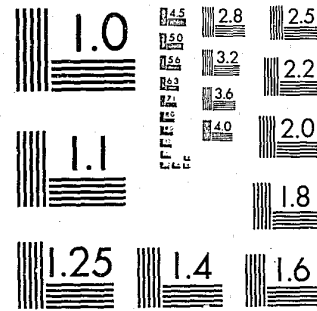


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Department of Justice

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ADDRESS

OF

THE HONORABLE WILLIAM FRENCH SMITH
ATTORNEY GENERAL OF THE UNITED STATES

BEFORE

THE 89TH ANNUAL CONFERENCE

OF THE

INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE

10:30 A.M.
TUESDAY, NOVEMBER 16, 1982
THE AUDITORIUM
ATLANTA CIVIC CENTER
ATLANTA, GEORGIA

U.S. Department of Justice National Institute of Justice

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I am very pleased to appear before this distinguished group of men and women who form the front lines in America's defense against crime. My topic today is the number one crime problem confronting America -- narcotics trafficking and the role of organized crime. The federal government has made a firm commitment to attack this problem domestically through the major new initiative I intend to review today. As members of this international association, however, you know that the drug problem is international in scope. If our response is to be as broad as the problem itself, we must therefore develop closer and more urgent cooperation with leaders in source and transit countries. For that reason, among others, I recently undertook a series of official visits to such countries in Asia and Europe, and I will report briefly on some of the results of those visits later in my remarks.

Man originally formed governments to protect himself against invaders from without and predators from within. America itself has always demonstrated the resolve and ability to protect itself against threats from without. In recent decades, however, American government has not succeeded in protecting its citizens against predators from within. In recent years, this Nation has been plagued by an outbreak of crime unparalleled in our history and unequalled in any other free society.

The perniciousness of crime in America has been fostered of late by two interrelated developments. Crime has become increasingly organized and sophisticated. And organized crime has become especially lucrative because of the enormous market for illicit drugs. Drugs and organized crime have combined to wreak havoc on our communities, our lives, and our children's future. The combination of drug trafficking and organized crime represents the most serious crime problem facing this country today. Directly or indirectly, it threatens each person and institution in this country. It threatens the fabric of society -- and the gown of public integrity.

In recent months, the gravity of organized drug trafficking has been dramatically underlined by the Justice Department's new Law Enforcement Coordinating Committees. As you may know, I directed every U.S. Attorney to set up a Law Enforcement Coordinating Committee to assess the differing crime problems in each district throughout the Nation -- and to bring to bear a coordinated federal, state, and local effort against the kinds of crime that are of greatest concern in different areas. Despite local variations, every Law Enforcement Coordinating Committee -- except one -- has identified drugs as the chief crime problem in its region.

In 1980, illicit retail drug sales were estimated to total more than \$79 billion, an increase of about 50 percent from 1977. To give you a little perspective, illicit drug sales in 1980 were about equal to the combined profits of America's 500 largest industrial corporations. Organized crime reaps much of these incredible profits and more, because drugs are just one of the businesses of organized crime. And no taxes are paid on these enormous profits.

On a human level, the drug problem caused by organized crime is even more staggering. Drugs victimize not only addicts, but also those innocent citizens whom addicts assault, rob, and burglarize to obtain the large sums of money they need to feed their drug habit. There is no doubt that drug trafficking spawns an unbelievable amount of related crime. One recent study demonstrated that over an eleven year period some 243 addicts committed about one half million crimes -- an average of 2000 crimes each or a crime every other day -- just to support their habits. In fact, half of all jail and prison inmates regularly used drugs before committing their offenses. According to a very recent Rand study, addicted offenders in California, for example, committed nearly nine times as many property crimes each year as non-addicted offenders.

The drug trafficking that creates this flood of crime is itself organized crime. Large-scale drug dealers must organize their operations. They obtain the illicit substances, or the rights to the substances, overseas. Within our borders, the drug dealers have set up elaborate enterprises for cutting the pure imported drugs and distributing them over wide geographical areas.

And the organization does not stop there. Drug money is laundered through legitimate businesses set up as "fronts" for drug dealers. The profits are then plowed back into the drug business, just like a legitimate major enterprise. Increasingly, some of the profits are actually invested in legitimate businesses, including real estate in Florida, restaurants in California, and other businesses across the Nation.

The popular notion that the syndicate -- or traditional organized crime -- stays out of drugs is simply not true. Many of the syndicate's families have developed elaborate drug networks. Virtually every one of them is involved in drugs in one way or another.

But the problem of organized crime today is by no means limited to its traditional form. In the past two decades, we have witnessed the emergence of new organized criminal enterprises dealing in drugs and the other rackets traditionally controlled by the syndicate. These emerging groups have entered the drug business, often in competition with traditional organized crime.

Over the past decade, some 800 outlaw motorcycle gangs have developed around the country and in foreign countries -- and drugs represent their primary source of revenue. Prison gangs, first established as a result of associations developed in the California State Prison system over the past twenty years, today operate both inside and outside prison and are spreading beyond the West Coast. In addition, there are other emerging groups -- such as Southeast Asian groups, the violent Colombian groups known as the Cocaine Cowboys, and other drug cartels.

All of these criminal organizations deal in drugs and use violence. They are secretive, self-perpetuating criminal societies involved in drugs and every other sort of criminal activity. Money is their common objective, and violence is their primary tactic. They control large-scale drug trafficking today, and they are the groups that must be broken apart if we are to control the drug problem in the future.

The massive involvement of organized crime with drugs is, however, only part of the problem. Organized groups of criminals assault and murder each other -- and innocent bystanders -- in the violent and lucrative world of drugs. Organized crime also engages in pornography, gambling, prostitution, extortion, loansharking, fraud, and weapons trafficking.

And most serious of all, we see public officials at all levels being corrupted by drug money. We have reports of rural sheriffs and police officers accepting payments of \$50,000 or more just to "look the other way" while traffickers make a single landing at a makeshift airport. The dollar amounts involved are so great that bribery threatens the very foundations of law and law enforcement.

During the last twenty months we have recognized the full dimensions of the threat posed by organized crime and its involvement with drugs. We have, however, been operating at a considerable disadvantage. During the preceding four years, the number of FBI and DEA agents actually declined by more than 900 -- about a ten percent cut in our manpower.

This Administration did, however, craft and implement a series of initiatives to use our limited resources better in the fight against drugs and organized crime.

We have reorganized the Drug Enforcement Administration. And for the first time, the FBI has been brought into the fight against the number one crime problem to complement the excellent work of the DEA. Thereby, we gained not only the FBI's resources, but also its twenty years of experience in fighting organized crime. In the last year, the FBI has begun more than 800 drug investigations -- including 200 joint investigations with the DEA.

Indeed, the FBI has scored dramatic successes against organized crime. Working with the Justice Department's Organized Crime Strike Forces, the Bureau has helped to indict and convict numerous high-level members of syndicate families -- including the top structure of organized crime families in some cities.

Just last year, the Attorney General's Task Force on Violent Crime did a speedy but thorough job of assessing the crime problem and came up with sixty-four different recommendations to improve our federal effort. We have already implemented seventy-five percent of those recommendations. Indeed, the Law Enforcement Coordinating Committees that are now pulling together federal, state, and local law enforcement efforts and resources -- and have highlighted the urgency of the drug problem -- were created as a result of Task Force recommendations.

By achieving the amendment of the posse comitatus law, we have been able to utilize the military's resources -- and its tracking and intelligence capabilities -- in the fight against drug traffickers. Through amendments to the Tax Reform Act, more crucial information is more readily available to law enforcement -- and more tax cases are possible against drug dealers and organized crime.

When this Administration took office, South Florida had become a focal point of violence and corruption because of its sudden transformation into the central conduit for illegal drugs in this country. At the direction of the President, Vice President Bush brought together personnel from the Justice Department, Treasury and Customs, Transportation and the Coast Guard, and the Defense Department to mount a coordinated attack in South Florida.

In the course of just a few months, federal agents in the South Florida Task Force have made more than 600 arrests; seized some \$7.9 million in assets, including 45 vessels; and stopped the entry of more than 1600 pounds of cocaine, nearly a million pounds of marijuana, and 77,000 doses of methaqualone. By all reliable estimates, the flow of drugs into South Florida has been greatly reduced.

All of our efforts have achieved notable successes -- showing what resolve and coordination can accomplish even with limited resources. Nevertheless, the magnitude of the drug problem and the involvement of organized crime have dwarfed even those efforts. To create the South Florida Task Force, law enforcement resources were shifted from other areas of the country -- and drug traffickers have begun to shift their routes toward those areas. Clearly, a national approach is needed. Many months ago, this Administration began drafting the needed national effort -- which incorporates new law enforcement resources and builds upon the lessons we have learned, including a recognition of the role of organized crime.

The President, working with all the affected agencies of the federal government, has put together a new initiative that we believe can directly challenge both organized crime and drug trafficking in America. We began with a simple theme enunciated by the President himself last year in a speech to this organization:

"The existence of syndicates of highly organized criminals and public officials who peddle their sacred trust are blots on American history. I can assure you, no administration has ever been more anxious to work toward wiping away these blots."

Last month, the Administration announced a comprehensive Eight Point Program that, in President Reagan's words, will "expose, prosecute and ultimately cripple organized crime in America."

First, improving upon our experience with the South Florida task force, and recognizing the increasing organized crime involvement in drug abuse, we will establish twelve additional task forces in key areas in the United States. These task forces will operate with the flexibility necessary to pursue organized drug syndicates wherever they operate. Under my direction, they will work closely with State and local law enforcement officials. Following the South Florida example, they will utilize all the law enforcement resources of the Federal Government including the FBI, DEA, IRS, ATF, Immigration and Naturalization Service, United States Marshals Service, the United States Customs Service and the Coast Guard. In addition, in some regions, Department of Defense tracking and pursuit capability will be made available.

These task forces will allow us to mount an intensive and coordinated campaign against international and domestic drug cartels and other organized criminal enterprises. Thus, refining the South Florida model, they will target and pursue the organized criminal enterprises dealing in drugs.

Several points emphasize the significance of these new Task Forces to the fight against organized crime and drugs. Our proposal would provide the first major infusion of new agents into the FBI and DEA in about a decade. It would mean about a twenty-five percent increase in the number of agents devoted to drug work. The new Task Forces would complement the work of the Department's existing Organized Crime Strike Forces -- which do not generally become involved in prosecuting drug cases -- and they would contain more agents and prosecutors than the Strike Forces. Unlike prior federal drug efforts that focused on the street level, our Task Forces would concentrate upon destroying the top levels of organized drug trafficking. The Task Forces are a major new undertaking -- and they would have the resources to match the significance of the undertaking.

Second, no weapon against organized crime has proven more effective or more important to law enforcement than the investigations carried on by the Kefauver Committee and the McClellan Committee in the 1950s or the Senate Permanent Subcommittee on Investigations which, as all of you will remember, heard testimony from Federal informant Joseph Vallachi in the 1960s. Although several other commissions on crime have been appointed since then, none has had the time and the resources to investigate the syndicate fully and focus national attention upon its elimination.

Accordingly, the President announced the creation of what will be a panel of fifteen distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combatting organized crime. The purpose of

this commission, which will continue for three years, will be to undertake a region by region analysis of organized crime's influence, to assess the data it gathers, and to hold public hearings on its findings. Not only will the work of this commission lead to important legislative recommendations, it will also heighten public awareness and knowledge about the threat of organized crime and mobilize citizen support for its eradication.

Third, the Administration will launch a project that will enlist the Nation's Governors in bringing about needed state and local criminal justice reforms. For example, without effective enforcement of local and state statutes against various kinds of racketeering, such as illegal gambling, vital sources of revenue for organized crime will never be fully dried up. This Governors' Project will bring to the attention of the states the importance of such initiatives as well as eliciting the best ideas from our Nation's Governors.

Fourth, all the diverse agencies and law enforcement bureaus of the Federal Government will be brought together in a comprehensive attack on drug trafficking and organized crime under a cabinet-level committee chaired by me and a working group chaired by the Associate Attorney General. We will review interagency and intergovernmental cooperation in the struggle against organized crime and, when necessary, bring problems in these areas to the President's attention.

Fifth, we are establishing, through the Departments of Justice and Treasury, a National Center for State and Local Law Enforcement Training at the Federal facility in Glynnco, Georgia. This center, which will complement the already excellent training programs run by the FBI and DEA, will assist and train local law enforcement agents and officials in combatting other kinds of organized crime such as arson, bombing, bribery, computer theft, contract fraud, and bid rigging, as well as drug smuggling.

Sixth, this Administration will open a new legislative offensive designed to win approval of reforms in criminal statutes dealing with bail, sentencing, criminal forfeiture, the exclusionary rule, and labor racketeering that are essential in the fight against organized crime. In our new effort, I cannot overestimate the importance of these legislative reforms, which the President has already sent to the Congress.

Seventh, the President has asked me to submit a yearly report on the status of the fight against organized crime and organized criminal groups that deal in drugs. This requirement, although simple and inexpensive, will establish a formal mechanism through which the Justice Department will take a yearly inventory of its efforts in this area and report to the American people on its progress.

And eighth, new funds will be allocated to prison and jail facilities so that the mistake of releasing dangerous criminals because of overcrowded facilities will not occur.

Our new program promises to be a highly effective attack on drugs and the even larger problem of organized crime. Although it will require substantial new expenditures for added resources, the annual cost will probably be less than what is spent in one day on illegal drugs in this country or what is spent in one week by many Federal programs.

The problem of narcotics trafficking, however, is not simply a domestic law enforcement problem. It begins with opium and coca cultivation thousands of miles from our shores. Typically, the processing of opium into heroin and coca into cocaine also takes place abroad before the refined drugs are smuggled into the United States.

My recent official visit to drug source and transit countries in Asia and Europe addressed the international aspects of the drug problem. To control this menace, every possible step must be taken both here and abroad. In each country we visited, we forcefully made known to the government the importance of this matter to the United States. In addition, we learned first hand what enforcement problems confront these countries and how we can best assist them in our common effort.

Whenever we can stop drugs from being cultivated, processed, or shipped from source countries, the job of domestic law enforcement becomes that much easier. A dollar spent on drug enforcement in a source country is a far more effective dollar than one spent anywhere else along the distribution trail. Shortly before our arrival in Pakistan, for example, authorities there seized over 110 kilos of pure heroin from a single truck.

Think how difficult it would have been to interdict all that heroin after it had reached the United States, been "cut" numerous times, and entered several different distribution channels.

We conveyed to authorities at the highest levels in source and transit countries the depth of our government's commitment to eradicating the drug menace. And I am confident that our official visit will facilitate the ongoing work of the DEA agents posted abroad.

In both Thailand and Pakistan, we stressed the importance of crop substitution projects that introduce native tribesmen to alternatives to opium cultivation. Crop substitution would cut off the drug flow before it even gets started. We also urged the governments of both countries to take action against heroin processing laboratories and to adopt legislation which would strengthen their drug control efforts.

In Japan, we discussed with law enforcement officials the link between drug trafficking and organized crime -- and the spread of Japanese organized crime to Hawaii and California. We stressed the need for a closer, more effective relationship to confront that and other mutual law enforcement problems. In Hong Kong, the financial center for the Golden Triangle drug trade, we discussed ways of enhancing our ability to follow the international money trail in drug cases -- such as disclosure, seizure, and forfeiture legislation.

In Italy, we signed a mutual assistance treaty that will help us investigate and prosecute the organized drug dealers who have filled the void left by the demise of the French Connection.

We are also about to begin negotiating similar mutual assistance treaties with Japan, Thailand, and France. In addition, we took concrete steps toward the conclusion of modern extradition treaties with Thailand, France, and Italy.

These are just some of the highlights of what we did on the trip. The new law enforcement program announced by President Reagan and my international mission demonstrate the commitment of this Administration to confront the drug problem from every possible angle. Whether it is working with local police through the LECC's or with a foreign Prime Minister on international efforts, I personally and the Department of Justice as a whole are fully committed to doing whatever is necessary to eradicate the drug menace.

As the President said: "Our commitment to this program is unshakable -- we intend to do what is necessary to end the drug menace and cripple organized crime." We believe that the program announced by the President will have exactly that effect. It is a comprehensive and carefully crafted national strategy that will coordinate and improve the efforts of all law enforcement agencies in fighting the menace of organized crime and drug trafficking. We must not fail. And with your assistance -- and the assistance of the American people -- we shall not fail.

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