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TALKING POINTS

BY

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NATIONAL INSTITUTE OF JUSTICE

BEFORE

SENIOR BUSINESS EXECUTIVES

10:00 A.M.

TUESDAY, JULY 18, 1989

THE CAPITAL HILL HYATT HOTEL
YOSEMITE ROOM
WASHINGTON, D.C.

NCJRS

JAN 4 1990

ACQUISITIONS

BECAUSE MR. STEWART OFTEN SPEAKS FROM NOTES, THE TALKING POINTS AS DELIVERED MAY VARY FROM THIS TEXT. HOWEVER, MR. STEWART STANDS BY THIS SPEECH AS PRINTED.

Thank you, Jeff, for that introduction. It is a special honor to be asked to address this fine group of respected business persons.

I am sure you all are well-versed in facts and figures. I'd like to share a few with you today.

Violent crime has gone up 40 percent in this decade.

Fewer than two people (1.67) are committed to prison for every 100 serious crimes reported to police.

About one person for every 200 victimizations goes to prison.

A study of addicts revealed that they committed six times as many crimes when they were using narcotics heavily than when they were relatively drug free.

Now, why am I hitting you with all these numbers? You are businessmen. You are used to facts and figures.

People in the drug trade are behaving more and more like businessmen. They look at legitimate opportunities available to them - - minimum wage jobs -- and compare them with the opportunity to make hundreds of thousands of dollars by selling drugs.

Not surprisingly, more people than ever are willing to take the relatively rare risks of imprisonment -- given the immediate magnitude of the rewards -- for being involved in the business of drugs.

We recently learned from the district courts that parents of youngsters apprehended for drug dealing were reluctant -- and even hostile -- to having any restraints placed on their youngsters' freedom. Why? Because those youngsters are the major bread winners for their low-income households. Families are consciously deciding to sacrifice one or two of their children because the risks are acceptable.

The National Institute of Justice is attempting to move from enforcement to look at drugs as a business enterprise. We are trying to construct disincentives for both the buyers and the sellers. And while one weapon we have always had is the fear of imprisonment, that weapon no longer seems to carry with it the importance it once had.

Prison population has increased 76 percent since 1980, but the chances of one going to prison have decreased because the number of people on probation is up 100 percent (double).

Just as you in business have to develop tactical marketing strategies, so do we at the National Institute of Justice to try to rid our Nation of the scourge of drugs. We have to look at drugs and crime as a business, too.

And research is part of the solution.

Through research, we have learned that errors were made in the past when tackling the problems created by the drug trade business. For instance, in the 1960s, when society began accepting the notion that drug use was a victimless crime, it led to a series of policy choices that inadvertently downplayed enforcement, prosecution, and sentencing of drug users. Drug use and possession was virtually de facto decriminalized. Those choices -- though thought to be sound -- helped contribute to the problems we now face. And police targeted the buy bust at the street level, believing that major dealer investigations were the most efficacious. However, research has shown us that such notions were incorrect -- that going after the "small businessman, if you will," may have a greater impact in the fight on the war against drugs.

Now we're paying the price in the deadly commerce of dollars and drugs on our city streets.

NIJ has important new developments in the anti-drug arsenal we want to share with you. Let me briefly mention just two. They both involve generating information -- the real substance of management, the hard facts about who is doing what, and where they are doing it. Getting that kind of information is one of our biggest challenges in the drug battle. I've been referring to "the drug problem" but our intelligence reports that there are really many different drug problems -- and they vary from city to city, neighborhood to neighborhood, and require different tactics. The key is to profile the current drug use and its consequences. Arrestees are the best source of information -- because their behavior is most feared.

Already in operation in 22 cities, is the Drug Use Forecasting System (DUF). Urine testing of samples of arrestees every three months in these cities has given us an objective measure of just how extensive drug use is among arrestees -- from 54 percent in one city up to 82 percent in another. DUF also revealed wide regional differences in drug use -- for instance, we spotted early on the PCP epidemic in Washington, D. C. and the prevalence of amphetamines in the West.

With DUF, we are tracking shifts in use of specific drugs. In D.C., for example, PCP has now been eclipsed by cocaine. And we have found that female arrestees are as likely to test positive for illicit drugs as are males. In some cities, DUF has shown that females are even more likely to be using heroin or cocaine than males.

Objective information can cause local officials to act. Without DUF, police agencies in the past allocated less than three percent of their officers to drug law enforcement efforts. Now, proper decisions can be made to allocate appropriate resources for enforcement programs and prevention and education efforts. The offender who applies for pre-trial release must stay drug free as a condition of release.

Preliminary findings from other National Institute of Justice research indicate that the drug test data have a forecasting potential that may enable officials to estimate changes in a city's future crime rates, drug-related hospital emergency room admissions, and trends in child abuse.

Now that we have a "Dow-Jones" trend indicator, we are looking at how we can apply the rules of commerce to the drug business. Adam Smith said we need police to keep the cost of commerce down. Well, today, we also need police to push the cost of drug commerce unacceptably high for both the dealer and the user. We are in the early stages of working on an idea that will help police spot street markets earlier and keep dealers on the run. NIJ will pilot test a drug market analysis network that will computerize all law enforcement information about the drug traffic, location by location. Through mapping and computer printouts, officers, deputies, and detectives would be able to locate drug hotspots more easily, initiate an appropriate strategy, and be able to evaluate its effects. That's the opportunity to really **manage** our impact.

The kinds of partnerships that make these new approaches flourish need not be with other public agencies or community groups only -- **but with the private sector, also.** We know that economic rebirth in our inner cities is possible only if we can begin to overcome crime and the paralyzing fear that keeps people off the streets.

Police are making more arrests for drugs than ever before. Lack of adequate prison and jail space is undermining good police efforts. NIJ has been gathering information for some time about the experience to-date with Shock Incarceration and boot camps -- a nonsense process of straightening out youthful offenders. NIJ is thinking about ways the "boot camp" model can help put an end to drug-related criminal activities by instilling discipline and self-respect. **One way might be a public-private partnership that would draw upon the experience with promising programs and private entrepreneurs who could help put some of the newly-trained and drug-free youths to work.**

Today, we have from the President, the Attorney General, and the Director of Drug Policy Control on down the recognition and the requirement that not only drug sellers but users will be held accountable. An end to a moral confusion and the start of a strong national consensus.

The public and media pressure to "do something" is fierce. And to our credit we are doing a lot. We still have a tremendous need for research in this area. For instance, we also need to develop some way of measuring success in drug enforcement beyond arrests.

Some of the new drug enforcement strategies and tactics now being tried are non-criminal justice sanctions -- the swift and certain elements of punishment. More and more, authorities are turning to less burdensome civil law and other sanctions that do not further overload the courts, police, or corrections -- yet clearly penalize those promoting drug consumption. In New York, for instance, they are using a 19th century "Bawdy House" statute -- the predecessor to today's nuisance laws -- to evict dealers from private housing.

Efforts include seizing assets of both sellers and users, cracking down on street sales, and civil abatement procedures. Sellers and users must heed the warning that they are people at-risk -- at risk of losing their cars, apartment leases, club licenses, furnishings, and more. Raising the costs for doing such illegal business, without breaking our over-stressed system or your tax dollars.

The privilege to be licensed to drive or practice a profession or trade can be at risk. Some state and local jurisdictions are suspending drivers licenses and putting other professionals' licenses in jeopardy as a way of deterring the casual drug use that generates so much profits on the streets.

There are new techniques in terms of the police stand-by crackdowns. New York City, virtually overwhelmed, is fighting back. They have 117 city-wide teams that go into a neighborhood for 60 to 90 days, work with people in the community, do buy/busts and street sweeps, and then move on. With strong community support, these intensive tactics seem to be working very well, resulting in higher arrest rates and dislocating the market. But evaluation has yet to be done. Just as in commerce, the facts and figures speak of your last quarter's performance.

Stop the motivator: P R O F I T. Raise the cost of doing business by cutting profit margins. RICO laws have expanded the seizure of capital invested in condominiums, ships, planes, and horse ranches. By seizing assets it cuts off capital for re-start up costs. Prosecuting money laundering activity is another avenue for way-laying those supporting drug trafficking -- and it need not apply only at the national or international level.

These are just a few efforts under way at the National Institute of Justice. Not until we have a clear consensus of **what works**, will we be able to make positive inroads against this cancer that is overtaking our communities.

As our communities rush to "do something" maybe we need a new model of effectiveness. Through modest investments we are beginning to make a difference. This is an enterprise driven by a market demand, requiring sophisticated regulation and a means of cutting high volume sales. We can do that and business minds can help.

Thank you.