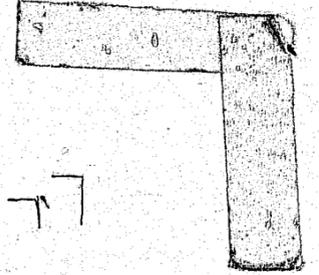


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Department of Justice



TESTIMONY

OF

✓ RUDOLPH GIULIANI
ASSOCIATE ATTORNEY GENERAL

BEFORE

THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
HOUSE OF REPRESENTATIVES

✓ CONCERNING
FEDERAL DRUG ENFORCEMENT

ON

MARCH 23, 1982

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ACQUISITIONS

Mr. Chairman, Members of the Select Committee:

Since its establishment, the House Select Committee on Narcotics Abuse and Control has taken an active role in focusing Congressional, Executive Branch and international attention on the many complex issues associated with viable drug control strategies. Although for some time there has been a general consensus as to the primary goals and objectives of the drug control program, the strategies to implement the Federal drug program were not carried out in a cohesive fashion. This Administration has made clear its commitment to drug abuse control and minimizing the crime associated with drug trafficking. Departments and agencies have programs in place because the drug problem must be addressed on several fronts. I appreciate this opportunity to discuss the Department of Justice's role in the Federal drug program.

However, before I discuss our Department's program in depth, I believe that it is appropriate to spend a moment highlighting the significant on-going drug control activity that extends beyond the Department of Justice's sphere. The drug demand reduction component of the

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overall national strategy has been given renewed attention by ACTION and the White House. The First Lady has traveled to several areas to meet with drug abuse program leaders and concerned family groups. ACTION has launched a nationwide drug abuse campaign and is coordinating a nationwide national conference, that began yesterday, to involve organizations and the family in drug abuse prevention, treatment and control.

The Cabinet Council on Legal Policy was created to address the problems associated with narcotics, immigration and other legal policy issues which will require inter-departmental and inter-agency action. The Attorney General chairs this Cabinet-level task force; and the Secretaries of State, Defense, Treasury, Transportation, Health and Human Services, Agriculture, Interior, and Commerce, and the Directors of the Office of Management and Budget, the Central Intelligence Agency, and the Environmental Protection Agency all participate in the Sub-Council or working group on drug supply reduction.

It is the Attorney General's responsibility to ensure that each of the Sub-Council members is aware of the

extent and the ramifications of the drug problem, and how the commitment and resources of his Department or agency can best be utilized to focus on specific tasks to advance the national and inter-national drug control effort. Over a dozen such critical issues, each with several specific action items that require interagency coordination and action, have been developed for presentation to the Cabinet Council.

I will be chairing the working group of assistant and under secretaries that will implement each of these tasks. There are several primary areas where the working group will focus its attention. For example, we need to integrate the military's communication networks and intercept capabilities into drug enforcement operations. Additionally, multi-agency efforts are required to dismantle the complex money-laundering schemes of the drug traffickers and to enable the government to seize and forfeit their ill-gotten profits and proceeds. We will also be enhancing our program to control drug cultivation at the source -- both in foreign nations and in our own. There are many other issues that the working group will address. Mr. Chairman, I will be pleased to report back to this Committee on the status of our program.

I am very optimistic that the Government and the people of this country can look forward to a well-managed, integrated approach to stemming the drug problem.

An important component of the drug supply reduction strategy is control of the drugs at the source. I know you are all well-versed in this philosophy and are very aware of the intricacies involved in implementing crop eradication programs in drug source nations. The State Department has been working diligently toward this end, and the Vice President has just reported on several recent significant accomplishments in this area. Of particular note is the trip of the Assistant Secretary of State for International Narcotic Matters, Domenic DiCarlo, who returned ten days ago from Bolivia, where he obtained a commitment from President Torrelío to move forward with a coca eradication program. The U.S. Government will provide the funding for the Bolivian pilot program, which is expected to commence in the near future.

We recognize that other nations are hesitant to initiate drug eradication programs unless we are willing to

under-take the same effort in the United States. Colombian President Turbay has often expressed his reluctance to implement a marihuana eradication campaign until the United States embarks on a marihuana eradication campaign of its own. Now that the United States is developing such a program, the Colombians are far more willing to mount an eradication project in their country. Our Ambassadors in Colombia and Peru and our Charge in the Bahamas all note that the enforcement actions being carried out in the United States are having a motivating effect in those nations. Further diplomatic dialogue regarding host country drug control efforts is ongoing.

The Department of Justice is also working closely with the State Department on another aspect of the international drug enforcement situation. Bilateral agreements to gather information and evidence abroad to render it admissible in the other nation's court of law can be of tremendous value. The United States/Switzerland Mutual Assistance Treaty has been in force since January 1977. It has been an effective tool. By way of example, Isaac Kattan-Kassin, a principal target of Operations Greenback and Bancoshares, was a premier drug financier and money-lauderer, who "washed" perhaps as much as

\$100 million. Kattan utilized financial institutions in the United States, Colombia and Switzerland. Post arrest warrants led to the identification of Swiss bank accounts; the Swiss helped identify the accounts and subsequently froze approximately \$6 million of Kattan's narco-dollars.

On December 2, 1981 the United States Senate ratified treaties on Extradition and Mutual Legal Assistance with the Republic of Colombia and the Kingdom of the Netherlands. They are now awaiting approval by the respective governments and we expect that they may be in force as early as the end of this year. Representatives from the Justice Department and the State Department are also actively negotiating similar treaties with their counterparts in the Federal Republic of Germany, in France and in Italy, all major drug transit countries.

Furthermore, we have also been successful in reaching agreements with other nations to permit vessels registered under their flags to be boarded and searched where the vessel is suspected of transporting drugs to the United States. In November 1981, the United States and the United Kingdom entered into such bilateral agreement

that provides for such boarding actions in specific circumstances. Notably, the agreement applies to vessels registered in British Virgin Islands. The first action taken pursuant to this agreement, conducted in January 1982, involved the seizure of a Cayman Island ship with several tons of marihuana in the hold. We view this agreement as a very positive step in the effort to interdict drugs on the high seas.

Although there is no formal agreement in place, the Colombian Government has similarly allowed the United States Government to take enforcement actions directed against one of its flag vessels. Recently, the Colombian Government permitted the United States Coast Guard to fire upon and board a Colombian flag vessel that was taking evasive action in its attempt to traffic marihuana to the United States. The vessel was carrying twenty tons of this drug.

Another important advance in the improvement of our ability to interdict drugs on the high seas and at our borders is the December 1, 1981 enactment of Public Law 97-86, the Department of Defense Authorization Act of

1982. Section 905 amends the Posse Comitatus Act which restricted appropriate forms of military assistance to civilian law enforcement. As enacted, this new law requires the Secretary of Defense to promulgate regulations to establish when and how military resources may be requested and the criteria for approval of such requests and to resolve the issue of reimbursement for those services. Our interdepartmental plans cannot be fully implemented until the regulations have been approved. It is my understanding that those regulations have been drafted and are expected to be published in the Federal Register in the very near future.

In this interim period, however, we have been aggressively working with the Defense Department on the implementation of this authority to support the United States drug enforcement program. Although the Navy was never bound by the restrictions of the Posse Comitatus Act, their regulations had much the same force. The Drug Enforcement Administration, the U.S. Coast Guard and the Navy have been meeting and have reached accord on ways in which the Navy can best support drug law enforcement -- without interfering with the Navy's principal mission

and at no cost to the other agencies. As a result, Navy units will be alert to detect vessels in the Caribbean or off the Atlantic Coast which meet the profile of drug smuggling vessels or which are on lookout. This information will then be transmitted to the Coast Guard and the El Paso Intelligence Center (EPIC). The Air Force has agreed to provide air surveillance capability, again without cost to other agencies and insofar as assistance does not detract from its mission. They will explore ways in which its reconnaissance aircraft can collect and provide certain drug related intelligence to DEA and EPIC.

The Vice President has just announced how the military forces are supporting the South Florida Task Force. Navy E2C surveillance aircraft, which supported an earlier U.S. Customs operation, will continue to operate off the Florida coast, at accelerated levels. The Department of Defense also will provide U.S. Army Cobra helicopters to Customs in order to interdict aircraft involved in smuggling. Furthermore, the Secretary of the Navy has authorized the use of U.S. Navy warships to

help the Coast Guard interdict ships smuggling drugs or carrying aliens. The ships will have Coast Guard teams on board to perform the actual duties of boarding these other vessels. No doubt, the commitment of these resources will bolster the overall drug enforcement effort.

Within the Department of Justice we have also taken significant steps to improve the Federal drug law enforcement program. In January, the Attorney General announced the Department of Justice's initiatives to coordinate the drug enforcement efforts of the FBI and DEA. The Attorney General has also established a Departmental committee to oversee the development of drug policy and to assure that all Departmental resources, including its prosecutorial and correctional efforts, are effectively engaged in the effort against drug trafficking. This Committee, which we call the Forum for Cooperative Strategy, meets regularly to address the full range of issues that impact on drug enforcement. The heads of all the Department of Justice criminal justice components -- enforcement, prosecution, corrections -- participate in the Forum. This committee ensures that drug enforcement investigations are not treated in a vacuum, because investigative activity has an impact all throughout the criminal justice system.

The balance of the Attorney General's announcements focused on the realignment of responsibilities in Federal drug law enforcement. Most central to this reorganization are the following:

- * DEA will continue intact as a law enforcement agency headed by an Administrator. However, the Administrator of DEA should report to the Department of Justice through the Director of the FBI.
- * The FBI has been assigned jurisdiction over the violations of the Federal criminal drug laws, concurrent with the jurisdiction of DEA.
- * The Director of the FBI will assure that maximum available FBI resources are used effectively to supplement DEA's existing resources and expertise.
- * The Administrator of DEA, subject to the general supervision of the Director of the FBI, is responsible for developing strategies for joint DEA/FBI drug enforcement efforts and should assure that DEA is organized in the manner most conducive to effective drug enforcement.

This reorganization provides for an infusion of FBI resources and expertise to enhance, without displacing, DEA's existing capabilities. The FBI resources will supplement those of DEA; a larger pool of agents in a greater number of locations around the country will be available for drug enforcement. This flexibility with far greater numbers of agents could,

for example, permit DEA to re-deploy personnel to high priority areas, such as Florida, and to assist with manpower intensive operations, such as executing Title III surveillance. Expanded use of Title III's against organized drug trafficking cartels will greatly enhance our ability to dismantle these organizations.

Furthermore, if the United States is to eliminate these large-scale criminal enterprises, we must destroy their financial bases. Asset removal is a high priority of this Administration. In the short time it has been conducting drug-related financial investigations, DEA has realized increasing successes in seizing the assets of drug traffickers. Nevertheless, this area is one in which the FBI has developed considerable expertise.

Both DEA and the FBI are committed to making this realignment work. Many questions have been raised; some are easy to answer, others are not. Formal operating guidelines for both agencies are being developed. I believe that the guidelines will be specific enough to provide guidance, yet flexible enough to allow management of both agencies to develop practical, effective working relationships. Senior managers and Special Agents in Charge of both DEA

and the FBI just attended a conference that afforded them the opportunity to get better acquainted and to resolve many of their concerns.

As with any transition, it is still far too early to assess the full impact of this reorganization. The FBI's experience in combatting organized crime will enhance DEA's overall effectiveness. We will be pleased to keep the Committee apprised of significant events in this regard.

Many reservations and concerns have been expressed that the reorganization will detract from DEA's high-profile support of state and local enforcement efforts. This is not the case. DEA will continue to support its State and Local Task Force Program. It will be operated under DEA policy and direction to stimulate and provide support in investigations and prosecutions of drug violators. The task forces complement the Federal effort in selected jurisdictions, increasing the effectiveness of state and local officers by training them in drug enforcement techniques and aiding them with intelligence exchange. The task forces are now active in 18 cities, where the identified

drug problem can best be handled via this approach. DEA supports the program with funding and agent and clerical resources.

DEA provides both strategic and tactical intelligence support to state and local agencies around the nation. Written reports on general trends or specific problems, such as look-alike drugs, are provided on a routine basis. Additionally, the El Paso Intelligence Center continues to provide timely operational support to those 45 states that have signed agreements with EPIC.

Historically, DEA has conducted many training programs for state and local officers. We will be continuing the training program. Training officers from both DEA and the FBI have been meeting to develop the most efficient use of both outstanding training facilities, in Glynco and in Quantico. Similarly, both the DEA and FBI have highly sophisticated forensic laboratory facilities that are utilized to varying degrees by state and local agencies. We will continue to support that component of our program to the extent that we are able.

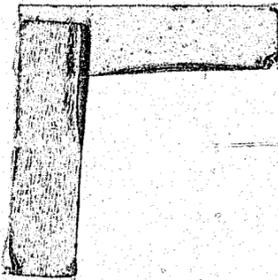
This Administration has instituted a new program to ensure that the needs of the local law enforcement community are met. Each United States Attorney has been directed by the Attorney General to establish a Law Enforcement Coordinating Committee (LECC). The purpose is to assess the crime problem of the district, establish crime fighting priorities, and decide how best to allocate resources (within Federal agencies and between Federal and state agencies) to attack these problems. Representatives of the Federal law enforcement agencies and appropriate state and local law enforcement officials are members of the LECC. The Committee is designed to reflect the needs of and be responsive to the criminal enforcement situation of the individual district.

Most of the Committee's efforts will be carried out in subcommittees. Each LECC is expected to establish a drug law enforcement subcommittee (unless certain exceptions prevail). The stated purpose of the drug subcommittee is to "improve cooperation in drug law enforcement activities between different levels of government....to exchange information on illegal drug use and drug law enforcement activity in the district....members may plan and execute joint or cooperative drug law enforcement operations."

Over 50 U.S. Attorneys have had their first meeting of the Law Enforcement Coordinating Committee; several more are scheduled for the near future. I believe that the LECC program will have a measurable positive impact on state and local drug law enforcement capabilities.

In conclusion, each of these initiatives addresses a different aspect of the overall drug control strategy. Our program to better coordinate the Federal Government's effort will ensure a more focused and more effective attack on the important problem of drug trafficking. No crime problem is more important than drug trafficking and abuse. No problem is more challenging; I am confident that we are up to the tasks at hand.

I would like to thank all Members of the House Select Committee for your continuing support of this important program.



END