

[COMMITTEE PRINT]

95TH CONGRESS }
1st Session

HOUSE OF REPRESENTATIVES

SUMMARY OF TESTIMONY AND FINDINGS AND
CONCLUSIONS RESULTING FROM OVERSIGHT
HEARINGS ON NARCOTIC ABUSE AND CONTROL

INTERIM REPORT

OF THE

House SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL

together with

ADDITIONAL VIEWS

NINETY-FIFTH CONGRESS

NCJRS FIRST SESSION

SCNAC-95-1-2

APR 21 1977

ACQUISITIONS



FEBRUARY 1977

Printed for the use of the
Select Committee on Narcotics Abuse and Control

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1977

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SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

95th Congress; 1st Session

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(II)

FOREWORD

"We always strive toward what is forbidden and desire the things we are not allowed to have. Men of leisure are never deficient in the ingenuity needed to enable them to outwit laws framed to regulate things which cannot be entirely forbidden. He who tries to determine everything by law will foment crime rather than lessen it."

—SPINOZA (1632-1677)

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PREFACE

This Interim Report does not attempt to suggest final solutions to the drug abuse problem. That will be the function of a concluding report when the Committee's work is terminated. The present Interim Report is designed solely as a reflection of the Committee's findings, conclusions, and recommendations based on the testimony presented to it at its oversight hearings and the activities of the Committee from the time of its formation in July, 1976 to the opening of the 95th Congress, January 4, 1977.

A separate Appendix, containing statistical and other pertinent data relating to the materials discussed in this Interim Report, has been prepared and issued simultaneously with the publication of this Report.

This Report is being filed with the House of Representatives pursuant to Section 6(b) of H. Res. 77 (January 11, 1977) and includes a summary of the activities of the Select Committee during that portion of the year 1976 in which the Select Committee was in existence.

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I. INTRODUCTION

A. THE SELECT COMMITTEE'S MANDATE

The Select Committee on Narcotics Abuse and Control was created by the House of Representatives in House Resolution 1350, which passed overwhelmingly on July 29, 1976. House Resolution 1350 authorizes and directs the Committee, among other things:

"(1) to conduct a continuing comprehensive study and review of the problems of narcotics abuse and control, including, but not limited to, international trafficking, enforcement, prevention, narcotics-related violations of the Internal Revenue Code of 1954, international treaties, organized crime, drug abuse in the Armed Forces of the United States, treatment and rehabilitation, and the approach of the criminal justice system with respect to narcotics law violations and crimes related to drug abuse; and

"(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics abuse or control".

The Committee was unanimously reconstituted on January 11, 1977.

From September 21 through 30, 1976, the Committee held comprehensive oversight hearings designed to elicit from the appropriate agencies of the Federal Government the current status of law enforcement, narcotics control and treatment efforts enunciated by Congressional mandates. The hearings were designed to explore the following primary areas:

1. Why has narcotic addiction doubled in the last three years to the point where there are approximately 800,000 heroin addicts and hundreds of thousands of abusers of other substances in the United States at this time? Why has the abuse of other opiates and psychotropic substances increased substantially since 1973? Why does not the same problem exist to any appreciable extent in the foreign countries where opiates are grown?

2. Why have the Federal agencies having responsibility for foreign and domestic control of narcotics largely failed to stem the tide of illegal flow into this country?

3. What policy, if any, is required to enable congressional committees and Federal agencies that have jurisdiction over drug related problems to effectively coordinate supply and demand?

4. What is the extent, nature and scope of our foreign intelligence operation with respect to the interdiction of narcotics before they reach the United States? What is the nature of the so-called foreign policy considerations which appear to deter our efforts to reduce the growing of opium poppies in certain countries?

5. To what extent is the fragmentation of enforcement efforts responsible for our overwhelming abuse and abuse-related crime problem?

(1)

6. What has been the scope, nature and extent of the cooperation, if any, between Federal, State and local law enforcement officials in combatting drug abuse?

7. What has been the scope, nature and extent of the cooperation, if any, between Federal law enforcement agencies and the treatment programs administered by the Department of Health, Education and Welfare, and particularly its treatment arm, the National Institute on Drug Abuse? To what extent are these treatment programs substantially effective in dealing with addicts and substance abusers?

8. For both the short-term and the long-term, what is the likely direction of the drug abuse dilemma in both enforcement and treatment?

During this first half of the decade, Congress has witnessed the exponential growth of narrowly defined demonstration programming, various Federal strategies, several executive policy positions, inter-agency agreements and many separate State and local action plans. We have seen individual agendas within 17 or more different agencies of the Federal Government, and in just three years have observed over 165 reported State strategies and numberless private programmatic and informational efforts, all no doubt genuinely intended to intervene in the unabated nationwide toll exacted by the effects of drug abuse.

The continued support of these separate mandates, reinforced by the absence of a clear national definition and policy, promotes a division of purpose, a deterrent to definable instruments, and exclusionary, competing priorities. The tendency to foster specialized competition as manifested in all of these enforcement and behavioral health areas has lessened or ignored society's integrating institutions—home, church, school and neighborhood. It has further overlooked the simultaneous influences on daily life of the workplace, housing, social opportunity and relationships, the criminal justice system, health care, welfare populations and other institutions which structure the human condition in the United States. These fragmented initiatives have not created solutions. This Committee believes it is time to deal with dysfunction in the real context of an interdependent assortment of life, societal and governmental forces, all or any of which may accelerate optimal human development and improve the quality of life in America.

The Committee intends:

(1) To develop a working coordination for a national drug policy in the area of law enforcement (to better control supply) and in prevention, treatment, rehabilitation and education (to better control demand).

(2) To obtain total relief from the interagency rivalries that have fragmented national efforts.

(3) To investigate, expose and report to Congress on a new, concentrated effort to stop high level trafficking beginning at the source.

(4) To effectuate a close working relationship between the Executive, Legislative and Judicial branches and with State and local governments to make these policies work.

(5) To coordinate specifically the plans of the new administration with those of Congress and of the work of a new international

conference designed to produce effective bilateral agreements with other nations.

Since the late 1960's, the United States has suffered grievously from a recurring domestic crisis in drug abuse. For example: the number of heroin addicts has fluctuated from approximately 250 thousand in 1970 to the present day 800 thousand. As the amount of heroin which reaches the United States increases, as has been the case since 1973, we face a growing domestic crisis. There is a direct proportionate relationship between the total amount of illicit narcotics smuggled into the United States and crime in America. As the number of heroin addicts has increased to its present day all time high, uniform crime statistics across the Nation, as shown by the League of Cities survey referred to in Section III D of this report have increased dramatically. In most of the major cities of the United States, local law enforcement authorities have just given up in their efforts to stem the tide.

In the fall of 1973, the President of the United States announced that we had "turned the corner on drug abuse." After nearly a decade of tragically increasing rates of heroin addiction in the United States, we had then experienced a downward trend in abuse, especially in the eastern and central parts of our country beginning in mid-1972 and continuing through most of 1973 resulting from the Turkish ban. Our country experienced its first decline in the rate of serious crime in over two decades at that time.

Today it is estimated that drug abuse costs the Nation at least \$27 billion a year. Nearly 40 percent of this cost is the result of crimes committed by approximately 400,000 untreated, daily heroin users. In 1975, the rate of serious crime in the United States rose 17 percent—the largest annual increase in the 42-year history of the Federal Bureau of Investigation's records. The primary cause of this deterioration in the United States heroin situation was the large increase in the supply of heroin reaching the United States from Mexico.

Nowhere in the world today is the drug problem more acute than in the United States. It is a deadly serious problem, and getting worse every day. Police blotters from one end of the country to the other record the alarming incidents of drug-related crime. According to conservative figures, an average daily cost of addiction is about \$100 to secure freedom from the pain of withdrawal. That adds up to billions of dollars in the daily cost to American society.

In New York City, where it is said that nearly half of the Nation's addicts reside, Sterling Johnson, Special Narcotics Prosecutor, reports that the average consumption of heroin amounts to \$100 per day. Mr. Johnson also stated that merchandise stolen to support addiction is fenced at approximately one-fifth of its retail value. If there are 100,000 drug addicts and they are all stealing, we are contemplating the sum of \$50 to \$100 million a day in dollar cost to New York alone, an astronomical and savage result.

Nicholas Scopetta, Chairman of the Criminal Justice Coordinating Council, and Commissioner of Investigation for the City of New York, testified at a recent hearing of this Committee that over 17,000 people are arrested annually directly on drug charges. That does not include the tens of thousands of cases, that, although not arrests for narcotics violations, relate directly to the need for narcotics. "It is no secret," he said, "that most of the apartment and small commercial burglaries are attributable directly to people trying to get money to

support a narcotics habit. Street muggings, crimes of violence in the street are also directly attributable in many instances to the need on the part of the addicts to support their habits. So that where you have police officers dealing in burglaries, street crimes and muggings, they really are dealing with the net effect of the narcotics problem." Chairman Peter W. Rodino, Jr. of the House Judiciary Committee, a member of this Select Committee, stressed that 30 percent to 40 percent of all property crimes are drug related.

Dr. Robert L. DuPont, Director, National Institute on Drug Abuse, in a recent speech said, "All crimes committed by addicts are not to support their habits alone. A significant percentage of addict crime is used to support their life-style, that would not change if heroin were legal."

In the Select Committee's New York hearings, Percy Sutton, Manhattan Borough President, said that "the overwhelming majority of people in New York City perceive the problem of crime to have its principal base in the sale and use of hard drugs." He said further that "Drug related crime permeates lives so completely, that unless it is cured, other problems cannot be cured, and every element of life suffers."

A new Federal strategy, which this Interim Report discusses, must concentrate on the paramount issue of drug-related crime.

The Committee finds that a large number of drug abuse problem solutions have been considered and tried over many years. Among them are: crop and income substitution and subsidies, defoliation, pre-emptive buying, heroin maintenance, harsher penalties, including stricter law enforcement, varieties of treatment, rehabilitation, jobs, training, prevention, education, and heroin substitutes.

There is a compelling relationship between the narcotics smuggling infrastructure and the addicts on the streets of the city. This relationship consists not just of the addict buying cut heroin from a pusher; it involves the physical and psychological impact on hundreds of thousands of people besides the addict. For instance, the Committee has underscored the effect of official corruption involved in narcotics trafficking. This corruption affects not only the countries that grow opium poppies or coca leaves. It has been found that government officials themselves are in the illicit trade because of the enormous profits to be made. Also, from time to time, this corruption has involved certain American politicians, law enforcement officials, and every element of our society including such respected institutions as the medical and legal professions. It is difficult to place a cost to society on these activities. We know of the enormous inflation in the value of narcotics from the time they leave the country of origin until they arrive in the hands of the users, but no one has yet calculated the cost to American society of broken homes, deserted parents and children, the continuing maintenance of slums, official corruption, and the cost to the United States Treasury of millions of dollars in lost revenue.

B. FEDERAL GOVERNMENT'S ORGANIZATIONAL RESPONSE TO DRUG ABUSE CRISIS

This Committee's mandate to study and report on this subject to the House of Representatives and to the Standing Committees having

jurisdiction over legislation affecting drug abuse in the United States includes the requirement that it hold oversight hearings periodically. The object of such studies and investigations is to determine what has been done by the Executive Departments to meet the present crisis in drug abuse. In Section II of this Interim Report there is a full discussion of the jurisdiction and responsibility of the major Federal agencies which were given mandates in the drug abuse area from 1973 to the present time. The Committee has found no fewer than seventeen agencies which have responsibility for some aspect of drug abuse treatment and/or the enforcement of Federal law. The following agencies testified in the Committee's September 1976 hearings: the Department of Justice, Department of State, the Department of Health, Education, and Welfare, the Central Intelligence Agency, the Federal Bureau of Investigation, the Internal Revenue Service, the Drug Enforcement Administration and the Customs Service. A non-Federal group representing the cities of the United States also testified. The Committee received vital additional information from the Department of Defense, the Department of Agriculture, the Veterans' Administration, the Law Enforcement Assistance Administration, the Immigration and Naturalization Service, the Border Patrol, the White House Domestic Council and representatives of the Cabinet Committees and Interagency Task Forces. In the 95th Congress, the Committee will continue its studies and report to the House of Representatives and the Standing Committees on what it has found regarding the role of the agencies responsible for handling the drug abuse crisis and what results are being produced.

Chairman Peter W. Rodino, Jr. of the House Judiciary Committee and Chairman Paul Rogers, of the House Health Subcommittee, both members of this Select Committee, were original supporters of a bill creating an executive coordinating function within the executive branch. Although President Ford refused to go along with this proposal, the Select Committee is firmly convinced that the imposition of a primary responsibility on the Office of the President to coordinate Federal policy, with statutory oversight by Congress, is a necessity if this country is ever to succeed in its efforts against drug abuse.

The Committee wishes to note that, at the time of this writing, President Jimmy Carter has not made known what the new administration's policy with respect to prospective consolidations or reorganizations of executive agencies may be, including those with drug abuse responsibilities. However, the Committee will report to the standing committees and carefully monitor any new plans for reorganization and work closely with the new administration for the purpose of developing a workable Federal strategy to deal with foreign and domestic drug problems.

II. REORGANIZATION PLAN NO. 2

(Submitted March 25, 1973, enacted July 1, 1973)

On July 1, 1973 the Executive Branch implemented Reorganization Plan No. 2, as amended by Congress, establishing the Drug Enforcement Administration (DEA) as the primary agency for drug enforcement in the United States. This reorganization transferred to the At-

torney General all intelligence, investigative and law enforcement responsibilities within the Department of the Treasury which related to its drug enforcement responsibilities except for the continuation of the Customs Service's responsibility to interdict contraband substances at the border and points of entry.

The President's message which accompanied the plan outlined broadly the responsibilities of the new DEA, which included:

- development of overall Federal drug law enforcement strategy, programs, planning, and evaluation;
- full investigation and preparation for prosecution of suspects for violations under all Federal drug trafficking laws;
- full investigation and preparation for prosecution of suspects connected with illicit drugs seized at U.S. ports-of-entry and international borders;
- conduct of all relations with drug law enforcement officials of foreign governments, under the policy guidance of the Cabinet Committee on International Narcotics Control;
- full coordination and cooperation with State and local law enforcement officials on joint drug enforcement efforts; and
- regulation of the legal manufacture of drugs and other controlled substances under Federal law.

Also included in the President's Reorganization Plan was the transfer of approximately 1,000 inspectors of the Immigration and Naturalization Service to the Customs Service. However, this section of the plan was deleted by Congress, after hearings before the House Committee on Government Operations during consideration of H.R. 8245, at which time it became evident that such a reduction in manpower would have an adverse effect on both the morale within the Immigration and Naturalization Service and its ability to perform its statutory functions.

Additionally, Reorganization Plan No. 2 abolished the offices of Bureau of Narcotics and Dangerous Drugs (BNDD), Office of Drug Abuse Law Enforcement (ODALE) and Office of National Narcotics Intelligence (ONNI) and incorporated their functions into the DEA. This executive mandate resulted in the transfer of all national and international intelligence gathering operations to the DEA. DEA personnel composed primarily of BNDD, ODALE, ONNI, as well as the Customs Service staff, provided the manpower for the new organization.

The Plan located the DEA within the Department of Justice so that the Attorney General could assure "maximum cooperation" between the FBI and other units of the Department.

The FBI was referred to in the President's message creating DEA as "making possible a more effective anti-drug role for the FBI, especially in dealing with the relationship between drug trafficking and organized crime". The President stated: "I intend to see that the resources of the FBI are fully committed in supporting the new DEA". However, the FBI to this day, as will be seen, does not have a major role in drug enforcement.

At the same time that Reorganization Plan No. 2 was being proposed by the White House, the Attorney General was promoting a new

division at the Justice Department which would have specific authority for Federal narcotics investigations and prosecutions headed by an Assistant Attorney General. However, this part of the plan does not exist as of this day.

The idea of an Assistant Attorney General in charge of a new Anti-Narcotics Division in the Justice Department, is not new. It arose again in April, 1973 in then Attorney General Kleindienst's testimony before the Hollifield Committee on Reorganization Plan No. 2. Mr. Kleindienst strongly recommended this change in Justice and said that President Nixon wanted it done, but it is interesting to note that none of his proposals were ever implemented, and there is no Assistant Attorney General in charge of a Narcotics Division at this time. Additionally, there were promises made about coordinating the activities of DEA and State, CIA, FBI, IRS which were paid only lip service.

As to the motivation for all these forgotten proposals one can only speculate. It is clear that President Nixon was determined to stop crime on Washington's streets. He also recognized the political value of a "war on drugs" but he apparently was unable to persuade Secretary Kissinger to make international efforts on a large scale. The major instance the Committee knows of in which Mr. Kissinger mentioned the "war on drugs" occurred on a trip to Mexico in which he and President Echeverria agreed on certain protocols for a joint commission after the Chairman and a Member of this Committee (Representatives Wolff and Gilman) had an intensive meeting with President Echeverria in December 1975. At any rate, the State Department effort to assist in international controls has not been marked by great enthusiasm. One suspects that the reason for this is well received in a recent study which observes, in part, that the State Department Country Directors are so protective of "their" countries that the attitude to do nothing cannot be easily overcome. Among other things, the State Department should be working hard to develop extradition treaties with countries where there are fugitives from American justice and financial treaties with countries that bank the proceeds of narcotics transactions. In neither case can the State Department report much progress; nor can the Justice Department be especially proud of its failure to follow through on its promotion of a new Narcotics Division in the Department, nor on the alleged role of the FBI in narcotics intelligence.

The Federal enforcement strategy today, three years after Reorganization Plan No. 2 was adopted, is as follows:

In international intelligence gathering, the following agencies are involved: DEA, State Department, CIA, CCINC and AID.

In the enforcement effort, the following agencies are involved: DEA, Customs, FBI, Justice Department, LEAA, IRS and CCDLE.

In the treatment area, the following agencies are involved: HEW, NIDA, LEAA, Department of Justice and CODAP.

In Section IV of this report, the Committee will set out its recommendations and the reasons why it believes Reorganization Plan No. 2 has failed and why a new Federal drug strategy is necessary.

III. ANALYSIS OF FEDERAL AGENCIES' TESTIMONY TO THE SELECT COMMITTEE

(September 21-30, 1976)

A. THE STATUS OF LAW ENFORCEMENT AND CONTROL OF NARCOTICS LAWS

1. DEPARTMENT OF JUSTICE

The chief purposes of the Department of Justice are to enforce the Federal laws, to furnish legal counsel to Federal agencies in Federal cases, and to construe the laws under which other departments act. It investigates and detects violations against Federal laws and represents the Government in legal matters generally. The Attorney General supervises and directs the activities of the United States Attorneys in the various districts.

The Assistant Attorney General in charge of the Criminal Division is responsible for the enforcement of all Federal criminal laws except those specifically assigned to the Lands, Legal Counsel, Antitrust, Civil Rights, and Tax Divisions, and a few specialized criminal statutes assigned to other Divisions of the Department.

The Criminal Division supervises and directs the U.S. Attorneys in the field in criminal matters and litigation arising under approximately 900 Federal statutes, including statutes relating to illegal trafficking in narcotics and dangerous drugs. In addition, the Division also exercises supervision over civil as well as criminal penalties and forfeiture actions under statutes such as customs and narcotics laws and offers in compromise in pending criminal cases under the Federal internal revenue laws relating to liquor, narcotics and marihuana. Further, the Division has special responsibility for coordinating enforcement activities against organized crime; takes a primary role in preparing the Government's legislative program relating to criminal law, and undertakes numerous special projects designed to aid in the effective enforcement of the Federal criminal laws.

In Reorganization Plan No. 2 a major feature was the creation of the Drug Enforcement Administration (DEA), located in the Department of Justice, which absorbed virtually all of the Customs Service's drug enforcement functions except at the border and ports of entry, and which since 1973 has become the hub of the entire Federal drug enforcement program.

The Deputy Assistant Attorney General of the Justice Department's Criminal Division, Jay C. Waldman, supervises the Narcotic and Dangerous Drug Section, a unit "primarily charged with coordinating department policies in the drug enforcement area." He testified that he was present at the hearings to "comment on the Federal efforts in the critical priority area of narcotics enforcement."

The major themes of Mr. Waldman's presentation can be said to have been interagency cooperation; focus on and identification of major narcotics traffickers and organizations; foreign alien influence in the drug trade and a discussion of legislation and adoption by Congress of new standards of measurement for the effectiveness of Federal drug law enforcement.

Mr. Waldman emphasized the need for coordination of Federal efforts "... in order to investigate successfully a violation of Federal law that requires for its success a high degree of coordination, the enforcement response must be at least as coordinated and unified."

And further:

It becomes almost impossible to discover and prosecute those at the highest levels of such a coordinated and insulated network if enforcement activities are parceled out among several agencies. Such fragmentation can result in gaps in intelligence, in available information being ignored by one agency when it would be extremely relevant and useful to another, and in duplication of effort.

He conceded, in response to a question:

In the past, agencies have been very guarded in their dealings and interaction has been limited. But now, because of the seriousness of the problem, for the first time, in recent months and certainly in the last year or two, we have begun to achieve true coordination . . . that people like Mr. Felt (FBI) and . . . Mr. Clancy at IRS are indeed picking up the telephone and sitting down at meeting tables with the relevant prosecutors and DEA people.

He emphasized that there was a necessity for Congress to ensure that there is a highly sophisticated Federal enforcement apparatus to operate at that higher traffickers level.

Chairmen Wolff and Rodino postulated that in fact there had been no cooperation between DEA, Customs, the FBI or any of the other agencies that have some kind of jurisdiction regarding drugs from DEA's creation until the past six or seven months. Mr. Waldman then said:

The extent to which there was a lack of coordination, I have never seen any evidence that it was malevolent . . . It was just that you had a bunch of people charged with different missions, all of whom were terribly busy with fulfilling their own obligations . . . Now in the last several years, what we have had is a recognition that this problem is so important that it must transcend the normal jurisdictional barriers, and we must get everybody involved . . .

The second theme emphasized by Mr. Waldman's statement and responses was the Department's present priority given to investigations, prosecutions, training and intelligence gathering designed "to penetrate the higher levels of narcotics operations," and to "identify major narcotics traffickers and organizations." Mr. Waldman discussed the establishment of Controlled Substances Units within 19 selected United States attorney's offices, these units being composed of experienced U.S. attorneys working in tandem with DEA agents in developing and prosecuting major conspiracy cases and that work being monitored and coordinated by the Narcotic and Dangerous Drug Section. He said:

A section attorney is assigned to every major multi-district narcotic investigation to work closely with DEA and the relevant U.S. attorney's offices in coordinating the efforts of those involved . . . In addition, the section has also established a program with DEA for regular intelligence briefings of prosecutors engaged in narcotics enforcement . . . The Department and DEA have also co-sponsored five Controlled Substances Conferences . . . at which, both investigating agents and Federal prosecutors are given seven days of concentrated instruction in the methods of developing and prosecuting major drug cases.

He said these conferences aided in emphasizing that such cases are the primary mission of Federal narcotic enforcement and "reflect not only a discreet focus upon developing prosecutions that penetrate the higher levels of narcotics operations but also the forging of close

cooperation between prosecutor and agent necessary to successfully investigate and prosecute sophisticated crime."

Having stated that top priority was being given to developing the type of narcotics intelligence which facilitates the identification of major narcotics traffickers and organizations, when questioned as to the number of Class I violators identified through this type of intelligence, Mr. Waldman could only give 400 as the number of *individuals* surfaced and would hazard no guess as to *nationwide networks* identified by use of this special type of intelligence. A Class I violator is generally one who heads an organization which is capable of delivering 2 kilos of pure heroin or its equivalent.

Closely connected with the subject of high level violators of the drug laws, is that of international and foreign national involvement:

The Department is focusing on investigations and prosecutions designed to penetrate the interstate and international chain which underlines every narcotic transaction, and to uncover those at the highest levels who make such transactions possible.

. . . It is a very difficult task . . . compounded when these people are in foreign jurisdictions with whom we have to work out treaties and negotiations. Many of those at the top echelons of narcotic networks . . . are foreign nationals. To insure that such persons are brought to account, procedures have been developed for processing requests from U.S. attorneys for the provisional arrest of narcotic violators in foreign jurisdictions sought for extradition to the United States for prosecution.

Mr. Waldman, in response to the Committee's question whether cooperation from the State Department was "just a planning-type" process, said:

From the last six months to one year, there has been a great improvement in working with the State Department to work with receptive foreign governments to cause either the extradition of international violators to this country or their prosecution where they reside.

In discussing the high level violators of drug laws who are foreign aliens, the testimony indicated that procedures have been developed for the provisional arrest of narcotic violators in foreign jurisdictions and also that the Department "has recently implemented a program with the Department of State to achieve the cooperation of foreign governments in prosecuting international drug traffickers within their jurisdictions on evidence gathered in the United States." However, in answer to a question as to what takes precedence in an international case, Mr. Waldman's response was:

The State Department has broader interests . . . as you know. What happens is, on a case by case basis, you let the State Department educate you as to the realities in the particular country you want to deal with, and you try to make a joint venture.

In a colloquy with Chairman Wolff, it was established that the State Department determined the initiation, substance, direction and outcome of any investigation that involved interaction with foreign governments. Questioned as to the extent of cooperation with INTERPOL, Mr. Waldman replied:

There are discussions under way between Justice and Treasury designed to result in the transfer of most of the INTERPOL coordination functions into Justice. One hope would be that, if this is accomplished, whatever effort this international agency can put forth to identifying persons engaged in this type of criminal activity, will be brought to fruition.

Mr. Waldman discussed loss of effectiveness of prosecutions in cases where, upon conviction, a high level offender receives only a token sentence. He said that the courts must, at the conclusion of a successful

prosecution, impose penalties commensurate with the defendant's criminal culpability. In this regard, the Department urged passage of legislation proposed by the Administration (H.R. 13577-94th Congress, 2d Session) also known as the "Narcotic Sentencing and Seizure Act of 1976," introduced on May 5, 1976.

At the present time, there is no provision of law that would allow the Federal Government to secure forfeiture of cash or other personal property found in the possession of narcotic violators. The pending bill, to be reintroduced in the 95th Congress would require mandatory minimum sentences for persons convicted of trafficking in heroin and similar narcotic drugs. H.R. 13577-94th Congress calls for a three-year mandatory sentence for a first offense and at least six years for any subsequent offenses, or for selling narcotics to a minor and for the denial of bail to defendants arrested for trafficking in heroin or similar narcotics if they have previously been convicted of a felony, are free on parole, are non-resident aliens, have been arrested in possession of a false passport, are fugitives, or have previously been convicted of being a fugitive. The bill would also require forfeiture of cash or other personal property found in possession of a narcotic violator when it could be shown that the cash or personal property was used or intended to be used in connection with illegal drug transactions.

The description of the jurisdiction of the Narcotic and Dangerous Drug Section as being "primarily charged with coordinating department policies in the drug enforcement area" does not take into account the comments in the report of the U.S. Senate Permanent Subcommittee on Investigations (June, 1975) wherein it was said, at p. 24:

Within the Criminal Division of the Department of Justice existed a Narcotic and Dangerous Drug Section, established as a result of Reorganization Plan No. 1 of 1968. This section of the Criminal Division was to supervise all Federal prosecutions for criminal violations of law relating to drugs. The section also had responsibility for litigation to commit addicts under the Narcotic Addict Rehabilitation Act.

Given the broadest and most favorable interpretation, there is a significant difference between coordination of department policies and supervising prosecutions. Further, at no time did the Department's representatives indicate where these policies were developed, how or what they were.

The Senate report continued:

"In April, 1973, when Administration spokesmen promised that once Reorganization Plan No. 2 became effective, there would be created a new legal division which would have an Assistant Attorney General for Narcotics at the same level as Tax, Criminal, Antitrust, Civil Rights and Land and Natural Resources and that this new division would be in charge of legal advice to the DEA Administrator, would have specific authority over Federal narcotics prosecutions just as the Tax Division has responsibility for tax law violations, and would insure the best possible integration with joint state and Federal drug prosecutorial efforts".

No such program was ever adopted after Reorganization Plan No. 2 became effective. The Office of Management and Budget testified that by locating DEA in the Justice Department, the Executive Branch would enjoy "more effective coordination" in the war on illicit narcotics. In addition . . . narcotics litigation would receive "priority treatment by the U.S. Attorney."

Myles J. Ambrose, then Director of ODALE, described the new Narcotics Division of the Department as a "law firm" for DEA. He stated:

"While not a part of the Reorganization Plan it is anticipated that the newly created Narcotics Division within the Department of Justice will provide legal advice to the DEA and will conduct other legal and prosecutorial functions in narcotic cases."

"The then ODALB Director brought along charts to show precisely where in the Justice Department table of organization the Assistant Attorney General for Narcotics would be located.

"The Senate Permanent Subcommittee on Investigations examined the organizational charts at the Justice Department two years later and found that an Assistant Attorney General had never been appointed to oversee a Narcotic Division; indeed, a narcotic division had never been created and none exists at this time (Ibid pg. 37)."

It is clear that part of what the administration said in 1973 would occur with the adoption of Reorganization Plan No. 2, already existed organizationally and functionally. In the colloquy with Committee Members Rangel, Gilman and Beard regarding the backlog of narcotics cases in New York City, the Department's response was to suggest "a possible alternative approach (as) our resources are extremely limited, might be LEAA or Congressional appropriations." Congressman Rangel's question was: "Would Justice refuse to indict those my city would turn over for violating a Federal law?" The answer was: "We would not refuse but I am also sure that they would be reviewed on a case by case basis." This answer also overlooks 28 U.S.C. § 543: "(a) The Attorney General may appoint (special) attorneys to assist United States attorneys when the public interest so requires."

It is clear that part of what the administration said in 1973 would receive "priority treatment by the U.S. Attorney" as promised, and there has been no "law firm" for DEA. Additionally, there has been no Assistant Attorney General appointed specifically for Narcotics "to insure the best possible integration with joint State and Federal drug prosecutorial efforts," nor is there a Department commitment outside of DEA's organizational and statutory mandate and responsibility to enforce all the Federal narcotics laws, whether . . . domestic or international." When the witnesses were questioned as to "the priority for the enforcement of narcotics laws," Mr. Giuliani (Deputy Associate Attorney General) responded:

I would say that narcotics enforcement is one of the two or three major priority areas for the Justice Department's Criminal Division . . . Certainly, just if you look at our agency responsibility one of our major agencies is totally devoted to the narcotics effort.

The Department's prepared statement placed the primary responsibility for investigation and prosecutions of narcotics violations on State and local authorities, asserting that "Federal efforts are and must be aimed at . . . international and interstate cases." In response, however, to Congressman English's statement that in fact there had been no cooperation "until the recent past," Mr. Waldman said:

Because of the seriousness of the problem in the recent months and certainly within the last year or two . . . in the last several years, what we have had is a recognition that this problem is so severe that it must transcend the normal jurisdictional boundaries and we must get everyone involved.

The validity of the Department's statement is subject to challenge since it is clear that substantive, effective coordination may have only just begun. In citing the establishment of Controlled Substances Units in 19 selected cities in which a section attorney is assigned to every major multidistrict narcotic investigation, to work closely with DEA and relevant U.S. attorneys' offices, the Department sought to establish the ostensible in-depth coordination that they claim now exists. Unfortunately, in defending against the assertion that the Federal

Government was walking away from the problem of New York City's overwhelming backlog of narcotics cases, the testimony was:

I am sure that if you . . . looked at any of these . . . units, you would see Federal prosecutors and agents absolutely bogged down and up to their eyeballs in work, in intelligence work, in investigation work and in prosecutive work.

Mr. Waldman also indicated that "DEA's intelligence is aimed less at street level . . . it is more involved at the international level and in conspiracy cases." The Justice Department was not questioned about the organizational and functional premise for these units. However, in October 1970, the Comprehensive Drug Abuse Prevention and Control Act was signed. Title II of the statute is known as the "Controlled Substances Act." The constitutional basis for Federal narcotics law enforcement was originally founded on Congress' power to levy taxes. The enactment of title II shifted the constitutional basis to Congress' powers under the Commerce clause. The Controlled Substances Act, therefore, gave jurisdiction to Federal drug agents in State and local drug traffic, and set the stage for assigning large numbers of Federal narcotics agents to work in local communities. The testimony tends to confuse what the Department wants to do with what is statutorily mandated.

2. FEDERAL BUREAU OF INVESTIGATION (FBI)

The FBI is charged with investigating all violation of domestic Federal laws with the exception of those which have been assigned by legislative enactment or otherwise to some other Federal agency.

The FBI's jurisdiction includes a wide range of responsibilities in the criminal, civil and security fields.

Executive Order No. 11727, July 6, 1976 provides, in part:

SECTION 1. The Attorney General, to the extent permitted by law, is authorized to coordinate all activities of executive branch departments and agencies which are directly related to the enforcement of laws respecting narcotics and dangerous drugs. Each department and agency of the Federal Government shall . . . assist the Attorney General in the performance of functions assigned to him pursuant to this order, and the Attorney General may, in carrying out those functions, utilize the services of any other agency, Federal and State, as may be available and appropriate.

Reorganization Plan No. 2 provides, in part:

SEC. 7. *Coordination:* The Attorney General, acting through the Administrator and such other officials of the Department of Justice as he may designate, shall provide for the coordination of all drug law enforcement functions vested in the Attorney General so as to assure maximum cooperation between and among the Administration, the Federal Bureau of Investigation, and other units of the Department involved in the performance of these and related functions.

The Assistant Director, Special Investigative Division, FBI, Mr. Frederick C. Fehl stated that "the FBI had been asked to report . . . (on) what it is doing and has done to assist the Drug Enforcement Administration in its enforcement efforts." He quoted the President's message, dated March, 1973, when transmitting Reorganization Plan No. 2 that said: "I intend to see that the resources of the FBI are fully committed to assist in supporting the new DEA," and used the quote to emphasize and support his description of the role of the FBI in Reorganization Plan No. 2 as being ". . . a role in drug enforcement . . . whereby DEA was authorized to draw upon the FBI's expertise

and resources in organized crime drug trafficking cases without the FBI's assuming responsibility for Federal drug enforcement."

The Chairman questioned Mr. Waldman of the Department of Justice and Mr. Fehl together, as to whether organized crime is still a major factor in the operation of narcotics traffic in this country. Mr. Waldman said that as to "the conventional and traditional and old-time organized crime figures, the type identified by the Kefauver Committee and reidentified periodically by subsequent committees, I cannot really say they are . . . part of the problem . . . especially in narcotics trafficking. There are a lot of new people . . . that is why I laid such stress in my statement on improving intelligence mechanisms."

Mr. Fehl answered:

We have ascertained during our investigation, and I am referring to LCN—La Cosa Nostra—that there are certain LCN families that do not condone trafficking in drugs, that is narcotics of any kind . . . I would have to advise, sir, that . . . approximately 25 percent of the Cosa Nostra would be involved to some degree in the narcotic drug traffic.

Congressman Scheuer questioned Mr. Fehl whether narcotic traffic was controlled by organized crime. Mr. Fehl's response was that about 25% of the total traffic is controlled by the Cosa Nostra or Mafia families, but that all narcotics traffic necessarily involves organized crime.

In his prepared statement, Mr. Fehl said:

The FBI under Reorganization Plan No. 2 is expected to play a major role in assisting DEA and local and state narcotics control agencies throughout the country by the development and timely dissemination of intelligence data concerning illicit drug traffic.

At another point in his testimony he said:

FBI headquarters has forwarded communications to all field offices emphasizing the FBI role in assisting DEA and local and state narcotics agencies in combating illicit drug traffic.

Cited as examples of "forwarded" communications in his prepared statement, he included one "in 1972 to all field offices advising that the United States Government had intensified its fight against illicit drug traffickers and that the prompt dissemination of narcotics information obtained by FBI personnel was absolutely necessary. All offices were ordered to immediately institute stepped-up liaison with other law enforcement agencies in order to facilitate the exchange of data relating to illicit drug operations". The FBI concentrates, he said, on "quality intelligence and prosecutive data."

After DEA was established, all FBI field divisions were instructed "to channelize all narcotics intelligence data through the narcotics coordinator to DEA."

In Fiscal Years 1975 and 1976:

The FBI designated as one of its major objectives the dissemination of information to other agencies, with a particular emphasis . . . being placed on supporting the Drug Enforcement Administration and prosecutive data relating to violations of Federal narcotics laws.

Also, all offices were directed to furnish headquarters on a monthly basis, the accomplishments "they had accrued as a result of dissemination . . . Each special agent in charge was directed to maintain close liaison with DEA and other local and State agencies . . . to determine

the reasons behind any nonresponse concerning accomplishments in the narcotics area and, if problems continue, to bring the matter to the attention of FBI Headquarters where the matter would be taken up further at DEA Headquarters."

Questioned by the Chairman as to why it had taken 3 years, as indicated in the FBI testimony, for the FBI to request a list from DEA of the identities of major Class I violators, indicating that the intelligence sharing between the two agencies were not as good as they were purported to be, Mr. Fehl replied:

I think the exchange of information has been excellent. We have been exchanging information. . . . At the field office level we are continually exchanging the names in the field.

In a discussion with Congressman Rangel, the question was put as to "what was being done differently now, if an excellent exchange of information existed in the past. If the FBI had intelligence related to violations of the Federal narcotic law, was this not turned over to whatever agency had jurisdiction? Is it only now under executive mandate that the FBI was fully committed to assist in supporting the new DEA?" Mr. Fehl responded by reiterating that "We would disseminate the information to the responsible agency having investigative authority, whether it be Federal, local, or State." He added: "I am pleased to report that our efforts have achieved tangible results. In Fiscal Year 1976, our dissemination efforts led to the confiscation of some \$40,900,000 worth of narcotics. As recently as April of 1976, DEA, acting upon information from an FBI source, indicted 33 major narcotics dealers, who were responsible for the importation and distribution of heroin and cocaine worth more than \$100,000,000 in street sales."

Mr. Fehl promised to supply, at the request of Members of the Committee, the names and disposition of the cases of the aforementioned "33 major narcotics dealers." Additional assistance rendered to DEA by FBI was said to be conduct of name checks, administering polygraph and laboratory examinations and participating in mutual conferences and training programs.

Questioned whether FBI agents stationed in overseas embassies had any obligations to narcotics intelligence activity, the witness responded that the agents (as legal attachés) were in a liaison capacity with the different embassies, "(and) have no investigative authority whatsoever." Questioned further as to what this liaison capacity really meant, if not to find out "how you can interface with providing intelligence on narcotics in the United States," Mr. Fehl responded:

We pretty much are just attached to the embassies in a liaison capacity, disseminating items of mutual interest between the countries within the jurisdiction of the FBI. In the event we are conducting a substantive type of investigation, kidnapping . . . extortion . . . etc., we obtain, process, and if the fugitive is subsequently located (the legal attachés) assist in working out extradition with the Department of State.

Mr. Fehl indicated that system was inapplicable to narcotics violations because of the mandate from Congress, but that the Department "would take on that responsibility" if Congress so decided.

In his further testimony Mr. Fehl quoted the Presidential transmittal message appended to Reorganization Plan No. 2 and categorized

the FBI's role significantly differently than was intended. The "Federal Narcotics Enforcement Report" of the Senate Permanent Subcommittee on Investigations (1976 Report No. 94-00) reflected on the FBI's role in narcotic enforcement as follows:

The late J. Edgar Hoover, the first Director of the Federal Bureau of Investigation, did not want his agency involved in drug law enforcement. Hoover's wishes were persuasive and, in early 1973 at the time the reorganization plan was put forward, the FBI still had no major role in drug enforcement. But President Nixon and his Attorney General at the time, Richard G. Kleindienst, promised the Congress that Reorganization Plan No. 2 would usher in a new era in drug law enforcement. The FBI, they said, would, for the first time, actively engage in drug investigations.

In his March 28, 1973 message to Congress promoting the reorganization, President Nixon said:

My proposal would make possible a more effective antidrug role for the FBI, especially in dealing with the relationship between drug trafficking and organized crime. I intend to see that the resources of the FBI are fully committed to assist in supporting the new Drug Enforcement Administration.

Attorney General Kleindienst seemed to be saying the same thing when in testimony on April 12, 1973 before Senator Ribicoff's Subcommittee on Reorganization, Research and International Organizations, of the Senate Committee on Government Operations, he said:

To be effective, of course, it will be necessary for the new (drug enforcement) administration to rely, in part, on agencies outside of its direct control, and I intend to see that the resources of the Federal Bureau of Investigation, for example, are fully committed to the support of the new administration.

William Sullivan, Director of the Office of National Narcotics Intelligence (ONNI), accompanied Attorney General Kleindienst in his appearance before the Ribicoff Subcommittee and was even more certain that the FBI would "play a very important support role" for DEA.

Director Sullivan, himself a former FBI official, said the FBI's 59 bureau offices in the United States, plus headquarters personnel in Washington, would help DEA by providing the drug agency with "valuable information" provided by FBI informants.

FBI informants, when handled correctly and given specific assignments, should be able to cast light on the nature and flow of specific narcotic traffic in the streets. Also, the hierarchy of the narcotics operators, from wholesalers to street pushers, could be revealed more fully through FBI informants.

In 1975, Subcommittee Investigator Philip Manuel testified that it was the staff's finding that the FBI still had "no significant drug enforcement role" (p. 25). Victor L. Lowe, Director, Government Division, General Accounting Office (GAO), also testified June 9, 1975 before the Investigating Subcommittee. His testimony revealed that the FBI did not have a major role in drug enforcement (p. 99).

Senator Ribicoff, who, on February 21, 1973, had introduced legislation placing Federal drug enforcement in the FBI, recalled at the June 9, 1975 hearing that President Nixon had "rejected the FBI option" but did include in Reorganization Plan No. 2 of 1973 a provision calling for maximum cooperation between DEA and the FBI and the President's message promised a more effective antidrug role for the FBI, particularly regarding the involvement of organized crime in the narcotics traffic.

Senator Ribicoff said:

Ironically, the FBI—the enforcement agency with the least corruption problem and the most experience in dealing with organized crime—is also an agency that has never been brought into the war on drugs. The reason for this is simple. The

FBI never wanted it and still doesn't want the job. I am very critical of the FBI for not wanting a piece of this action.

A GAO Report GGD-76-32, *Federal Drug Enforcement: Strong Guidance Needed*, December 1975, states:

The Presidential message transmitting the plan and several statements by officials of the executive branch since enactment of the reorganization indicate that the FBI resources and methods would be used to assist DEA in its drug law enforcement responsibilities. Both agencies have interpreted the expansion role to mean exchange of information and intelligence at the operating level and have not materially changed their working relationship since the reorganization. The FBI is assisting DEA under the same guidelines used to assist State and local law enforcement agencies working on illicit narcotics traffic.

The Subcommittee on Reorganization, Research and International Organizations of the Senate Government Operations Committee, in its report on the reorganization plan, recommended that the Attorney General prepare, and update at least annually, a formal plan covering the day-to-day coordination and cooperation between DEA and the FBI. No formal plan nor general memorandum of understanding between the two agencies has been developed. (p. 34)

The Presidential Message transmitting the plan contains statements about committing FBI resources to assist in drug law enforcement but is not specific as to what the commitment should be. The message calls for "a more effective anti-drug role for the FBI, especially in dealing with the relationship between drug trafficking and organized crime." It further states that the President intended "to see that the resources of the FBI are fully committed to assist in supporting the new Drug Enforcement Administration."

Since the reorganization plan went into effect, various statements have been made re-emphasizing that the FBI will play a greater role in drug law enforcement. The Federal budget for Fiscal Year 1975 stated that the FBI will place increased emphasis on drug intelligence collection to support intensified drug enforcement. The Strategy Council on Drug Abuse, consisting of several cabinet members and agency heads, stated in its "Federal Strategy for Drug Abuse and Drug Traffic Prevention, 1974," that the FBI "will begin systematic collection of domestic drug intelligence for the first time." (emphasis added)

Although an expanded FBI role was expected, the nature, extent, and details have been left to the FBI and DEA to define. The FBI has taken steps to increase and formalize the dissemination of drug-related information and intelligence obtained from informants, but little is being done beyond this—such as having DEA provide the FBI with the names of any descriptive data on selected drug traffickers. (p. 35)

Mr. Fehl's statements in regard to agency cooperation can be seen to be now, almost a year after the GAO report, precisely and only what was indicated in that report. His prepared testimony consisted substantially of a listing by date of the memoranda and directives sent to field offices. The Bureau's entire level of cooperation and support to DEA would seem to be "timely dissemination of intelligence data and debriefing of its subjects and informants," and nothing more.

The 1975 GAO report continues:

The FBI for many years has shared information which could be helpful to other Federal, State and local law enforcement agencies. Our work in FBI and DEA field offices shows FBI cooperation and assistance has consisted, for the most part, of the exchange of intelligence information obtained by FBI agents in debriefing informants on drug matters. The exceptions to this have been (1) an occasional joint enforcement effort when violations under the jurisdiction of each agency have occurred and (2) DEA agents speaking to FBI training classes. (p. 36, GAO Report). We were informed that, since 1973, the FBI's Inspection Division has been instructed to monitor the effectiveness of drug intelligence work in its annual inspection of field offices. Also, several meetings at the headquarters level have been held between DEA and FBI to determine ways to achieve maximum cooperation without infringing on the jurisdiction of the other agency. (emphasis added)

This is, of course; contrary to Mr. Waldman's statement of the importance of "transcending jurisdictional barriers and getting everyone involved." The GAO report continues:

In the exchange of memoranda in 1973 between these agency heads regarding ways of increasing their impact upon the drug problem, the BNDD Director proposed to provide FBI field offices with lists and descriptive data concerning major narcotics violators so that information could be exchanged on these subjects. While the Acting Director of the FBI expressed the opinion that this appeared worthwhile, such exchange has not occurred either at the headquarters level or in the Los Angeles area; it did occur to a limited extent in New York. As mentioned in the report on "Difficulties in Immobilizing Major Narcotics Traffickers," (see p. 7) BNDD took various actions to coordinate its enforcement activities with those of other law enforcement agencies. These actions included supplying the names of selected upper level traffickers (Classes I and II) to the Internal Revenue Service. In our opinion, information on selected upper level traffickers should also be sent to the FBI.

It would also seem that the obvious answer to Chairman Wolff's question as to why it took 3 years for the FBI to request of DEA the list of Class I violators is found in what the FBI says in public and what it actually does. An exchange with Congressman Bangel included a question as to whether the FBI made a record of defendants found to be violating the Federal narcotics law which was turned over to the relevant agency. Mr. Fehl answered in the affirmative.

The GAO report indicates:

DEA does not tabulate the number of referrals of information and intelligence given to or received from the FBI. The FBI tabulates the total number of drug-related items disseminated to all other agencies but does not identify those provided specifically to DEA.

When the material cited is closely analyzed, one finds that the FBI has in fact given only "paper" support to DEA in the form of directives and memoranda. It is clear that the FBI remains to this day a minor factor in Federal narcotics enforcement.

3. INTERNAL REVENUE SERVICE (IRS)

The Committee heard testimony from Rep. Charles A. Vanik, Chairman of the Ways and Means Oversight Subcommittee which has oversight jurisdiction of the IRS and from Commissioner of the Internal Revenue Service, Donald Alexander, for the purpose of discovering what the IRS is doing in the area of enforcing our tax laws against major narcotics traffickers.

Mr. Vanik testified that five years ago, the Federal Government established an "aggressive, workable program to enforce the tax laws against major narcotics traffickers." However, beginning in 1973, "certain policy makers within the Department of Treasury set about to dismantle the program".

A brief chronology of the creation of the Narcotics Trafficker Tax Program (hereinafter referred to as NTTP) and the dismantling of NTTP as a separate, identifiable operation with IRS follows:

Late 1970.—Secretary of the Treasury Kennedy and Under Secretary Charles E. Walker established a pilot NTTP in one district.

July 1971.—Secretary of the Treasury Connally established a nationwide NTTP with \$7.5 million in congressional appropriations earmarked specifically for NTTP which was conducted by Treasury's Office of Law Enforcement. For the first time a Federal agency

attempted in an organized and comprehensive basis, through both civil and criminal investigations, to get at major drug traffickers, persons who used intermediaries to insulate themselves from the day-to-day operations of the drug traffic and who have exhibited a high proclivity of noncompliance with respect to meeting their tax payments. An interagency system was established for high-level target selection.

July 17, 1973.—Commissioner Alexander, appointed only two months before, sent a memo to William Simon, Deputy Secretary of Treasury stating that with the "establishment of the DEA, supervisory and directional control exercised over the IRS Narcotics Program by the Office of Law Enforcement is no longer practical". Instead of the former NTTP, Commissioner Alexander proposed that IRS:

- (1) Maintain liaison with DEA.
- (2) Screen and identify targets which possess a revenue potential.
- (3) Implement and monitor the revised program through its existing organization.

The final line of the memo requests that the Deputy Secretary reconsider and rescind the provision of the July 7, 1971 Walker memo which created NTTP.

July 30, 1973.—Memorandum to Deputy Secretary Simon from Edward L. Morgan in response to Commissioner Alexander's memorandum on the NTTP. Mr. Morgan claims that Commissioner Alexander's three premises are incorrect. Mr. Alexander claimed:

- (1) NTTP has not been effective because of direct line authority and for other reasons;
- (2) The only purpose of NTTP is collecting revenue due on illegal profits from narcotics trafficking; and
- (3) That region and district IRS personnel have been directing and administering the program.

From the creation of NTTP, the President made clear that the IRS was to employ both civil and criminal laws against violators, and although the collection of revenue was important, the thrust of the program was to be the disruption of the traffic in narcotics. Furthermore, reports from within IRS and the White House directly contradict Commissioner Alexander's contention that NTTP did not meet its goals or fulfill the role for which it was established.

Mr. Morgan credits much of the success to special investigative approaches and the centralized operation of the program. IRS's own "Report on Law Enforcement Activity" for FY 1972 concluded, "the rapid success of the NTTP has illustrated that tax investigations on these subjects can produce worthwhile results." Furthermore, the July-Sept. 1972 report noted, "the two-pronged approach of the NTTP (civil and criminal) has made significant impact on narcotics traffickers throughout the country." Mr. Morgan concludes that IRS's plan to reorganize and decentralize the operation of NTTP, which includes emphasizing only civil prosecutions, would result in IRS subjecting the President's NTTP project to other IRS priorities. This plan ignores "the fact that IRS operates NTTP on a special budget approved without cuts by OMB and Congress as part of the top priority narcotics program." Additionally, plans by IRS to focus only on

"revenue producing" cases conflicts with the conclusion of the 1968 IRS report, "Report on Role of Sanctions in Tax Cases" as follows:

"The dollar spent for criminal law enforcement cannot be measured against the criminal prosecutions obtained, but rather should be valued against what it does to promote voluntary compliance". (p. 35) One might add to voluntary compliance, what it does to hinder the operation of narcotics trafficking. Mr. Morgan opposed rescinding the Walker guidelines, opposed the removal of centralized direct line enforcement operation and the removal of Treasury from the oversight function.

April 23, 1974.—Commissioner Alexander sent a memorandum to Mr. Warren Brecht, Assistant Secretary for Administration, Treasury, concerning objectives for FY 1975. Although it is unclear whether Deputy Secretary Simon ever responded to the previous memo on the issue of the dismantling of an identifiable NTTP, it is clear that NTTP was being integrated into the overall tax administration program of IRS. In the memo, Mr. Brecht observes, "The need to reintegrate this program with the Service's Tax Administration Programs was discussed at the February management conferences. This action will continue the narcotics program at the resources level applied in FY 1974 as discussed then, while bringing it under tighter administrative control to ensure the focus is a proper development of sound tax cases, as was also agreed".

May 10, 1974.—Memo from James B. Clawson, Acting Assistant Secretary for Enforcement, Tariff and Trade Affairs, and Operations to Warren Brecht, Assistant Secretary for Administration concerning Mr. Alexander's April 23rd memo. Mr. Clawson observes that Commissioner Alexander indicates that the narcotics trafficker objective will no longer be a separate entity. Mr. Clawson states that it is unclear how the alternate system will be operated and further recommends that the "existing objective remain substantially unchanged and that the NTTP be used as the vehicle to pursue it."

June 7, 1975.—Commissioner Alexander sent a memorandum to Deputy Secretary Stephan Gardner observing that the impartial administration of the revenue laws is the linch-pin of our voluntary tax compliance process. The basic reason that he opposed an identifiable NTTP is that it is not directly tax related in that it focused against particular activities of individuals and thus, "the public may come to accept the view that IRS is a tool to be wielded for policy purposes." This observation by the Commissioner resulted in NTTP being integrated into FY 1975 regular tax enforcement efforts. An additional reason for the integration of NTTP was a reaction to the "disproportionate use of termination and jeopardy assessments". A further concern of the Commissioner was that the program is not cost effective in actual revenue recovery (FY 1972-1974 cost \$53 million—revenue \$35 million). As NTTP cases were reviewed in the same fashion as other compliance cases, the workload and caseload has consistently declined and resources are being transferred to other compliance programs.

June 27, 1975.—David R. Macdonald, Assistant Secretary of the Treasury; Enforcement, Operations and Tariff Affairs, sent a memo to Edward C. Schmults, Under Secretary, discussing Commissioner Alexander's June 7 and June 9, 1975, NTTP memorandum. Mr. Macdonald responds to the eight observations which Mr. Alexander makes and clearly pointed out the difference in the position of the Treasury Department as compared with that of IRS regarding the role of the IRS

special enforcement programs. (Commissioner Alexander's conclusions are numbered and Mr. Macdonald's reactions follow.)

(1) Equity of IRS Enforcement Policies: IRS has been accused of focusing on illegal activity. However, in FY 1974, NTTP examined 2,080 cases and recommended additional civil assessments and penalties totalling \$69,500,000 (\$34,236 per case). Auditors examined 1,495,000 other returns, mostly low and middle income taxpayers in legal activities and assessed \$335,300,000 (\$230 per case) in additional taxes and penalties. IRS continued to focus on the average taxpayer, and the balance clearly did not lie with the 2,000 special enforcement NTTP cases.

(2) Public Reaction to IRS Enforcement Policies: The public has demonstrated in a 1966 survey and in recent newspaper articles that it clearly does want IRS to *discriminate* and focus disproportionate resources on those individuals who fail to comply with the tax code and/or are engaged in illegal ventures.

(3) The Use of the Authority to Terminate Tax Years and to Make Jeopardy Assessments: Mr. Macdonald pointed out Commissioner Alexander did not provide figures for protests by the courts to the use of tax year terminations and jeopardy assessments. In his view, it was only 8 or 9 times out of 4,000 cases involving \$140,000,000. The bad publicity the Commissioner referred to was usually connected with seizures made during routine collection activity, not NTTP actions. Obviously, summary authority should be used with discretion and in line with court ordered restrictions but it should be remembered that these powers are the only means for collecting much of the revenue in NTTP cases which would otherwise escape IRS attention.

(4) Cost Effectiveness of the NTTP Versus Other IRS Programs: Commissioner Alexander's figures (\$53 million cost, \$35 million revenue) are questionable in that revenue is understated and the cost is overstated. For example, the \$53 million cost to IRS includes \$32 million expended by the intelligence division and intelligence should not be expected to raise revenue. The normal comparison should be assessment recommended versus audit costs and thus the expense would be \$21 million as compared to the questionable \$35 million which from IRS's own figures is low in that it claims more than \$30 million in seizures alone which does not include any revenue from civil prosecutions.

(5) Decline of NTTP Activity During a Period When the Drug Traffic Is Increasing: Mr. Macdonald pointed out that IRS should be closely scrutinized for its policy decisions in that "at a time when the Vice President and other senior people in the Administration are very concerned about the drug traffic, the IRS has reported that it is not using a major portion of the funds allocated to it for the fight against drug dealers". (The same holds true today in light of former President Ford's repeated call for a major IRS initiative to combat the top level narcotics violators.)

(6) The Proposal that Resources Allocated to NTTP be Shifted to Other Programs: NTTP cases are in fact tax related. Furthermore, contrary to the Commissioner's allegation, these cases have not improved in quality or in their degree of tax relatedness with the removal of the National Office Screening Committee and the integration of NTTP into the general compliance program.

(7) Allegation that NTTP Cases Have Not Met the Selection Criteria that Other Cases Have Met: Although NTTP cases are more difficult and time consuming than other audits, few IRS programs are as productive in terms of additional assessments per case. NTTP needs strong support from top management to succeed and during the last two years while the program was de-emphasized and decentralized, productivity and effectiveness clearly declined. Top management must come to grips with the need to pursue those involved in illegal activities who normally do not voluntarily comply with the tax code.

(8) New Legislation to Permit Forfeiture of Currency Under 21 U.S.C. 881(a): While the suggestion is not objectionable, the results to be expected should not be overstated. The Government will still have to prove the seizure was connected to drug activity.

October 14, 1975.—President Ford issued the "White Paper on Drug Abuse" which observes in part, that indirect pressure can often have a dramatic effect on the ability of traffickers to finance and operate a drug network. The Task Force which produced the "White Paper" summarized the work of IRS with regard to NTTP:

The IRS has conducted an extremely successful program that identifies suspected narcotics traffickers susceptible to criminal and civil tax enforcement actions. Recently, the program has been assigned a low priority because of IRS concern about possible abuses. The Task Force is confident that safeguards against abuse can be developed, and strongly recommends re-emphasizing this program." (emphasis added) The White Paper continues with the warning that, "The great discretion these tools provide law enforcement officials requires that extreme care be devoted to developing appropriate guidelines and procedures for their use, to insure that constitutionally guaranteed civil liberties and fundamental rights of privacy are not impinged upon."

December 11, 1975.—In Commissioner Alexander's memorandum to Deputy Secretary Gardner, he expressed his belief that IRS' re-examination of NTTP has already accomplished the goals of recommendation 9 of the Task Force, "that the IRS program of prosecuting drug traffickers for violation of income tax laws be 'under strict guidelines and procedures.'" (What Commissioner Alexander does not say is that this is the first part of recommendation 9 that "the IRS re-emphasize its program of prosecuting drug traffickers for violation of income tax laws under strict guidelines and procedures." (emphasis added))

December 16, 1975.—In Assistant Secretary Macdonald's memorandum to Deputy Secretary Gardner, he criticizes the Commissioner's comments stating:

The Commissioner apparently has misread the White Paper . . . There is no indication that the IRS should be limited to supporting the activity of DEA or other law enforcement agencies. The Task Force intended that the IRS should have its own major responsibilities in the Administration's anti-narcotic program." The White Paper urged reemphasizing the NTTP program. As Macdonald concludes, "IRS does not now have such a program."

April 27, 1976.—President Ford issued a message to the Congress on Drug Abuse reiterating his concern over the failure of the appropriate law enforcement agencies to strike at the top level traffickers. In the message, the President directed "the Secretary of the Treasury to work with the Commissioner of the Internal Revenue Service, in consultation with the Attorney General and the Administrator of the Drug Enforcement Administration, to develop a tax enforcement program aimed at high-level drug traffickers. We know that many of the

biggest drug dealers do not pay income taxes on the enormous profits they make on this criminal activity. I am confident that a responsible program can be designed which will promote effective enforcement of the tax laws against these individuals who are currently violating these laws with impunity."

May 28, 1976.—The Treasury Department established an Anti-Drug Enforcement Committee to develop recommendations for implementing the goals of the White Paper which include:

(1) The revitalization of an income tax enforcement program focusing on the illegal profits of high-level drug dealers, and

(2) The strengthening and expansion of tax treaties with foreign countries to facilitate the investigation of international traffickers. The Committee was to report to Secretary Simon by July 1, 1976. The release makes clear that the President wanted a new vigorous IRS effort against traffickers.

On September 22, 1976, two articles on the specific subject of the efforts to combat the illegal traffic in narcotics appeared in the *Washington Post*. Jack Anderson wrote an article on the failure of Treasury to implement the 14 point Macdonald plan, and the other article consisted of an interview with Commissioner Donald Alexander on the new IRS-DEA Memorandum of Understanding and how IRS will investigate suspected narcotics traffickers.

Commissioner Alexander's position on NTTP appears in the memorandum summarized in the previous section of this Report. Mr. Alexander stressed that the Service is in favor of vigorous prosecution of all tax law violators, including those who are deriving income from illegal dealings in narcotic drugs; however, this must be done "without neglecting our responsibilities in the larger area of general tax law enforcement, and without ignoring recent court opinions which have admonished us not to use tax collecting powers as summary punishment to complement regular criminal procedures". This is the reason he has supported the integration of NTTP into the overall special enforcement program of IRS. Mr. Alexander also supports legislation to expand the forfeiture provisions to permit the seizure of cash found in the possession of narcotics traffickers without regard to his or her tax liability. He stated that shortly after the signing of the Memorandum of Understanding with DEA the names of 375 Class I violators with supporting information was supplied to IRS and distributed to the service centers. The IRS is working on a new tax treaty with the Swiss Government to secure cooperation in the sharing of information which is necessary for the prosecution of tax violators. Mr. Alexander also testified that IRS is working with the Department of Justice on changes in the Federal Rules of Evidence so that material provided by foreign countries will be admissible in U.S. Courts. Mr. Alexander said that Section 1205 of the Tax Reform Act of 1976 (which provides for taxpayer litigation in cases where administrative summons are issued) will hinder the ability of IRS to obtain necessary financial records in an NTTP case.

One major issue which was raised by the Committee concerned who will have the authority, responsibility and accountability for NTTP. Mr. Alexander responded that the IRS must implement the entire IRS code "thoroughly, evenly, and legally" and the only means for doing this is by integrating NTTP into the Special Enforcement

Programs. The Treasury Department has indicated an interest in assisting with screening and monitoring results and commitment of resources. Mr. Alexander stressed the need for new tax treaties or tax information sharing agreements with those countries where funds from narcotics are laundered and invested.

Mr. Alexander stressed that the key to effective NTTP investigations "is resources". Regardless of whether NTTP is a separate program or not, there is a need for adequate manpower and resource allocation. IRS claimed that narcotics traffickers cases have a high priority but not an exclusive priority and that its oversight is being managed through the IRS system of checks and balances to make certain that politics does not enter into the selection of targets for tax investigation. IRS noted that although they have had independent contact with certain Mexican officials, they have not been advised that they will have a role in the parallel or joint commission with the Mexicans on overall narcotics issues.

Furthermore, agreements with most Western Hemisphere nations are lacking, including the critical country of Colombia, the primary source of cocaine.

Congressman Rangel expressed concern that IRS does not have a special unit which the Congress can evaluate for results. Mr. Alexander stated that in line with the 1972 IRS reorganization for narcotics cases, IRS does separate reporting, and separate instructions, and, except in certain regions with a heavy NTTP caseload, do not have a separately identifiable unit. Mr. Alexander's main concern with the fourteen point "Macdonald plan" was that it did not insure that only high-level traffickers would be pursued, a major problem in the old program. Mr. Alexander concluded that he shared the Committee's concern that it investigate suspected narcotics traffickers who avoid their tax responsibility and said the IRS is currently doing this through the special enforcement program and in doing so is complying with the directive of the President.

The Committee stressed its interest in the progress, if any, of tax haven treaties with foreign countries whose banking laws prohibit cooperation with IRS.

4. DRUG ENFORCEMENT ADMINISTRATION (DEA)

Peter B. Bensinger, Administrator of the Drug Enforcement Administration, testified before this Committee to outline the major objectives and accomplishments of DEA since Reorganization Plan No. 2 of 1973. Mr. Bensinger explained the objective of DEA as being . . . "to reduce the amount of heroin and opiates and their derivatives coming into this country and being used by our citizens and people living in this country." He asserted that DEA's role was not only that of criminal investigation but included the responsibility "to enforce the controlled substances laws in the United States and to bring to justice those organizations and principal members of organizations involved in illicit drug activities . . . done not only through a criminal proceeding, but also through efforts, both overseas and here, that would involve reduction in the cultivation, manufacture and distribution of drugs appearing in or destined to the U.S. market."

Later in his testimony, the Administrator focused on what DEA is doing now by stating:

The cases we are increasing our concentration on, are in a region outside of the jurisdiction of cities, counties, and states. Maybe our efforts, are in fact, generally international in scope. . . . They are not local cases.

Mr. Bensinger stated that efforts within DEA to carry out this mandate have been severely hampered in the past due to internal management problems and interagency rivalries. He described his agency's efforts to overcome these major operational problems through participation in interagency agreements and law enforcement initiatives.

Newly instituted areas of inter-agency collaboration have included DEA's leadership role in the Cabinet Committee on Drug Law Enforcement (CCDLE). Mr. Bensinger commented, "we are assuming our leadership role in the law enforcement community; for the first time . . . DEA is now chairing meetings of major law enforcement organizations." Rep. Beard questioned Mr. Bensinger on the effectiveness of CCDLE and Mr. Bensinger replied: "this (effort) has been a significant improvement in interagency relations and in the general development of Federal strategy."

Mr. Bensinger's testimony and prepared statement also set forth the accomplishments of DEA in FY 1975 as compared to FY 1976 and outlined the significant improvements in the overall performance of the Administration in this last year. Included in the testimony were the following indicators which Mr. Bensinger sees as pointing to "a trend that will have more impact on the effectiveness of this agency than just about any other we can control":

Class I trafficker arrests increased 49% in the last year.

Heroin arrests have increased 82% since last year.

DEA's allocation of man-hours and emphasis increased from 31% working on Class I violators in 1971 to 50% currently.

Class IV arrests are down 35% in the last year; 66% since Reorganization Plan #2.

Class IV marijuana arrests were down 43% in the last year.

Percentages cited were:

(In percent)

	Fiscal year 1973 (5,750)	Fiscal year 1974 (6,400)	Fiscal year 1975 (7,000)	Fiscal year 1976 (7,400)
Class I	2.0	4.5	8.9	13.7
Class II	6.3	9.0	8.8	11.3
Class III	56.6	63.8	64.1	62.9
Class IV	35.1	22.7	18.2	12.1

In addition to the increased figures for Class I arrests, the Administrator outlined in his testimony and in a letter to the Committee following his testimony DEA's emphasis on the reduction of street level heroin purity. He testified that: ". . . the level of heroin purity is . . . the most important indicator . . . to measure the abuse of that drug in the United States." A major objective of DEA will be to reduce heroin to a purity level of 4.5% by June of 1977, from its current level of approximately 6%. He also stated that he agreed with Dr. DuPont and others in the field that . . . "when the heroin purity does go below 5%, then there will be an impact both in terms of the number of addicts

and in terms of the number of deaths and injuries." Mr. Bensinger went on to assert, "If the purity level is decreased, the price goes up. . . . Generally, the individuals who have become addicted . . . are given a greater incentive to either go to treatment or take a drug of lesser abuse or to stop the habit." To accomplish this goal, he said, would require considerable efforts on the part of DEA, State Department, the international community, our courts, and State and local governments. Mr. Bensinger also asserted that interagency agreements and legislation alone, although necessary, will not solve the problem. He stated in his testimony before the Committee:

There may be additional resources that would be required, particularly to fill in where Federal effort goes to higher level traffickers and the state and local prosecutors and police are faced with a situation of not being able to pursue increasing investigations with their present resources which are limited.

DEA's efforts to reduce the supply of heroin in the United States and bring to prosecution those traffickers responsible for drug distribution are both national and international in scope. A variety of efforts have been made by DEA and other agencies to improve cooperation and the sharing of information to enhance the effectiveness of the Federal effort to control drug availability in the United States. Mr. Bensinger feels that the Department of State has, in most instances, been effective in coordinating interdiction efforts. In response to Chairman Wolf's inquiry regarding potential conflict between DEA's position as the principal drug enforcement agency and international drug interdiction strategy decisions being controlled by State Department officials who may lack drug trafficking expertise, Mr. Bensinger replied that he did not think ". . . it is necessary . . . (or) exclusionary if the Ambassador has in the mission a DEA regional director and a representative. If they work closely together, I do not think it would necessarily follow that we should not be under the guidance of the Ambassador in each foreign country;"

Chairman Wolf inquired if there is "anything that can be done to enhance your work with the State Department? Are you getting the maximum cooperation? Do you have any limitations whatsoever which are placed upon you?" Mr. Bensinger replied that the State Department has been cooperative on the matter of Mexican eradication programs, and is working to establish a DEA liaison representative in Burma. In addition, he stated that the State Department has already "acted . . . to make sure that the Ambassadors in the various countries, particularly the source countries, have the full understanding of the implications of what can happen when a raw pound of opium leaves the jurisdiction of . . . the country in which their embassy is located."

Asked about the effect of the Mansfield amendment (an amendment to the Foreign Assistance Act which prohibits DEA involvement in any direct police action overseas) on the activities of DEA agents overseas, Mr. Bensinger reported that there are already guidelines in place ". . . which give a clear delineation of what duties can be engaged in by personnel overseas or in foreign countries," and that he has dispatched a task force to visit selected foreign countries within the next two months to evaluate the guidelines and their impact. In any case, he did not think that there necessarily has to be a DEA agent involved in every arrest of a narcotics violator, so long as there is "someone . . . present . . . in foreign countries to see that the initiatives

which may have been promised do take place." In fact, "the guidelines direct the agency away from operational arrest situations, emphasizing instead the importance of other affiliates and associates of traffickers . . . particularly important when there are individuals who may be arrested abroad who are, in fact, heads of organizations bringing drugs into the United States. . . . I see our role overseas as one of intelligence gathering, training, representation, and liaison. . . ." Asked again about the chain of command among agents abroad, heads of their host embassy, and superiors at home, Mr. Bensinger stated:

In the case of a DEA agent abroad, he should report administratively and for his duty and orders to the regional director of the DEA, if there is a regional office within that country, or to the country attaché, if it is a country in which there is no regional office. The Ambassador within the country would establish general guidelines and policies. Our country attaché or regional director, in turn, now reports to him. However, I think the operational responsibilities, the supervision, and the evaluation of work effort should be within our agency. . . . That is the case (now). The individual employees of DEA do report to a supervisor within the countries in which they serve.

Major policy decisions are made first with the concurrence of DEA officials rather than the Ambassador, but the Ambassador is usually informed of the operational activities of DEA.

DEA reported that significant international efforts have produced good results, but that continued enforcement and broadened initiative will be necessary to effectuate more effective networks to halt drug trafficking. Mr. Bensinger reported DEA's international drug efforts as follows:

Mexico is the origin of "67-75%" of the heroin on the United States market with the balance coming predominantly from Southeast Asia and some percentage from Lebanon and Syria.

The 10-point DEA Mexican heroin program, "established to maximize DEA efforts," and coordinated with the Mexican Special Action Office, has resulted in the destruction of between 59-80% of the fields that are sprayed. In addition, this effort has resulted in the seizure of 214 kilos of brown heroin, 2 kilos of white, and netted the arrests of over 1,000 persons, 312 of whom were "major violators."

Operation TRIZO, the joint United States/Mexican poppy field eradication program, has resulted in the destruction of over 21,000 opium fields. Mr. Bensinger pointed out that leakage from eradication programs for opium and marijuana may vary from 15-50%.

The JANUS program, which presents information obtained in the course of investigation in the United States to judicial authorities in Mexico, has resulted in 62 cases involving 300 citizens in the United States and more than 90 in Mexico.

DEA training on an international scope has graduated 600 foreign agents in the United States and 7,000 agents overseas. This training has included "mid-level management to executive seminars for directors of foreign narcotics agencies . . ." and ". . . has a good information and liaison network in the drug enforcement community worldwide."

DEA is receiving cooperation from the Governments of Colombia, Ecuador, Bolivia, and Peru in a collective effort to slow cocaine production and exporting; these countries are also now working with each other as well. Mr. Bensinger and Attorney General Levi met with the Peruvian Attorney General and the President of the Supreme Court. Their commitment to interdiction programming appears to be

sincere but Mr. Bensinger noted: "the impact remains to be seen." Furthermore, he warned that "I do not want to make an overly optimistic prediction because the capability of growing coca and of converting it into coca paste and exporting it to the United States exists despite increased efforts of enforcement by those countries and it will continue to exist and occur."

There is also an ongoing program in El Paso, Texas in which DEA is working with IRS, Customs, the FAA, Coast Guard, and Alcohol, Tobacco and Firearms personnel which is using a variety of technical means to try to discover "who is crossing the border and who is crossing it with drugs." This remains a problem virtually impossible of solution.

DEA has also furnished the Mexican Attorney General's office with a list of 595 fugitives suspected to be in Mexico.

In a further exchange between Mr. Bensinger and Chairman Wolff, Mr. Wolff pointed out that American aircraft worth 12 million dollars had been provided the Burmese government to aid in that country's opium eradication program, which Mr. Bensinger confirmed. Questioned as to the United States request to place a DEA agent in Burma to oversee this operation, Mr. Bensinger stated that Ambassador Sheldon Vance's assistant reported that such a request has been approved.

DEA's international program goals are guided by the Cabinet Committee on International Narcotics Control (CCINC), which has a directive to gain the support of other nations for internal drug controls, and simultaneously to strengthen drug control efforts and capabilities of foreign governments. Although this Cabinet Committee has not met as a whole since 1973, the Select Committee was later informed in a letter from DEA that Subcommittees of the Cabinet Committee as well as international reporting systems are being utilized to provide programmatic information toward an international drug enforcement strategy.

On a national level, DEA reported the following interagency relationships:

1. U.S. Customs Service: Interagency problems created by Reorganization Plan #2 between Customs and DEA have been improved by the Memorandum of Understanding signed by both agencies on December 11, 1975.

Mr. Bensinger remarked: "I think the U.S. Customs Service and DEA recognize that more information has got to be shared. We are not satisfied with just doubling the information. We are going to have Customs participate in the training program of our agents in the field to develop a more specific determination of what we need. We, in turn, will go to Customs when we see problems. . ."

However, Mr. Bensinger referred to a report on Class I violators "that we think would be of use to the IRS. . . . That was not submitted for a period of time. It is my understanding that the IRS and DEA just did not have exchange of information that provided for acceptance of this data."

In a letter received from DEA in response to further questions from the Select Committee about its working relationships with the Customs Service, Mr. Bensinger replied:

Since July 1973, a large amount of information/intelligence has been exchanged on a more or less informal basis between DEA and Customs; however, until re-

cently, DEA had no established procedure for quantifying the nature and types of information which was provided to Customs. Neither was there any coordinated mechanism of insuring that requests from Customs were answered in an expeditious and satisfactory manner. In early July 1975, to correct this deficiency, a special liaison activity was created within DEA's Office of Intelligence. It is the responsibility of this activity to see that Customs is provided with any and all DEA-acquired and/or processed intelligence which might be of value in the conduct of port and border interdiction functions. It is also the responsibility of this activity to keep an accurate record of the quantities and categories of intelligence provided to Customs. A report of this information/intelligence exchange is provided on a monthly basis to the Commissioner of Customs.

Continued efforts to improve intelligence sharing and field cooperation between DEA and U.S. Customs remains a priority. Significant efforts to enhance this process are being initiated by both agencies. It should be noted that as a result of Reorganization Plan #2, the Customs Service was relieved of its international intelligence gathering functions and that these functions were placed under DEA's jurisdiction. Although cooperation between the two agencies is a priority with Mr. Bensinger and Commissioner Vernon Acree, continued communication problems between the two agencies have thwarted many opportunities to improve their working relationship.

2. Mr. Bensinger said that IRS involvement in any narcotics effort is crucial: ". . . we are working with IRS and want to work more closely with them to develop better training for our own agents here and overseas as to what to look for in this type of investigation." Since the signing of the NTTP agreement in July, 1976, DEA has provided IRS an initial listing of 418 names of high-level violators for joint investigation by IRS and DEA.

This new agreement to provide cooperation in support of the Narcotics Traffickers Tax Program can achieve an impact on the upper echelons of narcotics traffic, without violating the provisions of the Privacy Act (5 U.S.C. 552(a)) regarding taxpayer information.

To complement the NTTP, DEA is establishing a financial intelligence project of its own. As Mr. Bensinger stated, "In many cases that we pursue, most of the profit escapes the country into secret numbered accounts in foreign tax havens. Since other nations have differing views than ours on tax matters, certain countries refuse to cooperate with the IRS. Frequently, these countries will cooperate with us, however, and this is where our financial intelligence project complements the IRS efforts."

The Administrator testified that DEA is "working to improve our cooperation with the FBI." DEA has recently engaged in an expanded effort with FBI by seeking not only "drug specific intelligence, but regarding bank robberies, terrorism, tax matters and smuggling information and techniques." DEA has also begun to submit names and pertinent data of all DEA Class I fugitives to FBI for their help in apprehending these individuals.

Some concern was voiced by Representative Gilman about the FBI/DEA relationship as focused on local law enforcement efforts and drug trafficking. He said: "FBI indicated that they had no authority to investigate narcotic problems; that the DEA was concerned with the international picture; that FBI had no authority in that area; and that most of the enforcement on the streets was left to local government and local police officials. Local police officials, of course, are being decimated by the strain on the municipal budgets at the present time.

This left an impression on our minds, at least in my mind, that there is a great void out there about 'who's watching the street today?' If you folks are concentrating on the international picture and the flow of traffic coming into the country at our borders, if the FBI does not have the authority, and if the local police agencies are limited in funding, then we have a serious lack of attention in our metropolitan regions."

With regard to multi-agency operations, Mr. Bensinger referred to a trial project initiated only recently: in Chicago and Miami, INS, FBI, Customs, DEA, IRS and State and local intelligence and police units are brought together and briefed by DEA on selected cases. DEA usually chooses a "large, important, heavy trafficking organization" and says "Here's our briefing on that organization." They then request the other Federal agencies and the State/local agencies to "fill in the blanks with their additional information in the course of their efforts." This new program was evaluated in December 1976; if the first preliminary field test shows a positive impact on those two cities, DEA will propose going to 19 additional locations. DEA is hopeful about the results.

The Administrator testified that he was aware that States and localities are strapped for additional resources and that what they now have is inadequate to deal with ever-increasing responsibilities. In addition, he noted that "many promising State and local programs originally funded through LEAA are discontinued or severely cut when the LEAA funding is completed." The Committee has had firsthand information concerning this problem in New York City where it held a significant hearing on November 19, 1976, and which is the subject of a separate Committee Report.

State and local police involvement in national training institutes is declining where there is no provision by the institutes for partial funding for travel and attendance. As a result, Mr. Bensinger recommended: "additional resources through LEAA; more joint funded task forces with State and locals; more metropolitan units which utilize sheriffs' offices or one major law enforcement community with satellite agencies working on narcotics; and an increased commitment in State government, city government, and Federal Government regarding people who are violating the laws . . ."

He then discussed bail problems, the increasing number of fugitives, and the failure of the court system to handle narcotics cases. In August, 1976, the number of fugitives stood at 2,547; and at the time of this Committee's hearings (Sept. 1976), that number had risen to 2,630. Mr. Bensinger remarked, "We gain about 80 fugitives a month . . . 1,500 were within the last year's period of time." Mr. Bensinger further commented that this . . . "is very demoralizing because the individuals who are arrested are back on the streets before the ink is dry on the paperwork." It seems that judges and magistrates all differ on levels of bail set, that bail reduction hearings often result in lower bails than originally set, primarily because the courts cannot guarantee that the defendant will be brought to trial within a reasonable amount of time. Mr. Bensinger stated, "generally, the longer it takes to get to trial, the less there will be findings of guilt and there will be lesser sentences." He recommended that the Select Committee give consideration to stricter bail legislation. In addition, one out

of every three individuals convicted of a heroin or a cocaine charge is placed on probation by Federal courts, and of those sentenced to prison, one out of every three receives a sentence of three years or less, coming up for parole within one year after imprisonment. "52% of the total of 3,900 cases were either out on the street or eligible to go out on the street within a year from incarceration." More than anything else, Mr. Bensinger stressed that: ". . . we need a consistent and assured punishment even more than we need a length of punishment . . . If you had someone who was arrested who knew he was going to have punishment regardless of the length and if it were meted out swiftly, then I think you would have a far better criminal justice system than we have today."

In addition, the Administrator called on Congress to assist DEA in its efforts to limit heroin supply and trafficking by considering proposals such as those contained in the President's narcotics sentencing legislation, which provides mandatory minimum prison sentences for the sale of heroin, and allows judges to deny bail to certain violators. Mr. Bensinger further recommended Congressional action to ratify the 1971 Convention on Psychotropic Substances which extends controls to substances such as amphetamines, barbiturates and hallucinogens.

DEA also recommended that there be increased resources in the controlled substances units of the U.S. Attorney's office and that there be sufficient experienced prosecutors on their staffs; DEA agents are "working closely with them and early enough in the case development to assure that we get the case."

On October 14, 1976 the Committee forwarded a letter to Mr. Bensinger outlining those areas of his testimony about which the Committee required additional information. DEA submitted its reply on November 10, 1976.

Referring to areas of increased interagency cooperation and exchange of information, DEA expressed the following opinions:

(1) As to the Internal Revenue Service, Mr. Bensinger stated that "an agreement designed to place renewed emphasis on cooperation between DEA and Internal Revenue Service in the Narcotics Trafficker Tax Program was signed on July 27, 1976;" adding that "problem areas are having a somewhat adverse effect on field relationships between investigators of both agencies". Meetings are presently being conducted involving headquarters intelligence and legal staffs of DEA and IRS, and Mr. Bensinger commented that "... a request for legislative relief may emerge."

(2) As to the State Department, DEA indicated that "close working relations" have been established. Regarding the substance of such relationships Mr. Bensinger stated: "Routine and frequent contact between State and DEA analysis is maintained in the selection of any production of articles for DEA's Quarterly Intelligence Trends."

(3) During the hearings it was observed that difficulties have arisen between DEA and Customs in implementing Reorganization Plan #2 as it relates to the role of Customs in the Federal narcotics control effort. Customs charged that DEA has been delinquent in its responsibility to provide Customs with information relating to border interdiction.

Subsequently, information relating to the increased cooperation and sharing of information was stated to have developed from a "Memorandum of Understanding" signed on December 11, 1975, which established guidelines under which both agencies agreed to cooperate. Mr. Bensinger further stated: "Customs, to be most effective in the discharge of its responsibilities, is highly dependent upon DEA assets and capabilities for basic and operational intelligence." Adding: "to assist DEA in the accomplishment of its support functions, Customs has provided a statement of its information/intelligence requirements and DEA field elements have been instructed to broaden the scope of informant and defendant debriefings to obtain information responsive to Customs' expressed needs."

(4) DEA also maintains an exchange of information with the FBI, and in reference to the 33 cases turned over to the DEA by the FBI involving major heroin traffickers, Mr. Bensinger affirmed that "in May of 1975, a Central Tactical Unit operation began as a joint effort of both the FBI and DEA." By April of 1976, 33 arrest warrants were issued. DEA summarized this investigation as follows:

"It is to be noted that the DEA investigation . . . resulted in the uncovering of a large number of other primary witnesses who were able to expand the scope of the investigation far beyond the group of violators identified by the DEA/FBI witness. The resulting 33 indictments indicate the highest levels of violators in this expanded investigation."

In outlining the major interagency programs that DEA manages for increasing information flow to other agencies' needs, Mr. Bensinger said:

"Operationally, the El Paso Intelligence Center (EPIC), the Unified Intelligence Division in New York (UID), the new Field Intelligence Exchange Groups (FIEG) in Chicago and Miami, the Interagency Drug Intelligence Group-Mexico (IDIG-M), and the Asian Heroin Working Group (AHWG) are structured to improve analytical intelligence production and exchange between Federal, foreign, State, and local agencies."

(5) Existing cooperation between DEA and LEAA was alluded to in DEA's response as taking place within the Working Group of the Cabinet Committee for Drug Law Enforcement, which is chaired by Mr. Bensinger. Mr. Paul K. Wormeli, Deputy Administrator of the LEAA is also a member of this Working Group, and according to DEA's reply:

"Mr. Bensinger and Mr. Wormeli have met on several occasions to discuss law enforcement matters of common interest to DEA and LEAA. The administrator of LEAA, Mr. Richard W. Velde, and Mr. Bensinger also have met to discuss a variety of law enforcement issues."

(6) DEA also maintains an exchange of information on the Cabinet Committee level with NIDA's Director, Dr. Robert L. DuPont, who is an ex-officio member of the Working Group of the Cabinet Committee for Drug Abuse Prevention, Treatment, and Rehabilitation. In reference to Dr. DuPont's interactions with members of the Working Group of the Cabinet Committee for Drug Law Enforcement, DEA acknowledged that, "he has discussed extensively with the members of the Working Group recent findings and policies in the areas

of drug abuse prevention, treatment, and rehabilitation." He added "In addition, Mr. Bensinger and Dr. DuPont have had frequent meetings since Mr. Bensinger's appointment as Administrator of DEA . . . addressed senior-level coordination of supply reduction and demand reduction efforts . . . (and) . . . discussed opium policy . . ."

(7) Within the areas of international opium interdiction policies and the establishment of working relationships with foreign governments DEA stresses close ties to the State Department. Periodic liaison visits are conducted with several Eastern European Countries. According to Mr. Bensinger's response, "These liaison meetings are arranged with the clearance and authorization of the appropriate American Embassies. In return, several officials of these countries have participated in our Executive Observation Program."

As to the establishment of international opium interdiction policies, DEA described a method whereby:

"Relevant U.S. missions abroad submit annual narcotics control action plans for their countries to the State Department . . . The 'NCAAP' is prepared from input of designated members of the U.S. mission's country team, including DEA."

These plans are then reviewed by Washington, D.C., interagency working groups with further information from DEA. Mr. Bensinger further noted: "It is at this level that specific policy decisions are recommended to Ambassador Vance for CCINC approval," and, "While the CCINC itself has not met for some time, its working groups, chaired by Ambassador Vance, have met frequently to address specific topics . . . Important policy implementation decisions are made at these meetings."

In concluding DEA's response to the formation of policy, Mr. Bensinger remarked, ". . . as a general rule, it has not been necessary to have formal agreements other than the Single Convention, as amended in establishing mutual narcotics cooperation."

Mr. Bensinger elaborated on the United States/Mexican Government program of joint prosecution (JANUS), describing it as "one of the most important efforts aimed at those sources of supply that continue to flood the United States with Mexican narcotics". Of the 62 cases listed as of October 26, 1976, four convictions have been reported by the Mexican Government, Mr. Bensinger defended this relatively low figure: "The majority of the 62 cases were presented . . . within the last 14 months . . . The average life span of a Mexican narcotic case . . . is 8-12 months . . . The JANUS type cases require additional factors that necessitate further delays and careful execution of the arrest warrant requires additional time."

Mr. Bensinger later added: "The governments of Colombia and Chile are currently considering similar programs involving extra-territorial prosecutions."

In negotiating financial-haven treaties with the Bahamian Government, it was reported: "DEA has been monitoring efforts to conclude a treaty with the Bahamas. Discussions on this subject were held in July, 1976, between the DEA financial intelligence project staff and that of the Assistant Secretary of the Treasury for Law Enforcement," and, "Although DEA is currently planning approaches to the governments of Mexico and the Cayman Islands . . . this agency has had no input in any interagency planning for such treaty demarches."

In estimating the representation of foreign-source opiates on the American market, Mr. Bensinger indicated that this was based on various laboratory analysis systems that were merged with a study of intelligence information. An approximate range of the sources of illicit heroin in the United States was expressed as: "75-80% of the heroin exhibits are of the brown variety associated with Mexican origin; 15-20% from the Golden Triangle (Thailand, Burma, Laos); 4% from Hong Kong, Malaysia, Cambodia and Vietnam; 0.5% from Turkey; 0.5% from Lebanon/Syria."

In response to the Committee's request for an analysis of current interdiction statistics now correlated at 10%, Mr. Bensinger acknowledged that: "DEA is unaware of the origin of the estimate that 10% of the drugs smuggled into the United States is interdicted . . . and its legitimacy is highly suspect."

He indicated that as a result of the Internal Security Assistance and Arms Export Control Act of 1976 (PL-94-329) it was necessary to modify the guidelines relating to DEA's operations in foreign countries. This was accomplished on July 30, 1976. He then acknowledged that: "Guidelines Committee study teams consisting of DEA and Department of Justice personnel have recently undertaken travel to a cross-section of relevant DEA offices in order to assess the effect of the Mansfield Amendment on our international narcotics control efforts. . . ."

Responding to the Committee's inquiry as to how DEA reconciles its reliance on purity reduction as a major agency objective, Mr. Bensinger voiced, ". . . our own experiences with addiction trends have indicated that in towns in which heroin is readily available, addiction is likely to spread . . . fewer persons initiate heroin use when heroin is in short supply . . . with purity viewed as an indicator of availability."

Reduced availability is a factor contributing to the lessening of heroin-related crime, Mr. Bensinger said, "This does not necessarily guarantee that the overall property crime rate will decrease. Many other factors . . . also have profound influence on the crime rate."

Mr. Bensinger was unable to explain the contradiction in the minor linkage between crime and drug abuse in the Shellow Report with the President's statement that over 50% of all crime is drug related, stating: "DEA is unable to explain the differences between the President's statement and the Shellow Report. While various studies and estimates are made from time to time . . . too little coordination effort has been accomplished to date."

Relating the reduction in availability to the treatment issue, Bensinger observed: ". . . It is difficult to relate heroin treatment admissions to periodic declines in heroin purity. . . . Treatment statistics thus far developed are not comprehensive or sensitive enough. In short, we are currently lacking historical or present data to truly gauge the impact . . ."

In his discussion of the reason high-level traffickers sometimes are permitted drastically reduced bonds, Mr. Bensinger concluded: "DEA can only surmise that it is the result of several factors. We have no doubt, however, that the Bail Reform Act is most predominant among those factors."

Referring to the 499 "free time" DEA arrestees, the Committee was provided a copy of "Report on Post-Arrest Drug Trafficking". In reviewing this report, the following information regarding those persons arrested while on bail is evident:

- (1) The majority were dealing in multiple ounce quantities.
- (2) 40% had prior drug arrest records and 64% had prior felony arrests.
- (3) 77% had been released on less than \$10,000 bail and one-fifth of the total were released with no bail.
- (4) 71% were at large for more than three months prior to their actual incarceration. 55% of the kilogram-level dealers had over three months "free time".

In a summary of the comparison of the New York narcotics laws and the proposed Federal sentencing legislation, Mr. Bensinger indicated that DEA's enforcement priorities are closer to those goals established in the Narcotic Sentencing and Seizure Act than the New York narcotic laws. The major difficulty resulting from the New York laws was observed by Mr. Bensinger as being that, ". . . court calendars became exceedingly congested with A-III felonies, and sufficient time and attention for the handling of more important indictments was not possible."

In reference to proposed Federal legislation, Mr. Bensinger contends: "The Act excludes from its provisions defendants who are only peripherally or minimally associated with the trafficking operations. Since DEA does not actively pursue the street peddler, who makes up the vast majority of the A-III defendants in New York, . . . the effect of the mandatory minimum provisions will be limited to only major violators."

5. CUSTOMS SERVICE

Congress has conferred broad authority upon Customs officers (either directly or by delegation) to search persons, conveyances and merchandise entering the United States from foreign countries for the purpose of protecting revenue and preventing the importation of merchandise, including controlled substances, contrary to law. The more important statutes in this area are:

18 U.S.C. 545 (formerly 19 U.S.C. 1593) which makes it a criminal offense to smuggle or clandestinely introduce or bring in merchandise or to import merchandise contrary to law.

19 U.S.C. 482 authorizes searches of persons, conveyances and containers.

19 U.S.C. 1461 authorizes the inspection of baggage and merchandise and requires Customs supervision of unloading.

19 U.S.C. 1467 authorizes special reexaminations.

19 U.S.C. 1496 authorizes baggage examinations notwithstanding a declaration and entry have been made.

19 U.S.C. 1499 requires imported merchandise to be examined by Customs.

19 U.S.C. 1581 authorizes boarding and searching of vessels; arrests and seizures for breaches of the revenue laws.

19 U.S.C. 1582 provides that all persons coming from foreign countries shall be liable to detention and search in accordance with regulations promulgated by the Secretary of the Treasury.

19 U.S.C. 1584 provides penalties for unmanifested goods (with specific penalties for narcotics or marijuana) found on vessels or vehicles.

19 U.S.C. 1602-1614 provides the machinery for seizing, storing, forfeiting and disposing of articles seized by Customs officers.

19 U.S.C. 1595 authorizes forfeitures of conveyances used in smuggling, or used to aid or facilitate smuggling, etc.

19 U.S.C. 1701-1709 provides for the seizure and forfeiture of conveyances used in smuggling.

19 CFR part 6 requires aircraft arriving from outside the United States to make their first arrival at a Customs airport.

Specific Narcotic Authorities

26 U.S.C. 2607 authorizes Customs officers to carry arms, serve warrants, and in addition, authorizes them to make warrantless arrest for narcotic and marijuana law violations.

31 U.S.C. 1034 authorizes the Secretary of the Treasury to administer oaths, issue subpoenas and compel the attendance of witnesses for any investigation which in his opinion is necessary and proper for the enforcement of 18 U.S.C. 545 with respect to any controlled substances.

21 U.S.C. 881 applies the Customs seizure and forfeiture laws to controlled substances. This section also provides that persons designated by the Attorney General will perform the duties imposed upon Customs officers under the Customs seizure and forfeiture laws, except to the extent that such duties arise from seizures and forfeitures effected by Customs officers.

21 U.S.C. 966 provides that nothing in the Comprehensive Drug Abuse Prevention and Control Act of 1970 shall derogate from the authority of the Secretary of the Treasury under the Customs and related laws.

49 U.S.C. 781, et seq., prohibits the transportation of contraband (including narcotics and marijuana) and empowers the Secretary of the Treasury to designate officers to enforce its provisions.

Under Reorganization Plan No. 2 of 1973, the Customs Service foreign intelligence function with respect to drug trafficking was transferred to the new Drug Enforcement Administration.

The Commissioner of the Customs Service, Vernon Acree, testified that the Service does not presently know "how heroin in bulk enters the United States". Chemical methods of identifying source country of origin of opium derivatives are not reliable. 1,029 lbs. of cocaine were seized in 1975—a larger amount will represent the total for 1976. There may be a trend for young people to turn away from "shooting up" (using heroin) to "juicing up" (pills and alcohol). Mr. Acree testified that: "Transcending all else should be the single goal of developing the most effective anti-narcotics strategies that we all collectively can devise for the United States and the citizens of our country".

In FY 1971, the high point of heroin seizures, Customs seized 937 lbs., representing 84% of the total Federal effort. In general, Customs was interdicting about 50% of all "hard" drugs intercepted under the Federal program. Customs seizures at the border are of considerably higher purity than "street" seizures. Reorganization Plan #2 cut off Custom's intelligence gathering function, and there is no longer such success at the borders.

Guns and ammunition are now being smuggled at an increased rate, and many of the criminals involved in this are also involved in narcotics. In FY 1976, narcotics seizures numbered 22,989. Total non-narcotic seizures numbered 67,134.

Customs has converted from a manual arrest and seizure report to a computerized report—a very useful management information device for the deployment of personnel and assets. The computer is not tied into DEA computers, however, and there exists substantial fragmentation in this area.

DEA, by virtue of the tremendous volume of cases that Customs transmits can, at best, just process the more important of those defendants through the judicial system. DEA has been involved in debriefing those individuals for two purposes: to develop major conspiracy cases and to extract from those individuals that are cooperating, the body of knowledge that they possess. DEA accepted 45% of Customs cases in 1975, with 55% being turned over to local officers. Cases involving 400 to 500 pounds of hashish or marijuana are presently going totally unprosecuted. Customs is unable to follow up on the cases it turns over to DEA. One reason is the incompatibility of computer systems; another is that until very recently, no cooperative network existed.

The level of smuggling of narcotics has continued almost unabated since Reorganization Plan No. 2. Marijuana smuggling has probably reached 16 million pounds per year. Heroin smuggling is again equal to the peak periods of the early 1970's. Less than 10% of the total heroin supply coming into the U.S. is seized.

Customs has a new operational approach to interdiction called "tactical interdiction". Because of the size of the borders of the United States an effort is being made to be at the right place at the right time, using sophisticated equipment and tactics. The coordination of narcotic interdiction efforts with the Border Patrol is difficult and represents a major stumbling block to the Federal control effort.

In summary, the Customs Service believes its efforts were largely made ineffective by Reorganization Plan No. 2 which transferred to DEA all intelligence activity along with primary responsibility for making major Federal cases.

Custom's relationship with DEA, under the constraints of Reorganization Plan No. 2 may be "as good as they ever can be", according to the Commissioner. Intelligence from the State Department which results in arrest is "very minimal" according to Mr. Acree.

Commissioner Acree's assessment is that "The whole enforcement community suffers from a dearth of narcotics intelligence at the present time. Customs should have a continuing role to play in gathering narcotics-related intelligence overseas. . . . Our point is, and this is why we have been termed uncooperative or not willing to go along with the way the ball game has been laid out to be played, is we simply don't believe that this is the most effective way to combat the flow of narcotics into the United States in the total national interest".

The answer to improving the Federal narcotics effort is not necessarily more people—it is more intelligence. History teaches that most of the major heroin arrests are based on intelligence, not cold interdiction. The Commissioner testified that major seizures of heroin based on hard information are practically nil today.

In FY 1976, Customs seized over 759,360 pounds of marijuana (over 379 tons), 13,437 pounds of hashish, 1,030 pounds of cocaine, 368 pounds of heroin, 38 pounds of opium, over 21 million units of dangerous drugs, 10,897 vehicles, 191 vessels, 130 aircraft and made 21,771 arrests. Customs has trained 4,550 foreign customs officers and executives representing 66 countries.

United States customs inspectors seized restricted drugs and narcotics in 1976 with an estimated potential value of more than \$600 million, nearly 40 percent more than the value of similar seizures in 1975, according to the Commissioner of Customs, Vernon D. Acree.

Confiscated were 271 pounds of heroin, 1,135 pounds of cocaine, 7,953 pounds of hashish, 388 tons of marijuana and more than 20 million units of such dangerous drugs and amphetamines and barbiturates," Mr. Acree said.

Had these narcotics and drugs reached the streets of America, they would have netted their sellers a gross income of \$631 million, an increase of some \$175 million compared to the estimated value of drug seizures in 1975, he added.

B. THE STATUS OF CONTROL OF THE SOURCE OF SUPPLY

1. DEPARTMENT OF STATE

The international control program operated under the general policy guidance of the CCINC is chaired by the Secretary of State. Ambassador Sheldon Vance, Senior Advisor to the Secretary of State and Coordinator for Narcotics Control Matters, is the Executive Director of CCINC. According to Deputy Secretary of State Charles Robinson: "The immediate objective of the international narcotics control program continues to be the interdiction or destruction of present illicit drug traffic, particularly heroin, destined for the United States. A longer term, but clearly supportive objective is, through working cooperatively with the international community in a common effort, to control illicit drug production, processing, and trafficking." The Department of State is the primary negotiating agency and foreign policy arm for arranging cooperation with other governments in drug control as in other fields and thus is mandated to coordinate the activity of the other agencies which operate in the international sphere. This gives the Department ostensible policy supremacy in the area of foreign intelligence coordination.

The major concern of the Committee concerning this important activity is the priority which the State Department assigns to narcotics control and how the Department defines a clear international intelligence and control program. As is clearly stated in the "Federal Strategy for Drug Abuse Prevention" published December 12, 1976 by the Strategy Council on Drug Abuse, consisting of the Secretaries of State, Defense, HEW, the Attorney General, and the Administrator of Veterans Affairs: "Despite the progress [in intelligence support] made in the past year, the narcotics intelligence function remains weak. Improvements are critically needed because the availability of good strategic and tactical intelligence is the key to proper resource allocation" (at p. 49).

The State Department policy for narcotics intelligence and control is implemented through ongoing directives to our Embassies in key producing and transit countries where activities are implemented through the Narcotics Coordinator. In addition, the State Department Section for Narcotics Matters carries out the policy of CCINC with funds provided by Section 482 of the Foreign Assistance Act. Over the past five years, the State Department has committed \$147 million for enforcement, international organizations, crop replacement, treatment and rehabilitation, and program support and development. The Senior Adviser observed that the level of funding is adequate for his purposes. It should be noted that his Section has never employed all of the funds committed to his discretion during any of the past five years under discussion.

The highest priority in the FY 1977 State Narcotics Matters budget is enforcement, which comprises 79% of the funds appropriated under Section 482 of the Foreign Assistance Act. Enforcement assistance is designed to strengthen the capabilities of foreign narcotics enforcement agencies through the provision of equipment and training. The equipment includes all forms of assistance from helicopters to communications hardware. The training is carried out by both DEA and Customs but funded by the State Department.

The State Department devotes a little more than 10% of the annual budget to international organizations, specifically the UN Fund for Drug Abuse Control and the Colombo Plan. The United States has funded over 78% of the UNFDAC (\$18 million out of a total of \$23 million) since its inception. Although the Fund has been useful in countries where bilateral agreements are difficult to secure, the State Department must encourage increased contributions from other countries which are critical to possible solutions to the problems of supply, transit or demand.

The State Department also commits resources for crop replacement projects. It recognizes that "ultimately, the only fully effective solution would be the reduction and eventual elimination of illicit cultivation at its source." (emphasis supplied). As the Department of Agriculture devotes a much larger amount to crop substitution programs around the world, it seems inappropriate that the State Department commits only about \$1 million of its budget per year toward this important activity.

The State Department commitment of 2% of the State Department's Narcotics Matters budget to treatment and rehabilitation is designed to increase the recognition on the part of many countries of the extent of their own drug abuse problem and, in consequence, encourage them to enhance their enforcement and control programs. Although experience has proven that we receive the best cooperation from countries which have a large addict population, the State Department has committed inadequate resources to preventing the spread of addiction, a fact which can have a very destabilizing impact upon the international community.

The State Department has focused 90% of its enforcement funds on those countries where opium is produced or on key transit countries. Specifically, over half of its overall budget is devoted to programs in Burma and Mexico, the two prime opium producing countries. In addition, the United States is working through the United Nations

narcotics central mechanism on programs in Turkey and Afghanistan. The final key producing country is Pakistan which receives money directly from the United States based on a bilateral agreement and from the U.N. Fund on a multilateral basis.

The State Department claims that the U.N. program in Turkey has been successful in preventing the leakage or diversion of any opium from any poppy cultivation since the lifting of the ban in 1974. The State Department points to the U.N. success in convincing the Turkish Government to allow only the harvesting of the poppy plant in the form of poppy straw, and the subsequent licensing and monitoring system as a prime example of the utility of UNFDAC. Although the Department agrees that other nations ought to contribute a larger portion of the Fund's budget, it suggests it would be counterproductive for the United States to reduce its contribution.

The major program countries continue to be Mexico and Burma, the two major sources of heroin for the U.S. market. According to Ambassador Vance, the State Department plans to allocate to Mexico \$14.5 million during FY 1976 which comprises 30% of the total budget and an additional \$11 million for FY 1977. The funds are used to implement the newly launched aerial eradication program which the State Department believes has been very successful. The State Department uses the DEA estimates of over 20,000 fields destroyed through the aerial application of herbicides. It is difficult to determine what proportion of the total cultivation these 20,000 fields represent, and no one has been able to discern a decrease in the availability of brown heroin in the United States as a result of the eradication campaign. The State Department claims that the program has been "highly successful" and points to the early pledges of the new President of Mexico to continue the narcotics eradication program as encouraging indicators for the future of our country's program in Mexico.

The State Department testimony on Burma reveals that it is predicting an opium crop for this year of 450 tons, the largest illicit crop in the world. The State Department has provided the Burmese Government with 12 helicopters and operational training, and plans to deliver an additional 6 helicopters before the end of calendar year 1976. The State Department believes that the helicopters have been instrumental in creating an effective enforcement program by enabling the Burmese Government to eradicate crops, attack refineries and disrupt the drug caravans which move raw and processed opium from the producing areas to Thailand for shipment elsewhere. The State Department claims that for 1975-76, the helicopters have been used to seize and destroy 17 major heroin labs, have intercepted 9 major caravans, and destroyed 18,000 acres of opium poppies. All told, the interdiction effort is estimated at having prevented from 50-80 tons of opium from reaching the illicit market.

While no one questions that the interdiction of 50 tons is more impressive than a lesser figure, the Committee is concerned whether the figures can be verified. Furthermore, the State Department conceded that, "Despite the successes in Burma, we recognize that virtually all the growing areas are outside of government control and that sizeable levels of production are likely to continue for years to come." It seems incredible that the State Department would rely on 18 helicopters as the key to interdiction in the largest producing

region in the world when it concedes that it cannot even enter the two major producing provinces because of lack of central government control. In addition, the Committee is unconvinced that over a quarter of the enforcement budget should be given to a country where we do not have adequate operational oversight.

The State Department testimony reveals that although Thailand is responsible for the growing of only 40-50 tons of illicit opium, the major concern involving Thailand is its role as a transit country. For this reason, the State Department Narcotics Matters' budget has concentrated on providing the Thai Narcotics Enforcement forces with sophisticated interdiction support material. In addition, the United States has provided assistance to the Thais in the form of a U.S. Customs Advisory Team.

In Pakistan, the State Department program is designed to control the annual production of some 200 tons of opium, grown in remote areas which are either not under the administrative or physical control of the central government, or where the crop is economically vital to the local region and as to which effective enforcement would have a disastrous impact upon the local populace. The State Department is working through the U.N. on income substitution projects in those producing areas. In addition, the State Department is providing transportation and communication equipment to the 25 field investigation teams which the Government of Pakistan has established. The State Department has concluded that progress in implementing an effective narcotics control program has been too slow in Pakistan and have thus upgraded it as a priority in our international assistance program.

Afghanistan, which produces some 200 tons of opium annually is the final major country of concern. A large, illegal shipment of Afghan narcotics was recently seized in Egypt (272.8 lbs. seized on June 12, 1976). In Afghanistan the United States has had difficulty supporting an effective enforcement program because the hashish and opium producing regions are outside of effective national government control. Opium which is grown in Afghanistan, as well as Pakistan, is largely consumed locally or transported to Iran. There has been no evidence of South Asian opium reaching the U.S. market but the recent major seizure in Egypt demonstrates that these two countries could become a major international source should supplies dry up in other countries. Furthermore, the discovery of opium refineries in both Pakistan and Afghanistan during the last year signify the threat which these areas pose to the worldwide community.

Congressman Morgan Murphy, a member of the Select Committee, was in Afghanistan and Pakistan during the Labor Day recess. The substance of his report is contained in another report of the Committee. However, he has personally verified the unchecked production of opium in these countries, and the menace they pose to American society.

Deputy Secretary Charles W. Robinson made the questionable conclusion that as heroin control progresses, cocaine smuggling will be encouraged. Although the State Department is devoting upwards of 90% of the enforcement budget on opium producing countries, the State Department Narcotics Matters' Section has set into motion a long-term cocaine project which consists of the application of enforcement and crop substitution policies. The Department has begun programs in Peru and Bolivia where the coca bush is grown and Colom-

bia where most of the refining takes place. The long term objective is to reduce coca cultivation to the level of internal consumption and licit requirements. Both Secretary Kissinger and President Ford have discussed cocaine control with the leaders of these key countries. In Peru, the State Department is encouraging a reduction in the amount of coca bush grown and also exploring crop substitution alternatives.

In Bolivia, the State Department has negotiated an agreement which calls for the United States to provide \$45 million over 5 years, not all in Foreign Assistance Act monies, which is meant as income substitution for the farmers as they explore alternative crops to coca. In addition, the United States will provide AID concessional loans and \$8 million for enforcement assistance.

In Colombia, where President Ford met with President Lopez, we have established a major enforcement assistance project aimed at combatting the refining and trafficking in and through Colombia. It is essential that the State Department encourages the Colombians to crack down on the illegal flow of funds to and from the banks in Colombia which are rapidly becoming the heart of the drug financier's world.

Ambassador Vance and Deputy Secretary Robinson once again called upon the Congress to ratify the Psychotropic Substances Convention by passing the enabling legislation. Although the Convention came into force this year, the State Department claims the United States is weakened in its request for international cooperation because of our failure to ratify this agreement and thereby demonstrate our commitment to controlling the chemical substances which we produce that are abused in foreign countries.

The future plans of the State Department focus on the encouragement of increased international cooperation. The State Department hopes to encourage treaties which will provide for the exchange of judicial evidence so that traffickers may be prosecuted wherever they are found. There is a pressing need to negotiate new extradition treaties which will facilitate the return for prosecution of traffickers who reside in foreign countries or who have jumped bail in the United States and are out of the reach of the U.S. criminal justice system.

The State Department recommends the strengthening of inadequate laws in certain producing countries like Afghanistan and is using its good offices to effectuate these changes. At the present time, there is a Foreign Service Officer in each American Embassy overseas who carries the title of narcotics coordinator and who is responsible for the implementation of U.S. policy overseas and for coordinating the activity of the various agencies which are involved with any aspect of narcotics policy. This includes the work of AID which is responsible for program development, DEA which serves as liaison with narcotics enforcement personnel, the Department of Agriculture which deals with crop substitution and other agencies which have international operations. Ambassador Vance encouraged the continued U.S. support of UNFDAC which serves as our only avenue in countries where bilateral assistance programs are not feasible. The final area which the State Department witnesses discussed was the need for increased activity in the form of treaties or agreements which will facilitate the sharing of information relating to profits from or funds used in narcotics trafficking. Financial treaties with the major tax haven countries

must be a first priority of our international program and the State Department must take the lead in facilitating their passage.

While the overall theme of the State Department international narcotics control program seems excellent, the implementation of this policy has produced clearly unsatisfactory results. There is no doubt that U.S. demand clearly stimulates illegal supply. A 10% interdiction rate is totally unacceptable. For several years, the enforcement agencies which operate in the international arena have had their funding increased dramatically and yet are no more successful in overall terms than they were 5 years ago. This comment is made without detailed further discussion of the enormous tax burden borne by the American people in support of law enforcement which is fragmented and cost inefficient. Our efforts in eliminating Turkey as the major illicit opium supplier were successful. No one questions that today's interdiction figures are better than no interdiction at all, but we must also conclude that much more must be done before we institutionalize our narcotics control program. Mexico and Burma have rapidly filled the void created by Turkey's cessation of opium production, and supply is as plentiful as ever before.

Unfortunately, narcotics control issues are very complex and there are no simple solutions. A key first step is that the State Department must begin to consider narcotics control a high priority in the key producing and transit countries and implement an aggressive program which reflects the fact that narcotic trafficking threatens our national security to the same degree as an overt physical threat.

The Committee is fully aware that to motivate a foreign country to deal with a major issue like narcotics control often takes a number of years. Furthermore, it is understood that each country must be dealt with on a unique basis so that the U.S. program takes into account the local political establishment, the local country problem and its own view of the seriousness of the problem both from an internal and international perspective. What the State Department has failed to do is implement innovative approaches which bring extraordinary forces to bear on a local government. For example, in January of 1975, Chairman Wolff and Rep. Gilman negotiated an agreement in principle with the President of Mexico to establish a joint commission made up of parliamentarians, family heads, media representatives, enforcement officials and others to coordinate our joint effort. While President Ford lauded the initiative in his Message on Drug Abuse to the Congress, he has failed to carry through on his pledge to work closely with the Members of Congress on the implementation. Not only did the President withhold the communication from President Echeverria from the Members of this Committee who initiated the action, but he also prevented their having any constructive input on the American response to the proposal. In addition, the State Department both in Mexico and Washington obstructed the rapid follow-through which was required if the idea was to succeed until the Department was able to modify the agreement so that it called for parallel commissions with an executive body instead of a single joint commission. The President established on May 29, 1976, an executive committee to serve as the forerunner of the parallel commission. Not only did it not include any representatives from the legislative branch as originally discussed but it has not taken any action to press for the fulfillment of the agree-

ment. The State Department concluded that, "to date, in brief, we have not been informed of the establishment of a Mexican parallel to the committee." Ambassador Vance followed with the observation that, "we are awaiting their call." The State Department must not always be subservient to foreign initiative, but rather should focus on initiating programs which serve to further our national interest. The notion that high priority foreign policy objectives of the United States are subject to foreign initiative is not a palatable one.

The failure of U.S. international narcotics control policy was further stated by Ambassador Vance in answer to a question from Chairman Wolff on Burma. Ambassador Vance testified, "When we are dealing with another government, we are obliged to deal with that government basically on its own terms." The Committee cannot accept the idea that the State Department has been willing to behave in a subservient manner to the desires of foreign governments because an aggressive narcotics control program might disturb other ongoing priorities which the State Department may consider more important.

The Committee refuses to believe that our foreign policy is so weak and lacking in influence abroad that such a statement and the further statement "and we cannot make anybody do anything that they don't want to do", can be taken as a serious exposition of U.S. posture in the world.

Furthermore, the State Department has failed to grapple with the issue of the rise of addiction worldwide. For too long, we have maintained that our programs are designed with U.S. interests in mind, yet we have not cooperated in prevention and treatment which denote our commitment to the improvement of the drug situation worldwide. While our overall foreign policy is tailored to international stability, we have failed to respond to the explosive nature of worldwide addiction which can be very unsettling in terms of stability within the developing world. The United States must enlist the pressure of the international community in combatting the problem of excess supply of opium and coca so that all countries where a present or future market exists will be protected.

The Department of State has been given the leadership role in developing a global narcotics control policy. The main concern of the Committee, as pointed out in the hearing by Chairman Wolff is the failure of the State Department to propose innovative and energetic solutions, and encourage the other agencies to implement effective policies. The Department has been more of a hindrance than a help in the supply of needed enforcement material and in the negotiation of bilateral agreements dealing with financial information sharing. Narcotics control has never been a top priority of our foreign policy as evidenced in programs rather than in the rhetoric of the President or the Senior Advisor. At the present time, the organization and the budget of the State Department's anti-narcotics division does not seem to be the main problem. Rather, it is the lack of more energetic, single-minded leadership which must be combined with a sense of urgency.

The Committee reiterates the necessity for continued support by the United States of the U.N. Narcotics Fund. While we contribute an inordinate percentage of the total operational cost of the agency, the United States has about 80% of the demand for narcotics to deal with, thus, we must continue our support since the United States is able to

negotiate certain agreements with some unaligned foreign countries only through the auspices of the U.N. Narcotics Fund. Accordingly, the United States cannot afford to lessen its support for this U.N. activity despite its ineffectiveness in many areas and the disproportionate contributions to its continued existence.

In the introduction to this Interim Report, this Committee among other things, states that it will act to coordinate specifically the plans of the new administration with those of Congress and of the work of a new international conference designed to produce effective bilateral agreements. It will likewise be the purpose of the Committee to act as a spearhead in sponsoring and organizing a national domestic conference to which will be invited representatives of the courts, Federal and local prosecutive agencies and the Congress for the purpose of arriving at a reasonable legislative policy covering the sentencing of narcotics traffickers, the laws relating to bail and bond reduction and legislation required to strengthen the hands of police and prosecutors in dealing with national conspiracies. A domestic conference to accomplish these ends will necessarily require the wholehearted cooperation of the judiciary in arriving at uniform sentencing and bail procedures which will reduce the large number of narcotic trafficker fugitives we now have to contend with, and will also consider some means of providing direct Federal aid to cities, prosecutors, and police departments where a crisis develops in local law enforcement due to the lack of funding. It must be remembered that we are dealing here with criminal offenses under which State and local authorities have concurrent jurisdiction with the Federal Government. The Committee, therefore, believes that one of the prime areas of the jurisdiction given to it by the House of Representatives must be a convening of the Federal and local, private and governmental institutions all of whose efforts must be maximized if we are to reduce drug abuse in the United States during our lifetime.

There is a close relationship between the smuggling of narcotics and the smuggling of other contraband such as guns and ammunition. The same narcotics infrastructure is involved. By the very nature of these arrangements, they are conspiratorial and known only to the people involved, unless someone on the inside decides to talk before or after the crime is committed. Because of the close relationship between narcotics and other contraband smuggling and the nature of the people involved, the Committee finds it absolutely necessary that every arm of local, State and Federal governments be mobilized to deal with it.

Narcotics trafficking 25 or 30 years ago was fairly well restricted to certain French and American organized crime gangs who originated the "French Connection". Since the American drive on organized crime began in the early 1950's, the traffic has now largely drifted away from organized crime conspiracies and has been taken up by various ethnic groups. For instance, there is a remarkable arrangement in the Golden Triangle of Burma, Laos and Thailand under which heroin is smuggled by both the remnants of the Chinese Nationalists who control a portion of the Golden Triangle and Burmese Communists who control other parts of the Golden Triangle. The political differences between these two groups does not prevent them from mutually engaging in the lucrative narcotics trade. Throughout Europe, particularly in Holland, France, Germany and Sweden, we are finding more

and more major exporters who are members of international gangs of Chinese and Far Eastern origins.

The cocaine trade in South America has been dominated by Cubans and Blacks of South American extraction with import distribution headquarters in Florida. Because of dispersal of these ethnic minorities, narcotics transactions carried on by them are virtually impossible to interdict except with advance intelligence. The United States therefore must establish a world and domestic intelligence community that will enable this country and our allies to deal effectively with these fragmented conspiracies. That will be the main purpose of the proposed international and domestic conferences which the Committee proposes to be organized.

2. CENTRAL INTELLIGENCE AGENCY (CIA)

The testimony in open session of Mr. George Bush, Director of the CIA, clearly indicated that there have been and continue to be a number of significant problems characterizing the CIA's involvement in international narcotics intelligence collection, coordination, and dissemination. These problems stem largely from a misunderstanding on the part of Congress, the recipients of CIA intelligence, and the CIA itself as to what exactly the role of the CIA should be in this field. Certainly, under the Reorganization Plan, the CIA has a very important responsibility for intelligence production related to narcotics, but the expectations of those monitoring or receiving this information have differed widely from the CIA's own interpretations of its mandate and operating guidelines. This should become clear in the following discussion of the history of the CIA's involvement in narcotics intelligence collection, its current mandate, and the perceived shortcomings of its performance.

Prior to 1969, the Central Intelligence Agency "provided informational support on its own initiative and . . . on an ad hoc basis to Federal agencies responsible for international narcotics control."

Fall, 1969: President Nixon established a White House Task Force on Narcotics Control, with the Director of the CIA included as a member. The mission of the Task Force was "to formulate and implement the program to stem the flow of heroin and opiates into the United States." For the first time, the Central Intelligence Agency was formally tasked to develop intelligence concerning illegal narcotics traffic . . . [and] to use its existing intelligence-gathering apparatus to the extent possible to provide foreign narcotics-related intelligence to other agencies which were involved in diplomatic enforcement and treatment and rehabilitation initiatives coordinated by the Task Force."

September, 1971: The President "elevated international narcotics control to a higher priority," and created the Cabinet Committee on International Narcotics Control (CCINC) to replace the Task Force. (The Director of the CIA remained a member.) The CCINC was made responsible for ". . . coordinating all U.S. diplomatic intelligence and enforcement activities aimed at curtailing the flow of illegal narcotics and dangerous drugs into the country." The CIA was specifically responsible for ". . . coordinating all U.S. clandestine foreign narcotics intelligence gathering with respect to narcotics." The CIA provides the

Cabinet Committee with "a wide range of foreign intelligence information to help the United States achieve two basic objectives:

- to obtain the cooperation of foreign governments in curtailing the production and trafficking of narcotics; [and]
- to provide foreign and appropriate U.S. enforcement agencies with the identities and methods of major foreign drug traffickers."

February, 1976: President Ford issued Executive Order 11905 which "discusses the U.S. foreign intelligence activities and sets forth the authorities and responsibilities of the intelligence departments and agencies." The Order "confirms the role of the CIA in this area by expressly making the Agency responsible for the collection and production of intelligence on foreign aspects of narcotics traffic."

However, subsequent instruction from the White House limited the CIA's jurisdiction to the collection of strategic intelligence, and prohibited the Agency from "the collection of information intended for use as evidence in a criminal prosecution." These guidelines supplemented the National Security Act of 1947 which prevents the CIA from having any "police, subpoena, law-enforcement powers, or internal-security functions."

This provides the background for an understanding of the Central Intelligence Agency's current mandate and activities. In the hearings Chairman Wolff expressed some concern over what he felt was a low priority for the narcotics effort in the CIA's overall activities. Mr. Bush responded that narcotics intelligence collection is in fact a priority task, not handled in a "routine manner", and that the CIA is ". . . fully aware of the menace to society, and shares the concern of the Congress and the country on the question of narcotics." He further stated that, "in accordance with the Presidential directive, the CIA is supporting the law enforcement agencies which have primary responsibility for narcotics control, the principal one being the Drug Enforcement Administration." The Agency feels that it must keep on top of narcotics intelligence "to be sure that the policymakers are properly identifying the major areas of concern," and "to keep the policymakers advised as to degree of compliance with agreements, not our judgment of compliance, but the intelligence that can help the Cabinet Committee and the President and others determine whether a country that says it is not doing something is doing it."

The specific tasks of reporting on the levels of cooperation received from foreign governments in the international narcotics control efforts, and of "identifying the flow of international illegal narcotics traffic into the United States," were the only activities of the CIA which Director Bush felt he could discuss in open session, although he made numerous references to areas he would introduce in the executive session. However, he did make it clear that he and the Agency were subject to a number of statutory limitations that prevented their involvement in areas that might seem desirable to Congress or other policymakers.

Mr. Bush first stressed that the CIA is "very constrained" in its ability to conduct any investigations on American citizens abroad, citing the legal restrictions imposed by the recent Executive Order. The relevant clauses of that Order are reproduced below:

(Section 5b) *Restrictions on Collection.* Foreign intelligence agencies shall not engage in any of the following activities:

1. Physical surveillance directed against a United States person, unless it is a lawful surveillance conducted pursuant to procedures approved by the head of the foreign intelligence agency and directed against any of the following: . . .
 - (iii) a United States person outside the United States who is reasonably believed to be acting on behalf of a foreign power or engaging in international terrorist or narcotics activities threatening the national security . . .
7. Collection of information, however acquired, concerning the domestic activities of United States persons except: . . .
 - (v) Information about a United States person who is reasonably believed to be acting on behalf of a foreign power or engaging in international terrorist or narcotics activities. (emphasis added)

The Presidential Order is ambiguous as to what the "approved procedures" actually are, but it would seem to authorize the CIA to undertake precisely the kind of activity Mr. Bush is hesitant to become involved in. Both Chairman Wolff and Congressman Rangel asked Mr. Bush if the CIA can or would investigate American citizens who violate U.S. or host country laws; Mr. Bush replied that ". . . we would not be investigating them. We would be carefully coordinating whatever intelligence we got with the Justice Department." In any case, that sort of intelligence would not be available to the drug enforcement community, the Cabinet Committee, or any congressional committees; rather as Mr. Bush states, "we would disseminate it to the Justice Department, and we are so confined."

Mr. Bush next discussed the distinction between strategic and tactical intelligence. He defined strategic intelligence as broad operational information—what the situation is in a given country, what the status is of a specific program, what the routes of narcotics transport might be; and he defined tactical intelligence as information on the specific cast of characters involved in a given situation. As Mr. Bush interprets the CIA's mandate, it is permissible for it to undertake tactical investigations on persons who are not American citizens. However, as noted previously, there are severe strictures against the CIA's involvement in gathering information to be used by the law enforcement community or for eventual criminal prosecution. Mr. Bush went into some detail on this point. He explained, in these terms, why the CIA is so hesitant to become involved in this type of investigation: ". . . if a person is busted, and then goes to court, he may demand all the information that was gotten. And he demands to know who said this and what the source was. That sometimes would put the Central Intelligence Agency into an extraordinarily difficult position . . . I am foresworn under the law to protect sources and methods. This through many cases has come to mean that for some crook or alleged crook busted on a narcotics rap can drag us in and try to make the CIA disclose its agents and relationships with liaison services, and if we don't do it perhaps have the case aborted."

Congressman Frey attempted to clarify the CIA role, and asked if the CIA can collect broad intelligence and then turn it over to Justice, so long as the information itself is not used in criminal prosecution. Mr. Bush responded that, "The investigation that would follow would be done by another agency. We can pass to them raw intelligence under the law."

Mr. Frey: "You can actually build the case as long as someone comes back and looks at it again and says, they are right, you can take them by the hand and lead them."

Mr. Bush: "We can't do the investigation beyond it. We will get a place of intelligence that says, 'Joe Jones is thought to have been negotiating with or passed money to.' 'We are told through a source that Joe Jones passed a certain amount of money to a notorious pusher,' and whatever we learn on it. We would then give that to Justice, but the investigation of it would be done and the enforcement of the law that he was breaking would be carried out by the Justice Department . . ."

Mr. Frey: "But even to do that and come to that conclusion, you have obviously got to do some investigation. Because there is all different types of intelligence. But that is where sort of the difference without a real distinction comes in."

Mr. Bush: "It is, but when you say we don't investigate him, we might try to check to see whether our source is any good and convey the intelligence. But beyond that, believe me, we run into this area where we cannot under the law be helpful to the drug law enforcement narcotics community . . . We give [the information] to Justice, and there is no criminal enforcement or criminal investigative work done by CIA."

This discussion points to some obvious gaps in the provision of narcotics related intelligence. Chairman Wolff repeated the complaint of the Commissioner of Customs, Mr. Vernon Acree, heard in the previous day's testimony, that ". . . he has absolutely no opportunity at all for overseas intelligence except for the smuggling of some other esoteric types of things other than drugs. He has no way except at the border of attempting to interdict the drugs that are coming in." Mr. Bush responded that: ". . . The kind of intelligence he is looking for, the intelligence to make a bust on somebody, is not our function. Until and if that part of the Executive Order and that part of the law really is clarified, I have overall responsibilities to be sure that the CIA is not dragged into some mess where we are infringing peripherally or not even on an evil American pusher of some sort . . . So our problem is we are restricting ourselves to the kind of foreign intelligence that may not be as helpful to the enforcement guy who wants to make a bust . . . There are limitations on that kind of intelligence . . . Mr. Chairman, I feel a point should be clarified here. Early in his testimony before the Committee, Mr. Acree did comment that he was not receiving that intelligence which he needed for interdiction. However, later in his testimony he made clear that he had made a request for such intelligence to our Agency. He then stated that CIA expressed a willingness to cooperate and that guidelines for the Agency were now under review to determine the extent to which the Agency can participate in such efforts."

It is instructive to look at the actual exchange in the Customs hearing, as it demonstrates the very problem of lack of communication between agencies:

Mr. English: "Do you feel . . . that you have a good working relationship . . . with the CIA? Do they provide you with information that has been valuable as far as your detection operations are concerned?"

Commissioner Acree: "No, sir, the CIA does not . . ."

Mr. English: "Do you feel that the CIA could be of assistance to you in providing us information with regard to arrests that you might be making?"

Commissioner Acree: "I would think the CIA could be valuable to us in providing us with the kind of information that we could use in interdiction . . . We don't always need to know who is bringing a narcotic into the country, the method by which it's being brought into the country, then we can gear our reaction effort in that direction . . . It's great if you know that this person is coming with it, but we don't need that. As I mentioned earlier . . . if we know how its coming in or what particular port it may be coming in or how it's concealed and the like, then we can . . . react in a very positive way to that kind of information. And I would suggest that the possibility of that being produced by CIA, if it was within their capability to produce it, would be useful to us."

Commissioner Acree went on to note that such a request had been made, but that the CIA ". . . has been under rather severe review, and any operational arrangement at this point has to be spelled out in specific guidelines and writing . . . we are attempting to do that at this point."

Mr. English: "They have indicated a willingness to provide that kind of information . . .?"

Mr. DeAngelus: "Yes, they have, within existing guidelines those are under review."

Congressman Gilman spelled out his own concern over the holes in available intelligence collection and the apparent lack of communication as follows: "We were told the other day that the FBI has limitation in narcotics cases. As a matter of fact, they do very little by way of investigating international narcotic trafficking. The DEA apparently is spending most of its time in interdiction in international narcotics trafficking. Customs says it has no investigatory authority and is now limited to the enforcement, the interdiction. Today, you are telling us you have difficulty because of the restrictions of the Act in investigations regarding American nationals. Yet, you have been assigned a level with regard to international narcotic trafficking. Can you tell me what would be your recommendation to make certain we sort out these responsibilities and make certain that the police efforts are all being coordinated properly?"

Mr. Bush replied, "Well, DEA has responsibilities in this area. They have some of these arrest functions, along with Customs . . . But we are not in it, and I wouldn't recommend that we get in it."

In response to the question as to how the intelligence activities could be better coordinated, he stated that, "I think what we need to do . . . is to be sure we are doing the best possible job for the policymakers in providing them with the kinds of intelligence needed. And if indeed it has been represented to the committee that we are not satisfying DEA in the kinds of intelligence that they are certainly not only entitled to, but that we should give them, I think it is something that we must benefit ourselves by what testimony has been given here. . . I do think that there is frustration on the part of DEA in terms of intelligence that leads to arrests . . . and that needs more

clarification. Because we can't do that until we get into the area that has taken most of our time here today, sir."

Mr. Bush skirts the issue, however. The real problem seems to arise from the fact that the CIA neither coordinates its intelligence gathering with any other agency in the field, nor does it follow up in any formal way on the intelligence that it transmits. Mr. Gilman raised the question of whether the CIA has any written agreement with the Drug Enforcement Administration, for example, outlining who has what responsibility for narcotics intelligence collection in the field. Mr. Bush replied that the two agencies have an "understanding" and that they have a liaison at the executive level in Washington, but he continued with the appalling statement that as far as any field exchange of information is concerned, "we deal with our people in the field, and our people in the field . . . with the Committee and our Operations Branch, are under guidelines where they know what they can and cannot do . . . They will send [the intelligence] to us. *Maybe* they'd have some exchange. I would have to defer on that. I don't know the answer as to whether they get any intelligence in the field. But *it's a restrictive process in terms of our controlling our collection and distribution of intelligence.*" (emphasis added)

As Mr. Bush is very protective of the jurisdiction of his own agency, so was he properly hesitant to infringe upon the responsibilities of other departments. He defends his lack of followup on information in these terms. Throughout his testimony he drew a very distinct line between providing intelligence and establishing policy or drawing any conclusions whatsoever. The Agency undertakes the former to the greatest extent possible, but as a matter of policy, will not engage in the latter. Thus, when Chairman Wolf asked what the role of the CIA is in the formulation of policy, Mr. Bush replied: "We are members of the Cabinet Committee [on International Narcotics Control]. The CIA in my judgment ought not to be a policymaking body. We should have an advisory input through intelligence, but the formulation of policy is a matter for the policymakers, for other branches, the DEA and State primarily, to some degree, obviously Customs. So we will support the policymakers, but you asked here whether the role of CIA in helping State formulate it, I think our answer to that is we provide intelligence, and then the policy is set by the policymakers. This goes over into other areas where CIA has got to stay out of policy. We can give intelligence on so-and-so, but we can't say what the policy should be."

In the same way, the Agency does not consider it part of its responsibility to keep track of what is done with its intelligence once it is passed to the appropriate agency—that, as Mr. Bush stated, "it is not our business." The CIA gets informal feedback when agencies express their appreciation for information received, but it does not make any attempt to evaluate the usefulness of its intelligence itself—"that comes from the branches that are entrusted under the law to say exactly what weight the CIA intelligence is given in eliminating or reducing heroin production . . . We hand intelligence, under the law, properly to these agencies, and . . . have been assured by their people that it's useful."

Mr. Bush expressed regret that his open session testimony would leave the record with the mistaken impression that the Agency was doing a poor job of coordinating intelligence, insisting that the executive session evidence would show the CIA to be performing its duties well.

However, other sources, as well as the already documented cases, indicate that, in fact, the CIA is doing a somewhat less than perfect job of keeping other agencies advised of intelligence detail, and that the process it follows is uneven, at best. In terms of field exchange of information, at least, the level and quality of intelligence passed on varies from case to case and is largely dependent upon the personal judgment and contacts of the CIA agent involved.

C. THE STATUS OF NARCOTIC PREVENTION, TREATMENT, REHABILITATION, EDUCATION, AND RESEARCH

1. HEALTH, EDUCATION, AND WELFARE (HEW)

The Department of Health, Education, and Welfare is the parent Cabinet Department for the Alcohol, Drug Abuse, and Mental Health Administration, which in turn administers the three functional Institutes (National Institute of Drug Abuse—NIDA, National Institute on Alcohol and Alcoholism—NIAAA and National Institute of Mental Health—NIMH) having to do with drug and alcohol abuse and mental health. NIDA was created in 1973 (as part of Reorganization Plan No. 2) to become the "lead" Federal agency for drug abuse prevention and treatment. We begin by stating categorically that the so-called "prevention" component in NIDA is moribund, and the treatment program is only partly successful in the treatment of opiate addicts. But testimony and subsequent information furnished to the Committee indicates that:

—we have more than 800,000 heroin addicts (only about 290,000 in treatment, 73,000 in methadone programs).

—cocaine smuggling and distribution are at their highest levels since 1972.

—psychotropic drugs are again available on the streets of our cities in overwhelming amounts.

—our cities are inundated by drug abuse and drug-related crime.

—we have over 2,600 fugitives from justice who were arrested for drug violations and have disappeared, and extradition treaty efforts languish.

—local prosecutors are faced with backlogs of cases they do not have the funding or personnel to bring to trial.

—the prisons are full of drugs of every conceivable description.

—our armed forces are facing crisis-proportion drug abuse.

—our border interdiction rate is now at a level of 10% or less.

—our treatment, rehabilitation and research efforts on which the taxpayers of this country expended almost \$250 million in FY 1976 are often fragmentary, wasteful, male oriented, reach only a fraction of our troubled population and are cost ineffective when they do.

—treatment programs have been cut financially and professionally to the point where many outstanding public and private programs are not functioning.

—the distribution of treatment facilities is imbalanced so that in some areas there is fierce competition among program professionals for Federal dollars and in others there are no facilities at all.

—too many Federal dollars are consumed by management, administration and bureaucratic criteria resulting in a low percentage of health care delivery for each dollar spent.

—layers of unnecessary bureaucracy interfere with good research utilization.

—we have developed heroin substitute agents such as methadone and now LAAM which are themselves addictive and have become street commodities contributing to the rise in overdose deaths (some 5,000 in 1975).

—research dollars are spent without visible and pressing priorities.

—there is a serious deficiency in the NIDA monitoring of grants and contracts resulting in poor evaluation of the dollars spent in research, grants and contracts, or the usefulness of any replication in research.

—despite the criticism of methadone maintenance, the majority of addicted persons are waiting for admission to methadone maintenance or long-term methadone withdrawal. While the waiting lists seem relatively small in comparison to the total number of estimated addicts, once again a population breakdown indicates the pressure is on a few cities over 500,000 in population. Forty percent of those waiting for methadone maintenance are in six cities over one-half million in population, 63% waiting for methadone detoxification in-patient treatment are in two of these largest cities and 32% of those waiting for drug-free in-patient treatment are in four of these cities.

—there is no job program to deal with the teen-age crisis in our inner cities. Role models for teenagers are pimps, pushers and whisky-peddlers.

—there has been no Federal program advanced to ban heroin paraphernalia such as glassine bags, gelatine capsules, milk sugar, quinine and other accessories for marketing heroin.

These points illustrate the interdependence of enforcement and treatment.

The drug abuse dollar cost, in terms of health care, program cost and lost productivity is estimated at upward of \$17 billion per year. To that must be added the more than 5,000 overdose deaths and the incalculable social burden of ruined lives, broken homes and divided communities.

Both Theodore Cooper, M.D., Assistant Secretary for Health, HEW, and Robert L. DuPont, M.D., Director of NIDA and ADAMHA, HEW, in commenting upon this desperate domestic tragedy, testified that there are presently some 293,000 Federal and non-Federal drug abuse treatment slots, with some 73,000 heroin addicts in methadone treatment alone. Dr. DuPont explained his Agency's plan for LAAM, a new heroin substitute which does not require daily ingestion. While applauding some progress in research utilization, the Committee is nevertheless skeptical about new addictive drugs to help heroin addicts which do not require daily client visits to the clinic and therefore create less personal contact between treatment and patient than does even methadone maintenance. And the problems of funding new, addictive drugs being dispensed raises the spectre of these new drugs being found on the streets.

The funding practices of NIDA under Section 409 of the Drug Abuse Office and Treatment Act of 1972, as amended, under formula grants to the States, based on population and need, have a negative component, also. As pointed out by Mayor Everett Jordan of Jersey City, New Jersey in his testimony, cities have virtually no contact with NIDA and thus, practically speaking, have no means of transmitting their pressing needs to the policymakers. Cities represent the main arena for addiction intervention though by no means the only one. This is an anomalous situation that cannot be permitted to continue. The cities of our Nation are, for the most part, the place where the domestic tragedy of street trading and street crimes occur. For the cities' needs to be ignored by NIDA and the State planners, as alleged in the testimony, is but another example of the fragmentation and lack of communication that seems to characterize the Federal drug abuse treatment effort.

Despite the expenditure of millions of dollars of taxpayers' money, we have at present some 500,000 *untreated* daily heroin users. HEW's estimate is 400,000—but the Committee's information conservatively indicates a figure of at least 500,000. We also are witnessing the spectacle of between 3,000,000 and 4,000,000 occasional heroin users. Our national problem is not restricted to heroin. The non-medical abuse of psychotropic drugs, sedatives, tranquilizers, stimulants, and alcohol, each with as high an abuse potential as heroin, is an even more pressing problem. The availability of pills on the streets of our cities and increasingly, in our rural areas, is a national disgrace. Despite the Controlled Substances Act of 1970, as amended, in which Congress responded to demands for controls over both licit and illicit production of psychotropic substances, we find in our bicentennial year that such drugs made abroad by American and other firms are easily finding their way back to pollute our people.

All of this is due to the economics of illegal drug distribution. The profits are too great for the Federal strategy to be effective. We need a new Federal strategy. HEW testified that "illicit use of drugs in the United States is closely related to illicit use and production of drugs abroad". This policy involves the United States in heavy investments of men, money, time and effort and is not necessarily productive of efficient results.

The testimony of the HEW officials concluded with reference to the White Paper, issued by the President of the United States in 1975. While one can agree with the paper's policy objectives, the Committee believes from the evidence produced at its oversight hearings that these objectives are not being met.

NIDA operates in a kind of partnership with States. Its internal funding is subject to question (see letter of October, 1976, in the Appendix to this Report). Its hegemony over treatment programs is often exercised in an arbitrary and counterproductive manner.

Under Sec. 409 of Public Law 92-255, HEW could prospectively terminate a drug prevention formula grant or suspend payment to a State for failure to comply with the assurances in its State plan. Although HEW might prevail in a legal action to recapture past grants or payments under general equitable principles in such circumstances, there is no specific statutory provision set forth in Public Law 92-255

for such purpose. (See 45 CFR, Part 34, Sec. 223 (c) of Public Health Service Act, 42 U.S.C. 2689k.)

The drug abuse treatment problems, like crime in America, can never be eradicated, but can be better controlled.

The treatment agencies are unnecessarily bifurcated as a result of Reorganization Plan No. 2. There is reason to question the effectiveness of a topheavy administrative structure like ADAMHA sitting over three functional institutes. The Committee believes that proposals to create a National Institute of Functional Health should be given congressional consideration, with the drug and alcohol abuse functions welded into one Institute of Substance Abuse and one Institute for Mental Health, both responsible for cooperatively working together for better treatment, detoxification and rehabilitation of drug and alcohol abusers and the mental health of all Americans.

House Judiciary Committee Chairman Peter W. Rodino, Jr., who was instrumental in introducing legislation which supported multi-agency research efforts particularly in law enforcement and treatment areas, pointed out that the NIDA effort on research together with law enforcement agencies has been minimal to date, although mandated by Congress in 1976 by the amendment to the Drug Treatment Act of 1972. It is regrettable that so many Congressional mandates have been overlooked or ignored by the agencies, a practice which must cease.

As so often highlighted by Chairman Rodino, the Federal agencies with responsibility for drug abuse prevention and law enforcement must now give precedence to the process of diverting qualified addict offenders from the criminal justice system to community based treatment, as provided in the Treatment Alternatives to Street Crime (TASC) program. These priorities must include programs for women, juveniles, and minority segments of our population ahead of traditional program clientele heretofore receiving the bulk of attention.

Finally, a superb illustration of the ineptitude presently prevalent in NIDA is seen in the carefully-drawn substantive series of questions directed to this Agency by the Committee and the fragmented, tortured, almost unrelated series of responses received (see Appendix to this Interim Report, Volume III).

D. THE EFFECT ON THE CITIES

1. U.S. CONFERENCE OF MAYORS SURVEY

On September 30, the Committee heard from Mayor Everett Jordan, M.D. of Jersey City, New Jersey, who presented for the first time the highlights of the most current National League of Cities and U.S. Conference of Mayors drug abuse survey. The appalling results are as follows:

- 48% of the mayors consider drug abuse one of the five most crucial problems in their cities.
- crime is the most frequently mentioned problem, cited by 77% of the mayors.
- 62% of the cities indicate they do not participate in the writing of the State plan.
- cities are the unit of government most often involved in administering prevention/education services and drug enforcement

at the local level, accounting for 24% and 36% of the responses respectively.

—50% of the cities cite prevention or adolescent treatment as the first priority of unmet drug abuse needs.

—88% of the cities cite alcohol as the drug of most frequent abuse and 86% indicate it causes the greatest amount of social and economic disruption.

—68% of the cities cite marijuana as the drug of second most frequent abuse, but in determining which drug causes the second greatest amount of social and economic disruption, 39% say marijuana and 30% indicate heroin.

—a total of 505,692 addicts are estimated by the cities, and 13% (64,745) of this number are identified as being in treatment.

—42% of the cities say heroin addiction has increased in the past year and only 4% report a decrease.

—58% of the cities say the trend in their jurisdiction is toward decriminalization of marijuana or less stringent enforcement of marijuana laws and only 9% are seeking more severe penalties or are enforcing the laws more stringently.

—the disciplinary measure used most frequently by schools to deal with students selling or possessing drugs is referral to the police, mentioned 32% of the time; yet 55% of the cities, in which these school systems are located, are moving toward decriminalization or less enforcement in regard to marijuana.

—cities provide 79% of the funds for local drug enforcement efforts and 30% of the funds for all drug abuse services.

—92% of the cities will maintain their current commitment to drug abuse services in fiscal year 1977.

—lack of funding presents the greatest obstacle in coping with drug abuse, accounting for 20% of the responses.

What has been the role of the cities, where the demand for narcotics primarily exists?

The close connection between heroin abuse and crime has created a situation in which addiction has become almost exclusively a law enforcement problem. Since the Harrison Narcotics Act of 1914, the mere possession of heroin has been punishable by imprisonment of up to life. Needless to say, the criminal justice system has not responded well to such a severe punishment for what is essentially a combined health and law enforcement problem. Generally, addiction becomes a problem for the criminal justice system when the addict does more than simply use the drug. In recent years, our court system has put back on the streets thousands of addicts who have violated the law without medical, psychological or other rehabilitation. Job training and job opportunities are extremely limited. Thus, we have learned that dealing with the heroin addict problem as strictly a law enforcement matter is ineffective and wasteful, to say nothing of the high social cost of releasing addicts without treatment. Accordingly, the cycle of use, arrest, release, without full-scale treatment continues to this day. Only a very small proportion of the addicts arrested on drug-related crimes are ever imprisoned. Even high-level dealers find bail relatively easy to meet and then become fugitives.

As cited by Chairman Wolff at the September 21 hearing, heroin addicts now account for about 50% of all felony arrests. These in-

clude use and possession as well as all the property crimes committed to obtain funds. Programs that divert addicts into treatment have not been altogether successful. We are witnessing the same cycle of possession, arrest, and release back on the streets that we faced some years ago, without a new "Federal strategy" in place designed to break this cycle.

One of the most significant results of the Committee's oversight hearings has to do with the absence of a coordinated Federal drug strategy that would enable us to identify more than 25% of addicts in treatment, leaving the vast bulk of the remainder to the criminal justice system which is already showing signs of breaking down due to the shortage of personnel, funds and backlog.

This Committee believes that there should be a new approach to the Federal strategy enunciated by the Drug Abuse Treatment Act of 1972—one that begins with a massive Federal effort toward prevention of drug abuse coupled with treatment. Such a program, if adopted, would enable the average American citizen to secure first hand information about the effects of heroin and other drug use in his own community, from his own pharmacist, his own clergyman and other such local community figures. This means more than the printing of pamphlets. It means people-to-people communication on a regular basis. In the inner cities, in every drug treatment program funded by Federal funds, there should be a component for reliable ex-addicts to talk at community meetings to citizens who know very little about narcotics. A teacher training program for every neighborhood would cost far less than the three quarters of a billion dollars now being expended for drug law enforcement.

These are some of the primary findings as to drug abuse in the cities in this bicentennial year cited by the League of Cities survey:

(1) Mayors clearly see drug abuse as a serious problem. A total of 157 mayors, 48% of the 328 mayors responding to the first part of the survey, rank drug abuse as one of their cities' five most crucial problems. Sixty percent (31) of the mayors of cities between 100,000 and 250,000 in population most often gave this answer.

(2) Coordination is considered important, in that 63% (264) of the cities have an individual in the community who coordinates drug abuse services. A total of 251 cities indicated the affiliations of their drug coordinators as follows: 28% county; 25% private (especially in cities under 100,000 in population); 22% city; 13% regional; and 12% State.

(3) The majority of cities indicate limited or no involvement in the development of their State plan. Sixty-two percent (255) say they do not participate in writing the State plan. In regard to the State plan reflecting city priorities, approximately 33% said they have not seen the plan, 33% have set priorities, 25% say their priorities are reflected, and 13% say they are not (407 total responses). It can be argued that those cities with no priorities lack interest. However, 79 (64%) of the 123 cities which have not set priorities also do not participate in writing the State plan. It can be argued that if a city is not involved in developing the State plan which will allocate State and Federal funds at the local level, a public declaration of city priorities can be an exercise in frustration at best and a politically unwise act at worst.

(4) A total of 505,692 heroin addicts is estimated by 289 cities, which represents 67% of the 429 cities participating in the survey. (The Committee's 800,000 estimate takes into account the other urban and rural areas not covered by this most recent study.) This number of addicts is close to the one-half million figure which is the usual estimate for the whole country, yet the 54% return on the survey represents about one quarter (47,116,000) of the total national population.

(5) The estimated heroin addict population is heavily concentrated in the larger cities. Forty-five percent (229,800) are in 16 cities over 500,000 in population and another 22% (111,390) are in 18 cities in the 250,000 to 500,000 population category. Likewise, the majority, 49% (31,970) of the heroin addicts in treatment are located in cities over one-half million in population. This is the case for every treatment modality for heroin addiction except methadone detoxification out-patient. This documentation supports the policy calling for cities with concentrations of drug abuse to be full partners with Federal and State governments in the setting of priorities and allocation of resources for treatment, rehabilitation and prevention of drug abuse.

(6) In looking at the number of heroin addicts in city jails, estimated at a total of 7,934, a similar pattern emerges for those cities over 500,000 in population. Seventy-six percent (6,067) of the jailed addicts are in six cities in this population category. Treatment services for heroin addicts in city jails are by no means universal even in the cities over 500,000 in population. Seventy-six percent (13) of these biggest cities do have services. Overall, only 28% (out of 384 responding) of the city jails provide treatment for heroin addiction. Of these 109 cities with treatment services available, 74% have detoxification services for arrestees who are methadone maintained.

(7) Additionally, heroin addiction has increased in the past year in 42% of the cities (out of 343 responding) and in 94% (17) of the cities 250,000 to 500,000 in population. Only 13 of the responding cities report a decrease. Thirteen percent (64,745) of the estimated total heroin addicts are identified as being in treatment, and there are 3,487 addicts reported to be on waiting lists in 69 cities. Any one or more of the following three factors could account for the discrepancies regarding increase, services and needs.

(a) The total estimated number of addicts, 505,692, could be inflated since almost 60% of the cities had to rely upon overall impressions to make their estimates. However, this error is not likely to be vast because 45% of the addicts are in cities which based their estimates on reports or studies. Additionally, persons with past histories of addiction may still be counted as addicts.

(b) The majority of addicts may not desire treatment for a variety of reasons, for example, lack of outreach, needs of clients not being met.

(c) Treatment programs may be operating over capacity to accommodate any increased intake.

(8) A frequent criticism levelled at the present approach to treatment of heroin addiction is that there is too much reliance on methadone maintenance. However, while 56% (36,171) of the heroin addicts in treatment are in methadone programs, 44% (28,472) are identified as being in drug-free out-patient programs. As previously indicated,

49% (31,970) of the heroin addicts in treatment are located in cities over 500,000 population, and this percentage corresponds approximately to the percentage of estimated addicts, 45% (229,800) in the same cities. Thus, 14% of estimated addicts in these cities are in treatment.

IV. FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INTRODUCTION

We must begin to institutionalize our efforts against drug abuse with flexible policy which anticipates crises rather than, as heretofore, reacts to them, and concentrates on better management.

The current status of international drug control is that of confusion, conflict and chronic rhetoric. To avoid the repetition of all our past mistakes or misjudgments, we must develop a system of interlocking responsive Federal programs.

A. SUPPLY REDUCTION

1. Findings

a. The Federal enforcement and interdiction effort has become increasingly difficult as traffickers incorporate the use of advanced private aircraft and sophisticated electronic equipment. This often creates a situation in which the smugglers are better equipped than our enforcement agencies. It is impossible for law enforcement officials to monitor the thousands of private landing strips that could be used to bring in narcotics.

b. The Mexican/American effort to eradicate poppy fields in Mexico has resulted in the destruction of over 21,000 fields in the past year, according to DEA. Slippage can be high in the methods used, anywhere from 15 to 50%.

c. The State Department claims that enforcement assistance has resulted in the destruction of the equivalent of 50-80 tons of raw opium in Burma in 1975 and 1976.

d. Increases in heroin shipments through European capitals, including Moscow, have been indicated in recent world heroin movements.

e. DEA concludes that Federal law enforcement intercepts between 5 to 10% of illicit narcotics crossing American borders.

f. Primary responsibility for international supply reduction is coordinated by the State Department and implemented through the DEA.

g. Border interdiction remains the responsibility of the Customs Service, relying on international intelligence provided by DEA.

h. Currently major opium cultivation areas in Mexico, Burma, Pakistan, and Afghanistan are not under the political, administrative, or military control of the central government. Diplomatic initiatives should be undertaken with Burma to assist in resolution of the problems caused by traffic generated by the hill tribesmen.

i. Along the 2,000-mile southwestern border of the United States there are a reported 1,200-1,500 illegal crossings and 100-200 unregistered aircraft overflights occur during a single 24-hour period.

j. No amount of better cooperation between DEA, Customs and the United States Coast Guard will help to interdict illegal sea cargoes unless a massive effort is mounted for air surveillance.

2. Conclusions

a. The highest incidence of success in any international supply reduction strategy is to interdict or destroy the illicit substance at its source.

b. One of the prime reasons for the low efficiency of interdiction efforts in the United States is our vulnerability through our international airports, ports of entry, military debarkation points, lengthy borders and trade contracts. The demographic distribution of major population centers coupled with remote terrain are additional reasons why interdiction of contraband and daily transactions are virtually impossible to detect.

c. One of the most serious deficiencies in the Federal effort is the critical over-burdening of the Justice Department agencies, particularly DEA, INS and the Border Patrol assigned to the United States-Mexico border.

d. There are many historic, social, cultural and other influences in Mexico which make intervention in drug production there relatively uncontrollable. Aside from Mexican home grown opiates, the United States must contemplate some action against the flow of Mexican produced synthetic drugs that are over-manufactured and easily find their way to the streets of our cities.

e. The State Department should provide eradication materials to the Mexicans or if necessary provide for an effective program of aerial photography of Mexico to determine the overall effectiveness of the eradication campaign.

f. The Federal Government should initiate the convening of a Border States Conference involving Federal, State and local authorities in California, Arizona, New Mexico and Texas in order to promote more effective regional resistance to drug trafficking activities originating in or channeled through the Republic of Mexico.

g. The Drug Enforcement Administration, Customs and Border Patrol Agencies should intensify their drug interdiction activities to reduce the flow of drugs from Mexico into the United States.

h. Efforts in developing narcotics detection devices for use along the U.S. border should be increased and Federal attempts to monitor private aircraft flying between the United States and Mexico and private watercraft traveling to and from foreign waters should be intensified.

i. In the face of massive trafficking the physical interception of drugs becomes an impossible task for the Border Patrol and a lesser though equally impossible task for the Customs Service at the borders.

j. Since 1972, when Turkish production was temporarily halted, Mexico has become the principal illegal supplier, accounting, according to DEA, for approximately 75% of the 8 to 10 tons of heroin smuggled into the United States annually. Only 5% of the heroin on the American market is Turkish, the remainder emanates from Syria, Lebanon and Southeast Asia. Whether Mexico has filled the void created by the cessation of Turkish production in 1972 (the Turks are now back in the cultivation of the poppy and in production of poppy straw) or is seeking to corner the market is unimportant. The fact remains that Mexican heroin has now surmounted the once invincible eastern distribution system and, coupled with supplies from the Golden Triangle, constitutes the bulk of the traffic into the United States. Since no program yet devised can completely eradicate heroin use or

permanently cure addicts, we must find the means for bringing Mexican production under tighter surveillance, control and eradication, if possible.

3. Recommendations

a. The Select Committee recommends that a new "Federal Strategy" involve an all-out American effort to induce foreign countries to eradicate all opium poppy growing except that which is determined by international agreement to be needed for medicinal purposes. Admittedly, this is not only an ambitious program but it also involves the expenditure of many millions of dollars for crop eradication, and crop and income substitution programs and, above all, the commitment of the United States through its State Department to use every honorable means at its disposal to persuade countries of disparate political systems and views on opium production to cooperate, much as it did in Turkey in 1972 in eradicating fields and burying crops. If the State Department were to embark on such a high level strategy, the Committee is persuaded it would produce results in most of the producing countries. Even if it only succeeded in some, we would have fewer countries' production to cope with in our cities and towns. Although the expenditures for such a program could be estimated at \$200 million, this is less than 25% of what we are now spending in a haphazard effort to discover smuggling routes, interdict at points of entry into the United States, arrest and prosecute offenders, and carry on present treatment programs.

b. The Select Committee recommends that there be convened an International Conference of producer and user nations as called for jointly by the Select Committee and the Administrator of DEA on December 2, 1976. Such a Conference would be in a position to originate meaningful bilateral agreements on control of poppy growing, thus getting at the source. The International Conference of legislators, law enforcement personnel and health officials at the highest levels would be held outside the auspices of the United Nations to avoid some of the political conflicts presently hampering the United Nations in other areas. The conference could also establish a mechanism for the ongoing transfer of effective treatment and prevention technology.

B. INTERNATIONAL RESPONSIBILITIES

1. Findings

a. The Department of State's Office of the Senior Advisor to the Secretary and Coordinator for International Narcotics Matters will allocate \$4,000,000 to the U.N. Fund for Drug Abuse Control in Fiscal Year 1977. In Fiscal Year 1976, including the transitional quarter, the United States allocated \$3,000,000. Over the five years of the Fund's existence, the United States has contributed 18 of the 23 million dollars contributed to the Fund.

b. The Department of State has policy supremacy over activities in foreign countries designed to combat drug smuggling. The level of priority which it assigns to narcotics intelligence and the commitment of the highest level leadership in the Department is questionable. As a result, foreign intelligence and interdiction efforts are fragmented.

c. The Cabinet Committee on International Narcotics Control has not held a formal session since November, 1973.

d. We must find a better way to deal with our largest problem—heroin production in Mexico. According to DEA, development of a process for identifying the chemical composition of heroin now permits scientists to detect the origin of opiates and it is clear that more than two-thirds of the heroin seized in the United States is of Mexican origin.

e. The Mexican/American prosecutorial agreement (JANUS) has resulted in 62 prosecutions involving 90 Mexican nationals to date.

f. The Committee has observed and in fact its Chairman and members have participated in efforts to effectuate better cooperation from the Mexican authorities in the suppression of opium production and smuggling activity.

g. It has been established that many countries, especially in the Western Hemisphere, do not have treaties or information sharing agreements with the IRS which would be useful in discovering where narcotics traffickers are hiding and laundering their illegal profits.

2. Conclusions

a. The present State Department Senior Advisor on Narcotics Matters along with the State Department Office of Legal Counsel should be responsible for coordinating efforts with the Justice Department to obtain U.S. jurisdiction over foreign drug traffickers through extradition and expulsion where appropriate. Feasible cooperative programs which encourage foreign prosecution of traffickers abroad, and assistance to other governments in strengthening their narcotics control legislation should be a priority.

b. The State Department should institute an oversight program in Burma which would permit the United States to generate its own verification report on the effectiveness of the helicopter program.

c. State Department Senior Advisor for Narcotics Matters, together with the State Department Office of Legal Counsel, should coordinate programs with the Treasury Department which strike at the fiscal resources of narcotics traffickers.

d. The Senior Advisor should work with the Cabinet Committee on Drug Abuse Prevention to develop a worldwide prevention and treatment program to combat the worldwide spread of addiction.

e. State Department should target critical countries and press actively for the negotiation of mutual assistance agreements for the exchange of financial information, Customs to Customs agreements and strengthened tax treaties.

f. Significant barriers exist to cooperation between State Department and DEA because of the conflict between the specific mission of DEA and overall State Department goals in foreign affairs.

g. It may be unrealistic to expect that, given such a mandate, State and CIA should hold narcotics intelligence collection as a high priority and devote to it all the resources that other agencies consider desirable.

h. IRS, with the vigorous support of the Treasury Department and the State Department, should negotiate agreements with all countries where it is known that funds from the illegal traffic in narcotics are being laundered or invested in legitimate business.

3. Recommendations

The Select Committee suggests that the Congress consider the creation of an office titled "Assistant Secretary of State for International Narcotics Matters" in the State Department so as to provide the necessary high level policy making office to act in concert with similar such offices in other agencies dealing with other aspects of narcotics matters.

C. FEDERAL AGENCY EFFECTIVENESS

1. Findings—DEA

a. DEA holds the primary mandate to control and enforce the controlled substances laws in the United States, through national and international efforts.

b. Reduction of heroin purity is a major objective of DEA, purity levels will have been reduced from a high of 6.6% in March of 1976 to 4.5% by June of 1977.

c. The Drug Enforcement Administration is concentrating its international forces on interdiction rather than on intelligence collection.

d. DEA alleges that many law enforcement efforts are frustrated by the judicial system which allows low bail for heavy narcotics traffickers.

e. DEA has placed more and more emphasis on the arrests of Class I violators which are up 49% from FY 1975 figures. Class I arrests account for 13.7% of total DEA arrests in FY 1976.

2. Findings—FBI and Department of Justice

a. The FBI requires a Congressional mandate to change the nature and scope of its participation in drug law enforcement.

b. There is presently no statutory mandate that requires FBI to change its existing posture in narcotics enforcement and reorganization plans do not affect its actions.

c. Reorganization Plan No. 2 is not specific on the nature of the FBI's role and lacking any other statutory mandate, new legislation should be considered by the appropriate standing committee of the Congress.

d. The reluctance of the FBI to participate in drug law enforcement exists throughout the entire agency, is supported by the top administration and has its historic roots in J. Edgar Hoover's timeless aversion to allowing the FBI to be involved in the investigation of Federal narcotics violations.

e. The role of the Department of Justice on the one hand and the FBI on the other, in drug law enforcement is not definitively established.

f. The Justice Department prosecutes only an infinitesimal percentage of cases referred to it. Class I violators are the smallest percentage of cases made.

g. The Federal Bureau of Investigation is prohibited from conducting any operations, other than liaison, outside of the United States.

3. Findings—Courts

a. United States and local prosecutors are deluged with cases, many of them subject to dismissal due either to physical inability to prosecute or "speedy trial" laws.

b. The court systems on both the State and Federal level are backlogged in caseloads. Many cases are excessively delayed or dismissed due to procedural problems and lack of adequate resources.

c. Current bail statutes allow for major traffickers to be released to the community. A significant number return to their illegal activities or become fugitives. At the present time, more than 2,600 narcotics traffickers released on bail, are fugitives.

4. Findings—Cabinet committees and Department of State

a. The CCINC was created on August 17, 1971, and charged with developing a strategy to check the illegal flow of narcotics to the United States and to coordinate the efforts undertaken abroad by involved Federal departments and agencies to implement that strategy.

b. CCINC has control over international narcotics control program funds which are provided in section 482 of the International Security Assistance Act. Over the past 5 years, \$147 million has been appropriated for enforcement, training, crop and income substitution, treatment and program support.

c. The Cabinet Committee on International Narcotics Controls has not met since November, 1973, thus eliminating high level policy direction to the working interagency subcommittees.

d. The State Department's role in the international intelligence field is primarily as a coordinating body.

e. The executive director of each cabinet committee sits as an ex-officio member on the other committees. In May, 1976, the President created the Cabinet Committee on Drug Law Enforcement and CCDAP. There is a great deal of overlap in the membership of CCINC, CCDLE and CCDAP and their respective working groups and subcommittees.

f. The CIA does not undertake to follow up on, or assess the value of the intelligence it transmits to other agencies.

5. Findings—IRS and Customs

a. IRS integrated the Narcotics Tax Trafficker Program into the Special Enforcement Division on July 1, 1975. It has been demonstrated that the narcotics trafficker is a special class of offender in relation to tax prosecution and should be dealt with, for maximum effectiveness in tax fraud investigations, within a separate enforcement unit.

b. The Internal Revenue Service, which has traditionally targeted special criminal groups for audits leading to tax fraud charges, has abandoned its program of special attention to narcotics traffickers and now lists this effort as "high priority" in its general program of audits. Despite repeated Presidential statements regarding the "high priority" of IRS enforcement in this area, the Committee finds no greater emphasis here than on any other taxpayer group, suspected of criminal activity or not.

c. The House and Senate Select Committee on Intelligence recommended that the Internal Revenue Service reduce the size of the Intelligence Division as a result of the division having engaged in questionable policies in the past.

d. The U.S. Customs Service, the principal agency responsible for interdicting narcotics at the borders, is now statutorily prohibited from collecting foreign intelligence on narcotics.

6. Conclusions

a. There continues to be a discouraging lack of coordination between the Federal agencies responsible for narcotics law enforcement.

b. A review of the activity of the separate States, all of which have drug felony laws to enforce, demonstrates clearly that there is a wide disparity in the priority allocated to narcotics enforcement and treatment by the various States and cities. For example, the Committee's hearings in New York City on November 19, 1976, demonstrate clearly that there was almost a total breakdown in law enforcement with respect to narcotics trafficking on the streets of Harlem and other parts of the city. The street market scene observed in New York cannot be duplicated in such cities as Milwaukee, Chicago, or Dallas. True, New York City represents a special problem due to its overwhelming population of heroin addicts but in no manner does New York's special problem provide any excuse for toleration of lawlessness on the streets.

c. The Committee believes that the IRS Intelligence Unit should be closely monitored to insure that it is focusing on the issues within the proper jurisdiction of the Internal Revenue Service.

d. It has been demonstrated in some places that heroin use declines when street price drastically increases. However, contrary to DEA's premise, it has yet to be proven that purity decreases result in lessened usage. In fact, studies reveal fewer persons sought treatment and property crimes increased during periods of reduced heroin purity levels on the street.

e. A dangerous and inexcusable lack of coordination between law enforcement agencies as well as between the treatment and enforcement communities has persisted since Reorganization Plan No. 2 and the efforts of well-meaning policy supervisors are consistently frustrated by law priorities, well financed and highly motivated traffickers, the failures of the criminal justice system and inadequate facilities for drug treatment.

f. The State Department's primary role in foreign relations poses delicate questions for all Federal agencies with overseas functions and responsibilities. The issue often arises as to which overseas function of the Federal Government has supremacy in the context of drug law enforcement. In most instances, there appears to be cooperation and friendly resolution of jurisdictional problems. However, the Committee has observed major examples of the State Department's failure to act on the high priority it states it gives to our anti-drug abuse policies. To some extent, the Department is incapacitated by its own bureaucratic imperatives. These self-imposed mandates serve to fragment national efforts toward a better, more rational drug abuse policy, and contribute to an unknown degree but substantial manner to the heavy use of drugs in American society.

7. Recommendations

a. CCINC should be disbanded. Any issues handled by a CCINC working group or subcommittee which are not dealt with by CCDLE or CCDAP should be incorporated in new Presidential instruments of policy.

b. IRS should continue to fund a separate intelligence unit devoted to the collection of intelligence useful in the investigation of suspected narcotics violators.

c. In response to the new mandate enunciated in the International Security Assistance Act Amendments of 1976, the Mansfield Amendment, DEA has issued guidelines clarifying operations of DEA personnel overseas. The administrator should monitor the compliance with these requirements closely.

D. TREATMENT

1. Introduction

a. Any new "Federal Strategy" foundation disclosed by the Committee's view of its initial oversight testimony must take into account some major immutable human observations:

(1) We are a drug-oriented society, through acculturation, advertising, affluence, poverty, and a host of other complex social conditions in the United States.

(2) Heroin use spreads as if it were an epidemic disease. It is not confined to big city users, but spreads like a cancer to smaller and rural communities.

(3) Treatment programs and facilities often fall far short of what is minimally required and must keep up with shifts in the heroin user population—from inner city residents to other areas in smaller cities and in rural settings. Since the disease of serum hepatitis is one measure of the number of new users of heroin, we should develop mobile treatment and outreach centers to deal with high level appearance of heroin use in quick order, as serum hepatitis appears and heroin arrests increase in a particular area. Also, the mobility and availability of particular drugs creates non-opiate and multi-drug use (alcohol is used extensively as a "mixer").

Chemical compounds do not cause human misconduct. Chemical or natural compounds are attractive to some because of tensions created by numerous societal pressures and while we should deal with those on an item-by-item basis, we cannot tolerate a \$27 billion per year illegal industry and the concomitant misery it causes. In many respects, our problem is similar to the one we faced during prohibition when the urge to drink built up a \$10 billion (pre-inflation) organized crime empire. The American people must decide if we can solve the drug problem the way we solved the prohibition problem, that is, by making it legal. We must learn to distinguish between the addict (the user) and the infamous trafficker who is not usually an addict. Congress has not yet made this essential distinction in legislation directed at the drug abuse problem in the United States.

2. Findings

a. There are approximately 800,000 heroin addicts in the United States at this time, a more than 100% increase since 1970. Less than one-third of this number can be identified as receiving treatment.

b. Polydrug use and drug substitution is on the increase, especially when combined with alcohol. When heroin becomes costly, barbiturates, amphetamines and alcohol become freely used substitutes, sometimes combined with methadone, and this contributes greatly to overdose deaths, now at a rate of over 5,000 annually reported by NIDA.

3. Conclusions

a. We must find a way to solve the horrendous problems of unemployment, especially among minority populations in inner cities where

the rate is many times over the national average. Among teenagers, the rate of unemployment is often 50% or more. Employed persons are far less likely to develop an addiction. We need effective vocational training and job counseling as support systems, required in the regimen of treatment, or diversion from the criminal justice system.

b. The Committee finds, with great regret, that for the most part, the prevention programs being operated by NIDA are ineffective. These programs are inadequately researched and not properly implemented.

c. Prevention programming has suffered due to the inability to evaluate its impact over long term periods. It is suggested that prevention program evaluation be placed at a high funding priority to gauge its efficacy and impact on using populations, whether youthful experimenters or geriatrics. A successful drug abuse prevention program aimed at cutting down the potential number of drug abuses must—

(1) anticipate the localities of new use,

(2) focus on the individual new user,

(3) identify the new user early, and

(4) find a way to turn the new user away from drugs.

d. Cooperation between the law enforcement community and the public health community whose primary aim is prevention and treatment is unacceptably weak if not virtually nonexistent. Our drug problems have created a drug related "profession" numbering approximately 400,000 persons. The Committee has found that often there is a hostile, adversary relationship between many of these persons whose livelihoods have come to depend on maintaining an occupational interest in drug abuse.

e. It is suggested that there be introduced yet another heroin substitute (LAAM), which will require far less frequent visits by addicts to treatment facilities and allow for a maximum of 2 urine screens per week. This proposal is somewhat suspect as it relates to the Federal effort to control illicit drug use. LAAM as it is administered, would permit a maximum of withdrawal-free days with a minimum of supervision.

4. Recommendations

a. Treatment facilities will require expansion, primarily in smaller cities and in rural areas. We emphasize the need for as many mobile and outreach centers as are required to meet the needs of addicts who are using opiates in both urban and less populated areas, along with properly secured dispensing methods for use of heroin substitutes.

b. NIDA should greatly expand funding for qualified private treatment efforts and efforts of citizens to help themselves overcome drug abuse.

c. GAO or some other independent entity should immediately begin an investigation of the cost effectiveness of NIDA's activity of the past 3 years which would include a high level review of its funding of wasteful research presently not utilized, along with its concentration on bio-medical matters.

d. An investigation should be initiated to determine the extent to which Federal funds are used by NIDA or any other Federal agency

in support of drug-prevention professional organizations which employ Government funding for lobbying purposes.

e. We must establish nationwide detoxification, mobile treatment and outreach centers fully equipped with therapists, rehabilitation facilities and most important of all, vocational and job counselors so as to treat addicts and get as many of them back into the mainstream of our society, as possible.

E. EVALUATION

1. Findings

a. No systematic evaluation process exists to assess the CIA's performance in international narcotics intelligence collection. However, the Agency must be accountable to some standard. Unless the CIA assumes the responsibility of self-evaluation, one must turn to the agencies receiving intelligence for an appraisal.

b. Purity levels in heroin sold in the United States, according to DEA, is the most important indicator of the drug problem in America.

c. The National Institute on Drug Abuse should place strong and immediate emphasis on non-biomedical research into the causes and prevention of drug misuse and addiction and on developing, demonstrating and evaluating more effective prevention/education programs.

2. Conclusions

a. The Federal Government has failed to develop effective means of determining and reporting essential data. Additionally, the Federal Government has failed in even the relatively simple task of teaching its own computers operated by the several agencies to talk to each other. The lack of fundamental data and the "turf wars" which have plagued the treatment and enforcement communities has severely limited Federal and State public policymakers from fully comprehending the nature of drug abuse and drug enforcement, and thus, has prevented the public from such an understanding.

b. More accurate indicators of the nature, scope and trends in drug abuse should be developed and validated. The present absence of such information limits our understanding of the drug problem and our ability to assess the effectiveness of current strategies.

c. The value of CIA intelligence cannot be measured in numbers of American traffickers apprehended, as the Agency is prohibited from investigating U.S. citizens. Furthermore its role cannot be measured by an overall number of cases closed because the Agency cannot be directly linked to any criminal prosecutions.

3. Recommendations

The Select Committee, in its continuing studies under its mandate, finds that when some congressional committees evaluate the performance of executive agencies often there is insufficient time or opportunity to test such performance against statutory requirements in either enabling or appropriation legislation. Additionally, some executive agencies provide evaluation criteria and standards to substantiate their effectiveness in fulfilling a mandate which is often outside the parameters of the statutory mandate which Congress has established.

Accordingly, the Select Committee suggests the usefulness of some of the following evaluation criteria for legislative committees dealing with direct agency oversight:

a. DEA (Department of Justice)

DEA employs arrest and seizure statistics and street level heroin purity to measure the effect of drug abuse along with increases over prior years in the percentage of Class I cases made.

What are the real standards in an oversight sense for determining whether DEA is doing a good job?

1. Certainly, Congress should look at the *total numbers of heroin addicts* in the United States at any given time as a basis for evaluating the effectiveness of DEA enforcement.

2. Congress should also look at the quantity and nature of other opiate abuse, as well as increases in the number of cocaine and psychotropic drug abusers.

3. The total amount of heroin and other illegal drugs imported into the United States at any given time is another fair indication of whether DEA is doing a good job.

4. We must also look at crime statistics to determine the amount and nature of drug related crime. Here, one could find statistics that would produce evidence as to whether a person (at arrest or diversion from the criminal justice system) is or is not a user.

5. Another indicator for evaluating the performance of DEA is the *number of new users* in the United States during the period being evaluated.

6. If drug related crime statistics show a decrease and there is an increase in treatment slots for a given period, then one would have a basis for saying that a good job is being done.

Other agencies of the Department of Justice having law enforcement responsibilities in this area are the FBI and the Criminal Division. FBI statistics should be reviewed which reveal the number of referrals of narcotics intelligence which the FBI makes to other enforcement and prosecution bodies.

The Criminal Division could be assessed by considering the ratio between arrests, classes of violation, number of prosecutions and resulting convictions and/or acquittals.

b. Customs Service (Treasury Department)

The Customs Service is the primary agency charged with interdicting contraband.

Again, the customary measure of success relates to the number of seizures, the quantity of narcotics seized, the number of arrests, and the number of cases turned over to DEA. But, the real standard for evaluating the activities of the Customs Service is not the amount of contraband seized but the amount of narcotics that gets into the United States and contributes to the high percentage of addicts in the general population. It is impossible to evaluate the present degree of effectiveness of the Customs Service because it only makes arrests and seizures, not cases.

c. IRS

The most effective way to evaluate IRS in terms of narcotic enforcement relates to the number and amount of civil and criminal cases made, the amount of tax recovered, the interest and penalties charged, the number of criminal tax fraud cases brought, the number of convictions obtained and the total amount of money recovered.

d. NIDA (Department of Health, Education, and Welfare)

Evaluation of Treatment May be Tested By:

- (1) The percentage of former clients considered successfully rehabilitated a couple of years after leaving treatment (success criteria may include: employment records, drug-free and alcohol-free existence, and the absence of an arrest record after a period of leaving treatment).
- (2) Percentage of time free from the use of any illicit drugs following treatment.
- (3) Increase in social productivity (including school attendance, work habits, and nonviolence).
- (4) Some substantial reduction in the given period in the number of arrests for robbery, burglary, and other drug related crimes before, during and after treatment.
- (5) The costs of a treatment program per client graduated.
- (6) Frequency of job change.
- (7) The improvement of clients' behavior as compared to before treatment.
- (8) The number and percentage of entrants who graduate from treatment.

e. The Intelligence Agencies

This being an amorphous area, Congress should apply practical standards for measuring intelligence effectiveness. These might be:

- (1) In a given period, how many major cases have been successfully prosecuted solely as a result of foreign intelligence furnished to the arresting and prosecuting authorities by these agencies?
- (2) The value of intelligence reports reflecting the movement of narcotics from the growing fields to the refineries and from the refineries to the ports of entry.
- (3) The usefulness of information sharing from intelligence agencies which we cooperate with in foreign governments.
- (4) The effectiveness of our monitoring of international treaties covering financial aspects of the trade, crop and income substitution and crop destruction.
- (5) A substantial drop in the amount of narcotics, that is, gross quantity in any given period that could be traced to good foreign intelligence.
- (6) The number of good cases made abroad under the laws of foreign countries by intelligence functioning through U.S. activities in that country.

4. General

A detailed assessment of the benefits/liabilities of decriminalization of the possession and use of controlled substances should be conducted by the Federal Government. The existing approach to the problem is becoming more open to question but little hard data is available against which other alternatives can be considered in an informed manner.

F. SUPPLEMENTARY DRUG ABUSE TOPICS

1. Findings

a. It is necessary to place drug abuse once again high on the national political agenda. In the past, there has been a tendency to play Presidential politics with drugs. The former Assistant to the President, Mr. John Ehrlichman, frankly so testified in the 1976 hearings of the Senate Permanent Investigations Subcommittee. In a divided governmental structure such as ours, vigorous executive leadership often can only occur at some political price. These risks can be minimized by insisting on integrity and public accountability but they cannot be eliminated. The costs of failing to provide the necessary leadership are even graver: law enforcement will continue to be muddled by bitter jurisdictional quarrels, the support and direction of treatment programs will sink down into obscure, business-as-usual bureaucratic niches, and our foreign policy objectives will not be sufficiently sensitive to our domestic drug concerns.

b. In the last few years we have learned a great deal about drug abuse and above all, about how to think about that abuse systematically. There is absolutely no reason to return to the 1960's when we were caught unaware by the great heroin epidemic for which we continue to pay. Unless something is done soon, we are headed in the general direction of even more national tragedy.

c. We now contribute 78% of the gross annual expenditure of the United Nations Fund for Drug Abuse Control. That might be the international vehicle by which we could attempt to secure an international convention to substitute equal payment cash crops or income substitution for opium poppies. Until drastic action such as this is taken, the United States will face ever-increasing pressure on heroin addiction with its concomitant relationship to crime on the streets and in our homes and businesses. A world purchase agreement would immediately undercut about one-third of organized crime's illegal income, and significantly alter the bloated economics of the heroin and opiate traffic. The chain of importation, distribution and use defies ordinary concepts because there is such an enormous profit to be made and such a great demand. Very little of the millions made (most of it banked in conveniently secret foreign bank accounts) is taxed. Much is used to corrupt police and other public officials and the rest contributes to high living in opulence only dimly perceived by ordinary citizens. The social cost to the American people is incalculable. The Federal Government has tried just about everything human ingenuity is capable of conceiving. None of these efforts have made a significant difference over the years. However, as stated earlier, the United States must continue its support of the U.N. Narcotics Fund in the hope that multilateral agreements are possible and will be fruitful.

d. The State Department should press for increased contributions from other countries which benefit from the programs of UNFDAC.

e. The State Department should work with UNFDAC on the disposition of excess production of Turkish poppy straw which cannot be sold on the international market.

f. The State Department together with International Narcotics Control Board should pursue an exhaustive study drawing on agricultural and anthropological experts to determine independent annual opium cultivation figures for Southeast Asia and projections on possible opium cultivation.

g. The Federal Government should intensify its diplomatic efforts with the United Nations and foreign governments, including the Republic of Mexico, to limit the supply of illicit drugs smuggled into this country.

h. Even if drug abuse has not been a chief concern in the countries where opium is grown, we must give the growing nations a reason for having a deep and abiding interest in preventing the movement of drugs. Accordingly, the Committee recommends that the Executive Branch, through the State Department seek to convene an International Narcotics Control Conference, with or without assistance from the United Nations, and invite to such Conference representatives of each opium producing, transit and user country in the world, with a view toward executing a Convention to be submitted thereafter to the Congress for ratification, which would establish a world purchase price for opium crops, taking into account the necessary differences between the countries. Having agreed to the price, the United States should offer to purchase the entire world supply for eventual destruction.

i. Apart from international and interstate trafficking activity, a growing internal problem is the illicit manufacture and distribution of drugs compounded synthetically in clandestine laboratories located in most regions of the country.

j. Increased efforts should be made to control the availability of precursor chemicals used by clandestine laboratories in the manufacturing of illicit drugs.

k. These United States manufacturers have plants overseas whose production is not subjected to United States controls such as our Food, Drug and Cosmetic Act, resulting in grossly irresponsible over-production in those countries, with the surplus easily finding its way back to our streets.

l. Attempts should be made to reduce the over-prescription of amphetamines either through the continuing training of physicians and the educating of patients, or limits and controls, or even prohibitions on the manufacture and distribution of these drugs.

m. The U.S. Government must make a concerted effort to reach an international agreement with all of the principal opium producing countries to effectuate a workable crop and income substitution program, or to purchase entire opium crops year by year with necessary safeguards.

n. During the past 8 years, the Federal Government has increased by 900% annually its financial commitment for both treatment and enforcement programs. Even so, the combined resources of Federal, State and local enforcement agencies are plainly inadequate to deal effectively with the continuing massive illegal importation of dangerous drugs and opiates originating in foreign countries, and there must be a greater reliance on Federal and international activities in order to effectuate some meaningful reduction of illicit drug supplies. Interdiction must be primarily focused on the source.

o. A Presidential appointee should serve as the liaison for U.S. contact with the U.N.'s narcotics control organizations.

p. The White Paper on Drug Abuse recommended that the "TRS reemphasize its program of prosecuting drug traffickers for violations of income tax laws under strict guidelines and procedures." We agree.

q. The Mexican and American Presidents have agreed through an exchange of letters to establish parallel commissions to oversee our joint narcotics control efforts.

r. The Senior Advisor should request legislative representation on the Executive Committee which was established on May 29, 1976, and take the initiative in recommending an immediate meeting with our Mexican counterparts.

s. The Committee believes that the Joint American-Mexican Commission agreed upon between former President Echeverria, Chairman Wolff and Representative Gilman in December, 1975, should be promptly established, and the footdragging on this necessary step exhibited by the State Department in our hearings is unacceptable, particularly since President Lopez-Portillo has indicated his government's assignment of a top-level priority to the enforcement of Mexican and United States laws in this regard.

t. The State Department should work with the Agriculture Department to determine what regions of the world currently cultivate opium or the coca bush. The study should also include an analysis of possible areas of cultivation. Immediate steps should be taken to prevent new areas from being brought into cultivation.

u. The primary responsibilities of the Department of State and the CIA are to represent the United States abroad, report back to the United States Government on the international scene, and protect the national security.

v. The United States military commands have been ineffective in creating a high priority response to international drug trafficking by military personnel and their agents and have not really been called upon to make a major contribution toward the suppression of drug trafficking.

w. The Internal Revenue Service is negotiating a tax treaty with the Swiss Government to include tax evasion as a crime to be included in the exchange of financial information.

x. DEA advocated in testimony the need for legislative support of the President's narcotics sentencing legislation for mandatory minimum sentences for heroin traffickers and allowance for bail denial to certain narcotics defendants.

G. INTERAGENCY COOPERATION

1. Findings

a. The Drug Enforcement Administration has been plagued with problems of internal management which are now being solved. It is beginning to concentrate on high-level drug traffickers. Its cooperation with the other agencies of government which have jurisdiction over some phase of drug abuse enforcement has not yet surmounted all the rivalries of the past. Despite continued cooperation between the prosecutorial arm (Department of Justice) and the investigatory arm (DEA) there is too much fragmentation in the chain of transactions

beginning with identification of criminals in foreign countries (the combined job of DEA, State Department, FBI and CIA) through smuggling of contraband across U.S. borders (I.N.S. Border Patrol, and Customs Service) to investigation and arrest (Customs, if at border, otherwise DEA) and finally, to prosecution (Department of Justice).

b. On July 27, 1976, IRS and DEA signed a Memo of Understanding regarding the investigation of suspected narcotics violators who fail to comply with the tax code. The agreement does not establish a separate unit for narcotics violators within IRS and places IRS in a support position with respect to other law enforcement agencies.

c. Forums exist for resolution of the differences between the enforcement bodies and the CIA: specifically, the Cabinet Committees on International Narcotics Control and CCDLE. However, the gap between needs and available information still has not been closed.

d. Additional information and intelligence exchange programs are being considered and are currently operational in Miami and Chicago, with eventual implementations in 19 other American cities.

e. The FBI has no apparent plans to increase its support to DEA.

2. Recommendations

a. DEA emphasizes the need for interagency cooperation in the war against narcotics.

b. There is a lack of information sharing between these Federal agencies resulting in duplication of effort, waste and inefficiency. For example, when Customs Service passes names of arrested smugglers of narcotics to DEA, Customs does not learn what happens to those cases. The CIA, which collects foreign intelligence on narcotics traffickers, does not know what happens to the information it passes on. Computers and other technology are not geared to cooperative intelligence between the agencies.

c. As stated by Chairman Wolff, DEA agrees that the State Department through its Ambassadors does not give a high priority to DEA priorities where narcotics problems exist.

d. There is a serious lack of coordination between the enforcement agencies and the treatment agencies.

e. Also, there is little cooperative exchange between the cities, where the heroin problem is the greatest, and NIDA, the agency of government responsible for treatment, rehabilitation and prevention of drug abuse.

3. Conclusions

a. In the Department of Justice and in the FBI, a high-level narcotics organizational unit needs to be created as promised in 1973. The function and designation of the Narcotic and Dangerous Drug Section needs to be restructured along the lines promised by the President's transmittal message, and as further amplified by his spokesman at the 1973 hearings on Reorganization Plan No. 2.

(1) The new division is being suggested in order to give a higher priority for drug enforcement in the Justice Department.

(2) The new division is being suggested solely for the purpose of providing a coordinating mechanism between the investigations by DEA and the prosecutorial functions of the Justice Department.

(3) The creation of such a division does not in any way represent the suggestion that there be a merging of investigational and prosecutorial functions. They will remain separate and apart as before.

(4) The Special Assistant to the President for Drug Abuse, in the White House, will, it is hoped, coordinate Federal enforcement and treatment programs through continuing association with the new Assistant Attorney General and his/her counterpart in the treatment agency.

b. The Committee recommends that the Attorney General prepare and update at least annually, a formal plan covering the day-to-day coordination and cooperation between all drug enforcement agencies under his jurisdiction. Further, the Committee recommends that this plan should require:

(1) A close working relationship on the use of informants.

(2) Daily headquarters liaison at high levels.

(3) Access to each other's intelligence memoranda relating to crime areas of mutual interest.

(4) Sharing of laboratory, identification, and training facilities and selected case records.

c. It is apparent that Reorganization Plan No. 2, made effective in July, 1973, has not resolved the problems of interagency fragmentation and bickering. Contrary to expectations, this Committee's oversight hearing record has produced ample evidence that the various intelligence, border interdicting, narcotic enforcement, policy-making, tax law, treatment agencies and prosecutors do not work well in concert towards the common goal of reducing supply and demand. The myriad interagency committees, task force and councils either do not meet often enough or meet too often. They appear to be talk sessions, less often action sessions. There is ample evidence in the Committee's hearing record to establish that much foreign intelligence is duplicated, unused or ignored.

d. We must make it possible for all Federal (drug data) computers to interface to be compatible one with the other. Only in this matter will the CODAP or DAWN system in use at NIDA be of value to the TECS system employed by Customs, FBI, and DEA. It is almost outrageous to contemplate the testimony which the Committee received making it plain that the Federal Government employs expensive multiple computer systems which cannot work together so as to enhance the interdiction of supply and reduce the demand, through prevention and treatment.

H. INTELLIGENCE

1. Findings

a. The Congress should consider legislation to establish new guidelines and standards for the CIA, and to create a systematic evaluation process involving both the Agency and the branches of government receiving information. The security requirements of the CIA must also be taken into account. The legislation might include assessing such areas as:

(1) The value of intelligence reports on the movement of narcotics from the growing fields to the refineries, and from the refineries to the U.S. ports of entry.

(2) How the information collected by the CIA fulfills the stated needs of the Customs Service and the Drug Enforcement Administration.

b. The CIA has very rigid channels and procedures for transmitting the intelligence it collects. Information is either forwarded directly to the Justice Department for further dissemination, or it is exchanged only at the executive level with other agencies. There is minimal information exchange or coordination between the CIA and other agencies at the field level. What little exchange occurs, takes place on an informal and uneven basis. The CIA is also cast in the role of simply collecting and providing intelligence to other agencies, and can neither interpret the information, suggest courses of action, determine policy, or take any action. The Select Committee has seen numerous examples of how these two factors have produced a great deal of costly confusion, and there is considerable potential for more of the same.

c. The Customs Service, prior to Reorganization Plan No. 2 of 1973, had jurisdiction over foreign narcotics intelligence. Before 1973, it accounted for the interdiction of approximately 50 percent of the heroin which was seized in the United States, primarily because it had responsibility for identifying foreign narcotics sources in their countries of origin and following them to arrest at the border. This stopped in 1973 when DEA was given primary jurisdiction over foreign intelligence. In FY 1976, Customs made some 22,000 seizures at the borders, largely marijuana and small amounts of narcotics. These cases were all referred to DEA for investigation and possible arrest, and include some Class I and II violations. Customs requires funding for more sophisticated technical equipment to carry out its role at seizing contraband at the borders, current seizures at the border are now only about 10 percent of the total heroin smuggled into the country annually.

d. By the very nature of the established chain of command, an executive-level decision must be made on each significant piece of intelligence before it can be acted upon. By the time directives come back to the field offices of the CIA or enforcement agency, it is often too late for them to be of any use. Certainly the CIA ought to take adequate precautions to protect the security of the intelligence it transmits, but one must ask how many of the current procedures are followed as established routine rather than real need.

e. The Central Intelligence Agency is the only branch of government capable of providing any meaningful intelligence on the international narcotics situation. However, the Agency is limited in certain areas:

(1) It is constrained from conducting investigations on American citizens abroad.

(2) It is prohibited from having any law enforcement powers or functions, and it is not allowed to provide information for direct use in criminal prosecutions.

f. There is a large gap between the intelligence needs of the narcotics law enforcement community, and what the CIA feels it is authorized to investigate and provide. DEA was given in Reorganization Plan No. 2 primary responsibility for international as well as domestic intelligence gathering. The situation is worsened by an apparent lack of communication between the enforcement agencies and the CIA; the

two groups have failed to clearly delineate their respective needs and limitations. Previous attempts to reconcile differences have failed.

g. A more effective method for transmitting intelligence and determining and executing policy must be developed, in order to avoid delays while information or orders are "in the pipeline".

h. There is a dearth of intelligence on international narcotics trafficking and traffickers available to the U.S. narcotics law enforcement community.

i. Events that pose a serious and immediate threat to the national security are, and should be, accorded the full attention of the State Department and the CIA.

I. LEGISLATIVE CONSIDERATIONS

1. General

a. Congress should consider legislation abolishing Reorganization Plan No. 2 of 1973, and creating a new Division of Narcotics Abuse and Control in the Justice Department headed by an Assistant Attorney General including all foreign enforcement intelligence activities. Congress should also consider the integration of the Federal drug and alcohol treatment agencies in order to determine the feasibility of creating a new National Institute of Functional Health with an Institute of Substance Abuse and an Institute of Mental Health under it, with a mandate for close collaboration among these institutes, with common data bases and common programs.

b. An integrated drug policy involving both supply reduction (enforcement) and demand reduction (prevention/treatment, education and rehabilitation) should be developed by the Federal Government with appropriate State and local input. The present lack of an integrated strategy, with long range goals and objectives, does not take full advantage of the potential benefits of optimum cooperation and coordination between State and Federal agencies and has occasionally put them at cross purposes with each other in their attempts to control the drug problem.

c. The Federal Government should continue and expand its efforts to assess the cost-benefit ratio of drug enforcement and treatment efforts. At the present time, little information is available on what incremental returns would result from the added funding of anti-drug programs and this situation understandably clouds the issue as to whether more, if any, government effort is worthwhile.

d. In light of decreasing local resources, the Federal Government should reconsider its fiscal policies with the objective of revising the level for State and local matching requirements for Federal grants and contracts and extending the duration of such funds where necessary.

e. The Federal Government should more intensely study the relationship between property crime and drug addiction and the effects on property crime of drug enforcement and treatment programs.

f. Congress should recognize, as a matter of drug policy, that better control of importation, distribution and sale of drugs will not automatically reduce drug abuse. There is ample evidence that many substances are but substitutes for others and there will always be a considerable number of people seeking mood alteration.

g. In contemplation of some form of a National Health Insurance program, Congress should recognize and consider the special medical

and therapeutic needs of addicts, drug abusers and drug misusers and should provide for the implementation of in-patient and out-patient treatment and rehabilitation in any statutory scheme for their assistance.

2. Law Enforcement

a. Communication between the enforcement agencies and the CIA must be improved. The Customs Service and the DEA should make their intelligence needs very clear to the Central Intelligence Agency. The CIA, in turn, should be sure that the enforcement agencies fully understand the constraints under which it operates. If the Congress feels that the CIA should undertake additional responsibilities for investigating American citizens or providing more tactical intelligence, it should consider legislation that clearly establishes the CIA's mandate. If no resolution can be achieved, the responsibilities that the CIA cannot fulfill should be delegated to another agency that would be able to undertake the task more fully.

b. FBI's future role in drug law enforcement must be statutorily mandated for the purpose of holding it accountable to Congress and the American people, with strong sanctions applied to lapses and deficiencies.

c. Section 482 funds for enforcement, training, crop substitution and treatment should be withdrawn from State Department Narcotics Matters and placed within the budget of those departments and agencies which have direct program jurisdiction.

d. President Ford has made very clear and the Congress has supported the administration on the need to create a separate unit within the IRS to handle narcotics related tax evasion cases. Since the President has been unable to establish such a program through Executive Order the Committee recommends to the Congress that legislation be considered to set up a separate, identifiable unit which will have specific appropriations and can be clearly monitored for performance.

e. The Congress should consider legislation which would establish a new NTTP which would include vigorous information gathering by IRS, the involvement of Customs in the identification of potential targets, a centralized screening committee with interagency representatives to insure proper case selection, a specific resource commitment by IRS, a statement of specific goals and a system for monitoring the results. The National office of IRS in consultation with representatives to insure proper case selection, a specific resource commitment by IRS, a statement of specific goals and a system for monitoring the results. The National office of IRS in consultation with representatives of Treasury and the Department of Justice should prepare instructions in light of recent court decisions on what guidelines must be observed in the use of tax year terminations, jeopardy assessments and administrative summons so that the NTTP would comply with the rights of the citizens being investigated.

f. Congress, together with a strong and cooperative Chief Executive, should undertake a review of the Federal criminal justice system to ascertain whether users, abusers and addicts who commit no crimes other than violations of the Federal anti-narcotic laws themselves should be taken out of the criminal justice system entirely and turned over to supervised treatment and rehabilitation programs, thus leaving

the criminal justice system free to deal with the non-addict trafficker and the addict who commits personal and property crimes to support his or her habit.

g. Congress should consider legislation governing the conditions of bail for citizens and foreign nationals who violate drug laws and property forfeiture of arrested Class I and II narcotic law violators.

h. Congress should consider strict laws governing the legal use of opium, all opium derivatives and heroin paraphernalia.

i. Congress should consider the adoption of legislation making it a crime to transmit heroin paraphernalia in interstate commerce without strict controls over the production and distribution of same to legitimate users.

j. Congress should consider the adoption of legislation strictly controlling the production and use of synthetic opiates, including substitutes such as methadone and LAAM.

k. The Select Committee on Narcotics Abuse and Control should support the recommendations of the Domestic Council Drug Abuse Task Force that the Federal Government expand its grants, technical assistance, intelligence and training support programs for State and local law enforcement agencies, and for citizen-created qualified treatment, rehabilitation and education programs.

3. Treatment

a. Congress should review the current process of making funds available to the States for drug treatment programs through cost reimbursement contracts under Sec. 410 of Public Law 92-255. Legislation should be considered to make these funds available to the States in the form of grants if it is determined that the present process does not give the States sufficient flexibility in deploying these funds and results in unnecessary administrative burdens.

b. Congress should consider the adoption of legislation to provide funds for research into and the development of nonaddictive blocking substances which would interfere with heroin euphoria and should also provide funds for assisting in the surveillance and detection of the flow of narcotics.

c. Congress should consider the adoption of legislation which would enable research and development to go forward in the area of developing nonaddictive medical synthetic substitutes for opium.

d. Congress should consider the provision of adequate funds for vastly increased treatment, detoxification, counseling and rehabilitation facilities (including mobile and outreach facilities) in rural as well as urban centers throughout the United States and give more attention to the desperate needs of the cities.

e. Congress should consider legislation requiring the treatment agencies of the Federal Government to study and report to Congress annually on all treatment services and delivery of same resulting from demographic characteristics of new users, including women, juveniles and minorities, which classes of users may require changes in traditional male-oriented programs.

f. That legislation be proposed which mandates a definitive meshing of manpower programs of DOL and the treatment efforts of HEW.

g. That the Congress develop legislation which ties treatment more

closely into the existing public health and income systems of SSI, Medicare, Medicaid and Community Mental Health.

4. International Relations

a. Congress should consider the adoption of legislation that would stop the fragmentation of international control efforts. As part of this legislation a new division in Justice should be created to be responsible for foreign intelligence as well as domestic enforcement, with an Assistant Attorney General in charge of the new Narcotics Control and Enforcement Division. Such legislation, if passed, would nullify Reorganization Plan No. 2 of 1973.

b. Congress should encourage the President to undertake urgent treaty negotiations with foreign countries that have no extradition treaties with the United States for the prompt return of fugitives from our criminal justice system. This Committee will investigate all influences known to it which encourages narcotics trade and report to the Standing Committees and the House of Representatives from time to time, on its findings, conclusions and recommendations.

c. Congress should encourage the President to undertake urgent treaty negotiations with the off-shore Caribbean countries, Mexico, Cayman Islands and other tax haven countries to provide mutual assistance agreements regarding the reporting of the banking of cash in these countries and places by American tax evaders and narcotic traffickers who deal in large amounts of cash.

Congress organized the Select Committee for the initial purpose of determining the activities of the Federal Government in narcotics enforcement and trafficking. Committee experience in 1976 shows clearly that it proceeded beyond its originally intended activity. Our preliminary studies indicate the necessity for proceeding through the 95th Congress in order to develop appropriate plans for a new Federal Drug Strategy.

V. PAPAL ENDORSEMENT OF ANTI-NARCOTIC EFFORT

On November 20, 1976, Chairman Wolff and other members of the Select Committee met with His Holiness Pope Paul VI in the Papal Chambers of the Vatican. After receiving the Pope's blessing, Chairman Wolff delivered the following statement:

Your Holiness, my companions and I, who are honored at being received by Your Holiness today, bring Your Holiness the respectful greetings and best wishes from the people of the United States of America and, in particular, from the Congress of the United States, of which many of us are Members.

We arrive in the Holy City and in your Sacred Precincts at the end of a two-week voyage in which we studied foreign affairs, the prospects for peace in the Middle East, and the problem of the alarming spread of narcotics abuse throughout the world.

Knowing as we do of Your Holiness' active dedication to the cause of advancing the well-being of all mankind, we would be most grateful if Your Holiness could again see fit, at an early date, to address this problem of drug abuse, and urge all men of good will to join the struggle against this scourge which, if left unchecked, will surely destroy the youth of many nations. We are sure that the words of Your Holiness once again would alert good people to the problems and deter others from participating in or tolerating drug traffic.

With peace happily restored in most of the world, we earnestly believe the drug problem is the major one facing much of humanity, and it is in this context that we seek the enormous support that the words of Your Holiness would bring to this good struggle.

His Holiness responded with these words:

We extend a cordial welcome to all of you who make up a United States Congressional Delegation on drug abuse and control.

Convinced as we are of the many deleterious effects of narcotics on society, we have on various occasions spoken on this topic. And today we wish to express our sincere encouragement of your efforts directed at the extirpation of drug abuse.

This reality of our day has truly ravaged society, and in particular our youth. At stake is the very question of human dignity. The problem is one of multiple human dimensions, in which the person is profoundly affected in the exercise of intellect and will, in the fulfillment of his or her true role as a human being, and finally in the attainment of a high spiritual destiny.

For these reasons we willingly lend our support to the endeavors that are aimed at combating this evil and at providing those services that are so necessary for rehabilitation. Likewise deserving of attention are the important factors of prevention and timely education.

As the roots of the whole complex problem are studied, there emerges more clearly than ever the need for severe legal measures to be taken against those who traffic systematically in drugs for the sake of profit. We have already expressed the conviction that the narcotic problem would not exist "at least in its present proportion if there did not also exist a whole network of responsible conspirators: the clandestine producers and drug peddlers" (Address of December 18, 1972). And in our own Bicentennial Message to the American Bishops we reiterated the "hope that the immense forces of good would exert pressure against the unworthy activities of those who are greatly responsible for the corruption of youth" (AAS 68, 1976, p. 413).

Of supreme importance is the mobilization of public opinion, coupled with the wide diffusion of accurate information on the many ramifications of drug abuse. The time has come to unite all the powers at our disposal, in order to put an end to this scourge that is such a real danger for the future of humanity.

We hope that you will be able ever more effectively to coordinate your efforts with those being made outside your own country. May the combined forces of the international community of this generation be remembered as history records the incessant struggle for true human dignity.

And because we know that human efforts are insufficient in themselves, we ask Almighty God to bestow his light and strength on you and on all who are working for this great cause.

Following this statement, which was delivered in English, His Holiness suggested further discussion in Italian. For over half an hour Pope Paul, Chairman Wolff, Congressman Scheuer and Congressman Gilman engaged in a spirited discussion of the global nature of the drug abuse menace and the roles of the Congress and the Roman Catholic Church in combating it.

His Holiness was particularly concerned with the effects of drugs on the youth of the world, and pledged the best efforts of the church in educating and protecting the children who cannot escape exposure to addiction. He asked numerous questions concerning the work of the committee and requested that the committee send him all reports it issues.

The Pope's statement is the strongest ever delivered by the church, and was carried by news publications around the world. Its effect, while impossible to gauge directly, will undoubtedly have a salubrious effect on social programs and governments on every continent.

VI. ADDITIONAL VIEWS OF CONGRESSMAN JAMES H. SCHEUER

The Select Committee on Narcotics Abuse and Control has produced several major achievements in the first half year of its life. In particular, the Select Committee has raised the level of awareness of the American people concerning the use and abuse of narcotics in our Nation and around the world and has signalled the firm determination of the House of Representatives to stimulate greater and more effective national efforts to solve this problem.

Through formal Committee hearings, as well as informal conversations with law enforcement and State Department officials, the Select Committee has established that our drug enforcement efforts to date have been pathetically inadequate. We have learned that drugs—especially heroin—most of it originating in Mexico—are coming into our country virtually unimpeded. Our interdiction efforts designed to halt opium poppy production on the fields by destruction of crops, have only been partially successful. The flow of drugs across our border and into our cities has continued unabated. We have apprehended few top level organized crime leaders and pushers.

There has been only the loosest kind of cooperation in field activities and in the exchange of information between the various U.S. intelligence-gathering and enforcement agencies. This must be substantially improved.

The committee has established that the State Department has failed to provide an effective voice with the drug-supplying and drug transit countries to achieve maximum cooperation in eradicating poppy culture. International support of the United Nations Fund for Drug Abuse Control (UNFDAC) has been pathetically inadequate. The State Department has been far less vigorous than it should be in encouraging other nations, both the drug victim nations of Western Europe, as well as the oil-rich nations of the Middle East, to give appropriate contributions to UNFDAC.

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

The United Nations Fund for Drug Abuse Control (UNFDAC) was set up with considerable initiative from the United States, to assist developing countries which were drug suppliers to improve their efforts in the interdiction of opium poppy culture both by eradication of crops in the field and by improving police control of borders to eliminate transnational shipment of drugs. The fact that the United States and Canada have contributed over the past four years about 85 percent of the total funding UNFDAC, gives UNFDAC the appearance of being a creature of the United States and denies it the credibility that it was meant to have as an independent arm of the United Nations assisting developing countries in their struggle to cope with the problems of drug production and trafficking.

It is a bitter irony to me that the United States has given \$18 million, whereas such oil rich countries as Saudi Arabia, Kuwait, and the Arab Emirate States, which are the beneficiaries of billions from the fruits of our technology, have contributed in that same period the negligible amounts of \$7,000, \$16,000, and \$7,000 respectively.

It is equally ironic that Austria, which has contributed a Secretary General to the United Nations, has seen fit to make a contribution to UNFDAC of only \$20,000 since December of 1973. The 4-year total contributions for England, France, Italy, Spain, Holland and Germany are as follows:

England, \$373,922; France, \$505,500; Italy, \$203,200; Spain, \$30,000; Holland, \$115,625 (contribution of a monthly publication in lieu of cash); and Germany, \$499,256.

These contributions are equally inappropriate and disappointing compared to the U.S. contributions during the period of \$18 million. Hopefully, U.S. officials concerned with the problem will take a far more determined stance in our formal and informal relationships with these countries to encourage them to give appropriate contributions to UNFDAC so as to preserve its true character and integrity as a bona fide international organization.

U.S. INVOLVEMENT IN THE INTERNATIONAL WAR AGAINST DRUGS

Having worked closely with Federal drug officials at the highest level for more than a decade, I believe that a more thoughtful policy of presidential appointments of Americans to the agencies responsible for international drug controls and programs is long overdue. They have not been of high caliber. Improved nominations would not only produce a more effective contribution from the United States in the international war against drugs, but also give us more credibility in the eyes of the world.

Too often, in the past, appointments have been made that can only be construed to be blatantly political, or for the purpose of finding a comfortable roost for an occasional elderly foreign service officer who is approaching career's end. The quality of our appointments must surely have sent a signal that we were not serious about the international drug program or our own domestic drug crisis. It is to be hoped that the new administration will improve the quality of these critically important appointments.

While the Select Committee will undoubtedly file a detailed report on the trip abroad in November, 1976, I wish personally to endorse that study mission as a useful and productive one. In visiting Gen. George S. Blanchard, Commander-in-Chief, U.S. Army in Europe (USAEUR), and spending several days conferring with his top staff aides, we impressed upon them congressional concern with the serious problem of drug abuse (not only narcotic drugs, but psychotropic drugs and alcohol as well) and their crippling effects on service readiness. We hope that efforts further to reduce drug abuse in the Armed Forces will continue with increasing vigor and effectiveness.

We had an excellent meeting in Marseilles with the top French officials who have virtually eviscerated the notorious "French Connection." All credit is due to the highly professional members of the drug police under the direction of Police Judiciaire Principal Commissioner

Gilbert Raguideau. The excellent cooperation which they have extended to us over a number of years and the thoroughgoing professionalism with which they have approached their work is a source of satisfaction to all of us.

In Afghanistan we met with President Mohammad Daoud who appeared eager to cooperate with us to seal his borders from the drug traffickers who have plagued his nation for generations. Responding to our congressional delegation, President Daoud said he would be interested in negotiating for bilateral aid arrangements to enhance and fortify the national police presence at Afghanistan's borders.

We had a series of meetings in Egypt with Gen. Sami Farag, Chief of the General Anti-Narcotics Administration, the oldest anti-drug police force in the world. We have been receiving fine cooperation from the Egyptians in drug related intelligence. We began long overdue discussions to provide for a DEA agent to be stationed in Cairo.

In Geneva, we met with the topmost U.N. officials on drug abuse and expressed our deep disappointment at the painfully inadequate contributions (as previously noted) to UNFDAC from all of the countries of Western Europe, and the oil rich Arab states, with Russia and China contributing nothing whatever. I hope that it is still the intention of the Select Committee, as we continue to attend meetings of UNFDAC and the International Narcotics Control Board (INCB), to emphasize in quiet, informal and personal conversations with the representatives of Western European countries, our unhappiness with their current level of contribution or noncontribution as the case may be.

THE MEXICAN CONNECTION

A final comment on the state of crisis we face in the Mexican connection. I am convinced that the time is ripe for a forceful initiative on a whole new level of magnitude with the Government of Mexico to close the sieve represented by the 2,000-mile border between our nations.

During 1976, heroin seized in the United States by Federal authorities amounted to about 515 kilos. About 89 percent of the heroin seized has been identified as the type of heroin known to be illicitly manufactured in Mexico from opium produced in that country. We are told by DEA officials that the 515 kilos seized probably represent about 10 percent of the heroin entering the United States during 1976. If this is accurate, it would mean that about 4,600 kilos or 4.6 metric tons of opium would have been required to produce that quantity of heroin.

What concerns me deeply is that since 1973, even with the dedicated efforts of many Mexican and U.S. officials, the quantity of heroin entering the United States from Mexico (measured on the basis of the rate of seizures) has continued to increase. In only 1 year of our history did we seize more heroin than in 1976 and that was in 1971, at the height of the French connection when 700 kilos were seized.

Much more must be done in Mexico to detect and destroy in the field the expanding illicit cultivation of the opium poppy. Since 1973, about \$36.6 million has been provided by the United States to the Govern-

ment of Mexico for appropriate equipment and manpower to eradicate opium poppy culture and suppress the illicit manufacture and traffic of heroin destined for the United States. I am informed that in the current fiscal year \$10.8 million is being provided by the United States.

I am concerned that after many years of cooperation and the allocation of almost \$50 million in resources in recent years, the Mexican narcotics enforcement effort does not appear to be properly and permanently structured or very well organized.

The Mexican Federal Judicial Police permanent narcotics enforcement units must be staffed with trained and dedicated men, equipped with necessary surveillance, transportation, and eradication equipment and provided the necessary operating funds to carry out their mission effectively. The United States should provide all reasonable and appropriate assistance to its neighbor in this important effort. The Mexican Judicial Police traditionally has carried out some excellent and courageous operations but frequently has not had sufficient trained manpower and resources effectively to counter the illicit traffic problem known by all to exist.

Most disappointing of all, perhaps, has been the failure of the efforts of the governments of the United States and Mexico to develop a scientific method of using available technology through aerial infrared photography or use of ERTS (Earth Resources Technology Satellite) data to detect and chart the opium poppy fields over a wide seven-state area in Mexico.

Last year, I am told, 14 helicopters were utilized for herbicide spray eradication of the opium poppy. This year about 12 will be utilized for spraying and 15 for troop lift crop eradication activity and general support. Given the reported extent of poppy cultivation and clear indications that it is increasing, perhaps 50 or so additional helicopters appear to be needed for spray operations, and an equal number for cover and support, particularly if the United States and Mexico can develop a workable and practical method of detecting the location of poppy cultivation via infrared aerial photograph and/or ERTS data.

"The advance base concept," whereby forward bases adjacent to the high incidence poppy growing areas were to be built and utilized to intensify operations, has also been disappointing in its execution. Only three bases have been built and they have not been effectively utilized for troop and aircraft strikes.

Notwithstanding the brave efforts and hard work of hundreds of dedicated Mexican and American officials, we are failing in our efforts to eradicate opium production in Mexico which is indispensable to the goal of effectively suppressing the illicit manufacture and traffic of heroin affecting the United States.

It is time urgently to reassess our joint efforts with the Mexicans and consider what more can and must be done, and what we are doing now that we ought to do differently, to bring a stop to the 80 percent of the heroin hitting our streets and devastating our cities and small towns, which originates in Mexico and travels virtually unimpeded across the Mexican-American border.

I wish personally to congratulate Chairman Lester Wolff for his dedicated leadership, hard work, and zeal in making the Select Com-

mittee on Narcotics an effective force. The thoughtful yet effective way in which he has quietly and diplomatically brought this point home with the top officials of foreign governments with whom we met during our trip abroad in November was impressive.

The members of the committee, from both sides of the aisle, have proven to be hard working, diligent and deeply concerned with the work of the committee; and I anticipate that the committee will be functioning with increasing effectiveness in the months to come.

END