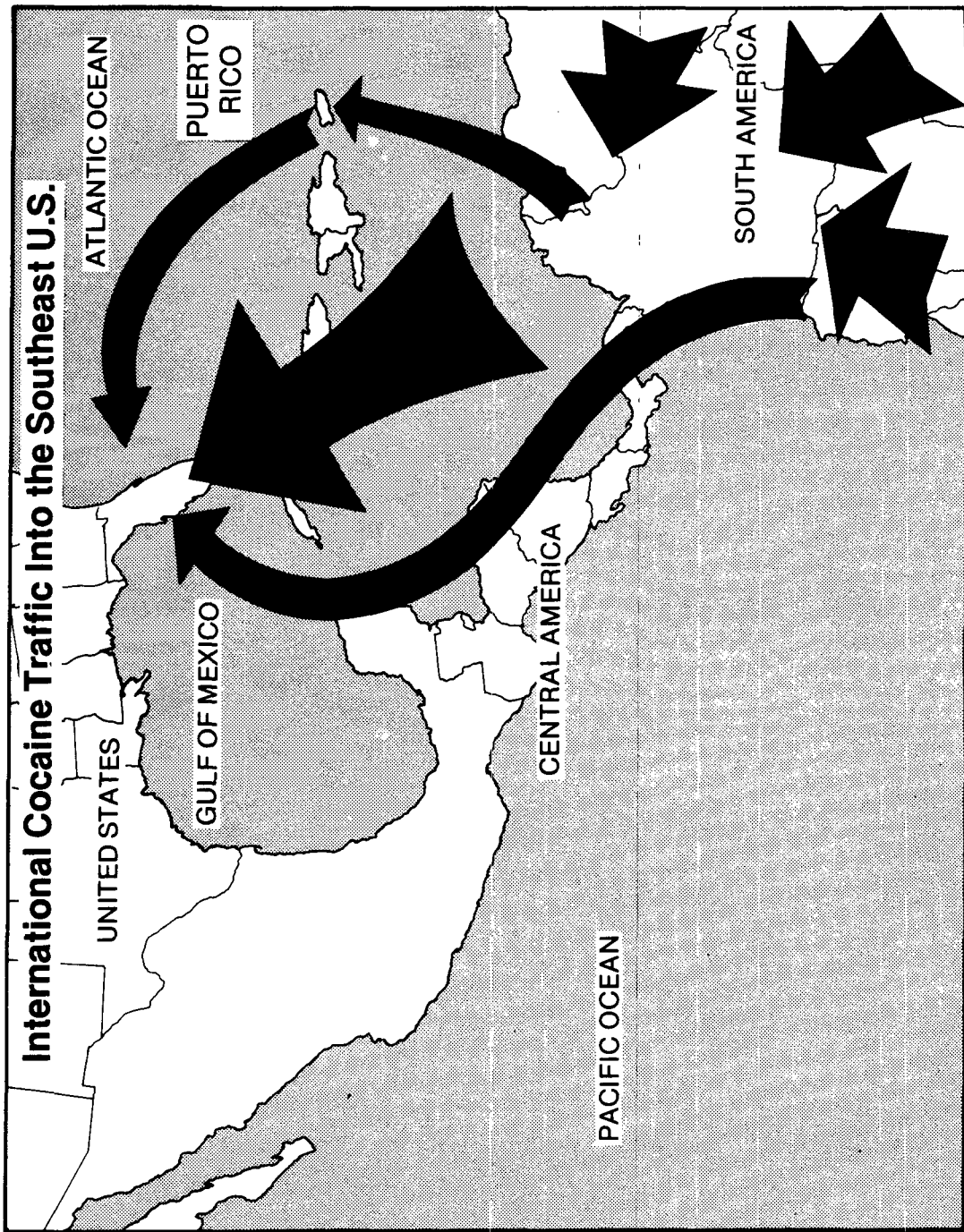
THE SOUTHEAST BORDER: "A DRUG DISASTER AREA"

In recent years the smuggling of drugs from South America has become a major business in the Southeastern United States, particularly in Florida. Marijuana from Colombia arrives by the tonload, while hundreds of pounds of cocaine flow into the area for distribution across the country. The maps on the following pages show the major trafficking routes for drugs flowing from South America across the Southeast border of the United States. Such activity generates billions of dollars in income for those involved, with an incalculable tax revenue loss to the United States and with much of the profits destined for other countries. Law enforcement agencies have been overwhelmed by this enormous activity, and, to make matters worse, U.S. law generally does not make it illegal for individuals subject to U.S. jurisdiction to possess controlled substances on the high seas. In addition, current international agreements do not deal effectively with the large mother ships which carry multiton quantities of drugs on the high seas.

“The Colombian Connection”



Source: Drug Enforcement Administration



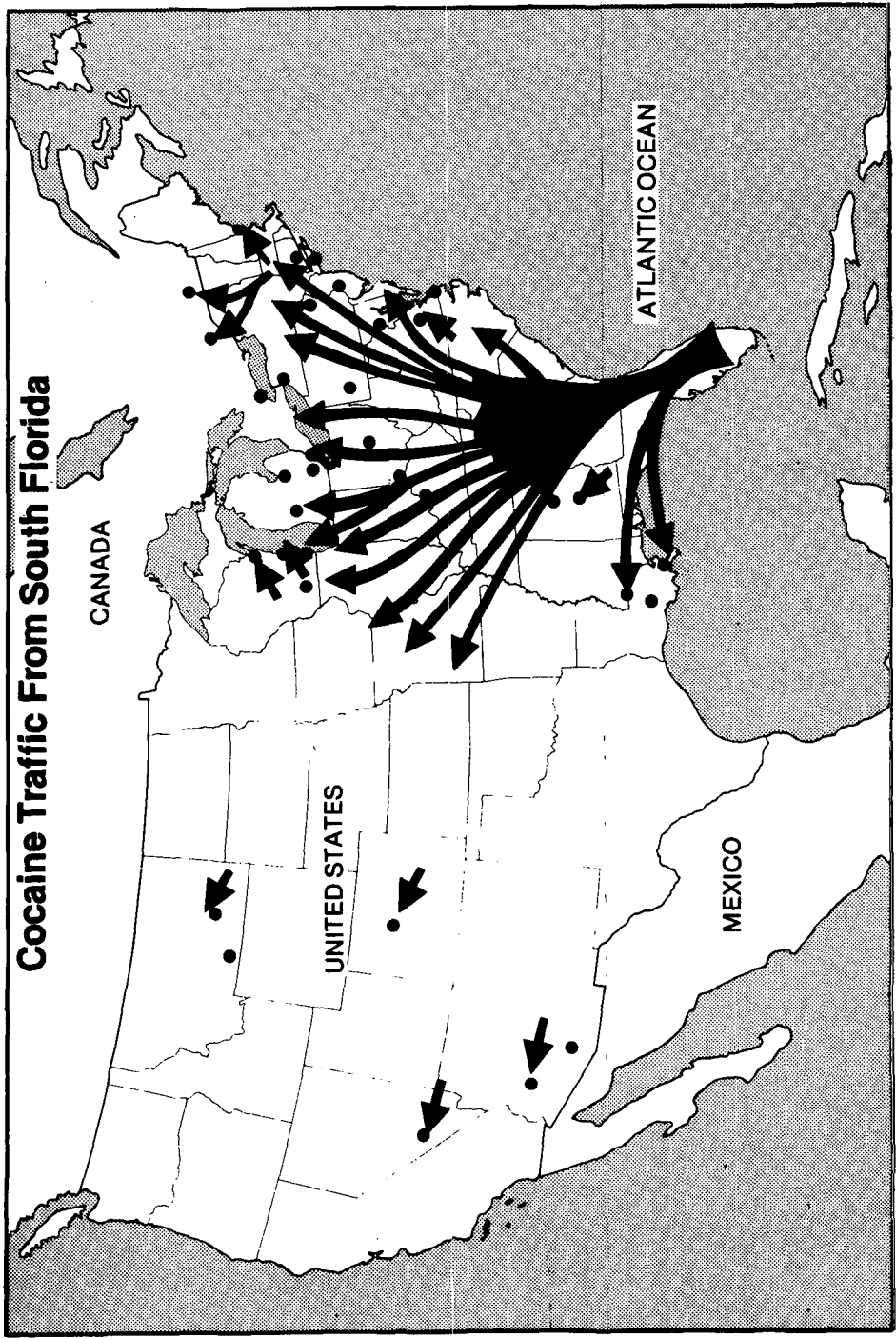
Source: Drug Enforcement Administration

Because of its geographic location and its many social, cultural, and financial ties, South Florida has long been a natural gateway for people and goods traveling between South America and the United States. While this traffic in the past has probably always included drugs, recent shifts in trafficking patterns have made the Southeastern region even more important. The success of the paraquat-spraying program in Mexico has resulted in increased use of Colombian marijuana, while U.S. demand for cocaine, grown chiefly in Peru and Bolivia, has increased. With 8,425 miles of shoreline on its 1,350 miles of coastline, and with over 250 airstrips, South Florida has emerged as a prime gateway for illicit drugs entering into the United States. The maps on the following pages show trafficking routes for drugs flowing from South Florida to other parts of the country.

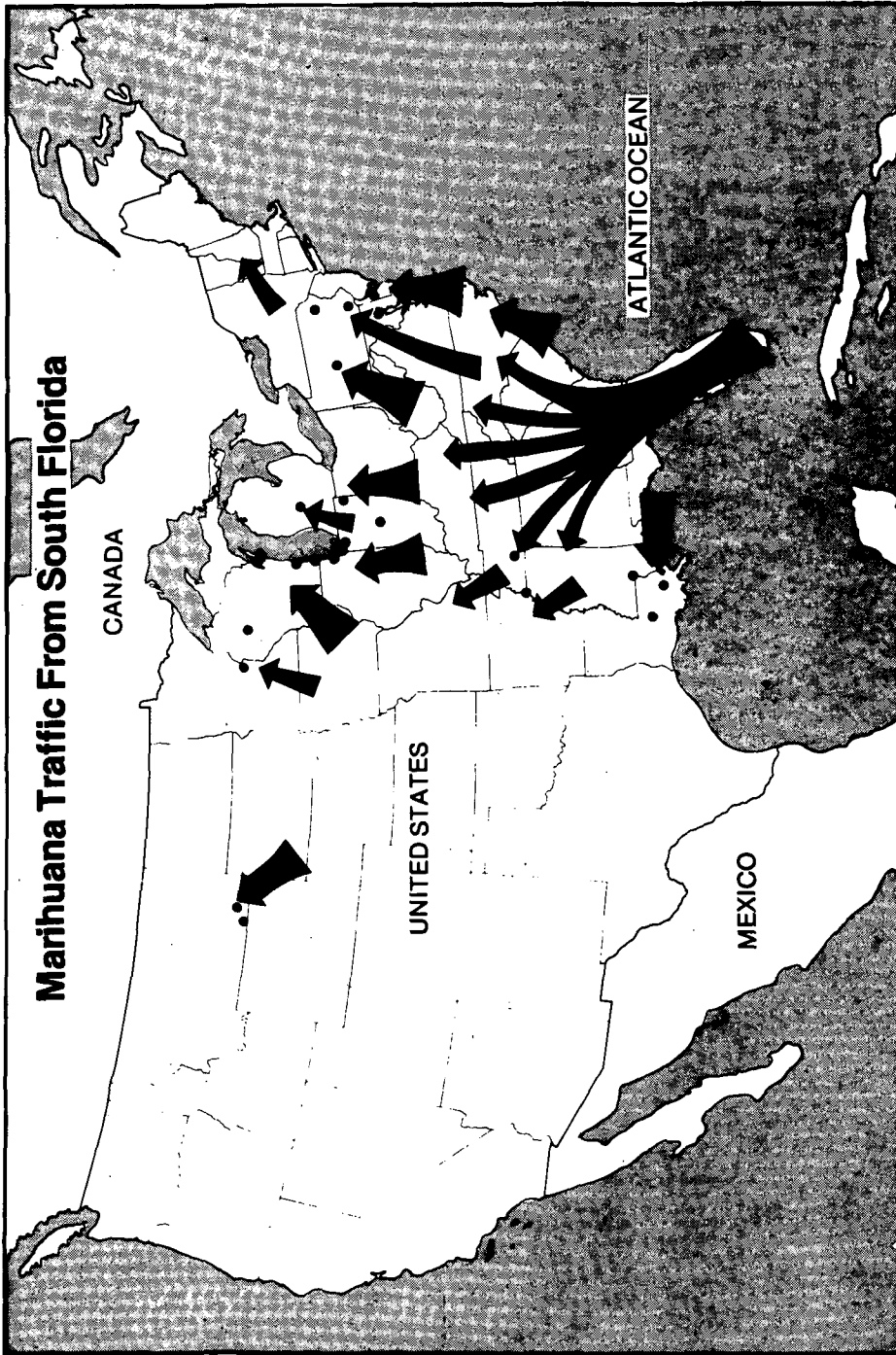
During a 6-month period ending in June 1978, the U.S. Coast Guard, Customs Service, and DEA reported seizures of more than 477 tons of marijuana and 359 pounds of cocaine. In the same period, the Government of Colombia seized about 610 tons of marijuana. According to DEA, these seizures represent more drugs than were collectively seized by the Federal law enforcement community during the entire previous year.

Along with the drugs, large numbers of vessels of all sorts have been confiscated by Federal agencies. From July 1975 through March 1978, 107 vessels were seized in connection with charges of drug smuggling in the Southeastern United States, with over half of them seized in Florida. Seventy of these vessels contained 5,000 pounds or more of marijuana, with 19 of the 70 carrying 25,000 pounds or more of the contraband. (See photographs on pp. 78 and 79.) Some enforcement officials believe that, rather than serving to illustrate the effectiveness of law enforcement, the high volume of seizures merely indicates the tremendous amounts of drugs passing through the region.

The Department of Justice believes that while the large seizures do indicate the tremendous volume of drugs available, they also are an indicator of improved cooperative enforcement. Justice estimates that the percentage of marijuana now seized, destroyed, or abandoned at sea may be in excess of 20 percent of that being imported into the United States.



Source: Drug Enforcement Administration



Source: Drug Enforcement Administration

Federal enforcement agencies have paid increasing attention to the financial impact all this illegal drug activity has on the region and the entire country. In congressional testimony before the House Select Committee on Narcotics Abuse and Control during the summer of 1978, it was estimated that the total gross value of the drug trade in South Florida was at least \$7 billion annually, with the majority from marijuana sales, and at least \$500 million from cocaine sales.

Fortunes have been built on the drug trade, and persons with no visible means of support have paid huge sums for pleasure boats, homes, and other expensive properties. The House Select Committee on Narcotics Abuse and Control reported in August 1978 that to meet the demands for cash created by the illicit drug trade, the Federal Reserve System has had to shift million of dollars in cash to banks in the Miami district. Federal agencies have developed programs to attack the profit earned by drug traffickers. However, it is too early to tell what the results will be.

Many enforcement officials in South Florida believe the situation is completely out of control. Federal, State, and local agencies have been overwhelmed by the amount of smuggling activity. Large "mother vessels" with multiton loads of marijuana set anchor beyond the 12-mile limit as smaller vessels carry the contraband to shore. To make matters worse, the U.S. law generally does not cover the possession of narcotics on the high seas by U.S. citizens or by anyone aboard U.S. vessels. Extending coverage of U.S. law to this area can help, 1/ but the fact remains that most mother ships are either foreign registered or stateless. Under international treaties, the U.S. Coast Guard has blanket authority to board stateless vessels, but in the case of foreign vessels the Coast Guard must seek permission of its country of origin to board, search, and if necessary take action. This is a very time-consuming process. Since international treaties ordinarily do not deal with this issue, the key nations will have to unite to resolve it. Otherwise, the mother ships will continue to operate.

1/Legislation has recently been introduced (H.R. 2538, 96th Cong., 1st Sess., 125 Cong. Rec. H1049 (March 1, 1979)) which would make possession or transfer of controlled substances on the high seas by individuals subject to the jurisdiction of the United States substantive offenses.

It is obvious that our Southeast border has not been controlled effectively. The Congress has recognized the problem, and the administration has taken some steps to strengthen drug enforcement in the area, including application of additional resources and the creation of joint enforcement task forces. While it is too early to assess the impact of these actions, the problem is not likely to go away. To improve the effectiveness of our present resources at U.S. borders, an integrated management plan is necessary.



Marijuana Field in Colombia

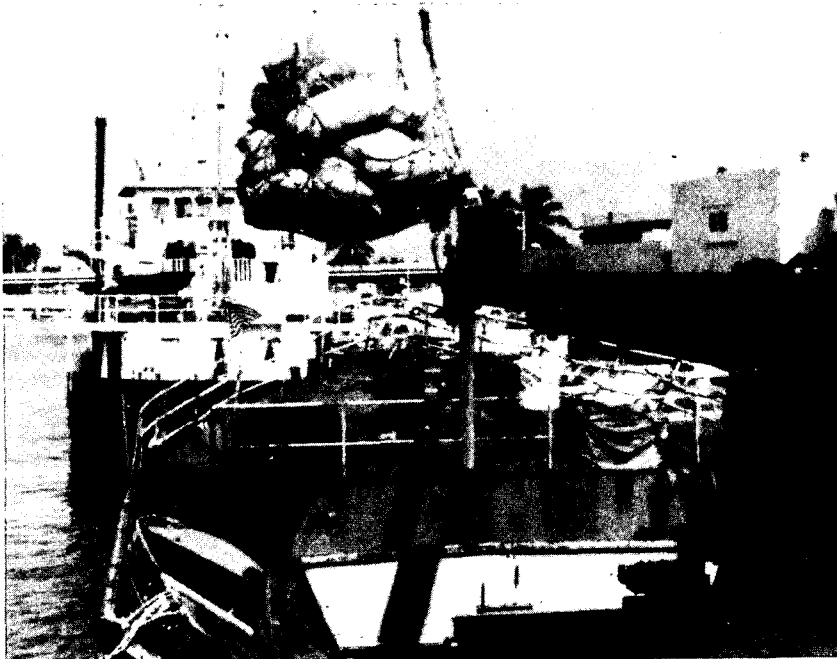


Stored bales of marijuana awaiting shipment

Source: Drug Enforcement Administration



Loading of marijuana onto "mother ships"



**Marijuana being unloaded from seized mother ship
in Miami Florida, on way to incineration**

Source: Drug Enforcement Administration

BORDER MANAGEMENT ISSUE UNRESOLVED

In 1977 the Office of Drug Abuse Policy completed a major study of border control and associated law enforcement activities. The ODAP report, developed with representation from the principal agencies involved in border control, focused on the major border functions of inspecting persons and goods at ports of entry and patrolling between these ports to prevent surreptitious entry. The report identified an overall lack of coordinated border management and a significant overlap and duplication of effort in both of the principal border control functions.

The report concluded that a revised management structure was needed which could achieve maximum effectiveness with available resources, respond to changing priorities, and provide adequate border control as well as better service to the public. ODAP recommended the following.

- A multipurpose border management agency should be created by consolidating INS and Customs in a new agency.
- An appropriate reorganization plan should be developed by the President's Reorganization Project to include placement of the consolidated border management agency in a cabinet department consistent with overall Government reorganization planning.
- The emphasis and direction of the reorganization planning should be to provide the optimum organization for long-term effectiveness in overall border control. This approach enhances control over all the border threats (drugs, aliens, loss of revenue, gun smuggling, etc.).

--Consolidation of the agencies and functions should be achieved through an umbrella management concept. The reorganization plan should provide a set of initial priorities, but allow the new Director some flexibility in determining the internal structure of the new agency. The following functions should receive high priority for early consolidation.

1. Primary inspection of all ports.
2. Patrolling of the land borders.
3. Operational support, particularly communications and computer systems.
4. Management structure and administrative support.

The President's Reorganization Project cooperated in the ODAP study and concurred with its basic finding that adoption of a concept of "border management" was necessary to solve the organizational problems identified and to implement President Carter's announced initiatives in response to the problems of drug abuse and undocumented aliens. In December 1977, the project circulated a draft document, containing reorganization options relating to border management, among various knowledgeable individuals and groups for their comments and suggestions.

Ironically, and perhaps predictably, since the current efforts toward reorganization were initiated, the agencies involved in border enforcement have placed an increased emphasis on voluntary cooperative agreements. Previous studies of border activities also spawned interagency agreements and memorandums of understanding which temporarily lessened the severity of certain aspects of the problem. However, they did little to improve overall effectiveness or solve the long-term border control problem. The essential characteristic of the problem remains. Federal agencies with different orientations continue to identify the best activities to meet their missions with limited consideration for the activity of others. Little consideration is given to overall border security.

CONCLUSIONS

It is evident that the U.S. border has not provided the impediment to illegal entry of drugs that the Federal drug strategy has envisioned. The problems of managing the

border are longstanding and, despite recent attention, have remained unresolved. The Congress and the administration need to get together to correct the situation. Still to be decided is whether the President's law enforcement reorganization plan will be submitted to the Congress. The plan's objective is to combine law enforcement agencies with similar functions to avoid overlapping and duplication, and to enable law enforcement to be carried out in an efficient and economical manner. In our opinion, this single agency approach makes the most sense as the long-range solution.

In view of the potential action, we are not repeating our recommendation relating to improvements in border management. We do feel, however, that corrective legislation is needed regarding the illegal possession of controlled substances on the high seas by individuals subject to U.S. jurisdiction. Such legislation would enable the Coast Guard to reach the activities of some of the mother ships described in this chapter. The legislation, however, would not reach the activities of foreign vessels on the high seas absent a treaty with the foreign nation involved or specific authorization by that foreign nation.

RECOMMENDATION TO THE CONGRESS

We recommend that the Congress enact legislation which would make it illegal for any person on a U.S. vessel or on a vessel subject to the jurisdiction of the United States or for a U.S. citizen on board any vessel to illegally possess or transfer on the high seas a controlled substance (as defined in section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970, 21 U.S.C. 812).

CHAPTER 5

IMMOBILIZING MAJOR DRUG VIOLATORS:

AN ELUSIVE GOAL

Federal efforts to reduce drug trafficking through attempts to immobilize major violators have fallen short of expectations. With much persistence and expense, numerous high-level drug traffickers have been prosecuted and convicted, but this has not had a long-term impact on the availability of drugs in the United States. Incarcerating major traffickers for long periods and seizing their financial resources, the key elements to success, have not been accomplished to a sufficient extent. Even in those successful cases where high-level traffickers are arrested and given stiff prison sentences, their organizations often continue to operate and maintain their distribution capacity.

The Federal enforcement approach relies on a close, complementary relationship and effective interaction among a variety of investigative, interdictive, regulatory, and prosecutive agencies. Each agency is expected to aggressively use its unique skills, jurisdiction, and resources to achieve optimum results. This concerted effort has not, however, materialized. Legal obstacles, inexperience, lack of direction, changing priorities, as well as bail and sentencing practices (ch. 6), have all limited our success in immobilizing major drug traffickers and their organizations. Specifically:

- DEA and the law enforcement community in general have moved slowly in effectively using conspiracy laws to immobilize major drug traffickers.
- The Department of Justice has not adequately planned or directed the prosecutive efforts against major traffickers.
- Policy and legislative mandates have restricted Internal Revenue Service's role in drug enforcement.
- The FBI has not been a significant force in the fight against major traffickers to date.
- Delays have diminished the usefulness of the Bank Secrecy Act in investigating the enormous profits of drug traffickers.

--Assistance from other countries in prosecuting international traffickers has been limited.

--Federal and State control of the diversion of licit drugs at the retail level has been largely nonexistent.

ENFORCEMENT STRATEGY REQUIRES CLOSE COORDINATION

As discussed in chapter 1, drug law enforcement is an important component of the overall supply reduction effort. The Federal enforcement program encompasses a number of agencies and is designed to deter, immobilize, and inconvenience illicit drug producing and trafficking organizations, primarily through conspiracy and financial investigations, so that the availability of illicit drugs will be minimized.

Reorganization Plan 2 of 1973 consolidated the principal drug investigative and intelligence resources in DEA, the "lead agency." However, many other agencies each have a vital role. The narcotics control contributions of organizations such as the FBI, the U.S. attorneys' offices, IRS, and U.S. Customs Service must be maximized by the agencies and directed to the overall objectives of disrupting illicit traffic and reducing the availability of drugs. Each agency has certain skills and many operate under unique statutes, the use of which must be coordinated by the lead agency. Success of the current drug enforcement strategy is largely dependent on close and complementary relationships among these agencies.

To achieve maximum impact, the enforcement strategy calls for Federal efforts to focus on the prosecution and conviction of those high-level traffickers who direct major organizations. It is believed that immobilization of these leaders significantly reduces the organizations' abilities to move quantities of drugs for a considerable period of time. Experience has shown that conspiracy investigations are often the only way to proceed, since the kingpins usually avoid possessing or selling the drugs themselves. Much more than traditional buy/bust drug enforcement methods, conspiracy investigations have exacting technical requirements, depend to a great degree on investigative

skills and sophisticated support systems, and require careful coordination of various agencies' efforts by DEA.^{1/}

The use of financial evidence has received much attention recently as an important conspiracy investigation tool. DEA has recognized that complete immobilization of trafficking organizations depends not only on incarcerating major traffickers for long periods but also on confiscating the financial resources derived from or used in connection with drug trafficking. Furthermore, financial intelligence can identify drug financiers who might otherwise remain unknown to law enforcement, and it can help in building conspiracy cases. DEA believes that traffickers' financial resources can be attacked through effective use of the Continuing Criminal Enterprise (CCE) statute (21 U.S.C. 848), the recently enacted forfeiture provision (21 U.S.C. 881) of the drug laws, the Racketeer Influenced and Corrupt Organizations (RICO) statute (18 U.S.C. 1961-1968), the tax laws, and various provisions of the Bank Secrecy Act (31 U.S.C. 1051 *et. seq.*). In addition, the establishment of mutual assistance treaties to exchange financial information with foreign countries has been a long-term objective of the United States to help in this effort. Such financial investigations are the most complex of the conspiracy cases and require both an added degree of cooperation among the agencies involved and sophisticated investigative skills not traditionally associated with drug enforcement.

DEA NOT YET PROFICIENT IN CONSPIRACY CASES

Even though DEA has increased its emphasis on conspiracy and financial investigations, it has not yet attained proficiency in investigating major interstate and international drug violators. Many DEA agents have not been trained in the latest financial conspiracy techniques, and intelligence functions often do not receive the priority they deserve. DEA needs to do much more if the Federal Government is to be successful in attacking major drug traffickers and their assets.

^{1/}Buy/bust is an enforcement technique involving the arrest of an individual immediately after purchasing drugs from him. Conspiracy investigations go a step further, however, in that they seek to prove an alliance between two or more persons for the purpose of dealing in drugs, even though one or several of the persons may never handle the drugs.

The number of conspiracy cases has increased

Using the conspiracy strategy, Federal law enforcement has successfully arrested and prosecuted many high-level drug traffickers. DEA statistics show an upward trend in the number of individuals charged with conspiracy during the last 5 fiscal years, increasing from 90 in 1974 to 104 in 1978. Moreover, there has been a clear trend toward increasingly complex conspiracy investigations.

Many conspiracy cases were directed against large drug trafficking organizations and some were highly successful. Two of the more significant cases were the following:

- Leroy "Nicky" Barnes was convicted of engaging in a continuing criminal enterprise, of conspiring to distribute heroin and cocaine, and of distributing large amounts of heroin. He was sentenced to life in prison and fined \$125,000. Barnes ran a \$1-million-a-month heroin and cocaine operation out of a garage in Harlem. Ten members of the Barnes syndicate were convicted of lesser charges. All but 2 were sentenced from 15 to 30 years in prison, and several received substantial fines.

- Jose Valenzuela was convicted of engaging in a continuing criminal enterprise to distribute heroin and other related charges in U.S. District Court, Los Angeles. He received concurrent prison sentences of life and two terms of 60 years. Eight co-defendants were convicted of lesser narcotics violations. The Valenzuela family operated laboratories in Culiacan, Mexico, and smuggled multikilogram quantities of heroin to other family members in California. This high-quality heroin was then redistributed to five distinct trafficking groups in New York City.

Agents lack necessary experience and orientation

We noted that progress had been slow in developing the agent expertise necessary to become more effective in conspiracy investigations. In seven of eight cities we visited that have major drug problems, Federal prosecutors told us that most DEA agents are still either not oriented toward or not trained sufficiently in developing major conspiracies, especially the financial cases. They are, in effect, still oriented toward buy/bust and simple conspiracy enforcement

techniques. While these tactics result in greater numbers of arrests and drug seizures, they are not considered an appropriate application of Federal enforcement resources. A 1977 DEA Field Evaluation Team in one region found "confusion among the agents as to whether DEA wants conspiracy cases or statistics," while a 1977 evaluation of another region concluded that, overall, "the agents were not concentrating most of their efforts on conspiracy investigations or targeting against specific violators."

DEA has trained many of its agents in the fundamentals of conspiracy investigations, but has offered very little training in the specifics of financial investigations. DEA reported that 1,764 of its agents received conspiracy training between 1972 and June 1979.^{1/} However, financial training was not added to the conspiracy training course until 1977, and, therefore, less than 10 percent of those agents attending received instruction in conducting the RICO, CCE, and other financial investigations that DEA is now placing much hope in. Even then, this added training is only an elementary introduction to a complex topic that involves such things as identifying concealed assets, tracing funds through foreign bank accounts, examining legitimate businesses used for laundering funds, and unraveling various other complex drug-related financial transactions. In addition to the conspiracy training course, which provided agents with their primary financial training, some agents have also been familiarized with the potential of financial investigation and use of the CCE and RICO statutes through various briefing sessions and seminars. A separate instruction course in financial investigation has only been recently devised, with the first course held in May 1979.

Lack of agent knowledge and training in these areas, we believe, is one reason that there have been relatively few prosecutions and asset forfeitures utilizing financial investigative techniques. Justice Department officials told us that in the 8 years between 1970, when the RICO and CCE laws became effective, and September 1978, there had been only three RICO cases and no CCE cases where traffickers' assets were forfeited to the government. In fact, there had

^{1/}In June 1979, DEA employed 1,926 agents. We did not determine how many of the 1,764 trained in conspiracy investigation had left DEA since 1972, and, therefore we could not calculate the percentage of the 1,926 agents currently with DEA that had received this training.

been a total of only 53 CCE cases authorized and an estimated 4 or 5 drug-related RICO prosecutions. Even though there are other reasons, detailed in this report, for the lack of financial investigations, it is clear that DEA must do more to truly immobilize drug networks and achieve the hoped-for reductions in drug traffic.

According to the Chief of the DEA field training unit, the agency realizes the need for more agent training in finances and conspiracies, but the process is a slow one. To help develop this capability, DEA should give consideration to hiring some individuals with backgrounds in accounting, finance, and other analytical skills for positions either as agents or analysts.

Intelligence has frequently received too little priority

Intelligence activities continue to receive, in some cases, little attention and low priority relative to DEA's other programs. This is unfortunate, especially in light of DEA's need to enhance its approach and use financial information in pursuit of large-scale drug conspiracy cases. Intelligence systems are vital and must play an active role in the enforcement effort, providing timely, useful information to aid in the investigation of complex trafficking organizations.

A 1978 Field Evaluation Report of one DEA regional office indicated that "Regional Management has made no serious commitment to the intelligence program," and, in one DEA district office we visited, the agent assigned to the intelligence function had to be used at times in enforcement activities because of limited availability of staff resources. Such impositions on the intelligence function have not been confined to a few isolated areas, but in fact were confirmed by DEA's Acting Deputy Administrator in a January 1978 memorandum as taking place in most regions.

In contrast to these less than adequate intelligence operations are the activities of the El Paso Intelligence Center (EPIC) and the Unified Intelligence Division in New York (UID). Established in 1974, EPIC has developed into a coordinated intelligence center supported by automated data bases of the six Federal agencies responsible for controlling various aspects of the border. UID, which was established in 1973 to blend information from Federal sources with criminal intelligence from New York State and City police, has been successful in developing intelligence

whereby enforcement's limited resources can be effectively applied to specific trafficking networks. It is unfortunate that such an approach is not more widespread throughout DEA.

In 1978 DEA took steps to improve its intelligence capabilities and commitment. These steps included the establishment of a Regional Intelligence Coordinator position in each region, the development of lists of major trafficking organizations, and analyses of money flows related to drugs. Also, the National Narcotic Intelligence Consumers Committee (NNICC) came into being to coordinate and disseminate narcotics information among numerous Federal agencies. It is too early to determine the effect of these plans on DEA's investigative efforts.

The CENTAC Program typifies
DEA's experience with conspiracy cases

DEA began its headquarters-controlled Central Tactical Unit (CENTAC) program in late 1973 to perform priority conspiracy investigations of high-level violators beyond the capabilities of the regional offices. Although this program is DEA's most sophisticated enforcement effort, the CENTAC investigations have often failed to immobilize the targeted trafficking organizations.

CENTACs were organized to operate over wide geographic areas, nationally and internationally, to handle cases which are difficult to investigate and prosecute under a regional enforcement structure. The CENTACs have, therefore, been given certain advantages over DEA's regional investigations. They have central management, increased agency mobility, and special funding. The CENTACs also have greater opportunity for using financial conspiracy tools (e.g. CCE and RICO laws, IRS assistance, financial data analysis).

The CENTAC program has achieved some notable successes against individual traffickers, and many high-level defendants have received substantial prison sentences as a result of their convictions on conspiracy charges. However, our analysis of five recent CENTACs indicated that, in most cases, the efforts did not achieve the overall objective--complete immobilization of the targeted drug trafficking organizations. All of the drug organizations reportedly have maintained their drug-related wealth as well as the potential to continue their trafficking. Like DEA's other conspiracy investigations, CENTACs had not attacked the vast financial resources of the traffickers.

Although elimination of narcotics trafficking may be impossible, the CENTAC program does offer distinct advantages in immobilizing large trafficking organizations through conspiracy cases.

In commenting on this report, Justice said that certain changes have been recently made to the CENTAC program. Its Criminal Division has arranged to assign an experienced attorney to DEA at the beginning of any CENTAC investigation to monitor and counsel its development, and the effort to attack the financial holdings of trafficking organizations is now established as a primary objective for each new CENTAC. We believe these are positive actions which should improve CENTAC effectiveness. Our office is currently reviewing in detail the CENTAC program, with a separate report to be issued on this subject.

LACK OF JUSTICE DEPARTMENT DIRECTION HAS
CAUSED VARIED COMMITMENTS TO DRUG PROSECUTIONS

The establishment in February 1975 of 19 Controlled Substances Units (CSUs) was considered a key element in the Federal Government's bid to prosecute major international and interstate drug violators through the conspiracy statutes. However, the lack of clear policy regarding the CSUs, together with a lack of Justice Department control over drug prosecutions, has meant that individual U.S. attorneys vary in their commitment to the CSU prosecution program and in their methods of operating. Predictably, some CSUs have very effectively implemented the conspiracy-oriented program while others have not.

During the time that Reorganization Plan No. 2 was being considered, a proposal was made by the administration for the creation of a narcotics division within the Justice Department. It was hoped that the new division could help coordinate the complex drug conspiracy cases that cross jurisdictional lines of U.S. attorney's offices and sometimes cause rival claims between offices that undermine successful prosecution.^{1/} The Division was never established, but in 1975 CSUs were created in 19 cities (later expanded to 22). These units were to provide a core of experienced attorneys in each city who could devote the full time and effort necessary to develop complex drug cases with DEA. Control over

^{1/}Report to the Senate Committee on Government Operations on Reorganization Plan No. 2 of 1973, October 16, 1973.

Federal drug prosecutions remained with the individual U.S. attorneys, even though responsibility for monitoring CSUs was assigned to Justice Department's Narcotic and Dangerous Drug Section (NDDS).

The CSU program suffered from the start in that no well-defined goals and objectives were established by the Justice Department. In fact, the program was created not by Departmental Order but by a general purpose statement and an authorization of additional attorney positions, allowing each U.S. attorney to implement the CSU concept as he/she saw fit. Operational guidelines were not issued until April 1977, more than 2 years after the first CSUs were created. Moverover, a formal Department of Justice Order establishing the CSU program (renamed the Major Drug Traffickers Prosecution Program) was signed by the Attorney General in October 1977 but, as of November 30, 1978, had not been officially disseminated.

Within this framework, it is easy to understand the wide variance of CSU practices and priorities detailed in a 1979 Department of Justice Internal Audit Report.^{1/}

- Some districts insisted upon well-qualified and experienced attorneys who are willing to remain with the program for extended periods, while others assigned new personnel and made assignments for short periods.
- CSUs did not always handle only cases involving major interstate and international drug traffickers. In some districts, the CSU caseloads consisted of both big and small drug cases, and, in some instances, even nonnarcotic cases.
- CSU attorneys have received little supervision and only limited training in the legal techniques, methods, and tools that are effective in developing major narcotic cases. As a result, few CSU attorneys use the conspiracy, RICO, and continuing criminal enterprise statutes in prosecuting violators.

^{1/}"Controlled Substances Units In The Department of Justice," U.S. Department of Justice Internal Audit Staff, March 1979.

--Coordination and communication among CSUs, necessary for developing interstate and international conspiracy cases, was not effectively established.

During our visits to several U.S. attorney's offices we found specific examples of the situations related by the Department of Justice (DOJ) Internal Audit Report. For instance, in San Francisco, Assistant U.S. attorneys and DEA personnel acknowledged that, up until recently, CSU efforts were not very effective at developing and prosecuting major conspiracy cases. In Chicago, all types of drug cases are handled by the U.S. attorney's narcotics unit, which is generally staffed by attorneys with little trial experience. Although some of the more complex drug cases are handled by attorneys outside the unit to take advantage of their experience, these attorneys are not assigned full-time to narcotics. In Miami, the lack of CSU emphasis on major conspiracy cases prompted NDDS to assign two of its staff attorneys to work with DEA in the investigation and prosecution of several large-scale trafficking organizations.

Effective drug enforcement requires an unusually high degree of communication and coordination among agencies, and conspiracy cases against the top level drug financiers require, additionally, sophistication and a marshalling of available resources. CSU attorneys occupy the best position to accomplish this oversight and coordination through their early involvement in conspiracy case investigations. For this to happen, however, the parochialism and individual prosecution practices of U.S. attorneys will have to be tempered, and the Justice Department's nationwide drug prosecution strategy strengthened. Several alternatives for doing this are: increasing Justice Department (NDDS) control over CSU activities; establishing drug prosecution units independent of the U.S. attorneys' offices, similar to the organized crime strike forces; or implementing uniform prosecutive priorities among the various Federal judicial districts to assure consistent commitment to high-level drug prosecutions.

IRS' ROLE IN DRUG ENFORCEMENT IS LIMITED

The President and Members of the Congress have stressed in recent years the need to use the tax laws and IRS' financial expertise in investigating major drug traffickers. With the increased emphasis on conspiracy and financial investigations, the value of tax and tax-related information, as well as IRS' financial expertise, is obvious. However,

the Tax Reform Act of 1976 placed certain restrictions on IRS which limit its ability to assist drug enforcement efforts.

The intent of the Congress, in enacting the Tax Reform Act of 1976, was to afford taxpayers increased privacy over information they provided IRS and additional civil rights in summons matters. In our March 1979 report, ^{1/} we pointed out that the new legal provisions have had their desired effect, although implementation of the act has caused some time delays and coordination problems between IRS and other Federal law enforcement agencies. In our opinion, the adverse impact on the law enforcement community, as a result of the disclosure provisions, had not been sufficiently demonstrated to justify changing the law. Nevertheless, the types of coordination problems being experienced illustrated the need for better coordination within the framework of existing law. The Congress needs to consider whether the adverse impacts warrant revision of the legislation and whether any revision can be made without disrupting the balance between criminal law enforcement and an individual's rights.

IRS efforts against drug traffickers have varied in recent years. The Narcotics Traffickers Program (NTP) was established at President Nixon's direction in 1971 to disrupt the narcotics distribution system through intensive tax investigations of middle and upper echelon drug dealers. By 1975, however, the NTP had been dismantled because IRS exceeded its cash-seizing authority and because of the program's low revenue yield. The Commissioner of Internal Revenue also believed that the public's trust in the IRS as an impartial administrator of the tax laws is vital and could be jeopardized when IRS is assigned missions whose primary objectives are not tax-related. The NTP activities were subsequently integrated into the Service's regular tax enforcement efforts, and the practice of seizing drug-related cash was severely restrained.

In 1976 President Ford directed IRS to again establish a tax program aimed at high-level drug traffickers. In a message to the Congress, he expressed confidence that a reasonable program could be designed to promote effective enforcement of the tax laws against individuals who were violating them with impunity. Consequently, the heads of IRS and DEA

^{1/}"Disclosure and Summons Provisions of 1976 Tax Reform Act--Privacy Gains With Unknown Law Enforcement Effects" (GGD-78-110, Mar. 12, 1979).

signed a Memorandum of Understanding, and IRS implemented its High-Level Drug Leaders Tax Enforcement Project.^{1/} The House Select Committee on Narcotics Abuse and Control found, however, that the program actually provides no greater emphasis on narcotics traffickers than on any other taxpayer group.

Whatever the effectiveness of the IRS High-Level Drug Leaders Tax Enforcement Project, the Tax Reform Act of 1976 restricts the extent to which IRS can get involved in drug enforcement. The act reflects the Congress' intent to tighten the rules governing IRS' disclosure of tax information. It is consistent with the policy of the former Commissioner of Internal Revenue that IRS, while participating in activities such as strike forces and NTTP, focus its efforts on tax administration matters, with a view toward avoiding the abuse of certain IRS powers in the future. Among other things, the act affords taxpayers increased privacy over information they provide IRS by placing substantial restrictions on other Government agencies' rights of access to tax information, with stringent criminal and civil penalties for unlawful disclosure.

For nontax criminal cases the heads of certain Federal agencies, including the Department of Justice, can gain access to tax information that IRS had obtained from third parties by submitting a written request to the Secretary of the Treasury specifying the taxpayer's name and address, the tax periods involved, the statutory authority under which the agency head is proceeding, and the specific reason why the tax information is needed. They can gain access to information IRS had obtained from taxpayers, including tax returns and associated information, by obtaining a Federal district court order.

In a letter to GAO dated November 13, 1978, commenting on a draft of our report on the effects of the disclosure and summons provisions of the 1976 Tax Reform Act, the Department of Justice was critical of the act. Justice stated that the act is primarily responsible for the Department's utilization of tax information dropping to a fraction of pre-1977 levels. According to Justice, the significant decline in access to evidence of criminal activity demonstrates the severe adverse impact of the act upon law enforcement when considered in light of the major role which tax information has historically played in prosecutions of white-collar and organized crime, public corruption, and

^{1/}Also referred to as the Narcotics Trafficker Tax Program (NTTP).

narcotics trafficking. The Department added that it is unavoidable that reduced access to tax information impedes law enforcement effectiveness in controlling these high priority areas of law enforcement.

The Justice Department further stated that the initial effect of the act's disclosure provisions was to cause a "virtual collapse" in coordination between IRS and Justice. Justice believes that although this situation has improved somewhat with experience, coordination is and will continue to be greatly diminished. It said one aspect of reduced coordination is that other law enforcement agencies have less access to IRS expertise in the analysis of financial records so crucial to complex prosecutions.

In our visits throughout the country on this review, many DEA officials and Federal prosecutors expressed similar views about the act's disclosure provisions. The types of problems being experienced were presented in our March 1979 report, and included the following:

- IRS cannot always disclose information about nontax crimes. In conducting their daily activities, IRS employees sometimes obtain information indicating that a particular taxpayer has committed a crime outside IRS' jurisdiction. If such information is obtained by IRS from a third party, IRS can take the initiative in disclosing the information to the head of the appropriate Federal agency including the Attorney General. However, if that information is obtained from a taxpayer, his records, or his representative, IRS cannot alert the Attorney General or other Federal agency heads regardless of the crime's seriousness.
- IRS cannot alert Justice attorneys to seek disclosure of criminal tax information. A coordination problem arises when IRS has criminal tax information on an individual which can be useful to a U.S. attorney or a Strike Force attorney, and the affected attorney does not know IRS has the information. In this regard, the Tax Reform Act prohibits IRS from initiating discussions with Justice attorneys about a person's criminal tax affairs until IRS officially refers its case to Justice for prosecution. As a result,

Justice attorneys believe that the Tax Reform Act has adversely affected their ability to properly carry out their duties as Federal prosecutors and law enforcement coordinators.

--IRS apparently takes more time to respond to Justice requests for tax information. But Justice was unable to provide us with examples of specific problems caused by IRS' response time. Before enactment of the Tax Reform Act, IRS had little cause to question the validity of requests for tax data made by U.S. attorneys, Strike Force attorneys, and other Department of Justice officials. The time needed to respond to such requests, therefore, would have been minimal. Since the disclosure provisions became effective, however, IRS has had to evaluate the propriety of each request and ensure that all applicable legal requirements have been satisfied. In light of these new concerns, an increase in IRS' response time would not be unexpected. Justice, however, has expressed concern about the delays its attorneys encounter when seeking tax information.

--Coordination between IRS and DEA has been slowed. Once the disclosure provisions became effective, implementation of the IRS High-Level Drug Leaders Tax Enforcement Project was slowed due to disclosure-related questions about the legality of and the methodology to be used under the IRS/DEA agreement governing the project's operation. However, the Tax Reform Act did not render the agreement obsolete. For example, in September 1977, DEA requested, through an Assistant Attorney General, access to third party tax information of 798 alleged high-level drug dealers. IRS authorized that access in letters dated October, November, and December 1977.

The above examples indicate that the disclosure provisions have had some adverse effects, but, in our opinion, the record of those effects is insufficient to warrant recommending changes to the law. In this regard, we recognize the need to strike an appropriate balance between

criminal law enforcement and an individual's right to privacy. That balance is particularly important in tax administration because taxpayers should be able to satisfy their income tax obligations with the knowledge that information they provide IRS will be used only as authorized by law. The types of coordination problems being experienced, however, point up the need for better coordination within the framework of existing law. The Congress needs to consider whether the adverse impacts on Federal law enforcement activities warrant revision of the legislation and whether any revision can be made without disrupting the balance between criminal law enforcement and an individual's rights.

FBI ATTACK ON ORGANIZED DRUG
CRIME HAS YET TO BE REALIZED

It is widely believed that the FBI has acquired considerable expertise and intelligence in investigating both organized crime and the financial aspects of criminal activity, two areas that have been shown to be inextricably linked to the drug traffic. Although the agency's role in support of drug enforcement has never really been clear, there is today more interchange between DEA and the FBI than in the past. Much of this increased level of activity, however, had not shown significant results as of mid-1979.

At the time of hearings on Reorganization Plan No. 2 of 1973, various statements were made about FBI involvement in drug law enforcement. The plan itself is not specific, and merely requires the Attorney General to provide for maximum cooperation between the FBI and DEA on drug law enforcement and related matters. The Presidential message transmitting the plan calls for "a more effective anti-drug role for the FBI, especially dealing with the relationship between drug trafficking and organized crime." The Subcommittee of the Senate Committee on Government Operations, in its report on the plan, was more specific in its comments on an expanded FBI role. It recommended such things as a close working relationship in the use of informants, daily headquarters liaison at high levels, access to each other's intelligence memos, and the sharing of laboratory and training facilities as well as selected case records. In our December 1975 report on Federal drug enforcement 1/, however, we concluded that the FBI role needed to be clarified if more is expected than the exchange of information and intelligence at the operating level.

1/"Federal Drug Enforcement: Strong Guidance Needed"
(GGD-76-32, Dec. 18, 1975).

Since that report, DEA and the FBI have increased their interchange with two major joint investigative projects aimed at the highest levels of the national and international drug traffic. Operation BANCO, started in November 1977 in the Miami DEA office, is a financial flow investigation to identify potential tax-related cases; seize the financial assets of drug traffickers; develop tax and conspiracy prosecutions; and identify, for prosecution by foreign governments, foreign nationals involved in drug trafficking. The joint project grew out of separate but related investigations involving the multimillion-(some estimate more than a billion) dollar marijuana and cocaine-smuggling business that has flourished in South Florida in recent years.

The other joint operation of DEA and the FBI is their task force program, established in September 1977. It consists of three investigative units, in New York, Chicago, and Los Angeles, formed "to apply FBI skills and statutes in financial flow relative to drug trafficking..." and to seek the immobilization of traffickers for violations of statutes under FBI jurisdiction if drug prosecutions cannot be developed. In effect, the task forces are intended to combine the expertise of both agencies in long-range, complex investigations of traffickers who are in some way related to organized crime.

At the time of our audit work in September 1978, it was too early to assess whether the DEA/FBI joint operations will be successful. There were few quantifiable results in terms of arrests, prosecutions, convictions, or immobilization of any large drug networks. This is due to various factors. Primarily, the complex nature of the targeted investigations does not allow for quick results, and there were delays caused by problems in selecting investigative targets. What was clear, however, is that the FBI has not been a major force in investigating the organized crime and financial aspects of drug trafficking. This is 5 years after the Congress and Reorganization Plan No. 2 sought to have the FBI become an important factor in the attack on illegal drugs.

Regarding operation BANCO, the Department of Justice stated that as of June 1979 some indictments have been returned, the most recent being the indictment under RICO Statute of 11 members of a large narcotics organization.

We believe that the Department of Justice should continue to monitor DEA/FBI joint activities and seek additional

means for using the FBI's purported expertise in investigating the financial aspects of drug trafficking and organized crime. Only by doing this can the FBI's part in drug enforcement be more fully defined and developed.

THE BANK SECRECY ACT HAS NOT YET BEEN AS USEFUL
TO DRUG ENFORCEMENT AS ORIGINALLY INTENDED

The Bank Secrecy Act was passed by the Congress in 1970 to, among other matters, furnish Federal agencies with additional tools to fight organized and white-collar crime, including the drug traffic. It was felt that the act's financial reporting requirements would help in investigating illicit money transactions as well as persons utilizing foreign bank accounts to conceal profits gained from drug smuggling, gambling, racketeering, and other illegal activities. Unfortunately the act has not worked as planned because there have been delays in carrying it out. If the law is to become more useful in the fight against drug traffickers, agencies must work faster in collecting, analyzing, and disseminating the required financial data.

Basically, the Bank Secrecy Act regulations require three reports to be filed with Federal agencies. One is a report submitted to IRS, by domestic banks and other financial institutions, of each large (more than \$10,000) and unusual transaction in any currency. The second report is filed with Customs by each person who transports or causes to transport in excess of \$5,000 in currency and other monetary instruments into or outside the United States. In the third report, each person subject to U.S. jurisdiction who has interests in foreign financial accounts must disclose this by filing a statement with the Treasury Department. The Treasury has overall responsibility for coordinating the efforts of involved Federal agencies and for assuring compliance with the act's implementing regulations.

Although the act and its required reports have indeed helped in identifying and convicting major drug traffickers, several administrative stumbling blocks have prevented the act from being more useful to drug enforcement. The law was passed in October 1970, and the regulations became effective in July 1972. Two unsuccessful court challenges of the act's reporting requirements further delayed the enforcement of both the domestic and foreign currency reporting provisions. As a result, Customs did not begin to enforce the currency transportation requirement until September 1972, and IRS did not commence enforcement of the domestic transaction requirement until June 1974.

Another shortcoming in the Bank Secrecy Act's implementation has been the minimal dissemination of the information collected. According to a May 5, 1977, House Government Operations Committee study, "the exchange of currency information obtained by IRS and Customs with agencies outside Treasury has been essentially nonexistent and, indeed, the exchange of information between agencies within the Department has been minimal." There are a number of reasons for this, including disclosure problems and disagreements among agencies concerning the assignment of responsibilities.

Although there has recently been some exchange of information with DEA, Treasury and its responsible agencies only recently began to set up a computerized program for collecting, analyzing, and disseminating Bank Secrecy information, more than 7 years after the law was enacted. In July 1978, Treasury established a Reports Analysis Unit in the Office of the Secretary to maximize the effective utilization of data from the three reports required to be filed under the Bank Secrecy Act. The Unit, which Treasury planned to integrate into the Customs Service, will be responsible for coordinating the computerization of all three reports. It also acts as a liaison with other Federal agencies, making those agencies aware of the data available and providing them with the data when appropriate.

The Acting Secretary of the Treasury informed GAO by letter dated March 19, 1979, 1/ that the currency transportation reports are presently entered on the Treasury Enforcement Communications System (TECS), a computerized information system designed to assist Federal personnel in carrying out various law enforcement missions. He said that Treasury intends to also enter both the domestic transaction reports and the reports of foreign financial accounts on TECS. Treasury believes, and we agree, that placing all three reports on TECS will improve their potential usefulness.

Treasury now needs to follow through with its intention of computerizing the Bank Secrecy information and further improving the usefulness of the data.

ACHIEVING INTERNATIONAL ASSISTANCE AGAINST
TRAFFICKERS: RESULTS HAVE BEEN DISAPPOINTING

Domestic law enforcement efforts to immobilize traffickers and their organizations can be stymied unless

1/"Better Use of Currency and Foreign Account Reports Needed for Law Enforcement" (GGD-79-24, Apr. 1979).

foreign governments provide help. Because many known drug traffickers and financiers conduct their business, live, or are fugitives in foreign countries, it is sometimes impossible for the U.S. Government to arrest or prosecute such individuals. As discussed in chapter 3, foreign governments have assisted in the apprehension or initiation of investigations against major traffickers. In recent years foreign governments have been asked to provide additional assistance through extradition and the exchange of evidence for prosecution here or abroad. But the results have been disappointing for numerous reasons. Prospects for improvement are not encouraging.

Extradition offers little hope

Extradition treaties between countries permit the surrender to one country of an individual living in another country when he is either accused or convicted of a crime. Although the United States is party to more than 80 extradition treaties, their effectiveness in drug prosecutions has been restricted because of practices in foreign countries and the lengthy nature of the extradition process.

During the last several years, administration studies as well as GAO reports have pointed out that extradition in the field of drug law enforcement has been used with limited success for several reasons. The March 1978 ODAP study on International Narcotics Control Policy pointed out that most of our treaties with foreign countries and the Single Convention on Narcotic Drugs recognize drug offenses as extraditable offenses but also recognize the right of each country to prevent the extradition of its own citizens. We understand, for example, in Mexico, the top priority country in the U.S. international narcotics control program, law and practice do not permit the extradition of Mexican nationals.

Even if a proposed extradition is not subject to the above restriction, other factors reportedly limit the use of this tool in attempting to immobilize major traffickers:

- Some countries do not permit hearsay evidence in their criminal justice processes and will not approve an extradition request if the case is based on such evidence.
- Some countries do not have laws against conspiracy and will not extradite an individual charged in a conspiracy.

--Some countries will not extradite individuals in cases based on evidence secured through undercover methods.

--Administrative procedures for extradition are complex and time-consuming.

Extradition treaties are not much help in U.S. efforts to immobilize drug traffickers who use other countries to circumvent prosecution. The Interagency Committee on International Narcotics under the Cabinet Committee on International Narcotic Control recommended that a preferred approach would be for the United States to encourage the cooperation of other countries in prosecuting international traffickers.

Operation JANUS needs better management and commitment

In April 1975 the Government of Mexico (GOM) agreed to a unique joint program with the United States to prosecute major suppliers in Mexico responsible for smuggling and distributing large quantities of drugs in the United States. The procedure, named Operation JANUS, allows evidence obtained in the United States to be used in Mexican courts for prosecuting Mexican and third country nationals who supply drugs to this country, as well as Mexican citizens who are fugitives from the United States. The success achieved by JANUS as of November 1978 has been disappointing, primarily because of poor management on the part of both countries and a lack of continuity in the program when the Mexican government changed administrations.

In May 1978 DEA issued an evaluation of JANUS, disclosing that 54 of 138 cases that had previously been reported as JANUS prosecutions during the program's 3-year existence were never litigated for a number of reasons, including loss of case files, improperly certified evidence, or simply lack of follow-up by either DEA or GOM. DEA closed out these cases and removed them from the JANUS program. Of 84 remaining JANUS defendants, only 4 had been convicted. Three of these convictions were subsequently overturned by Mexican courts because the U.S. documents were not properly certified or processed by the Mexican Secretary of Foreign Relations in Mexico City. The study showed the following statistics:

	<u>Number</u>	<u>Percent</u>
Total JANUS Defendants	84	100
Convictions	4	5
Dismissals, acquittals, or other releases	5	6
Pending (as of April 1978)	75	89

One major problem with JANUS was the lack of continuity between the present and former GOM administrations, including the removal by the previous administration of all JANUS prosecution files. This rendered the current administration incapable of initiating prosecutions or even determining the status of JANUS cases. The program had to be reinstated, with case files replaced, and is now beginning to show some results.

During our visit to the U.S. Mission in Mexico in November 1978, we were informed that the GOM and DEA have instituted procedures to better manage JANUS and overcome some of the obstacles that have limited the program's success. Recent results and future hopes for Operation JANUS, rather than past results, are considered by DEA to be truer indicators of JANUS' potential.

According to DEA, between January and November 1978 10 new cases involving 9 Class I and 1 Class II heroin traffickers were submitted for JANUS prosecution under the streamlined procedures. In addition, DEA reconstructed the cases of 35 of the 75 pending defendants shown in the above table by going back to the originating DEA domestic offices to obtain new sets of documents. A DEA official said that in the first of the 10 new cases, the defendant was convicted less than 2 weeks after the arrest warrant was issued. In the 35 reconstructed cases, the Mexican Attorney General's Office had arrested 5 defendants as of November 1, 1978, of which 4 were convicted and 1 acquitted.

Given proper management and commitment on both sides, JANUS may in the future realize some of the expectations that it has not fulfilled in the past. However, there are limitations that must be recognized. For example, only defendants in the United States who have not been convicted can be tried in Mexico in connection with the same case. If a defendant is convicted in a U.S. trial and flees the country while on bail pending appeal, he becomes a fugitive, but because of double jeopardy is not subject to trial

in Mexico under Mexican law. This is further complicated by the Mexican policy against extradition of its nationals. Another limitation is that to prosecute a trafficker in Mexico, it must be proved that he was present at the physical transfer of the drugs--Mexico has no conspiracy law.

ODAP, in its March 1978 report on International Narcotics Control Policy, realized the limitations of JANUS but nevertheless recommended that the program be further refined and expanded to other countries. A State Department official also recognized JANUS' limitations and recommended caution in extending the program. He noted in a February 1978 memorandum that JANUS has not been demonstrated to be a great success, and infant cooperative arrangements with Colombia, Chile, and Peru have yet to bear impressive results. Accordingly, he believed that the United States should be reserved in moving this concept forward in the international arena until effectiveness can be demonstrated.

Significant drawbacks limit use of Letters Rogatory

As a process that is somewhat the reverse of JANUS, Letters Rogatory can be used to obtain evidence from other countries for prosecuting major traffickers in the United States. Although Letters Rogatory have received some attention recently as a result of a major trafficker's conviction, the use of this device is a slow, laborious process that has not had much success to date.

Available for many years to the Federal criminal justice system, the Letter Rogatory is nothing more than a formal request by the judiciary of the United States for assistance from the judiciary of another country. Such a request might include asking the foreign country to issue a subpoena to testify or produce documents, take depositions, or use some other mechanism to gather evidence. Its use to drug enforcement was most recently shown in the case of a large-scale domestic drug distributor, Roger Fry, who used Swiss bank accounts to conduct his illegal transactions. Information on these accounts was obtained from the judiciary of Switzerland via Letters Rogatory and used in the investigation. Fry pleaded guilty to operating a continuing criminal enterprise and is now serving a 10-year prison sentence.

Though Letters Rogatory appear to offer some assistance to Federal prosecutors in obtaining evidence for international drug cases, there are significant drawbacks to their use. According to ODAP's international drug control report, only 1 of 11 Letters Rogatory sent by the U.S. Government to different countries in 1977 was fully effective. Of the remaining 10 Letters, 2 were partially effective, 4 were refused, 2 responses were overdue, 1 was withdrawn, and the other was too recent for results.

The ODAP report stated that Letters Rogatory could become more effective with improvements in translation speed, legal assistance to Embassies, and the reciprocal representation of the United States by foreign justice ministries. But, as one State Department official put it, Letters Rogatory are not the preferred means for obtaining evidence, and in fact should only be used as a last resort.

Mutual assistance pacts offer some help,
but take much time to develop

As financial information has been touted for its usefulness in investigating and prosecuting drug traffickers, the strengthening of laws and conclusion of treaties for exchange of such information have become long-term objectives of the U.S. international narcotics control policy. Although one mutual assistance treaty is now in effect and another being discussed, the treaty process is tedious and time-consuming.

In January 1977 the United States and Switzerland effected a judicial assistance treaty that can potentially assist Federal enforcement agencies in their effort to both incarcerate major traffickers and take away their drug-related resources. The treaty provides for assistance in acquiring banking and other records, locating and taking testimony from witnesses, and the service of judicial and administrative documents. According to ODAP's report on international drug control, the treaty is intended to overcome problems presented in obtaining evidence concerning activities occurring outside of each country. This evidence can then be used to investigate or prosecute crimes committed within each country.

For all the potential benefits that could flow from mutual assistance treaties, such agreements are extremely slow in developing and cannot offer much immediate help in tracking down traffickers and their assets. The Swiss treaty was signed in 1973 but did not become effective

until more than 3 years later. No less than 10 other areas around the world have been identified as tax/financial havens for traffickers, and an untold number of other countries are potential havens. Yet, the United States is attempting to develop a treaty with only one of these nations at the present time, and it is not known when it will take effect. Clearly, then, the process must either be speeded up or other ways developed to gain international financial data to immobilize traffickers now and in the future.

In commenting on this section of the report, the Department of Justice cited examples of the arrests abroad of major traffickers through international cooperation. See pages 197 through 202 for a description of the cases.

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

Although the abuse of heroin, cocaine, and other illegal drugs has been well-documented, the equally serious, and some say more widespread, use of legal drugs has surfaced in recent years as a major problem as well. About 7 million Americans use legal drugs, such as barbiturates, tranquilizers, and amphetamines, for nonmedical purposes. It is estimated that as many as 7 out of every 10 drugs being abused or resulting in death are legal drugs. Yet, governmental control of these drugs at the dispensing or retail level, their major point of diversion, has been largely nonexistent. Last year, our office issued a report to the Congress on this problem and recommended several actions to reduce diversion.^{1/}

The retail level is the major source of diversion

Although the exact amounts and sources of controlled substances being abused are unknown, much information shows that a large part of the Nation's drug abuse problem stems from the diversion of legal drugs. According to DEA, about 30,000 drug products are subject to the Controlled Substances Act, and about 15 billion dosage units are manufactured each year. DEA estimates that 250 to 270 million dosage units are diverted annually, and as much as 90 percent of this diversion is from retail sources.

^{1/}"Retail Diversion of Legal Drugs--A Major Problem With No Easy Solution" (GGD-78-22, Mar. 10, 1978).

Opportunity for diversion of legal drugs appears greatest at the retail level because of the large number of practitioners--physicians, dentists, veterinarians, retail pharmacies, hospitals, and teaching institutions. As of October 1976, more than 540,000 manufacturers, distributors, and dispensers were registered with DEA, with 532,408, or 98 percent, at the dispensing or retail level. For legitimate drugs, practitioners are the final link in the distribution chain since they prescribe, administer, or dispense controlled substances to the ultimate users.

Opinions differ on the most likely source of retail diversion, but it is generally agreed that diversion occurs through thefts and the improper activities of physicians, pharmacists, and the general public. Retail diversion can be intentional for profit and abuse, intentional in a misguided effort to help those in need, or unintentional due to carelessness.

Problems in controlling retail diversion

Despite the severity of the problem, retail diversion has not been dealt with at the Federal and State levels. Limited authority and resources, weak regulatory requirements, and the large number of retail outlets restrict DEA's efforts to control retail diversion at the dispensing and practitioner level. The responsibility to control drugs at the retail level has been relegated largely to the States, which generally do not have the capability or, in some cases, the desire to provide aggressive antidiversion programs. DEA has made efforts to assess and upgrade State capabilities and to educate practitioners, but this approach has had little impact on the overall diversion problem.

Under the Controlled Substances Act, DEA has extensive authority to register and regulate drug manufacturers and distributors. DEA can grant or deny registration for drug manufacturers and distributors under many conditions, and thus the act's registration provisions are a basic regulatory tool. The situation is different, however, for doctors, pharmacists, and other practitioners, who generally are entitled to be registered if they are authorized to dispense and prescribe controlled substances by the State in which they are licensed to practice. As with registrations, DEA has no significant authority to impose physical security requirements on practitioners.

Limited resources also preclude DEA from pursuing an extensive regulatory program at the retail level. Its compliance investigators are fully occupied in monitoring drug manufacturers and distributors, and additional investigators would be required for DEA to effectively monitor the retail level if stronger regulatory requirements existed. DEA believes that because of its present focus it has greatly reduced diversion in manufacturing and distribution, and that redirecting its present resources toward the retail level could compromise these successes.

Because of the constraints at the retail level, DEA can merely assist States to control retail diversion. However, most States are incapable of dealing with the problem because of inadequate legislation, ineffective organization, and inadequate resources. Studies have shown that State controlled substances laws are frequently only general in nature and have various shortcomings hindering effective regulatory and enforcement activities. One study also found that State licensing boards, which are primarily responsible for enforcing drug compliance by practitioners, see their primary role as determining fitness to practice. State boards generally have no members outside the profession, and few States oversee their boards' activities.

DEA is trying to assess and upgrade State capabilities to evaluate practitioners. Although the largest assistance effort--diversion investigation units composed of Federal agents and State investigators--has had some success, most of DEA's other activities have had little effect so far. These efforts have stressed planning, experimental projects, and long-term solutions rather than the present need to investigate violators. This assistance approach has also been negatively influenced by various factors, including DEA's enforcement priorities, Federal funding limitations, and the degree of commitment by States.

Alternative approaches to combatting retail diversion

There are two basic approaches which can be taken to effectively deal with retail diversion: DEA's direct role over the dispensing level and practitioners could be strengthened until it parallels the agency's role with respect to manufacturers and distributors, or DEA's assistance role to motivate and help the States carry the burden could be accelerated. Regardless of the approach taken, controlling retail

diversion will be a time-consuming task requiring legislative changes and increased resources. Because of the potentially great costs involved in changing DEA's role, we previously recommended that the Attorney General study the costs and benefits of these approaches.

Under the direct approach, DEA would have as much responsibility over retail-level practitioners as it currently does over manufacturers and distributors. DEA would not be as dependent on State licensing actions, and it would have the necessary tools to compel practitioner compliance. Significant legislative changes, at the Federal level, would be necessary to deny registrations, prescribe security controls, and impose more stringent prescription and recordkeeping requirements.

The direct approach also involves substantial costs. To implement, monitor, and enforce additional controls, large increases in DEA's resources and in the operating costs of practitioners would be required. There is also an intangible drawback--a vastly increased Federal presence in the medical profession. Moreover, even with a greatly expanded DEA role, there is no guarantee of quick results, and great reductions in diversion will most likely take a long time.

The assistance approach would continue the current situation in which the States have the primary responsibility for controlling retail diversion. DEA, however, would assume a more active role in assisting the States. This approach would be costly and would require a change in DEA's legislative authority.

A critical element in this assistance approach is the States recognizing their responsibilities--they would bear the major burden for establishing aggressive antidiversion programs. Unfortunately, other national problems have shown that States are often reluctant or unable to do the job without Federal funding. Accordingly, the Federal Government would likely have to financially support State efforts far beyond what has been previously provided. Some type of DEA grant program would have to be authorized and implemented to insure State involvement.

No matter which of the two approaches is taken, it is clear that more effective control over "the respectable pushers" will be costly. Without any changes, however, the large market in legal drugs can be expected to continue.

CONCLUSIONS

The Federal Government's strategy of disrupting the drug distribution networks to reduce the supply of drugs has not been effectively carried out. Attempts to immobilize major violators and their organizations through conspiracy investigations and attacks on their financial resources have not been accomplished to a sufficient extent. Although DEA has been given responsibility for coordinating the attack on drug leaders, it lacks the authority to require the needed coordination. Neither it nor the other agencies involved have been successful in realizing a truly coordinated program. Lack of expertise, little overall direction, shifting priorities, and legal obstacles are all to blame.

For its own part, DEA has not attained proficiency in conspiracy investigations. Few agents have been trained in investigating the financial aspects of the drug traffic, and intelligence functions have not always been given their rightful priority in efforts to investigate complex drug trafficking organizations.

Though Controlled Substances Units were expected to provide full-time experienced attorneys to prosecute major drug cases, they have suffered greatly from lack of Justice Department guidance and control. Some CSUs have effectively implemented the conspiracy-oriented program while others have not.

Federal drug strategies in recent years have envisioned key roles for both the IRS and FBI in investigating the financial and organized crime aspects of drug trafficking. Neither agency, however, has played much of a role to date. IRS is restricted by the disclosure provisions of the Tax Reform Act from doing a great deal, while much of the FBI's drug-related activities have yet to show significant results.

Even though the Bank Secrecy Act was intended to help drug enforcement in attacking the financial resources of traffickers, it has not been very useful. Treasury Department agencies have been slow in implementing some of the law's provisions, and the information that is supposed to aid investigations has not been disseminated to any great extent.

Eliciting the aid of other countries is essential if the United States is to have any success in prosecuting international traffickers. Several programs have been advanced to do this, but little has come out of them, and there is little hope for the future. Operation JANUS has suffered from poor management and lack of continuity on the parts of both the United States and Mexico. Extradition has not worked because countries generally are not willing to give up their own citizens, and differing legal systems limit the process even when suspects are not citizens. Two other methods, Letters Rogatory and mutual assistance treaties, have received attention, but the length of time required to develop these techniques and the large number of countries that must be dealt with serve to limit their use considerably.

Diversion of legal drugs, especially at the retail level, has been flourishing for years, yet has received little attention compared with the efforts spent against drugs like heroin and cocaine. Responsibility to control this problem is largely with the States, but most States are incapable of fulfilling this responsibility due to inadequate laws, ineffective organization, and insufficient resources. In our 1978 report on retail diversion we recommended that the Congress strengthen enforcement efforts against the growing diversion of legal drugs by authorizing DEA to either exercise direct regulatory authority over retail-level practitioners or implement grant programs for assisting States in controlling diversion. We continue to support this recommendation.

RECOMMENDATIONS TO AGENCIES

To overcome the major impediments in immobilizing major traffickers, we recommend that:

--The Attorney General

1. Strengthen the prosecution of major drug traffickers through the increased commitment and continuity of attorney resources. Several alternatives for achieving this include increasing Department of Justice control over the activities of the Controlled Substances Units, establishing independent drug prosecution units similar to organized crime strike forces, or implementing uniform prosecutive priorities among the

various Federal judicial districts to assure consistent commitment to high level drug prosecutions.

2. Direct the DEA Administrator to improve investigative capability against drug traffickers' financial resources by training DEA agents and hiring financial specialists to assist in investigations.
 3. Continue to monitor and improve the operation of DEA/FBI Task Forces, and seek additional means to use the FBI's expertise in investigating the financial aspects of drug trafficking and organized crime.
- The Secretary of the Treasury speed the processing and dissemination of Bank Secrecy Act reports so that law enforcement agencies can achieve the maximum benefit of the information.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Our review work and experience lends further support to the recommendation in our previous report on the Tax Reform Act that the Congress needs to consider whether the adverse impacts of the act's disclosure provisions on Federal law enforcement activities warrant revision of the Internal Revenue Code, and whether any revision can be made without disrupting the balance between criminal law enforcement and individuals' rights.

CHAPTER 6

BAIL AND SENTENCING PRACTICES

FURTHER WEAKEN IMMOBILIZATION EFFORTS

Bail and sentencing practices throughout the country have diluted the effect of drug enforcement efforts. Many defendants who are released on bail continue their drug trafficking, while those who are convicted often are not immobilized for long periods of time. These are long-standing problems that have remained unresolved despite considerable attention. Changes in the judicial system should be considered by the Congress to improve the bail law and enhance the capacity of the court system. The Judicial Conference of the United States should perform a comprehensive assessment to determine the effects of judicial discretion on the justice system and whether disparate sentences and a reduced deterrent value of sentencing have resulted.

TRAFFICKING WHILE ON BAIL

Many alleged drug traffickers who are subsequently convicted do not curtail their illegal activities after arrest because they continue their illicit trafficking activities while free on bail. The current bail law does not authorize judges, when deciding bail in noncapital cases, to consider the danger of an alleged trafficker to the community, i.e., the likelihood that the defendant will deal in drugs while on bail and thereby present a danger to the community. Various reports and studies have concluded that the bail statutes have, therefore, hindered the immobilization of alleged drug traffickers by allowing them to be released with no restrictions before trial.

Bail law does not authorize detention of drug defendants likely to traffic in drugs

The Bail Reform Act of 1966 (18 U.S.C. 3146 et. seq.) does not provide for pretrial bail decisions for drug defendants based on considerations of whether the individuals may traffic in drugs while on bail and therefore pose a "danger to the community." Current bail law applicable to drug violations provides that assurance of "the appearance of the person as required" is the criteria to be considered.

Other bail laws--those dealing with capital offenses 1--do permit judges to consider danger to the community and allow the refusal of pretrial bail. But narcotics violations are not considered capital offenses.

The Bail Reform Act was passed to better assure that defendants, regardless of financial status, are not needlessly detained while awaiting court appearances. The bail law delineates certain factors judges are to use in determining a defendant's conditions of release. One section of the act provides that defendants in noncapital cases shall be released on bail unless the judge determines that release will not reasonably assure the defendant's appearance at trial. If the judge determines that the imposition of bail by itself will not ensure the defendant's appearance, he may impose certain specified conditions on the defendant's release. Since drug offenses are not capital offenses, bail for such defendants must be provided in accordance with section 3146.

In contrast, another section of the bail law (18 U.S.C. 3148) provides that defendants in capital cases and convicted defendants awaiting sentencing or appeal shall be released on bail unless the judge determines that no conditions of release will adequately assure either that the defendant will appear for trial or sentencing or that the defendant will not pose a threat to the community. If such a determination is made, the judge may order the defendant detained. Where the danger to the community rationale is employed to detain a convicted drug offender awaiting appeal, there must be substantial evidence that the community would be threatened by the defendant's release.

Studies have cited bail law as a problem

Various reports by the executive branch, the Congress, and our office have all concluded that many drug traffickers continue to deal in drugs while free on bail pending trial. In addition to these past studies, we noted recent instances where drug defendants were released prior to trial and then rearrested on new drug charges while out on bail, obviously diluting the effects of drug enforcement efforts.

1/Crimes punishable by death.

In 1973, our office 1/ concluded that some alleged drug traffickers were not being effectively immobilized because, among other reasons, they were frequently released on bail for long periods. This situation was determined to exist because the bail criteria did not consider the likelihood of a defendant continuing to deal in drugs and thereby posing a danger to the community when released on bail, and BNDD generally did not monitor the activities of arrested traffickers who were free on bail. We recommended that DEA monitor those alleged traffickers who are out on bail and who are likely to traffic in drugs.

The House Select Committee on Narcotics Abuse and Control has also identified the bail law as a problem. The Committee, in a 1977 Interim Report, found that the current law allows for major traffickers to be released to the community, and a significant number of those released return to their illegal activities or become fugitives.

DEA has continually claimed that the bail law is inadequate. In one study, DEA found that of a random sample of 499 individuals released pending trial after arrest for narcotics trafficking in 1972, 47.5 percent were implicated in postarrest trafficking. Similar DEA results were used as a basis for the recommendation in the 1975 White Paper that stiffer penalties be imposed to deter drug offenses committed while on bail. A more recent (1977) DEA examination of bail practices showed that

- one-half of DEA's serious defendants in the study were released awaiting trial, on bond or personal recognizance; and
- more than one-third of the released serious defendants were free on bond or own recognizance for 7 months to more than a year.

In our review we saw examples of what can happen after an alleged drug trafficker is released. To illustrate:

- Two men were arrested and charged with manufacturing PCP. While on trial for that charge, the same two were arrested again and charged with conspiring to

1/"Difficulties in Immobilizing Major Narcotics Traffickers" (B-175425, Dec. 21, 1973).

manufacture PCP. Enough material to make 10 pounds of PCP was seized at the time of the second arrest.

--An individual was arrested on drug charges and released on bail. While free on bail, he was arrested in another State and charged with conspiring to smuggle approximately 58 pounds of cocaine from Bolivia to the United States. The Magistrate ordered the person released on the existing bail posted in the first case.

Various proposals have been suggested to help alleviate the problem of accused drug offenders continuing to deal in drugs while released on bail. One of these proposals has suggested that the Federal bail statute be amended to provide that judges setting pretrial bail in all serious, noncapital cases could consider whether a defendant released on bail would pose a danger to the community.

While the proposed changes appear simple and clear-cut, they are not without problems, since opinions differ regarding their advisability and constitutionality. It has never been resolved, for instance, whether a defendant may constitutionally be denied bail in noncapital offenses for reasons other than to assure that the defendant appear for trial. Some believe that it may be unconstitutional to deny bail to defendants for any other reason than assuring their appearance for trials except in capital offenses. The Eighth Amendment provides that "excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted." This provision is, however, subject to two different interpretations. The first is that, since only excessive bail is prohibited, the Congress is not prevented from denying bail altogether in certain classes of cases. The second interpretation is that, since "excessive bail" is prohibited, an outright denial of bail, which is a more serious infringement on the liberty of an accused person, must also be barred. The Supreme Court has never settled this issue.

In summary, then, it is clear that the bail problem is complex and difficult to deal with. This does not mean that the Congress should be deterred from developing

solutions, but any modifications or reform to the bail law must consider both constitutional principles and the means to prevent traffickers from engaging in illicit activities that present a danger to the community.

SENTENCES DO NOT DETER TRAFFICKING

Convicted drug traffickers often are not effectively immobilized for long periods of time because they receive short or no prison sentences. Although some have recommended minimum mandatory sentences to correct this, the solution is not that simple, and we do not advocate such a move. Changes should not be narrowly based, but must be made throughout the entire criminal justice system. Whatever the case, changes should not be made until a comprehensive evaluation is made of the effects of discretion in the criminal justice system.

Sentencing has been criticized by others

Drug sentencing has continually come under attack for failing to immobilize drug traffickers. As stated in the 1975 White Paper, indictment and arrest do not guarantee immobilization but merely begin a long process during most of which the alleged trafficker may be free to traffic in drugs. At the end of the process, incarceration may be relatively short, thereby wasting investigative resources, weakening the deterrent to drug crimes, and reducing the public's trust in the criminal justice system. To increase the periods of incarceration, the Domestic Council Drug Abuse Task Force recommended in the White Paper that minimum mandatory sentences be required for persons convicted of high-level trafficking in narcotics and dangerous drugs.

More recently, ODAP concluded in a December 1977 report on drug enforcement policy that the present sentencing system does not appear to provide a strong deterrent for potential drug violators. There have been repeated arrests as well as continued postarrest trafficking. ODAP also noted that the system does not insure equal justice under the law because sentences for similar offenses are often inequitable, and went on to recommend that the administration consider a legislative change establishing sentencing guidelines.

DEA has also been a strong and vocal critic of drug sentencing. In testimony before the House Select Committee on Narcotics Abuse and Control, September 23, 1976, the Administrator of DEA said the chances are 1 out of 3

that a convicted heroin or cocaine trafficker will be back on the street on probation and, of those sentenced to prison, 1 out of 3 are eligible for parole within 1 year. He said the sentencing statistics contradict the theory of a deterrent and a serious sanction for narcotic offenses.

A separate DEA study of 919 DEA defendants whose Federal court dispositions were reported in 1976 disclosed that:

--24 percent of the convicted serious 1/ violators received probation.

--61 percent of the convicted serious violators for whom a specific outcome could be determined received sentences of three years or less, and 81 percent received sentences of 6 years or less.

--Actual time served for narcotics violators averaged only 43.2 percent of the sentence imposed; this means 61 percent of the convicted serious violators actually serve about 15-1/2 months or less and 81 percent serve 31 months or less.

--42 percent of the convicted serious violators were habitual criminals.

We previously concluded that drug sentences were short

We concluded in 1973 that arrested narcotics traffickers were often not immobilized, partly because they received short or no prison sentences. We noted that the short sentences tended to negate the deterrent effect of prosecution.2/

Federal judges have wide latitude in sentencing narcotics violators because the law prescribes maximum penalties but no minimum penalties, except in cases of chronic abusers who are convicted of participating in a continuing criminal enterprise. Our 1973 review of the sentences for

1/"Serious" offenses include the trafficking, distribution, and manufacturing charges.

2/"Difficulties In Immobilizing Major Narcotics Traffickers" (B-175425, Dec. 21, 1973).

a sample of convicted narcotics violators showed that most received sentences of 5 years or less. There was a tendency in these cases to impose short periods of incarceration 1/ even though the cases involved major traffickers who profited substantially from their crimes.

Current prison sentences are still short

Recent court data shows that convicted drug violators are usually not incarcerated for long periods of time. This continues to negate the deterrent effect of prosecution.

To provide some insight into the sentencing of drug violators, the Administrative Office of the U.S. Courts furnished us with the sentences imposed during 3 fiscal years for all those convicted of selling, distributing, or dispensing Schedule I narcotics. 2/ The penalty for conviction of a first offense is imprisonment for not more than 15 years. Actual sentences were as follows:

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
Number Convicted	1,651	1,909	2,143
Percent Receiving Various Sentences: (note a)			
Probation	24	21	20
Up to 3 years	16	17	28
3 - 5 years	22	24	21
5 years and over	36	36	30

a/The percentages do not add up to 100 because this analysis excludes those defendants receiving fines only, split sentences, etc.

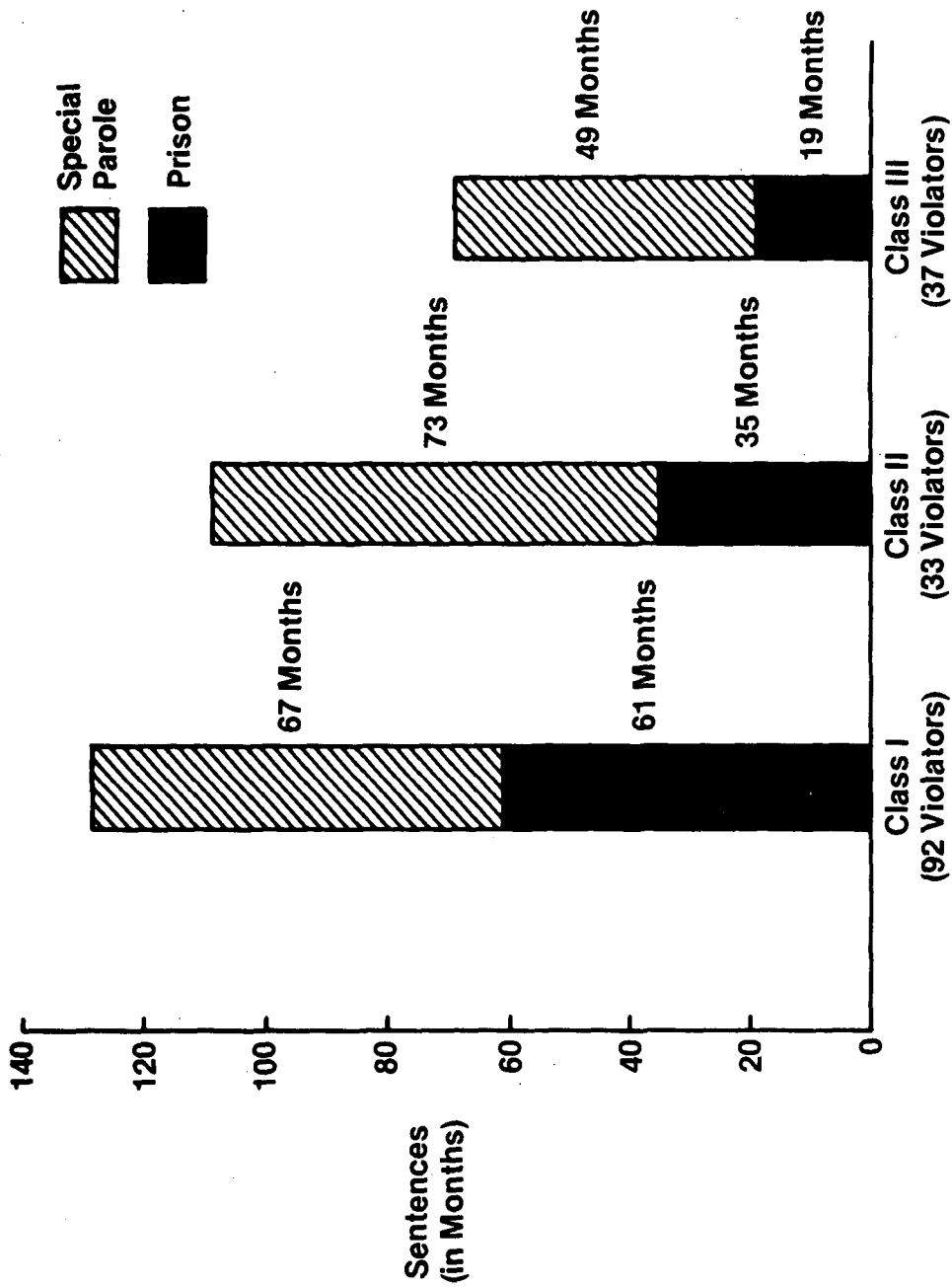
As the above schedule shows, most defendants received less than 5 years, with about one-third of the defendants

1/The Controlled Substances Act of 1970 provides a maximum penalty of 15 years imprisonment per count for first offenses and 30 years imprisonment per count for second offenses for violators of Federal drug trafficking statutes involving Schedule I or Schedule II narcotic drugs.

2/There may be a small number of convicted defendants excluded from our analysis because the type of drug involved in some cases was unknown.

sentenced to 5 years or more. The length of these sentences considerably overstates the actual periods of incarceration since individuals may be eligible for parole after serving one-third of their sentence.

The disposition of convicted traffickers in 5 CENTAC investigations further illustrates the fact that DEA's highest level violators are not immobilized for long periods of time because of the short term of their incarceration. As the chart on the next page shows, 92 Class I violators convicted in the CENTACs received sentences averaging little more than 5 years with an almost equal period of special parole as well. Again, the prison time actually served is significantly less when considering that most violators are eligible for parole after serving one-third of their sentences.



NOTE: One Class I Violator received a sentence of life in prison but, because of its indefinite nature, was not included. Also, 39 of the 162 convicted violators received probation or suspended sentences. Their sentences were valued at 0.

Improving the justice system is difficult
and requires comprehensive study

In exercising judicial discretion, Federal judges impose sentences on drug violators for a variety of reasons, including deterrence, punishment, rehabilitation, and immobilization. These sentences have often been criticized as being too short to immobilize traffickers for long periods of time. Consequently, mandatory minimum sentences have been recommended to increase the periods of incarceration for high-level traffickers. Proper corrective action, however, must be more comprehensive than that, as each segment of the criminal justice system is interdependent. The entire issue is clouded by a lack of hard data that show who is sentenced, why they are sentenced, what the sentences are, and what is the result.

Our report on sentencing disparities ^{1/} illustrates clearly the dangers in attempting simplistic solutions to criminal justice problems. In the report we concluded that the exercise of judicial discretion results in wide disparities in the sentencing of criminal defendants throughout the Federal justice system, but enactment of narrow-based solutions is an undesirable alternative. Such action, particularly with respect to limiting only judicial discretion, will reduce disparity in some portions of the process but may actually encourage it elsewhere. For this reason, definitive and sweeping action will be necessary.

Although the judicial branch gathers some sentencing data, only limited information is available for determining the adequacy of the types and lengths of sentences imposed or whether the appropriate sentencing statutes were used. More important, the available information is not sufficient for determining the extent of undesirable disparities in sentencing decisions.

We recognize that short sentences and sentencing disparities are not the same, but they both require comprehensive study. Once this is done, appropriate changes can be proposed.

^{1/}"Reducing Federal Judicial Sentencing and Prosecuting Disparities: A Systemwide Approach Needed" (GGD-78-112, Mar. 19, 1979).

EXPANDING THE USE OF MAGISTRATES CAN HELP
PROMOTE IMMOBILIZATION OF TRAFFICKERS

In a prior report ^{1/} we concluded that expansion of the jurisdiction of Federal magistrates could enable them to handle minor narcotics cases now required to go before a U.S. District Judge. This would ease the overburdened District Court system with about the same deterrent effect.

Although there has been a shift in law enforcement priorities to the higher-level trafficking networks and to drugs which pose a greater risk to society, the Federal Government is left with the problem of enforcing laws against smalltime smugglers. The problem is particularly acute for marijuana interdictions made along the Southwest border. One way to increase the risk of prosecution for these lower-level violators would be to expand the trial jurisdiction of U.S. magistrates. At present there are no Federal narcotics statutes with penalties low enough to allow the case to be heard before a magistrate.

Under existing law the U.S. District Courts may designate U.S. magistrates to try and to sentence persons accused of certain minor Federal offenses for which the penalty "does not exceed imprisonment for a period of 1 year, or a fine of not more than \$1,000, or both." It is the view of the Judicial Conference that there are a number of misdemeanors in the United States Code not presently included in the term "minor offense" which could be tried by U.S. magistrates. These include the illegal possession of drugs (21 U.S.C. 841(b)). The Conference believes that an increase from \$1,000 to \$5,000 in the magistrates' jurisdiction for minor offenses, while retaining certain exceptions presently enumerated in the statute, would provide a beneficial expansion and would thereby relieve U.S. district judges of some of the burden in handling minor crimes which are misdemeanors. In our prior report the benefits of expanding the authority of and increasing the use of magistrates was discussed. The report recommended that the Congress expand the magistrates' jurisdiction to encompass most misdemeanors, e.g., minor drug offenses, especially possession of marijuana.

^{1/}"Illegal Entry At United States-Mexico Border: Multi-agency Efforts Have Not Been Effective In Stemming The Flow of Drugs and People" (GGD-78-17, Dec. 2, 1977).

The expanded use of magistrates could significantly reduce the amount of time U.S. attorneys, public defenders, investigators, and apprehending officers spend on each case. It could relieve (1) the dilemma U.S. attorneys face along the Southwest border when an alleged violator does not warrant felony prosecution for trafficking and (2) the U.S. District Court's time spent on first-time prosecutions of couriers or narcotics users attempting to support their habit.

CONCLUSIONS

The Federal drug enforcement strategy recognizes that effective immobilization of drug traffickers, through incarceration for long periods and confiscation of their financial resources, is vitally important to supply reduction efforts. According to the strategy, the failure to immobilize traffickers against whom a substantial case has been developed is very costly in terms of weakening the deterrent value of the law, reducing public trust in the justice system, and wasting investigative resources.

Unfortunately, major drug traffickers are often not effectively immobilized even after they are arrested. In chapter 5 we discussed the lack of success in taking away traffickers' financial resources, and in this chapter we have shown that incarceration is not serving to immobilize drug violators for long periods of time. Many are released on bail and deal in drugs while awaiting trial. For those eventually convicted, prison sentences are often short. Judging by the amount of drug trafficking identified and the easy replacement of convicted traffickers, it does not appear that sentencing has provided much of a deterrent. In addition, the flood of cases in the criminal justice system has caused delays in the disposition of cases and has meant that some suspects are released rather than tried.

The bail law itself has hampered immobilization efforts. The Bail Reform Act does not provide for consideration of how dangerous a drug defendant is to the community--the law provides that assurance of the defendant's appearance in court is the only criteria to be considered. As a result, the law allows many alleged drug traffickers to be released before trial, providing them the opportunity to traffic in drugs. Though we recognize that some bail reform proposals have raised questions of constitutionality, we believe the problem to be serious enough for the Congress to consider developing a solution.

In sentencing those drug violators who are eventually convicted, Federal judges have wide latitude. Others have concluded that present sentencing practices do not deter drug crimes and that minimum mandatory sentences should be established to provide stiffer penalties for drug violators. However, the problem is not that simple. We believe that any changes to the criminal justice system must be comprehensive and must be approached with the utmost caution. Proposed changes should be carefully assessed for their potential impact on other segments of the judicial system.

There is one other refinement which can be made to the criminal justice system to save time and, thus, indirectly promote greater immobilization of traffickers. The justice system is overloaded with criminal cases. Presently, however, Federal magistrates lack the authority to hear even minor narcotics cases. By expanding the magistrates' authority, cases can be expedited and much time can be saved.

RECOMMENDATIONS TO THE JUDICIAL CONFERENCE

In our prior report on sentencing disparities, we recommended that the Judicial Conference undertake a comprehensive assessment of the nature and extent of undesirable sentencing disparity existing in the Federal criminal justice system. As a result of our current study, we recommend that the Judicial Conference's assessment also contain a determination of the effects of judicial discretion on the justice system, including the sentencing of drug violators. The assessment should attempt to find out the extent of undesirable results caused by the use of judicial discretion, such as inequitable sentencing practices and a reduction in the deterrent value of sentencing. The study should also determine to what degree discretion needs to be maintained in the judicial system.

We also recommended in our previous report that, on the basis of results of the assessment, the Judicial Conference should

- establish a reporting and review mechanism to collect sentencing data and to periodically study the adequacy of sentencing decisions and

--request from the Congress any legislative, statutory, or rule changes needed to improve the sentencing process and to provide assurance that criminal sentencing is consistent and fair among and within districts.

RECOMMENDATION TO THE CONGRESS

We recommend that the Congress expand the capacity of the Federal court system to better immobilize drug traffickers by passing legislation to expand the magistrates' jurisdiction to encompass most misdemeanors.

MATTER FOR CONSIDERATION BY THE CONGRESS

Because the present bail law does not provide danger to the community as a criteria for setting conditions of pre-trial release for defendants charged only with noncapital offenses, alleged traffickers have opportunities to deal in drugs and, in some cases, may use that opportunity and thereby pose a danger to the community while on bail. In evaluating proposals for the reform of the present law, the Congress must consider both constitutional principles and the means to prevent traffickers from engaging in illicit activities that present a danger to the community.

CHAPTER 7

MOBILIZING STATE AND LOCAL RESOURCES IS EASIER

SAID THAN DONE

The Federal strategy places increased reliance on State and local drug enforcement efforts because Federal activities are to be focused against leaders of national and international trafficking networks. Although the Federal Government has developed numerous programs to assist and cooperate with State and local agencies, the enormous number of jurisdictions, coupled with financial and political realities, makes it virtually impossible to mount a unified attack. In recognition of these realities, there is a need to establish a policy on the use of Federal drug enforcement resources versus those of State and local governments. Such a policy should clarify the roles of Federal, State, and local governments, and provide for training, equipment support, intelligence exchange, and coordination. At the same time, the policy should emphasize that the Federal role discourages direct involvement in enforcement actions against low-level violators, such as in some Task Force operations, so that DEA's resources will not be diverted from their primary mission.

RELIANCE PLACED ON STATE AND LOCAL AGENCIES

In 1975, the White Paper on drug abuse urged the Federal Government to take the lead in mobilizing the enormous potential resources available in State and local law enforcement agencies. It further recommended that Federal law enforcement efforts be focused on the development of major conspiracy cases against high-level drug leaders, moving away from street-level activities. More recently, the Attorney General echoed these sentiments in giving the Justice Department's fiscal year 1980 enforcement priorities. He expressed the need for State and local enforcement authorities to assume a greater responsibility for the investigation of cases where there is concurrent Federal-State jurisdiction. In acknowledging that State and local authorities are quite capable of investigating many of these cases, the Attorney General called upon them to take a greater share of the workload.

In attempting to mobilize resources for drug enforcement, DEA has primary responsibility for coordinating Federal drug efforts with those mounted by State and local governments. This activity is to promote the apprehension, prosecution, and sentencing of drug violators.

Over the years the Federal Government has sought to strengthen State and local enforcement agencies and more fully utilize their potential through several mechanisms. LEAA grants have supported State and local drug enforcement activities, while LEAA and DEA have jointly funded Federal, State, and local task forces aimed at disrupting lower and mid-level drug traffic. From Fiscal Year 1972 through fiscal year 1977, LEAA awarded about \$108 million in grants for State and local drug enforcement. In addition to these programs, DEA provides a variety of services to State and local agencies, including the training of police officers, analysis of drug evidence, and exchange of intelligence through DEA's El Paso Intelligence Center.

In commenting on this report, the Department of Justice noted that DEA has taken several steps to enhance the Attorney General's policy of encouraging more self-reliance by State and local law enforcement agencies. DEA no longer funds most of the salaries of participating police officers in task forces as it did previously. Also, all new task forces will have a 3-year life span, unless a justification is recognized for continuance, and all existing task forces will be evaluated each year for decisions on continuance.

FINANCIAL AND POLITICAL REALITIES MAKE MOBILIZATION UNREALISTIC

As the Federal drug strategy has pinpointed the need for better liaison among Federal, State, and local authorities, it has also become increasingly clear that certain realities prevent a totally unified approach. Financial resources have not kept pace with drug enforcement needs, and the effectiveness of agencies' activities has been hampered by security risks, political struggles, differing priorities, and lack of communication.

Enforcement resources decreasing

The irony of Federal drug enforcement, according to the 1976 Federal Strategy For Drug Abuse And Drug Traffic Prevention, is that, while there is more and more dependence on State and local involvement in drug law enforcement, "State and local authorities are allocating fewer and fewer resources to combatting drug abuse." The Strategy Council's report further found that "over the past few years many States and most major metropolitan areas have actually reduced the funding of enforcement programs, drug law enforcement particularly." Our recent work in major cities showed much of the same:

- The Chief Assistant State Attorney for Dade County (Miami) believes law enforcement is both "outmanned and outgunned" to deal with the drug problem. He cited a recent case involving a wiretap that could have resulted in apprehension of many more high-level violators. It was curtailed because the police ran out of money.
- In New York City, the recent financial crisis resulted in the layoff of 5,000 police officers. According to the chief of NYPD's narcotics division, the cutbacks affected drug enforcement just as they affected other types of police work.
- There have been recent cuts in drug enforcement activity in San Francisco, and, according to the head of the police department's narcotics unit, only 20 officers are working narcotics presently, down from 60 officers at one time. This is despite the fact that drug activity does not appear to have decreased in the city.
- The narcotics division of the Phoenix Police Department has refused to join a multiagency task force in the city. The head of the unit stated he cannot give up one or more officers to the task force when he is struggling to get more resources to satisfy the division's own responsibilities.
- A 1977 survey by the California Department of Justice showed that 77 percent of local police agencies in the State indicated they do not have adequate equipment for drug enforcement. An assessment by the same department in 1976 concluded that "local agency commitments to drug enforcement have declined while drug abuse is increasing."

Local police agencies in the past increased their commitment to drug enforcement through LEAA grant funds. Even these funds, however, have declined substantially, due both to reduced Federal outlays and changing local priorities. The following table shows that although total LEAA appropriations increased by 8 percent from fiscal year 1972 to fiscal year 1977, LEAA grants used for drug law enforcement declined 79 percent.

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>Percent Changed 72-77</u>
	<u>(in millions of dollars)</u>						
<u>Total LEAA</u>							
<u>Appropriations</u>	\$ <u>699</u>	<u>856</u>	<u>871</u>	<u>887</u>	<u>810</u>	<u>753</u>	<u>+ 8</u>
<u>LEAA Funds Used For Drug Law Enforcement</u>							
Block Grants	\$13.3	14.0	11.1	9.9	6.9	1.5	
Discretionary Grants	\$10.2	9.0	10.2	11.5	7.0	3.5	
Total	<u>\$23.5</u>	<u>23.0</u>	<u>21.3</u>	<u>21.4</u>	<u>13.9</u>	<u>5.0</u>	<u>-79</u>

For fiscal year 1978, LEAA had no program for assisting State and local drug enforcement activities. According to an LEAA official, drug enforcement programs in the agency are "a thing of the past." Multiagency task forces formerly funded by LEAA are now being supported directly by DEA in the amount of about \$7 million in fiscal year 1978. A DEA program that assigned agents to LEAA regional offices in order to provide drug enforcement expertise was discontinued when LEAA closed its regional offices in 1977.

With LEAA funds for drug enforcement declining, many State and local agencies have terminated their projects. The previously mentioned California Justice Department study found that, as Federal grants have been terminated, the agencies that had received the grants were forced to discontinue the programs rather than absorb them in their own budgets. Specialized drug enforcement units, the study explained, are "luxuries that cannot be afforded on tight fiscal budgets." This is evidently the case nationwide, as the 1976 Federal drug strategy concluded that "many promising State and local programs originally funded through LEAA start-up funding were terminated because State and local jurisdictions have chosen not to absorb these programs in their budgets."

Political, jurisdictional, and other
obstacles hinder coordination

It is a sad fact that no matter how many programs are developed and no matter how much assistance the Federal Government provides, certain obstacles will continue to block complete mobilization of the estimated 15,000 Federal, State, and local agencies throughout the country. These

obstacles occur in the form of political, jurisdictional, and other realities that, while not exclusive to drug enforcement, seem more visible there because responsibilities for drug control cut across all three levels of government.

A good example of a political reality can be seen in Arizona, where two State agencies have been struggling for several years to gain exclusive drug enforcement authority in the State. Other local agencies have either taken sides in the debate or have remained neutral, some even choosing not to participate in a narcotics intelligence system developed by one of the State agencies. Several officials in Arizona believe the conflict has hampered drug enforcement, but, whatever the case, such a situation is not in the best interest of cooperative drug enforcement.

In a populous county in California, we found drug enforcement to be fragmented, duplicative, and inefficient during our visits in 1977. The county has 24 municipal and county police departments, each engaging in drug law enforcement to some degree. Although an ad hoc task force was organized in 1970 to coordinate drug enforcement activities, the multitude of jurisdictions has resulted in duplicated efforts. Also, jurisdictional jealousies and local politics have prevented agencies from combining their resources to mount a countywide attack on illegal drugs.

In another case, a DEA task force in California was terminated in 1975 due to lack of LEAA funds, but also because of security leaks by some local agents. This made it difficult to achieve the confidence necessary to engage in such sensitive work. According to one DEA official, corruption has been a big problem in working with local police on other task forces as well.

FIRM AND CLEAR POLICY REQUIRED
FOR STATE AND LOCAL ASSISTANCE

Perhaps more than any other type of law enforcement, drug enforcement cuts across all three levels of government--Federal, State, and local. With many agencies performing similar activities across the country, it is essential that the roles of the Federal versus State and local activities be clearly defined by the Attorney General with the advice of DEA, the agency designated to take the lead in coordinating enforcement activities. Training local police, providing laboratory support, furnishing technical equipment, and sharing intelligence all seem to be appropriate and helpful

uses of Federal drug enforcement resources, but the line must be drawn when it comes to using Federal resources to combat strictly local drug problems, as has been done in some DEA task force operations.

Of all the ways that DEA cooperates with and assists State and local drug enforcement, the task force program is probably the most direct, because it involves working on joint enforcement actions. When originally organized by the Office of Drug Abuse Law Enforcement in 1972, the joint Federal, State, and local task forces were to concentrate their efforts on street-level heroin traffickers while BNDD, and later DEA, attacked the higher-level violators. In 1975, DEA issued a policy encouraging task forces to target higher-level violators. According to DEA, there are now 21 DEA task forces operating across the country, involving about 70 DEA agents, with divergent goals and varying degrees of effectiveness.

The Department of Justice stated in its comments on this report that the mission of the task forces has evolved to target violators on the basis of the geographic needs of the task force area, which are generally higher than the original scope of the program. This level is dependent on the problem within a community. Justice said the quality of task force cases has been steadily improving while the number of arrests has declined, and this means that task force resources are successfully being directed towards a higher level of the drug traffic. In the 6-month period that ended December 1977, 13 percent of the task force arrests were Class I cases (higher-level violators), and 55 percent were Class IV cases (lower-level violators). In a more recent 6-month period ending December 1978, 18 percent of the task force arrests were Class I cases, and 42 percent were Class IV.

In Los Angeles, the DEA task force is an ad hoc sort of operation, bringing together selected officers from four agencies only after high-level traffickers have been targeted. The task force in San Diego, in contrast, is comprised of DEA agents together with the full narcotic units of the city and county police agencies. They work all levels of the drug traffic, from citizens' marijuana complaints to high-level heroin trafficking organizations. In New York, the task force is a permanent drug enforcement unit consisting of officers assigned from the New York Police Department, DEA, and the New York State Police. Created to fill a void between DEA's international efforts

and the police street activities, the task force works both high and middle-level traffickers. The Reno, Nevada, task force, on the other hand, has involved only DEA and State enforcement officers and works lower-level drug violators for the most part. Although operations of task forces vary considerably throughout the country, it appears that they have generally focused on lower level violators (i.e., Class III and IV) than DEA does in its own activities.

Even though DEA administers numerous programs to improve State and local enforcement capabilities, it does not have a firm, definitive policy on State and local assistance. Ideally, enforcement activities between DEA and State and local agencies should be conducted at a level where results are beneficial to all participants. This level will vary among locations, but the benefits that should be received in all locales are the same: training of officers, exchange of intelligence, and immobilization of drug traffickers. In no case, however, should joint enforcement activities mean that DEA's scarce resources be reduced to working the lowest levels of the drug traffic. This is, and should remain, the sole responsibility of State and local police.

In August 1977 President Carter addressed the issue of the appropriate Federal, State, and local drug enforcement roles. He said:

"For nearly a decade, Federal support of State and local enforcement activity has steadily expanded. The time is ripe to evaluate the results of this effort, to determine whether Federal participation should be altered, and to determine the proper division of responsibility between Federal and local officials."

We agree with the need for such an evaluation and further believe that, on the basis of such an evaluation, a firm policy should be established to guide Federal efforts to cooperate with and assist State and local authorities.

CONCLUSIONS

DEA has undertaken numerous programs to upgrade the capabilities of, and cooperate with, State and local drug enforcement agencies. However, the problems in doing this are formidable, and it is not likely that mobilization of the enormous potential of State and local enforcement resources will occur. In light of this, it is important that

the Attorney General establish a clear, realistic policy on what the Federal Government can reasonably expect from State and local agencies, recognizing the differences among agencies yet not compromising its own standards and objectives. The Federal role should additionally discourage the direct involvement in enforcement actions directed at low-level violators, so that DEA is not diverted from its very difficult task of investigating large-scale trafficking organizations.

RECOMMENDATION TO THE ATTORNEY GENERAL

We recommend that the Attorney General, with assistance from DEA, determine the appropriate division of responsibility between Federal and State and local drug enforcement agencies. On the basis of this determination, a specific policy should be developed concerning DEA's role in cooperating with and assisting State and local drug enforcement efforts. Such a role should provide for such things as training, exchanging intelligence, and furnishing technical equipment, but should discourage Federal involvement in actions against low-level violators. The policy should take into consideration the adverse effects of financial and political realities that have always hindered cooperation among agencies.

CHAPTER 8

AGENCY COMMENTS AND OUR EVALUATION

Formal written comment on our report was requested from eight Federal Government organizations having direct supportive responsibilities for activities discussed in this report. The Administrative Office of the U.S. Courts and Federal Judicial Center offered no specific comments on the report. (See apps. IV and V.) The Department of Health, Education, and Welfare and its National Institute of Drug Abuse reviewed data in the report on the demand for illicit drugs and saw no need for any revisions. (See app. VI.) The response from the Department of the Treasury said the Department and IRS were in substantial agreement with the statements and conclusions made in the report, but the response was received too late for us to include an evaluation of it in the report. (See app. XI.) The specific comments on the other four organizations are presented in appendixes VII through X. Our evaluation of these comments is discussed below.

CENTRAL INTELLIGENCE AGENCY

The Central Intelligence Agency said our report is probably the most comprehensive and authoritative statement of the problem it has seen. The CIA agrees with our observation that the conditions in narcotics-producing countries (i.e., ineffectiveness of crop substitution programs, corruption, socioeconomic effects, etc.) are too complex for an approach that is oriented toward law enforcement and too much for the United States to overcome alone. It said that the various agencies in the narcotics field have been working with insufficient intelligence and that even with sufficient intelligence there is not too much one can do overall against the problem.

The CIA said that almost all Federal agencies engaged in the narcotics field are paying more attention to the financial aspects of narcotics and have instituted vigorous programs to overcome past deficiencies. We believe that our presentation on pages 83 to 111 fully recognizes the accomplishments of the agencies in this area. However, in our opinion, much more must be done.

DEPARTMENT OF STATE

The Department of State said our report does a creditable job in assessing the last 10 years of Federal Government

efforts to control illegal drug supplies. The Department concurred wholeheartedly with our assessment of the drug abuse problem and general recommendations to address the problems. There were, however, several areas in the report which the Department characterized as either misleading, erroneous, or disappointing. Specifically, these areas included tenor and tone of the report, exaggerated role of law enforcement or understatement of other supply reduction efforts, understatement of successes, and certain recommendations.

In our view, the Department's difficulties with the report stem primarily from a perspective that differs from our own. Certainly, when one compares the state of international narcotics control 10 years ago to that which exists today, it becomes clear that a great deal of progress has taken place as a result of U. S. support and increasing foreign support of supply reduction efforts, such as law enforcement, eradication programs, treaties, and crop substitution. As we pointed out in chapter 2, these are gains for which the domestic and international narcotics control efforts can justifiably take credit. However, as stated on page 37, progress has been modest when viewed in terms of the enormous worldwide drug problem and the conditions that must exist if cultivation and trafficking are to be substantially reduced.

The Department's comments implied that the Federal strategy was not intended to have a significant impact on the overall drug problems but to restrict the use of the most deleterious and heinous drugs. The Department points out that supply reduction efforts have had a significant impact on the availability of heroin, the priority drug in the Federal strategy. Consistent with this viewpoint, the Department believes that our report does not adequately recognize this accomplishment, stating also that it is misleading to lump all drug use into one category. It stated that perhaps the report is asking more from the supply reduction strategy than it was intended to deliver.

The stated objective of the current Federal strategy is to discourage all drug abuse and to reduce to a minimum the health and social consequence of drug abuse when it does occur. The purpose of our report was to show that drug abuse and trafficking still flourish despite decades of U.S. efforts to overcome the problem. In our opinion, supply reduction efforts have not had a lasting and significant impact on the overall consumption of illicit drugs.

We recognize that the Federal strategy has set priorities by drug type, with heroin as the number one priority. We in no way want to downplay the recent success and progress that has been achieved with this drug, and page 17 clearly presents the reported gains in reducing heroin availability and heroin-related deaths and injuries. However, in our opinion, the tremendous quantities and widespread availability of illicit drugs, including heroin, attest to the crisis at hand.

The magnitude of illicit drug consumption in the United States is enormous, and a continuing trend of great concern is the increasing level of drug use among young people. Huge quantities of heroin are still entering the country (pp. 19 and 150), many heroin addicts are shifting to synthetic drugs as heroin availability declines (p. 20), tremendous quantities of legal drugs are being diverted to illegal use at the retail level (p. 29), abuse of PCP has reached alarming proportions in some major cities (p. 20), and use of cocaine and marijuana continue to increase throughout the country (p. 21, 28, 152, and 153).

Furthermore, it remains to be seen whether the reported gains in reducing heroin availability can be maintained. In our opinion, the Nation's experience has shown such benefits to be temporary and regional in nature.

The Department feels our report leaves the reader with a sense of futility and frustration over the possibility of ever being successful. It believes progress has been made and that the Nation has begun to have greater success in supply reduction. When one considers the amount of money and effort spent to curtail drug abuse and looks at the current drug abuse situation, a realistic assessment of the country's demonstrated ability to correct the problem would necessarily be pessimistic.

The report points out that the social, economic, and political realities of drug-growing countries make it highly unlikely that illicit drug supplies will be permanently reduced. In fact, the Department also recognizes that long lasting success will require an extremely expensive and long range program that faces many difficulties. As stated on page 35, increased commitment of developed countries is needed for greater impact on the problem. Action by the United States alone will not do.

The Department of State expressed concern that the report is implying that law enforcement alone has more immediate results and therefore may be superior to other supply reduction efforts. The Department believes that the only viable long-term approach to reducing the availability of illicit substances is crop eradication coupled with enforcement and income substitution.

We do not agree that the report indicates that law enforcement alone has more immediate results and therefore may be superior to other supply reduction efforts. At no point do we indicate that law enforcement by itself will achieve the desired impact on drug supplies. On the contrary, we agree that it will take a combined effort from the affected countries to achieve the desired objective of effectively reducing drug availability. Yet, as our report points out, there is only one drug-producing country where each of the vital components--crop eradication, law enforcement, and income substitution--are in operation, and even in this country they have achieved only modest results. Further, the social, political, and economic conditions in this country and foreign countries make it unlikely that they can be applied extensively enough to achieve the long range objectives.

Our conclusion stems from analyzing the short and long-term impacts of each major supply reduction strategy element. Our report recognizes that crop eradication coupled with law enforcement efforts has prevented a significant amount of heroin from reaching the United States. Although limited to Mexico, the importance of aerial eradication using herbicides is obvious when, according to DEA, these efforts have destroyed an equivalent of over 17 times the amount of heroin seized domestically.

Yet we recognize that eradication successes are likely to be temporary unless growers are provided with alternative sources of income--but this has not occurred in Mexico or in any producing country. Crop substitution has not advanced beyond the demonstration stages. Long-term rural development requires many skills, much expertise, and massive expenditures of funds over decades. It is highly unlikely that the United States would be willing to bear the cost of such a program.

Regarding law enforcement, we clearly state on page 31 that the realities in producing countries are too complex for a predominately law enforcement approach to be effective, and on page 35 we state that law enforcement has not had

a lasting effect on overall drug availability and trafficking. While its impact is limited, we also recognize that law enforcement is a necessary ingredient to achieve the short- and long-term objectives in the eradication and crop substitution programs and in other United States and host country operations.

The Department believes that the important lessons learned from the successful experiences in Turkey and Mexico have been understated in our report and that the international program, under the direction of the State Department, was chiefly responsible for these successes. We believe that U.S. assistance across the board was critical. While our report does not attempt to establish which Federal agency, program, or foreign government produced the most impressive results, it recognizes the importance of U.S. assistance and the impact that the foreign cooperative effort in Turkey and Mexico has had on drug trafficking and availability.

Both history and the opinion of many persons involved in supply reduction efforts show that while these successes have impeded trafficking and reduced illicit drug production, ample supplies continue to exist. Traffickers have taken advantage of these supplies to meet demand.

On page 65 we recommend that the Department prepare comprehensive country and regional narcotics action plans to be used in carrying out and evaluating its drug programs. The Department believes that the necessary steps have been taken to comply with this recommendation. According to the Department, it is currently using a variety of documents to accomplish this goal.

The Department should be credited for initiating these planning efforts. However, it is too early to tell whether the intent of our recommendation will be achieved. For example, discussions with INM officials in July 1979 indicate that key planning documents involving the major countries entering into bilateral project agreements may not be fully operational until mid-1980. The PROW/AG, which outlines goals, objectives, indicators of success, the implementation schedule, and budget/resource requirements is not expected to be in place until January 1980.

Further, INM has not yet received any Narcotics Assessment and Strategy Statements (NASPs), which are the first step in the Department's country programming process. NASP

is a critical element since it is a collective effort involving the Mission, the host country, and other sources and is intended to provide a detailed analysis of a country's narcotics environment, as well as to outline a strategy for changing conditions within a country. Development of NASPs for seven countries is required by March 1980.

DEPARTMENT OF JUSTICE

The Department of Justice agrees with our assessment of the magnitude of the worldwide narcotics traffic, the enormous profit associated with this criminal activity, and the long-standing problems that have impeded Government efforts in reducing the supply of illegal drugs. The Department also agrees that all branches of the Government--executive, legislative and judicial--need to take actions to strengthen our Nation's supply reduction efforts. The Department believes, however, that some of our findings were based on past performance, outdated information, and misinterpretations and that the report tended to depict a negative view which does little to display the positive accomplishments the Government has made in reducing the supply of illegal drugs.

What the Department perceives as a negative view in our report is, in our opinion, a frank assessment of the Nation's short-run success placed in perspective to the enormity and long-term nature of the United States' drug problem. Historically, the Nation's experience with the drug problem has shown that very real successes were, in the main, temporary and regional. For example, as pointed out on page 17, when the French-Turkish heroin connection was suppressed in the early 1970s, the number of heroin users dropped dramatically during 1972 and 1973. This success led to the President making cautious statements about "turning the corner on drug abuse." This notion became accepted as fact by many in government and by most of the public and the press.

It is not our intent to downplay the hard-won achievements and progress made over the last decade. Where appropriate we have updated the information in our report in response to the Department's comments and fully recognize the Government's accomplishments in reducing the supply of illegal drugs. While we acknowledge that it is encouraging that DEA's indicators point to a continual decline in

heroin availability since 1976, we are not ready to conclude that this trend can be termed lasting. The fact remains that, as stated on page 39, huge quantities of heroin are still entering the country from Mexico. Perhaps more disheartening, intelligence reports indicate that quantities of heroin from Southeast Asia and the Middle East are increasing and eroding the gains made in recent years. The Federal community can point with pride to lasting accomplishments in controlling diversion at the manufacturing and wholesale levels. However, we cannot close our eyes to the tremendous corresponding diversion taking place at the retail level. We discuss the retail diversion problem on page 106. Likewise, even though availability of LSD has declined dramatically since the 1960s, we must be realistic and acknowledge that equally devastating drugs, such as PCP, are increasing in use. As pointed out on page 20, abuse of PCP has recently reached alarming proportions in several major cities. Furthermore, the increasing consumption of cocaine and marijuana, even though these drugs are reputed to be less injurious, are of concern and attest to the lasting nature of the U.S. drug abuse problem.

The Department expressed concern that the report is minimizing the importance of successes against producing centers and trafficking routes. On the contrary, in chapter 2 the report highlights such successes. Moreover, on page 36, our report cites the importance of effective law enforcement, crop eradication, and other controls in buying time to

The Department, while recognizing that there have been problems in the past, believes that cooperation among concerned agencies has improved dramatically and is better and more effective now than it has ever been. According to the Department, the isolated problems that continue are insignificant and do not have a major impact on total drug enforcement. It feels that our report does not address the very positive cooperative activities currently taking place.

The Department rightfully points out that there have been some recent accomplishments as a result of DEA/FBI activities and that our report draft fails to mention the multiorganization cooperative venture of the El Paso Intelligence Center (EPIC). We have added these to the report. However, our report draft did recognize the establishment

of the joint DEA/FBI investigation operations, the enforcement actions of DEA, Customs, and the Coast Guard in the Southeastern United States, and the implementation of IRS' High Level Drug Leaders Tax Enforcement Project in cooperation with DEA.

Improvements in cooperation taken by the agencies fail to address the basic reasons that have prevented them from achieving a truly coordinated program. As pointed out on page 32 and discussed in detail in chapter 5, legal obstacles, lack of expertise, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating their unique skills, jurisdictions, and resources.

Neither the FBI nor the IRS have played key roles in investigating the financial and organized crime aspects of drug trafficking as envisioned by Federal drug strategies. Attempts to improve cooperation among agencies involved in border enforcement have, historically, done little to improve overall effectiveness or solve the long-term border control problem. (See p. 33.) The essential characteristic of the problem remains: Federal agencies with separate statutory responsibilities but similar lines of effort still identify the best means to meet their specific mission with limited consideration for overall border security.

In commenting on the report, the Department said that the FBI does not have primary investigative jurisdiction under Federal law to investigate narcotics violations. It currently provides support to DEA by (1) making available to the appropriate Federal, State, and local agencies certain of the FBI's centralized services, (2) debriefing FBI sources, subjects, and informants and disseminating this information to appropriate Federal, State, and local agencies, and (3) providing investigative support. While we are aware that the FBI has been providing information to DEA, as well as to State and local agencies, we did not focus on this aspect of cooperation in our report because our concern lies with the extent of investigative support provided by the FBI. Although we recognize the FBI does not have primary investigative jurisdiction to investigate narcotics violations, as previously mentioned, Reorganization Plan No. 2 of 1973 envisioned that the FBI would have a key role in this area. In this regard, the FBI's investigative support has increased in recent years, but the FBI has still not played a key role in immobilizing major drug

traffickers. Therefore, we believe Justice should actively seek additional means for using the FBI's expertise in investigating the financial and organized crime aspects of drug trafficking.

Justice takes exception to our use of statements by some State Department officials that DEA presence in foreign countries was objectionable. They said that these statements contrast sharply with testimony given during congressional hearings on this subject by top level State Department representatives. These representatives strongly supported the need for DEA agents overseas.

It is not the intent of our report presentation to imply that DEA presence in a foreign country is undesirable. Rather, our purpose is to show that there are differing views on the subject, and certain revisions have been made in the report to more clearly show this. We believe that law enforcement will always have a major role in drug control overseas. Indeed, on page 55 we discuss the importance of a strong DEA role in foreign countries around the world.

The Department disagrees with our conclusion that DEA is not yet proficient in investigating major interstate and international drug violators. As evidence of this disagreement, the Department states there has been a significant increase in specialized training in conspiracies, Conspiracy Units have been established in some regions, and the Central Tactical Unit (CENTAC) program has concentrated on conspiracy investigations.

While we agree that emphasis on drug conspiracy cases in DEA has increased during the last few years, we question the depth and extent of this commitment. For example, the Conspiracy Units mentioned were, at the time of our review, limited to the Eastern and Southern judicial districts of New York--units that were active long before conspiracy gained wide acceptance as a productive drug enforcement tool. Though other units had been organized elsewhere, they have since been disbanded.

We recognize that CENTAC units concentrating upon conspiracy investigations have been established, and these units have achieved some notable successes. However, they constitute only a small percentage of DEA's enforcement resources and therefore do not represent a significant commitment to conspiracy-type investigations.

DEA's efforts to provide conspiracy training to most of its agents constitute a good start, but the buy/bust attitude continues in many locales, and additional training in the complexities of drug finances has not been accomplished to the extent necessary. As we stated on page 87, less than 10 percent of the agents who received conspiracy training were given instruction in conducting financial investigations. Even then, the additional training was elementary compared to the complexities of performing such investigations.

The Department also feels that the report fails to give recognition to successful conspiracy investigations that have had national and international impact. It specifically cited the Nicky Barnes, Jose Valenzuela, and Hell's Angels conspiracy cases. We disagree. On page 86 we specifically recognize the Nicky Barnes and Jose Valenzuela cases as representing highly successful conspiracy cases. The Hell's Angels indictments were issued after our draft report was submitted for comment. The success of this case must await the results of trials.

The Department does not agree that all of the items that we categorized as deficiencies in the Controlled Substances Unit (CSU) program represented weaknesses in the program. Specifically, the assignment of new personnel, or assignments of personnel for short periods to CSUs, is not, in the Department's opinion, necessarily counterproductive to an effective program. The Department also believes it is not entirely inappropriate for CSUs to handle all kinds of narcotics cases, including the small ones, since this may be necessary for developing expertise, identifying witnesses, or obtaining leads.

Our report does not characterize the varying operating commitments and practices of CSUs as deficiencies, but rather we attributed these variances to a lack of clear policy regarding CSU and lack of Department of Justice control over drug prosecutions. We recommend several alternatives to improve CSU activities. The Department agrees with the need for improvement. Specifically, it believes that one of our alternatives--increased Department of Justice control over CSUs--can be accomplished and would be helpful in improving CSU operations.

The Department believes that the restrictions on IRS involvement in drug enforcement are unacceptable. According to the Department, both the Tax Reform Act of 1976 and IRS internal policy interpretations have impeded Federal investigations from receiving the financial information that lies at the heart of almost all significant enforcement efforts. This issue was thoroughly discussed in our March 1979 report on the disclosure and summons provisions of the Tax Reform Act, in which we stated our belief that it had not yet been determined whether these restrictions were intolerable. If the Department can document cases where delays have caused adverse effects, it should provide them to the Congress for its consideration.

The Department disagrees with our conclusion that the results of efforts to achieve international assistance against traffickers have been disappointing. What we fail to recognize, according to the Department, is that accomplishments have been made despite the difficulties in dealing with human behavior and national interests. We did not intend this report segment to be an indictment of all international enforcement efforts. Rather, we state only that techniques such as extradition and JANUS have been ineffective in prosecuting traffickers. In chapter 3 of the report we point out in more detail some successes made through cooperative enforcement efforts between the United States and foreign countries.

In commenting on our recommendation that the Attorney General direct the DEA Administrator to improve investigative capability against trafficker's financial resources by training DEA agents and hiring financial specialists, the Department notes that DEA agents have been sensitized to the potential of financial investigation through various briefing sessions and workshops, and training courses and seminars have been scheduled for the future.

We recognize that DEA has taken actions to familiarize its agents with financial investigative techniques. However, we question whether these training sessions will be sufficient for DEA to attain proficiency in attacking the financial resources of traffickers. Financial investigations are the most complex of conspiracy cases, requiring very sophisticated investigative skills not traditionally associated with drug enforcement. But DEA's agents typically do not have financial backgrounds, which would require far more training in financial analysis than that currently being provided. For DEA to

develop the ability to conduct complex financial analysis (e.g., tracing funds through foreign bank accounts or examining financial transactions of legitimate businesses used for laundering funds), we believe it will be necessary for the Administrator to hire specialists who already have the necessary financial background.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation takes exception to our statement that drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. The Department believes our report does not recognize the high level of interagency cooperation that has emerged over the past year, and that the accomplishments attendant to this cooperative effort are either not recognized or are described as temporary in nature.

The Department did not specify how interagency cooperation has improved over the past year or the accomplishments which resulted from these increased efforts. Page 66 recognizes various joint efforts including that of the Coast Guard, DEA, and Customs in the South Florida-Caribbean area. We have seen no new evidence that recent improvements in cooperation address the basic reasons why the involved agencies have not successfully realized a truly coordinated program.

As pointed out on page 33 and discussed in detail in chapter 5, legal obstacles, lack of expertise, little overall direction, and changing priorities have prevented Federal agencies from fully using and coordinating their unique skills, jurisdictions, and resources. And, as pointed out on page 81, attempts to improve cooperation among agencies involved in border enforcement have historically done little to improve overall effectiveness or solve the long-term border control problem.

The Department also expresses concern that our report does not recognize maritime smuggling threats outside of the southeastern region of the United States. Our intention is to demonstrate that the U.S. border has not been a serious impediment to illegal entry of drugs. Although we realize that maritime smuggling occurs in many parts of the country, we believe that by focusing on the major smuggling areas we can best portray the seriousness of the problem and the need for corrective action.

In this regard, we have noted that drug smuggling from South America has become a major business in the Southeastern United States in recent years, particularly in Florida. A previous report 1/ issued by our office showed that approximately 85 to 90 percent of the Coast Guard's drug interdictions were made at its 7th and 8th districts, headquartered in Miami, Florida, and New Orleans, Louisiana, respectively, with most of the contraband seized in those districts coming from Colombia.

The threat of smuggling in other areas does, however, serve to illustrate the ease with which drug traffickers shift their operations in response to increased enforcement-- a basic theme presented in our report.

1/"The Coast Guard's Role in Drug Interception--How Much Is Enough?" (CED-79-40, Feb. 12, 1979).

CHAPTER 9

SCOPE OF REVIEW

Our review assessed the impact that drug supply reduction efforts, both domestic and international, have had on the U.S. drug abuse problem. We analyzed the progress and problems of key elements of the Federal strategy, including the activities and programs of agencies and organizations having direct, indirect, and supporting responsibilities for domestic drug law enforcement and international drug control.

We reviewed policies, procedures, practices, correspondence, and documentation relating to each strategy element. Extensive reliance was placed on congressional reports and testimony, executive branch studies, and past reports of our office. A list of our past reports on drug control and other related topics is included in this report as appendix III, p. 161.

Data was compiled regarding drug use trends, drug production and transshipping estimates, drug seizures and removals, arrests of traffickers, the length of sentences, and other relevant factors. Additionally, we held discussions with numerous knowledgeable officials throughout the United States and abroad representing involved organizations at the local, State, Federal, and international levels.

Locations Visited

Work for the review was performed at:

- DEA, Department of Justice, Internal Revenue Service (IRS), U.S. Customs Service, Department of State headquarters in Washington, D.C.
- Various DEA district or regional offices, U.S. attorney's offices, State narcotics agencies, and local police departments in Los Angeles, New York, Chicago, Miami, San Francisco, Detroit, San Diego, Phoenix, and Reno.
- U.S. Embassy and host government offices in Mexico, Thailand, Burma, and Hong Kong, including visits to a crop substitution project in northern Thailand and to crop eradication projects in Oaxaca and Chilpancingo, Mexico.
- The United Nations Fund For Drug Abuse Control, Geneva, Switzerland.

EXTENT AND COSTS
OF THE DRUG PROBLEM

The magnitude of illicit drug consumption in the United States is enormous. An estimated 453,000 Americans use heroin daily, nearly 10 million have used cocaine, and 43 million have tried marijuana. In addition, a continuing trend of great concern is the increasing level of drug use among young people.

Illegal drug sales in the United States have become a multibillion dollar business, with the payments by users and traffickers for heroin, cocaine, marijuana, hashish, and other dangerous drugs estimated to be between \$35 billion and \$51 billion annually. The U.S. economy is directly affected by these large sums of money, which help to corrupt legitimate businesses and expand opportunities for organized crime. Moreover, much of the illegal profits flow out of the country, contributing to balance of payments problems as well.

Needless to say, the cost of drug abuse to individuals and society is staggering. Although it is difficult to precisely measure, estimates of social cost range from \$10 billion to \$14 billion annually. These figures include the costs of law enforcement, medical treatment, absenteeism, and nondrug crime, but do not account for the social toll in terms of broken homes, ruined lives, and other human suffering.

The total list of substances abused by Americans is extensive, and in this appendix we discuss four of the major illegal drugs: heroin, PCP, cocaine, and marijuana. These drugs appear to be prone to abuse, have some of the most serious effects, are commonly known in today's society, and are used by large numbers of people. Although the abuse of legal drugs such as amphetamines and barbiturates is equally serious, and some say more widespread, we have not discussed these drugs here. The diversion of these drugs is the subject of a 1978 GAO report 1/ capsulized in chapter 5 of this study.

1/"Retail Diversion of Legal Drugs--A Major Problem With No Easy Solution" (GGD-78-22, Mar. 10, 1978).

In assessing the use, availability, and cost of the four drugs, we found it necessary to rely extensively on previous studies and data compiled by ODAP, NIDA, and DEA. 1/

HEROIN

Heroin is the most potent pain-relieving derivative of morphine, creating a very intense euphoric effect that makes the drug the most favored among addicts. Recent data indicates that an average of 453,000 people use heroin on a daily basis in the United States, while about 1.7 million use the drug on less than a daily basis. In addition, there are approximately 111,000 heroin users receiving treatment throughout the country. All of this use amounts to an estimated annual consumption of 9.4 tons, costing almost \$18 billion. DEA's heroin identification system shows that 65 percent of the drug comes from Mexico, with most of the remainder originating in Southeast Asia.

According to DEA, the purity of heroin has declined from 6.6 percent in the first quarter of calendar year 1976 to 4.2 percent in the third quarter of 1978. The price per milligram of pure heroin has risen in the same time period from \$1.26 to \$1.96. This increase in price and decrease in purity is significant, because it is generally believed to reflect a decline in heroin availability brought about by international and domestic control efforts. Thus fewer heroin users can obtain the drug, and fewer new people are initiated into its use.

Nationwide, the number of heroin-related deaths declined considerably from 1976 to 1977, decreasing 59 percent from 1,875 to 770. At the same time, heroin injuries went from 12,368 in 1976 to 7,750 in 1977, a 37-percent decrease. This downward trend in hospital visits and in the number of deaths implies either that fewer people are using heroin because of its low quality and high cost or that the same number of people are using it, but fewer experience negative

1/While the data presented in this appendix was derived from DEA and NIDA systems, this should not be construed as an endorsement by our office of these systems. Our office currently has a study underway to evaluate certain indicators used in monitoring supply reduction effectiveness.

health consequences. The data strongly suggests that the heroin problem is either stabilizing or decreasing.

PCP

PCP (Phencyclidine), approved for use as an animal tranquilizer, has become a major drug of abuse among young people today. Though its effects on humans are unpredictable, it can cause severe and long-lasting behavioral problems with effects ranging from mental dullness and misperceptions to paranoia, psychosis, hostility, and violence. Its use can cause death either directly by overdose or indirectly through violent behavior and accidents.

In a recent NIDA drug survey it was found that 6.9 million persons have used PCP at least once. Reported deaths from PCP have risen by 18 percent, while hospital emergency room visits have increased by over 88 percent in the past year. Use of PCP by the 12-18 age group has doubled (up to 5.8 percent), and use by the 18-25 age group is up by 50 percent (up to 13.9 percent). According to DEA intelligence, all indications are that the use of this extremely potent drug will continue to increase in the foreseeable future.

DEA reports indicate that clandestine manufacturing laboratories in the United States, which vary widely in sophistication, account for the entire illicit supply of PCP, with diversion of legally manufactured PCP veterinary supplies being a negligible source of supply. The drug is easy and inexpensive to make, and with the large demand that exists, profits are high for manufacturers. The common chemicals and equipment needed can be purchased for a few hundred dollars, and using relatively unsophisticated techniques the manufacturer can convert his investment into tens of thousands of dollars worth of PCP.

The greatest concentration of clandestine PCP laboratories has been documented in parts of California and in Detroit, although during 1977 PCP labs were seized in almost every geographic area of the United States. DEA believes that this, along with intelligence data, suggests widespread manufacture and distribution of the drug all over the country. The extent of the problem is further illustrated by the fact that the number of PCP labs seized by DEA has been dramatically increasing--there were 50 PCP labs seized in 1977, compared to 22 in 1976 and 18 in 1975.

MARIJUANA

The most widely used illicit drug, marijuana is also the subject of much study and controversy. After four decades, efforts to discourage its use have not been successful. According to NIDA, about 43 million Americans have tried marijuana, and about 16 million have used it within the last month of its 1977 survey. It has been estimated that 60,000 to 91,000 pounds of marijuana are consumed every day, costing users anywhere from \$13 to \$21 billion per year. Though most of it now comes from Colombia, marijuana is also grown in Mexico, Thailand, Jamaica, and the United States.

Since 1962, more and more people have used marijuana, particularly young adults (18-25) and youths (12-17). NIDA's statistics show that illicit use of marijuana between 1971 and 1977 increased more than 100 percent for those aged 12-17 and more than 50 percent for those 18-25. By 1977, 60 percent of the young adults and 28 percent of the youths surveyed by NIDA reported having used marijuana at least once.

Over the years there has been a host of studies on humans and animals as to the effects of marijuana. Some of these studies have noted that marijuana users lose ambition and drive, while in 1978 researchers found that delta-9-THC, 1 of only about 360 known chemicals identified in marijuana,^{1/} reduced dominance and social competition in animals. At the 1977 International Symposium on Marijuana, 41 scientists from 13 nations presented new research findings which, in their view, linked the habitual use of marijuana with brain deterioration, cancer, and harmful effects on human reproduction.

Although marijuana is infrequently mentioned in medical examiner and emergency room reports to the DAWN system, the relationship between marijuana use and automobile driving is cause for concern. Evidence continues to accumulate that marijuana use at typically social levels impairs driving ability and related skills. Since the diminution of

^{1/}"A Review of the Cannabinoids in Cannabis Sativa L.," the University of Mississippi Research Institute of Pharmaceutical Sciences, School of Pharmacy.

perception and other motor capabilities resulting from marijuana use may persist for several hours beyond the period of apparent intoxication, individuals may attempt to drive without realizing that their ability to do so is still impaired.

COCAINE

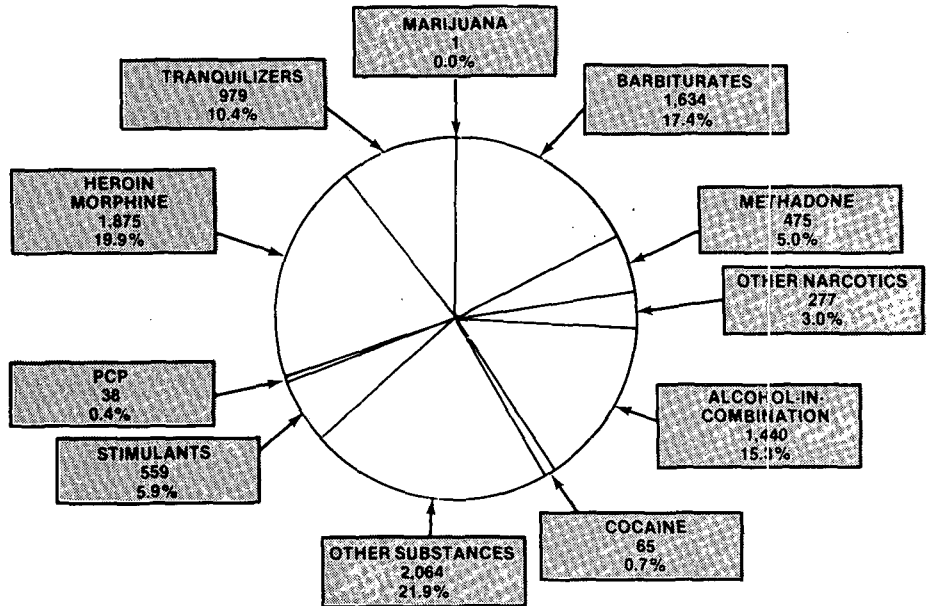
The abuse of cocaine in the United States has become increasingly popular in recent years despite its relatively high cost. This popularity has created a \$15-18 billion annual market for the estimated 19-23 metric tons of the drug that enter the United States each year. Nearly all of this drug originates in Bolivia and Peru.

Although many believe cocaine to be a "safe" drug, it is the most powerful natural stimulant known to man. The effects of the drug are so intense that the cocaine user cannot deny himself of it, the result being repeated doses of cocaine at short intervals. Consequences of continued use have been associated with tactile hallucinations of animals moving in the skin, or bugs or insects moving under the skin. After-effects of cocaine abuse include headache, cardiac and respiratory disturbance, and a postdrug depression characterized by indisposition to mental or physical exertion and difficulty in concentration. These symptoms may be modified as a result of how the drug is taken, the quantity consumed, and the rate at which the drug is used. Cocaine has the ability to constrict blood vessels and has a legitimate use in the medical profession. When cocaine is used illicitly and snorted repeatedly it can cause the destruction of the nasal linings. Contrary to street lore, death sometimes occurs when cocaine is snorted rather than injected.

In the past 2 years there has been a statistically significant upward trend in cocaine use by young adults. A nationwide survey in 1977 showed that nearly 1 in 5 persons aged 18-25 reported having used cocaine at least once. From 1976 to 1977 there was a statistically significant 43-percent increase in the number of young adults who reported using cocaine. Overall, the survey estimates that nearly 10 million Americans have used cocaine at least once in their lifetimes.

U.S. Drug Related Deaths by Substance 1976

Total: 9,407

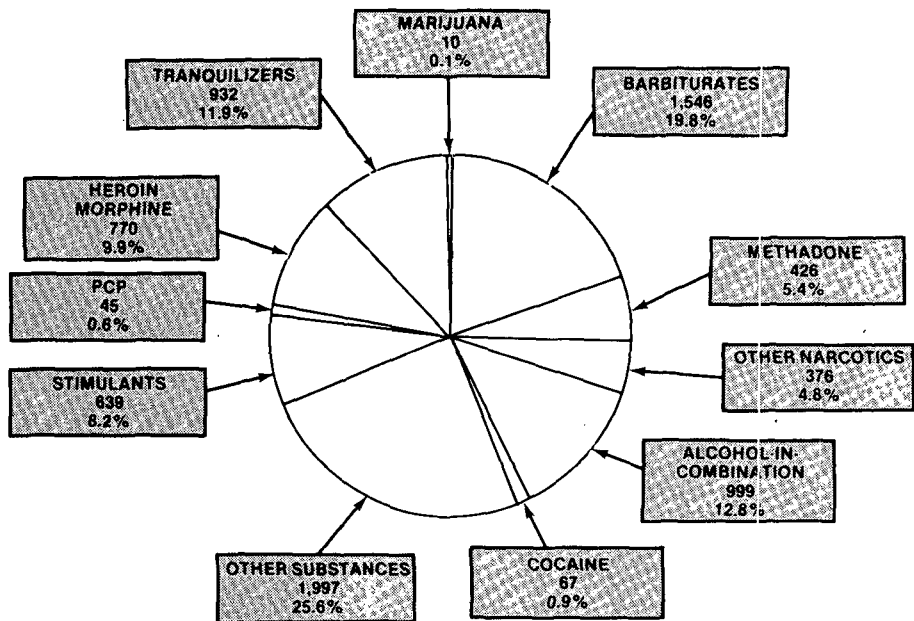


NOTE: Percentages do not add to 100 percent because of rounding.

U.S. Drug Related Deaths by Substance 1977

1977

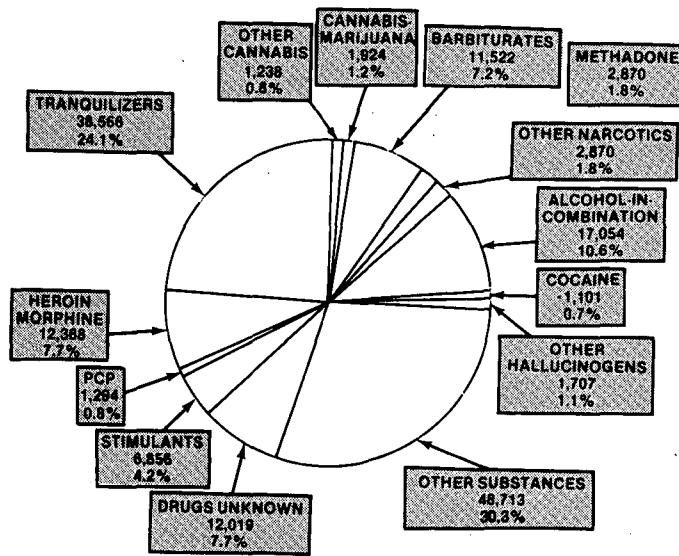
Total: 7,807



Source: Drug Enforcement Administration

**U.S. Drug Related Injuries by Drug Mentions*
1976**

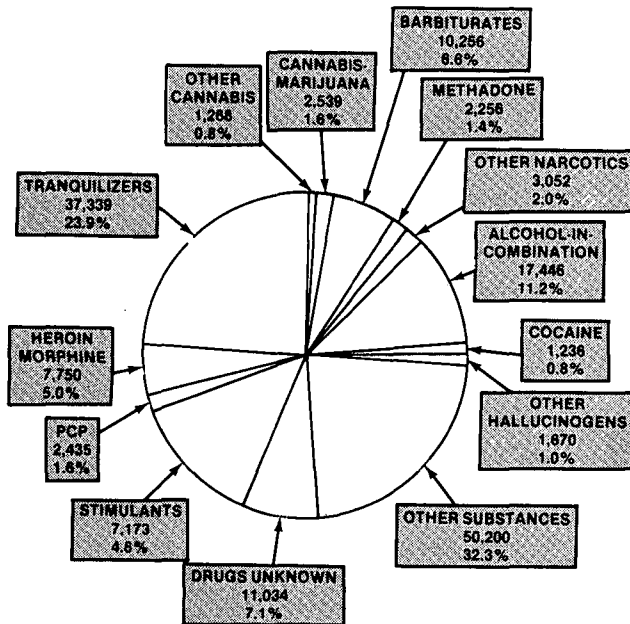
Total: 160,102



NOTE:
* A mention refers to the specific drug or drugs reported per patient on a single visit.
** Percentages may not add to 100% because of rounding.

**U.S. Drug Related Injuries by Drug Mentions*
1977**

Total: 155,654



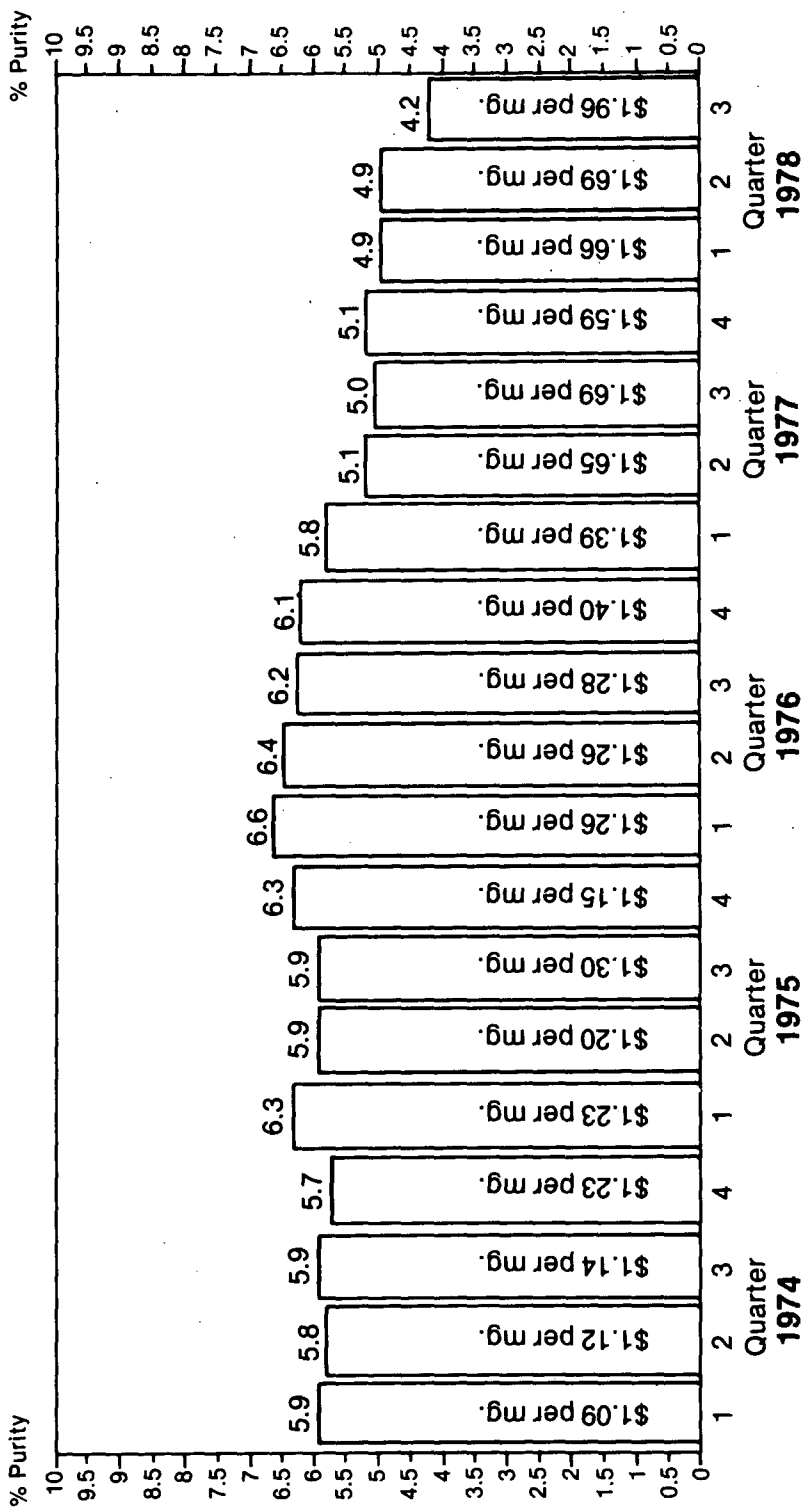
NOTE:
* A mention refers to the specific drug or drugs reported per patient on a single visit.
** Percentages may not add to 100% because of rounding.

Source: Drug Enforcement Administration

PRICE/PURITY, ARREST, SEIZURE, ANDCOURT DISPOSITION STATISTICS

Heroin price/purity, arrest, and drug seizure statistics are frequently viewed as indicators of progress and results of efforts to reduce illicit drug supplies. These figures, however, are difficult to interpret and are not necessarily true measures of enforcement effectiveness. Increased arrests, convictions, and seizures for instance, can be due to increased trafficking and amounts available rather than more effective law enforcement. Decreases in these data, on the other hand, may be due to factors such as a change in investigative approach or successful crop eradication efforts. For example, DEA believes the 1977 decline in domestic heroin removals is probably indicative of decreased heroin traffic resulting primarily from the destruction of Mexican opium poppies. Because of the inconclusiveness of these statistics, caution should be used when reviewing them.

Average U.S. Heroin Purity and Price 1974 — 1978



Source: Drug Enforcement Administration

<u>FEDERAL DRUG ARRESTS</u>				
<u>Total Domestic And Foreign Arrests</u>				
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
	<u>(calendar years)</u>			<u>(3 quarters)</u>
Domestic Federal and Cooperative				
DEA	7,304	6,143	6,397	3,786
DEA/Other Federal	3,134	2,654	2,513	1,132
DEA/State & Local	6,906	4,181	4,592	2,952
	<u>17,344</u>	<u>12,978</u>	<u>13,502</u>	<u>7,870</u>
DEA/Foreign Cooperative	1,183	1,353	1,119	918
Total	<u>18,527</u>	<u>14,331</u>	<u>14,621</u>	<u>8,788</u>

<u>DEA Court Dispositions</u>				
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
	<u>(calendar years)</u>			<u>(3 quarters)</u>
Federal Dispositions	3,785	6,416	5,116	4,748
% Convicted	82	85	84	86
% Acquitted/Dismissed	18	15	16	14
State Dispositions	479	1,334	1,095	1,430
% Convicted	84	82	82	86
% Acquitted/Dismissed	16	18	18	14

	<u>DOMESTIC ARRESTS BY LEVEL OF VIOLATOR</u> ^{1/}			
	<u>1975</u> (calendar years)	<u>1976</u>	<u>1977</u>	<u>1978</u> (3 quarters)
Level I Arrests				
DEA	799	922	649	2/ 400
DEA Cooperative (Other Federal/ State/local)	229	212	218	131
Total	<u>1,028</u>	<u>1,134</u>	<u>867</u>	<u>531</u>
Level II Arrests				
DEA	696	730	546	2/ 314
DEA Cooperative (Other Federal/ State/local)	249	216	207	130
Total	<u>945</u>	<u>946</u>	<u>753</u>	<u>444</u>
Level III Arrests				
DEA	4,667	3,648	3,260	2,073
DEA Cooperative (Other Federal/ State/Local)	3,759	2,694	1,982	1,595
Total	<u>8,426</u>	<u>6,342</u>	<u>5,242</u>	<u>3,668</u>
Level IV Arrests				
DEA	1,140	843	1,942	999
DEA Cooperative (Other Federal/ State/Local)	5,365	3,713	4,698	2,228
Total	<u>6,505</u>	<u>4,556</u>	<u>6,640</u>	<u>3,227</u>

NOTE: The above data is from DEA's Performance Measurement System, and we have not performed any verification or reconciliation of it. According to DEA, some of the arrest data is preliminary.

^{1/}DEA's G-DEP System classifies drug violators by four categories, Level I being the highest type of violator, and Level IV being the lowest.

^{2/}DEA attributes the 1977 decline in Level I and II arrests, in part, to a November 1976 change in the criteria for classifying violators.

DRUGS REMOVED FROM THE ILLICIT MARKET

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
	(calendar years)		(3 quarters)	
Heroin (gross lbs.)				
Domestic	1,033	1,122	887 ^{1/}	560
Foreign	1,474	653	1,948	1,046
Total	<u>2,507</u>	<u>1,775</u>	<u>2,835</u>	<u>1,606</u>
Opium (gross lbs.)				
Domestic	22	70	99	48
Foreign	19,530	19,400	37,900	9,000
Total	<u>19,552</u>	<u>19,470</u>	<u>37,999</u>	<u>9,048</u>
Morphine (gross lbs.)				
Foreign only	451	565	226	506
Cocaine (gross lbs.)				
Domestic	1,361	1,679	1,623	1,618
Foreign	2,202	2,507	6,244	3,317
Total	<u>3,563</u>	<u>4,186</u>	<u>7,867</u>	<u>4,935</u>
Marijuana (gross lbs. x 1,000)				
Domestic	949	1,373	2,137	5,084
Foreign	570	311	334	1,196
Total	<u>1,519</u>	<u>1,684</u>	<u>2,471</u>	<u>6,280</u>
Hashish (gross lbs.)				
Domestic	13,950	12,507	25,135	23,287
Foreign	33,000	14,300	29,300	68,800
Total	<u>46,950</u>	<u>26,807</u>	<u>54,435</u>	<u>92,087</u>
Hashish Oil (quarts/gross lbs.)				
Foreign only	<u>12/282</u>	<u>11/191</u>	<u>12/550</u>	<u>12/0</u>
Dangerous Drugs (dosage units x 1,000,000)				
Domestic only	<u>32.2</u>	<u>27.9</u>	<u>20.2</u>	<u>13.5</u>

NOTE: "Domestic" includes removals by DEA, U.S. Customs, and the Immigration and Naturalization Service, as well as DEA's cooperative action with State/local authorities and other Federal agencies. "Foreign" is removals by foreign authorities in cooperation with DEA.

1/DEA believes the decline in domestic heroin removals can be attributed to heroin supply curtailment in the U.S. resulting from effective enforcement and opium crop eradication efforts.

LIST OF GAO REPORTS ON DRUG CONTROL
AND RELATED TOPICS

<u>Drug Control Report</u>	<u>Reference Number</u>	<u>Date Issued</u>
Congressman Thomas E. Morgan, Chairman, House Committee on Foreign Affairs (Letter Report), with enclosure dated May 21, 1971, entitled "General Accounting Office Observations and Data Con- cerning Illegal Entry of Narcotics."	B-173123	5/28/71
Senator J. W. Fulbright, Chairman, Senate Committee on Foreign Rela- tions (Letter Report), with enclosure dated May 21, 1971, entitled "General Accounting Office Observations and Data Con- cerning Illegal Entry of Narcotics."	B-173123	6/21/71
Limited Use of Federal Programs to Commit Narcotic Addicts for Treat- ment and Rehabilitation	B-164031(2)	9/20/71
Efforts to Prevent Dangerous Drugs From Illicitly Reaching the Public	B-175425	4/17/72
Federal Efforts to Combat Drug Abuse	B-164031(2)	8/14/72
The Heroin Hotline	B-176833	9/26/72
United States Efforts to Increase International Cooperation in Con- trolling Narcotics Trafficking (Secret)	B-176625	10/4/72
Efforts to Prevent Heroin From Illicitly Reaching the United States	B-164031(2)	10/20/72
Heroin Being Smuggled Into New York City Successfully	B-164031(2)	12/7/72

APPENDIX III

APPENDIX III

<u>Drug Control Report</u>	<u>Reference number</u>	<u>Date issued</u>
Difficulties in Immobilizing Major Narcotics Traffickers	B-175425	12/21/73
Identifying and Eliminating Sources of Dangerous Drugs: Efforts Being Made, But Not Enough	B-175425	6/7/74
Congressman Charles B. Rangel House of Representatives (Letter Report concerning opium supply/demand.)	B-173123	7/23/74
Recission of the Opium Poppy Growing Ban By Turkey	B-173123	9/9/74
United States Economic Assistance to Turkey	B-125085	9/16/74
The Honorable William R. Cotter House of Representatives (Letter Report on drug abuse efforts in Hartford, Conn. area.)	B-173123	10/15/74
The Honorable Charles B. Rangel House of Representatives (Letter Report concerning additional information on opium supply/demand.)	B-173123	11/21/74
Efforts to Stop Narcotics and Dangerous Drugs Coming From and Through Mexico and Central America	GGD-75-44	12/31/74
Security Controls for Methadone Distribution Need Improving	GGD-75-50	1/30/75
Problems in Slowing the Flow of Cocaine and Heroin From and Through South America (Confidential)	GGD-75-80	5/30/75
If the United States Is To Develop An Effective International Narcotics Control Program, Much More Must Be Done	ID-75-77	7/29/75

APPENDIX III

APPENDIX III

<u>Drug Control Report</u>	<u>Reference number</u>	<u>Date issued</u>
Improvements Needed In Regulating and Monitoring The Manufacture and Distribution of Licit Narcotics	GGD-75-102	8/28/75
Letter Report: Inventory and Security of U.S. Opium Stockpile (Restricted)	B-173123	9/6/75
Federal Drug Enforcement: Strong Guidance Needed	GGD-76-32	12/18/75
Alleged Improper Personnel Practices At the Drug Enforcement Administration	FPCD-76-27	12/19/75
Stopping U.S. Assistance to Foreign Police and Prisons	ID-76-5	2/19/76
More Effective Action Needed to Control Abuse and Diversion in Methadone Treatment Programs	GGD-77-51	3/9/76
Opium Eradication Efforts in Mexico: Cautious Optimism Advised (Confidential)	GGD-77-6	2/18/77
Methadone Deaths in New York City	GGD-77-25	3/14/77
Drugs, Firearms, Currency and Other Property Seized by Law Enforcement Agencies: Too Much Held Too Long	GGD-76-105	5/31/77
Illegal Entry at United States-Mexico Border--Multiagency Enforcement Efforts Have Not Been Effective in Stemming the Flow of Drugs and People	GGD-78-17	12/2/77
Review of Selected Narcotics Enforcement Research and Development Projects	GGD-78-9	12/14/77
Drug Control in South America Having Limited Success--Some Progress But Problems Are Formidable	GGD-78-45	3/9/78

APPENDIX III

APPENDIX III

<u>Drug Control Report</u>	<u>Reference number</u>	<u>Date issued</u>
Retail Diversion of Legal Drugs-- A Major Problem With No Easy Solution	GGD-78-22	3/10/78
The Coast Guard's Role In Drug Interception--How Much Is Enough?	CED-79-40	2/12/79
<u>Other Related Reports</u>		
Disclosure and Summons Provisions of 1976 Tax Reform Act--Privacy Gains With Unknown Law Enforcement Effects	GGD-78-110	3/12/79
Reducing Federal Judicial Sentenc- ing and Prosecuting Disparities: A Systemwide Approach Needed	GGD-78-112	3/19/79
Better Use of Currency and Foreign Account Reports By Treasury and IRS Needed for Law Enforcement Purposes	GGD-79-24	4/06/79

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS

WASHINGTON, D.C. 20544

WILLIAM E. FOLEY
DIRECTORJOSEPH F. SPANIOL, JR.
DEPUTY DIRECTOR

May 15, 1979

Mr. Allen R. Voss
Director, General Government Division
United States General Accounting Office
Washington, D.C. 20548

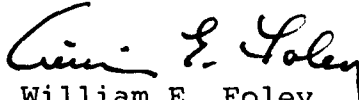
Dear Mr. Voss:

I have reviewed the draft of your proposed report on the control of the production of illegal drugs and the flourishing of drug traffic. I must advise you that we cannot, as the administrative body for the federal judiciary, address the policy matters covered in your report, such as the effect of sentencing practices on drug traffic and drug enforcement, nor can we speak on behalf of the Judicial Conference of the United States.

If a final draft of your report is ready by July, we will refer the recommendations addressed to the United States Judicial Conference, contained at page 184, to the Committee on the Administration of the Criminal Law for consideration at its summer meeting. The Committee will also be addressing itself at this meeting to the earlier GAO report on the problems of disparity in criminal sentencing and prosecution in the criminal justice system. After consideration of these items, the Committee will report to the September 1979 meeting of the Judicial Conference. A further statement will be rendered by this Office on behalf of the Conference after it meets.

Please let us know if we can be of any further assistance.

Sincerely,



William E. Foley
Director

THE FEDERAL JUDICIAL CENTER
DOLLEY MADISON HOUSE
1520 H STREET, N.W.
WASHINGTON, D. C. 20005

A. LEO LEVIN
DIRECTOR

June 8, 1979

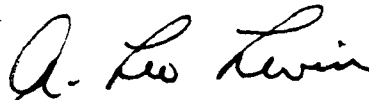
Mr. Allen R. Voss
Director
General Government Division
United States General Accounting
Office
Washington, D. C. 20548

Dear Mr. Voss:

Thank you for your letter of May 2 enclosing a draft report on sentencing disparity and the drug problem and soliciting any comments that the Center might wish to provide. Since none of the recommendations in the report is directed to the Center, and since the work of the Center is not directly involved, we have elected not to file any comments on this report. We do note that there are recommendations to other agencies within the third branch and if those recommendations are retained in the final report we shall of course stand ready to provide any assistance that the Conference, the Administrative Office, or the Judicial Councils may request from us in the course of meeting those recommendations.

We appreciate the opportunity to comment on draft GAO reports, and look forward to any future reports that you may care to share with us.

Sincerely,



A. Leo Levin

ALL:gwf



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

JUN 1 1979

Mr. Gregory J. Ahart
Director, Human Resources
Division
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report, "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes." As requested, the National Institute of Drug Abuse has reviewed the data in the report on the demand for illicit drugs and sees no need for any revision.

Thank you for the opportunity to review this report before its final publication.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Thomas D. Morris".

Thomas D. Morris
Inspector General

These comments were received from the Central Intelligence Agency.

25 May 1979

SUBJECT: USGAO Report "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes"

1. The report is probably the most comprehensive and authoritative statement of the problem which we have seen. We cannot argue with the statistics presented which seem to give as balanced a view as possible of the various educated guesses being made right now by the various agencies working in the narcotics field. The most perceptive thought in the paper was that the circumstances in narcotics producing countries are too complex for an approach that is oriented toward law enforcement to be effective and too much for the United States to overcome alone. Those circumstances include the ineffectiveness of crop substitution programs, corruption, socioeconomic effects, etc.

2. There are indications throughout the report that the various agencies in the narcotics field have been working with insufficient intelligence. We believe this is a correct statement. The report also implies that even with sufficient intelligence, there is not too much one can do overall against the problem; this too seems to be correct.

3. Also in the report, it was stated or inferred many times that not enough attention was being paid to the financial aspects of narcotics problems. As of this writing, almost all Federal agencies engaged in the narcotics field are indeed paying more attention to this facet of narcotics--and indeed have instituted vigorous programs to overcome the deficiency.

[See GAO note.]

GAO note: Deleted material refers to classified information not included in the final report.



DEPARTMENT OF STATE

Washington, D.C. 20520

19 JUN 1979

Mr. J. Kenneth Fasick
Director
International Division
U. S. General Accounting Office
Washington, D. C.

Dear Mr. Fasick:

I am replying to your letter May 1, 1979, which forwarded copies of the draft report: "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes".

The enclosed comments on this report were prepared by the Assistant Secretary of International Narcotics Matters.

We appreciate having had the opportunity to review and comment on the draft report. If I may be of further assistance, I trust you will let me know.

Sincerely,

A handwritten signature in cursive script that reads "Roger B. Feldman".

Roger B. Feldman
Deputy Assistant Secretary
for Budget and Finance

Enclosure:
As stated

INM RESPONSE TO GAO AUDIT, ENTITLED
"GAINS MADE IN CONTROLLING ILLEGAL DRUGS,
YET THE DRUG TRADE FLOURISHES"

A. Report Summary

The GAO report, entitled "Gains made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes" assesses the Federal Government's "drug enforcement effort during the last 10 years." In summary, the Auditors found that positive measures have been achieved but that these gains are fragile, temporary and implicitly quite insignificant. The report explains that the enormous supply and demand for drugs; the social, economic, and political realities of drug growing countries; the enormous profits realized in drug trafficking; and the ease of smuggling and distributing contraband contribute to the persistence of the problem.

The auditors state that the Government has not implemented the appropriate actions to support the Federal Drug Supply and Demand Reduction Strategy. To remedy this situation, a series of recommendations are presented which include:

- Creating a more effective Federal partnership between the Executive and Legislative Branches to address the problem,
- Resolving border management problems,
- Strengthening prosecutive and judicial procedures,
- Creating strong oversight for the Strategy implementation, and
- Encouraging worldwide commitment.

GAO concludes that law enforcement will always play a critical role in the strategy. Specific recommendations for the Department of State are:

- The Secretary of State with the support of Congress should promote a world conference and the formation of a consortium of victim countries that would develop a plan of action to fight the global drug problem in a unified way.

--The Secretary of State require that the Assistant Secretary for Narcotics Matters prepare realistic Country Narcotics Action Plans detailing short and long-term goals, the means of achieving these goals, and the methods for reviewing progress. Because narcotics production and trafficking often encompasses several countries, as in the Golden Triangle, the Assistant Secretary should also be instructed to prepare similar plans on a regional basis.

B. General Comment

The task undertaken by GAO which resulted in a 219 page report was formidable indeed. As stated by the auditors, the drug problem is complex and multi-faceted, requiring a mix of both supply and demand reduction efforts. INM concurs wholeheartedly with GAO's assessment of the problem, and general recommendations to address the problem. The Federal Government does require a stronger partnership between the Executive and Legislative Branches, as well as improved cooperation and coordination among Executive Branch agencies. Moreover, more effective prosecutive and judicial procedures, improved border management, clarified government roles, etc., are all excellent recommendations.

Although INM believes that GAO has done a creditable job in assessing the last 10 years of government efforts, there are several general areas which we feel are misleading, erroneous or disappointing. These areas include: (1) Tenor and tone of the report, (2) Exaggerated role of law enforcement (or under-statement of other supply reduction efforts), (3) Under-statement of successes, (4) Recommendations.

Tone and Tenor of the Report: INM believes that a more positive, realistic attitude toward the Government's response to date would be accurate and beneficial. The report highlights the continuing growth in the level of drug use and abuse in the U.S. since the mid-1960's. Yet, from a health and social perspective, the use of the most deleterious and heinous drugs has not increased. It is misleading to lump all drug use into one category. The Federal supply reduction effort has had a significant impact on the heroin problem, the priority drug in the Federal Strategy. The auditors have concluded that since "drug use patterns have shifted in response to supply reduction efforts" the Government therefore has not had a significant impact on the overall drug problem. Perhaps the report is asking more from the supply reduction strategy than it was intended to deliver.

Throughout the report, the auditors leave the reader with a sense of futility and frustration over the possibility of ever being successful. The report seems to conclude that the last ten years have had little positive effect; and one might assume that the next ten will probably not be much different. INM believes that progress has been made and that, though many problems remain to be resolved, we have learned a great deal and have begun to have greater success in supply reduction.

Exaggerated Role of Law Enforcement: INM believes that the report lacks balance when discussing law enforcement as the cornerstone to the Supply Reduction Strategy. It is certainly true that law enforcement and interdiction are critical elements to any supply reduction strategy, but when employed alone the results have been uniformly disappointing, both for the short or the long term. Very little mention is made of the crop eradication efforts, which, coupled with enforcement and income substitution, strike INM as the only viable long term approach to reducing the availability of illicit substances.

In Mexico, crop eradication, coupled with enforcement, has been the most effective means of reducing available supplies. Tripling the number of enforcement or interdiction personnel in Mexico almost certainly would not have resulted in the same short or long term impact as the eradication efforts coupled with law enforcement.

INM also believes that, given time, income substitution efforts will have more impact on drug supply than law enforcement efforts alone. Development assistance entails changing the patterns of poverty and this is a long, complicated process. Cultural and institutional limitations will continue to exist and myopic approaches must be avoided. Nevertheless, enforcement should be seen as auxiliary to the broader issue of changing economic and cultural environments. It has to support the other supply reduction efforts, i.e., eradication and income substitution.

Finally, in considering any strategy, the reader must remember that changing societal behavior is a long-range process, (It took Iowa farmers ten years to switch to growing hybrid corn, and this notwithstanding a concentrated government effort in a relatively developed society). The audit report implies that law enforcement

alone has more immediate results and therefore may be superior to other supply reduction efforts. If that is implied by the authors, INM strongly disagrees. The Federal Government should be looking for long term results, not short term arrests and seizures that attack the problems only peripherally.

Under-statement of Successes. Although no one agency can assume total credit for any success in the reduction of heroin supply, INM believes that the international program is chiefly responsible for the successes in Turkey and Mexico. Moreover, these successes were and are significant and, to date, are continuing. The auditors may not have intended to downplay these successes, yet INM feels that the important lessons learned from Mexico and Turkey have been understated in this report. For a myriad of reasons, these programs have been successful and should not be considered lightly.

GAO Recommendations. The report was somewhat critical of a perceived lack of comprehensive planning documents (No NCAP's) for drug control efforts. INM believes that the necessary steps have been taken to ensure that appropriate planning occurs, despite the discontinuation of NCAP's. First, each Mission must submit a GORM which highlights narcotics as a goal. Second, each of the major narcotics country missions submits a Summary Narrative in its ZBB request which incorporates the elements of the NCAP. Third, each Mission also submits an Annual Narcotics Status Report (ANSR) which deals with goals, accomplishments, problems, etc. Fourth, each major country which enters into bilateral project agreements now uses a programming system that provides documentation on the planning process: the Narcotics Assessment and Strategy Statement (NASP); the PROW/AG which outlines the goals, objectives, indicators of success, the implementation schedule, and budget/resource requirements. Finally, strategy papers have been developed to present truly regional approaches. Recently, a five year coca strategy paper, a mexican heroin paper, an East Asia Regional strategy paper and a Near East Asia strategy paper were completed to illustrate the need for comprehensive planning.

The second recommendation to hold a victim nation conference is a laudable one. INM supports this suggestion and, through diplomatic initiatives, is continually attempting to achieve the goals which could be gleaned from such a conference. Continual demarches to the International Organizations is also designed to achieve these goals. In sum, INM agrees that the developed, "victim" nations need

to devote more resources to solving this truly global problem.

C. Summary. To conclude our general comments, INM believes that the major successes in the supply reduction efforts have been due largely to the International efforts exercised by and under the direction of the State Department in mobilizing both Turkey and Mexico to enact strong, effective measures to control or eradicate illicit supplies. By stating this, we are in no way demeaning the role or efforts of law enforcement per se; rather, we wish to place it in perspective as one of several complementary supply reduction strategies. As the USG agency with primary responsibility for all international drug control efforts, the State Department will not only continue to provide policy guidance, leadership and support for all drug programs overseas, but will carry out even more vigorously its mandate to prevent the entry of illicit narcotics into the U.S.



Mathea Falco
Assistant Secretary of
International Narcotics Matters

Attached are specific comments on various sections in the Audit Report.

D. Specific Comments:

The following specific INM comments relate to sections of this draft report as indicated.

Page ii - first major paragraph indicates that hard-won successes are short-lived. INM believes that these successes will be short-lived only if continued diplomatic pressure and continued program assistance does not continue in order to preclude resurgence.

Page iii - It is stated in the second paragraph of report that payments by abusers and traffickers are on the order of \$35 to \$51 billion annually but it is not clear whether this figure is worldwide or whether it represents U.S. expenditures only.

Page vi - Paragraph 3 indicates that jurisdictional problems in some State and Local regions hamper attempts to mobilize fully the numerous agencies in the United States against drug abuse and trafficking. It would seem that more detailed explanation is required here since the greater number of arrests and seizures are made by these State and Local agencies thus permitting the Federal government to concentrate on matters of national and international trafficking networks. It would seem that, in addition to the Attorney General establishing a realistic policy on what can reasonably be expected from State and Local governments, further increased cooperative efforts between Federal, State, and Local governments must be initiated and maintained to ensure maximum effective utilization of the various police agencies.

Page vii - The GAO report addresses the Federal government's failure to provide a central mechanism to establish drug policy and to be responsible for its effective implementation. Report further states that this responsibility is presently entrusted to the President's Domestic Policy Staff and that it is too early to tell whether this arrangement will ensure the vigorous implementation of the Federal Drug Strategy. It would seem that GAO should address specific organizational weaknesses with clear cut recommendations to ensure effective implementation of the Federal Drug Strategy.

Page viii - It is believed that GAO's terminology in the last two paragraphs is vague, misleading, and possibly even inaccurate. B/INM believes that supply reduction consists of enforcement, eradication and control. In fact, we think the major successes enjoyed in Mexico have been due to eradication and that successful efforts in Turkey have been a combination of control and eradication. INM recognizes the fact that successes must be long range in nature and can be costly. In addition, we believe that GAO should have addressed income substitution as another basic element of supply reduction; also we believe that with appropriate income substitution the motivation for cultivation of illegal narcotics will be greatly reduced but recognize the fact that this approach must be a long range and costly objective in each and every case.

CHAPTER I

Page 1, second paragraph. We believe that this should also focus on demand reduction which is and must be an integral part of the Federal strategy.

Paragraph 3, same page. Draft report indicates annual social cost to U.S. Government as being from \$10 to \$14 billion. We have seen figures as high as \$17 billion. GAO should cite the source of this estimate.

Page 3, paragraph 2. Draft report indicates deaths from heroin declining by 59%. We again question the source of this figure since we have seen figures showing a 70% decline in heroin deaths. Further, we think it is essential to show that the decline in heroin availability is a result of the successful United States/Mexico Joint Eradication Program.

Pages 5 - 8. Draft report goes into some detail on these pages with respect to reorganization of Federal drug law enforcement efforts. We believe that in this section inadequate attention is given to the role of the Department of State since it is our opinion that successes achieved to date have been largely a result of international successes. Without the Department of State leadership in the international program, the necessary diplomatic initiatives could not have been which resulted in increased narcotics control activity by a number of different source and transit countries.

This is not to demean DEA's role but to emphasize the importance of the Department's in transcending the enforcement capabilities of DEA.

Page 9. In the first paragraph under Federal Government Strategy, we believe that crop eradication and income substitution should be added to the first sentence after law enforcement. Again, we feel that this report must not only emphasize law enforcement but also emphasize crop eradication and income substitution which are integral parts of the supply-demand solution.

In the second paragraph under Federal Government Strategy, last sentence should be changed to read as follows: The State Department has responsibility for coordinating international narcotics control efforts and for carrying out income substitution efforts with authority vested in the Assistant Secretary for International Narcotics Matters (INM).

Page 13. Suggest a recheck on the number of staff members in the Office of Drug Abuse Policy in the Domestic Policy Staff.

Pages 18, 19 & 20. INM again feels that inadequate recognition is being given eradication and U.S. diplomatic initiatives vis-a-vis enforcement in considering accomplishments. Again, it would seem appropriate to go into more depth in explaining the Turkish and Mexican successes including the fact that U.S. assistance across the board was critical.

Page 21 Drug seizures and removals increase. In this section, the draft report lumps domestic and foreign activities together and we believe that domestic and foreign activities should be separated at least by percentage so as to give a more accurate picture.

Page 23. We believe the second line, second paragraph should read as follows: The Department of State has used its diplomatic offices and small amount of narcotics assistance funds to establish cooperative efforts with ten countries which are principal sources of drugs flowing into the U.S.

We also believe that in this section the report should note Department of State efforts to encourage developed nations to increase their funding for UNFDAC.

Pages We continue to take exception to draft report statements that successes have few lasting benefits. Turkey has not yet returned to illicit production and, with appropriate surveillance and follow up, Mexico hopefully would follow the same pattern. We do believe that where successes occur it is necessary to maintain surveillance-monitoring to prevent resurgence in the same area. We believe that it is preferable to say that the problem is still enormous with trafficking pattern changes. This is more accurate than saying that past efforts are "short lived."

[See GAO note.]

Page We believe that the term "foreseeable future" last sentence on this page is so vague and indefinite that it has no meaning.

Page Again, we feel that the last sentence must contain law enforcement, eradication and income substitution.

CHAPTER III

Page We continue to take issue with the draft terming present eradication successes as being temporary in nature only. We do believe it might be appropriate to indicate that eradication success to date covers only a small part of the actual and potential growing areas of the world. We further believe that, in most cases, eradication will require alternative sources of income which in turn would require massive expenditures and considerable time for goal achievements.

[See GAO note.]

Pages If GAO is to raise the whole question of draught in detail, then a conclusion should be drawn to avoid ambiguities. It seems to us that GAO should say that in May 1978 the verification team found fewer fields thus substantiating the effectiveness of the eradication Campaign in the simplicity of GOM official opinion (bottom page 55 and top of page 56).

Page paragraph 2. With USG assistance, the Government of Burma in 1974 initiated a campaign to reduce and eliminate drug trafficking. We are not certain that narcotics control efforts were absent prior to this time and feel that this must be verified.

Page last paragraph. Draft report mentions that the Department of State has refused to fund a herbicide eradication program because of the paraquat issue. INM feels that it is morally incumbent upon GAO to explain the overall paraquat issue as well as the Congressional amendment putting conditions on the use of herbicides in the spraying of marijuana.

Page INM believes that GAO has accurately identified the complexity and difficulty of crop substitution strategies. Despite the realistic difficulties enumerated, we do not believe such severe pessimism is called for.

Page To offer any promise of success, these projects must (1) be within the administrative and political control of the host government, (2) obtain extensive financial resources and technical expertise for comprehensive rural development, (3) control and avoid leakage from traditional drug use often ingrained in foreign cultures, (4) develop marketing and distribution systems in remote areas, and (5) develop a capability to vigorously enforce bans on illicit cultivation. Obviously, satisfying many of these requirements would be a difficult task even in developed countries. It should be noted that we are trying pilot projects but resources for full implementation must come from other sources.

Crop Substitution in Thailand

Developing viable income alternatives for the poppy farmer has been the goal of the United Nations, the Royal Thai Government, and the United States since 1972, when a pilot crop substitution project was implemented in Northern Thailand. After 6 years and about \$12.1 million this premier project has shown that crop substitution is possible,

and that a combination of crops can compete with opium. The small reduction in opium cultivation in the pilot project in Thailand has, as yet, had little impact on world-wide drug control efforts. It should be noted that pilot projects are to provide the framework for long term development.

Page second paragraph. We suggest the title should be "The Difficult Road" not "The Long Road". In the same paragraph, last sentence should state - "there appears to be little hope for any substantial...."

In the second paragraph, we think that the draft report is in error in stating that coca provides ANDEAN farmers with their only source of income. In the same paragraph, last line page 64, some suitable crops have already been found, e.g., tea, coffee.

Page In the last paragraph, draft report states that DEA reports crop substitution has been ineffective. We feel that this question is out of DEA's area of expertise and the U.S. Ambassador in conjunction with INM is taking appropriate steps.

Page GAO should note that the United States Senate has not yet ratified the Convention on Psychotropic Substances of 1971.

Pages GAO should be aware of the fact that AID has included "poppy clauses" in loan agreements for Peru and Afghanistan. Inclusion of the poppy clause was invoked in Afghanistan in 1977. ADB has included poppy clauses and the Department of State is working toward more financial institution action.

[See GAO note.]

[See GAO note.]

On page second paragraph, fourth sentence should read: "In Colombia, through diplomatic representations and the use of INC funds, the Ambassador has encouraged the establishment of a narcotics unit in the Attorney General's office with which DEA works. In Peru, DEA has established cooperative relationships with the Police. INC funds for conferences and joint enforcement operations of DEA with Latin American countries have helped to improve police relationships. It is"

Page paragraph 2, third line should read: U.S. narcotics control efforts overseas.

Page Draft report continually refers to NCAPs as being the basic planning documents for narcotics control activities in individual countries. Report does not recognize the fact that NCAP's have now been replaced by PROW/AG's which we feel are more detailed and represent better planning documents for international narcotics control programs.

In Chapter III, we have noted no mention of U.S. Coast Guard participation and yet this organization is heavily involved making significant seizures. The draft report fails to note the significantly increasing priority effort being given to narcotics control within the Department of State and its diplomatic efforts. No mention is made of the Bureau status recently achieved by INM. There is also no mention of narcotics goals being included in the GORMs which are subject to the highest level discussions within the Department of State. For years, DEA and others have bemoaned this lack of priority emphasis and now that it is taking place, we consider it a significant step forward and one that should be acknowledged by this report.

Page It should be noted that legislation has been introduced to incorporate possession of narcotics on the high seas. We believe that this report should note this proposed legislation.

Page 145, paragraph 2. Draft report indicates that foreign governments have not materially assisted in the apprehension or initiation of investigations directed at major traffickers. INM disagrees with this statement; we believe that foreign governments have initiated investigations and apprehended a number of major traffickers-groups. We further believe that GAO should identify how many Class I violators have been apprehended or eliminated abroad in the last year as opposed to the number in the United States.

Attachment 2

INM RESPONSE TO GAO DRAFT ENTITLED
"OPIUM ERADICATION EFFORTS IN MEXICO:
CAUTIOUS OPTIMISM ADVISED."

The Mexican Attorney General (AG) administers the narcotics control program and has assigned about 600 full-time personnel to the program. The Embassy's Narcotics Assistance Unit (NAU) has a program evaluator who advises the AG's office on program planning. Like the other programs in INM, Mexico has agreed to using a new programming system which outlines goals, objectives, milestones, indicators of success and implementation schedules for each project. At the time this audit was conducted, this system had not been developed or implemented.

The U.S. Embassy has worked closely with the Government of Mexico to develop a program to control effectively the production and trafficking of narcotics. The program is reducing significant amounts of Mexican heroin and marijuana entering the U.S. In 1976, Mexico supplied about 87% of the heroin and 70% of the marijuana consumed in the U.S. These amounts declined in 1978 to about 50% of the heroin and 30% of the marijuana which entered the U.S. There was a corresponding 70% decrease in heroin-related deaths, in the same period, which was attributed to the Mexican program. Projections for 1979 indicate that even smaller quantities of Mexican narcotics will be available.

The Mexican Government coordinated closely with the U.S. Embassy to devise a management and operations system to attack drug cultivation. Mexico has been divided into 12 administrative zones in which a zone coordinator directs all narcotics eradication activities. Mexico is constructing 15 forward bases in narcotics growing areas, 5 of which are completed, to utilize aircraft and related resources more effectively for locating and eradicating illicit narcotic crops. The Mexican military supports the program in the field with several thousand troops that are used to interdict narcotics and discourage drug cultivation. A U.S. civilian team has been contracted by the two Governments to verify from aircraft the eradication campaigns conducted throughout the year. The team conducts four 45-day reconnaissance missions during the Spring and Fall poppy growing seasons and its reports coupled with DEA seizure data confirm a continuing decline in narcotics production.

A U.S. company has been contracted by the Mexican Government to develop self-sufficiency in all aspects of aviation maintenance and training by 1982. Very favorable safety records and increasing aircraft utilization demonstrate the Mexicans are steadily reaching self-sufficiency.

One of the more significant projects of the program is the development of a Remote Sensing Poppy Detection System under a contract to NASA. The System will use a scanner carried by a Lear Jet capable of covering several thousand square kilometers per sortie to detect poppy fields using signature data in on-the-ground computers. The system will detect fields more quickly and more widely than the reconnaissance aircraft presently used. Implementation of the system is projected for 1981.

In conclusion, INM believes that the GAO recommendation to institute more comprehensive planning procedures has been accomplished. We in INM are even more optimistic about the efforts for the Mexican program in 1979 than we were when the audit report was completed in 1978.

GAO note: Deleted material refers to classified information not included in the final report.



UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated
and Refer to Initials and Number

AUG 02 1979

Mr. Allen R. Voss
Director
General Government Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Voss:

This letter is in response to your request for comments on the draft report entitled "Gains Made In Controlling Illegal Drugs, Yet The Drug Trade Flourishes," dated May 1, 1979.

The Department of Justice (DOJ) agrees with the General Accounting Office's (GAO) assessment of the magnitude of the worldwide narcotics traffic, the enormous profit associated with this criminal activity, and the long-standing problems that have impeded Government efforts in reducing the supply of illegal drugs. GAO has recognized some of the more notable successes of the supply reduction strategy in foreign cooperative ventures, in criminal law enforcement, and in diversion control. The report points out the enormous socio-economic costs of the illicit drug trade, both abroad and domestically, and rightly concludes that the hard-won gains in supply reduction must be preserved if these worldwide costs are to be reduced. DOJ supports the GAO call for executive branch actions toward better implementation of policy and improved interagency coordination, for judicial/legislative cooperation toward achieving bail and sentencing reform, for the selective application of enhanced resources, and for better integration in reduction of both supply and demand.

More particularly, DOJ agrees with the report's conclusions that new approaches in the areas of bail and sentencing and an expansion of the criminal jurisdiction of U.S. magistrates are needed to achieve a more effective response to the problems of drug trafficking. Indeed, these matters are receiving close attention within DOJ. With respect to bail, DOJ is



currently considering several means by which the serious difficulties presented by existing law might be reduced, consistent with constitutional requirements. As to sentencing reform, DOJ has been a strong advocate of legislative proposals to establish a comprehensive guidelines sentencing system in order to rationalize the exercise of sentencing discretion and enhance the deterrent effect of Federal criminal sentences. And, recognizing the untapped potential of magistrates to dispose of minor criminal cases quickly, efficiently and fairly, DOJ has proposed amendments to the Federal Magistrates Act that would improve the quality of those judicial officers and permit them to handle many cases that presently burden the Federal district courts.

The report contains some inaccurate and inconsistent statements which will be addressed later in the response. Because some of the findings are based on past performance, outdated information, and misinterpretations, the report tends to depict a negative view and does little to display the positive accomplishments the Government has made in reducing the supply of illegal drugs.

In the case of heroin, the reduction of supplies has resulted in significant decreases in purity available to the addict, in the raw number of addicts, in heroin-related deaths, and in heroin-related emergency room incidents. Since these indicators have continued over a 3-year period, this positive impact on an adverse phenomenon of great social concern can properly be termed a real accomplishment--one that is largely attributable to supply reduction efforts. The GAO report merely indicates that addicts have switched to other drugs, and fails to emphasize that these drugs are less injurious. Similarly, international enforcement successes against production centers and trafficking routes are minimized by pointing out that traffickers react by simply shifting their areas of operation; yet, it can be demonstrated that continuing disruption of trafficking operations results in measurable reductions of retail supplies.

Likewise, through the expenditure of considerable effort, successes have been achieved in improved interagency coordination at home and in the formation of international cooperation abroad. The ongoing multiton seizures off the Southeastern United States by the United States Coast Guard (USCG) and the mobilization of Colombian troops and their dispatch to outlying production areas are examples of positive contributions to a reduced supply of cocaine and marijuana within the United States. These and other accomplishments are current and show even greater promise for the future.

With regard to the matters discussed in the report, we differ with some of GAO's conclusions and also point out some important issues that are not addressed in the report. Our comments are referenced by chapter, subject matter, and page to the section of the draft report to which they pertain.

I. Chapter 2 - Reducing Drug Availability in the United States--Efforts Have Not Had Lasting Benefits

A. What successes have been achieved (pp. 17-25).

DOJ believes there have been lasting benefits and significant impacts. Any time the heroin retail purity drops from 6.6 percent in 1976 to 3.5 percent in 1978, it is obvious that Federal supply reduction efforts have had a significant impact. Such a trend continuing over a 3-year period cannot be termed other than lasting and significant. This indicates a certain amount of success in recognizing and meeting the shifting trafficking and distribution patterns.

The type of control maintained by the legitimate industry has virtually eliminated diversion at the manufacturing and wholesale level. These controls are chiefly due to Federal regulations and a cooperative spirit engendered by DOJ efforts. This situation is definitely lasting and significant. Also to be included in this category is the reduced supply of amphetamines and the ensuing reduction in abuse. Amphetamine production for human consumption in the United States has been greatly reduced, primarily because of Government decisions. Prior to Government control of amphetamine production in 1972, approximately 800 million dosage units were being produced. Current production is now 300 million, which is a 60 percent reduction, without impacting legitimate medical needs. Additionally, among other examples, significant reductions in the availability of LSD demonstrate the lasting benefits of Federal efforts.

B. Why does the problem persist (pp. 26-46).

The report states that in one drug-growing country many high government, police and military officials profit from narcotics trafficking with near impunity, and that widespread corruption exists within the principal unit empowered with narcotics enforcement. While we agree that corruption is

a serious problem in the country named, this statement is far too broad. That Government has taken significant steps to weed out corruption.

C. Proposed actions (pp. 46-48).

The GAO report states that the United States must carry out a much tougher and consistent stance to make real gains in reducing the availability of illicit drugs and must resolve some long-standing problems. DOJ is aware of these problems and within its authority is taking actions to resolve some of them. The numerous agencies involved in narcotics law enforcement, even when the focus is only on the Federal level, present a maze of conflicting procedures and priorities that negatively impact on the efficient and effective gathering of criminal evidence. For example, if a narcotics-laden vessel is located off the coast of the United States, the apprehension and disposition of the vessel and crew would involve several different agencies; however, the Drug Enforcement Administration (DEA) has primary responsibility for narcotics evidence gathering. Pertinent evidence may go unnoticed in the process because the agency or agencies then on the scene may not have responsibilities or capabilities for effective preservation of such evidence. To resolve some of these situations, the Criminal Division plans to have attorneys with experience in these matters meet with the various agencies to agree upon procedures for effectively managing the physical evidence and subjects that may be encountered.

While there have been problems in the past, the current climate indicates that cooperation between all agencies concerned has improved dramatically and is better and more effective now than it has ever been. The isolated problems that continue are insignificant and do not have a major impact on total drug enforcement. Unfortunately, the report does not address the very positive cooperative activities currently taking place. Included here are the joint DEA/Federal Bureau of Investigation (FBI) operations; the unprecedented cooperative efforts between the United States Customs Service (USCS) and DEA; the coordinated USCG and DEA operations in the crucial Caribbean area; the multi-organization cooperative venture at the El Paso Intelligence Center (EPIC); and numerous individual instances of successful cooperation on investigative operations.

Since the FBI does not have jurisdiction under Federal law to investigate narcotics violations, it is currently providing support to DEA in three major areas. These areas relate to (1) making available to the appropriate Federal, State, and local agencies certain of the FBI's centralized services; (2) debriefing FBI sources, subjects, and informants and disseminating this information to appropriate Federal, State and local agencies; and (3) providing investigative support.

For example, on May 8, 1979, DEA made available to FBI the identities of 2,348 Class I violators in the United States. This list of Class I violators was distributed to all 59 FBI field offices with instructions to search respective files on each violator and furnish results to the local DEA office. As a result of the FBI's narcotics dissemination program, based on the debriefing of informants, subjects, and suspects, for fiscal year 1978, the FBI has disseminated over 10,000 items of narcotics intelligence information to other agencies, resulting in 155 Federal arrests, and 45 State arrests as well as the confiscation of \$188,583,600 of narcotics-related items by Federal authorities, \$2,509,855 by local authorities, and \$981,750 by State authorities.

Support has been provided to DEA in a number of important areas. For example, in Miami, Operation Banco emanated through data compiled from financial institutions complying with the Bank Secrecy Act of 1970. This is a joint FBI/DEA operation whose primary objective is to identify and associate illicit financial gain with drug smuggling endeavors originating in Colombia, South America, and deter or immobilize those violators through proceedings utilizing the continuing criminal enterprise and Racketeer Influenced and Corrupt Organizations (RICO) statutes. Thus far, many grand jury subpoenas have been served to obtain bank account records, corporate records, and witness testimony depicting drug monies in excess of \$500,000,000. Additionally, some indictments have been returned, the most recent being the indictment under the RICO Statute of 11 members of a large narcotics organization.

In September 1977, the Attorney General approved the establishment of joint FBI/DEA investigative task forces in three selected cities--Chicago, Los Angeles, and New York.

DOJ agrees that a disturbingly broad variance of Federal sentences is imposed for similar narcotics offenses. Recent events have underlined the negative impact that inconsistent Federal, State and local law enforcement roles can have on major narcotics investigations. DOJ has a major responsibility for fostering cooperation at all levels between Federal and non-Federal authorities. We consider it essential that a Federal drug policy emanate from a single source in order to ensure effective direction and coordination of national and international drug control efforts.

DOJ does not believe that noncontraband drug-oriented paraphernalia should be a major focus of Federal criminal enforcement.

It is true that difficulties are encountered with developing countries and financial institutions in providing support for controlling illicit drug production. DOJ has completed negotiations with the Colombian Government concerning extradition and mutual assistance treaties. Additionally, DOJ is developing a plan that will address the question of how to deal with financial evidence derived outside the United States.

II. Chapter 3 - International Narcotics Control: Some Progress But Task Is Formidable

A. Eradication - short term results but no solution (pp. 50-58).

The report states that eradication programs have met with varying degrees of success, and that regardless of the degree of success achieved, these successes are likely to be temporary in nature unless actions are taken to provide growers with an alternative source of income. The report further states that Pakistan and Afghanistan, the world's largest producers of opium, and five other major opium, marijuana or cocaine producing countries have no eradication program, and like Mexico and Burma, these countries have similar inhibiting social, political and economic problems.

The concept of eradication cannot be applied broadly to all areas. The area used for the cultivation of marijuana in Colombia, for example, has been used for such only recently. Its current large-scale production evolved only within the last 3 to 5 years. An eradication program in Colombia would entail socio-political problems. The influx into the country

of enormous amounts of money generated by the marijuana traffic is already causing serious economic problems. The Colombian Government has recently expressed a renewed interest in eradication. To reduce marijuana in the United States will require destruction of the Colombian crop and other principal sources. In Colombia, eradication, combined with an adequate regulatory program and the continuation of existing interdiction efforts, may well provide a viable long-term solution to the Colombian marijuana problem.

In September 1978, the International Securities Assistance Act of 1978 was enacted as an amendment to the Foreign Assistance Act of 1961. This amendment prevents the usage of monies authorized under the Foreign Assistance Act for any program involving the spraying of marijuana with any herbicide if it is likely to cause serious harm to the health of persons who may use or consume the sprayed marijuana. The prohibition does not apply to a herbicide used in conjunction with another substance that would clearly identify the marijuana as having been sprayed. As provided under this Statute, the Secretary of State has informed the Secretary of Health, Education, and Welfare (HEW) of the use of paraquat by Mexico to spray marijuana. The Secretary of HEW recently has circulated his proposed determination on the "serious harm" test to the Secretary of Agriculture and the Administrator of the Environmental Protection Agency for comment, as required by the Statute.

With regard to countries such as Peru and Bolivia, the report correctly points out that eradication or any other meaningful control must be accompanied by some type of long-term economic development program (not necessarily crop substitution) in order to present a viable long-term solution.

- B. Cooperative enforcement is important to foreign strategy (pp. 77-88).

GAO states that in its 1975 report on South America, Embassy officials believed that sometimes DEA agents pose a real threat to country relations and DEA agents were often not willing to balance enforcement efforts with the overall objectives of the mission. GAO further states that unnamed State Department officials experienced similar beliefs in early 1978 when they found it objectionable that "U.S. Police" were operating in a foreign country and they believed that

U.S. interests in the long run would be better served if host government police were able to conduct unilateral drug enforcement without relying on DEA's involvement. The above statements contrast sharply with testimony given before several Congressional hearings on this subject by top level State Department representatives in which they contradict GAO's statements and strongly support the need for DEA agents overseas. Liaison with the direct and timely exchange of criminal information to support prosecution will always be a requirement.

DOJ took exception to the 1975 report because GAO failed to obtain the points of view of foreign government officials in the nations being examined and this same omission has been made again.

The report does not mention the specific types of behavior that U.S. Embassy officials found objectionable. All DEA offices in South America are committed by 5-year cooperative work plans which were implemented in September 1977. These work plans involve working with the Department of State on joint ventures such as (1) encouraging host governments to increase moral and financial commitments to international narcotics control programs, (2) initiating stricter coca production control systems, (3) developing crop substitution or diversification planning, and (4) exploring other possible legitimate uses for coca leaf. In addition, DEA is committed to upgrading host country narcotics law enforcement. Toward this end, current efforts by on-site DEA agents are aimed at augmenting an intelligence base on international narcotics traffic and traffickers, observing the expertise and evaluating the effectiveness of host country law enforcement agencies, identifying problem areas encountered by local enforcement agencies, and recognizing areas where any component of the U.S. mission can contribute to combatting the narcotics problem.

Congressional delegations who have visited Latin America in 1977, 1978 and April 1979 did not report, as a result of their on-site visits, the adverse situations GAO mentions. On the contrary, the Select Committee on Narcotic Abuse and Control, in their August 1977 study mission, found that DEA and host country relations were excellent and DEA's presence important and needed.

III. Chapter 4 - Border Management Problems Need to be Resolved
(pp. 96-116)

GAO states that "Rather than serving to illustrate the effectiveness of law enforcement, some enforcement officials believe the high volume of seizures merely indicates the tremendous amounts of drugs passing through the region. In fact, it has been estimated that U.S. Customs seizes less than 5 percent of the total amount of illicit drugs in South Florida."

While the large seizures do indicate the tremendous volume of drugs available, they also are an indicator of improved cooperative enforcement. DOJ estimates the percentage of marijuana now seized, destroyed, or abandoned at sea en route may be in excess of 20 percent of that being imported into the U.S.A.

IV. Chapter 5 - Immobilizing Major Drug Violators: An Elusive Goal

- A. Enforcement strategy requires close coordination and DEA is not yet proficient in conspiracy cases (pp. 118-127).

GAO states that "Even though DEA has increased its emphasis on conspiracy and financial investigations, it has not yet attained proficiency in investigating major interstate and international drug violators. Many DEA agents have not been trained in the latest financial conspiracy techniques, and intelligence functions often do not receive the priority they deserve. DEA needs to do much more if the Federal Government is to be successful in attacking major drug traffickers and their assets."

DOJ does not entirely agree with these statements. DEA has increased its emphasis on conspiracy investigations through several different modalities. The major ones include a significant increase in specialized training in this area, establishment of conspiracy units in some regions, and concentration on conspiracy investigations in the Central Tactical Unit (CENTAC) program.

Since 1972, DEA has provided conspiracy training at its training center to 1,253 special agents. Additionally, DEA has trained 439 State and local police officers. The Office of Training has also conducted one to two conspiracy seminars in each DEA region for an additional 511 special agents. Therefore, of 1,926 agents, 1,764 have received conspiracy training.

In addition, the Criminal Division, DEA, and the Attorney General's Advocacy Institute have sponsored nine controlled substance conspiracy conferences; the tenth is scheduled for August. These conferences stress the use of the continuing criminal enterprise and RICO statutes as well as advocating the use of investigative tools, such as Title IIIs. Coincidentally, prior to receiving the draft report, the Criminal Division arranged to assign one of its experienced attorneys to DEA at the beginning of any CENTAC investigation to monitor and counsel its development. The Criminal Division has arranged that DEA advise the Division whenever DEA makes any major investigative investment, be it CENTAC, a mobile task force, or any other type of case.

The report fails to give recognition to successful conspiracy investigations developed by DEA that have had national and international impact. These include, to mention only three, the Nicky Barnes case in New York, the Valenzuela case in New York and California, and the Hell's Angels conspiracy in San Francisco, California.

DEA's Region One, headquartered in New York, has two conspiracy groups--one in the Eastern District and another in the Southern District. Region One also has the New York Joint Drug Enforcement Task Force, a joint effort between DEA and the New York City Police Department, which works almost exclusively on conspiracy investigations.

The CENTAC program, headquartered at Washington D.C., has concentrated its efforts at high level violators, most of whom have been indicted on conspiracy charges. An example, is CENTAC 12 which centered on major heroin, cocaine, and marijuana violators who used a sophisticated network of corporate and legal fronts. In this one conspiracy investigation alone, 311 defendants were indicted, of which 56 percent were Class I and II violators.

B. Intelligence has frequently received too little priority (pp. 125-126).

This statement may have been true in the past, but since 1978 intelligence has received greater emphasis.

In DEA's domestic field reorganization in 1978, the position of Regional Intelligence Coordinator was established at each region. Frequent coordination between these officers and Headquarters staff elements has ensured that field intelligence resources are optimally applied in support of enforcement operations.

Most recently, the overall intelligence program has been authorized to hire to full strength. In addition, to increase field positions, the Headquarters' staffs charged with operational and strategic intelligence have each been furnished with an additional 14 positions. These gains will have a significant impact on the overall DEA intelligence function.

The report comments elsewhere on the National Narcotics Intelligence Consumer's Committee (NNICC), but the unifying and coordinating impact of the NNICC on narcotics intelligence should be mentioned here also. The report also does not recognize the highly favorable impact that strategic studies and weekly and quarterly trend reports have had on producing an informed national community. These products have won manifest respect from both the executive and legislative branches. The especially significant growth of EPIC should be mentioned because of its unifying impact on interagency enforcement activities. The development of the Unified Intelligence Division, blending information available at the Federal level with criminal intelligence in the New York City area from State and local police, and its major impact on trafficking in a key metropolitan area is also not recognized.

C. The CENTAC program typifies DEA's experience with conspiracy cases (pp. 126-127).

The report states that an ". . . analysis of five recent CENTACs indicates that, in most cases, the efforts did not achieve the overall objective--complete immobilization of the targeted drug trafficking organizations."

Complete immobilization of some targeted drug trafficking organizations may be impossible. DEA has input into the arrest, indictment and, to a lesser degree, the convictions of a defendant, but does not have control of bond dispositions, time between arrest and incarceration, length of incarceration, or the extent to which major violators are able to function while in prisons and jails.

A documented case demonstrates that incarcerated traffickers can continue to function while technically immobilized and in prison. The violator in question was incarcerated for 19 years and continued to direct a drug trafficking organization. While in prison, he was convicted and sentenced for an additional 25 years for conspiracy to violate Federal drug laws. Later, he was indicted and convicted by a State for an additional 12 years for conspiracy to violate drug laws while incarcerated. A second State is still prosecuting after indicting him for other violations of their drug law. Additionally, 13 members of his family and three of his attorneys have also been indicted, arrested, and in most cases already convicted and sentenced.

CENTACs were originally designed to attack drug-related organizations through conspiracy prosecutions. In one CENTAC initiated almost 3 years ago, over \$300 million from a major trafficker was traced and \$250,000 seized in cooperation with the Swiss and Panamanian Governments. Efforts since then have continued to increase, in CENTAC and other DEA operations, the attack on financial assets as a tool toward immobilization. Since CENTAC 18 (and also including CENTAC 12) the effort to attack the financial holdings of these organizations is of major importance and is established as a primary objective in the initial development of the operational plan for each new CENTAC. In the first 9 months of fiscal year 1979, DEA has developed more indictments under the Continuing Criminal Enterprise Statute than the entire previous year.

- D. Lack of Justice Department direction has caused varied commitments to drug prosecutions (pp. 128-131).

The GAO report states that the lack of clear policy regarding the Major Drug Traffickers Prosecution Units (MDTPU), together with a lack of DOJ control over drug prosecutions, have meant that individual U.S. attorneys vary in their commitment to the MDTPU prosecution program and their methods of operating. DOJ agrees that more emphasis must be placed on the MDTPU. However, some of the deficiencies GAO mentions are not necessarily weaknesses. For example, assignments of new personnel, or assignments of personnel for short periods to MDTPU is not necessarily counterproductive to an effective program. Attorneys have to be trained, and training them in a narcotics unit is the best way to develop good narcotics prosecutors. To interest the best prosecutors

in litigating drug cases, it is often necessary to assure them that they will be available to try major nondrug cases. If a good program is in effect, some limited attorney turnover can be tolerated. Additionally, it is not inappropriate for a MDTPU to address the entire spectrum of narcotics violations, including so-called "small drug cases." This kind of scope may be necessary for developing expertise, orienting DEA investigations, and identifying witnesses and leads for more significant cases.

DOJ envisions an enhanced role in developing coordination and communication not only among the specialized units, but among all U.S. attorneys' offices. The diversity and inconsistency GAO mentions is a natural and probable consequence because of the broad autonomy the U.S. attorneys have in their respective districts. We do believe better coordination and communication can be effected and efforts to improve this area are being made through closer liaison and training. GAO suggests three alternatives for strengthening the Department's nationwide drug prosecution strategy. We concur with increasing Narcotic and Dangerous Drug Section (NDDS) authority over unit activities, as well as with implementing uniform priorities, at least in the broad general sense, among the offices. We disagree that a strike force type of regime in the narcotics prosecution arena should be imposed. First, with narcotics cases representing 30 percent of the caseload nationwide, there is no way that a strike force type of program can be sufficiently comprehensive to be effective. Secondly, the problem in the narcotics arena is seen not as exceptional, but rather as symptomatic of all Federal law enforcement. The needs for coordination, control, policy standards and uniformity exist in other enforcement areas as well, although perhaps not to the extent that they exist in the narcotics area.

E. Internal Revenue Service's (IRS) role in drug enforcement is limited (pp. 132-138).

The difficulties encountered in engaging the IRS to investigate narcotic crimes are not unique. A Criminal Division attorney has been assigned the task of developing expertise in financial investigations which will include an attempt to resolve some of the misunderstandings concerning the effective use of the IRS. DOJ realizes it will have to take the lead because it impacts on all law enforcement. Since financial investigation lies at the heart of almost all significant Federal enforcement efforts, something will have to be done to streamline DOJ's ability to obtain and use the information available to the IRS. Although the

report suggests that there is not yet sufficient information to determine whether the IRS problem is an intolerable one, DOJ believes the situation is unacceptable.

The Tax Reform Act of 1976 was based on legislative perceptions of the tax return's sensitivity and the taxpayer's right to privacy. During an earlier period, at the initial development of the Organized Crime Strike Force concept, tax return information played an integral role in initiating, developing, and prosecuting cases against high level narcotics traffickers and traditional organized crime families. Through passage of this Act, Federal investigators are now impeded from receiving this invaluable information except with an ex parte court order, a cumbersome judicial process of varying length. Once a request is processed through the judicial system, the time period for actual receipt from IRS ranges from 6 months to 1 year. Because of the time frame, the case could be adjudicated, making the material useless.

Current internal policy interpretations and the resultant constraints placed upon IRS special agents prohibit them from disseminating tax return information, even though there may be a clear relationship to narcotics trafficking. Moreover, IRS agents may receive other Federal agencies' information in pursuing tax investigations, but are constrained from reciprocation of this information exchange, even with non-tax return information. These reasons--of both law and internal policy constraints--have greatly contributed to the loss of IRS participation in the overall Federal effort to jointly prosecute major drug traffickers.

F. FBI attack on organized drug crime has yet to be realized (pp. 138-141).

As stated previously, the FBI does not have primary investigative jurisdiction under Federal law to investigate narcotics violations, but is currently providing support to DEA. The FBI and DEA, since September 1977, have exchanged more information and worked far more effectively than at any time in their history. While the individual special task forces have had mixed results, the opportunity for individual joint case development has been enhanced and several joint DEA/FBI investigations are either underway or contemplated.

- G. The Bank Secrecy Act has not yet been as useful to drug enforcement as originally intended (pp. 141-145).

While the Bank Secrecy Act has not been as useful to drug enforcement efforts as originally intended, this situation is changing. The Treasury Department has created a Currency Investigations Division in the USCS to handle reports filed pursuant to the Act. The information in the reports is fed into the USCS Treasury Enforcement Communication System computer, from which it can be easily retrieved. Sophisticated matches and searches are now possible. Investigative leads are referred to the field and other law enforcement agencies, while arrangements have been made with DEA to provide information which meets certain agreed-upon criteria. Access by investigators and prosecutors in the field has also been streamlined. Finally, increased enforcement of the Currency Transaction Reports and the addition of the crime of attempt as applied to outbound travelers will greatly increase the generation of information envisaged by the Act.

- H. Achieving international assistance against traffickers: results have been disappointing (pp. 145-154).

Some of the outstanding examples of major successes that have been achieved through international cooperation include the arrests abroad of such major syndicate leaders as Yow Teh, Pak Yok Lin, Tan Suan-chin, Michael Pokorney, Vitaya Isaraphanich, Jaime Herrera and John Grammatikos. These cases are summarized below.

Yow Teh

Officers from the German Federal Police and the Hamburg Criminal Police arrested Yow Teh and an accomplice on July 5, 1979 in Hamburg. A seizure of 38 kilograms of #3 heroin in late May led to the arrests. Yow Teh is a Malaysian citizen who, prior to his arrest, was the alleged leader of a Singapore/Malaysian syndicate believed responsible for controlling the distribution of heroin throughout Scandinavia, northern Germany, and The Netherlands. He also was identified as an investor and an active partner in a travel service that arranged for an unsuccessful shipment of 138 kilograms of #3 heroin seized in Bangkok in late 1976. Authorities were able to successfully conclude the investigation as a result of close cooperation between narcotics police in Germany, Singapore, Thailand, The Netherlands, Denmark and Belgium.

Pak Yok Lin

When Pak Yok Lin was arrested in Bangkok in May 1976, his syndicate had been regularly supplying heroin in nine-pound lots, often in golf bags carried by Caucasian "tourists," to the United States, Canada, Europe and Australia. Released for "lack of evidence" (reportedly a \$50,000 bribe), he disappeared from view until 1978, when his trafficking activities again came to DEA's attention. In late May 1979, a joint DEA/Thai investigation culminated in the arrest of Lin and ten others, and the seizure of a total of 15 kilograms of #3 heroin in Bangkok. Arrested with Lin was a fugitive from Hong Kong who had been arrested in 1974 for conspiring to import almost six metric tons of opium and well over four tons of morphine. He has since been actively smuggling heroin from Bangkok to Hong Kong and the United States. A second member of Lin's group has been identified as the source of supply for over 500 kilograms of #4 heroin during 1978, some of which was seized in Europe.

Tan Suan-chin

Tan Suan-chin, a citizen of Singapore, was a major international trafficker, whose base of operations was in Sweden. Suan-chin, an independent trafficker who organized and financed his own operations, supplied the heroin market in The Netherlands. In 1975 he was allegedly responsible for the importation of 125 kilograms of #3 heroin into that country. In 1976 he attempted to smuggle a single shipment of 138 kilograms of #3 from Bangkok to Amsterdam, but the heroin was seized in Bangkok. Several months later, Swedish authorities arrested him on conspiracy charges for his participation in that unsuccessful venture. A Swedish court sentenced him to ten years and upon completion of his prison term he will be expelled from Sweden.

Michael Pokorney

Michael Pokorney started his smuggling activities while stationed in Bangkok with U.S. forces in 1974. Shortly thereafter, Pokorney emerged as the head of a well-organized organization that was smuggling and distributing multi-kilogram quantities of Asian heroin from Thailand to Detroit, Michigan, Washington, D.C., and New York, New York. Pokorney utilized couriers who traveled to Thailand and then returned to the United States via Hong Kong and Europe. Pokorney consigned the heroin to high-level black traffickers in Detroit. On August 23, 1978, Pokorney was arrested by DEA

in Detroit for drug trafficking, racketeering, income tax evasion and continuing criminal enterprise. On March 22, 1979, Pokorney was sentenced to 15 years of custody, fined \$60,500 and forfeited all assets for operating a criminal enterprise. Pokorney also received a concurrent sentence of five years and a \$10,000 fine for income tax evasion.

Vitaya Isaraphanich

Vitaya Isaraphanich, a Thai national, utilized Thai, Filipino and Black American males to smuggle heroin into the United States. Isaraphanich also used a tropical fish business, air freight and diplomatic channels as methods of smuggling heroin. Isaraphanich claimed he had a Thai police contact in Bangkok to alert him to DEA's knowledge of his heroin shipments. Isaraphanich was arrested in September 1978 with ten ounces of Asian heroin. In March 1979 he was given a suspended sentence of ten years and five years probation.

Jaime Herrera

On October 10, 1978, Jaime Herrera-Nevarez surrendered himself to Mexican authorities. Herrera had been long documented as the major heroin source in Mexico supplying the Chicago area. His surrender was a result of pressure placed by American authorities. Herrera was subsequently tried and convicted of trafficking in heroin and sentenced to 5 years and 3 months in prison. The significance of this arrest lies in the fact that Herrera was the head of an organization numbering several hundred traffickers, including chemists, financiers, and major distributors.

John Grammatikos

On April 2, 1979, DEA agents returned from Switzerland with an internationally notorious heroin trafficker. With the cooperation of the Greek and Swiss police, John Grammatikos, alias Johnny Grams, was arrested at Zurich, Switzerland as he deplaned in January of 1979. Grammatikos headed a group known to have smuggled at least 75 kilograms of heroin into the U.S. since mid-1977. Switzerland has an extradition treaty with the United States and that instrument was utilized to bring the defendant back to the United States for trial.

GAO's statement that there have been disappointing results in achieving international assistance against traffickers is not supported by the facts. Because of the critical impact that international treaties have on domestic prosecution, several Criminal Division attorneys have participated in ongoing negotiations with the Government of Colombia. Agreement has been reached on an extradition treaty and a treaty of judicial assistance. DOJ agrees that the JANUS program has to be managed more effectively and has therefore assigned a Criminal Division attorney who has primary responsibility for international matters to coordinate this program.

As in all matters dealing with human behavior and national interests, there are bound to be problems and, most certainly, disappointments. Nevertheless, there have been many accomplishments. It must be remembered that until a few years ago, many foreign governments simply dismissed the notion that they had a drug problem, contrary to existing evidence. It was much easier to identify drugs as a U.S. problem. Today the situation is quite different. Many of these same countries now recognize their own internal problems and are actively seeking our advice and counsel on drug enforcement and related matters. As a result, international cooperation, although still nationalistically oriented, has improved dramatically. This, in itself, must be viewed in positive terms, as should be the entire international effort of the U.S. Government; and to that end, DEA has been in the forefront both in practice and principle. Unprecedented results in Mexico, Burma, Thailand, and Colombia attest to the success of this intensive campaign.

I. Diversion of legal drugs: a flourishing activity with little enforcement attention (pp. 154-161).

GAO states that ". . . retail diversion has been neglected at the Federal and State levels." DEA has initiated several programs aimed at retail diversion. It is true that these efforts have not had a major impact on this form of diversion, but GAO, in a recent report on the subject, "Retail Diversion Of Legal Drugs--A Major Problem With No Easy Solution," dated March 10, 1978, stated: "The Drug Enforcement Administration's efforts to control retail diversion are severely restricted because of inadequate statutory authority, weak regulatory requirements, and inadequate resources. The Controlled Substances Act provides the agency with extensive authority to register and regulate drug manufacturers and

distributors, but not practitioners Security regulations for safeguarding drugs are virtually nonexistent, and the agency lacks statutory authority to establish stronger ones."

GAO states that as a result of DEA's lack of statutory authority, ". . . the responsibility to control drugs at the retail level has been relegated to the States. . . ." The States were given the responsibility at the retail level, not as a result of DEA inability, but as a part of the overall design of the Controlled Substances Act, whereby DEA was given strong statutory authority at the manufacturer/distributor level and the States, who actually authorize individuals to practice, maintain responsibility for practitioners.

GAO should note that three different methods of funding were used for the Diversion Investigation Unit (DIU). Initially, the Law Enforcement Assistance Administration (LEAA) funded the DIU program because DEA lacked funding authority. In fiscal year 1977, DEA obtained its own appropriated funds, but as a transition measure transferred these funds to LEAA to continue the program. Commencing with fiscal year 1978, DEA has been funding the DIU program with its own appropriated funds through cooperative agreements with the States.

J. Recommendations (pp. 164-165).

GAO recommends that the DEA Administrator improve investigative capability against drug traffickers' financial resources by training DEA agents and hiring financial specialists to assist in investigations. Since DEA began its financial intelligence/investigative program in early 1976, its agents have been sensitized to the potential of this relatively new addition to the agency's law enforcement arsenal. Briefing sessions have been conducted as part of DEA's training courses in conspiracy, intelligence analysis, intelligence collection, advanced agent, and supervisory training. Hundreds of other agents, and a like number of Federal prosecutors, have participated in financial investigative/prosecutive workshops conducted under the joint DEA/DOJ Advanced Controlled Substances Conspiracy Seminars.

A separate course of instruction in financial investigation has been devised and is currently being taught at DEA's National Training Institute in Washington. At the first offering of the course, May 25-29, 1979, representatives from the Criminal Division, USCS, and the Central Intelligence Agency attended. Key enforcement supervisors and

intelligence analysts were among the course participants. Additional Financial Investigation Training Seminars are scheduled with an anticipated attendance of approximately 70 DEA supervisory personnel. The course is aimed at familiarizing agents and their supervisors with the latest techniques in mounting effective attacks on criminally-acquired assets as a means of immobilizing trafficker organizations.

Current DEA requirements for the establishment of each new CENTAC operation include the formulation of a comprehensive plan to seize and effect forfeiture of trafficker assets. The 8 CENTACs now underway include such planning.

GAO further recommends that the Attorney General continue to monitor and improve the operation of DEA/FBI Task Forces, and seek additional means to use the FBI's expertise in investigating the financial aspects of drug trafficking and organized crime. After the establishment of FBI/DEA joint teams in New York, Chicago, and Los Angeles in 1977, the Department monitored and encouraged the activities of the teams, assisted in the resolution of problems which arose shortly after the teams were formed, directed their efforts toward organized crime members, and monitored the production of the teams toward selected targets. Close and frequent liaison between various levels of the management of FBI and DEA fulfill an ongoing troubleshooting function. This contact also permits the generation of new approaches for productive coordination of the mission accomplishment of the two agencies.

V. Chapter 7 - Mobilizing State And Local Resources Is Easier Said Than Done (pp. 186-197)

GAO states that ". . . the Federal role should deemphasize direct involvement in enforcement actions against low-level violators, such as in some Task Force operations, so that DEA's resources will not be diverted from their primary mission."

DEA does not place emphasis on enforcement actions against low-level violators. There are no State and local task forces that purposely target low-level traffickers. The Task Force Program represents a unique Federal/State/local

partnership which has tangible and intangible benefits that cannot be measured merely by examining the level of violators. Through the Task Force Program, an expanding cadre of local police officers is being trained and experienced in proven drug enforcement techniques. These officers can now more effectively enforce State and local drug laws without DEA's expertise or assistance, leaving DEA free to concentrate its efforts and resources at higher levels.

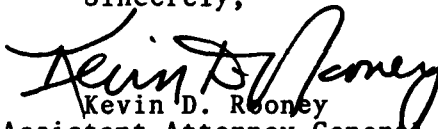
Over the years the mission of the task forces has changed. Originally the mission was to train local officers and focus on lower-level violators. Now the mission has evolved to target violators based on the geographic needs of the task force area, which are generally higher than the original scope of the program. This level is dependent on the problem within a community. For example, a New York City Task Force might be expected to have higher-level traffickers than a St. Louis Task Force.

The quality of task force cases has been steadily improving while the number of arrests has declined. This means that task force resources are successfully being directed toward a higher level of the drug traffic. In the 6-month period that ended December 1977, 13 percent of task force arrests were Class I cases (higher-level violators), and 55 percent were Class IV cases (lower-level violators). In a more recent 6-month period ending December 1978, 18 percent of task force arrests were Class I cases and only 42 percent were Class IV.

Following the Attorney General's policy guidance to encourage more self-reliance by State and local law enforcement agencies, DEA has taken several steps to enhance this policy. DEA no longer funds the salaries of participating police officers in task forces as it did previously. All new task forces will have a 3-year life span, unless a justification is recognized for continuance. All existing task forces are evaluated each year for decisions on continuance.

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

Sincerely,


Kevin D. Rooney
Assistant Attorney General
for Administration



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

ASSISTANT SECRETARY
FOR ADMINISTRATION

JUN 11 1979

Mr. Henry Eschwege
Director
Community and Economic
Development Division
U. S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

We have enclosed two copies of the Department of Transportation's (DOT) reply to the General Accounting Office (GAO) draft report, "Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes."

If we can further assist you, please let us know.

Sincerely,


Edward W. Scott, Jr.

Enclosure



DEPARTMENT OF TRANSPORTATION REPLY

TO

GAO DRAFT OF A PROPOSED REPORT

ON

"GAINS MADE IN CONTROLLING ILLEGAL DRUGS,

YET THE DRUG TRADE FLOURISHES"

Summary of GAO Findings and Recommendations

This GAO draft report assesses the Federal Government's drug enforcement efforts during the last 10 years. While it identified notable successes which have shown some positive results as can be measured by decreased drug-related deaths and injuries, it found that drug trafficking and abuse still flourishes. The study suggested four major reasons for this: the social, economic, and political realities of drug growing countries; the enormous profits of drug trafficking; the ease of entry and distribution of drugs; and the fact that the actions needed to fully support federal drug strategy implementation have not materialized.

The draft report offered recommendations to deal with the problem areas identified. They are:

- (1) The drug problem requires federal partnership and a tougher stance. The Executive and Legislation branches must form a partnership to agree upon and affirm national policy for dealing with drug abuse problems.
- (2) Border management problems need to be resolved. The Executive Branch should develop an integrated strategy or a comprehensive border control plan to establish clear, measurable objectives including what it intends to accomplish with various law enforcement resources.
- (3) Opportunities to overcome obstacles in immobilizing major traffickers. Recommendations include strengthening prosecution of major traffickers, improving DEA investigative capability, and continuing to monitor and improve the operation of DEA/FBI Task Forces.
- (4) Strengthen immobilization efforts through changes in bail and sentencing practices.
- (5) Clarify federal, state and local enforcement rates.

Summary of Department of Transportation Position

The Department offers the following concerns regarding the draft analysis and recommendations:

- (1) The draft report, in Chapter 2 (p. 44), suggests that drug supply reduction efforts have yet to achieve a well-integrated, balanced, and truly coordinated approach. We believe that this comment does not recognize the high level of interagency cooperation that has emerged over the past year. Also, the accomplishments attendant to this cooperative effort are either not recognized or are described as temporary in nature. In this respect, we might also note that neither the report nor the Appendix III list of GAO Reports on Drug Control, took note of the February 1979 GAO Report (CED-79-40) "The Coast Guard's Role in Drug Interception - How Much is Enough?"

- (2) Chapter 4 of the draft report discusses border management problems. We are concerned that the report did not recognize maritime smuggling threats outside of the southeastern region of the United States. The report further suggests that the Coast Guard can not stop foreign mothership trafficking due to lack of jurisdiction or authority. We would like to make note of two exceptions to this statement. According to the 1958 Convention of the High Seas, stateless vessels, that is, those not registered in any country, are subject to boarding by any war ship (which includes Coast Guard vessels). Further, through the provision of the 1958 Convention of the High Seas, the Coast Guard may seek permission of the vessels country of origin to board, determine if contraband is on board and, if necessary, to take action on the part of the country of origin. References to this authority, as well as to the Coast Guard's high seas drug law enforcement successes are discussed in further detail in the above mentioned, GAO Report, CED-79-40.
- (3) We agree with the comments in Chapter 4 which state the importance of control of U.S. borders in disrupting the entire drug supply chain -- through seizure of illicit drugs, discovery of traffic activities, arrest of drug couriers, and the possible determination of the suppliers and distributors. We also agree that border control is presently achieving only limited success in interdicting drug supplies.
- (4) We are recommending alternate language for the discussion of the relationship between marijuana use and automobile accidents found in Appendix I, "Extent of Costs of the Drug Problem" p. 206. This revised language presents a more accurate description of our understanding of this problem. We recommend that paragraph 2 of page 206 be rewritten as follows: "Although marijuana is infrequently mentioned in medical examiner and emergency room reports to the DAWN System, the suspected relationship between marijuana use and automobile accidents is cause for concern. There is some preliminary evidence to indicate that marijuana use at typically social levels could impair some individual's driving ability and related skills. Some data suggests that the impairing effects resulting from marijuana use may persist for several hours beyond the period of apparent intoxication. Individuals who are not aware of this phenomena may attempt to drive without realizing that they may still be impaired."



DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

SEP 27 1979

Dear Mr. Voss:

We wish to thank you for providing us this opportunity to comment on the GAO report entitled, "Gains Made In Controlling Illegal Drugs, Yet The Drug Trade Flourishes." The Treasury Department and the Internal Revenue Service have each reviewed the draft report. This single response incorporates the comments of both the Department and the IRS, and is signed by Richard J. Davis, Assistant Secretary (Enforcement and Operations) and Jerome Kurtz, Commissioner of Internal Revenue, with respect to the programs under our own respective authority.

The Treasury Department agrees that the problem persists on a large scale, despite the most energetic enforcement, crop eradication, treatment, and educational efforts of Federal, state and local authorities over the last decade. As the report states, we are still confronted with an unacceptable level of drug abuse, producing major social, economic and physical damage to many Americans.

Our experience confirms the need for an integrated approach not only to border interdiction, but to the entire Federal drug effort. It is obvious that no single approach, program, or action will decide the issue or assure success. We agree with GAO that the Federal effort must confront the problem and attack it at all points, particularly those most vulnerable to Federal action. Furthermore, we have agreed with previous GAO recommendations, again included in this report, for more coordinated and integrated operations among Federal enforcement agencies.

Specifically, with regard to border interdiction, which the report regards as "an important opportunity for interdicting illicit drugs and obtaining intelligence," we do not believe sufficient recognition has been given to the growing cooperation among involved agencies during the past two years. The Treasury Department, in conjunction

- 2 -

with the Customs Service, has undertaken efforts to improve the coordination of its interdiction program with all other involved agencies. Customs, Coast Guard, DEA, and INS officials at all levels meet frequently to assure cooperation of agency policy and operational activities. A series of joint interdiction operations has been undertaken at several border areas, as well as at airports. Intelligence, the vital key to interdiction success, has been enhanced by the El Paso Intelligence Center with all other involved agencies in developing and disseminating both tactical and strategic information on drug smuggling. The result has been a more effective Federal enforcement effort. Finally, under the auspices of the White House, regular meetings of the principal heads of agencies involved in the drug problem have resulted in significant progress.

This integrated effort has most recently been directed to the massive smuggling in Florida and adjoining areas. Initially, the smugglers, employing "mother" ships, conducted almost unhampered operations. Responding to this smuggling threat, all of the Federal agencies, as well as state and local agencies, have formed a fully integrated enforcement program. Coast Guard cutters, many including Customs Patrol Officers, have intercepted an increasing number of smuggler craft and enormous quantities of marihuana. Many of these smuggler vessels were initially sighted or tracked by Customs aircraft. Augmenting these efforts to intercept these smuggling vessels has been the activity of the Customs Marine Patrol, which has also recorded increases in seizures. DEA also has been fully involved in these operations and active in supplying information on vessels and aircraft involved in smuggling. Similar integrated efforts exist within the seaports and airports, contributing to numerous major cocaine seizures. Assisting in supporting these efforts is the joint Customs, DEA and FBI program to intercept illegal transfer of funds used for purchasing drugs in Colombia and other countries.

We are currently reviewing the marihuana smuggling problem in Florida with the Department of Justice in order to determine what additional steps should be taken to ensure that all appropriate situations are adequately investigated.

The Department and the IRS are also in substantial agreement with the statements and conclusions made in the report. The IRS views on certain areas covered in the draft report are included in departmental and IRS responses to two other GAO reports - "Disclosure of Summons Provisions

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of 1976 Tax Reform Act - Privacy Gains with Unknown Law Enforcement Effects" (GCD-78-1100) issued March 12, 1979, and "Better Use of Currency and Foreign Account Reports by Treasury and IRS Needed for Law Enforcement Purposes," (GCD-79-24) issued April 6, 1979.

The draft report is correct in stating that the High-Level Drug Leaders Tax Enforcement Project is designed to focus IRS resources on individuals who have received substantial untaxed income from illegal drug traffic. The project focuses on those individuals who can be linked to drug trafficking only through the analysis of financial transactions. The IRS believes that this is an appropriate use of its limited resources. Project guidelines also require that the IRS use its jeopardy and termination assessment authority only in those instances justified under the provisions of existing law.

Additional details concerning the High-Level Drug Leaders Project appear in the June 14, 1979, statement of Singleton B. Wolfe, Assistant Commissioner (Compliance) of Internal Revenue, before the House Select Committee on Narcotics Abuse and Control. A copy of that statement is enclosed.

As indicated in Mr. Wolfe's statement, the Internal Revenue Service gives a high priority to the High-Level Drug Leaders Tax Enforcement Project. This special emphasis is reflected, among other things, by the special attention given DEA Class I information items as compared to the processing of other information items received by the Service. IRS follows a different procedure for processing DEA Class I information items to assure that each of these items receives a district office evaluation.

In consonance with the DEA-IRS July 27, 1976, Agreement, the IRS is continuing to work with DEA to improve the coordination between the two agencies to provide more effective enforcement against high-level drug traffickers and financiers. DEA requests for tax information, of course, will be made in accordance with provisions of the Tax Reform Act of 1976. On this point, the IRS is in basic agreement with GAO and recommendations made on pages 164 and 165 of the draft report. Although section 6103 of the Internal Revenue Code in its present form may not be a perfect balance of the competing interests (disclosure versus privacy), the IRS suggests that additional experience is needed under the Tax Reform

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Act of 1976 and that additional efforts be made to utilize the means of informational exchange available under the present law.

With respect to the multilateral development banks, a subgroup of the President's Strategy Council on Drug Abuse examined the subject of economic assistance for narcotics producing regions. The subgroup, chaired by Assistant Secretary Davis, recommended an interagency agreement to institutionalize a formal Justice/State/Treasury reporting system to assure that all agencies are aware of the narcotics growing regions' developmental projects which might be relevant to reducing narcotics cultivation, and the actions being taken by each agency. The interagency agreement went into effect on March 28, 1979.

With respect to the narrative and conclusions in the draft report that pertain to the Bank Secrecy Act, we direct your attention to the Treasury Department's comments on the GAO report, "Better Use of Currency and Foreign Account Reports by Treasury and IRS Needed for Law Enforcement Purposes" referred to above. In addition, we have enclosed a copy of Assistant Secretary Davis' April 25, 1979, statement before the House Ways and Means Oversight Subcommittee. That statement, submitted during hearings on offshore tax havens, contains information not included in our comments on the earlier GAO report (GCD-79-24).

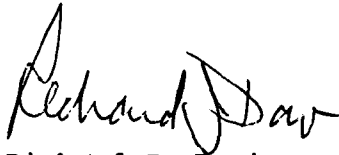
While we are making a substantial effort to improve the implementation of the Bank Secrecy Act, the record should show that the reporting requirements have, for a number of years, been useful in the identification, investigation, and prosecution of drug, and drug related violations. Since May 1977, the Department has on its own initiative, provided DEA with more than 2,800 reports reflecting currency transactions totalling \$370 million. In addition, Customs frequently has used the authority in the Act to seize unreported currency carried by drug suspects.

- 5 -

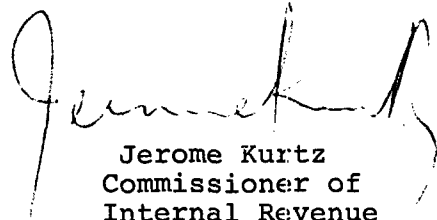
We appreciate this opportunity to present the Department's comments on your draft report, and thank you for your patience in awaiting our response.

With kind regards,

Sincerely,



Richard J. Davis
Assistant Secretary
(Enforcement & Operations)



Jerome Kurtz
Commissioner of
Internal Revenue

Mr. Allen R. Voss
Director, General Government Division
U. S. General Accounting Office
441 G Street, N.W.
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