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Description of document: Records related to a historical overview of the Department of Justice (DOJ) Executive Office for the Organized Crime Drug Enforcement Task Forces, (OCDETF), 1984-1990

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**U.S. Department of Justice**  
*Executive Office for the*  
*Organized Crime Drug Enforcement Task Forces*

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May 21, 2014

Re: FOIA-OCD2014-0024

This responds to your Freedom of Information Act/Privacy Act (FOIA/PA) request dated April 26, 2014, and received in this Office on April 26, 2014, requesting the *a copy of the historical overview (history) of OCDETF*. This response is made on behalf of the Executive Office for Organized Crime Drug Enforcement Task Forces (OCDETF).

Please be advised that a search has been conducted in the Executive Office for OCDETF and five documents, totaling 460 pages, have been located that may be responsive to your request. For your information, these documents are publicly available. Although, the FOIA does not require agencies to compile information or provide copies of material that are already available to the public, all five documents are attached for your convenience.

Inasmuch as this constitutes a full response to your request, we are closing your file in this Office.

If you are not satisfied with our response to this request, you may administratively appeal by writing to the Director, Office of Information Policy, United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, DC 20530-0001. Your appeal must be received within sixty days from the date of this letter. Both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal."

Sincerely,

Jill Aronica  
Chief, Information Systems Section



**Five-Year  
Summary Report**

1040 Use Schedule J (see page 1001)  
1120 Use Form 1040-ES (see page 1001)  
FOR PUBLIC  
AUCTION  
SEIZED AND  
CONFINED

# Five-Year Summary Report

**THE ORGANIZED CRIME DRUG ENFORCEMENT  
TASK FORCE (OCDEF) PROGRAM**

**FIVE-YEAR  
SUMMARY REPORT**

(1983-1987)



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# Introduction

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In 1982 the Organized Crime Drug Enforcement Task Force (OCDETF) Program was initiated to mount a comprehensive attack against organized crime and drug traffickers. In its first five years of operation, the OCDETF Program has been an effective and powerful force in the fight against criminal organizations which prey upon our society through the importation, manufacture, and distribution of illicit drugs.

The OCDETF Program has attacked organized drug trafficking from the top, instituting indepth investigations leading to prosecution of the highest level drug traffickers. Successful prosecution of high-level targets has disabled major drug trafficking organizations by removing the key individuals who provide these organizations with leadership, capital, and expertise.

The Program's nine Federal agencies, acting in concert with numerous State and local agencies, have achieved unprecedented levels of cooperation and coordination. The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigation; and its success in fostering efficient collaboration of law enforcement agencies from all jurisdictions have demonstrated the efficacy of OCDETF's operational model.

With its solid record of well-implemented investigation and successful prosecution of high-level drug traffickers, OCDETF has become the model for a comprehensive national effort directed at multi-state and multi-national drug enterprises. The OCDETF Program has shown that drug-related crime can be attacked at its roots and that organizations that live on and by the drug trade can be permanently disabled.

## *U.S. v. The Gambinos*

In 1983, an FBI undercover agent was introduced to Antonio Gambino, a "soldier" in the "Gambino Family" of La Cosa Nostra. Antonio said he could get high-grade heroin from some dangerous contacts who only deal in large quantity sales. The agent expressed interest in obtaining a sample of good quality heroin. Antonio delivered the sample to the agent.

At this point, the OCDETF team moved into high gear. Wiretaps were installed on a number of phones. As a result, the investigators were able to identify Antonio's superiors as Rosario and Erasmo Gambino, both alleged members of the Gambino crime family.

The undercover agent purchased a half-kilo of heroin in January 1984. At this meeting, Antonio Spatola, another "family member," was also present. So were two additional undercover agents from DEA, who posed as the first agent's boss and a chemist on hand to test the quality of the purchase. The "boss" asked for a commitment of ten kilos of uncut heroin each month.

A week after the first heroin sale, highly-publicized arrests in another OCDETF case took place in Philadelphia. The Gambinos were clearly more cautious, demanding more information about the undercover agent's alleged boss. With the help of the Southwest OCDETF, a meeting was arranged in San Diego with the "boss." The Gambinos were convinced that the agents were for real.

The investigators now had sufficient evidence for search and arrest warrants. At the trial, the overwhelming weight of evidence resulted in guilty verdicts for the three Gambinos and Spatola. The combined results for the four: a total of 143 years imprisonment and \$300,000 in fines.

## The Call to Arms

### Background

The OCDETF Program began in response to an increasingly serious problem. For 20 years prior to the Program's creation, Federal agencies and task forces experimented with a variety of approaches to combating drug trafficking. It became increasingly apparent that the attack on drug-related crime could not be confined by city lines, State boundaries, or international borders. Those involved in the fight against drug-related crime became aware that the "drug trafficking problem" involved a web of organized crime groups, whose top leaders were often insulated from the day-to-day activities of their organizations.

Earlier programs lacked the resources to orchestrate a comprehensive attack on organized drug trafficking groups. Although they had their successes, the approaches were insufficiently comprehensive. Experience gained with these programs indicated that it was not enough to detail individual drug agents and lawyers from throughout the government to a centralized unit. What was needed was a method of building and reinforcing coordination of effort of existing agencies in the field. Other types of experience and expertise were also needed, including the ability to deal successfully with financial investigations, firearms violations, alien control, and seizure and forfeiture issues.

Partial successes could not compensate for the lack of an overall strategy. By 1982 many Federal and State drug enforcement officials had concluded that no single agency could cope with the problem. They had also concluded that full-scale teamwork, involving many Federal agencies, was needed to implement a comprehensive strategy for dealing with the crisis.

In this environment, the Attorney General, upon the advice of the heads of all Federal criminal justice agencies, recommended to the President that a multi-agency task force, using the full resources of Federal, State, and local governments, be authorized to deal with the problem of drug trafficking in the United States. On October 14, 1982, the President announced an eight-point program to attack drug trafficking and organized crime. In December of 1982, concurring with the

President, Congress authorized the funds for the Organized Crime Drug Enforcement Task Force Program.

Within 30 days of the President's announcement, the "Guidelines for the Drug Enforcement Task Forces" for the OCDETF Program were drafted, stating the Program's operating principles and delineating its organization. The original participating Federal agencies included: the Bureau of Alcohol Tobacco and Firearms (BATF), the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), the U.S. Attorneys' offices, the U.S. Coast Guard, the U.S. Customs Service, and the U.S. Marshals Service. Another Justice Department agency, the Immigration and Naturalization Service (INS), subsequently joined the Program. The senior officials of these agencies formed the OCDETF Working Group (now known as the Executive Review Board).

Below the Working Group level was the Washington Agency Representatives Group, comprised of program managers and chief operating officers from the participating agencies. An administrative staff housed in the Department of Justice was designated to provide support to the individual Task Forces, to compile Task Force data for the Attorney General and the U.S. Attorneys, and to prepare annual reports for the President and Congress.

At the field level, each of the 12 original Task Force regions--a thirteenth was added for Florida and the Caribbean Basin in 1984--was structured so as to encompass a number of Federal judicial districts, with a major "core city" designated as regional headquarters. For Task Force operations, the U.S. Attorney in each core city was designated to be accountable to the Associate Attorney General and responsible for establishing a Task Force Advisory Committee, for establishing a coordinating group, and for selecting an Assistant U.S. Attorney (AUSA) Task Force Coordinator. Additionally, each Federal enforcement agency was required to name a full-time Agency Task Force Coordinator.

## Purposes and Principles

The organizers of the OCDETF Program had learned from the experiences of their predecessors. It was not enough to have different agencies with different jurisdictions coming together for limited purposes, only to move back to their respective corners when they had

achieved some short-term objective. In particular, law enforcement officials had learned that, for attacks on major drug organizations to succeed, a program must make ongoing use of the expertise of different organizations.

As stated in its Guidelines, the goal of the Organized Crime Drug Enforcement Task Force Program is "... to identify, investigate, and prosecute members of high-level drug trafficking enterprises, and to destroy the operations of those organizations..." Pursuant to this, Task Force organizers settled on five principles to guide the Program.

First, the Program was to be national, indeed international, in scope. Localized enforcement programs, even when they were regional, were not equipped to cope with the pervasiveness of the drug problem, the mobility of traffickers, or the magnitude of their organizations. A national problem demanded an intergovernmental effort that could operate across jurisdictional, State, and national boundaries.

The second guiding principle was that members would arrive at decisions by consensus. For all its drawbacks, this was the only way that disparate agencies--with their own methods of operation, unique missions, and institutional histories--could work together, efficiently, on a long-term basis.

Third, the Task Force Program would avoid creating a new bureaucracy. Task Forces would not become "superagencies." Instead, a small administrative staff based in Washington and the staff of the participating agencies would support the Task Forces.

The fourth guiding principle was that while the Program would be international in scope, operationally it would be decentralized, permitting the greatest flexibility in dealing with problems peculiar to the regions.

Finally, the Task Force Program was to have the quickest possible startup. True, the entire Program would focus on the longer term. But, given the magnitude of the drug trafficking problem, the Program had to move rapidly into an effective operational posture.

The primary objective was, as stated in the Guidelines:

To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations. . .

The operational thrust of this approach was fourfold. First, indepth investigations would allow identification and collection of evidence of the illegal activities of major traffickers and financiers; thus, striking at the core of the drug organizations themselves.

Secondly, the approach emphasized drawing on all the expertise and diverse investigative techniques brought to the Program by the various Task Force members.

The third element of the approach required OCDETF to work fully and effectively with State and local drug enforcement agencies.

Finally, the Program was to place emphasis on financial investigations. This emphasis serves the related purposes of proving or reinforcing drug charges and, when successful, of leading to the forfeiture of drug dealers' assets. In addition, a jury often gets a better perspective on the size of a drug organization's operations by measuring the number of dollars involved rather than the amount of drugs seized.

### ***U.S. v. Charles E. Fleming et. al.***

Charlie Fleming, a 60 year old career criminal, headed a crime family involved in burglary, murder, armed robbery, receiving stolen property and narcotics distribution. His organization of family members and close friends had made him a millionaire and functioned successfully because of strong loyalty to Fleming. With the inception of the OCDETF early in 1983, agents from the FBI, the Georgia Bureau of Investigation (GBI), and the IRS reviewed all available intelligence on the organization and formulated an investigative plan. There would be two investigations; an overt high-profile financial investigation of Fleming focusing on possible criminal tax violations and concurrently, a covert drug investigation of the organization. As the overt tax investigation was initiated, the covert drug investigation began with the placement of wiretaps on Fleming's phones. IRS agents made a show of contacting Charlie's associates as part of the tax investigation. Many of those contacted called Charlie, who, in turn, contacted other confederates. As Fleming continued to reveal his associations through the telephone taps, agents of the FBI and GBI were able to develop their drug investigation. Three days before the authority for the wiretap expired, the drug investigation went overt with the execution of numerous search warrants on members of Charlie's organization. The investigation resulted in a 52-count indictment. Charles Fleming was charged in 30 counts, including criminal tax violations, conspiracy to possess and distribute cocaine and with operating a Continuing Criminal Enterprise (CCE); 21 other people were indicted at the same time. Fleming pled guilty to one tax count and to the CCE charge. He was sentenced to 12 years in prison, fined \$50,000, and also forfeited all of his ill-gotten property with the exception of his residence.

# The Battle Lines are Drawn

## The Nature of the Enemy

From the beginning, Task Force officials recognized that drug trafficking requires the collaboration of large numbers of people in complicated organizational and financial structures. Drug organizations do not always consist of individuals with the same ethnic backgrounds. Their commonality may rest on similar occupational groupings, for example, doctors and pharmacists or lawyers and accountants; on coincidental association, as with prison gangs; or simply on common interests other than drugs, as with motorcycle gangs. Drug organizations must often depend on outside groups to perform specific tasks necessary for completion of their drug trafficking operations.

As in any business structure, drug trafficking organizations need individuals for a variety of supporting tasks. These include: financiers, logistics experts, exporters and importers, wholesalers, retailers, and recruiters. This separation of function promotes efficiency. It also serves to insulate the organization from attack, because the loss of any one member does not imperil the entire organization. Only the upper echelon knows the entire operational structure. The ultimate aim of the Task Forces is to locate this upper echelon, as prelude to shutting down the entire operation.

At its inception, the Task Force Program chose to concentrate on three specific criminal groups: traditional organized crime; other groups, such as prison and motorcycle gangs; and registrants, persons who have legal authority over controlled substances.

Although the term "traditional organized crime" is not synonymous with any one group, there is at least one criminal organization that is national in scope. This is La Cosa Nostra or LCN. Today, LCN is a confederation of over 20 "families," each operating within a similar organizational structure and using similar methods. Though each member is affiliated with a particular family, all recognize that they are part of a national organization.

## Types of Criminal Organizations Targeted In Investigations Through 9/30/87



\*Primary purpose is drug trafficking; or criminal organizations whose members also engage in drug trafficking.

LCN has remained intact in this country largely as a result of its organizational structure and unyielding requirements of loyalty and discipline, enforced by threats and violence. Although its members may be bound together by common ancestry, blood relationships are not required or implied by the use of the term "family."

Other organized groups from various geographic, ethnic, and racial backgrounds are involved in illegal activities, including the rackets and narcotics. For example, prison-spawned gangs developed inside the California State Prison System in the 1960s. They remain mostly a West Coast phenomenon and are quasi-military, violence-prone, highly-structured criminal enterprises that operate both inside and outside prison walls. They engage in a wide range of criminal activities including narcotics and weapons trafficking, extortion, robbery, and murder.

Known prison gangs include the Mexican Mafia, La Nuestra Familia, the Aryan Brotherhood, and the Black Guerrilla Family.

Gangs constitute another major organized crime group. They include the approximately 800 outlaw motorcycle gangs based in the United States. These gangs have evolved from lawless, hell-raising motorcycle-riding outlaws into sophisticated criminal organizations. The leaders sometimes wear three-piece suits, drive expensive cars, run legitimate businesses, and only wear their "colors" or ride their bikes on special occasions. The largest and most significant of these gangs are the Hells Angels, Outlaws, Pagans, and Bandidos, the first two of which have chapters in other countries as well.

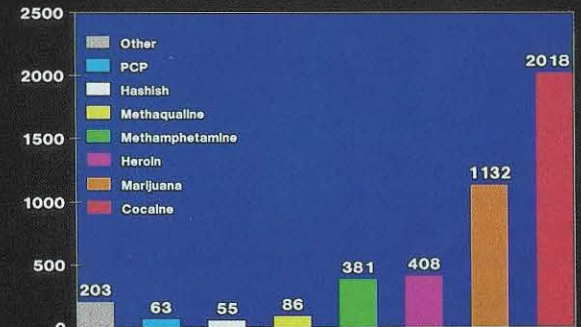
Motorcycle gangs derive the bulk of their revenue from prostitution, vehicle theft, burglary, and the manufacture and distribution of illicit drugs. It is estimated that the gangs control at least 60 percent of the methamphetamine available in this country. They also traffic in cocaine, heroin, and particularly, PCP. Recently, violent street gangs such as the "Crips" and the "Bloods" have become increasingly involved in drug trafficking, particularly crack cocaine.

Organized crime groups cross national boundaries. Operating within the United States, violent Colombian criminal organizations, like the Medellin and Cali Cartels, are exploiting the cocaine market. The DEA has identified approximately a dozen Colombian organizations that control the majority of cocaine traffic to the United States. The FBI's Colombian drug group intelligence analysis has identified 250 Colombian trafficking organizations operating within the continental United States. Although they have spread throughout the country, the Colombians' primary infrastructure and U.S. distribution points remain in South Florida. Jamaican drug groups, known as "posses," are another, more recent, example of foreign crime groups operating in the United States.

Not surprisingly, most of the illicit drugs reach the ultimate consumer through distribution networks established by smaller criminal groups. These operations are most familiar with the drug use and trafficking patterns in their immediate environment. These groups often join together in loose confederations for the purposes of acquiring and transporting drugs and eluding detection and apprehension.

The Task Forces also targeted the criminal activity of those with legal access to controlled substances: physicians, pharmacists, and

**Drugs Charges Specified in Indictments  
& Informations Returned Through 9/30/87**



More than one drug is charged in many indictments. 475 additional indictments contained no drug-specific charges.

others in professions related to medicine who divert controlled drugs from health-care channels into the illicit market. These activities are often financed and controlled by traditional organized crime groups that have discovered the enormous profits to be made by diverting such drugs while hiding behind the medical cloak of respectability.

Law enforcement problems in this area are exacerbated by the difficulty of determining when the thin line between legitimate and illegitimate practice has been crossed. In diagnosing various illnesses and prescribing or dispensing drugs for treatment, physicians, necessarily, require wide latitude in exercising judgment. Proving that professional judgment has been made with criminal intent is extremely difficult.

To obtain a conviction, the prosecution must prove that a professional's activity was outside the scope of legitimate health care practice. The investigation of this type of crime relies on the analysis of such things as a doctor's prescribing or dispensing patterns, clinical records, the extent of a doctor-patient relationship, and drug purchases. These investigations are very complex and time consuming, and there is

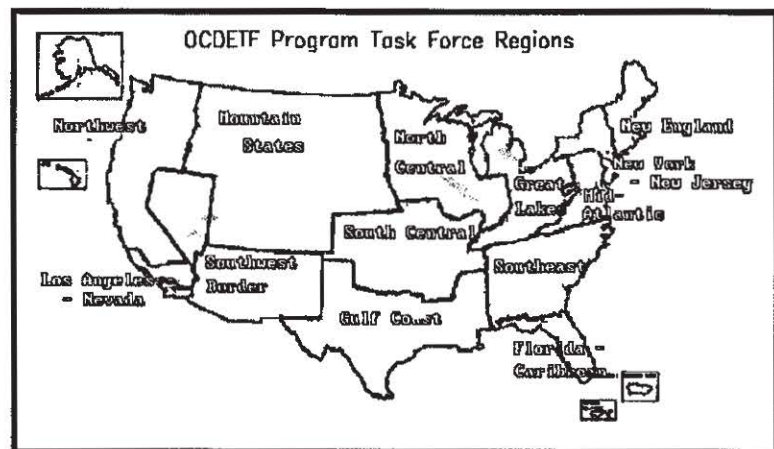
a heavy burden on the prosecution to provide strong evidence of wrong doing and criminal intent.

This type of criminal enterprise is not limited to single practitioners; organizations, operating under the guise of medical care facilities, have been formed to illegally traffic in controlled drugs. These clinics, which are often owned and operated by non-medical personnel, may be well-equipped and staffed to maintain the facade of a legitimate facility. They have diverted millions of dosage units of highly-abused controlled drugs into the illicit market.

The diversion activities of one group may extend across State lines and encompass an entire region within the United States. Such diversion has become a national and international phenomenon, as licit controlled drugs become the drugs of choice because of consistent quality and widespread availability.

## The OCDETF Program Structure

The Guidelines for the Drug Enforcement Task Forces delineate the structure of the Task Force Program. For the national program the guidelines describe a small administrative staff and committees comprised of ranking officials or representatives of cognizant Federal departments and agencies. The guidelines also describe the field operations of the Task Force Program.



## TASK FORCE PROGRAM IN WASHINGTON, D.C.

Formerly known as the OCDETF Working Group, the Executive Review Board (ERB) is at the apex of the OCDETF Program structure. The ERB, chaired by the Associate Attorney General, establishes policy and provides Program oversight. Supporting the Executive Review Board is the Washington Area Representatives Group which provides problem resolution research for the ERB. The small administrative staff based at the Justice Department headquarters in Washington supports field operations in 13 regions, with the headquarters of each region located in a "core city."

## TASK FORCE REGIONS

The field organization has two principal components: the Task Force Advisory Committee for each region and the Task Force Coordination Group.

Each region has a Task Force Advisory Committee composed of all the region's U.S. Attorneys, the AUSA Task Force Coordinator, the Agency Task Force Coordinators, and the senior representatives of the investigative agencies throughout the region. This committee oversees the Task Force and guides operations according to the policies set forth in the "Guidelines."

The U.S. Attorney for the district in which the core city is located chairs the Advisory Committee and is the senior official responsible for the performance of the Task Force. The U.S. Attorney also oversees Task Force operations and progress and supervises the Assistant U.S. Attorney (AUSA) Task Force Coordinator. The core city U.S. Attorney has neither line authority over other U.S. Attorneys and their staffs, nor over the personnel of investigative agencies. Instead, the U.S. Attorney has direct responsibility for the emphasis placed on Task Force Program activities in the district, as well as being responsible for facilitating interaction among the various agencies and among representatives of districts in the region.

The non-core city U.S. Attorneys support and lead the (non-core) District Drug Enforcement Coordination Group, which reviews the selection of investigations, resource allocation, and the progress of Task Force Program efforts. Additionally, the non-core city U.S. Attorney designates an AUSA to serve as lead Task Force attorney for

the district; overseeing case selection, providing necessary reporting, and serving as liaison with the core-city Task Force office.

The Task Force Coordination Group, composed of an AUSA and senior investigators from participating Federal, State, and local agencies, is central to the operation of each of the 13 Task Forces. The Coordination Group serves all districts within a Task Force. It is by decision of this body that cases throughout the region are selected; it is in response to their judgment that investigative and prosecutorial assets are allocated among cases; and it is through their activities that inter-agency, inter-district, and inter-regional cooperation is obtained and coordinated.

The AUSA Task Force Coordinators are responsible for chairing the Task Force Coordination Groups and for maintaining the Task Force offices. These Coordinators are the indispensable go-betweens; the officials who pull together communications among Task Force districts, among various Task Forces, and between the Task Forces and the administrative staff in Washington.

The OCDETF approach holds that the coordination of covert investigations, the exercise of search and arrest warrants, witness and plea negotiations, and prosecutions will only be successful when implemented consistently and continuously. The conduct of Task Force cases is the purpose of the Coordination Group conferences. At these meetings the progress of each investigation or case is considered and

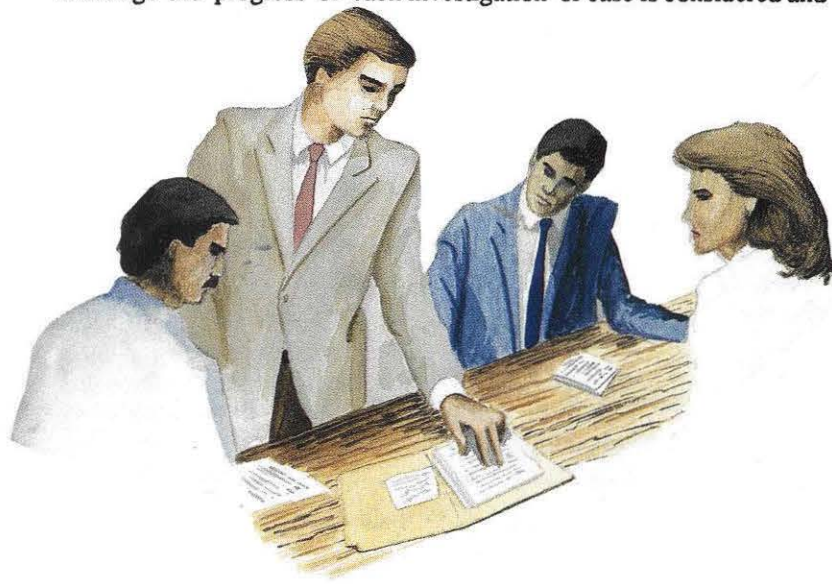
potential conflicts of strategy, tactics, and timing are ironed out. Each Coordinator comes to the conference with complete knowledge of agency positions and plans in each Task Force investigation as well as information on potential Task Force cases. They leave prepared to update their agencies on other agencies' immediate plans and on Task Force progress.

The coordination expected of this group is not limited by the locale of an investigation. Through their individual agency channels and through Task Force channels, Coordinators will pass on and acquire case information, exchanging it with those who need to know throughout the United States and, often, beyond.

The Coordination Group decides, as well, who is to perform liaison with Federal, State, or local entities not represented in the Task Force. Although the non-core city districts do most of their own coordinating, the core city Coordinators stand ready to perform their services throughout their respective regions. District operations are likely to be as big and complex as core city operations, with strong State and local participation, and equally important targets.

The direction of a complex, multi-agency investigation carried out by skilled Federal and State agents need not be dictated by any one agency. Although the agency that first recommended the investigation generally plays the primary role in its management, the Task Force draws upon the experience of all the participants. Task Forces are not limited to making a case based on one agency's jurisdictions. Rather, they have the opportunity to use the strongest statutes available to participating agencies. The data base from which information can be obtained and the agencies' ability to use it is vastly expanded. The various Federal information systems, as well as State and local data bases, are available and easily accessed. More personnel strength and broader expertise in highly technical areas are available.

The Coordination Group also provides a framework within which investigations can be simultaneously pursued in several parts of the country. Each Task Force Coordination Group has points of contact with its counterpart in each other Task Force. Through national meetings, each agency's Coordinators have gotten to know one another. Thus, phone calls from one Task Force Coordinator to another are not between strangers, but between persons who view themselves as members of the same national priority program.



## STATE AND LOCAL PARTICIPATION

From the Program's inception, State and local law enforcement elements have worked closely with the Task Forces. The OCDETF "Guidelines" promote joint involvement of State and local authorities in the investigation, apprehension, and prosecution of major drug traffickers and their organizations.

Several elements of the OCDETF Program facilitate State and local participation. Congressionally appropriated funds are available to reimburse the States and localities for overtime and expenses incurred by their personnel while participating in Task Force cases. There have been more than 1500 active reimbursement agreements between Task Forces and State, county, or local agencies. These local agencies continue to pay the salaries of their investigators who are working on Task Force cases but are assisted in meeting the costs of overtime, travel, and per diem expenses resulting from their participation.

State and local participation is further facilitated, when appropriate to a case, by the deputation of State or local law enforcement officials. Upon deputation, State and local officers adhere to the requirements of the Federal Rules of Criminal Procedure as well as the policies and procedures of the sponsoring Federal agency.

The cross-designation of attorneys and the sharing of forfeited assets further enhance the OCDETF Program approach to intergovernmental cooperation. Cross-designation of attorneys makes it possible for designated Federal attorneys to participate in State court prosecutions or for State attorneys to participate in Federal prosecution. Sharing of forfeited assets provides a bonus to participating State and local agencies in the form of vehicles, aircraft, boats, weapons, and cash.

## Member Agencies

Several aspects of the OCDETF Program are noteworthy, but none more so than the resources that the Program members contribute to drug enforcement investigations and prosecutions. New resources, in people and in dollars, are wedded in a comprehensive attack on large and complicated drug trafficking schemes. The environment is one characterized by complexity. Investigations are long and intricate and extend to many jurisdictions, often to foreign countries. They focus on criminal

State and Local Participation  
In Investigations Resulting in Charges



activities covered by sections of the criminal code dealing with taxes, firearms, illegal alien entry, racketeering, public corruption, fraud, and other non-drug areas, in addition to narcotics trafficking.

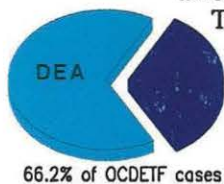
Each of the Federal Task Force members brought its own special skills and methods to the new program. Members came from three Cabinet-level Departments: Justice, Transportation, and Treasury.

## U. S. DEPARTMENT OF JUSTICE

The Justice Department has provided the Chairperson for the OCDETF Working Group; central administrative support; and, through the U.S. Attorneys in core cities, support for the coordinated field-level operations

## THE DRUG ENFORCEMENT ADMINISTRATION

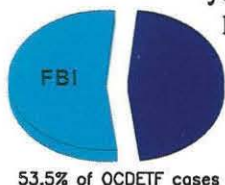
The DEA is among the agencies most actively involved in every aspect of the OCDETF Program. From 1983 through 1987, the DEA participated in two-thirds of the investigations resulting in charges. Throughout the history of the OCDETF Program, the DEA has been



among the perennial leaders in number of cases brought to the Task Forces.

The DEA is the only Federal agency in the OCEETF Program which has narcotics law enforcement as its sole responsibility. The DEA's vast experience in this field, its knowledge of international drug distribution chains, and close working relationships with State and local authorities have made the DEA essential to every Task Force. Because the DEA has long recognized that the complexity of the drug trade is such that varied forms of expertise are needed to combat trafficking effectively, it has been an organization heavily involved in cooperative efforts.

### THE FEDERAL BUREAU OF INVESTIGATION



In 1983, the FBI brought its extensive experience in the investigation of traditional organized crime, white collar crime and financial crimes to the OCEETF Program. Within the Program's first year, the FBI sponsored training programs for the FBI personnel assigned to the Task Forces; assigned those of its Special Agents with training in narcotics enforcement to the Task Forces; and became a major participant in the Program. During the OCEETF Program's first year, 334 of the Justice Department's investigators--half of the total Justice Department participation--were Special Agents of the FBI. The FBI quickly adapted its ability to gather and analyze intelligence data and deploy and manage sophisticated electronic surveillance and undercover techniques to its drug investigations under the OCEETF Program.

The FBI continues to focus its OCEETF resources on the totality of the drug organization. Consistent with the OCEETF philosophy, the FBI, in its investigations, strives for the arrest of drug organization leaders, the dismantling of their organizations, and the seizure and forfeiture of their ill-gotten gains. The FBI has played a leading role in drug investigations as diverse as the Hells Angels Motorcycle Gangs, the Sicilian Mafia "Pizza Connection" case, and the "Colombian Cashweb/Expressway" money laundering case.

### THE IMMIGRATION AND NATURALIZATION SERVICE

During the first three years, this agency was available to the Task Forces as needed. The INS has shown a strong commitment to curtailing alien involvement in narcotics trafficking. The enactment of the Anti-Drug Abuse Act of 1986, the enactment of the Immigration Reform and Control Act of 1986, and the Attorney General's decision to include the INS's Investigations Division as a full member of the OCEETF Program in 1986 enhanced its success in locating, apprehending, investigating, and removing criminal alien drug traffickers from the United States. The 1986 legislation also strengthened the INS's ability to pursue extraterritorial prosecutions and extraditions of drug traffickers.

### THE UNITED STATES ATTORNEYS

One of the cornerstone principles of the OCEETF Program is early attorney involvement in the development of case strategy. The Task Force Program affords prosecutors the time they need to participate in the development of this strategy and to provide the necessary legal services and counsel that investigators require. They are not expected to rush cases to completion, but rather to move deliberately toward successful and comprehensive conclusions. And while Task Force attorneys carry a caseload of fewer cases, theirs are typically more intricate and long-term than those of their non-Task Force counterparts.

A second point worth noting is the development of skills by Task Force attorneys in the course of their work. Take, for example, the use of electronic surveillance or the mounting of undercover operations. For investigators and attorneys alike, these activities are especially time-consuming since they require extensive legal paperwork. A wiretap, for example, requires a detailed application for initial approval and repeated affidavits for renewal. The preparation of the necessary documents has become a virtual art form, and the Task Forces have proved equal to the challenge. The number of attorneys experienced in handling these matters has increased, a significant development in an area where maintaining investigative momentum is crucial.

Another feature cited by attorneys themselves is the increase in their knowledge of matters relating to narcotics dealing. The courts now

recognize them for their greater acumen in interpreting the narcotics environment. When applying for warrants for wiretaps, searches, or arrests, they can now more authoritatively articulate the information contained in the supportive affidavits of the investigative agencies; for example, the probability of finding narcotics ledgers or financial books and records that will show the fruits of drug trafficking, even in locations where drugs themselves are not likely to be found. Similarly, they can better represent drug dealers' cryptic conversations in support of applications for extensions of ongoing court-authorized electronic surveillance or for new, supplementary surveillance. The development of such expertise in offices of the U.S. Attorneys is primarily attributable to the close working relationship among OCDETF Attorneys and experts from the investigative agencies under the aegis of the OCDETF Program.

### THE UNITED STATES MARSHALS SERVICE

This agency has played important roles in at least three areas. First, in support of Task Force prosecutions, the Marshals Service was called upon to thwart attempts at jury tampering, assaults on Federal prosecutors, elaborate and expensive escapes, and civil disruption in the courtroom. Second, the Marshals Service has administered the Witness Security Program. Without this protection for witnesses, the prosecution of violent criminals would be extremely difficult. Third, through its National Asset Seizure and Forfeiture Program, the Marshals Service has worked closely with other Task Force agencies to target the "fruits of crime." This Program has absorbed administrative and property management burdens that Federal investigators and attorneys formerly handled.



The Marshals Service has provided a variety of other support functions to the Program. The Marshals Service has been responsible for movement of defendants to and from courtrooms and between detention facilities. The Marshals Service has also handled the subpoenas, summonses, and other court orders that are an essential function of Program operations and has also been responsible for the apprehension of Federal fugitives.

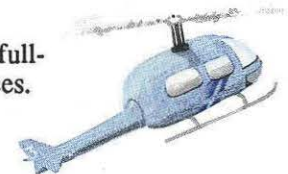
## U. S. DEPARTMENT OF TRANSPORTATION

### THE UNITED STATES COAST GUARD

As a primarily interdictive agency in a program otherwise comprised of primarily investigative and prosecutorial agencies, the Coast Guard has found itself in a unique position, assuming a variety of functions that support the work of the Task Forces.

Since early in the Program's existence, the Coast Guard Coordinators have performed three basic functions. First, they have participated in case selection, analysis, and review. Second, they have acted as a valued liaison, not only with the Coast Guard itself, but also with the military services and the National Narcotics Border Interdiction System. Third, the Coast Guard Coordinators have been the maritime experts for the Task Forces, and have provided valuable intelligence and guidance on cases with maritime connections and implications.

The Coast Guard ultimately assigned a full-time Agency Coordinator to 10 of the 13 Task Forces.



### THE DEPARTMENT OF THE TREASURY

### THE BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

This agency has played a special role in the Program. As increasing numbers of drug violators have used firearms and explosives, they have made drug enforcement much more hazardous. But, the introduction of these hazardous weapons has provided an opportunity to use the BATF expertise in firearm legislation to enhance prosecution efforts against drug traffickers. The use of deadly weapons may give rise to charges which are sometimes more easily proven than drug violations. As the agency responsible for enforcing Federal firearms, explosives, and arson laws, the BATF comes into frequent contact with drug violators. The BATF's jurisdiction and expertise have made it a well-suited partner to other agencies participating in the war against illegal drugs.

In the OCDETF Program, the BATF special agents have focused on major drug traffickers who have also violated laws that it enforces. To be prepared when the need arises, the BATF has monitored all investigations through its Task Force Coordinators. The BATF has played a major role in cases involving motorcycle gangs and the so-called "Jamaican posses."

## THE INTERNAL REVENUE SERVICE

The IRS has been an active participant in the OCDETF Program from the beginning. As the Task Force's financial experts, the IRS's criminal investigators have been called upon to analyze the documentary evidence collected in almost all cases. Other Task Force members recognize the Service's unique ability to identify "professionals" who profit from involvement in narcotics trafficking. Historically, these individuals were not often targeted by drug enforcement agencies because there were no means of obtaining firm informational or evidentiary links between them and narcotics. Often, the only viable means of attack against this class of criminal has been through financial investigations where the paper trail of money earned from the sale of narcotics has been tracked to its ultimate beneficiaries.



44.7% of OCDETF cases

At the inception of the OCDETF Program, the IRS and the Justice Department agreed on new authorization and review procedures for criminal tax grand jury investigations conducted under the Program. The Justice Department's Tax Division also appointed a liaison attorney for each of the Task Forces. As a result of these initiatives, the IRS became a more effective partner in Task Force investigations.

Because of the streamlined grand jury request procedures, the IRS agents have been able to participate in the early stages of investigations and, within certain legal limits, have been able to cooperate and share information with other Task Force agencies. With an expedited review process in place, the elapsed time from completion of the investigative stage to indictment on the IRS Task Force cases has been as little as half that of other non-OCDETF cases.

## THE UNITED STATES CUSTOMS SERVICE

One of the Customs Service's missions is to disrupt the movement of narcotics into the United States. Among the tools at the Service's disposal are automated systems which permit the pre-arrival review of a carrier's manifest, centralized examination stations for the presentation of pre-selected merchandise for inspection, and a processing system that targets certain high-risk commercial containers for intensive enforcement examination.

The U.S. Customs Service has been especially effective in the use of its financial data base resources located at its headquarters in Washington, D.C. The financial data base houses information, collected pursuant to the Bank Secrecy Act, which is used to identify and target suspected money launderers.

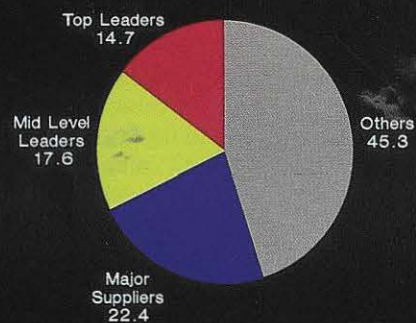
Through its Financial Intelligence Branch, the Customs Service has had the ability to provide Task Force investigators with a documented audit whenever currency is recycled through U.S. banks. In addition, cash flow analysis of transactions have often supplied investigators with a relatively simple trail through the infrastructure of drug organizations. This trail has helped to identify those principals and members of these groups who tend to keep their distance from daily operations and who are extremely difficult to identify through traditional methods.



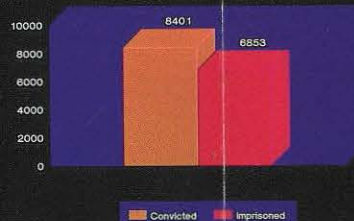
**LENGTH OF IMPRISONMENT AND NUMBERS IMPRISONED BY  
CRIMINAL ROLE (1/1/82-9/30/87)**

Criminal Role	Number Convicted	Number Imprisoned	% Imprisoned	Average Years	Total Yrs of Confinement	% of All Imprisonment
Top Leaders	1069	1009	94.4%	14.1	14249	30.7%
Mid-Level Leaders	1404	1206	85.9%	6.3	7552	16.2%
Major Financiers	53	47	88.7%	6.7	313	0.7%
Major Money Launderers	160	132	82.5%	4.1	546	1.2%
Major Enforcers	100	81	81.0%	8	645	1.4%
Major Suppliers	1780	1533	86.1%	6.6	10081	21.7%
Key Contacts	435	371	85.3%	5.7	2105	4.5%
Corrupt Officials	35	28	80.0%	6.8	189	0.4%
Smugglers	215	172	80.0%	6.6	1131	2.4%
Others	3150	2274	72.2%	6.7	9676	20.8%
<b>TOTALS</b>	<b>8401</b>	<b>6853</b>	<b>81.6%</b>	<b>6.8</b>	<b>46487</b>	<b>100.0%</b>

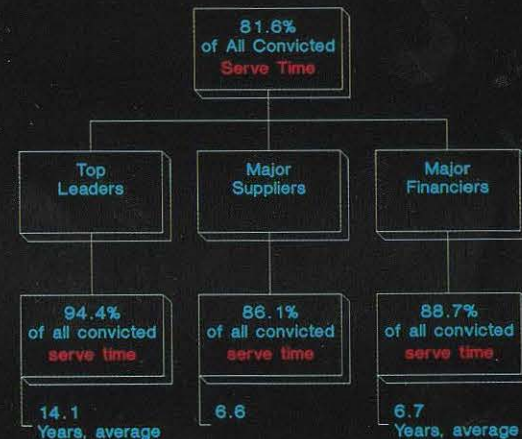
**Percent of Individuals Imprisoned  
By Role (1/1/82 - 9/30/87)**



**All OCDETF Convicted and Imprisoned  
(Including Top Leaders)**



**OCDETF  
CONVICTIONS**



## *U.S. v. Kenneth Owen*

This Northwest OCDETF investigation and the subsequent prosecutions resulted in the indictment and arrest of 40 members of the Hells Angels. The case evolved through the undercover activity of the Sergeant at Arms of the Anchorage, Alaska chapter of the Hells Angels. First developed by the Anchorage police, his primary contact was an FBI agent. The investigation, staffed by agents of the San Francisco office of the FBI, ATF, and the California Bureau of Narcotic Enforcement, extended to Ohio, Illinois, North Carolina, and Kentucky. In November, 1987, 25 premises were searched in Northern California, alone; and unlike the result in previous Hells Angels investigations plagued by leaks, substantial quantities of evidence were discovered. When arrested, Oakland Hells Angels leader, Kenneth Owen was counting twenty dollar bills on an electric money counter. He was in possession of \$3,000,000 in U.S. currency and 30 pounds of methamphetamine.

In the Northern District of California, 11 Hells Angels were indicted for sale of methamphetamine, cocaine, and explosives as well as possession of illegal firearms. To date, six have been convicted; and substantial sentences are being imposed. Most recently, Owen, a convicted felon, major methamphetamine producer, and distributor has been sentenced to 41 years in prison and \$2,100,000 in fines. This case is being coordinated with related prosecutions in Alaska and Kentucky.

## The Conflict

Over the past five years, the Task Forces have developed highly sophisticated approaches to dealing with the threats posed by drug trafficking organizations. The OCDETF Program has combined centralized strategic planning and oversight with decentralized project execution. This section examines the techniques that the Task Forces have found most effective before proceeding to a discussion of results.

## Investigations

Most OCDETF drug cases originate from initial investigations conducted by Federal, State, and/or local law enforcement agencies. OCDETF agencies actively pursue intelligence-gathering programs aimed at identifying those drug trafficking organizations which pose the greatest international, national, and regional threats. OCDETF agencies may institute strategically planned investigations focusing resources on the most pervasive drug organizations. In some cases, though, investigations grow out of serendipitous events. A straightforward arrest of a minor drug dealer by the city police may turn up information leading to the identification of a high-level distributor or of an organization that merits further investigation.

Financial investigations, have become an increasingly effective method for developing a case by identifying new targets; a tool not exclusively employed by the Task Forces, but one which the Task Force Program has encouraged and refined.

Whatever the origins of a case investigation, investigating agencies propose it as a Task Force case if it appears to:

- involve major drug trafficking organizations,
- require the resources and expertise of more than one investigative agency,
- have serious investigative ramifications that extend to other geopolitical jurisdictions, and

- require the assistance of an Assistant U.S. Attorney during the early stages of the investigation.

Targets for Task Force cases include: criminal groups formed for the purpose of importing, distributing, and financing large amounts of controlled substances; criminal groups that are trafficking in drugs as well as engaging in other crimes; traditional organized crime figures; major outlaw motorcycle gangs; prison gangs or prison-associated organizations; and physicians, pharmacists, and others registered to dispense drugs legally, but who engage in illicit distribution.

An investigation becomes a matter for Task Force consideration when designated officials complete an Investigation Initiation Form. This form serves two primary functions. First, the form provides the core city Task Force Coordination Group with a full exposition of the reasons for considering the investigation for Task Force status. The form delineates the measurements of the target organization's importance, its relevance as a target, and the importance of each person identified as a principal prospective defendant within the case.

The international scope of many Task Force investigations provides an indication of the complex nature of program targets. As of the end of 1987, about one-third of targeted criminal organizations listed on the initiation forms were international, and 40 percent operated across two or more Federal judicial districts. The rationale for targeting international organizations is simple: most narcotics originate overseas, and most major drug dealing organizations operate in foreign jurisdictions when procuring drugs for sale, laundering their proceeds, or both.

The second primary function of the Investigation Initiation Form is to supply preliminary data for the records of the regional Task Force and for the administrative staff in Washington. In the districts, the Task Force attorney assigned to an investigation and the investigative personnel complete the form; after distribution to the managers or Special Agents in Charge of the Task Force agencies, the district's U.S. Attorney reviews the data and forwards the form for consideration by the regional Coordination Group.

The cases that qualify for Task Force selection demand long-term dedication of personnel from more than one investigative agency. These cases do not have quick turnover or results. By putting aside the numbers game of rapid and numerous prosecutions, the OCDEF Program can

## ***U.S. v. Frederick J. Luytjes***

Rik Luytjes was a successful Scranton, Pennsylvania, businessman, president of his own company, AirAmerica, with annual sales in excess of \$1 million. Many of his eventual co-indictees were fellow college graduates who had also achieved some measure of success in their own chosen fields.

In 1980, Luytjes, expanded AirAmerica into the cocaine smuggling business. Luytjes' business expertise, his sophisticated modified aircraft, and his reputation for reliability soon made Air America the carrier of choice of the Medellin Colombian drug cartel.

Over the four years that he ran his cocaine delivery express, Luytjes personally made more than a dozen trips. The others were made by his regular pilots, including the son of a neurosurgeon; a former Air Jamaica pilot; and his best boyhood buddy, a former IBM manager with degrees in engineering, business, and law. Prior to their arrests, they smuggled over 9 1/4 tons of cocaine into the United States with street value of \$2 billion. They also laundered in excess of \$34 million.

Agents of the U.S. Customs Service and the DEA broke the case. Federal grand juries indicted the entire Luytjes' organization, Columbians in the United States and several members of the Ochoa family in Columbia. All of the Americans pled guilty. Rik Luytjes was sentenced to 10 years in prison, fined \$280,000, and forfeited assets worth over \$8.5 million. His boyhood friend was sentenced to 24 years in prison, fined \$50,000, and forfeited over \$7.3 million in cash.

dedicate its resources to cases with far-reaching, long-term ramifications. Investigators and prosecutors are afforded the time to construct the difficult trail of evidence needed for the successful prosecution of truly high-level targets.

The other case selection criteria--multiple agency involvement, multiple jurisdictions, and early attorney involvement in the investigation--also bring to the Task Force Program investigations that could not be managed effectively in a less comprehensive environment. The Task Force Program system brings multiple enforcement agencies together, coordinates investigative and prosecutorial strategies across district and regional lines, and provides a dedicated AUSA to support the investigative requirements of a case at any point in its development.

OCDETF investigations use sophisticated techniques of investigation and prosecution. As a result, they are extremely labor intensive. The majority of Task Force investigations have involved extensive use of undercover operations, electronic surveillances, computer-aided financial investigations, long-term grand jury inquiries, sequential prosecutions, or a combination of these methods.

The majority of investigations blend different techniques, among them undercover operations, including Title III surveillances, and financial investigations. These are discussed below.

## UNDERCOVER OPERATIONS

### *- Behind Enemy Lines*

An undercover operation is designed to collect first-hand evidence or to obtain collateral intelligence, such as the name of other participants or the location of other criminal activity. Task Force agencies often combine undercover activities with electronic monitoring to substantiate an agent's eyewitness testimony. All of the legal restrictions of Title III wiretaps do not apply to so-called "consensual wires" where, for example, an undercover agent or informant wears a hidden microphone and recorder. Courts have ruled that such intercepts are not substantially different from an agent's personal report of what transpired, except that the recording is more accurate and reliable.

The range of undercover operations is almost limitless. An undercover operation can involve years of agent infiltration of the most clandestine drug organizations. In a well-planned multiagency

approach, undercover agents strive to identify and gain incriminating evidence on activities of the top echelon of drug trafficking groups and about the money laundering apparatus supporting them. An undercover operation can be as simple as a single agent's visit to a medical clinic to collect first-hand evidence of illegal drug diversion or as complex as the operation of a bogus company, involved in ostensibly shady dealings, in order to learn of illegal activities.

The undercover agent functions as an actor, assuming an often dangerous role. The agent must win the trust of the criminal. The payoff comes when targets are willing to share their secrets with the undercover agent. These secrets often consist of the actual commission of a crime in the agent's presence, as when a drug dealer sells his wares to an undercover agent.

Undercover agents provide prosecutors and the court with credible eye-witness testimony. The defense can often successfully challenge the integrity of an informer-witness, precisely because the informer may have been an accomplice, and may have entered into a plea agreement, in exchange for testimony. The undercover agent, on the other hand, is a professional law enforcement officer, not a criminal. When an agent's first-hand testimony is substantiated by authorized wiretaps or by consensual recordings of conversations with or between defendants, the testimony becomes effectively unassailable.

Title III of the Omnibus Crime Control and Safe Streets Act of 1968 is the legislation enabling the Federal government to engage in wiretapping and electronic surveillance. Such intercepts are used to hear and record secret conversations and are known as "bugs," "taps," "wires," or "Title III's."



Applying for and operating court-authorized wiretaps is a time-consuming chore for agents and attorneys. They must first get the approval of the U.S. Attorney General to request a court-ordered warrant for the operation. Each court-approved wiretap is authorized for only a brief period, usually 10 to 15 days and never for more than 30 days. They require periodic reports to the judge by the AUSA who is overseeing

the "tap." Any request for renewal requires a detailed review of the transcripts and recordings which have been made.

The strict judicial standards that wiretap applications must meet guarantee that Title III's are not undertaken lightly. It is only because the Task Forces are engaged in cases of such magnitude and duration that the investment is justified. It is only because the combined resources of the agencies are sufficient to mount and sustain wiretap operations that they have been brought to bear in so many instances and with such successful results.

## FINANCIAL INVESTIGATIONS

The OCDETF Program has brought the use of financial investigations in narcotics cases to new levels of sophistication. The IRS and the Customs Service typically spearhead these investigations and an AUSA specialist coordinates them. The goal of the Federal effort in financial investigations is to identify, target, seize, and recover the drug-generated financial assets of traffickers.

A financial investigation is often the only way the government can reach the top echelon in a criminal organization. Rarely does the upper echelon trafficker become directly involved in the actual importation, manufacture, or distribution of the drugs. The upper echelon trafficker's role is often restricted to providing general oversight, instructions, and the capital necessary to finance drug ventures. Ostentatious displays of wealth may be the only overt indication of involvement in drug trafficking.

Financial investigations are an important tool in establishing links among individuals engaged in a narcotics enterprise. The flow of money, transfers of property, or transfers of interest in valuables or in companies can be traced and documented by expert investigators. Within the OCDETF Program, search warrants are often drawn in a manner designed to insure that one authorized participant in a search party is a financial investigator with the expertise to recognize drug-related ledgers or other documents.

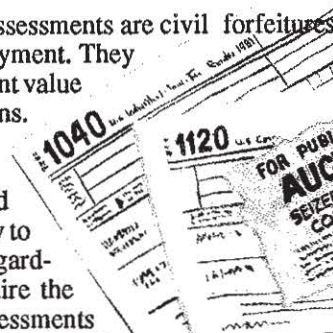
Task Force agencies have become more sophisticated in using all the tools at their disposal including legislation enacted by Congress which empowers law enforcement agencies to shut down money

laundering operations. Congress has approved changes to Title 31 and Title 18 of the U.S. Code allowing a much broader attack on the assets of drug traffickers. As a result of the Money Laundering Control Act of 1986, the Customs Service increased its responsibilities in that area. The Customs Service has since initiated about 100 cases involving potential violations of the Act. The FBI shares jurisdiction under the Money Laundering Control Act of 1986 through a memorandum of understanding with the Customs Service.

The IRS's increase in participation at the earlier stages of investigations has been accompanied by more frequent use of financial search warrants authorizing seizure of financial records of drug traffickers and organizations. The use of one warrant, executed by various agencies, whose agents search for items within their areas of expertise, increases the efficiency of operations. The expertise of the IRS agents in locating critical financial documents not only assists in the development of Title 26 (Internal Revenue Code) tax cases but also in the identification of assets vulnerable to seizure under the forfeiture provisions of the Continuing Criminal Enterprise Act.

In addition to seizures under the Continuing Criminal Enterprise Act and the Racketeer Influenced and Corrupt Organizations statute, jeopardy assessments executed by the IRS are a part of the Task Force arsenal. These differ from other tax assessments in that, any time after the due date, the IRS can avoid the usual time-consuming collection procedures and immediately assess and collect the tax on the ground that collection may be in jeopardy. Termination assessments can be made even before the due date.

These jeopardy and termination assessments are civil forfeitures and result in an immediate demand for payment. They provide for seizures of assets of sufficient value to satisfy the subject's tax obligations. Other forfeiture laws only reach property used in illegal activities or obtained with tainted money. Jeopardy and termination assessments, however, apply to all property owned by the individual, regardless of the source of funds used to acquire the property. This feature makes these assessments effective when dealing with wealthy narcotics traffickers.



## *U.S. v. Joseph Diego Ramirez*

To many of the citizens of Princeton, Minnesota, Joseph Ramirez was Santa Claus incarnate. Between 1978 and 1983, he attained the status of town benefactor. His largess, which exceeded \$2.5 million, included purchasing patrol cars for the police, an interest free loan of \$640,000 for the construction of an indoor arena for the Youth Hockey Association, and \$300,000 for upgrading the Princeton Airport. Ramirez publicly claimed that he was worth \$750 million.

In fact, Joseph Ramirez and his associates were subjects of a North Central OCDETF investigation being conducted by agents of the Customs Service assisted by the Florida Department of Law Enforcement and the Royal Bahamas Police Force. The investigation revealed that he had not been legally employed since his discharge from the U.S. Navy in 1976. Since 1977, his aviation business at the Princeton Airport was a cover for his drug smuggling organization.

The investigation resulted in convictions of Ramirez and the three principals in his organization: his wife who helped coordinate the operation; Kent Moeckly, an attorney and former state Magistrate in South Dakota; and William Coulombe, retired U.S. Air Force Major and former CIA pilot in Southeast Asia. Ramirez was sentenced to 20 years in prison and fined \$50,000. Civil assessments against him totaled \$3 million. The DEA also seized \$600,000 in assets owned by Ramirez.

The financial investigation of Ramirez, in which IRS played a key role, led to the Princeton Co-op Credit Union and its former manager, Gerald Davis. Ramirez regularly entered the Credit Union with paper sacks, cardboard boxes, suitcases, and briefcases filled with currency to be "laundered" by the Credit Union. Both the Credit Union and Davis were found guilty of crimes associated with money laundering.

## Prosecutions

Task Force prosecutions benefit from the Program's broad, thorough and careful approaches. The "Guidelines" lay down distinctive principles for Task Force prosecutions:

- an increased emphasis on forfeitures, either in civil actions or under the criminal forfeiture provisions of the kingpin statutes;
- the use of any of a wide range of statutes, not just drug statutes, to put drug trafficking organizations out of business; and
- a concerted coordination of prosecutorial activities among various jurisdictions in order to achieve maximum impact on entire organizations.

## THE KINGPIN STATUTES

Major targets merit major penalties. The Racketeer Influenced and Corrupt Organizations and Continuing Criminal Enterprise statutes were enacted to provide appropriate penalties for major offenders. They are intended to remove high-level drug traffickers and organized criminal leaders from active roles in their criminal enterprises and to deprive them of both their ill-gotten assets and of the means for continuing to operate these enterprises.

At the time of the initiation of the OCDETF Program, the Continuing Criminal Enterprise (CCE) statute provided for the most rigorous sanctions of any Federal criminal statute directed at drug-related activities. Enacted as part of the Comprehensive Drug Abuse Prevention Control Act of 1970, it carried a maximum penalty of life imprisonment and a minimum sentence of 10 years, with no parole in either case, and it also provided for fines of up to \$100,000. Recent legislation raises the minimum term of imprisonment to 20 years and the maximum fine to \$2 million. CCE also provides for forfeiture of any and all proceeds of the specified criminal activity and related assets. Thus, the government now has the right to take ownership of any real estate, automobiles, aircraft, boats, business equity, bank accounts, securities, or any other kinds of goods that have been used in a criminal activity or purchased with money generated from such activity.

Because the penalties are so severe, the statute has stringent requirements of proof for conviction of defendants charged with CCE:

- the defendant's conduct must constitute a felony violation of the Federal Controlled Substance laws;
- the conduct must take place as part of a continuing series of violations;
- the defendant must act as the organizer, supervisor, or manager (kingpin) of a criminal enterprise; and
- the defendant must obtain substantial income or resources from the enterprise.

The CCE statute was not the only statute related to drug trafficking passed in 1970. The Racketeer Influenced and Corrupt Organizations (RICO) Act, part of the Organized Crime Control Act, provides other strong sanctions that deal with criminal organizations and their infiltration into legitimate businesses. The RICO penalties, although less severe than those for CCE, are substantial: up to 20 years imprisonment, \$25,000 in fines, and civil and criminal forfeitures.

The RICO provisions focus on an "enterprise," defined as "...the association of a group of individuals..." where that enterprise utilizes income from an illegal activity, acquires or exercises control of an enterprise through illegal activity, commits illegal acts, or conspires to do any of these things. The enterprise need not relate to drug dealing, but a prosecutor must show that each defendant is guilty of at least two acts of racketeering. These acts must be connected by a common scheme in order to demonstrate that they are not merely unrelated offenses.

CCE convictions are usually limited to two or three defendants, while RICO provides for punishing not just the leaders, but even remote associates who are willing participants in the enterprise's illegal activities.

The kingpin statutes are greatly enhanced by Chapter III of the Comprehensive Crime Control Act of 1984. Chapter III, Forfeiture Reform, strengthens Federal forfeiture laws by providing for forfeiture of profits and proceeds of organized crime (RICO) offenses; criminal forfeiture in all narcotics trafficking cases; expanded procedures for freezing forfeitable property pending judicial proceedings; forfeiture of land used to grow, store, and manufacture dangerous drugs; and

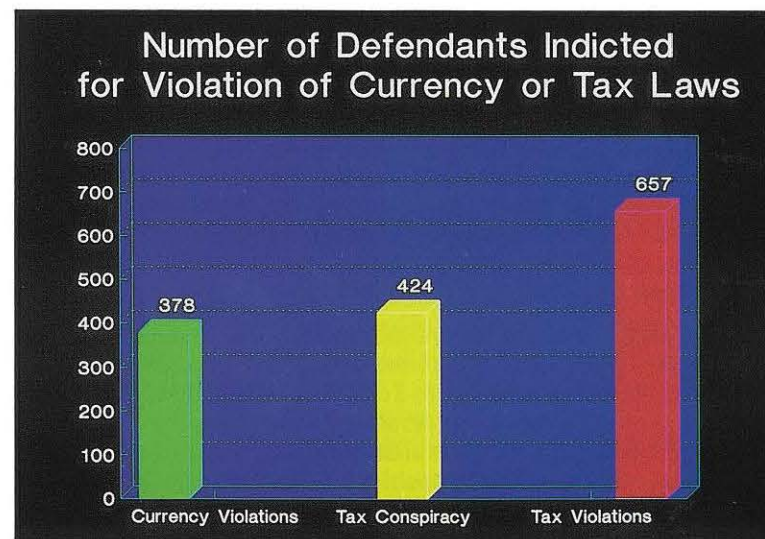
expanded use of efficient administrative forfeiture procedures in uncontested cases.

These forfeiture reforms increase Federal prosecutors' ability to strip drug rings of assets and of access to the proceeds of their criminal activity. Forfeiture reform gives the Federal government new powers to pay rewards to private individuals who furnish information resulting in a forfeiture and to transfer forfeited property to State and local agencies.

The CCE, RICO, and Chapter III statutes serve drug law enforcement well. They are punitive. They summarily remove the fruits of crime. They deprive convicted criminals of the financial means for continuing their illegal activities. By imposing substantial prison terms, they prevent convicted criminals from re-entering the drug business for a long time. This successful experience has encouraged the examination and development of new approaches to achieving the same ends.

## ESTABLISHING TAX AND CURRENCY VIOLATIONS

It is not necessary to bring actual drug charges in order to put major traffickers and their organizations out of business. Tax and currency violations can be identified and successfully prosecuted, even when



drug charges cannot be brought. Tax violations carry substantial financial penalties and prison sentences. The penalties are often augmented by asset seizures when there is a reasonable likelihood that the criminal would attempt to place those assets out of the reach of the government. A single currency violation can carry a penalty of a \$500,000 fine and five years in prison.

The Task Forces make narcotics charges an integral part of most indictments. Often tax or currency violation charges are included in the same indictments. Virtually all drug dealers fail, in one way or another, to accurately report their income from drugs. The superiority of the Task Force approach is demonstrated by the Task Force's ability to place drug, tax, and currency cases in the same file folder, allowing the investigations and prosecutions to reinforce each other.

### COORDINATING PROSECUTORIAL ACTIVITIES

When a grand jury returns an indictment, the case moves from the investigative to the prosecutorial phase. The prosecution of a Task Force case is qualitatively different from that of any other drug prosecution.

The continued involvement of a Task Force AUSA during the investigation results in the construction of a sounder case. Prosecuting attorneys are provided with the informational support necessary to become familiar with all aspects of the case involved.

The AUSA's specific function is to ensure that the evidence obtained is complete and admissible. The participation of agencies with wide range of areas of expertise ensures that specific statutory violations are appropriately charged and documented. This coordination of efforts also results in a strategy that orders and times the prosecution of cases to provide not just the prosecution of individual defendants, but maximum disruption of the drug trafficking organizations involved.

The Task Force emphasis on collaboration with State and local law enforcement agencies and on the cross-designation of attorneys affords a greater choice of venues in which a case may be brought to trial. With the option of taking a case to a Federal or a State court, the prosecutors can take best advantage of the available statutory relief afforded by the two systems. Where a State's penalties for criminal possession of small amounts of drugs are more severe than the Federal penalties, prosecutors can bring the case to the jurisdiction with the more punitive statutes.

### *U.S. v. David Cecil Klingler*

On October 14, 1987, David Cecil Klingler, the leader of a major drug organization, entered a guilty plea in Federal Court in the Western District of Michigan to an indictment charging him with operating a Continuing Criminal Enterprise. The indictment was the culmination of an extensive OCDETF investigation involving agents from the FBI, the Customs Service, the DEA, State and local enforcement agencies, and the Royal Canadian Mounted Police. Klingler's organization reached into numerous locations in the U.S. and Canada, including Pennsylvania, Maryland, New York, Tennessee, Michigan, Florida, California, Washington, Idaho, and the provinces of British Columbia, Saskatchewan, Alberta, Manitoba, and Ontario. It distributed marijuana and hashish that had been smuggled from Mexico into southern California and British Columbia. The drugs would be trans-shipped to various locations to be processed using vacuum packaging machines to reduce their bulk. It would then be stored in hidden compartments in camper tops and loaded on pickup trucks or hidden in the false floors of custom-built travel trailers. Klingler used drivers with no prior criminal records and who by their appearance were not likely to arouse suspicion. Many were accompanied by their spouses in a further attempt to avoid detection. Most were related by blood or marriage to David Klingler. Klingler invested millions from drug proceeds into business enterprises and real estate. The U.S. Attorney's office in the Southern District of California has seized in excess of \$17 million worth of assets purchased with the profits realized by the organization. David Klingler was the fifth defendant to plead guilty in this case; 31 persons have been charged and 17 have been convicted or entered guilty pleas as of October 1988. The investigation continues.

## Report from the Front

After five years, it has become apparent that the most promising strategy for combating major illicit drug traffickers is the OCDETF type of investigation and prosecution. The OCDETF Program prosecution strategy is to immobilize drug trafficking and money laundering organizations by incarcerating organization members; causing forfeiture of organization and individual assets, thus, divesting them of their power; and, where appropriate, extraditing, deporting, and excluding organization members. To achieve these ends, the Task Forces have directed their resources at those significant national and international targets against whom successful prosecution has the greatest impact.

From its inception late in 1982 through the end of 1987, the Task Forces:

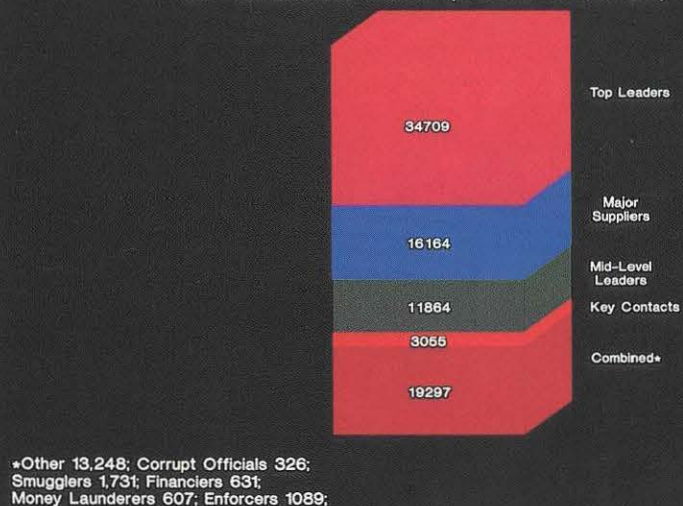
- initiated 1,901 investigations, resulting in 3,943 indictments and criminal informations,
- charged over 6,700 top- and mid-level leaders and major suppliers,
- charged 689 persons with CCE violations and 878 individuals with RICO violations, and
- seized cash and property assets totaling \$623 million.

During this period, about 8,400 individual defendants were found, or pled, guilty to at least one charge. More than 80 percent of these were handed prison sentences, with many imprisoned for life.

### Bringing Down High-Level Targets

The results of the Task Force investigations have confirmed the validity of the Program's approach. The following tables demonstrate the emphasis on drug trafficking organizations; the efforts to identify and prosecute not only the top leaders, but the major supporting elements; and the success in prosecuting individuals and groups targeted by the Task Forces.

TOTAL NUMBER OF YEARS OF IMPRISONMENT  
BY CRIMINAL ROLE (1/1/82-9/30/87)



The major focus of OCDETF investigations continues to be on organizations whose primary purpose is drug trafficking or on organizations, involved in felony crimes, whose members also engage in drug trafficking (87 percent), with a secondary focus on traditional organized crime (6.0 percent).

Clearly demonstrating the success of the Program's strategy of devoting the time and resources needed for indepth investigations is the fact that nearly two-thirds of those charged during the Program's first five years have been major figures. These figures range from top and mid-level leaders through the suppliers, enforcers, and money launderers who grease the wheels of the drug organizations.

Over the first five years of Task Force development, results have reflected the success of the OCDETF's targeting strategy: reaching above the retail and "middleman" levels of the drug trade. Most of the charges brought in OCDETF indictments were against leaders, lenders,

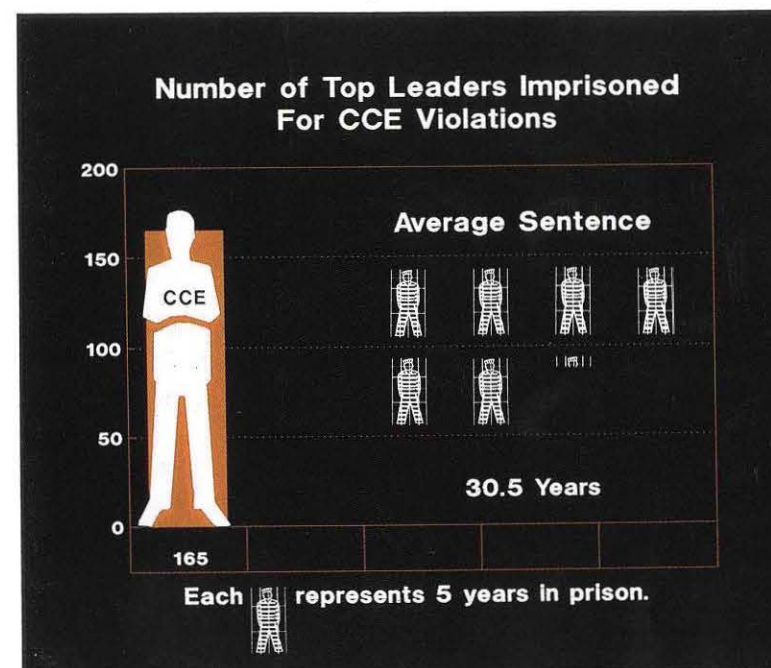
launderers, and major suppliers as opposed to smugglers, enforcers, and other lesser transportation and distribution functionaries. In 1987 a record 80 percent of criminal organizations targeted were believed to spread beyond a single judicial district. About one-third of targeted organizations had apparent links to international interests and assets.

Illustrative of OCDETF's success in targeting high-level drug traffickers is the fact that high-level targets accounted for nearly 80 percent of all prison time sentenced during the OCDETF's first five years. Top leaders accounted for 30.7 percent of those years behind bars. These top leaders drew an average prison sentence of 14.1 years. During this period, top leaders were sentenced to a total of over 14,000 years in prison. Major suppliers and financiers drew average sentences of 6.6 and 6.7 years, respectively.

Another indicator of the significant target level reached by the Task Forces is the fact that, more than 2,000 separate OCDETF investigations targeted drug financing and drug importation organizations.

The Task Forces have homed in with particular effectiveness on La Cosa Nostra. Over the past three years, the FBI has directed a multi-agency, international investigation of heroin importation and distribution, targeting Italian drug trafficking groups and their criminal associates in the United States and Italy. The FBI and Italian law enforcement authorities discovered that Italian drug traffickers have been engaged for years in the routine and rarely-interrupted importation and distribution of heroin from Southwest Asia through mainland Italy and Sicily and into the United States. This long-term and complex investigation has addressed heroin trafficking in at least seven States and the District of Columbia, and has employed 39 court-ordered electronic surveillances. It is projected that some 200 high-level Italian traffickers will be prosecuted for drug trafficking violations in the United States and Italy.

International banking investigations and efforts aimed at the apprehension of high-level drug entrepreneurs have not always been characterized by the high level of mutual assistance that has been evident in the joint Italian-American operations. In fact, many international investigations have been cutoff by the absence of bilateral legal agreements or lack of cooperative effort in the world-wide war on drugs. Ongoing administration negotiations with Caribbean, South American, and Middle- and Far-eastern nations are progressively closing these gaps.



The Task Forces have made particularly effective use of the two kingpin statutes, CCE and RICO. Over 200 top leaders have been sentenced to long prison terms under these statutes. The development of evidence in these cases has led judges to examine the full scope of defendants' criminal operations leading to the imposition of longer sentences.

The available data point to one conclusion: the OCDETF Program is using the kingpin statutes effectively against the kind of criminal for which they were intended. Consider CCE. Over 200 defendants received sentences on a CCE charge; 79 percent were top leaders in their organizations. The average CCE sentence was 27.6 years. The average CCE sentence for a Top Leader was 30.5 years.

Sentences for RICO convictions point in the same direction. Of 197 persons convicted under the statute, 64 (32 percent) were considered

to be Top Leaders. The average RICO sentence was 11.7 years. The average RICO sentence for a Top Leader was 15.2 years.

## Developing an Infrastructure

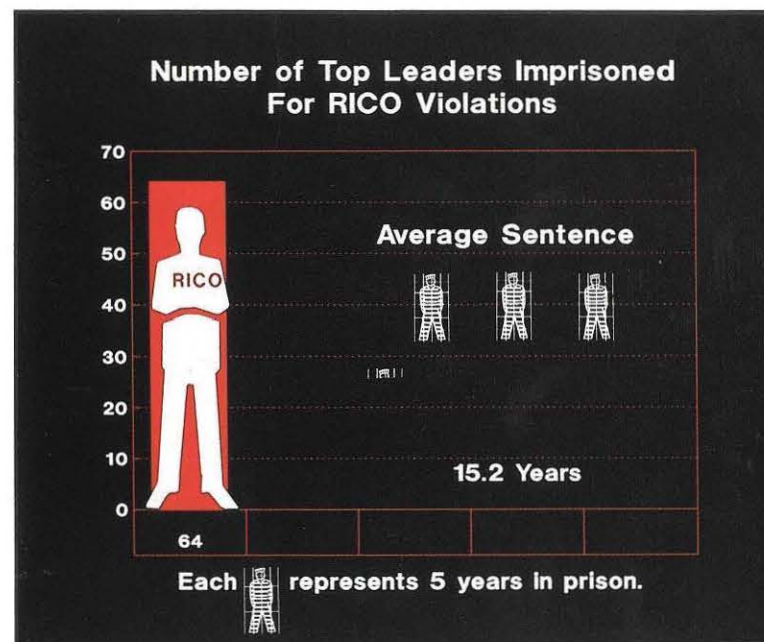
### FEDERAL AGENCY COORDINATION AND COOPERATION

According to the OCDETF "Guidelines," one of the program's main objectives is "...to promote a coordinated drug enforcement effort in each Task Force region, and to encourage maximum cooperation among all drug enforcement agencies..." Throughout its five years of operation, the OCDETF Program has pursued this objective.

Many of the Task Force investigations are so complex and labor intensive that they could not have been conducted without cooperation among the OCDETF Program agencies. Most, if not all, of these investigations require a mix of skills, experience, and jurisdiction that no single agency has: the Customs Service's ability to interdict international drug trafficking, the experience of the IRS's Criminal Investigation Division in investigating violations of the tax code, the surveillance capabilities of the FBI, the Coast Guard's maritime expertise, the Marshal Service's skills in fugitive investigations, the authority of the INS to deal with alien drug traffickers, the DEA's unique knowledge of drug trafficking organizations, and the BATF's mission to enforce firearms, explosives, and arson laws.

Broader agency interaction has created an array of investigative opportunities. A Treasury Department undercover operation presented with an opportunity to purchase narcotics quickly and efficiently follows that lead through the easily-arranged introduction of Task Force DEA agents. A Department of Justice undercover operation that is presented with a money laundering opportunity immediately avails itself of Treasury Department expertise. If maritime skills are needed, the Coast Guard is readily available. Given the range of talents of the Task Force agencies, plus those of State, local, and other cooperating Federal agencies, the investigative possibilities are vastly expanded.

Virtually every major OCDETF investigation illustrates the synergy that results when a number of coordinated and cooperating Federal enforcement agencies bring their resources to bear. As an investigation gets under way, the information being discovered is passed



among the agencies and critical linkages emerge. Communication proceeds and team spirit begins to develop. Agents from functionally and geographically separated agencies no longer fight the battles individually, but find themselves part of a coordinated offense. More than one agency is involved in all investigations. The U.S. Attorneys Offices and the U.S. Marshals Service have participated in all investigations that have led to charges, the DEA in two-thirds (66.2 percent) of all such investigations, the FBI in 53.5 percent, the IRS in 44.7 percent, and the Customs Service and the BATF in 17.4 percent and 15.4 percent, respectively.

In many of these investigations, the ability of different agencies to probe deeply enables the government to show that one trafficker is tied to other organizations, forming a vertically integrated drug trafficking network. Without the OCDETF Program's interagency cooperation, such criminals would be arrested, but far fewer linkages with the larger criminal apparatus would be exposed.

## STATE AND LOCAL PARTICIPATION

The Task Force "Guidelines" state that one objective is "...to work fully and effectively with State and local drug enforcement agencies..." Program statistics show just how quickly and effectively this has occurred.

Over and above Federal funding for overtime and expenses, the mutual advantages of a Federal-State-local team are many. Partnership with the Federal law enforcement community provides non-Federal agencies with the capacity to extend investigations outside their normal jurisdictions. As Federal jurisdiction is nationwide, special deputization as a Federal officer and under the supervision of a Federal agency enables members of State and local departments to cross jurisdictional lines in conducting an investigation. Under this arrangement, a local police officer from Denver can participate legally in investigative work in California or Florida; a New Jersey State Police officer's authority to pursue a case investigation does not end abruptly at the Pennsylvania Stateline. Non-Federal agencies have also seen the payoff of this partnership whenever major drug traffickers in their areas receive stiff penalties imposed as a consequence of Federal statutes; which, in some instances, are more stringent than those otherwise available.

The asset forfeiture provisions of Federal law now provide greater incentives to State and local agencies to participate in the OCDETF Program. The Comprehensive Crime Control Act of 1984 makes it possible for non-Federal agencies to enhance their law enforcement activities by receiving a share of drug traffickers' assets forfeited as a result of joint investigations. Since its inception in mid-1985, the equitable sharing program has expanded rapidly. Through the program, the Federal government has distributed slightly more than \$135 million to State and local agencies. In 1987, the Justice Department shared over \$60 million in forfeited property and cash with State and local law enforcement agencies, 182 percent more than in 1986.

Participation in the Task Force Program gives local law enforcement agencies access to vastly greater Federal resources, including additional personnel, Federal investigative records, and the varied expertise of all of the participating agencies.

State and local participation is of great benefit to the Federal law enforcement community. State and local law enforcement agencies not

## Multi-Agency - Involvement in Investigations Resulting in Indictments and Informations\*

	%	#
DEA	66.2	2611
FBI	53.5	2109
IRS	44.7	1761
Local Investigators	39.0	1537
State Investigators	31.8	1254
Customs	17.4	687
BATF	15.4	606
Local Prosecutors	10.7	420
Other OCDE Task Force	9.0	354
State Prosecutors	4.2	164
Foreign Governments	3.9	153
Other	5.8	229

\*US Attorneys Offices/US Marshals Service = 100% or 3943

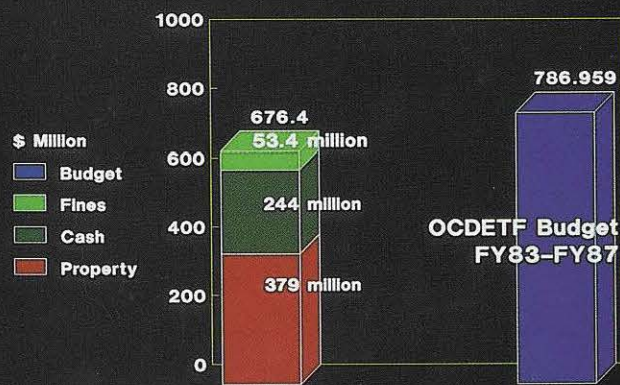
only provide additional personnel to the war on drugs, but also provide specific knowledge and expertise on drug trafficking in the local jurisdictions.

## Destroying the Means to Wage War

### FINANCIAL INVESTIGATIONS, SEIZURES, AND FORFEITURES

The ability and willingness of the Task Forces to use all the tools of financial investigation and asset seizure has grown dramatically since the Program began. Asset seizures have increased steadily since 1983, continuing in 1987 at a substantial level. Forfeitures of non-drug assets amounted to \$167 million during the first five years of the OCDETF Program. During this period, the total value of jeopardy and termination assessments against drug traffickers totaled \$657 million. The average assessment for this period was almost half a million dollars.

### Non-Drug Assets Seized Fines Assessed FY83-FY87



**Fines and Seizures FY83-FY87  
Exceeded 85% of The OCDETF Program Budget During This Period**

Because financial investigations, seizures, and forfeitures are among the most powerful weapons in the OCDETF arsenal, Congress has acted to make them still more effective. Legislation enacted by Congress in 1986, the Money Laundering Control Act, gives the Task Forces greater power to deal with drug trafficking organizations. Under this legislation, the act of money laundering, itself, is now a Federal offense. Previously, Federal Prosecutors had to rely on the violation of the Bank Secrecy Act reporting provision to apprehend and convict money launderers.

New legislative tools only strengthen the investigative techniques described earlier: financial search warrants, IRS investigations of Title 26 and Title 18 violations, as well as Title 31 investigations--those involving criminal violations by financial institutions. (The financial institutions required to comply with Title 31 include banks, casinos, savings and loans, credit unions, securities brokers, and other businesses, such as foreign exchange brokers.)

The OCDETF member agencies have constantly increased the effectiveness of agency coordination within the program. The experience that the Task Forces gained in financial investigations led to the founding of the Financial Enforcement Committee (FEC) in 1987. FEC has become the most active and visible coordinating body for national programs that attack drug traffickers' financial operations, their financial infrastructures, and the financial assets generated by their illegal trade. Besides OCDETF member agencies, FEC includes representatives from the Departments of Defense and State, the intelligence community, and INTERPOL.

# The Continuing Struggle

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In the past few decades, the growth of immensely wealthy criminal organizations dealing in drugs has defied conventional efforts to suppress them. The threat from these organizations has been both complex and pervasive. Drug traffickers have attempted to corrupt the body politic by corrupting public officials and have threatened to undermine the ethical and physical health of the nation's citizens by working to draw large numbers of participants into the drug world as distributors and users. A threat so diffuse could only be attacked by a program that would draw to an unprecedented degree on the skills and experience of a host of Federal and local law enforcement agencies.

By targeting high-level figures and powerful drug organizations, Program officials have shown a determination to strike at the heart of illegal drug trafficking. By initiating investigations that demanded a high degree of interagency collaboration, OCDETF has drawn on the expertise of its members in a way that none of its predecessors had. By making the fullest use of all of the techniques of financial investigation, the Task Forces have worked to bring down traffickers who could have been reached in no other way.

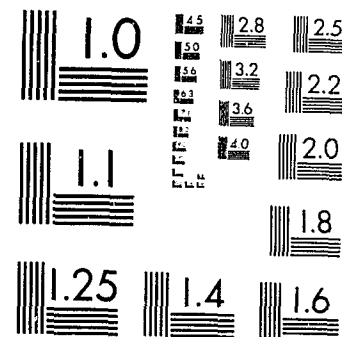
The ongoing threat of international drug trafficking cannot be minimized. The war is by no means over. Many difficult battles lie ahead. Yet, the OCDETF Program approach has produced the best results of any concerted effort to date. The evidence is persuasive that use of this model and its strategy can undermine, damage, and even destroy major drug trafficking organizations. From the accomplishments of its first few years, we can draw encouragement, as we move forward to the victory which must be ours.



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Annual Report of the

# ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE PROGRAM

March 1984

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Office of the Attorney General  
Washington, D. C. 20530

March 14, 1984

The Honorable Ronald Reagan  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

When this Administration took office, we targeted the reduction of crime as a key priority and initiated action to strengthen our law enforcement efforts, particularly in the area of organized crime and drug trafficking. For the first time in history, the FBI was brought into the drug battle. Moreover, we changed the posse comitatus laws to bring the Nation's military into the fight against crime. We also substantially increased the resources of Federal law enforcement -- by adding close to 1,000 new FBI and DEA agents beginning in FY 1981, and by increasing the Federal law enforcement budget by almost fifty percent over the past three years. Our multifaceted national strategy, however, had as its cornerstone the establishment of twelve new task forces whose mission was to identify, investigate, and prosecute high-level members of drug trafficking enterprises.

The Organized Crime Drug Enforcement Task Forces are now fully operational and are beginning to deliver impressive results. The Task Forces have facilitated functioning partnerships between and among Federal, State, and local law enforcement agencies, and have initiated significant cases against the organizers, financiers, and money launderers who direct and support organized drug groups. As of December 31, 1983, the new Task Forces had initiated over four hundred and fifty cases. Although the enclosed report covers only 1983 -- the first year of our new Task Forces -- the progress reported has continued and grown thus far in 1984. In fact, compared to all of 1983, there were twenty-two percent more cases in which indictments were returned in the first two months of 1984 alone -- and a thirty-two percent increase in the number of defendants indicted.

I am also pleased to report the progress of other elements of our strategy to fight organized crime and drug trafficking -- specifically, the Organized Crime Commission, the Governor's Project, and increased prison and jail space. The legislative initiatives so vital to the fight against crime have been positively acted upon by the Senate and await House of Representatives action. As a result of a Memorandum of Agreement signed by Secretary Regan and myself, the National Center for State and Local Law Enforcement Training has become fully operational,

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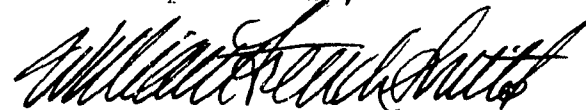
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training State and local enforcement personnel from 50 states in the past year.

In view of these accomplishments, it is particularly gratifying to me to transmit herewith the first annual report you requested be made to the American people through your office and the Congress. Copies are also being provided specifically to the Appropriations Committees and Judiciary Committees of the Senate and the House of Representatives.

Respectfully,



William French Smith  
Attorney General

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Annual Report of the

# Organized Crime Drug Enforcement Task Force Program

March 1984

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# Executive Summary

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On October 14, 1982, President Reagan announced an unprecedented Federal effort to sever the connection between drug trafficking and organized crime in the United States. The establishment of twelve Organized Crime Drug Enforcement Task Forces was among several initiatives the President directed. Other initiatives included:

- Establishment of the Organized Crime Commission, a panel of distinguished experts, to hold public hearings and analyze criminal organizations and their influence across the United States;
- Establishment of the Governors Project to enlist Governors in bringing about criminal justice reforms;
- Increased emphasis on training State and local law enforcement personnel at the Federal Law Enforcement Training Center;
- Supplementary prison and jail facilities; and
- A renewal of efforts to obtain passage by Congress of important criminal law reforms.

The President also requested a yearly report to the American people on the status of the fight against organized crime and organized criminal groups dealing in drugs. This is the first *Annual Report of the Organized Crime Drug Enforcement Task Force Program*. It includes an inventory of the progress of the other presidential initiatives.

The twelve Task Forces, keystone of the President's initiatives, are central to this report. The Task Forces began with a nationwide narcotics crime survey conducted by the ninety-four United States Attorneys. Geographic definitions for the twelve Task Force Regions were established and personnel allocations were fitted to each Region's requirements as determined from the nationwide

analysis. At the same time, under the direction of the Associate Attorney General and the Assistant Secretary of the Treasury for Enforcement and Operations, operating guidelines entitled *Guidelines for the Drug Enforcement Task Forces* were drafted, discussed, and redrafted by the enforcement agencies initially involved: the Internal Revenue Service, the U.S. Customs Service, and the Bureau of Alcohol, Tobacco and Firearms in the Department of the Treasury, and the Federal Bureau of Investigation and the Drug Enforcement Administration in the Department of Justice.

In January 1983 authorization was granted for 200 additional prosecutor positions for U.S. Attorneys and 1,000 additional investigator positions for Federal enforcement agencies. The agencies made available for these positions their most experienced narcotics and financial investigative personnel for Task Force cases, backfilling normal operations as fast as new agents could be hired and trained. Although some of these replacements were still in training, virtually all Task Force commitments were filled by October 1, 1983; and this was accomplished without reported damage to pre-existing agency operations. Thus, at year's end the Task Forces comprised 1,200 experienced agents and attorneys, supported by paralegal, research, and clerical personnel, all of whose efforts were focused on dismantling drug trafficking organizations.

Restrictive case selection rules were written to ensure that the Task Forces would take the more difficult course which is their mandate—attack high-level targets. In order to respond quickly to the emergency, as requested by the President, the Task Forces adopted 200 existing cases. The Associate Attorney General approved these initial investigations on a case-by-case basis. The criteria for approval included ongoing pre-indictment investigative work, the occurrence of narcotics distribution at an organized level, and the need for the skills of more than one law enforcement agency. Task Forces then proceeded individually to select additional worthwhile investigations to pursue, eventually developing 467 cases nationwide.

2

The cases, as well as the *Guidelines*, shaped the Task Forces. Where obstacles to progress occurred they were quickly overcome by the necessities of case development and prosecution. Then, as administrative and political matters began to sort themselves out, the first indictments were returned and prosecutions begun.

The principal defendants are from the highest levels of narcotics trafficking organizations. They include physicians, bankers, and public employees, as well as drug financiers, smugglers, and distributors. The cases are comprehensive in their exploitation of all criminal aspects of an investigation because the Task Forces are able to field a variety of investigative and prosecutorial expertise. Two hundred sixty-four indictments involving 1,232 defendants have so far been produced. Ninety of those defendants are charged under the Racketeer Influenced and Corrupt Organizations (RICO) statute. This charge carries a maximum sentence of twenty years' imprisonment and also provides for criminal forfeiture of all interests acquired in violation of the statute. Through December 31, 1983, fines, seizures, and forfeitures of cash and property exceeded \$50 million. Tons of narcotics and dangerous drugs were removed from the illegal marketplace and destroyed.

The most remarkable statistic may result from Task Force employment of the Continuing Criminal Enterprise (CCE) statute. This statute carries a maximum penalty of life imprisonment without parole opportunity and provides for forfeiture of the proceeds connected with the enterprise. In the first ten years following passage of this potentially powerful statute in 1970, grand juries returned only eighty-five indictments charging CCE violations. As high-level drug trafficking and enforcement activities increased, CCE indictments also increased from twenty-nine in FY 1981, to fifty-six in FY 1982, and to sixty-eight in FY 1983. Most of these record-making sixty-eight CCE indictments were returned in Task Force cases. In the first year forty-one cases, one-third of all indicted Task Force cases, included CCE indictments.

The Task Forces in their first year were not without internal challenges and growing pains. These are enumerated in this report with a view toward effecting their resolution. Just as local drug markets and criminal organizations differ, the twelve Task Forces differ in makeup, management systems, and case and intelligence development approaches. However, all are producing polished, significant cases, broad in scope, with vertical penetration into significant trafficking organizations to a degree never previously achieved. The synergistic work of a half-dozen Federal investigative agencies and guidelines that encourage pursuit of important potential defendants are the new weapons provided by the Task Force Program.

The most comprehensive information in this report is to be found in the narrative sections which, as a group, present a current review of drug trafficking organizations and a reliable picture of the Task Forces in operation and their progress in four areas of special emphasis: intervention at high levels of criminal organizations; coordination and cooperation between Federal agencies; participation by State and local agencies; and financial investigations, seizures, and forfeitures.

Some statistical measurements of drug availability and abuse are included in this report. As might be expected, no Task Force impact on the trends reflected in these data can yet be perceived. What the statistics do present clearly is the current magnitude of the problem, truly the major law enforcement challenge of this quarter-century.

Considerable progress has been made on the presidential initiatives, which were announced only eighteen months ago. This report presents specific data and activity summaries for 1983 on each initiative.

Organized criminal ventures, narcotics trafficking crimes in particular, have not abated. But the Organized Crime Drug Enforcement Task Forces and the supporting Federal, State, and local agencies have demonstrated new methods and a renewed spirit that may mark a turning point in the battle against illicit trafficking in narcotics and dangerous drugs.

# Background and Introduction to the Task Force Program

1

## Purpose, Rationale, and Methodology of the Annual Report

This report summarizes the first-year operations of the twelve Organized Crime Drug Enforcement Task Forces. President Reagan announced the Task Force Program and other drug enforcement initiatives on October 14, 1982. The Task Force Program was formally provided resources by Public Law 97-377, The Continuing Appropriations for 1983, enacted on December 21, 1982. Congress specified requirements for an annual report on the Task Forces.\* This report meets three congressional requirements: 1) that it disclose and compare certain statistical indicators of drug abuse, drug distribution, and narcotics law enforcement, 2) that it explain the Task Force Program's operational guidelines, and 3) that it provide examples of successful narcotics law enforcement and prosecution.† It also includes progress reports on the Organized Crime Commission, the Governors Project, the National Center for State and Local Law Enforcement Training, the program for supplementary prison and jail facilities, and the anti-crime legislative initiatives.

Since no national data for this report were accepted after February 1, 1984, most December 1983

data and, in some instances, data for the entire last half of CY 1983 are estimated. Investigations of the kind mandated to the Task Forces typically require years rather than months for development. Virtually all 1,232 of the Task Force indictments so far reported resulted from the 200 original investigations which were in a pre-indictment stage when the Task Forces began operating in 1983.

The fact that no Task Force has more than a year of institutional development and many have much less does not preclude progress but does tend to devalue the statistical results. As expected, in this first annual accounting reflecting both the growth of narcotics crime and the early inroads of the Task Forces, the data progression is not always favorable. Early arrest and conviction figures represent solid Task Force accomplishments, but as long as drug prices are stable and user figures climb, the statistics only demonstrate that still more effort is required.

The congressional requirements for explanation of the Task Force guidelines and examples of successful investigations are met in narrative format throughout this report. Data for this report were gathered by a small team comprised equally of Department of Justice personnel and criminal justice research consultants who interviewed 363 Task Force Personnel and other interested parties at the three major structural components of the Task Force Program—Washington, D.C., operations; regional core cities; and several of the districts.

Although this report is prepared by staff under the supervision of the Attorney General, the authors in fact are the agents, attorneys, and managers who subordinated personal and parochial concerns in the interest of providing an accurate and comprehensive review of the first year of the President's new offensives against organized criminal enterprises.

\* Requirements were outlined in the House and Senate Appropriations Conference Committee Report, December 20, 1982, as published in the Congressional Record (H10:632). The *Guidelines for the Drug Enforcement Task Forces* were adopted by the Attorney General on January 20, 1983, which became the effective start-up date.

† The term "narcotic," in its medical meaning, refers to opium, opium derivatives, or synthetic substitutes. In this report, the term narcotics is used to refer to all drugs that are traded illegally.

## Historical Overview of Drug Trafficking and the Federal Response

### Genesis of Drug Abuse in the United States

Throughout this country's history, drug abuse and resultant dependency have caused concern within families as well as the medical profession, law enforcement agencies, and legislative bodies. The use, sale, and distribution of illicit drugs have been problems in the United States from the days of the Yankee clipper ship captain secreting a few tins of raw opium in his sea bag to the current annual importation of hundreds of millions of dollars worth of heroin, cocaine, and marijuana by organized criminal syndicates. Only the substances of choice, the prevalence of abuse, and the means of dissemination have changed.

In the late eighteenth and early nineteenth centuries opium was prescribed by American doctors for a variety of ailments ranging from headaches to melancholy. Its medicinal use was in such favor that commercial poppy fields were established in Louisiana and Mississippi to meet the national demand. While signs of physical dependence were noted by physicians, it was not considered to be nearly as dangerous as alcohol or tobacco use. In fact, opium was often prescribed as a curative for the "immoral use of drink and tobacco."

***"The habit is gaining fearful ground among our professional men, the operatives in our mills, our weary serving women, our fagged clerks, our former liquor drunkards, our very day laborers, who a generation ago took gin. All our classes from the highest to the lowest are yearly increasing their consumption of the drug(s)."***

Fitzhugh Ludlow, *Harper's* magazine, August 1867

Widespread dependence did not occur until the turn of the nineteenth century, when morphine was synthesized from opium base. Hailed as a non-

addictive substitute for opium, it was even more widely prescribed and distributed than its predecessor. The isolation of the alkaloid derivative codeine and the invention of the hypodermic syringe in 1845 greatly enhanced the medical profession's use of narcotics to alleviate the ills of the American populace and furthered their potential for abuse.

The medicinal powers of the substances and the profit to be gained from their sale and distribution were recognized by the burgeoning pharmaceutical industry and by hundreds of smaller entrepreneurs and peddlers. Elixirs and nostrums as well as "soothing preparations for children" were available as over-the-counter medicines in pharmacies, barber shops, and general stores. These cheerfully labeled products, such as Mrs. Winslow's Soothing Syrup, Lydia Pinkham's Remedy, and Godfrey's Cordial, were composed of any of several opium derivatives—paregoric, laudanum, and codeine—all heavily laced with alcohol and sugar syrups. During this era, it has been estimated that 4 percent of the population of the United States or some 2.5 million individuals were also using some sort of opiate for non-medicinal purposes.

The Civil War, perhaps more than any other event up to that time, was a catalyst for American addiction. Due to inadequate field hospital facilities and the reliance on amputation to prevent the spread of gangrene, morphine was dispensed with minimal concern for its habit-forming properties. Its use was so widespread that the resultant addiction of tens of thousands of servicemen became known as the "soldier's disease."

In the 1880s, drug addiction was viewed by the medical profession and the American populace as a moral weakness similar to but far less odious than alcoholism. In contrast to the rapidly growing temperance movement, there was no outcry for abstention or even minimal controls on the manufacture or sale of opiates.

As the number of addicted individuals grew, however, the medical community became increasingly concerned. The prescription of opium products as well as the use of non-regulated patent medicines was increasing. While there was no question that opium products had beneficial medicinal properties, the debilitating results of long-term opiate use were being identified.

In the search for a substitute, heroin was isolated in Germany in 1895. Once again an opiate, this time heralded as "God's Own Medicine," was said to be a non-addictive, safe drug that was more effective than opium or morphine and could be used to treat and cure morphine addiction.

As society began to realize that the chronic use of opium and its derivatives was a national problem, a number of State laws were enacted that called for the confinement of chronic abusers in public institutions. However, the lack of available beds and inadequate treatment methods soon led to legislative measures directed at the control and distribution of opiates in order to combat widespread abuse.

### Early Federal Response

#### *Legislative Initiatives*

The first attempt at regulating the use and distribution of opium in the United States was legislated by Congress in 1909. Known as "An Act to Prohibit the Importation and Use of Opium for Other Than Medicinal Purposes," the bill was an outgrowth of the findings and recommendations of the 1908 Shanghai Convention and the American Opium Commission which Congress had established in 1908.

The legislation imposed criminal sanctions on illegal opium importation and directed the Secretary of the Treasury to establish guidelines and regulations that would ensure the registration of all opiate derivatives entering the country. The Act did not, however, deal with the domestic production, manufacture, or interstate shipment of opium products. Opium products were still available without a physician's prescription and were being marketed throughout the country through retail outlets and a growing mail-order trade.

Faced with a national consumption rate estimated at 400,000 pounds of opium a year and intense lobbying on the part of religious and civic groups, Congress responded with the passage of the Harrison Narcotic Act in 1914, which became the cornerstone of domestic narcotics policy. The Act, administered by the Department of the Treasury's Commissioner of Prohibition, imposed an excise tax on each ounce of opium, coca leaves, and opium alkaloids distributed. It further required every individual who was involved in narcotics importation, manufacture, sale, and distribution (including physicians) to pay an annual tax and register with the Treasury Department. Each registrant was required to keep complete records of each transaction and to provide these records to the Government upon request.

Certain individuals viewed the Harrison Act as a rational way to limit addiction and drug abuse through taxation and registration. It was a regulatory device which, according to the American

Opium Commission, "would bring the whole traffic and use of these drugs into the light of day and, therefore, create a public opinion against the use of them that would be more important, perhaps, than the Act itself" (Dr. Hamilton Wright, American Opium Commission). The Act was heralded as a method of drug abuse control and as a public awareness tool.

#### *Judicial Decisions*

The Harrison Act, at first glance, appeared to sanction the medical profession's treatment of addicted individuals with opium derivatives as long as the physicians duly registered with the Treasury Department, paid the required excise taxes, and prescribed the medication in good faith. However, the imposition of a tax as a regulatory measure, and the ambiguity of the "good faith" clause, destined the Act to judicial review and interpretation. In a three-year period, 1919 to 1922, the Supreme Court rendered three opinions that subsequently governed the enforcement of the Act. On May 3, 1919, the Court, in *United States v. Doremus*, ruled that the Act was within the taxing authority of Congress and did not violate the Constitution despite the fact that the excise tax was levied for other than revenue-raising purposes. On the same day, the Court handed down its decision in *Webb v. United States*. Dr. Webb, an acknowledged "script doctor,"\* was arrested for prescribing morphine to an addict not directly under his care. The Court ruled that Webb had violated the Harrison Act by prescribing morphine to the addict "for the sake of continuing his accustomed use," and not as a cure to his addiction. Finally, in a 1922 landmark decision, *United States v. Behrman*, the Supreme Court ruled that it was illegal for a doctor to prescribe narcotics to an addict on a maintenance basis even if the individual was a patient under the physician's care, stating that "such so-called prescriptions could only result in the gratification of a diseased appetite for these pernicious drugs. . . ."

\* Since the mid-1880s, doctors had been treating addicted individuals through maintenance programs, prescribing varying amounts of morphine or codeine on a regular basis. The vast majority of physicians who operated clinics for addicts as well as those who treated patients on an individual basis prescribed minimum dosages and obeyed the law, but a few, known as "script doctors," sold prescriptions on a graduated scale based upon the strength of the dosage and not upon its actual value or the patient's need.

These decisions set the stage for thousands of additional prosecutions. (From 1914 to 1922, over 50,000 individuals were charged under the Act although 75 percent of the charges were subsequently dropped.) Essentially, the Court had ruled that an acknowledged addict could no longer receive treatment on a maintenance basis from a physician. The result was that doctors ceased prescribing narcotics to known addicts. Their role was filled by pushers and illegal drug dealers. Addicted individuals now sought non-prescription narcotics from illicit sources.

#### *Law Enforcement Efforts (1914-1929)*

The passage of the Volstead Act in 1919, which outlawed the sale and distribution of alcohol, can also be viewed as a benchmark in the Federal effort to control the sale and distribution of narcotics. The Act established the Prohibition Unit in the Treasury Department and granted it the authority and responsibility for enforcing America's "noble experiment." Initially, it seemed logical to place the enforcement arm of the Harrison Act within the newly created Prohibition Unit. Accordingly, the Narcotics Division was formed with an initial staff of 170 agents and an appropriation of \$270,000 in 1919.

***"As in the case of most prohibitive laws, however, this one fell short of the mark. So far, in fact, that instead of stopping the traffic, those who deal in dope now make double their money from the poor unfortunates upon whom they prey."***

*Illinois Medical Journal*, editorial on the Harrison Act, June 1926

The record of the Narcotics Division was mixed. After the initial onslaught of arrests following the *Doremus* and *Webb* decisions, the Division concentrated on closing the few remaining clinics that were still in operation and on prosecuting street peddlers. While the number of convictions of those required to register under the Act fell markedly, the length of prison terms imposed escalated as judges and juries reacted to the public's growing

concern over the illegal drug trade. The result was overcrowding of Federal penitentiaries with narcotics violators and the call for "narcotics farms," which were to be administered by the Public Health Service.

***"Agents should discontinue investigating the corner drug-store and the family doctor and get after the smugglers and racketeers."***

Henry J. Anslinger, upon his appointment to the Commission of Narcotics, 1930

During this period the American Medical Association (AMA), which initially saw the Harrison Act as an effective means to rid the medical profession of unscrupulous doctors, became concerned about the perceived harassment of its members. The widespread investigation and the sometimes overzealous enforcement tactics of the Narcotics Division lead the AMA to question the Federal Government's role in the practice of medicine. Both the Treasury Department and the AMA closely followed the court cases revolving around the Harrison Act and the implications of the Court's decisions for the medical profession. Agents who formerly focused their attention on registered physicians were pressed by the Treasury Department and the AMA to concentrate their efforts on the blatantly illegal importation and sale of narcotics. Criticism of the Division's tactics and its close association with the enforcers of the "dry laws," which had become more and more an anathema to the American people, culminated in 1929. As a result of a scandal involving the falsification of arrest records, and charges of payoffs and collusion with dealers, drug enforcement responsibilities were removed from the Prohibition Unit and a separate Federal Bureau of Narcotics was created on July 1, 1930. This reorganization was the first of many to shape the mandate and, subsequently, the effectiveness of drug enforcement within the Federal Government.

The early years of the Federal Bureau of Narcotics were most notably marked by the successful shepherding and passage of the Marijuana Act and the attack on organized crime involved in narcotics. Although there was some interest in incorporating a ban on marijuana into the Harrison Act, it was not considered a sufficiently dangerous substance

at that time. A primary reason for its exclusion was its commercial value. Marijuana was still being cultivated widely in the South and Southwest as a natural fiber for making rope and twine. It was also used extensively in the pharmaceutical industry as an ingredient in veterinary medicines and as a base for corn plasters. Its potential for abuse based upon its euphoria-producing properties was seen to be far outweighed by its commercial value. However, the mood of the country and Congress began to change with regard to the potential dangers of marijuana in the 1930s as a result of the efforts of a small but vocal group of crusaders.

The Narcotics Bureau's leaders initially thought that the States should exercise their authority in the control of the drug. In its annual report of 1932, the Bureau played down the dangers of marijuana and instead called for passage of a Uniform State Narcotics Law to be adopted by the States. The Bureau argued that such adoption would facilitate a Federal, State, and local partnership in the control of marijuana and other drugs, signaling the first call for multi-organizational cooperation in the control and regulation of illicit drugs.

Despite the Bureau's position, State and local authorities continued to lobby for a Federal statute. Governors, State legislators, and a variety of civic and religious groups went to Congress with tales of marijuana-induced crime and violence. Faced with this outcry, the Bureau eventually became an ardent supporter of marijuana legislation.

Led by its Commissioner, the Narcotics Bureau and members of the House Ways and Means Committee drafted legislation to outlaw the importation, production, use, and distribution of marijuana. The Marijuana Tax Act passed in both the House and the Senate and was signed by President Roosevelt in the summer of 1937.

#### **Patterns of Drug Trafficking**

Although the Bureau supported the passage of the Tax Act, it still saw its primary mission as the interdiction of illegal narcotics and the enforcement of the Harrison Act. The Volstead Act, which had created the Bureau's predecessor, was, ironically, an impetus for the expansion of organized crime.

#### *The Rise of Organized Crime*

Prior to the 1900s, every major metropolitan area in the United States had tight-knit criminal gangs. The early gangs developed in tenements and ghettos populated by European immigrants who entered the country in massive numbers in the

1800s. The gangs primarily confined their activities to their own "turf," preying upon their fellow immigrants. Whether Chinese, Italian, Irish, or German, the gangs specialized in muggings, extortion, and loan-sharking. As the gangs or syndicates grew in size and wealth, they streamlined their organizations, relying to a large degree on the skills, education, and Americanization of second-generation members. There were greater profits and fewer risks involved in prostitution, gambling, and protection than in muggings or armed robbery. Accordingly, the membership began to include accountants, lawyers, and those with an entrepreneurial bent intent on cashing in with the rest of the country in the new era of prosperity.

When Prohibition came, the syndicates were ready. Using the skills and resources that they had developed over the last decades as well as their newly instilled business acumen, they moved into the bootleg business. Throughout the 1920s and early 1930s, they were responsible for the smuggling, distribution, and sale of hundreds of millions of dollars worth of illegally distilled spirits that the American public was more than eager to buy.

With the repeal of the Volstead Act in 1933, organized crime was faced with a major problem. The revenues derived from the production, importation, and distribution of illegal spirits suddenly evaporated. This income, which had nurtured and sustained the major criminal organizations, was reduced from an estimated \$80 million per year to a negligible amount received from infiltration into the trucking and hauling industries that moved the legal alcohol from wholesalers to retail outlets.

Due largely to experience gained in rum running and smuggling, and the existence of an elaborate distribution network, the illegal drug trade proved to be a natural transition for organized crime. While the potential profits were high, the market was minimal. The public's concern for the drug problem and criminal involvement was also minimal and sporadically expressed. Drug use was characterized in the popular press as a problem confined to public personalities such as Billie Holiday and others in the artistic community.

During the late 1940s and 1950s, the Federal Bureau of Narcotics continued its efforts to interdict illicit drugs coming into the country and prosecute distributors and dealers. Unlike the previous decades, however, the Bureau adopted a more moderate approach in its dealings with Congress as well as the American people. While still alerting the public to the dangers of narcotics abuse, it

concentrated on seeking harsher penalties and mandatory minimum sentences for narcotics violators. The Bureau focused its efforts on street vendors and known importers such as Arnold Rothstein, Vito Genevese, and Lucky Luciano.

#### *Current Patterns\**

The drug-related crime problem in the 1980s is not limited to traditional organized crime. In the past twenty years, newly organized criminal enterprises that deal not only in drugs but also in other criminal activities traditionally controlled by organizations such as La Costa Nostra have emerged.

Drug trafficking is a continuing criminal enterprise in which a series of criminal laws are violated for financial gain. It requires the collaboration of a large number of people in complicated organizational and financial structures. Drug organizations do not necessarily consist of individuals with the same ethnic background. Their commonality may rest on similar occupational groupings (e.g., doctors and pharmacists, lawyers and accountants), on coincidental association (e.g., prison gangs), or simply on common interests other than drugs (e.g., motorcycle gangs). These drug organizations often must depend on or actually ally with other groups in order to accomplish a particular aspect of the operation.

Regardless of the specific drug involved, as in any business structure drug trafficking organizations have various needs and hire individuals who will accomplish many tasks. They include financiers, logistics experts, exporters, importers, wholesalers, retailers, and recruiters. This separation of function promotes efficiency and protects the organization. The loss of any one member does not threaten the stability of the whole organization. Only the upper echelon has knowledge of the entire operational structure.

Like traditional organized crime groups, these organizations seek to protect themselves with vows of secrecy and loyalty, enforcing their strict discipline by threats of violence. In the major organizations, the bonds are further strengthened by ethnic and family ties.

*Traditional Organized Crime.* The term "organized crime" is not synonymous with any one group; many varieties and combinations of criminal groups are properly included within the definition. There

\* Information for this section of the report was provided by the FBI, DEA, and IRS.

does exist at least one criminal organization that is national in scope—La Cosa Nostra, or LCN, sometimes referred to as the Syndicate or the Mob.

Today, LCN consists of a confederation of twenty-four "families," each operating within similar organizational structures and using similar methods. Though each member is affiliated with a particular family, all recognize that they are part of a national organization. There is substantial evidence of a "commission" that resolves inter-family disputes, ratifies new bosses, and, at times, issues orders on matters of common concern.

LCN has remained intact in this country largely as a result of its organizational structure and unyielding requirements of loyalty and discipline, enforced by threats and violence. Although its members may be bound together by common ancestry, blood relationships are not required or implied by the use of the term "family."

*Other Organized Crime Groups.* Other organized groups from varied geographic, ethnic, and racial backgrounds are involved in illegal activities, including the traditional rackets and narcotics. For example, prison-spawned gangs developed inside the California State Prison System in the 1960s. They remain mostly a West Coast phenomenon and are quasi-military, violence-prone, highly structured criminal enterprises that operate both inside and outside prison walls. They engage in a wide range of criminal activities including narcotics and weapons trafficking, extortion, robbery, and murder. Known prison gangs include the Mexican Mafia, La Nuestra Familia, the Aryan Brotherhood, and the Black Guerrilla Family.

Other ethnic groups emerging in this country include the Japanese Yakuza and the Chinese Triad Societies.

Another major organized crime group includes the approximately 800 outlaw motorcycle gangs in the United States. These gangs have graduated from lawless, hell-raising motorcycle riding outlaws to sophisticated criminal organizations. The leaders sometimes wear three-piece suits, drive expensive cars, run legitimate businesses, and only wear their "colors" or ride their bikes on special occasions. The largest and most significant of these gangs are the Hells Angels, Outlaws, Pagans, and Bandidos. The Hells Angels and Outlaws have chapters in other countries as well.

Outlaw motorcycle gangs derive the bulk of their finances from illegal activities including prostitution, vehicle theft, burglary, and the manufacture and distribution of illicit drugs. Methamphetamine and phencyclidine (PCP) are the drugs

most often associated with outlaw motorcycle gangs but they also traffic in cocaine, heroin, and methaqualone.\*

Organized crime groups cross national boundaries as well. For example, operating within the United States, violent Colombian criminal organizations are exploiting the cocaine market. The Drug Enforcement Administration (DEA) has identified ten to twelve Colombian organizations which control the majority of cocaine traffic to the United States. During the 1960s and 1970s, the Colombians expanded their roles as producers and couriers for other distribution networks to the actual smuggling and distributing of drugs themselves. Although they have gained a foothold in many U.S. cities, their primary infrastructure and U.S. distribution points remain in South Florida.

*The Professionals: Commerce, Finance, the Law, and Medicine.* There is one central ingredient in a narcotics organization upon which all others actively depend for their continued operation. This ingredient can best be described as the "professionals" in an organization. They are the importers, distributors, financiers, and money launderers. Historically, this group remained insulated by front company nominees and middlemen because the various law enforcement agencies lacked sufficient resources to pierce this veil of secrecy. Traditionally, their participation in organized crime has meant supplying capital to finance drug ventures or laundering proceeds collected through the distribution of drugs.

Recently the lure of easy, almost limitless wealth, obtainable in a relatively short period of time, has resulted in new drug trafficking organizations formed by some of these professionals. These types of organizations are unique in that they are often composed of individuals from all social and economic classes who have no previous criminal records and are respected members of their communities.

In many instances these trafficking organizations are structured along corporate lines, with each member of the organization having a specific function and definite place in the chain of command. Many times the members operate conglomerates of several small, organized groups which handle one or more of the drug trafficking activities—finance, importation, transportation, storage, security, distribution, money laundering, etc. Although these

\* It is estimated that at least 60 percent of the methamphetamine available in this country is controlled by outlaw motorcycle gangs.

organizations are not traditional LCN organizations, they employ techniques, technical equipment, and disciplines normally associated with LCN.

More and more frequently money laundering specialists are being utilized by these drug trafficking organizations as well as the traditional criminal organizations because they are skilled at devising sophisticated techniques to dispose of the enormous amounts of currency and at converting the illegally generated profits to paper entries and other less suspicious forms.

These money laundering specialists sometimes prove to be attorneys, bankers, and accountants. They may not only help launder the illicit drug money, they may also provide financing for the drug trafficking organizations. Accountants have been utilized to keep the books of the drug trafficking organizations and many times help disguise the source of the drug proceeds. Laundering these drug proceeds through U.S. financial institutions may involve the cooperation of bankers, money brokers, and their associates.

Another group of drug trafficking professionals are the doctors, stockbrokers, engineers, and other businessmen who help finance the importation and/or distribution of large quantities of drugs. These individuals are the silent partners, taking very little risk, yet reaping phenomenal profits. These importers/exporters are "clean" because they, too, are usually respected members of the community having no previous criminal records.

Another highly sophisticated criminal group consists of those medical professionals who divert controlled drugs from health-care channels into the illicit market. These activities are frequently financed and controlled by traditional organized crime groups which have discovered that there are enormous profits to be made by diverting controlled drugs while hiding behind the medical cloak of respectability.

Law enforcement problems arise because of the thin line between legitimate and illegitimate practice. In diagnosing various illnesses and prescribing or dispensing the type and amount of drugs for treatment, physicians necessarily require wide latitude in judgment. Proving that this judgment involves criminal intent is extremely difficult.

In order to obtain a conviction, the prosecution must prove that a physician's activity was outside the scope of legitimate medical practice. The investigation of this type of crime relies on the analysis of such things as a doctor's prescribing or dispensing patterns, clinic records, the extent of a doctor-patient relationship, and drug purchases. These investigations are very complex and

time-consuming, and the prosecution must satisfy a heavy burden of proof.

This type of criminal enterprise is not limited to single practitioners; organizations have also been formed to divert controlled drugs under the guise of medical care facilities. These clinics are often well-equipped and staffed to maintain the facade of a legitimate practice. They are frequently owned and operated by non-medical personnel. One such organization netted an individual over \$5 million in two years and involved several physicians who conspired with over forty retail pharmacies to fill illegal prescriptions. Millions of dosage units of highly abused controlled drugs have been diverted into the illicit market by these clinics.

The scope of the diversion by one group may extend across State lines and encompass an entire region within the United States. This has become a national and international phenomenon as licit controlled drugs become the drugs of choice because of the consistent quality and widespread availability.

#### Federal Enforcement Efforts in the Modern Era

To fully appreciate the evolution of Federal drug enforcement activities during the 1980s, it is necessary to understand the political and bureaucratic climate that, to a large extent, governed their development in the 1960s and 1970s.

***"The present activity of the Federal Government regarding drug abuse is fragmented. The divisions, agencies, and bureaus of five cabinet departments are involved. Inherent in this fragmentation is a lessened emphasis on the problem of drug abuse because other, more primary duties face each official. A strong, well-coordinated general policy for the operating divisions at lower levels has not been developed."***

The President's Advisory Commission on Narcotics and Drug Abuse, 1963

After a twenty-year hiatus, concern about the "national drug problem" resurfaced at the State level in the early Sixties. In both the California and New York 1962 gubernatorial campaigns, central issues were teenage drug abuse and crime in the streets. Accusations, on the one hand, of being soft on drug dealers, and on the other hand, of treating drug abuse as a criminal activity rather than a disease, permeated both campaigns. As a result, public attention was sharply focused on the issue and there was increased pressure from the public as well as State, local, and congressional officials for new Federal initiatives to deal with narcotics addiction and crime.

#### Presidential Commissions

A direct outgrowth of public concern was the convocation of the White House Conference on Narcotics and Drug Abuse in 1962, which led to an Executive Order establishing the Advisory Commission on Narcotics and Drug Abuse the following spring. The Commission's findings, made public in November 1963, called for a complete overhaul of the Federal narcotics enforcement system. Specifically, the Commission recommended the following:

- The transfer of enforcement powers from the Department of the Treasury to the Department of Justice, with the oversight of all activities by a "drug czar" appointed by the President;
- The transfer of education and information responsibilities (non-enforcement) from the Treasury Department to the Department of Health, Education and Welfare;
- The transfer of regulation and control of licit dangerous drugs (amphetamines, barbiturates, etc.) from the Food and Drug Administration to the Department of Justice;
- An increase in the number of narcotics agents; and
- The liberalization of rules and regulations governing the use of wiretaps and pen registers in order to facilitate criminal investigations undertaken by Federal agents.

The Commission's recommendations received approval by the Administration but did not come to immediate fruition. The assassination of the

President later that month and the initial priorities of the Johnson Administration relegated the Commission's findings to the back shelf for the next few years.

In 1965 President Johnson, faced with a rising national concern over the misuse of barbiturates and amphetamines as well as the highly publicized proliferation of LSD among college-age youth, created his own advisory panel on drugs and narcotics. The Commission on Law Enforcement and Administration of Justice was charged with the formidable mandate of undertaking a comprehensive study of the nation's crime problem and providing recommendations to coordinate its eradication on all fronts. The Task Force on Narcotics and Drug Abuse, a subcommittee of the Commission, was directed to study current Federal drug enforcement procedures and develop criteria for streamlining and consolidating them.

Based upon the findings of both presidential commissions, President Johnson sent his reorganization plan of 1968 to Congress. In his message, he stated:

... I call for the creation of a new and powerful Bureau of Narcotics and Dangerous Drugs. With this action, America will serve notice to the pusher and the peddler that their criminal acts must stop ...

In many instances, we are confronted by well-organized, disciplined and resourceful criminals who reap huge profits from their unfortunate victims. The response of the Federal Government must be unified, and it must be total ...

When the plan was submitted to Congress it received mild criticism. Some members who had fought hard in 1965 for the creation of the Bureau of Drug Abuse Control within the Food and Drug Administration held hearings to highlight that Bureau's success in reducing the number of clandestine laboratories which produced illicit amphetamines, barbiturates, and hallucinogens. Despite this attempt to retain autonomy, the Bureau of Drug Abuse Control along with many of its enforcement, informational, and analytical counterparts throughout the executive branch had its functions transferred in April 1968 to the newly created Bureau of Narcotics and Dangerous Drugs (BNDD) within the Justice Department.

#### International Enforcement

When Richard Nixon succeeded President Johnson in 1969, BNDD was still in its formative stages. President Nixon had made crime and drug abuse two primary issues in his campaign and, accordingly, instructed his Attorney General to make good on the campaign promises by cracking down on drugs and crime.

Task Force One was created in the spring of 1969 to design programs that would have an immediate effect on the importation of heroin and other illegal drugs that were crossing the borders in increasing amounts. The Task Force, headed by the Associate Attorney General and the Assistant Secretary of the Treasury for Enforcement and Operations, developed the first major interagency attempt at border interdiction. Labeled Operation Intercept, it sought to bring the personnel and resources of the U.S. Customs Service and BNDD into a single entity to close the Mexican border to narcotics smugglers and to demonstrate to other countries the commitment of the United States to eradicating the importation of illegal drugs.

Operation Intercept consisted of more than 2,000 Customs, U.S. Border Patrol, and BNDD agents and was described as the "country's largest peace-time search and seizure operation conducted by civil authorities." While little in the way of illegal drugs was confiscated during the three-week operation, and relations were somewhat strained between the United States and Mexico due to the inordinate delays in processing tourists through the checkpoints, Operation Intercept was hailed as a successful effort in interagency cooperation.

As a result of the operation, Justice Department officials realized that interdiction would continue to be hamstrung without the cooperation and assistance of those countries from which the drugs originated. Therefore, the President launched new international efforts to stem the flow of drugs. Operation Intercept was converted to Operation Cooperation in the fall of 1969. One of the first efforts included the provision of direct financial aid to the Government of Mexico for purchasing aircraft and training support personnel in order to halt the drug flow before it reached the U.S. border.

In the years that followed, diplomatic initiatives were undertaken with Turkey, Burma, India, Mexico, and several Caribbean nations to curtail their production of poppies and marijuana with the financial assistance and support of the United States.

To attack the problem of drug supplies from overseas, DEA established two Special Action

Offices, one in Mexico in 1975 and the other in Southwest Asia in 1979. These were major coordination mechanisms, designed to focus enforcement efforts, diplomatic initiatives, and public support on the significant opium poppy cultivation and heroin trafficking problems originating in Mexico and Southwest Asia.

DEA also assigned agents to overseas posts as advisors to the U.S. Missions on drug enforcement and control matters. They collected and exchanged intelligence with host country counterparts and facilitated the formation of specialized narcotics enforcement agencies throughout the world.

The results of these efforts were mixed. Poppy production beyond that authorized by the Government for legitimate medical uses was curtailed in Turkey, but production increased in Pakistan and Iran. Mexican marijuana fields were uprooted and decimated by aerial spraying, but the void was quickly filled by Jamaican, Colombian, and home-grown crops.

In addition, syndicates' development of the Colombian cocaine trade, which was dismissed by the Colombian Government as minimal, was growing geometrically year by year. The Colombian Government's reluctance to act highlighted the fact that an effective "war on drugs" had to be fought with the full cooperation of all governmental units involved at both the national and international levels.

#### *Comprehensive Drug Abuse Prevention and Control Act of 1970*

The Nixon Administration inherited a panoply of laws and regulations relating to drug abuse, treatment, and enforcement when it assumed control in 1969. Not only were the statutes often overlapping and at times contradictory, but they also required enforcement by more than a dozen Federal agencies and bureaus. In an effort to bring a semblance of order to this situation, the Administration drafted and Congress passed the Comprehensive Drug Abuse Prevention and Control Act of 1970. The Act codified and simplified all Federal drug-related legislation and provided the Justice Department with extraordinary new powers, including life sentences for offenders engaged in Continuing Criminal Enterprise violations and the authority to determine the classification and restrictions on all drugs marketed within the United States. It also provided for the establishment of treatment programs and drug education efforts.

With estimates of the number of heroin addicts running into the hundreds of thousands, the

Administration sought to address the problem by bringing federally financed treatment centers under one centralized authority. In June 1971, the President, by Executive Order, established the Special Action Office on Drug Abuse Prevention. As a major component of the Administration's drug policy, it provided an informational clearinghouse for Federal drug abuse studies; and it coordinated the expansion of the federally financed treatment centers program and that program's integration into the newly formed National Institute on Drug Abuse within the Department of Health, Education and Welfare.

#### *Office of Drug Abuse Law Enforcement*

Another Executive Order, issued in February 1972, established the Office of Drug Abuse Law Enforcement (ODALE). ODALE was created as a result of the Administration's concern that BNDD and Customs could not act with the swiftness and precision that a single agency vested with authority and power could. The unit, directed from the Executive Office of the President, was staffed with agents detailed from BNDD, Customs, IRS, and the Bureau of Alcohol, Tobacco and Firearms as well as some fifty attorneys hired through the Justice Department. Because it was not part of an official reorganization approved by Congress, ODALE was financed through a series of grants from and contracts with the Law Enforcement Assistance Administration (LEAA). ODALE essentially existed as a "super agency" with control over all other narcotics enforcement units. ODALE had the unqualified support and backing of the President and was empowered to take the lead in the Administration's "war on heroin," with a particular emphasis on street-level trafficking.

While ODALE registered some initial successes, it became evident that the massive job of drug enforcement could not be accomplished through a confederation of agents and lawyers detailed from throughout the Government and orchestrated by a centralized administrative unit. This realization, combined with a series of infamous raids involving mistaken identities conducted by ODALE agents, led the Administration to reexamine its approach to the drug abuse problem.

Despite attempts to consolidate the various drug enforcement powers into the Bureau of Narcotics and Dangerous Drugs, interagency rivalries, jealousies, and overlapping jurisdiction persisted. Reports of agency non-cooperation and ineffectiveness forced the Administration and Congress

to once again restructure the Federal drug enforcement system.

#### *Reorganization Plan No. 2*

On March 28, 1973, Reorganization Plan No. 2 was sent to Congress. The heart of Reorganization Plan No. 2 was the consolidation of all Federal enforcement activities into one overall lead agency, the Drug Enforcement Administration (DEA). The Plan, which was approved by Congress after considerable debate, survived a disapproval resolution and became effective on June 7, 1973.

Essentially, the reorganization brought ODALE, BNDD, the White House's Office of National Narcotics Intelligence, and the 700 narcotics agents within Customs under DEA's purview. It transferred intelligence, investigative, and law enforcement functions of drug enforcement from the Treasury Department to the Justice Department. While Reorganization Plan No. 2 took a number of positive steps toward consolidation, it did not prove to be the hoped-for panacea. For the next several years, the Government continued to experience difficulty in conducting interagency operations in narcotics enforcement, despite the goodwill efforts of the agencies involved.

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

"Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes," GAO Report to the Congress, October 25, 1979

#### *Central Tactical Units*

The DEA played an increasingly crucial role in the coordination of Federal drug law enforcement; and during the 1970s a number of inter-agency efforts were launched. The most successful of these was the Central Tactical Units (CENTACs), established in 1974 to bring to bear an intense concentration of enforcement efforts on selected drug trafficking targets throughout the world. Over twenty-six CENTACs were established during the period 1974 to 1981 to concentrate national investigative efforts on such notorious groups as the Jaime Herrera, John Grammatikos, and Donald Steinberg organizations. Each of the twenty-six CENTACs achieved significant enforcement results by drawing personnel not only from DEA but also from State and local agencies and a host of Federal agencies.

CENTACs were organized to operate beyond the normal DEA regional operations. They were centrally administered, received special funding, and, most importantly, were geared toward conspiracy investigations culminating in long prison sentences and the forfeiture of drug-related assets. They were mandated to concentrate investigation and prosecution on the Continuing Criminal Enterprise (CCE) statute and the Racketeer Influenced and Corrupt Organizations (RICO) statute, both of which allow for forfeiture of profits garnered through specified criminal activities.

From 1976 to 1979, CENTAC operations accounted for 12 percent of all narcotics violators arrested by DEA while utilizing less than 3 percent of DEA personnel. Heavy prison sentences were imposed on a number of trafficking organization leaders.

In its assessment of the CENTAC program, the General Accounting Office (GAO) noted that while the arrest and conviction rate of high-level traffickers was impressive, CENTACs failed to utilize the statutory resources available to attack the assets of those convicted. According to the GAO assessment, DEA lacked experience in financial investigations, and U.S. Attorneys lacked experience in the use of forfeiture statutes. GAO also related that law enforcement agencies felt that the use of such prosecutorial methods was inordinately time-consuming. Finally, GAO noted that asset seizures were not clearly enough established as a critical goal in CENTACs' operational plans.

#### *Coordination of Intelligence Efforts*

Coordination of the Federal drug law enforcement effort cannot be restricted to coordination of

enforcement personnel and resources. Intelligence is an essential element of any law enforcement agency and crucial to those coordinating a drug law enforcement effort. For this reason, the El Paso Intelligence Center (EPIC) was founded in 1974. The Center, which was initiated and is administered by DEA, provides tactical intelligence to Federal, State, and local law enforcement agencies around the country. Since 1974, EPIC has grown from a border intelligence unit to a twenty-four-hour-a-day intelligence center, with worldwide capabilities to collect, process, and disseminate information concerning illicit drug trafficking as well as the smuggling of aliens and weapons. This unique cooperative effort is staffed by personnel from the Drug Enforcement Administration; U.S. Immigration and Naturalization Service; U.S. Customs Service; U.S. Coast Guard; Bureau of Alcohol, Tobacco and Firearms; Federal Aviation Administration; U.S. Marshals Service; Federal Bureau of Investigation; and the Internal Revenue Service.

In addition to EPIC, the coordination of Federal drug information systems made additional strides in the 1970s as a direct result of the computer revolution. The Narcotics and Dangerous Drugs Information System (NADDIS), PATHFINDER, and the System to Retrieve Information from Drug Evidence (STRIDE), which were developed by DEA, provide instant access to millions of investigative records from DEA and all Federal, State, and local agencies involved in drug enforcement.

To further expand the sharing of drug intelligence and information, the National Narcotics Intelligence Consumers Committee was established in 1978. This committee, chaired by DEA, includes representatives from the White House and the Departments of Treasury, Justice, Transportation, Health and Human Services, State, and Defense. Representatives from the Central Intelligence Agency and the National Security Agency attend as observers. The Committee is charged with the publication of the annual "National Intelligence Estimate on the Supply of Drugs to the U.S. Illicit Market from Foreign and Domestic Sources."

#### *FBI-DEA Coordination*

Another attempt at interagency cooperation involved the creation of the FBI-DEA task forces in 1977. Task forces located in Chicago, New York, and Los Angeles were established to test the feasibility of joint operations. The task forces com-

bined the FBI's expertise in organized crime and conspiracy investigations with DEA's expertise in narcotics investigations. While maintaining jurisdictional authority and utilizing its own investigative techniques, personnel, and information sources, each agency was supposed to supplement its counterpart's efforts.

After two years of operations, the joint task forces were disbanded in 1979, except for the Los Angeles operation, which continued with a small detachment from each agency. According to a GAO report and several critiques of the program, disagreements over investigative techniques and restrictions on case selection were the primary reasons for the failure of the program in two out of three locations.

Early in 1982, the Attorney General responded to the continuing narcotics crisis by reorganizing DEA and making it responsible to the FBI. At the same time, the Attorney General gave the FBI concurrent narcotics and controlled substances enforcement jurisdiction. These actions significantly expanded the personnel and resources available for the war against organized crime and drugs. It was determined that combining the capabilities of the FBI in management and administration with the narcotics investigation expertise of DEA would result in more effective Federal drug enforcement efforts.

Increased experiments—not all successful—in cooperation and coordination were hallmarks of Federal drug law enforcement in the 1970s. Despite all of these efforts, illicit drugs still continued to damage the fabric of American society.

#### *South Florida Task Force*

During 1981 and 1982 the State of Florida, particularly South Florida, was beset with a series of circumstances which were unique in American history. Because of its thousands of miles of coastline, hundreds of commercial airports and clandestine airstrips, heavy concentration of international cargo and tourist traffic, the expanding nature of its international banking activities, and its proximity to source countries in South and Central America, South Florida became the avenue for an estimated 70 to 80 percent of all marijuana and cocaine and a significant percentage of methaqualone (Quaaludes) illegally entering the United States.

The intense competition between the smugglers, and rising crime in general, added a particularly sinister aspect to South Florida's crime

problem—the proliferation of illegal automatic weapons. Submachine guns became the weapon of choice for gang warfare and drug-related assassinations. There was also an influx of staggering amounts of criminally obtained U.S. currency into South Florida, which resulted in Miami's becoming a major center for the laundering of billions of dollars through its extensive domestic and international banking community. In short, epidemic drug smuggling, laundering of massive amounts of "narco-bucks," and the use of illegal automatic firearms created a crime crisis in South Florida.

As a result of the leadership of a specially formed citizens group, Miami Citizens Against Crime, South Floridians began to fight back. In the fall of 1981, the community formulated a broad-based response to crime, which it urged upon all levels of government.

On January 28, 1982, President Reagan noted that the Federal Government had a special responsibility in South Florida and that the Federal Government would do what it could to reduce the problem. He established a Federal Task Force comprised of the very highest officials in his Administration and chaired by Vice President Bush. This Task Force includes the Secretaries of State, Defense, Transportation, Treasury, and Health and Human Services, the Attorney General, and Presidential Counselor Edwin Meese III. The South Florida Task Force was created to assist and coordinate Federal efforts with those of State and local authorities in order to reduce crime.

The primary initial objectives of the South Florida Task Force were to reduce significantly the influx of illegal drugs coming through Florida by greatly increasing air, sea, and land interdiction efforts, and to arrest and convict smugglers apprehended in smuggling activities. The principal feature of the Task Force, which added a new dimension to South Florida law enforcement, was the establishment of the DEA-Customs Joint Task Group, which became operational on March 15, 1982. The agreement enhanced the Task Force's ability to interdict and investigate drug-related crime by joining DEA's and Customs' authority and capability for conducting narcotics investigations.\*

#### *The Call for the Task Force Program*

Because the drug trafficking problem is enormous and the Federal Government has limited

resources for enforcement and prosecution, the Attorney General charged a *pro tempore* committee composed of executive personnel with the responsibility of framing a broader policy and new approaches to the problem of drug trafficking. The study group consisted of the Deputy Attorney General, the Associate Attorney General, and similarly high-ranking personnel from the Treasury Department.

The conclusion reached by the planners was that no single agency could cope with the problem. They also concluded that many previous cooperative ventures, although limited in scope by comparison, provided the promise that agencies can cooperate and that only full-scale teamwork could meet the crisis without unduly impinging on the freedoms of citizens.

In this environment, the Attorney General recommended to the President that a multi-agency task force utilizing a broader spectrum of Federal, State, and local criminal justice agencies be authorized to deal with the problem of drug trafficking in the United States. On October 14, 1982, the President announced a comprehensive eight-point program to attack drug trafficking and organized crime. The Organized Crime Drug Enforcement Task Force Program was proposed as the keystone of this new Federal initiative. Concurring with the President, Congress authorized the necessary funds for the Task Force Program in December 1982.

\* Another major effort against the national narcotics problem was announced by the White House in March 1983, several months after the creation of the Task Force Program. The National Narcotics Border Interdiction System (NNBIS) was created and charged with coordination and dissemination of intelligence pertinent to interdicting drugs crossing U.S. borders. Six NNBIS Centers, headed by Customs and Coast Guard personnel, gather and coordinate information. NNBIS was conceived and initiated in part because of the South Florida Task Force's success in closing the traditional avenues of smuggling. Other Federal agencies serve as members of the NNBIS staff and provide liaison personnel and intelligence analysts for follow-up on cases within their own agencies. Liaison with State and local law enforcement has also been established, which facilitates the gathering and analysis of intelligence information relative to interdiction matters.

# The Task Force Concept

## Purposes and Principles of the Task Force Program

The previous chapter describes the situation in mid-1982—the widespread availability of drugs, the role of organized crime in narcotics operations, and the status of law enforcement activities. Despite efforts of law enforcement agencies, narcotics trafficking was flourishing. The traditional approach to drug enforcement had had minimal impact on the major organizations responsible for narcotics trafficking.

The traditional approach commonly starts with the arrest of a street-level pusher. An enforcement officer buys a drug from the pusher, arrests the pusher, and tries to identify the source of supply. Successive efforts are made to reach higher levels of the organization. Those efforts have limited success, however. The organizations are too complex; the costs in time and money are more than most agencies can afford; and the drug organizations extend beyond the boundaries of a single agency.

When there is success from this approach, it is often short-lived. Criminal organizations have demonstrated remarkable powers of regeneration for developing new appendages to replace those shorn off by law enforcement. In order to destroy the entire organism, the concept of the Organized Crime Drug Enforcement Task Force Program was developed. The Task Force Program was to integrate the capabilities of Federal investigative and prosecutorial agencies and maximize the use of such sophisticated and effective techniques as financial investigations in addition to using traditional methods.

### Coordinating Efforts

The Task Force Program constitutes a nationwide structure which combines agencies' resources and techniques in concentrated, long-term operations designed to attack and destroy narcotics trafficking organizations. Effective and comprehensive attacks on major drug organizations are often beyond the capacity of a single agency. Agencies working together can accomplish things that the

same agencies working separately cannot. A multifaceted attack on drug organizations requires many kinds of expertise, combined into a comprehensive and orchestrated investigation. Thus, for example, by uniting the physical and electronic surveillance abilities of the Federal Bureau of Investigation, the undercover skills of the Drug Enforcement Administration, the tax and financial knowledge of the Internal Revenue Service, the resources of the U.S. Customs Service for tracking international movements of people and funds, and intelligence gained from U.S. Coast Guard maritime activities, the full forces of the drug enforcement community are brought to an investigation. The Task Force Program further broadens this base with the local intelligence resources of State and local law enforcement agencies and adds to the impact by utilizing attorneys' skills at an early stage of investigation. Joining such diverse abilities and resources is the underlying thrust of the Task Force Program.

### Developing a Model and Principles

The idea of a task force is not a new or radical concept. A number of models have been tried in the field of narcotics enforcement. Several cooperative task force efforts were under way in 1982. Exciting things were being accomplished by Operation CITADEL in Detroit; a financial investigative task force in South Carolina was making significant breakthroughs; and numerous cities were experimenting with cross-designations and different task force configurations. What was needed was an approach that would generate a national program by building on the successful models and avoiding the shortcomings of others.

The designers of the Task Force Program looked carefully at existing and preceding task force models and devised guiding principles that could support the concept and enhance its chances of maximum success. First, the Task Force Program was to be national in scope. The pervasiveness of the drug problem, the mobility of the traffickers, and the magnitude of their organizations are such that localized responses would be insufficient. For

example, drug dealing organizations reacted to the concentrated law enforcement efforts in South Florida by quickly and simply dispersing their operations to other parts of the country. The Task Force Program had to blanket the nation in order to respond effectively to organizations capable of operating across jurisdictional, State, and national boundaries.

Second, it was agreed that the Task Force Program should create a structure that would facilitate numerous agencies acting in concert to attack a common problem. The agencies involved have varying methods of operation, different jurisdictional limits and prerogatives, and, in some instances, histories of institutional rivalries or jealousies. Such institutional differences were the shoals on which previous joint efforts foundered. The traditions and attitudes that had been established over many years could not be expected to disappear overnight or by fiat. In order to prevent diverse institutional attitudes from blocking a cooperative effort, a consensus model was adopted. The consensus approach is not always the most efficient and has other potential drawbacks. But, in order to ensure maximum commitment and cooperation on the part of all participating agencies, a consensus-based decision-making process was to be installed in the Task Force Program, from the national level through to the district or even case levels.

Third, the Task Force Program had to avoid creating a new bureaucracy. Participants in the Task Force Program were to retain their own organizational affiliation and identity as well as access to their agencies' records and resources. Utilization of existing organizational resources would contribute to the speed of start-up, with minimal disruption to other operations. The Task Forces would be supported from Washington by a small administrative unit and by participating agencies. The formation of the Task Force Program was not to diminish the roles and responsibilities of existing agencies, nor create any new, elite enforcement agency. Such new creations in the past often had had a negative effect on the cooperation and morale of existing agencies.

Fourth, the Task Force Program was to be highly decentralized so that each element could respond appropriately to challenges. This flexibility would allow Task Forces to use available resources in the manner most appropriate for a given locality. The primary decision-making roles would be in the field, not in Washington.

Finally, the Task Force Program had to have the quickest possible start-up. The focus on high-level targets dictated that Task Force operations would be long-term. Nevertheless, the Task Force

Program had to move rapidly into an effective operational posture because the drug trafficking problem was enormous.

### Overview of the Task Force Program's Structure

These guiding principles were the building blocks of the Task Force Program concept and are integrated into the structural and operational design of the Task Force Program. The premise of this design is that devoting enhanced Federal resources to the investigation of high-level traffickers—by improving coordination and integrating the activities of Federal investigative and prosecutorial agencies on selected cases—will constitute a more effective law enforcement effort.

As announced by President Reagan, the Task Force Program comprises twelve regional Task Forces covering all of the country except Florida, where the South Florida Task Force has been operating since January 1982. (The map on page 31 indicates the location of the twelve Task Forces.) Participating Federal agencies include the U.S. Attorneys' offices, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the U.S. Customs Service, the Bureau of Alcohol, Tobacco and Firearms (ATF), the Internal Revenue Service (IRS), the U.S. Coast Guard, and the U.S. Marshals Service. In each Task Force the U.S. Attorney at the regional headquarters, known as the core city, is accountable for overall Task Force performance. The Task Force Coordination Group, composed of representatives of the participating agencies, coordinates Task Force operations within the Task Force Region. The Task Force elements in each Federal judicial district other than the core city are monitored and assisted by the District Drug Enforcement Coordination Group. The Task Forces operate in accordance with the *Guidelines for the Drug Enforcement Task Forces*.

Some 1,200 Assistant U.S. Attorneys and investigative agents are allocated for full-time participation in the Task Forces. Task Force attorneys and agents remain under the direct supervision of their respective agencies, but they conduct investigations jointly with other Task Force agents and attorneys.

The Task Force appropriation for FY 1983 was \$127.5 million (see Appendix C for an explanation of Task Force Program budget allocations). This includes the personnel costs of the agents, attorneys, and support personnel; special funds for equipment, expenses, and information or evidence purchases; funds for reimbursement to State and local agencies for travel and per diem costs and for overtime activities in support of Task Force cases; and funds for expanding correctional facilities.

At the national level, the Associate Attorney General chairs the Organized Crime Drug Enforcement Task Force Working Group (OCDETF Working Group), which formulates policy and monitors the Task Force Program. The OCDETF Working Group is composed of representatives of all the participating agencies. A small Task Force Administrative Unit, located in the Office of the Associate Attorney General, supports the Task Force Program.

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## Linkages Between Objectives, Activities, and Missions

The goal of the Task Force Program is to destroy the operations of organizations engaged in drug trafficking in this country. The Task Forces' objectives are specified in the *Guidelines for the Drug Enforcement Task Forces* as follows:

1. To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large-scale money laundering organizations;
2. To promote a coordinated drug enforcement effort in each Task Force area and to encourage maximum cooperation among all drug enforcement agencies;
3. To work fully and effectively with State and local drug enforcement agencies; and

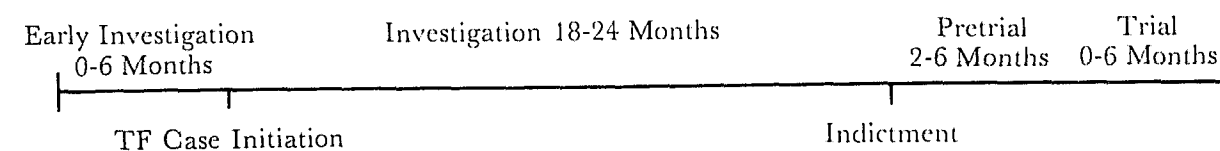
4. To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, in order to identify and convict high-level drug traffickers and enable the government to seize assets and profits derived from high-level drug trafficking.

Early in 1983, about 200 cases were selected as Task Force cases. They had been initiated by participating agencies in 1982 or even earlier. By March 1983, the Task Forces had begun originating their own cases, selected according to criteria in the *Guidelines*. By early summer, there were 260 active cases. The total number grew to 467 by year's end.

By their nature, major drug cases are long-term undertakings. Exhibit 1, based on Department of Justice estimates, illustrates the timing of a typical case.

Cases require varying amounts of time for completion. The original 200 Task Force cases were already at varying stages of development when they became Task Force cases. Hence, the 467 first-year cases fall at different points on the case time-line. Though a few cases have run their course, most are still approaching completion. There is a considerable time lag before the program's activities are converted into results. Only two cases have been closed as completed; 260 sentences have been reported. Most of the cases continue. Since the time frame for an average major drug trafficking case is from twenty to forty-two months, the achievement of program goals cannot be measured by the first twelve months of the Task Force Program's operation.

**Exhibit 1**  
**Time Frame for Major Drug Cases**



Statistical indications relating to Task Force Program benchmarks are given elsewhere in this report.\* To date the Task Force Program has 467 cases, with some 2,072 *principal* potential defendants. Twenty-six percent of Task Force cases have resulted in one or more indictments, against a total of 1,232 individuals. Many of these cases contain continuing investigations, frequently against the major potential defendants.

Statistics are only one indication of activities that are moving the Task Force Program toward its objectives and goals. The Task Force Program challenge is to ensure that its activities will eventually lead to the achievement of its long-term goals. Though statistical indicators are not yet valid measures of the Task Force Program's progress toward completion of its mission—the effective attack on significant drug trafficking organizations—a different kind of success is apparent. The Task Force Program is successfully converting principles and objectives into structure and operations and, by achieving this, is directing activities toward defined goals.

## Guidelines and Procedures

The content of the *Guidelines for the Drug Enforcement Task Forces* and their development process illustrate both the high achievement and the cooperative philosophy of the Task Force Program. The *Guidelines* were intended to assist U.S. Attorneys, Special Agents in Charge (SACs) for Task Force agencies, and other investigative and prosecutorial personnel in establishing and operating the regional Task Forces.† Within thirty calendar days of the President's announcement of the Task Force Program, the first draft of the *Guidelines* was developed and ready for dissemination. Input was requested from members of the OCDETF Working Group, agency representatives, U.S. Attorneys, SACs, and agents and prosecutors in the field.

The promulgated *Guidelines* present standards and procedures which are sufficiently broad and flexible to allow for individual Task Forces to

\* Exhibit 6, p.103, illustrates the relationship between the number of cases selected by the Task Forces, the number in which indictments have been returned, and other benchmarks of the Task Force Program's first year.

† The senior supervisory personnel of investigative agencies' offices have a variety of titles. Since several are called Special Agent in Charge, for simplicity they are all referred to in this report by the acronym "SAC."

develop in a manner that meets the special needs of their areas. The standards and procedures are, however, sufficiently structured and uniform to ensure that the fundamental purposes of the Task Force Program are served and that Task Force resource expenditures can be monitored and assessed.

The *Guidelines* establish the program goals of identifying, investigating, and prosecuting high-level members of drug trafficking enterprises, and the dismantling of their organizations. The regional Task Forces are charged with focusing on cases involving members of major drug trafficking organizations, particularly:

- Traditional organized crime figures;
- Other organized criminal groups (e.g., street gangs, prison groups, major outlaw motorcycle gangs, etc.); and
- The professionals—individuals and organizations that are importing and/or distributing large amounts of controlled substances, or are financing the fore-going; and physicians or pharmacists illegally dispensing substantial quantities of prescription drugs.

The *Guidelines* delineate the structure of the Task Force Program. For the national program components they describe the OCDETF Working Group and the Task Force Administrative Unit. The *Guidelines* also describe the field operations of the Task Force Program. Each of these program elements is described in greater detail later in this report.

The *Guidelines* state that each of the twelve regional headquarters cities (core cities) should establish a separate Task Force office which should include the Assistant U.S. Attorney Task Force Coordinator and the Agency Task Force Coordinators from each of the participating investigative agencies. These shall comprise the Task Force Coordinating Group. They further direct that all designated Task Force agents and attorneys should be senior personnel from their respective agencies and that administrative staffs should be kept small.

The non-core, district cities are not intended to have separate Task Force offices or any administrative staff. Instead, each district is to establish a District Drug Enforcement Coordination Group, consisting of the U.S. Attorney, the investigative agency Task Force SACs, and a representative of State and local law enforcement. This group is to coordinate Task Force and non-Task Force drug cases in the district and is to work

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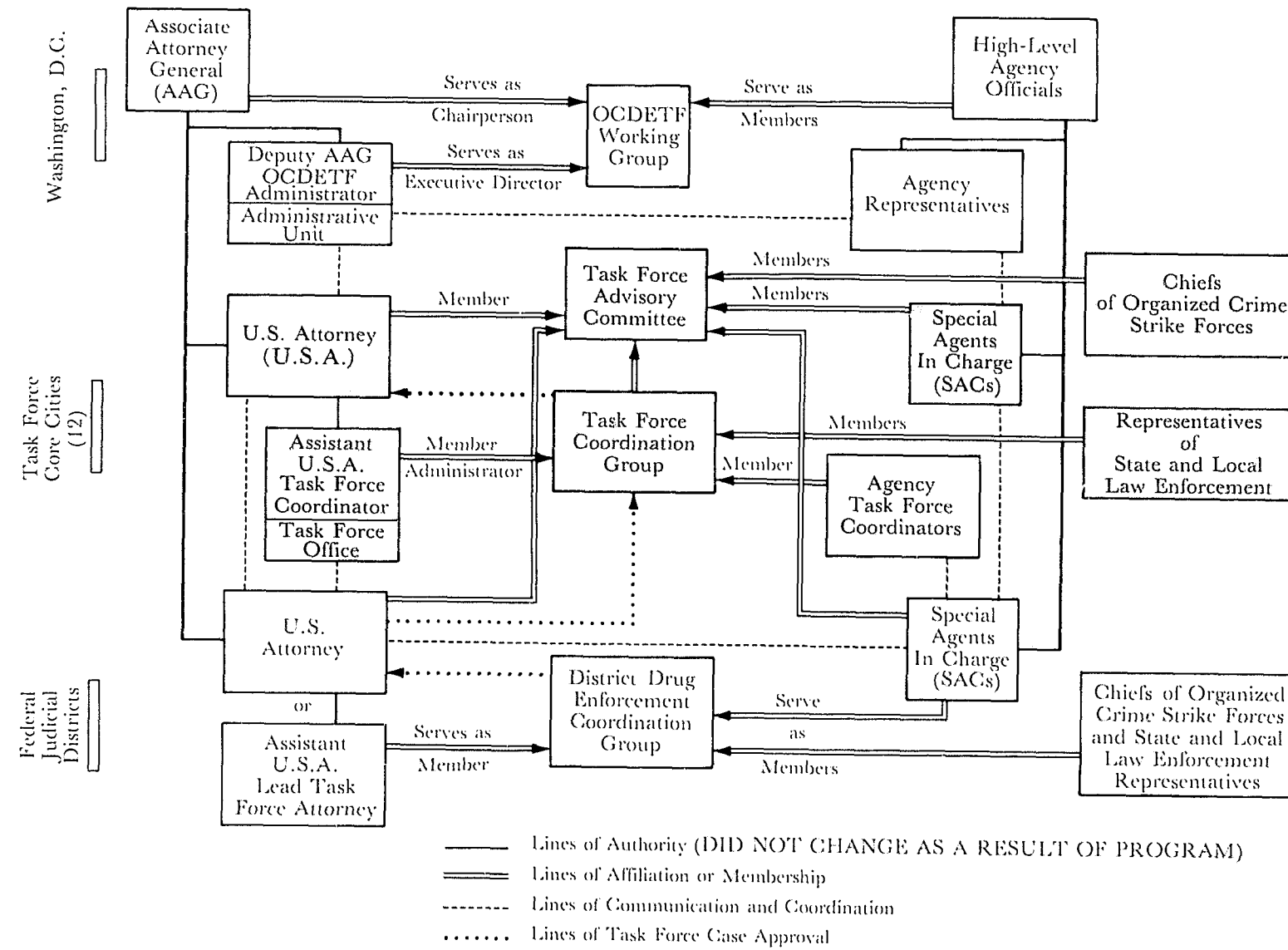
in close conjunction with the district Law Enforcement Coordinating Committee.

The *Guidelines* also discuss Task Force procedures. Initial Task Force case selection included case approval in Washington. From that point on, case selection would be done entirely in the field. The process of case selection is described in further detail in Chapter 4.

As had been envisioned by the drafters of the *Guidelines*, each of the twelve Task Forces would operate in the manner most appropriate for the unique situation within its jurisdiction. Thus the *Guidelines* are viewed not as a bureaucratic strait-jacket into which each Task Force must snugly fit, but as the polestar by which the development of Task Forces might be guided.

## Exhibit 2 The OCDE Task Force Program

Organized Crime Drug Enforcement Task Force Program Annual Report



# The Task Force Program in Washington, D.C.

## Structure of the Policy-Making and Administrative Elements

The Task Force Program is a decentralized system, where operational control is localized and administrative functions are conducted to the greatest possible extent through existing departmental and agency systems. This decentralization has eliminated the need to create new and elaborate structures. With the exception of an administrative unit, the national program is guided by committees comprising representatives of existing cognizant Federal departments and agencies. The functions performed in Washington are clearly limited to broad-scale policy formation, program oversight, national record keeping, administrative support, and last-resort problem solving. The Washington elements of the Task Force Program are described below. (Also see Exhibit 3.)

### The Cabinet Council on Legal Policy and the Working Group on Drug Supply Reduction

The Cabinet Council on Legal Policy, chaired by the Attorney General, is charged with review of national policies, interagency coordination, and intergovernmental cooperation. The committee is supported by the Working Group on Drug Supply Reduction, chaired by the Associate Attorney General. (The membership list of the Working Group on Drug Supply Reduction is provided in Appendix E of this report.)

### The Organized Crime Drug Enforcement Task Force Working Group

The Organized Crime Drug Enforcement Task Force Working Group (OCDETF Working Group) is also chaired by the Associate Attorney General. The OCDETF Working Group is composed of ranking officials from Justice, Transportation, and Treasury agencies. (See Appendix F for a complete roster of OCDETF Working Group members.) The OCDETF Working Group is responsible for articulating policy and coordinating the development and maintenance of the Task Force Program. The OCDETF Working Group

serves as the dispute resolution forum for those issues which could not be resolved at the regional or district levels. Members of the Working Group also provided significant assistance to the Attorney General during the Task Force Program resource allocation and guidelines development processes.

### The Washington Agency Representatives Group

The OCDETF Working Group is supported by the Washington Agency Representatives Group. (See Appendix G for a roster of its members.) This group provides problem resolution research for the Working Group, such as background and options papers. During the initial stages of Task Force Program development, the agency representatives were meeting as often as twice a week. Currently, monthly meetings are scheduled. The agency representatives often coordinate day-to-day Task Force activities within their own agencies and among others. The Washington Agency Representatives Group was instrumental in the drafting of the *Guidelines* and in the process of Task Force resource allocation.

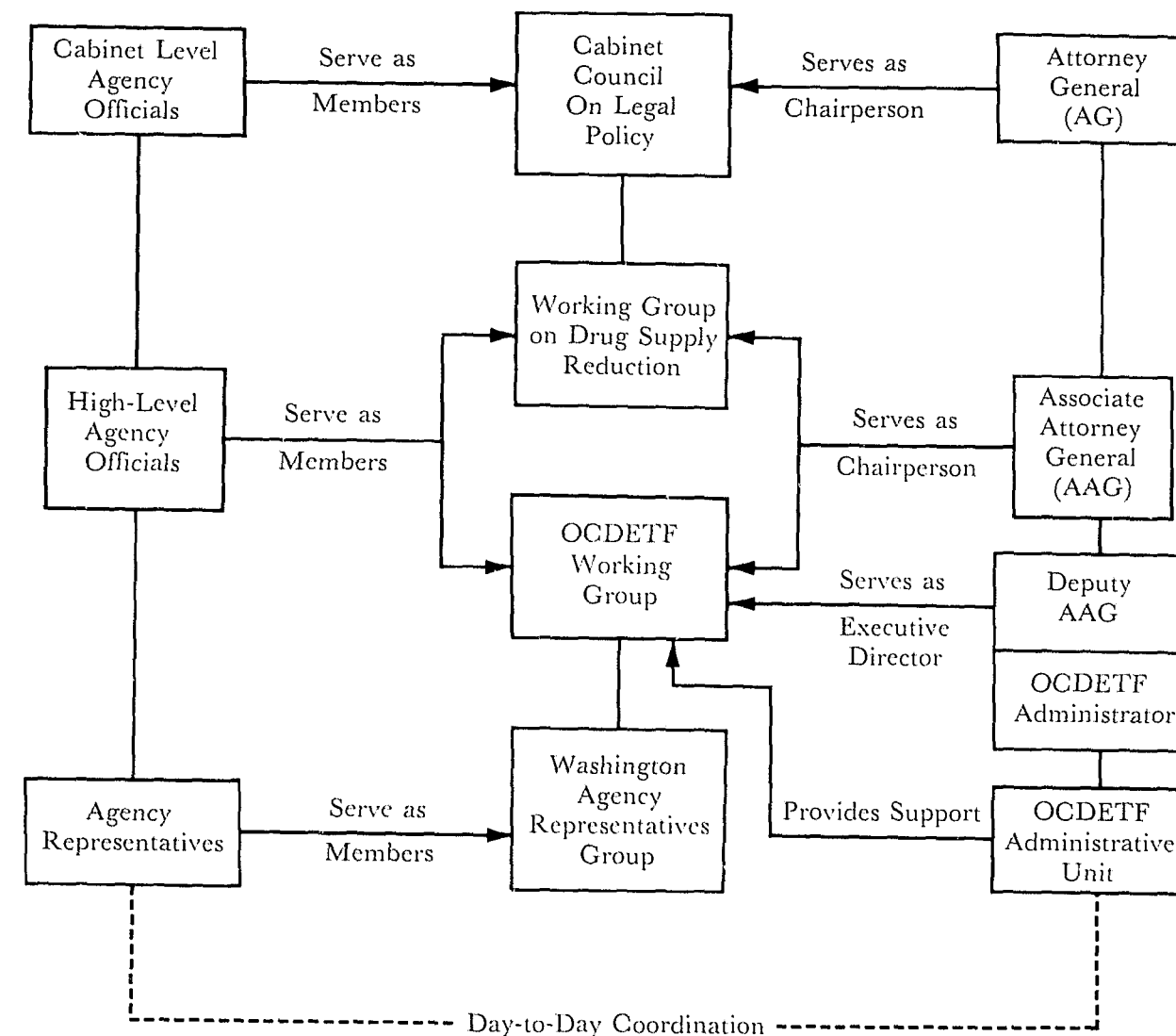
### The Task Force Administrative Unit

The Deputy Associate Attorney General supervises the Task Force Administrative Unit while also serving as the Task Force Program Administrator and the Executive Director of the OCDETF Working Group. The Administrative Unit is responsible for reviewing structural and operational guidelines, establishing and monitoring the Program's case reporting system, coordinating the national program on a daily basis, and assisting the regional Task Forces.

## Agency Interaction and Coordination

Over the years, the agencies participating in the Task Force Program have worked together successfully on many significant narcotics and other

Exhibit 3  
Structure of the Washington Elements  
of the OCDE Task Force Program



criminal justice activities. Efforts include the South Florida Task Force, the Financial Investigative Task Forces, and the joint activities of the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigation (FBI) resulting from the designation of concurrent drug investigative jurisdiction in January 1982. There have been times, however, when interagency differences over leadership and jurisdiction have resulted in lost opportunities and less-than-optimal outcomes.

During the early months of Task Force activities, agency field personnel looked to their Washington headquarters to provide much of the general direction, sense of commitment, and operational guidance required to translate the language of the *Guidelines* into functioning Task Forces. While the experienced investigators and attorneys have been able to resolve in the field most details of investigations and prosecutions, they have relied on Washington to address any longstanding problems of interagency conflict and jurisdiction which had often hindered previous multi-agency efforts. And, to a degree surprising to many of those involved, there has been significant progress in this area.

Two major issues concerning agency jurisdiction and cooperation have emerged, been considered, and been resolved at the national level—the question of designating Title 21 authority to the U.S. Customs Service and the issue of whether and how to designate a lead agency to provide overall direction and leadership on Task Force cases. Examining these two issues is instructive both for what it reveals about the content of the key issues themselves—Who is allowed to do what? Who is in charge?—and for what it reveals about the process of Task Force conflict resolution, the role of the OCDETF Working Group, and the willingness of participating agencies to compromise for the benefit of overall Task Force operations.

#### Title 21 Designation

The genesis of the Title 21 question can be traced back a decade to Reorganization Plan No. 2 of 1973. This Plan, in an attempt to provide more effective coordination of the Federal law enforcement effort, transferred major authority for narcotics investigation, intelligence gathering, and law enforcement to the Attorney General while explicitly retaining within the Department of the Treasury functions related to narcotics searches and seizures along the nation's borders. Despite attempts by Customs and DEA to clarify roles and jurisdictions under the reorganizations, the somewhat confusing language of the Plan—and the

rivalries which emerged when the agencies were confronted with apparently overlapping mandates—hindered efficient joint operations.

In developing a Task Force Program model that would enhance interagency cooperation, the question of how to facilitate effective DEA-Customs interaction came to the fore. By the end of summer 1983, Task Force participating agencies recognized that a resolution of this issue was critical to effective case operations in the field and to demonstrating that DEA and Customs could settle a long-term problem. Failure here would call into doubt the viability of the Task Force concept and strengthen the suspicion of some agencies that their roles and contributions would not be valued.

During the late summer and early fall of 1983, agency position papers were presented and the issue was discussed within the participating agencies and among their representatives. At the same time, the agency heads at the OCDETF Working Group level were addressing the debated points through a series of interagency meetings. In early December, prior to a meeting of the OCDETF Working Group which had this issue on its agenda, the heads of DEA and Customs met with the Associate Attorney General and the Assistant Secretary of the Treasury for Enforcement and Operations to resolve the Title 21 question. Out of this meeting, and a subsequent meeting of the OCDETF Working Group, emerged a draft "Request for Assistance" from the Attorney General to the Secretary of the Treasury. This document delegates authority to the DEA Administrator to grant specific U.S. Customs agents and investigators, under the supervision of DEA personnel and for a designated time period, the powers to:

- Conduct investigative, intelligence gathering, and law enforcement activities related to the suppression of illicit drug trafficking;
- Execute and serve search, arrest, and other relevant warrants as provided by law; and
- Make certain arrests without warrants and seizures of property as specified in the Controlled Substances Importation/Export Act.\*

\* It should be noted that this agreement is not limited to Task Force cases.

On January 5, 1984, the issue was settled when the Attorney General signed the "Request for Assistance and Authorization Respecting Drug Enforcement Activities of Certain Customs Officers in Domestic Drug Investigations." While it is certainly true that a decade of conflicting views cannot be overcome immediately by a stroke of the pen and that actual implementation of the agreement in the field must precede final judgment, it is apparent, even now, that the promulgation of this "Request" represents an outstanding accomplishment, made possible largely by the Task Force Program. By assisting in the settlement of this dispute, the participating departments and agencies have demonstrated their commitment to the Task Force concept. They have given the Task Force investigators and prosecutors in the field greater flexibility and a new weapon with which to fight the drug rings. They have given their own personnel the clear message that the President's call for interagency coordination in the pursuit of the Task Force mission shall be achieved.

#### The Lead Agency Question

After much debate, it was decided that no single agency should be designated as the lead Task Force agency. This was done for both operational and organizational reasons. From a case management perspective, being able to designate a lead case agent for each case as it is brought in and developed rather than predetermining a lead allows Task Forces the flexibility to assign case leads which are most fitting to the nature of each investigation. It also allows for a change of lead if the nature of the case changes as, for example, when what began as essentially a firearms case evolves into a financial investigations case. From an organizational standpoint, designation of a single lead agency would make it difficult to maintain morale and a spirit of cooperation in participating agencies that never assumed the lead function and whose agents had to repeatedly turn over promising leads and lines of investigation.

As plausible as these points appear, there are also persuasive arguments in favor of a designated lead. One could argue, for example, that, since all Task Force cases involve narcotics violations, the DEA—with its unique authority, expertise, and level of Task Force resources—together with the FBI would be the most effective overall lead. These agencies could call upon the skills and resources of the other Task Force participants as necessary. Another suggestion posed by some of the participating agencies with fewer Task Force personnel has been to strengthen the position of the Assist-

ant U.S. Attorney Task Force Coordinator to serve as lead, assuming something of an impartial stance toward the various agencies. This view is firmly opposed by agencies which hold that investigative rather than prosecutorial agencies should retain professional control of intelligence gathering and investigative functions.

Of course, leadership and coordination of cases must be provided. The Task Force model allows for this designation to occur in the field. In most instances, the agent who brings in the case becomes the lead or coordinating agent. Any disputes or changes in this function are resolved by the Agency Task Force Coordinators. The Task Force model anticipates that the experienced personnel assigned to Task Force duties will understand the requirements of each case and that, in most instances, a consensus on case leadership and management can be achieved. And, in fact, this seems to be occurring.

The "who's in charge" question is certainly central to any discussion of agency interaction. The Task Force model as developed in the *Guidelines* is implementing a way of working together which allows for flexibility and for each agency to retain its individual structure and line of authority. While not a familiar model, it is one which appears to be working to achieve the necessary level of coordination without spawning a new bureaucracy or placing one participating agency above the others. The continuing willingness of the agencies to work within a Task Force structure which promotes cooperation and consensus decision making rather than single agency self-interest is further evidence of the viability of the model.

#### Working Toward Coordination

Interagency relations at the national level are influenced by politics, history, and the pragmatics of getting the job done. Each participating agency must balance its commitment to the Task Force concept with its fundamental mission. Some competition and rivalries will inevitably develop between highly competent and motivated organizations which must navigate within common and often murky jurisdictional waters. Yet in spite of all this, and a Task Force design which places minimal constraints on the participating agencies, coordination at the national level is working. Issues are transmitted either up the chain of command in the field or from the headquarters themselves and are addressed by the agency representatives and OCDETF Working Group. Once resolved, these overall policy decisions are communicated back to the field to guide program operations.

The process of issue resolution is a complicated one. While program operation questions can be answered by agency representatives once direction is given by the OCDETF Working Group, major policy issues must be addressed by agency heads. Not surprisingly, much of the give-and-take on this level occurs in smaller meetings and conversations rather than in heated debates at OCDETF Working Group sessions.

While it is far too early to pronounce final judgment on agency cooperation, the signs are quite encouraging. The Task Force agencies are putting aside their parochial concerns in favor of the overriding national goal of more effective drug enforcement and this, if it continues, can create the organizational climate which will enable the Task Force Program to succeed in its mission.

## The Task Forces in Field Operations

4

There are three entities within the Task Force Program's field structure: twelve Task Forces or Task Force Regions, the districts, and the core cities. The Task Force Regions are administrative and reporting units, not operational entities. Each Region comprises two or more Federal judicial districts. The core city is one of the several districts in a Task Force Region, distinguishable by the fact that it is the locus of the Task Force Coordination Group for the Region. The non-core city districts are the remaining judicial districts within a Task Force Region.\* The Task Force Regions and districts are listed in Exhibit 4.

The following describes the elements of the Task Force Regions, their organizational structure, their relationship to one another, some examples of how they operate, and some of the difficulties they encounter.

### The Task Force Regions

The Task Force Program is divided into twelve Regions, each of which encompasses a number of Federal judicial districts. The smallest number of districts in a Task Force is two (Los Angeles/Nevada Task Force) and the largest number is twelve (Southeast and South Central Task Forces). One district within each Task Force Region is designated as the "core city." (See Exhibit 5 for the location and configuration of the twelve Task Forces and their Regions.)

#### The Core City U.S. Attorney

The senior official responsible for the overall performance of a Task Force is the U.S. Attorney for the Federal judicial district in which the core city is located. The U.S. Attorney is accountable for Task Force activities to the Associate Attorney General, and is responsible for establishing a Task Force Advisory Committee and a Task Force Coordination Group. While core city U.S.

Attorneys are responsible for coordination of activities within their Region, they have no line authority over any attorneys outside of their own districts.

#### The Task Force Advisory Committee

The core city U.S. Attorney chairs the Task Force Advisory Committee; committee members are the other regional U.S. Attorneys, the Assistant U.S. Attorney Task Force Coordinator, the Agency Task Force Coordinators, the regional Task Force agency Special Agents in Charge (SACs), and the regional Organized Crime Strike Force Chief(s). This committee has general responsibility for oversight of the Task Force, including guidance on policy and procedures within the framework of the *Guidelines*. It must monitor Task Force cases and adjust resource allocations in response to the needs of each case. The frequency and nature of the meetings of these committees vary considerably from one Task Force to another. For example, some committees can be unwieldy in size. In the Southeast Task Force, the full committee would be composed of some thirty people. Therefore, much of the business of the Advisory Committee is managed through informal consultation on an individual basis, rather than in plenary meetings.

The following examples illustrate the kind of coordinative activities core city U.S. Attorneys often, but not always, carry out in conjunction with the Advisory Committee:

- In most of the larger Regions, the core city U.S. Attorney convenes meetings and the Task Force U.S. Attorneys from the districts attend. The core city U.S. Attorney in Detroit rotates the location of meetings, so that other Great Lakes Task Force U.S. Attorneys have the opportunity to serve as host. This enhances the level of regional Task Force participation by U.S. Attorneys in the districts.
- Some core city U.S. Attorneys have adjusted personnel allocations within

\* For the sake of clarity, this report uses the term "core city" to refer to the core city district, and "district" to refer to the non-core city districts.

**Exhibit 4  
Task Force Regions and Districts**

<u>Task Force</u>	<u>Core City</u>	<u>Number of Districts</u>	<u>Judicial Districts Included</u>
Great Lakes	Detroit	8	Kentucky, Eastern District Michigan, Eastern District Michigan, Western District Ohio, Northern District Ohio, Southern District Pennsylvania, Western District West Virginia, Northern District West Virginia, Southern District
Gulf Coast	Houston	8	Louisiana, Eastern District Louisiana, Middle District Louisiana, Western District Mississippi, Southern District Texas, Northern District Texas, Eastern District Texas, Southern District Texas, Western District
Los Angeles/ Nevada	Los Angeles	2	California, Central District Nevada
Mid-Atlantic	Baltimore	7	Delaware District of Columbia Maryland Pennsylvania, Eastern District Pennsylvania, Middle District Virginia, Eastern District Virginia, Western District
Mountain	Denver	8	Colorado Idaho Montana Nebraska and Iowa North Dakota South Dakota Utah Wyoming
New England	Boston	8	Connecticut Maine Massachusetts New Hampshire New York, Northern District New York, Western District Rhode Island Vermont

**Exhibit 4  
Task Force Regions and Districts (Cont.)**

<u>Task Force</u>	<u>Core City</u>	<u>Number of Districts</u>	<u>Judicial Districts Included</u>
New York/ New Jersey	New York	3	New Jersey New York, Eastern District New York, Southern District
North Central	Chicago	9	Illinois, Central District Illinois, Northern District Indiana, Northern District Indiana, Southern District Iowa, Northern District Iowa, Southern District Minnesota Wisconsin, Eastern District Wisconsin, Western District
Northwest	San Francisco	8	Alaska California, Eastern District California, Northern District Guam Hawaii Oregon Washington, Eastern District Washington, Western District
South Central	St. Louis	12	Arkansas, Eastern District Arkansas, Western District Illinois, Southern District Kansas Kentucky, Western District Mississippi, Northern District Missouri, Eastern District Missouri, Western District Oklahoma, Northern District Oklahoma, Eastern District Oklahoma, Western District Tennessee, Western District
Southeast	Atlanta	12	Alabama, Middle District Alabama, Northern District Alabama, Southern District Georgia, Middle District Georgia, Northern District Georgia, Southern District North Carolina, Eastern District North Carolina, Middle District North Carolina, Western District South Carolina Tennessee, Eastern District Tennessee, Middle District

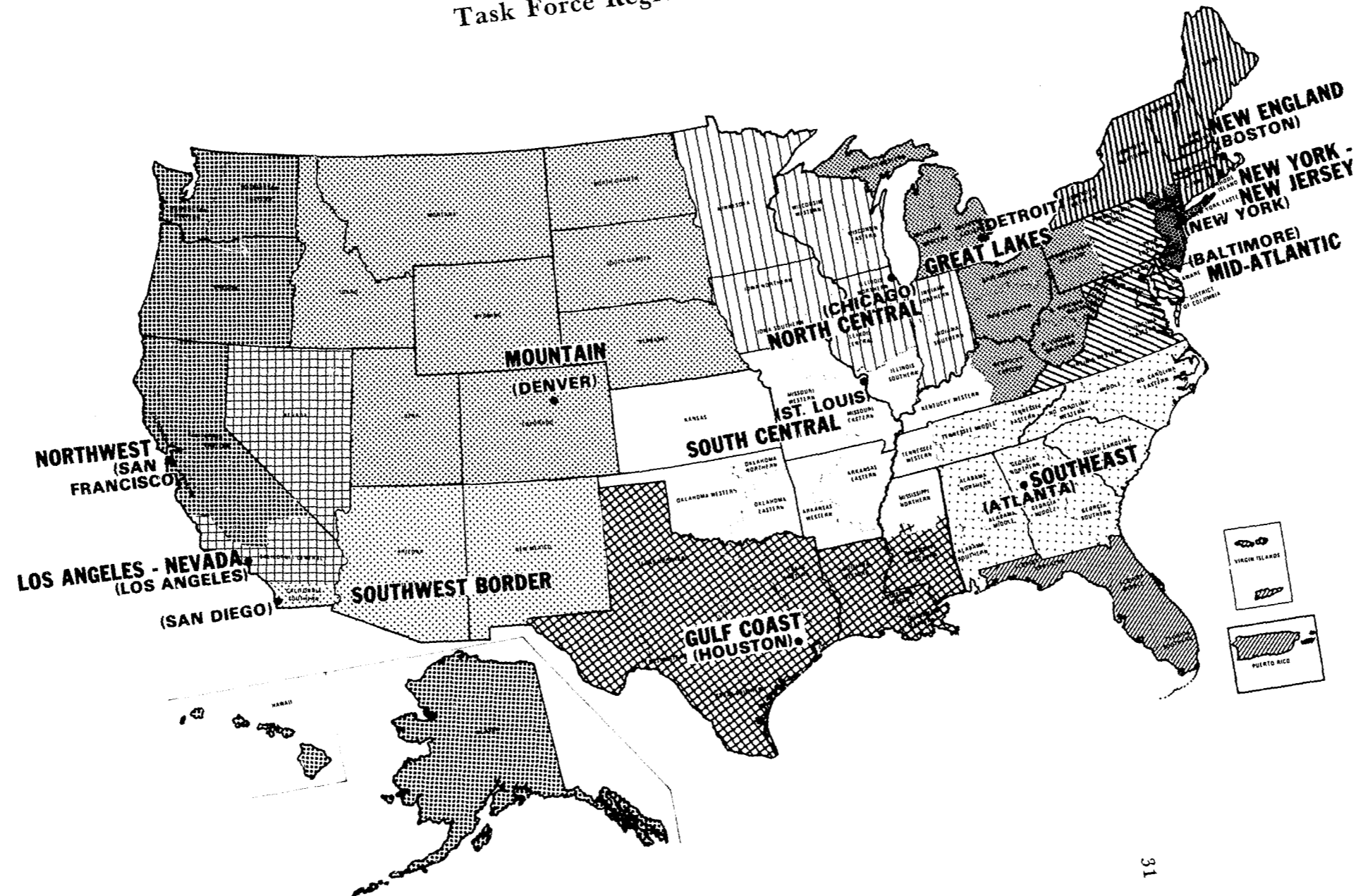
**Exhibit 4**  
**Task Force Regions and Districts (Cont.)**

<u>Task Force</u>	<u>Core City</u>	<u>Number of Districts</u>	<u>Judicial Districts Included</u>
Southwest	San Diego	3	Arizona California, Southern District New Mexico
Florida*		5	Florida, Northern District Florida, Middle District Florida, Southern District Puerto Rico Virgin Islands

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\* The South Florida Task Force remains a separate entity. Given the extent to which NNBIS and other South Florida Task Force elements have developed, the Department of Justice is including, in its 1985 budget request, funds for a thirteenth Task Force. The five districts comprising this Task Force are the Northern, Middle, and Southern districts of Florida; the Virgin Islands; and Puerto Rico.

Exhibit 5  
Task Force Regions Map



their Task Forces. Baltimore (Mid-Atlantic Task Force) assisted two Pennsylvania districts in rearranging their allocations, and even reallocated two Baltimore Assistant U.S. Attorney positions to Pennsylvania, in order to arrive at a more effective distribution.

- Quarterly meetings in Chicago are attended by all of the North Central Task Force U.S. Attorneys and the Lead Task Force Attorneys from the Region. This exchange of information serves to solve common problems. In addition, the Assistant U.S. Attorney Task Force Coordinator visits all the districts to review the Task Force Program's organization and operation.

#### The Task Force Coordination Group

The Task Force Coordination Group is the central administrative element for each Task Force. It is composed of the Assistant U.S. Attorney Task Force Coordinator; one representative from each of the participating Federal investigative agencies, the U.S. Coast Guard, and the U.S. Marshals Service; and representatives from other appropriate agencies, such as State or local law enforcement agencies or other Federal entities. The Coordination Group serves all districts within a Task Force. Its functions are to:

- Evaluate cases proposed for Task Force selection, review the use of Task Force resources and ensure appropriate utilization throughout the Region, resolve any problems of cooperation among personnel from different agencies, and monitor changes in drug trafficking patterns in the Region;
- Meet regularly with State and local law enforcement officials from all parts of the Region and ensure that Federal, State, and local law enforcement officials are coordinating information and operational activities of Task Force interest; and
- Designate agent and attorney specialists within the Task Force, including specialists in forfeiture, financial investigations, tax violations, and drug diversion.

The Assistant U.S. Attorney Task Force Coordinator is responsible to the U.S. Attorney for establishing the Task Force office and for supervising the administrative operations of the Task Force Coordination Group. These Coordinators are senior prosecutors with substantial experience in drug cases.

The Task Force Coordination Group serves the needs of all the districts within a Task Force Region. The nature and extent of the services vary considerably from Task Force to Task Force, often according to the Region's size and its level of narcotics law enforcement activity. Most members of the Coordination Groups visit the districts in their Regions periodically. For some, the first round of visits served primarily as an introduction to the roles and relationships of the Task Force participants, and an exposition of Task Force operational orientation. Subsequent visits serve as occasions for reviewing active cases, monitoring resource needs and allocations, and exchanging views on administrative and operational matters.

There is also a continuous exchange of information about coordinated activities on an individual basis. Agency Task Force Coordinators in the core city are called upon to assist districts by providing additional personnel on a temporary basis in response to an operational need, for instance, or to facilitate and expedite investigative support or operational approval from their respective agencies. Some examples are the following:

- Both the DEA and FBI have Task Force funds for the purchase of information and evidence. These funds are often channeled through the Task Force DEA and FBI Coordinators in each core city. Illustrative of this support role is the instance in which the Mid-Atlantic DEA Coordinator, in Baltimore, assisted the Roanoke, Virginia, Task Force office in obtaining a substantial quantity of buy money for an operation.
- When a North Carolina case developed a need for a surveillance team, the problem was shared with the Southeast Task Force Coordination Group in Atlanta. Atlanta canvassed Task Force agencies throughout the Region. Unable to locate Task Force personnel who could readily respond, Atlanta arranged for assistance from a non-Task Force FBI surveillance squad.

- A minor figure in a Detroit Task Force case lives in Southern Ohio. He also deals with a drug organization in Wheeling targeted by the West Virginia Task Force office. Both the Wheeling and Detroit offices report that the level of collaboration and coordination has been far superior to what might have taken place in pre-Task Force days. This success has helped in avoiding duplication of effort and the kind of problems that would result from uncoordinated activity when investigating the same or closely related targets.

A major responsibility of each Task Force Coordination Group is the review of cases submitted by Task Force districts for selection and designation as Task Force cases. It is the responsibility of the Coordination Group to review, analyze, and assess the proposed cases.

The case selection process and the continuing review of cases from the districts inevitably provide the core city Coordination Group with an advantage over its district counterparts. Coordination Group members have the responsibility to review the case materials from all the districts and to spot overlaps, potential problems, or other elements that may affect the Region's operations.

While Task Force Regions are administrative and reporting units rather than operational units, the creation of these Regions has resulted in enhanced collaborative efforts and shared casework within the Regions. Major elements of a case may be located in adjoining jurisdictions within a single Task Force Region. The sharing of information and goals among Task Force participants within a Region creates a unified approach to the investigation and prosecution of these cases.

In the Southeast Task Force, the Coordination Group found that two cases from the Northern District of Georgia overlapped heavily with active cases in other districts. In one case, the Northern District of Georgia yielded primary responsibility and authority for a case to a district in Alabama. The resultant indictment, in December 1983, was facilitated and strengthened by this coordinated and more efficient expenditure of resources.

In the other instance, the Southeast Task Force selected a case involving a drug dealer who was importing and distributing large amounts of marijuana in the Atlanta area. During the case review process, it was found that the District of South Carolina was also actively working on the case, was in an advanced stage of its case prepara-

tion, and would be a suitable venue. Again, the Northern District of Georgia relinquished its claim to the case but continued to assist in its development. This operation resulted in multiple arrests and indictments, and had a serious impact on the drug smuggling community that had been utilizing South Carolina's coast for its operations.

Paralleling such instances of collaboration, Task Force Coordination Groups serve also as interregional coordinators, resulting in a coordinated effort that covers the nation.

#### The Core City and the Districts

In theory, the only difference between a core city and a district is that the Task Force Coordination Group resides in the core city. The Coordination Group serves the entire Task Force Region. However, in practice, the Coordination Group more often than not devotes a disproportionately large amount of its time and interest to operations within its own district and less to the other districts.

The U.S. Attorney for each district is responsible for coordination of Task Force activities and for the designation of attorneys from his or her office; one to serve as Lead Task Force Attorney and others, as Task Force attorneys. The U.S. Attorney chairs the District Drug Enforcement Coordination Group. The Lead Task Force Attorney supervises the other Task Force attorneys, maintains the district's Task Force records, performs required reporting functions, and serves as liaison between the district's Task Force elements and the regional Task Force Coordination Group. The Lead Task Force Attorney plays a central coordinating role in the districts and is a member of the District Drug Enforcement Coordination Group.

Task Forces in the districts are composed of designated attorneys and agents, in accordance with the allocations indicated in Appendix D. Initial allocations of personnel and other resources were made in terms of the relative dimensions of the perceived problem in each area. Districts with major population centers received substantial allocations of resources. The Eastern District of Pennsylvania, with forty-three agents and attorneys, is a prime example. On the other hand, sparsely populated districts, such as New Hampshire, North Dakota, and the Northern District of Mississippi, have no allocations. These districts receive mobile assistance when required, on a case-by-case basis. The core city U.S. Attorney assists in the provision of such mobile resources from the core city or other districts.

In general, the districts have smaller contingents of Task Force-designated personnel than the core cities. This often results in a heavier reliance on State and local law enforcement personnel. Six districts have only an Assistant U.S. Attorney as their Task Force complement; seventeen districts have no one, although the U.S. Attorney remains a member of the Task Force Advisory Committee and of the District Drug Enforcement Coordination Group. Even those districts without Task Force personnel allocations are participating in the effort. For example, the Western District of Arkansas has three active Task Force cases, handled by local personnel with the assistance of Task Force personnel from Arkansas's Eastern District.

The Task Force Coordination Group in the core city plays a dual role, serving both a regional function and a local one. However, most Coordination Group members have a primary attachment to the core city. The Assistant U.S. Attorney Task Force Coordinator is normally drawn from the U.S. Attorney's office in the core city. The Agency Task Force Coordinators are usually subordinate to and evaluated by their SAC in the core city; they are not related, in the chain of command, to the SACs in other districts within the Task Force. Thus, the members of the Task Force Coordination Group tend to be more responsive to the operational requirements of the core city cases and less responsive to the needs of the other districts.

### Operations—The Task Force Advantage

The impact of the Task Force Program should not be measured solely by statistics on case results, but can be more accurately measured by how the Task Force approach enhances the investigative and prosecutorial process. That process can be seen in the field operations. The operations, particularly case origination and selection, are examined here in order to describe what the Task Forces do and to illustrate the Task Force advantage in carrying out drug trafficking investigations.

#### Case Origination

Most drug cases originate from investigations by Federal, State, and/or local enforcement agencies. However, in some instances they grow out of serendipitous events, as in a chance discovery of 14 pounds of cocaine stashed in a health club locker in a city in Colorado. Often a straightforward arrest of a minor drug dealer by the city police turns

up additional information leading to the identification of a high-level distributor or of an organization that merits further investigation. Another method for developing a case is to identify otherwise unknown targets through financial investigations—a tool not exclusively employed by the Task Forces, but one which the Task Force Program has encouraged.

**The Task Force Advantage:** The Task Force Program has enhanced two main areas of the case origination process. One is the increased willingness of State and local enforcement agencies to bring prospective cases to the Task Forces. The second is the greater utilization of financial investigations as a means for discovering hitherto unknown major traffickers, including professionals such as bankers and lawyers whose participation in narcotics trafficking is usually well-concealed.

According to Task Force members, there are at least four reasons why local cases are being more readily proposed to the Task Force Program. First is Task Force visibility; the Program is a known entity whose express purpose is working on major drug cases. Second, the Task Forces are a mechanism for facilitating the provision of financial assistance to the State and local law enforcement agencies (overtime, travel, per diem costs, and access to buy money) that makes possible a more extensive involvement in drug cases. Third, Task Forces have shown a willingness to share the credit for successful investigations and prosecutions with their State and local colleagues. Fourth, and perhaps most important, joining the Task Force gives local law enforcement agencies access to vastly greater Federal resources, including additional personnel, investigative records, and the varied expertise of all of the participating agencies.

Financial investigations are not carried on exclusively by the Task Forces, but their use has been enhanced by the Task Forces in several ways. First, the Task Forces bring together those agencies with highly developed expertise in carrying out financial investigations. Second, the Task Force Program has designated financial investigations as a special emphasis area. Third, financial investigative units now are a feature of many Task Forces, either contained completely within a Task Force or sharing Task Force and non-Task Force resources. Though investigations are still at an early stage, participants are confident they will soon lead to the identification of new and major targets. An example of one such investigation that has led to major convictions is the "Moneybags" case. (See Chapter 5, p. 66.)

#### Case Selection

Regardless of how a case originates, an investigating agency may propose it as a Task Force case if it appears to:

- Involve major drug trafficking figures;
- Require the resources and expertise of another agency because of possible violations other than those involving narcotics;
- Have serious investigative ramifications that extend to other geographical jurisdictions; and
- Require the assistance of an Assistant U.S. Attorney during the early stages of an investigation.

If the case is located in a district, the District Drug Enforcement Coordination Group reviews the case. The designated agency representatives of each Task Force review the case, ask questions as appropriate, and initial the Case Initiation Form. After approval by the district U.S. Attorney, the form is forwarded to the Task Force Coordination Group in the core city.\*

The Task Force Coordination Group reviews the district's Case Initiation Form. Frequently, the Agency Task Force Coordinators will have discussed the case in advance with their agencies' representatives in the district. The Task Force Coordination Group then either approves the case, refers it back to the originating district with additional questions, or rejects it as not meeting the criteria for Task Force selection or as being unrealistic in terms of resource requirements. Because there is sufficient preliminary discussion of the cases, relatively few of those submitted are not approved.

**The Task Force Advantage:** The cases that qualify for Task Force selection are invariably those that require long-term dedication of personnel from more than one agency. These cases will not have quick turnover or results. The Task Force Program, by putting aside the numbers game of rapid and numerous prosecutions, is able to dedicate resources

\* During the start-up phase of the Task Force Program, the initial 260 cases were referred to Washington for approval, in order to ensure that the criteria were properly applied and to set standards for subsequent approvals.

for better and higher achievements. Investigators and prosecutors are afforded the time to construct the difficult trail of evidence needed to successfully prosecute truly high-level targets. Resources made available only through the Task Force Program can be used optimally to reach targets that are untouchable through traditional approaches. The case selection process supports the Task Forces' higher aims.

The other case selection criteria—multiple agency involvement, multiple jurisdictions, and early attorney involvement in the investigation—also bring to the Task Force Program cases that cannot be managed effectively *without* the Task Force. The Task Force Program is a *system* for bringing multiple enforcement agencies together, coordinating investigative and prosecutorial strategies across district and regional lines, and providing a dedicated Assistant U.S. Attorney to support the investigative requirements of a case at *any* point in its development.

The Task Force system facilitates, enables, and encourages the selection of cases that cannot be made without the Task Force structure. The system also promotes selection of cases that can be broadened and deepened in order to attack significantly higher level targets.

#### Investigation

The review that is part of the case selection process may reveal that two or more agencies, unbeknown to one another, have been working on the same case or on cases that closely overlap. Such overlap often brings about a natural union of the agencies' investigations. Other agencies are asked to participate—or volunteer to participate—as their areas of interest or a need for their resources becomes apparent.

When a case is under examination, the agency representatives consider the level of agent resources they can and should devote to it. Through discussion, personnel levels involving both Task Force-designated personnel and, in many instances, non-Task Force personnel are agreed upon.\* Also at this stage, one or more Assistant U.S. Attorneys are assigned to the case, to provide legal support and to assist in guiding the investigation toward maximum impact at the time of indictment and trial.

As the investigation proceeds, the investigative agents share the information developed and work

\* In most instances, Agency Task Force Coordinators have no authority to commit resources to Task Force operations, and must gain the approval of their agency SACs.

together to determine what additional information is needed and how best to obtain it. The specialized knowledge and investigative techniques of the various agencies are orchestrated through this process to ensure that optimum results are achieved, to identify the major organizational figures, and to collect sufficient incriminating evidence. In this way, the diverse elements of an investigation are coordinated so that they are mutually supportive, properly timed, and not at cross-purposes. When needed, the Assistant U.S. Attorney is called upon for legal counsel or for the preparation of legal documents.

**The Task Force Advantage:** In the investigative process, salient and positive differences attributable to the Task Force Program are evident. They are itemized briefly here:

- **Experienced case agents:** Personnel assigned to the Task Forces are experienced in Federal investigative work and narcotics investigations, creating investigative teams that are highly qualified and capable.
- **Experienced Assistant U.S. Attorneys available early in the investigative process:** Task Force Assistant U.S. Attorneys are experienced not just as prosecutors, but as prosecutors in narcotics cases. They bring a wealth of specialized talent to the investigative process by assisting in financial investigations, giving legal counsel, and preparing legal documents, such as affidavits, warrants, and subpoenas. Their ready availability has allowed for a substantial increase in the use of court-authorized wiretaps and other methods of electronic surveillance within the Task Force context. The dedicated availability of attorney assistance is not a regular feature of investigations outside the Task Force framework.
- **Status with other Task Forces:** The Task Force Program creates a mechanism for Assistant U.S. Attorneys and Agency Task Force Coordinators to become acquainted with one another in a mutually supportive group. As a result, when one Task Force asks another for help, investigative support is much more rapidly and effectively provided. The Task Force network is strong, growing

stronger, and working to benefit the Task Force system.

- **Expanded personnel resources:** The addition of some 1,200 professionals dedicated to drug enforcement programs is a tremendous boost to law enforcement efforts. Further, the recognition that the cases being undertaken are difficult and long-term permits the assignment of more investigative talent to a case, without the expectation of quick convictions. Agents can work on a case for longer than would normally be permitted outside the Task Forces, resulting in more significant arrests.
- **Easy and rapid access to other agencies' information:** The collaboration of personnel from various agencies results in timely, direct, and complete access to the information resources of all the agencies involved without resort to the usual bureaucratic procedures of formal inter-agency requests.
- **Availability of a greater range of expertise:** The agencies participating in the Task Forces have different areas of investigative strength. As a rule, no one agency houses all the highly developed skills that are necessary during a complex narcotics case. For example, DEA is skilled in narcotics investigations, with particular expertise in conducting undercover operations. The FBI has a finely honed ability to conduct extensive and thorough background and on-site investigations; it can execute surveillances, and other electronic and technical operations; and it has a superior records and information retrieval system. Customs is without peer in managing smuggling investigations and tracing movements of people and funds to and from foreign countries. IRS is particularly strong in determining individuals' net worth and in penetrating efforts to disguise ownership of assets. The combination of these talents results in a synergistic increase in investigative ability for the Task Forces.
- **Added financial resources:** The Task Force Program provides additional sums

of money for operations and equipment. The traditional buy and bust activity that has been a part of street-level drug investigations allows enforcement agents to purchase a small amount of drugs and arrest the dealer. The Task Force Program utilizes a more effective approach. First, agents are permitted to expend larger amounts of buy money without immediately arresting a seller. The purchase establishes the agent's bona fides, giving the agent further entree to the drug organization. Second, larger sums of money are available, allowing larger buys and access to significantly higher elements of a drug organization. Thus, a Task Force agent may move from dealing with a street-level pusher to a wholesaler because the agent has the money available. It is a frequent practice of drug wholesalers to require that customers prove their bona fides by making at least one exceptionally large purchase, because, as one defendant put it, "the cops can never make a really big buy." Now they can.

Task Force monies have also provided improved equipment for the agencies involved in the Task Forces. Rented automobiles for operational use have been provided; technical gear and radios have been upgraded. Radios are a continuing problem because the investigative agencies' existing radio systems are not compatible with one another. Task Force funds are being used to overcome this problem, permitting Task Force personnel from different agencies to communicate better during street operations.

- **Mutually supportive investigations:** The history of drug enforcement is replete with instances of investigations by one agency being disrupted or terminated because of investigations by another agency. The Task Forces have not eliminated these difficulties entirely: an Atlanta Task Force case had to be dropped when the principal target was arrested in Texas on unrelated charges. In another instance within the Task Force Program, one Region's informant was, for a while, another's potential defendant. But these are the exceptions;

multiple agency and multiple district coordination does result in mutually supportive, rather than destructive, investigations in most Task Force activities.

- **Greater access to grand jury time:** Grand juries serve a very significant role in complex drug investigations. To best apply this tool, investigators need access to the grand jury. Having an attorney readily available who is intimately acquainted with and dedicated to the case facilitates access to the grand jury process.

In summary, Task Force investigations are more successful because they benefit from the coordinated application of greater fiscal, technical, and human investigative resources.

#### Prosecution

When a grand jury returns an indictment, the case moves from the investigative to the prosecutorial phase. In some ways, the mechanics of prosecuting a Task Force case are no different from those of any other drug prosecution, but there is a significant qualitative difference.

**The Task Force Advantage:** The continued involvement of a Task Force Assistant U.S. Attorney during the investigation often means that a sounder case is constructed and that the prosecuting attorney is more familiar with all facets of the case. The Assistant U.S. Attorney's specific function is to ensure that the evidence obtained is complete and admissible. The participation of agencies with varied areas of expertise ensures that violations of specific statutes are appropriately charged and documented.

In addition, the Task Force Assistant U.S. Attorneys work within a set of guidelines designed to maximize the impact of their prosecuting efforts on drug operations, and not just maximize conviction statistics. This "bigger picture" emphasis means, for example, that Task Force Assistant U.S. Attorneys will use grants of immunity and plea agreements *only* to develop additional information that will contribute to indicting higher levels of drug traffickers and dismantling their organizations.

The Task Force emphasis on collaboration with State and local law enforcement and on cross-designation of attorneys provides a greater range of forums for trying cases. By exercising the option of taking a case to a Federal or a State court, the prosecutors can best apply the combined powers

of the two systems. For example, New York State penalties for criminal possession of small amounts of drugs are more severe than the Federal penalties, and it may be preferable to use the more punitive venue.

#### A Successful Beginning

The preceding comments on Task Force operations should not be taken to mean that the Task Forces are operating without flaws or difficulties. There are problems. Coordination is not perfect and there are examples of crossed wires in the Task Force operations. Appropriate office space has been difficult to obtain. The inability to place Task Force Coordinators and, at times, other per-

sonnel together has inhibited cooperation. Some districts report minimal support from their core cities. Differing agency policies result in unequal roles and responsibilities for Coordinators, and chains of command sometimes conflict.

It is a tribute to the dedication of the personnel in the field that, despite such problem areas, the Task Forces are operating in a manner different from, and superior to, what has existed in the past. The operations at all phases, from the origination of cases to their prosecution, are devoted to bringing to bear the resources of many agencies against major drug trafficking organizations; and they are beginning to register significant successes.

## Task Force Goals and Objectives: First-Year Progress

5

The goal of the Organized Crime Drug Enforcement Task Force Program, as stated in the *Guidelines*, is:

To identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations.

Subordinate objectives designed to meet this goal vary between Task Forces, depending on the profile of trafficking organizations in each Region. Four specific objectives or areas for special emphasis are required, however, of all Task Force Regions. These areas are: 1) to pursue high-level targets, 2) to enhance Federal agency coordination and cooperation, 3) to enhance cooperation and coordination between Federal agencies and State and local agencies, and 4) to stress financial investigations, seizures, and forfeitures.

Each Task Force has progressed toward these objectives. This chapter discusses each objective in more detail. In order to illustrate how Task Forces have translated these objectives into action, case examples and quotations from Task Force Program administrative trip reports are presented. These quotations are comments gleaned from interviews with Task Force participating personnel and excerpts from outside observers' reports.

### High-Level Targets

The number one objective of the Task Force Program, as stated in the *Guidelines*, is:

To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations . . .

The *Guidelines* further define targets, specifying that Task Forces are to attack "major drug trafficking organizations." This includes any group

"where a sizable number of individuals is involved in the trafficking or there are large actual or potential profits gained from the trafficking." The kinds of organizations and individuals identified as appropriate for targeting—traditional organized crime groups, other groups engaged in organized drug operations, and individuals or small groups who use their professional status to trade in narcotics or dangerous drugs—are described in Chapter 1 of this report. But what makes an organization or an individual high-level?

### High-Level Organizations

Task Forces do not target or devote their resources to investigating and prosecuting minor criminals such as street-level pushers. Rather, the emphasis is on eliminating the elements in an organization that make drug dealing possible. These are the high-level kingpins who make the drug organization function. Without the organizations, the street pusher is out of business.

The case selection process is where a potential target organization is examined to determine whether it qualifies as a high-level target. In general, the size of the organization and the quantity of drugs it deals in serve as measurements of the significance of an organization. Because of differing environments throughout the country, however, the *Guidelines* also provide that "each core city United States Attorney, in consultation with his or her Advisory Committee, may establish more specific criteria (such as minimum quantities of a given substance) to be applied within a Task Force area," in determining whether a target is high-level.

It is apparent, for instance, that in rural mid-America fifteen pounds of marijuana may be a significant amount in terms of its impact on society and the local economy. But fifteen tons might be of comparable significance along the Gulf Coast, where importation and transshipment take place. It is the impact on the social and economic welfare of the community that stands as a significant criterion in case selection, and each Task Force is given some latitude in making that determination.

## THE RAID

This case, "The Raid," responds to the mandate to pursue high-level drug trafficking organizations, and illustrates:

- A high degree of interagency collaboration;
- Extensive use of attorneys during an investigation;
- Importance of the varied expertise of different agencies; and
- Task Force ability to sustain a major investigation over a long period of time.

In early 1983, twelve smugglers coming from a Colombian ship were arrested as they moved from the San Francisco Bay up onto a beach. Each carried a duffel bag full of cocaine; and some were armed. They were arrested by Task Force agents from the FBI, DEA, Customs, and IRS. The arrests were based on violations of statutes enforced by Customs, and Customs directed the operation.

The fact that agency arrest teams were in the area was not an accident—the FBI had gathered critical information from a wiretap; Customs had carefully monitored the comings and goings of the ship's crew; DEA's background investigations had established the connection of the defendants to one another; and, as the investigation progressed, IRS had thoroughly investigated the suspects' dollar expenditures, their incomes, and their unlawful money movements.

The raid was one of the most effective, quick-hitting, and safe operations that has occurred in the San Francisco district in recent years. It could only have been conducted with complete coordination and cooperation between the agencies and the complementary use of

their resources. Task Force agents and attorneys worked around the clock to obtain and execute appropriate court orders and warrants.

The method of investigation successfully encouraged the organization to continue to believe that this was merely a happenstance Customs arrest, and not an orchestrated effort. The professional conduct of the raid allowed continued operation of the electronic surveillance, which revealed the person who controlled the narcotics loads.

The initial accomplishments were overshadowed by the arrests that occurred a month later, growing out of the raid. One hundred fifty agents from Federal and local agencies were assembled into teams and given instructions on the conduct of the operation. In a carefully coordinated move, they arrested twenty-five more members of the organization. The organizational level of those arrested was far above that of the smugglers arrested earlier.

The electronic and physical surveillance, and the cooperation and communication between the various agencies and their counterparts in other districts, netted over 500 pounds of cocaine, plus firearms and silencers. Electronic surveillance also established the direct link between the smugglers and their principal Colombian connection, a matriarch living in Buena Ventura, Colombia.

If the initial raid and its arrests had followed the pattern of law enforcement in the past, the entire investigation could have ended with the arrest of the twelve smugglers—minor offenders. Before the Task Forces, single agencies rarely had the support necessary to conduct full-scale investigations into entire organizations. However, the Task Forces, because of their mandate and structure, can work a drug case to its apex. Thus, this entire smuggling organization was literally uprooted from the Northern District of California and has ceased to operate.

### *Case Initiation Form Information as Indicators of High-Level Targets*

The Task Force Case Initiation Form is the form used to report the measurements of an organization's importance, its relevance as a target, and the importance of each person identified as a principal prospective defendant within the case. By reviewing the Case Initiation Form data it can be determined whether the targets are indeed high-level.

One of the measurements of principal prospective defendants is their organizational rank. Almost 30 percent of the identified principal prospective defendants fall into the largest category, "Top leader." An additional 25 percent are "Mid-level leaders."

The fact that there are over 2,000 potential principal defendants listed for 467 cases indicates that the cases focus on organizations, not individuals. About one-half of the targeted organizations are non-traditional criminal groups that have been put together for the express purpose of dealing in drugs. An additional 39 percent are traditional organized crime groups which engage in drug trafficking along with other types of criminal activity. Prison gangs and outlaw motorcycle gangs are targeted in 30 cases. (These and other data describing the nature of Task Force target organizations are provided in the data charts in Chapter 6.)

Another aspect of the high-level nature of Task Force targets is their international involvement. Most narcotics originate overseas. An international organization procures and transports the drugs to distributors in the United States. The financing of these drug transactions inevitably results in the transfer of huge amounts of money between the United States and a variety of foreign jurisdictions. On an even larger monetary scale, major drug dealers acquire vast profits which they cannot use without "laundering," a process that usually involves international financial transfers. Consequently, most major drug dealing organizations are involved with foreign jurisdictions for the procurement of the drugs for sale, for the laundering of their proceeds, or for both.

Indicative of the high-level nature of the targets, almost half of the Task Forces' cases listed on Case Initiation Forms are international in scope. The remaining half are almost all "multi-district" cases, indicating that they are also geographically extensive. One attribute of the Task Force Program is that it has sufficient resources and the tenacity to permit

thorough and aggressive pursuit of the international aspects of cases far beyond what has been true in the past.

### *Penalties as Indicators of High-Level Targets*

Major targets merit major penalties. The Racketeer Influenced and Corrupt Organizations (RICO) and Continuing Criminal Enterprise (CCE) statutes were enacted to provide appropriate penalties for major offenders. These statutes are intended to remove high-level drug traffickers and organized crime leaders from active roles in their criminal enterprises and to deprive them of both their ill-gotten assets and the means for continuing to operate or influence those enterprises. These statutes provide for substantial penalties including fines, forfeiture of property, and, for CCE violations, mandatory prison terms. Forfeiture applies to any property or contractual rights that afford the defendant a source of influence over the enterprise. The Task Forces are seeking indictments under these statutes whenever possible. Task Forces are also attempting to combine diverse charges, without violating the principle of double jeopardy, in order to maximize the deterrent effect of prosecution and to minimize the convicted trafficker's ability to continue any illegal activities.

When Case Initiation Forms were completed, the Task Forces expected that over 33 percent of the cases would result in RICO charges, and two-thirds would include CCE charges. At the end of the first year of Task Force operations, ninety persons had been indicted under the RICO statute; seventy-one, under CCE. Fifty-one Task Force cases resulted in RICO or CCE indictments, or both, in 1983. This is well over one-third of the 139 such cases approved by the Department of Justice during the same period. Department of Justice figures reflect a significant growth in the number of RICO and CCE prosecutions approved during the past year.

The Task Force Program is insistent on ensuring that drug traffickers be penalized; it does not insist that they be charged with drug felonies. As the *Guidelines* state, "It is not necessary that every Task Force prosecution include specific drug charges, but every Task Force prosecution must be drug-related. That is, the specific charges may be tax, RICO, currency, or other non-drug violations, as long as the targets have been identified as major drug violators and otherwise meet the Task Force standards." By the end of 1983, 44 of the Task Forces' 264 indictments contained no drug charges.

### The Professionals and Other Individuals

Just as organizations vary in size and scope, so may the activities of the individuals who participate in the illegal drug trade. On one hand, there are many individuals who provide crucial services to drug organizations. In particular, these tend to be the people who finance the operations or assist in laundering funds. These people may never "touch the drugs," but without their services the organizations could not flourish. In many instances these backers and launderers are not an integral part of a single organization. Indeed, they may perform their services for several organizations. But they qualify as targets in their own right.

On the other hand, the volume of drug trade may not be as significant in the case of some individuals who are targeted by the Task Forces, but consideration must be given to the impact of their activities on the social fabric of their communities. This is particularly the case with those individuals who use their positions of public trust to participate in illegal drug trade. An individual doctor who, for profit, improperly prescribes drugs may be involved in relatively insignificant amounts, but the betrayal of professional standards and trust have a serious and adverse effect on our society. The same applies to the dentist or pharmacist who participates illegally and for profit in the drug trade. No less destructive are the corrupt public officials who profit from drugs and, regardless of the volume of drugs involved, they are also deemed to be appropriate targets for Task Force operations.

As reported in the Case Initiation Forms, at least 17 Task Force cases have targeted corrupt public officials; another 8 are directed at medical/pharmaceutical practitioners. Financiers and money launderers are targeted in over 150 cases. The Case Initiation Forms do not provide for identification of the numbers of other professionals—bankers, lawyers, accountants, etc.—who are betraying the public's trust, but those data will become available in subsequent reporting.

### Reaching Higher Levels: The Use of Plea Agreements and Immunity

In order to improve their abilities to attack ever higher levels within the drug trafficking communities, Task Forces are using plea agreements and grants of immunity. The Task Force Program uses these devices *only* to direct enforcement efforts at higher level targets. These arrangements are used to obtain a defendant's

promise to cooperate in providing information about other criminal activities of which the defendant is aware. Since many of the high-level targets do not involve themselves personally with drugs, charges are often difficult to prove without the sworn testimony of individuals who have first-hand knowledge of the targets' roles. With such testimony, cases against the hidden criminals can be made or reinforced.

Often the extent of the defendant's cooperation and the value of the information determine the nature of the agreement. A prosecutor's incentive to use these arrangements is greatly increased if there is a good prospect that the cooperating individual will provide information to incriminate someone else, at a higher level and on more serious charges.

To ensure that these arrangements do not reduce the impact of the Task Forces on prosecutions, the *Guidelines* provide that "in every case in which there is a plea agreement, a plea must be made to at least the most serious charge in the indictment unless the United States Attorney in whose district the case is pending personally approves a plea to a lesser charge."

One Task Force district developed a standard plea agreement, which is now widely used in other jurisdictions. The standard agreement provides that the defendant must:

- 1) Provide information concerning *all* past illegal drug activity and assets, not just specifics concerning ventures about which the government already has knowledge;
- 2) Cooperate fully and completely with government agents and prosecutors;
- 3) Testify truthfully before any grand jury proceeding and at all trials;
- 4) Forfeit all drug-related assets; and
- 5) Successfully complete a polygraph examination to confirm that all information provided is complete as well as truthful.

One trafficker who became the "beneficiary" of such an agreement will serve at least ten years in prison, will be deprived of all the fruits of his drug activities and his ability to continue to influence drug enterprises, and will be obliged to

serve the government as a witness in testifying about other narcotics activities of which he is aware. His continuing and known role as a government witness and informer will also serve as an effective barrier to his reentry into the community of narcotics criminals. The punitive aspect of the prosecution is served, and law enforcement is provided with a powerful tool in the investigation of higher level targets.

### Examples of High-Level Targets in Task Force Cases

The following examples of successful Task Force cases illustrate Task Force targets, as individuals and as organizations, and what constitutes high-level targets.

- One principal defendant was a high-level target in his own right, a "Top leader" in a large organization, responsible for the importation of tons of cocaine over the past three years. While he could have been indicted in mid-1983, the Task Force continued its investigation until the *organization* was more fully identified, resulting in the simultaneous indictment of fifty key figures, enough to severely cripple the organization.
- Another case focused on the "respectable" people—businessmen, lawyers, etc.—who were making fortunes on marijuana importation. The Task Force financial investigation approach resulted in multiple indictments of over fifty people, of whom six were charged with CCE violations. (See "Moneybags," p. 66.)
- An outlaw motorcycle gang heavily engaged in PCP and methamphetamine sales was another Task Force target. The result was multiple indictments against the bikers, including several of the gang's national officers.
- A drug ring operating out of a Federal prison was rounded up by a Task Force operation, resulting in the indictment of eight inmates and fifteen of their associates in five States. (See "Jailbirds," p. 55.)

- An entire heroin organization—shippers in Italy and importers, distributors, and dealers in the United States—was the target of a major Task Force case, resulting in indictments of ten key figures in the United States. Some of the organization's other members in Italy have already been arrested and are awaiting trial.

- A West Coast organization that grew from school-yard sales to a multi-million-dollar, multi-ton marijuana importation and distribution organization became a target, and Task Force agents and attorneys have identified and prosecuted over a dozen top and middle leaders in the organization.

- Ten years of corruption by a free-wheeling sheriff were brought to an abrupt conclusion by a Task Force investigation that netted eighteen assorted drug dealers, gambling and prostitution operators, and murderers and extortionists, including the sheriff and his assistant. (See "The Sheriff and the Dealer," p. 44.)

Not all of the Task Forces' cases reflect so dramatically the high-level characteristics of the targets as some of these. Not all of the operations are as vast in scale. As Task Force Advisory Committees may determine what constitutes a high-level target in the context of the drug trafficking and the drug usage problem within a Task Force Region, the cases may appear less striking. But they are all of value within the regional context.

### Summary

Task Forces are attacking high-level targets on many fronts in order to eliminate the organizational structures that make possible the retailing of drugs in our society. This approach distinguishes the Task Forces' efforts from more traditional efforts at interdicting drugs at the border or policing the retail distribution of drugs. Those traditional efforts have a legitimate place in the nation's effort to eliminate drug trafficking, but they will be most effective only if efforts such as the Task Forces' are successfully directed against the criminal organizations responsible for maintaining the supply and distribution of these substances. Removing the

## THE SHERIFF AND THE DEALER

This case, "The Sheriff and the Dealer," responds to the Task Force mandate to target corrupt public officials, and illustrates:

- The use of diverse agency skills and techniques;
- Financial investigation to substantiate drug-related charges; and
- Prosecution of non-drug charges to convict drug offenders.

In a county considered to be a haven for certain operators of illegal schemes, the Sheriff was widely believed to use his office for improper purposes. One of the principal operators was the Dealer, who controlled gambling, prostitution, and other rackets. The Dealer and the Sheriff were both said to have ties to La Cosa Nostra, and both were believed to be involved in drug dealing.

Following up on an FBI lead, the Task Force selected the case for investigation and assembled a team composed of the FBI, DEA, IRS, Customs, a city police department, State Police, and the State Highway Patrol.

As a result of undercover negotiations, a deal was made for delivery to the Dealer of 800 kilos of cocaine, by airdrop, to a farm he controlled. The Sheriff and his Chief Deputy agreed to provide protection for the delivery, with a number of the Dealer's associates acting as a ground crew.

Although the participants had threatened to kill any "feds" who might intervene at the time of the delivery, the combined forces of the Federal, State, and local agencies were able to arrest eight men, some heavily armed, at the farm and nearby as they awaited the delivery. No shots were fired. Among those arrested were the Sheriff, his Chief Deputy, and the Dealer. One of the weapons seized was a .44-caliber magnum revolver, loaded with exploder ammunition, known as the "cop killer." Additional exploder cartridges were found at the scene.

Task Force agencies conducted extensive investigations of the principals before and after the arrests at the farm. They were able, for example, to document some of the Dealer's illegal transactions back as far as 1977, when he made a payment on a boat he used for importing marijuana.

A grand jury returned numerous indictments in this case. The principal indictment, returned in December 1983, charged the Sheriff, the Chief Deputy Sheriff, the Dealer, and eight others with numerous counts, including violation of the RICO statute, murder, extortion, conspiring to kill Federal enforcement officers, cocaine importation, marijuana cultivation, corruption, and firearms violations. Other indictments included several counts of perjury.

This multi-agency Task Force effort was the first time in recent years that a dent was made in rampant public corruption in that area and serves as a warning that the Task Force will succeed where others have failed.

organizational capability of drug dealers is a lengthy and expensive process. The results, however, justify the costs.

## Federal Agency Coordination and Cooperation

One of the four specific Task Force objectives stated in the *Guidelines* is:

To promote a coordinated drug enforcement effort in each Task Force area, and to encourage maximum cooperation among all drug enforcement agencies . . .

Progress toward this objective varies by locality and from agency to agency, depending primarily on historical considerations, but both coordination and cooperation among agency representatives have unquestionably improved throughout the Task Force Program.

Coordination and cooperation are essential to successful Federal drug enforcement efforts for many reasons, but two are of particular importance. First, organizations trafficking in narcotics are likely to have violated statutes in multiple jurisdictions. Second, Federal law enforcement agencies have different and sometimes overlapping jurisdictions for drug enforcement.\* The Task Force challenge is to bring the

\* IRS enforces the Internal Revenue Code, Title 26; parts of Title 12, Banks and Banking; and, along with Customs, investigates individuals and companies which fail to file proper Currency Transaction Reports or Reports of Foreign Bank or Financial Accounts under Title 31. Customs, in addition to its Title 31 authority regarding Cash Movement Inventory Reports, has broad search and seizure powers at the borders under Titles 18, 19, 21, 22, and 49, which cover smuggling, possession, exportation and importation, and the Arms Export Control Act. DEA enforces The Controlled Substances Act, Title 21. The Coast Guard, under Title 14, enforces U.S. laws on the high seas and waters subject to U.S. jurisdiction and may assist any Federal agency or State when requested; Coast Guard officers and Petty Officers are also officers of Customs. The Bureau of Alcohol, Tobacco and Firearms enforces the Gun Control and Firearms Acts, Titles 18 and 26. Under Title 28, U.S. Marshals have the same authority as any particular county sheriff. In addition, they have the power to seize assets under several provisions in the U.S. Code and have primary responsibility for relocating protected Federal witnesses. The FBI enforces portions of all sections mentioned above. Indeed, it has responsibilities under almost all sections of the criminal code and concurrent jurisdiction with DEA over Title 21.

appropriate authorities and highest level of expertise in each location and jurisdiction to focus jointly upon drug trafficking organizations.

## The Process and Degree of Coordination

The Task Force Program allows agencies to synchronize investigations during Task Force Coordination Group meetings. There, decisions are made on how and when informants will be used; how, when, and where electronic interception will be most beneficial; and when potential defendants will be made aware that they are subjects of investigation. The traditional approach of arresting a subject as soon as a charge is ready has been replaced by the judicious use of lesser counts for developing informants and a coordinated effort to pursue the most significant charges against higher level targets. Many agencies had adopted this approach to case development before the Task Force Program was established, but the Task Force structure has promoted coordinated efforts in many more instances.

The degree of Task Force coordination has resulted in many efficiencies. First, the Task Force Program enables more efficient use of Federal resources by combining agency expertise and focusing it on common targets. In one current investigation, the expertise of the Federal Bureau of Investigation (FBI) in Title III wiretaps is being pooled with the undercover skills of the Drug Enforcement Administration (DEA), the financial skills of the Internal Revenue Service (IRS), and the border records capabilities of the U.S. Customs Service. A standard procedure in raids conducted by one Task Force is for DEA to take custody of all drugs; ATF agents, all guns and explosives; IRS, all records; and FBI, all else. This specialization speeds evaluation of evidence and shortens the chain of evidentiary custody.

Second, the Task Force Program reduces duplication of agencies' efforts because the scope of a Task Force investigator's inquiries has expanded beyond the limits of one agency's jurisdiction. While interviewing a potential defendant or witness about a tax matter, a Task Force IRS agent routinely asks about firearms and other matters relating to the broader inquiry. In this way, either an ATF agent is spared having to conduct an unfruitful interview with the same subject or is alerted to a new avenue of investigation.

Third, closer case coordination helps to ensure that maximum impact is obtained from all

possible charges. Task Forces are credited with coordinating the timing of joint investigations in a way that avoids the problems formerly encountered by agencies operating on widely varying investigative timetables. Different types of investigations take different lengths of time; the agencies participating in the Task Force Program have agreed to avoid pursuing their own charges in a multi-agency case until all agencies have completed their investigations. In order to maximize the effect of financial investigative tools, other agencies may prolong investigations and delay indictments until IRS, for example, has completed its case. This results in enhanced, comprehensive investigations leading to prosecution of the most serious charges against principal defendants.

***"According to the U.S. Attorney, there have been many instances of agencies deferring arrests so a multi-agency effort can be mounted to seek out higher targets."***

This timing of investigations is being used by four Federal agencies in a current cocaine and firearms investigation. The primary target could be arrested immediately on drug and gun charges, but surveillance continues and the arrests are postponed until the more significant IRS charges are ready. Without Task Force coordination, agencies may damage each other's investigations by exclusively pursuing their own charges. Developing a schedule of arrests allows all investigations to be concurrently and optimally completed.

#### Increased Interagency Cooperation

The Task Force Program has not only created a forum for improved interagency coordination, it has also opened new communication channels. Periodic Task Force Coordination Group meetings and constant interaction among investigators reinforce an orientation toward common investigative goals. Frequent contact has promoted the development of mutual trust and greater intelligence sharing among Task Force agents and attorneys. This increased cooperation has

improved the targeting of criminal organizations.

***"There are still a number of interagency problems, but the Task Force gives the agencies an opportunity to get their differences on the table for discussion and, in most instances, resolution."***

In many instances, new interagency relations have been developed. Daily contact between ATF and IRS has prompted what both agencies describe as substantial information sharing. The FBI has offered to include Treasury agencies in its training at several Task Force locations. DEA, IRS, and ATF are conducting surveillances and interviews together. At Customs, the Task Force Program has sparked renewed interest in drug cases. To capitalize fully on this interest, Customs has been authorized, on a case-by-case basis, to conduct drug investigations under DEA supervision.\*

In those Task Forces where agents are co-located, they brief each other regularly on recent and upcoming interviews. This practice did not exist before the Task Force Program and still is not followed in any systematic way by agents outside the Task Forces. Within the Task Forces, it provides agents with better access to each other's experience, judgment, and creativity in developing investigations and increases opportunities for coordinated case development.

The Task Force Program has also improved relations at management levels. Federal agency managers are now more aware of how they can best assist each other. For example, a DEA Task Force Coordinator, a senior supervisor with many years on the job, had never met the local FBI Special Agent in Charge (SAC) before the Task Force was created. They met through the Task Force and now frequently give joint speeches on drug enforcement efforts. If a conflict or misunderstanding should occur between the FBI and DEA, this newly developed personal relationship may offer a ready means for resolving it.

\* See Chapter 3, p. 24, for an explanation of Title 21 designation.

***"There has been movement toward greater cooperation. The DEA Coordinator acknowledged that DEA is working for the first time with ATF and the U.S. Marshals Service. An IRS agent indicated a more cooperative spirit on behalf of his agency, saying that while IRS always wants to make a tax case, it is now willing to assign people to drug cases in the full knowledge that not all of them will yield tax charges."***

The Task Force emphasis on interagency cooperation extends to equipment as well as information and expertise. In recent Task Force cases, for example, DEA has made a briefcase camera and a drug-sensing dog available to the FBI. The FBI's advanced surveillance equipment has made several cases that were otherwise at a standstill. Aircraft for investigations, always difficult to come by, are shared between Task Force agencies. Such sharing was the exception prior to the Task Forces.

Before the Task Force Program, agencies were sometimes ignorant of each other's inner workings, procedures, and practices. One agency would not know, for example, how much money another agency could spend to purchase information or evidence without first securing the approval of its headquarters. Now the limitations are known and solutions readily cross agency lines. The increased contact among agencies resulting from the Task Force mandate has led to a better understanding of each other's roles, capabilities, and limitations. Each agency now knows exactly what kinds of information other agencies need, as well as the types of cases on which they are currently working and the kind of assistance they need or can provide.

#### The Role of U.S. Attorneys

The core city U.S. Attorney is charged with coordination of each Task Force. The U.S. Attorney defines this function personally and performs it through three primary contact points, the local agency SACs, the other U.S. Attorneys in the Task

Force Region, and a senior Assistant U.S. Attorney named Task Force Coordinator.

The relationship between the U.S. Attorney and the core city SACs has, in most cases, a history predating the Task Force Program. At a minimum, the U.S. Attorney has been the chief prosecutor of their previous cases. They clearly recognize their interdependence, and what they make of it in the Task Force context is reflected in the production of major cases, in the conduct of local press conferences announcing the cases, and in the day-to-day conduct of the Task Force Coordination Group.

The core city U.S. Attorneys began by developing with their district counterparts the regional analyses used in Task Force planning. At the inception of the Task Force Program, they visited each of the district U.S. Attorneys or met with them as a group. As a result of those meetings, in some cases assets were reallocated for more effective coverage, usually from the core city to a district, thus establishing favorable relationships. Some U.S. Attorneys have continued to hold regional meetings. Others have delegated these district relationships to their Assistant U.S. Attorney Task Force Coordinator, stepping in only when there are unresolved conflicts. The U.S. Attorneys at the twelve core cities recognize their obligation for ultimate coordination of the Task Forces.

***"Task Force attorneys and agents are able to spend more time developing cases in a thorough manner. The caseloads are much lower, and there is less pressure to bring indictments at the earliest opportunity. Presumably, this will result in greater depth of investigation, the ability to reach higher into the targeted organizations, and more substantial cases. It also creates a working environment that is more conducive to establishing rapport among agents and between agents and attorneys."***

The Federal enforcement agencies, by requirement (and some local agencies by invitation), each name a full-time Agency Task Force Coordinator. The most effective communication and coordination instrument in the field is the Coordination Group meetings, called at regular intervals by the Assistant U.S. Attorney Task Force Coordinators. An example of one such meeting as reported by an outside observer follows:

This weekly conference is said by Coordinators to be the heart of the Task Force. It is conducted as a brown-bag lunch, and, while waiting for Task Force quarters, the host agency is rotated. All Coordinators were present at the ninety-minute meeting at DEA.

The discussion was structured around Task Force cases. No new nominations were discussed or made, although this is clearly, a function this forum accomplishes. All core city and certain district cases were discussed. The procedure was informal, the leadership shared, and the tone was friendly, even bantering, when issues of agency bias or turf were raised. Up-to-the-minute case development details were discussed; requests for cross-agency personnel assignments were entertained; a new method used by smugglers was described and some specific intelligence was shared; and a Task Force raid plan for that afternoon was reviewed.

The case-oriented agenda did not prevent administrative and other management issues and irritations from being aired. But it placed them in an appropriate perspective—their effect on Task Force cases. Every agency joined the discussions in this productive and hard-hitting forum, a prime example of the catalytic effect that Task Forces are seeking and working toward.

#### Federal Bureau of Investigation

Department of Justice agencies provide almost two-thirds of the Task Force investigative strength of 1,000 agents. Three hundred thirty-four of the Justice Department investigators are Special Agents

of the FBI. Although replacement of FBI agents assigned to Task Force duties is particularly time-consuming due to stringent selection, training, and indoctrination requirements, the Bureau has fulfilled its Task Force Coordinator and agent allocations at virtually all core cities. Most Task Force agents seem to come from among those few Special Agents who have had training or experience in narcotics enforcement.

***“It is difficult to judge the effect of the Task Force on FBI-DEA relations, because the expansion of FBI jurisdiction into drug enforcement occurred over the same period of time. The concurrent changes in jurisdiction and in the organizational relationship of the two agencies obviously have had a major impact, and it is difficult to isolate the effect of the Task Force alone on their relations in the field, but they do work better together than ever before.”***

A number of factors make the FBI a dominant element in Task Force operations. Having acquired drug jurisdiction a year before program start-up and already having extremely strong investigative capabilities, the FBI was suddenly an important element in the narcotics enforcement scene. Its historical focus on organized crime enhanced its position in dealing with related drug elements, particularly of the type targeted by the Task Force Program.

In return for the critical inventory of investigative skills that the FBI brought to the Task Force Program, the Bureau is learning more about financial investigations from IRS and Customs and, in particular, is learning narcotics investigations from DEA. It is a developing relationship, dependent now on the willingness and ability of DEA and FBI field personnel to forge their assets together into doubly effective tools against drug crime.

Although this report discusses Task Forces in general, some variations merit individual comment. An observer reported the following remarks of one FBI SAC:

The SAC said he is “. . . not about to let a major operation like this Task Force flounder for lack of good personnel.” Task Force spirit and Task Force guidelines are fine, but “people make them work.” According to the SAC, three parts made up this successful model: 1) the U.S. Attorney and the SACs had to commit, 2) they each had to give it their best people, and 3) “the very best supervisor from each agency had to be in charge.”

The SAC gains confidence in the Task Force daily. He is proud of the joint raids, the case development work, and the arrests to date, although he believes “systems for intelligence development have yet to jell.” He finds the FBI to be a recipient of as well as contributor to Task Force benefits. “Working this closely with IRS and U.S. Customs we’ve learned some strange and wonderful stuff.” And “the Task Force contacts in certain cities have turned out to be better than the FBI’s.”

The FBI SAC knew his positive approach had been appropriate when DEA and the Treasury agencies began asking to participate in local FBI firearms and other training. They were happily accepted.

Although this level of involvement has not been realized at all twelve Task Forces Regions, it provides a predictive model with convincing results. Successful major prosecutions from Task Forces working in this team model can strongly affect the development of coordination in other districts and at core city Task Force headquarters.

The FBI has made vast contributions to Task Force investigations. It is apparent that the acknowledged resources, expertise, informants, and investigative strategies amassed in seventy-five years of experience will be fully brought to bear as the agency develops new expertise in narcotics investigations. Some Bureau rules and customs resist the adjustments necessary to Task Force

teamwork, particularly those involving security, reporting and supervisory channels, and location of the work force.

The FBI’s institutional maturity is helping to shape the operational and administrative methods of the Task Forces:

- Every person-hour of agent time is closely identified, and the Bureau instruction to “give the Task Force 100 percent of its programmed agent time” is carefully complied with. This practice, monitored by the FBI Task Force Coordinator, typically results in more than the agreed-upon number of agent personnel serving the Task Force investigations, particularly in weeks when major Task Force raids or surveillances take place.
- FBI Task Force Coordinators have held national meetings and, as a group, seem to well understand their responsibilities as coordinators for a Task Force Region. They have visited FBI offices in their respectively assigned districts and are consistently aware of district cases.
- FBI Coordinators regard formal training and training coordination as an important part of their task. In some cases, they have arranged participation in local FBI courses for Task Force personnel of all agencies, raising agent proficiency and bringing Task Force personnel closer together.
- Management-oriented FBI representatives view themselves and the other Coordination Group members as the arbiters of quality control. They discuss and attend to such issues as size and importance of potential target organizations, opportunity for successful prosecutions, and the agent-hour investment a case may be expected to require. They also add experience in the technical aspects of case development and a respect for planned buildup of local narcotics violator intelligence bases to the Task Force committee-management model.

The local SAC closely controls the usefulness to the Task Force of the FBI Coordinator. Where

the SAC encourages appropriate district contact, the Coordinator knows and can influence district investigations. In cases where the Coordinator is housed at the Task Force, relations between the other Task Force agencies and the FBI are enhanced. Overall, the FBI has 35 percent of Task Force investigative strength and is involved in 75 percent of Task Force cases.

#### Drug Enforcement Administration

While the FBI fields the largest single Task Force contingent, this represents a small proportion of FBI agent strength (4.3 percent). DEA's 274 Task Force professionals represent almost 15 percent of its agents. DEA has worked hard to fill this large Task Force complement and, at the same time, maintain the uphill battle against narcotics crime in which the agency was already deeply engaged.

Notwithstanding some problems growing out of an internal reorganization as well as its new obligations to the Task Forces, DEA works effectively in the Task Force Program. Longstanding internal and interagency issues are confronted and are resolved or dismissed in the interest of getting on with business. According to Task Force first-year statistics, DEA and FBI are cooperatively involved in 296 Task Force cases (70 percent of the Task Force caseload); DEA and Customs, 196 (46 percent).

DEA's narcotics investigation experience, knowledge of drug distribution organizations, and close working relationships with State and local authorities have made DEA absolutely essential to every Task Force. DEA has initiated more Task Force cases than any other agency, and DEA agents and supervisors have moved purposefully into the Task Force model. Its local intelligence bases and informants have been shared with other Task Force agencies with remarkable effect in case after Task Force case.

In addition to functioning as a prime case initiator for the Task Forces, DEA has made a major contribution to the Program by sharing its special investigative expertise. DEA agents and supervisors have shared their intelligence and informants in ways that were critical to enabling Task Forces to get the desired fast start. Their unselfish counsel and demonstrations of proficiency on the job have already taught state-of-the-art drug investigation procedures to scores of Task Force agents and attorneys.

DEA field personnel express enthusiasm over many aspects of the Task Force Program and its added resources. They have been quick to capitalize on agency-specific expertise such as Customs/IRS financial investigations and FBI surveillance capacity.

***"IRS and DEA have exceptionally good relations as they did before the creation of the Task Force. IRS coordination with ATF and FBI has been improved since the Task Force has existed."***

DEA Group Supervisors manage agents and cases and, along with their assigned agents, are responsive to Assistant U.S. Attorneys and to the other Task Force agencies. Meanwhile, DEA Task Force Coordinators are developing their roles in the Task Forces. The SACs to whom they report generally prefer that the DEA Coordinators not move to the Task Force offices. DEA Coordinators' supervisory responsibilities have been removed, even for Task Force personnel and cases, and their influence over district investigations is somewhat proscribed by DEA boundaries. Their expertise is welcome and their experience essential to weekly Task Force Coordination Group meetings. The interagency liaison role they perform is crucial, but, particularly for those who do have desks at the Task Force offices, it is difficult to serve both the Task Force and the DEA SAC effectively.

DEA agents are usually assigned temporarily to the Task Forces, moving in and out with their cases or when their particular skills or informants are required. The intra-agency boundary is far more difficult to define and maintain at DEA, where narcotics investigation is the agency mission outside as well as inside the Task Force Program. Daily records are kept to be sure personnel assets assigned to the Task Forces total at least the authorized allocations.

DEA Task Force participants and SACs praise the Task Force Program stance that maximizes major prosecutions rather than drug-bust counts. Inspectors and other evaluators within DEA no longer use the traditional arrest counts to measure the productivity of Task Force agents and have substituted more meaningful criteria.

Some DEA field personnel regard the Task Force investigations as successful by their own standards. As one DEA agent related:

This year's success would not have happened, even if the same dollars were available, without the Task Force. There is broad sharing of information that would not have occurred, and the benefits are geometric in proportion to Task Force activity. We could never have accomplished what we have with just the money.

DEA has 28 percent of Task Force investigative personnel and is involved in a total of 403 cases, representing 86 percent of the Task Force caseload.

#### Bureau of Alcohol, Tobacco and Firearms

Like the other Treasury Department agencies, ATF quickly and enthusiastically joined the Task Force Program. ATF's potential contribution to narcotics investigations is more limited by statute than is that of Customs or IRS, but in most Task Force Regions the agency is shaping an interesting and valuable role for itself; ATF is the major participant in cases against outlaw motorcycle gangs.

Because outlaw motorcycle gangs are notorious dealers in dangerous drugs, the Task Force Program has targeted these gangs. It is difficult to apply the potent Task Force financial investigations, seizures, and forfeitures to bikers' gangs whose assets are often temporary and whose life style leaves no audit trail. Task Force Coordinators, including ATF Coordinators, have agreed that bikers, by virtue of their record of random violence usually involving the criminal use of guns, are perfect targets for ATF investigators. All of these cases involve two or more districts and most are interregional.

More than any other of the investigative agencies, ATF orientation and efforts center on the core city. The ATF Task Force Coordinator usually supervises a dedicated agent group. This force is typically located within the core city—a full-time investigative squad run by the ATF Coordinator.

The ATF Coordinator's dealings with the districts outside the core city are often more distant than those of the other agencies. This difference may lie in the most obvious organizational distinction—ATF is the only agency participat-

ing in the Task Force Program that program-matically requires the Coordinator to also be a direct supervisor. This has obvious advantages for command and control, and most Coordinators are making good use of their squad.

ATF overall is short of agent personnel and had virtually none trained in narcotics before the Task Force Program's inception. It has apparently cut other functions to fill the Task Force slots. The agency does need, and in many locations is getting, help from other Task Force agencies in learning to conduct investigations centering on narcotics, rather than alcohol, tobacco, and firearms. At the same time, ATF's knowledge of the criminal use of firearms and explosives and its ability to trace guns have proved invaluable to Task Force investigations. In a Task Force raid in West Virginia, for example, an ATF agent confiscated 45 guns, 10,000 rounds of ammunition, several pounds of dynamite, and a hand grenade.

The agency has been against any moves toward a lead Task Force agency and is strongly in favor of co-location of all Task Force personnel. ATF has 71 agents (or 7 percent) of Task Force overall investigative strength and is involved in 161 cases, 34.5 percent of the Task Force total.

#### Internal Revenue Service

If DEA, in addition to its principal functions, is the Task Force banker, and ATF its weapons specialist, then IRS is the Task Force financial expert. Its Criminal Investigation Division agents are called on to analyze the documentary evidence collected, in greater or lesser volume, in almost all Task Force cases. In addition, the Task Force Program provides an allocation of five IRS Intelligence Research Specialists to the Treasury Financial Law Enforcement Center (see Chapter 5, p. 62).

When a new case is accepted by the Task Forces, IRS typically compares all subjects and businesses for overlaps with existing IRS investigations, screens for violations of IRS statutes, and, if appropriate, initiates a request for tax grand jury approval. As new organizations and prospective defendants appear in ongoing Task Force cases, IRS follows the same procedures as for newly initiated cases. IRS is also an initiator of Task Force cases. Either on its own or, more often, as a member of a Financial Task Force (described later in this chapter), IRS nominates major financial cases which appear to be narcotics related. The IRS Coordinator is readily available

to Task Force agents as more specific inquiry develops.

The access that IRS agents have to Federal tax information and the subsequent use of tax information in the investigation and prosecution of non-tax crimes are not yet widely appreciated, even within the law enforcement community. A new understanding of this tightly proscribed but powerful capability has made IRS the most celebrated addition to the Task Forces. Tax information access is proving to be a powerful Task Force tool. Other IRS contributions include the whole gamut of investigative techniques, and its clearly defined, non-overlapping statutory authority has encouraged other agencies to place great trust in IRS's capabilities.

***"The Task Force not only assisted IRS in cutting some of its own red tape (by expediting IRS review and approval procedures) but also assured IRS that its tax counts would be included in the prosecution, even if they took longer to develop than DEA's drug charges. Additionally, the fact that the investigation was part of a Task Force case helped obtain faster responses to requests for assistance from offices in other districts."***

In order to be a fully effective Task Force member, IRS has gone a long way toward streamlining its procedures for approval of Title 26 charges. These now bypass review by regional counsel and go directly to the Tax Division of the Department of Justice for approval. This has reduced the time required for review and approval from as long as six months to as little as three days in emergencies, making other agencies much more willing to entertain tax charges associated with the drug charges in Task Force cases. As a result of these changes, IRS is now deeply involved in most Task Force cases.

As Task Force agents, IRS criminal investigators can initiate more cases. They also work on more cases initiated by other agencies and are brought in at earlier stages. IRS contributes to broader cases than those involving pure money-flow. This has made work more interesting for IRS Task Force agents and more effective in terms of major coordinated prosecutions.

IRS Task Force Coordinators see their functions as:

- Coordinating activities with other agencies within the Task Forces;
- Ensuring that the cases being worked are appropriate and that resources are applied effectively to those cases;
- Coordinating with the U.S. Attorneys in all Task Force districts to make sure IRS resources are applied effectively;
- Advising Assistant U.S. Attorneys about what IRS can do and should be doing in Task Force cases; and
- Participating in Coordination Group meetings to review case proposals and the development and progress of cases from an IRS perspective.

IRS Coordinators typically report to the local IRS SAC but are housed at the Task Force. The fact that IRS regional boundaries do not coincide with Task Force boundaries complicates the coordination of activities in the districts. In most instances, IRS Coordinators are not agent supervisors but manage the case activities of IRS agents who are assigned to the Task Forces on a full-time basis. Agents are co-located with the Task Force or are available for co-location at the direction of the Assistant U.S. Attorney Task Force Coordinator.

Some real issues come between IRS's potential investigative power and what it has been able to deliver. The most serious limitations have their basis in statute and/or department regulations:

- Statutes make it a crime for IRS employees to make a willful disclosure of information contained in individual tax files. Since this constraint applies until IRS has received permission from the Tax Division to participate in a grand

jury investigation, it inhibits open exchange of information during developmental stages of an investigation. Outside the Task Forces, IRS is perceived to be of little help in developing targets for subsequent investigation. Once grand jury approval has been obtained, IRS is able to cooperate fully and openly share tax information. Procedures have recently been implemented that will streamline the process by which IRS and the Department of Justice authorize a grand jury investigation.

- None of the Task Force investigative agencies have common boundaries with the judicial districts. This creates administrative problems for all and special problems for IRS. For example, if a grand jury has jurisdiction over two or more IRS districts, both of the District Directors must approve the grand jury application. Even in the single district case, approval of the Tax Division often becomes the critical path, leaving other agencies reluctant to cooperate in generating tax cases.
- Some Task Force Coordinators and agents, while praising IRS's role on the Task Forces, find the agency a limited partner for drug investigations because of its customary reliance on overt activities, not a suitable approach for drug work. There are times when it is wise to allow simultaneous overt and covert operations, as the combination of the two may often yield greater results. Tracing narcotics proceeds with the assistance of the tax grand jury can result in "stirring up" activity, such as the liquidation of assets or drug inventory out of fear of discovery or seizure. Overt investigative techniques, however, can also jeopardize the secrecy of an ongoing covert operation, causing suspects to flee or even risking the well-being of agents working under cover.

Other issues affecting IRS's participation are:

- IRS Special Agents are being asked to utilize their financial expertise in the tracing and disposition of narcotics pro-

ceeds without necessarily conducting a criminal tax investigation. Treasury Department managers look to IRS to bring tax cases. They are willing to allow IRS to assist other agencies in cases that may not result in such charges, but if this sort of assistance is predominant in IRS's association with Task Forces, managers may rethink their commitment of resources to the Task Force Program.

- IRS believes that co-location of agents working on a case provides the principal opportunity for Task Force progress. As the agency most often called upon to be the Task Force "custodian of records," IRS believes it can only hold them properly and still make them immediately available if all agents are co-located.

IRS has 18 percent of Task Force investigators and at year's end had participated in 318 (68 percent) Task Force cases.

#### U.S. Customs Service

Customs is a full partner in the Task Forces, limited only by personnel shortages at some core cities. It participates with IRS in various Financial Task Forces that generate new narcotics-connected cases and performs other case development and investigative tasks as assigned. Under the Task Force Program, thirty-three additional Customs Intelligence Research Specialists are assigned to the Treasury Financial Law Enforcement Center (TFLEC), located at U.S. Customs Headquarters in Washington, D.C.

TFLEC is responsible for collecting, correlating, and analyzing data obtained under the reporting provisions of the Bank Secrecy Act. Through analysis of the financial data and related information, TFLEC independently identifies priority financial investigative targets that meet suspect transaction criteria. This information is then provided to field operational units, including Task Force elements, for investigation into the source and origin of the funds. TFLEC analysts continue to develop new investigative methods, such as the Mirror Image Program Task Force File, which will enable each Task Force to display master file data directly on its own computer. For example, evidence and information generated by an investigation can be tracked and extracted chronologically by name, subject matter, code name, and

association through special search queries (also see Chapter 5, p.62).

The U.S. Customs Task Force Coordinator, in addition to the functions called for in the *Guidelines*, provides entree, in all legally appropriate cases, to the Title 31 tools—Cash Transaction Reports, Currency or Monetary Instruments Reports, and foreign bank deposits. The Customs Coordinator is the Task Force's primary point of contact with TFLEC for purposes of screening accused individuals and banking institutions and for originating Bank Secrecy Act investigations. The Customs Coordinator reports to the local SAC and is formally charged with coordination of Customs's participation throughout the Task Force Region. Most Customs Coordinators do not supervise the Task Force Customs agents but do coordinate their Task Force investigative work.

Customs personnel strongly support housing Task Force personnel together. The Task Force Program principle of decentralization does not lend itself to the establishment of a cohesive national identity and centralized management. Customs SACs and Task Force Coordinators insist that in this decentralized environment, unified identities within each Task Force are essential. Neither they nor agent personnel of other Task Force participating agencies claim co-location will guarantee cooperation or coordination, but they all concur that it cannot be as fully achieved without it. With 142 Task Force agents, Customs, when it reaches full strength, will represent 14 percent of the investigative forces. Customs is currently involved in 48 percent of Task Force cases.

#### Other Agencies

##### U.S. Marshals Service

##### U.S. Coast Guard

##### Immigration and Naturalization Service

*These three agencies participate in the Task Forces in varying capacities according to local and national requirements.*

The U.S. Marshals Service has a Deputy Marshal, usually with the rank of inspector, assigned to every Task Force as a "liaison official" as called for in the *Guidelines*. The liaison role ranges widely from location to location but usually consists of coordinating services according to requests from the Assistant U.S. Attorney Task Force Coordinators. These include tracking and arresting fugitives, witness protection, prisoner movement, warrant service, seizure and management of prop-

erty, and participation in raids and searches. These functions become more vital as Task Force cases move into the later stages of prosecution.

Without Task Force personnel funding, the Coast Guard has provided full-time representatives to several Task Forces. These personnel provide valuable services ranging from legal work (two are attorneys) to coordination of Coast Guard activities where they might affect development of Task Force cases. The Task Force case management system operates on an advanced computer system obtained by the Coast Guard using Task Force funds.

The Immigration and Naturalization Service (INS) is available to Task Forces as needed. On the national level, INS participates in an advisory capacity when its particular interests and expertise coincide with Task Force requirements.

#### Summary

At this early stage of Task Force Program evolution, coordination of case development and prosecution is generally effective. When uninhibited cooperation is slow to occur, it is not permitted to imperil the selection, investigation, and prosecution of solid drug cases.

Notwithstanding some contrasting agency positions over authority and jurisdiction, Task Force associations and interactions have brought considerable cooperation to investigative and prosecutorial arenas where it was previously absent. As might be expected, the principal Federal agencies, each with a different mandate and institutional history, approached Task Force case development differently. The Task Force concept requires these differing approaches to converge in commonly regulated methods to reach common goals. Requirements in the *Guidelines* for coordination of effort are reasonably explicit. Wherever coordination was slow to come, the issue has been forced.

The imposition of the Task Force on the agencies compels a certain amount of cooperation. But most often, cooperation has stemmed from the opportunity to work in concert toward goals of national significance. As the number of successful Task Force prosecutions grows, mutually supportive investigative methods are reinforced and are becoming institutionalized.

In many of the cases discussed, respondents said that the Task Force difference rested in the ability to orchestrate cases through a range of Federal jurisdictions (of different agencies, or different districts within a given agency) in a manner not otherwise possible. Even in the least developed

This case, "Jailbirds," is consistent with the Task Force mandate to target prison gangs, and illustrates:

- Inter-district coordination and cooperation;
- Heavy and early attorney involvement;
- Multi-agency cooperation; and
- Importance of Task Force funds (for necessary travel and translation expenses).

Agents in a major eastern city learned from an informant that one of the city's drug convicts, now in a Federal prison in the Midwest, was continuing to deal in drugs by using the telephone in the prison's Alcohol Treatment Unit (ATU), where he was being held. On the basis of this and other information, a Task Force Assistant U.S. Attorney obtained a warrant for a tap on the ATU phone, to be monitored by agents from DEA and FBI. The tap soon revealed that a flourishing organization was operating out of the ATU, and authorization was obtained to extend the intercept in order to capture as much detail as possible.

The prison tap authorizations included seven inmates as targets. Although a sign posted over the ATU telephone warned that calls might be monitored, the inmates conducted what turned out to be a substantial drug trade, often using code language but frequently talking "in the clear."

The taps revealed that a former inmate of the same prison, now completing his sentence at a halfway house in Miami, was serving as a source of supply for his former fellow inmates. He was free to leave the halfway house during the day, when he would obtain the drugs that had been ordered and ship them to the prison or other destinations. Elements of the enterprise were eventually discovered in Tennessee, Indiana, Kentucky, Illinois, New York, and Georgia.

To substantiate the information obtained by the phone tap, warrants were obtained and a search was made of the ATU prisoners' cubicles. The search turned up drugs and records relating to drug transactions. The search also prompted the prisoners to alert their cohorts to the situation by telephone, and, of course, those phone calls were also intercepted and provided additional evidence for the case against the conspirators.

These prisoners, all located in a unit supposed to provide treatment for alcoholics, were able to continue to deal in drugs on the outside, through their confederates. They were able to maintain a steady flow of drugs into the prison, where the price of the drug was seven to eight times greater than on the outside.

The entire investigation had to be carried out away from the prison itself, and with the awareness of only the highest prison administrators. In addition to involving the two Task Force investigative agencies (FBI and DEA), it required the full attention of an Assistant U.S. Attorney from the eastern city and one from the Midwest, where the prison was located. Additional investigative support was drawn from several other jurisdictions where the operation had spread its tentacles.

In all, over 8,500 phone calls were intercepted, about half of them in Spanish. Task Force resources made it possible to employ translators who could provide rapid reports of the calls' contents, enabling the investigative team to meet the court's reporting requirements, and to permit prompt follow-up of perishable leads.

The operation culminated in the filing of two indictments, one in the East and one in the Midwest. Together the two indictments charged eight present or past inmates of the prison and fifteen of their colleagues outside with conspiracy to possess and distribute narcotics, attempt to possess, distribution of narcotics, and use of wire communications to facilitate narcotics transactions. Trials were promptly scheduled for early 1984.

## JAIL-BIRDS

of the Task Forces there are positive elements that relate to new types and levels of Federal agency cooperation, and they are directly attributable to the Task Force Program.

***"One current investigation is a good example of how the Task Force prompted interagency cooperation where there probably would have been none. The case involves a major marijuana and cocaine trafficking organization with ten to fifteen subjects, and the Task Force is aiming for CCE charges and substantial asset forfeitures. IRS initiated the investigation and, using intelligence provided by ATF, developed most of the evidence in the early stages. Through the Task Force, IRS requested assistance from DEA, and together the two agencies developed some good informants and began to make significant inroads into the organization. Outside the Task Force framework, IRS might not have asked for DEA participation lest, when the case came to court, the drug charges replace the tax counts IRS had developed."***

In essence the Task Force Program is another in a series of attempts to harness the separate and distinct capabilities of Federal enforcement agencies and employ them jointly, this time specifically against the tightly knit network of narcotics racketeers, financiers, and traffickers. The plan has been well received in most locations and from agency to agency. The Treasury agencies have embraced the Task Force Program, with only one reservation—that it not be directed by any Department of Justice entity other than the U.S. At-

torneys. DEA, having just undergone a centralizing reorganization which also placed it under the FBI Director, has attempted to share its drug investigating mandate without losing its identity. The FBI has, to a large extent, tasked the core city SACs to help develop the Task Forces as they see fit.

The U.S. Attorneys have quietly played a guiding role in Task Force development. In all cases they have selected top coordinators and assigned the best Assistant U.S. Attorneys they had or could hire. They have increased their commitment to drug law enforcement. In core cities and districts they have guided and supported their fledgling Task Forces with evenhandedness and effective public relations techniques, resulting in a consensus among SACs and Coordinators that the U.S. Attorneys have provided outstanding leadership in the establishment and early operation of the Task Force Program.

All agencies have honored the Task Force concept by assigning excellent agents and giving them both the leeway and support necessary to be effective within the Task Force framework. The strong motivation within all agencies to mount an organized effort against the emergency of drug abuse has taken priority over turf concerns or resistance to change. The Task Force Program does work; its cost effectiveness can only be determined over the coming years as the cases so far developed reach the courtroom stages.

### **State and Local Law Enforcement Participation in the Task Force Program**

One specific Task Force objective stated in the Guidelines is:

To work fully and effectively with state and local drug enforcement agencies . . .

To facilitate the collaboration with State and local law enforcement elements, the Task Force Program encourages, where appropriate, the cross-designation of Federal attorneys and State and local attorneys; the deputation of State and local police officials as Special Deputy U.S. Marshals; the payment of certain overtime, travel, and per diem costs for State and local officials engaged in Task Force work; and the signing of agreements to set forth the nature of the understanding between the Task Forces and the State and local jurisdictions. While not without some shortcomings, State and local cooperation with the Task Force Program has been successful and productive.

### **Cross-Designation of Attorneys**

Task Forces use cross-designation in widely varying ways. Cross-designation has not taken place at all in several Task Forces, while in others it is highly developed and utilized. The practice makes it possible for designated Federal attorneys to participate in State court prosecutions, or for State attorneys to participate in Federal prosecutions. In one district, four State or local prosecutors have been designated as Special Assistant U.S. Attorneys for participation in certain cases, and one Assistant U.S. Attorney has been designated as a State's attorney under the State's statute. The situation there is well described by one of the State's attorneys who participates in the Task Force Program:

Up to a few years ago, State and Federal agencies accused everybody of stealing their work product. When we were able to bring in the U.S. Attorneys at a very early stage, we used them to help us settle disputes among agencies and didn't worry about who would get the credit. It takes a long time to train a policeman not to be suspicious of Federal agents. One of the things we have been able to do is to call the U.S. Attorney's office and get the Assistant U.S. Attorney's word that, whatever happens, the officer will continue to be involved in the case. He'll be able to go on the raids, get his picture in the paper, sit at the witness table, testify, all that. It just helps wipe out that reluctance to talk to Federal agencies.

The present State's attorney was an Assistant U.S. Attorney who worked for the U.S. Attorney. He sold him on the concept that's now spreading around the country—cross-designation. Now, early in the investigation, the whole dynamic is changed. It doesn't matter whether it's Federal or State. We'll be sitting at the trial table, whichever court it goes to. Now it's no problem which jurisdiction we go to, and the political dynamic is better, because we won't be accused of not being able to handle the big case, because we will be there.

Since the inception of the Task Force Program, the increase in the number of cross-designated State and local prosecutors serving as special Federal prosecutors has been dramatic. According to records maintained by the Executive Office for U.S. Attorneys (EOUSA), there were normally about 40 such cross-designations on record in a given month in early 1983. By September, the number had doubled and by the end of the year, there were 137. Most of the new cross-designations are in support of Task Force cases.

Accurate figures for the numbers of Federal attorneys cross-designated to participate in State or local prosecution are not available. EOUSA does monitor this activity, however, and reports that all such cross-designations currently reported are within the Task Force Program.

Not all Task Forces are utilizing the cross-designation approach extensively or effectively. Some jurisdictions do not find it necessary or desirable to share prosecutorial responsibilities. In some instances, cross-designation attempts have been frustrated by the length of time required to process requests for Federal designation of State and local prosecutors. An extensive background investigation is required before a nominated attorney may be designated as a Federal prosecutor; thus, the case may be completed before the background investigation.

The Task Force cross-designation effort has caused a substantial increase in the number of State and local prosecutors who are active in Federal courts, resulting in enhanced collaboration between Federal prosecutors and their State and local colleagues. Though most Task Forces do not make full use of cross-designation, they do maintain close working relationships with State prosecutors and decide jointly what kinds of charges to place in State or Federal courts.

### **Deputation**

In order to make possible the full participation of State and local personnel in Task Force investigations, Task Forces are encouraged to have cooperating State and local investigators deputized as Special Deputy U.S. Marshals. Deputation enables State or local police officials to function as law enforcement officers outside their normal jurisdictions. Thus, as a Special Deputy U.S. Marshal, a local police officer from Denver can participate legally in investigative work in California or Florida; a West Virginia State Police officer's authority to pursue a case's investigation does not end abruptly at the Pennsylvania State line. Deputation enhances State and local law enforcement officers' ability to participate

in Federal investigations. It also provides the Task Forces with a substantial additional pool of personnel.

Frequently—estimates vary, but the frequency is high—drug cases originate at the State or local level. A police officer makes a bust and subsequent developments expand the case. The police department shares its information with DEA or another Federal agency, in order to obtain information on the pusher's other criminal activity, for instance, and a larger case is begun. As the Federal agencies become involved, violations of Federal statutes, which sometimes carry heavier penalties than State laws, come to light. The result may be prosecution in a Federal court. Such Federal prosecutions have often not reflected the substantial contributions of the State and local forces, because their investigative role may have been inhibited. With a broader policy of deputation, their role is expanded. Not only are those agencies credited more properly for their contributions, but, with deputation, the State or local officer may testify as a local police officer and as a Special Deputy U.S. Marshal.

This practice did not begin with the advent of the Task Forces. It is part of Task Force Program policy, however, to encourage the use of deputation.

#### Payment of Overtime and Other Costs

State and local law enforcement agency budgets are often stretched to the limit. In order to encourage greater participation of these agencies in Task Force operations, the Task Force Program budget provides funds to help these agencies meet the costs of participation. These funds are used in two ways. One is the payment to State and local law enforcement agencies for overtime costs incurred when their personnel are involved in Task Force operations. The other is the reimbursement to those agencies for travel and per diem costs incidental to Task Force operations.

The FY 1983 allocation for payments to State and local law enforcement agencies was \$1,628,000, the total amount of which was obligated prior to the end of the fiscal year. The FY 1984 allocation is twice that amount. Each Task Force has an allocation of funds for this purpose, which is not to be exceeded. A reserve fund is maintained in Washington to permit an appropriate response to special or emergency needs.

Sixty-four agreements for Federal reimbursements to State and local agencies were signed by the end of 1983. They range from \$1,500 to

\$90,000. These agreements provide that personnel assigned to Task Force operations may be reimbursed with Federal funds for overtime costs (not to exceed in any year 25 percent of the salary of a GS-10, Step 1, per person) and for travel and per diem costs incurred. In many instances, the Federal payment of these expenses is highly effective in enabling State and local enforcement agencies to participate fully in Task Force operations. One FBI SAC, noting that there was extensive cooperation with the local police department even before the inception of the Task Force Program, added that "the Task Force money for overtime and expenses has made a world of difference."

A number of jurisdictions, however, are not able to take advantage of this provision. Some State and local jurisdictions have laws prohibiting the use of funds from other jurisdictions as salaries for law enforcement personnel, but in some of those cases payment of travel and per diem expenses may be covered by Federal funds. In some other instances, State and local agencies have declined to accept proffered Federal funds, fearful of a loss of their independence. This attitude, however, has not diminished the contribution of those agencies to the Task Force Program. Numerous jurisdictions have cooperated wholeheartedly with the Task Force Program without Federal reimbursement agreements.

#### Enhanced Collaboration

**Atlanta:** On invitation from the Task Force in Atlanta, the Georgia Bureau of Investigation (GBI) assigned a GBI officer as a full-time member of the Task Force Coordination Group. The officer works at the Task Force office and is a full participant in the deliberations of the Task Force Coordination Group.

The GBI's Investigations Division has a complement of about 250 agents, of whom 40 are assigned to the Narcotics Unit (although about 100 are involved in narcotics investigations). As of last November, two of the GBI's narcotics agents were assigned full-time to work on Task Force cases. When the Task Force found an urgent need for additional personnel for a case in Savannah, the GBI Task Force Coordinator was asked for help. "How many and when?" he asked. He was told that nine agents would be very helpful, as soon as it could be arranged. Nine agents were on duty the following morning in Savannah. The GBI has

informed the Task Force that it will commit as many personnel as the Task Force requests.

This is not a one-way street, benefiting only the Task Force. The GBI Coordinator points out with pleasure that Task Force participation makes all the difference in pursuing narcotics traffickers. Not only is it a matter of greater fiscal resources, permitting bigger buys and access to higher levels of the drug organization, but it also provides a wider range of resources and abilities, and an extensive network that enables a Georgia case to be coordinated with one in California in a manner never before possible.

**Wheeling:** An integral part of the Task Force in the Northern District of West Virginia is the West Virginia State Police, which has assigned six officers to the Task Force on a full-time basis. This situation is a prime example of symbiosis. The DEA has a small complement in the State of West Virginia. The State Police has limited numbers of personnel, too, and does not have access to the expertise and the resources that the Federal agencies can command. Combining personnel and other resources result in a much greater return for each dollar invested, for both the Task Force and the State Police.

Not only does the State Police bring person-power to the effort, it also constitutes an invaluable source of intelligence, at a local level, that the Federal officers cannot match. Awareness of what's going on in the community is valuable intelligence, as illustrated by one case where State Police officers learned, through "neighborhood gossip," that an unsuspected individual was spending enormous amounts of money. In less than a year, this person bought more than \$1.5 million worth of real estate. A bit of scrutiny revealed that the source of income was narcotics dealings, and he is now the subject of a Task Force investigation. In another case, a man with a West Virginia address was arrested in Florida. The man had a great deal of money, which Florida authorities assumed was legitimately acquired. But, when a routine check was made in West Virginia, it was determined that the man had no known source of income there either. The result was a new narcotics investigation.

An example of the extent to which Federal, State, and local officers can and do complement each other's work is the following roster of participants in a marijuana search raid in the vicinity

of Parkersburg, in November 1983. Present were four West Virginia State Police, three IRS Special Agents, one FBI Special Agent, two county sheriffs, and two local police officers: a total of twelve people from five agencies, of which two were Federal, one State, and two local. Each agency had its own role, responsibility, and expertise, and all worked closely together as a Task Force team.

The six full-time, Task Force-assigned West Virginia State Police officers have all been made Special Deputy U.S. Marshals, affording them access to sensitive and legally protected investigative information. Here, as elsewhere, however, their supervisors, who are not so deputized, may not receive that information. While it is not normally desirable for an investigator to withhold information from a superior, the West Virginia State Police permits the situation in the interests of better drug prosecutions.

**Detroit:** The Michigan State Police is developing into an integral part of the Task Force mechanism. A police lieutenant attends Task Force meetings on a regular basis, and a complete two-way dialogue is growing, according to the U.S. Attorney in Detroit.

The Michigan State Police has placed one full-time person in the Task Force office in Detroit, who facilitates the exchange of information and serves as a coordinator. Both Michigan State Police and Detroit Police Department personnel are active in Detroit's Task Force cases. The Michigan State Police lieutenant has subsequently become a full-time coordinator-member of the Great Lakes Task Force.

**Omaha:** An Omaha Police Department (OPD) investigation in 1982 led to the identification of a major cocaine network. The OPD shared the case with the FBI, and in 1983 the case was brought to the Task Force. Labor-intensive electronic and physical surveillances made heavy personnel demands, as did the massive arrests of forty-four suspects in June. Working side by side with Task Force personnel from FBI, DEA, and IRS were police officers from the OPD, Bellevue Police Department, Nebraska State Police, Douglas and Sarpy Counties Sheriffs' Offices, and Iowa's Division of Criminal Investigation and Pottawatomie County Sheriff's Department.

## OUT WEST

This case, entitled "Out West," illustrates:

- Collaboration of a Task Force with State and local law enforcement agencies;
- Early and intensive involvement of attorneys during an investigation; and
- The heavy investment of time and resources needed to conclude successfully a complex drug case.

In a western State, a city patrol officer stopped a sports car for a traffic violation. While questioning the driver, he noticed a gun and a vial of white powder in the car. He arrested the driver and passenger. Analysis showed the powder to be cocaine. Later, the passenger agreed to cooperate with law enforcement officials and described his role in one of the largest drug organizations ever to operate in the State. He had served as the pilot for the ring, importing over \$12 million worth of cocaine from Colombia. The cocaine was distributed in a number of western States. The ring used several legitimate businesses to launder its drug profits.

The city's law enforcement system soon found itself engaged in an investigation too big to handle alone and sought assistance from the DEA. The case was selected for the Task Force early in 1983. As the investigation developed, it came to include prosecutors and law enforcement agencies in two counties; police

departments in five cities; Task Force agents from the FBI, DEA, IRS, and the Marshals Service; and three Task Force Assistant U.S. Attorneys.

Investigators used court-approved wiretaps and other electronic means for surveillance of the suspects' homes and businesses. They maintained physical surveillance of the suspects' activities and movements across several States. Almost a year after the traffic incident, investigators conducted raids on several of the suspects' homes and businesses, seizing over \$1.5 million in cash and numerous gold bars from one residence.

A few months later, a Federal grand jury returned a thirty-count indictment against thirty individuals, including nine Colombian nationals. CCE charges were filed against two of the leaders. Nine defendants entered guilty pleas. The others are expected to stand trial.

The defense attorneys filed more than a hundred pretrial motions to have wiretap transcripts and other pieces of evidence suppressed. The pretrial motions consumed almost six months and engaged the full attention of the three Task Force attorneys assigned to the case. The bulk of the evidence was preserved intact.

The investigation spanned fifteen States. It utilized the resources and varying skills of seven city and county law enforcement agencies, four Federal agencies, prosecutors from two counties, and three Federal attorneys. It took more than two years, from the traffic violation incident to the beginning of the trial.

The heavy demands on technical skills, equipment, and personpower that contributed to this successful operation could only be met by joining the resources of multiple Task Force agencies with those of these seven State and local agencies. The ability to put together very large teams for such purposes is extremely beneficial both to the Task Forces and to the State and local forces that, as in this case, so frequently do the original spadework in drug cases.

Not all Task Force offices enjoy full-fledged cooperation from State and local law enforcement agencies. There are instances where concerns about integrity and levels of professionalism inhibit the fuller integration of State and local personnel into Task Force cases. A few, and fortunately there are only a few, jurisdictions have histories of police corruption; and the access to huge sums of money derived from narcotics dealing is an immense corruptive power. Consequently, selectivity is often a necessary adjunct to involvement of State and local agencies in Task Force cases. As one Assistant U.S. Attorney Task Force Coordinator with extensive experience as a local prosecutor put it, "Everybody around here knows who the crooked cops are, or the crooked DA's or judges. We just avoid them."

Another obstacle can be indifference. One Task Force, for example, enjoys a very close working relationship with the half-dozen or so police departments in its immediate area. In one nearby resort city, however, an attitude of "live and let live" applies to the dealers of marijuana and cocaine, who are "respectable" people providing "recreational" drugs to "respectable" people. The Task Force receives no cooperation in that city. The same consideration of "respectability" is found in numerous other communities, making the work of the Task Forces more difficult.

### Summary

While the record is uneven, many Task Force elements are still developing the full use of the resources represented by State and local law enforcement personnel and prosecutors. Obstacles remain, nonetheless the Task Forces have made substantial progress toward integrating their efforts with those of their colleagues at the State and local levels. The results are superior investigations, better prosecutions, and an environment of improved working relationships.

## Financial Investigations, Seizures, and Forfeitures

As with many criminal enterprises, the principal inducement to trafficking in narcotics is money. The vast amounts of dollars that change hands enrich the criminal traffickers but also pose an extremely difficult problem for them. Those dollars are often in small denominations of ones, fives, tens, and twenties. The small bills become too numerous and bulky to handle inconspicuously. As large amounts of money accumulate, the trafficker must convert it from cash to some other form. Some traffickers spend excessively; many put the cash into other asset forms, such as bank accounts or investments; and virtually all reinvest large amounts of money in additional supplies of drugs.

These large-scale money movements provide law enforcement agencies with an opportunity to detect criminal dealers. In their efforts to avoid detection, traffickers often make illegal currency transactions. Almost always, the traffickers fail to pay their full share of income tax. The Task Forces are emphasizing the use of financial investigative techniques to:

- Identify traffickers;
- Determine their criminal liabilities for illegal currency transactions and tax evasion;
- Develop further proof of involvement in drug trafficking; and
- Deprive traffickers of further enjoyment of their illicit profits.

As stated in the *Guidelines*, the Task Force Program's objective is:

To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, in order to identify and convict high level traffickers and to enable the government to seize assets and profits derived from high-level drug trafficking . . .

A number of financial investigation groups existed prior to the Task Force Program. Their successes encouraged the growth of additional financial investigative teams. Many of these groups have been incorporated into Task Force offices. Most

Task Forces have a designated financial investigation specialist. The specialists are either Assistant U.S. Attorneys or investigative agents who are expert in tracking the paper trails of financial activity. Seven Task Force core cities and several more districts have the benefit of a Financial Investigations Unit or Financial Task Force. Some of these operate outside the Task Force structure. Usually, however, the participation of a Task Force Assistant U.S. Attorney, IRS agent, and Customs agent is crucial to the operations of such a group. Though five Task Forces lack financial investigation groups, there are active financial investigations under way in support of ongoing cases in each Task Force Region.

#### Identifying Narcotics Traffickers

A particular value of one kind of financial investigation is that it can lead to the identification of individuals never previously suspected of having any connection with the drug trade, but who are knowingly and willfully participating in narcotics trafficking. These are the bankers, lawyers, or financiers who hide behind their respectability while enjoying the fruits of their crimes. This approach is analogous to, but much more sophisticated than, the instance cited earlier in this report, in which a West Virginia man became a suspect by virtue of having bought over \$1.5 million worth of real estate in a year without any apparent or legitimate source of income. Unexplained money transactions create a suspicion. That suspicion must be followed by much additional investigation to establish whether drugs are indeed the source of the unexplained income.

Pioneered on a large scale in conjunction with the South Florida Task Force, computerized data analyses are being used by the Task Force Program to discover unusual patterns of money movements through the banking system. These analyses rely primarily on reports that banks and individuals are required to complete at the time of certain transactions. One important record of this sort is the Currency Transaction Report (CTR), which banks and some other financial institutions must complete whenever a customer engages in a cash transaction of more than \$10,000. CTRs are filed with the IRS and recorded in a data bank. Through computer analysis of CTRs, it is sometimes possible to identify individuals engaging in repeated transactions of this size, and to sort out those with legitimate reasons to do so (e.g., retail stores) from those who remain suspect. This analysis can lead to further investigations. Similarly, one may be able to iden-

tify bank accounts to which large amounts of cash are frequently deposited.

Similar methods are used to analyze Currency or Monetary Instruments Reports (CMIRs), which must be filed when large amounts of money (over \$5,000) are taken out of the country, and the Foreign Bank Account Reports (FBARs), which are required of anyone with a foreign bank account exceeding \$1,000 in value. Investigators also use other banking records such as wire transfers and bank examination reports. Investigations of this sort are often very time-consuming and require a high degree of technical skill. Agents of IRS and Customs are particularly well-equipped for such investigations.

To support financial investigations, Customs maintains a central data bank, with access to a variety of Federal records such as CTRs and CMIRs. This office, called the Treasury Financial Law Enforcement Center (TFLEC), is staffed with experienced Customs and IRS analysts who can comb the data in response to Task Force requests. Task Force queries to TFLEC are forwarded via Customs' on-line computer facilities. One part of the Task Force Program's allocation of personnel was to augment the staff of TFLEC with almost forty new analysts. When asked to do so by a Task Force, TFLEC can perform a macro-analysis, examining banking patterns within an entire Federal Reserve area, for example, in order to find banks whose practices are anomalous and who may be dealing with large amounts of drug funds. This technique has been used on a number of occasions in Florida and elsewhere. Or, on a much smaller scale, TFLEC can examine individual accounts or records, or can analyze the relationships between identified accounts.

The Task Forces are trying to identify money launderers and drug dealers, and financial institutions that are knowingly working with these criminals. Task Forces are still at a relatively early stage in this area, because the processes involved are highly sophisticated, technical, and time-consuming. In the Great Lakes Task Force both Detroit and Cleveland have established Financial Task Forces, composed of Assistant U.S. Attorneys, and agents from Customs, IRS, and other agencies. Charleston, South Carolina, has been highly successful in applying the skills of a Financial Task Force to the job of identifying unknown persons in the narcotics trade. The Task Force in Boston has a highly skilled team working to mine this lode.

Financial searches are not always successful. The extensive data resources and analytical capabilities of both TFLEC and the Task Force financial investigation groups make the probability of success far greater than before, but there are still problems. Perhaps the most frustrating result has been the discovery of financial irregularities that do not relate to drug transactions. While it is considered a truism that almost all major narcotics traffickers engage in financial irregularities, other criminals also seek ways to conceal their illegal money deals. These may be operators of gambling or prostitution rings, for example, or oil resellers, or pension fund "skimmers." Sometimes the financial anomalies discovered lead to these other criminal sorts. This problem has initiated a debate as to the propriety of supporting Financial Task Forces that may generate non-drug and non-Task Force cases. But the attitudes of those Task Forces that are using this approach is perhaps best expressed by one of the Assistant U.S. Attorney Task Force Coordinators:

Our emphasis has to be on the "pro-active" approach, rather than creaming the cases that just appear. You've got to be willing to risk failing a lot to gain a lot. You may put two years into making a case, before you know for sure whether it is the right case or not. You don't know what the outcome will be when you start, or whether it is the right case. But that is the only way you can get the real big rewards.

Another aspect of the financial approach to the identification of drug dealers and their transactions is exemplified by the Atlanta office of the Southeastern Task Force. With the strong encouragement of the U.S. Attorney in Atlanta, a Task Force team has been touring the State, meeting with bankers' association groups, informing them of money-handling techniques that are common among drug dealers, and inviting the bankers to cooperate by volunteering information when such practices are seen. They also remind the bankers of the penalties that can be imposed on banks or bankers who are shown to be participating in money laundering schemes or failing to file required reports. Sometimes, in the wake of one of these briefings, a banker will come forward to report a suspicious activity, such as a "curious transaction" or series of transactions, which leads to the identification of new drug targets.

The "Moneybags" case is an excellent example of the way traffickers can be identified because of their financial transactions (see p. 66). Investigators in this case interviewed real estate brokers to learn who had been buying expensive resort properties, searched court records for mortgage and title information, questioned car dealers about purchases of expensive cars, and so on. In this manner, they were able to isolate the names of a number of big spenders and, later, to identify smugglers among them.

#### Proving Drug Charges

Another purpose of financial investigations is to buttress charges against drug traffickers. The CCE statute, for example, is applicable only when it can be demonstrated that the violator has obtained substantial income or resources from drug trafficking activities. In order to perfect cases against high-level drug dealers, knowledge of the amount and nature of income and its disposition is often invaluable. Careful investigation is necessary to identify the mechanisms and the individuals involved in the laundering of drug moneys, or those partners or other associates who are participating in the activity.

The case of "The Sheriff and the Dealer" (see p. 44) is one in which financial investigation tracked the Dealer's money transactions back to 1977, in order to link the Dealer with the purchase of a boat used in smuggling marijuana. This is a crucial element in proving the smuggling charges and the long-term nature of the Dealer's involvement in the continuing criminal enterprise.

This kind of financial investigation usually works against identified targets, persons who are known to be involved in the drug trade. These investigations can generate new targets, however, as they progress, by showing that known trafficker Smith, for instance, has repeated money transactions with unknown individual Jones, whom later investigation shows to be a criminal trafficker, too.

It is often only through financial investigations that the supposedly respectable professional associates of drug dealers can be identified and linked to criminal activity. In only a small number of Task Force cases—less than 4 percent of the total—have Task Forces been able to project at the outset that the case will result in charges against a major money launderer or financial backer. However, as many financial investigations proceed, a trafficker's business associates, such as lawyers and bankers, can be identified, and their roles

as launderers and financiers pinned down with clarity.

Financial investigative specialists examine any available records of financial activity pertaining to the subject of the investigation. Because of laws protecting the privacy of all citizens, such records are not always easily available to the investigators except through legal proceedings such as a grand jury subpoena. The investigators may have to rely on other sources of information during a substantial part of an investigation (before reaching the grand jury phase). This may mean identifying frequent contacts through surveillance or telephone records, and establishing the nature of those relationships through overtly available information sources. At this stage of an investigation, the range of financial materials available is limited. Personal and institutional records become available in great numbers when an investigation advances to such a point that search warrants and subpoenas are possible. At that point, a Task Force's IRS and/or Customs agents move into high gear to determine what the target's income has been, where the money has gone, who assisted in hiding the money and other assets, what the tax payments have been and should have been, and what illegal currency transactions have occurred.

#### Establishing Tax and Currency Violations

As long as the effect of the enforcement action is to put major traffickers and trafficking organizations out of business, it is not necessary that actual drug charges be brought. Sometimes tax and currency violations can be identified and successfully prosecuted when drug charges cannot be proved. This approach is not new, its most notable success being Al Capone. Tax violations can carry substantial financial penalties and prison sentences, often combined with seizures of assets when there is a reasonable likelihood that the criminal would place those assets out of the reach of the government to avoid losing them. A single currency violation can carry a penalty of a \$500,000 fine and five years in prison, and may effectively inhibit further drug dealing. The Task Forces are enjoined to use these weapons in conjunction with drug charges, or when drug charges cannot be proved, in order to disable narcotics enterprises.

For the most part the Task Forces have been able to make narcotics counts an integral and principal part of the indictments brought to date. In most cases, however, tax or currency charges are included in the same indictments. It can be assumed that virtually all drug dealers fail, in

one way or another, to report accurately their income from drugs. The culpability of the criminals has not changed because of the creation of the Task Forces, but the method of addressing their criminality has. In pre-Task Force times, IRS would have pursued tax and banking charges, Customs would have pursued currency charges, the FBI would have pursued money and finance charges, and DEA would have pursued drug charges. The Task Force approach places the drug, tax, and currency cases in the same file folder, and the investigations and prosecutions reinforce each other.

Task Forces do not always accomplish this without some difficulty. As noted above in the section on "Federal Agency Coordination and Cooperation," IRS's role is seriously complicated by a number of factors, including restrictions on disclosure, the case review process, and the conflict between overt and covert investigative needs. Even given these inhibitions, the contribution that IRS makes to the Task Forces' efforts is often described by U.S. Attorneys as the greatest contribution of any single agency.

#### Seizures and Forfeitures

RICO and CCE, the kingpin statutes, provide for forfeiture of the fruits of criminal activities under criminal proceedings. The intent is to extinguish the rights of the criminal to enjoy or further benefit from the assets or positions acquired through illegal actions, or which have been used to further those actions. This means that the Government may have the right to take ownership of all such assets, be they real estate, automobiles, equity in a business, directorships in companies, offices in labor unions, bank accounts, or any kind of goods or entitlements that the criminal has used in the criminal enterprise or obtained as a result of it.

While these statutory provisions have been available to Federal prosecutors for more than ten years, only limited use had been made of them. The Task Force Program has given these statutes new emphasis. It appears that this emphasis on criminal forfeiture provisions is bringing about significant results. The anticipated RICO and CCE prosecutions forecast in Case Initiation Forms are indicated in Table 20, p. 82. Because of the stringent requirements of proof under these statutes, it is likely that the actual number of RICO and CCE indictments will be a bit lower, but these figures are far in excess of any previous body of cases.

Further, when neither RICO nor CCE can be made to stand, civil forfeitures can be utilized in many instances. Often, the use of both civil and criminal forfeitures is desirable. Properly used they can constitute a potent combination. Legal differences between civil and criminal forfeiture actions afford prosecutors and investigators a range of flexibility that can enhance the chances of both investigative and prosecutorial success. For example, civil forfeiture proceedings can precede an indictment, but RICO and CCE criminal forfeitures are an integral part of the indictment. Thus, seizure of property under civil forfeiture proceedings can effectively "nail down" assets that might otherwise be disposed of by a trafficker who is aware that the enforcement net is being drawn around him or her. Task Force Assistant U.S. Attorneys are encouraged to use these tools to prevent the flight of assets, to secure them for the Government, to deprive the criminal of their use, and to develop additional information about narcotics traffickers.

The Government can institute civil proceedings to forfeit property used in furtherance of an illegal enterprise. In addition, a civil forfeiture can be based on an immediate demand for payment of tax liabilities. These "jeopardy" or "termination" assessments provide for seizures of assets of sufficient value to satisfy the violator's tax obligation, and need not apply only to property used in illegal activities.

Financial investigations are, of course, crucial to an effective pursuit of forfeitures. Task Forces' financial investigation groups can and do contribute to the identification of assets for forfeiture, as well as the identification of the parties to narcotics transactions. In addition, five Task Forces have designated Assistant U.S. Attorneys to serve as forfeiture specialists. Perhaps of comparable importance is the constant exhortation to maximize forfeitures. Task Forces are "thinking forfeiture" in virtually every case, and are constructing their investigations to support that approach. The results are beginning to be seen.

The tables provided in the next chapter indicate substantial increases in drug-related seizures and forfeitures. It is not possible to attribute these increases to the Task Force Program. First-year comprehensive statistics of Task Force seizures and forfeitures are set forth in Table 42, however. They reflect a total of more than \$50 million in seizures and forfeitures of cash and property, and an additional \$1.5 million in fines. As Task Force cases move to completion, it is entirely possible that the dollar value of the properties obtained through these

efforts will eventually exceed the cost of the Task Force Program.

The forfeited properties themselves can and do often contribute to the Task Forces' workings. Seized cars, for instance, may become superior surveillance vehicles, because they do not look like "cop cars." Often the forfeited properties are sold, bringing revenue to the Federal coffers. In some instances, the State and local jurisdictions share in these benefits, which reinforces their willingness to participate in Task Forces' efforts.

While most investigative agencies have authority to seize drugs, contraband, or other properties under certain conditions, the formal seizure process is a special responsibility of the Marshals Service. Seizures under the Task Force Program have been substantial during the first year, but as more cases reach fruition the demand for seizures to be carried out by the Marshals Service is expected to increase dramatically. This increase will result in greater amounts of properties to be maintained, pending final court determination of forfeiture or disposition by the Government. The U.S. Attorney is responsible for maintaining seized property, with the assistance of the Marshals Service. As the amount of properties seized increases, maintenance requirements will become more onerous. To manage the greater load, the Marshals Service is developing a National Asset Seizure and Forfeiture Program, which will support U.S. Attorneys in maintaining properties obtained by Task Force and non-Task Force prosecutions.

#### Seizures and Forfeitures as Investigative Aids

Seizures and forfeitures can serve both punitive and investigative ends. In addition, the mere act of seizing properties can act as a lever for the discovery of remarkable amounts of intelligence about the people who traffic in drugs.

There is perhaps no better example of this phenomenon than the "Moneybags" case (p. 66). Because many of the seizures were carried out with extremely high visibility and with maximum publicity, many of the community's narcotics criminals from the respectable strata of society became concerned that they, too, would be targeted and prosecuted by the drug enforcement establishment. As they saw how their fellow traffickers were being stripped of their assets and taken to trial, many of these professionals chose to come forward and tell all they knew, in an effort to minimize the punishments they recognized as inevitable. Many of these attorneys, financiers, and accountants were

## MONEY- BAGS

This case, "Moneybags," began before the Task Force Program was initiated, but it was reinforced by Task Force resources and the Task Force mandate. It illustrates:

- The use of financial investigations to identify unknown traffickers;
- Involvement with numerous foreign jurisdictions;
- Potent and effective use of seizures and forfeitures; and
- Task Force ability to pursue an investigation over a long period of time.

In February 1982, a Southeastern Task Force district established a team of Federal agents from several agencies to use a financial approach to identify and prosecute the kingpin financiers and organizers of drug smuggling activities in the area. By May, the team was in place. (At its height, with the infusion of Task Force personnel, it included seventeen agents, from IRS, FBI, DEA, ATF, and the State's Law Enforcement Division, plus seven Assistant U.S. Attorneys.) A special grand jury was empaneled to hear all testimony in the investigation and to issue subpoenas for records from banks, businesses, real estate offices, and law offices and other documents relating to the flow of money.

There was no list of suspects to question, no files to develop, and no leads, other than the names of many low-level people. No one knew who was at the top.

Initially, a pair of agents went to a resort area, where many "high-rolling" smugglers were said to visit. They questioned realtors and developers to discover who had been buying expensive resort property; they searched court records to learn of mortgages and in whose name titles were registered; they interviewed car dealers to find out who was buying expensive imports; they questioned house and dock builders to see who was building on waterfront property. By late summer, they had interviewed hundreds, and were beginning to uncover two separate drug organizations which had been operating without detection since 1974, importing many millions of dollars worth of marijuana and hashish. *None* of the financier/organizer suspects had ever been known to any law enforcement officials before.

In September, seizures began—\$344,000 from an attorney's account, a \$100,000 piece of resort real estate, and a fashionable \$450,000 restaurant and nightclub. Seizures amounted to over \$2 million by the end of the year, including resort property in Nantucket and a \$160,000 certificate of deposit from a bank in the Bahamas. By mid-1983, seizures totaled over \$5 million.

The investigators determined that the two rings had imported about *three-quarters of a billion dollars* worth of drugs over the previous ten years, from the Bahamas, South America, and Lebanon.

An indictment against the first ring, in May 1983, charged two men with CCE violations, and another twenty-two with various drug, currency, and tax violations. Prior to indictment, eleven men, including two attorneys, pled guilty. Three more pled guilty before trial, five others were found guilty, and three were acquitted.

An indictment against the second ring charged four defendants with CCE violations, and nineteen others on related offenses. Of the major figures, one pled guilty to CCE and other charges under a plea agreement. Another pled guilty to tax, drug, and currency violations; four pled guilty to a variety of charges; four were found guilty by a jury on all counts; two others were found guilty on drug and currency charges; and one was acquitted.

In cooperation with Antiguan authorities, a fugitive kingpin defendant was located and extradited, and his \$900,000 boat seized. Information from defendants who were now cooperating with the investigation made it possible to obtain a superseding indictment against this man, now including CCE violations and multiple counts of conspiracy and drug violations, plus forfeiture of all drug profits and interests.

Other international judicial assistance was sought from several foreign jurisdictions, including the Island of Jersey, the Bahamas, and Hong Kong. Materials from these proceedings contributed to the convictions.

As of the end of 1983, the investigation was continuing, with more indictments anticipated, and still other organizations being discovered. It is expected that over one hundred traffickers will be prosecuted as a result of this operation.

previously considered beyond reproach. But when the heat of massive seizures and arrests surrounded them, they appeared, as if from nowhere, in substantial numbers.

The Task Forces are still developing their abilities to derive the greatest benefit from such investigative subtleties. The effect cited here is not always the rule. It cannot be anticipated that a rash of seizures will inspire the managers of traditional organized crime groups to step forward and confess. But this kind of lightning strike can bring gratifying results in those communities where respected professionals have been enriching themselves through criminal narcotics activity. Task Forces are able to carry this off more effectively because of their demonstrated ability to identify and seize assets, and because they constitute

a forum, among themselves, for the sharing of newly developed techniques and approaches.

### Summary

The roles of financial investigation, and of seizures and forfeitures, in law enforcement are not new. The Task Force Program brings to them, however, two special and effective dimensions. The first is that the special skills of diverse agencies are combined to make these investigations effective, timely, and mutually supportive. The second is that all Task Forces are enjoined to "think financial," in terms of investigations and in terms of seizure of assets. The effect of these two factors is that the Task Forces show promise of a higher level of application of these techniques than has previously existed, resulting in superior enforcement of narcotics laws.

# Drug Use and Enforcement Data

## Data Collection Methodology

The type of investigations and prosecutions the Task Forces were designed to undertake—high-level, organizational, and financial—require more time to investigate and prosecute than simple interdictions or traditional buy-bust drug cases. The Department of Justice estimates that the pre-indictment phase of a Task Force investigation alone requires eighteen to thirty months, and the indictment to verdict phase from two months to a year. (See Exhibit 1, p. 18.)

Some 200 pre-indictment cases were selected from ongoing investigations during the first six months of 1983, along with approximately 60 newly initiated Task Force cases. Together these cases account for virtually all of the 1,232 indictments returned. By December 1983, sentencing was complete in only twelve Task Force cases. This first-year statistical evaluation, therefore, is skewed toward initial investigations and away from adjudication or sentencing data. Mature data regarding the relationship between investigations and prosecutions cannot be gathered until well into the second year of operations.

The initial Task Force data base exhibits the usual start-up problems, such as: developing specific definitions for the various categories, determining the points at which data should be consolidated for reporting purposes, and establishing data transmission methods which are compatible with security requirements. Some categories of data that seemed to create collection problems were, in fact, easy to collect. For example, the problem of collecting and processing indictment information was resolved by centrally collecting and analyzing all Indictment Forms as they were returned. Some items that seemed simple, like number of arrests attributable to the Task Force Program, are so obscured by overlapping jurisdictions that accurate statistical information is difficult to compile.

Some information categories specified by Congress and estimated herein, such as "the number of drug trafficking organizations

... dismantled," are highly subjective and depend on the criteria selected for their expression. Other categories requested by Congress are available in the Task Force data base but are new categories with no basis for comparison. New categories include seizures, indictments, and convictions attributable to the Task Force Program. Furthermore, this start-up year information provides a weak basis for comparison in subsequent reports. Monthly or quarterly summaries may better identify future trends of investigative and prosecutorial progress.

Almost all narcotics abuse data lack completeness since the data indicate only incidence known to enforcement authorities. (The Bureau of Justice Statistics' National Crime Survey is a notable exception.) Attempts to identify trends from street availability or price and purity indices are reported here as required. These attempts often fall short due to a myriad of uncontrollable variables such as growing conditions at the source or foreign law enforcement will and capacity.

The statistics, therefore, are presented cautiously in the following section. No inference can be drawn that the Task Forces in their first year have had more than moderate, local effect on market and user figures. Much of the Task Force data, particularly the level of persons indicted and the type of charges brought, appear to represent new and important contributions to drug law enforcement.

Anecdotal data from the twelve Task Force Regions may enable the reader to evaluate the first year of operations and judge which approaches can be further exploited and which deterrents to Task Force case development can be better controlled. The method by which this information was gathered is described in Appendix B. The field research design is subjective and depends for validity on the recollections and selection of data by trained but human observers. Yet these observations may, when carefully studied, be more useful than the first-year statistics.

## National Drug Data Tables

The following tables reflect national data for each of the three years beginning with 1980. The tables are arranged in three categories: Importation/Production and Market (1, 2), Use and Abuse (3-5), and Drug Law Enforcement (6-12). The data source is identified for each table. Law enforcement data are based on Federal activity. Note that Tables 7, 10, 11, and 12 are divided by fiscal year (FY), while all other tables reflect results by calendar year (CY).

Table 1  
Importation/Production

	CY 80	CY 81	CY 82	CY 83
Heroin (metric tons)	3.95	3.89	4.08	
Cocaine (metric tons)		34-45	45-54	
Marijuana (metric tons)	10,200	9,600	12,340	
Dangerous Drugs (MDU)*		3,340	3,030	

\*Million dosage units

Source: DEA, NNICC, Narcotics Intelligence Estimates, 1981, 1982.

Table 2  
Retail Price

	CY 80	CY 81	CY 82	CY 83
Heroin (\$ per milligram)	\$2.21	\$2.34	\$2.31	\$2.50 (E)
Purity (percent)	3.8	3.9	5.0	5.0 (E)
Cocaine (\$ per pure milligram)	.71	.79	.71	
Marijuana (\$ per kilo)	\$1,320.00	\$1,320.00	\$1,320.00	\$880.00

(E) Estimated

Source: Heroin, DEA Letter; Cocaine, DEA, "Domestic Drug Situation," October 1982; Marijuana, DEA, "The Illicit Drug Situation in the U.S. Through September 1983."

**Table 3**  
**Number of Users\***

	CY 80	CY 81	CY 82	CY 83
Heroin	492 (E)	492 (E)	500 (E)	500 (E)
Cocaine	9,580		11,900	
Marijuana	31,450		31,460	
Dangerous Drugs	14,010		16,600	

\*In thousands

(E) Estimated

Source: NIDA, ADAMHA Letter and National Survey on Drug Abuse, Population Projections, 1982.

**Table 4**  
**Emergency Room Mentions**

	CY 80	CY 81	CY 82	CY 83
Heroin	8,710	9,667	12,640	11,500 (E)
Cocaine	4,159	4,781	6,180	6,500 (E)
Marijuana	4,128	4,678	5,293	5,350 (E)
Dangerous Drugs	17,025	15,909	15,134	13,483 (E)

(E) Estimated

Source: DEA, "The Illicit Drug Situation in the U.S. Through September 1983."

**Table 5**  
**Overdose Deaths**

	CY 80	CY 81	CY 82	CY 83
Heroin	898	927	924*	900* (E)
Cocaine	169	194	202*	280* (E)
Total	1,067	1,121	1,126	1,180* (E)

\*Excludes New York City

(E) Estimated

Source: Heroin, DEA Letter; Cocaine, DEA, "The Illicit Drug Situation in the U.S. Through September 1983."

**Table 6**  
**Drug Arrests**

	CY 80	CY 81	CY 82	CY 83
Heroin	2,033	2,452	2,221	
Cocaine	4,069	4,288	4,393	
Marijuana	2,947	3,735	3,680	
Other	3,077	2,421	2,382	
Total	12,126	12,896	12,676	13,000 (E)

(E) Estimated

Source: DEA, Offender-Based Transaction System.

Table 7  
Indictments

	FY 80	FY 81	FY 82	FY 83
Heroin	1,055	897	783	960
Cocaine	1,728	1,694	1,889	2,461
Marijuana	1,266	2,245	2,414	2,449
Other	<u>943</u>	<u>751</u>	<u>1,085</u>	<u>1,006</u>
Total	4,992	5,587	6,171	6,876

Source: Department of Justice, EOUSA data.

Table 8  
Convictions

	CY 80	CY 81	CY 82	CY 83
Heroin	1,144	1,088	1,157	
Cocaine	1,737	2,001	2,115	
Marijuana	1,142	1,389	1,535	
Dangerous Drugs	<u>1,228</u>	<u>1,350</u>	<u>1,162</u>	
Total	5,251	5,828	5,969	11,241*

\*1500 attributed to improved reporting

Source: DEA, Offender-Based Transaction System.

Table 9  
Drug Seizures\*

	CY 80	CY 81	CY 82	CY 83
Heroin (kilos)	268	231	305	495
Cocaine (kilos)	4,797	3,205	9,763	18,027
Marijuana (kilos)	1,773,098	3,078,696	3,022,551	1,948,771
Dangerous Drugs (MDU)	37,389	139,936	13,998	21,056

\*Includes seizures, purchases, and samples

Source: Coast Guard, plus DEA data for all other agencies.

Table 10  
Other Seizures\*

	FY 80	FY 81	FY 82	FY 83
DEA	39,382	64,657	106,656	
Other Federal	<u>54,753</u>	<u>96,338</u>	<u>84,083</u>	
Total	94,135	160,995	190,739	235,000 (E)

\*In thousands of dollars

(E) Estimated

Source: DEA data.

Table 11  
Forfeitures\*

	FY 80	FY 81	FY 82	FY 83
DEA	6,793	12,942	39,588	38,099 (E)
Other Federal	35,831	96,338	83,764	176,512 (E)
Total	42,624	109,280	123,352	214,611 (E)

\*In thousands of dollars

(E) Estimated

Source: DEA data.

Table 12  
Jeopardy-Termination Final Assessments\*

	FY 80	FY 81	FY 82	FY 83
IRS	32,300	81,400	153,600	

\*In thousands of dollars

Source: DEA, NNICC, Narcotics Intelligence Estimate, 1982.

## Task Force Data Tables

The following tables present Task Force Program activities through December 31, 1983, as reported by the Task Force Regions. Tables 13 through 23 summarize Task Force cases initiated. The data are derived from Task Force Case Initiation Forms. Tables 24 through 33 summarize Task Force data as reported on Indictment Forms. Tables 34 through 37 present data reported on Sentencing Forms. These tables indicate the disposition of charges against individuals whose Task Force prosecutions are complete and who have been sentenced. Task Force-generated seizures, forfeitures, and fines are detailed in Tables 38-42. The case monitoring system, from which most of these data derive, is described in Appendix A.

In the first year of operation, the Task Forces initiated 467 cases. There have been 264 separate indictments returned in 120 cases against 1,232 individual defendants. The defendants have been charged with a wide range of offenses including 71 charged under the Continuing Criminal Enterprise (CCE) statute and 90 charged with violating the Racketeer Influenced and Corrupt Organizations (RICO) statute. By the close of CY 1983, 337 defendants had been convicted and 216 of the convicted defendants had been sentenced as a result of Task Force investigations and prosecutions.

On the tables the Task Force Regions are identified as follows:

GL	Great Lakes	NC	North Central
GC	Gulf Coast	NW	Northwest
LA	Los Angeles/Nevada	SC	South Central
MA	Mid-Atlantic	SE	Southeast
MS	Mountain States	SW	Southwest
NE	New England	FL	Middle and Northern
NY	New York/New Jersey		Districts of Florida

**Table 13**  
**Type of Criminal Organization**  
**Cases Initiated through December 31, 1983**

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
LCN	2	1	0	7	1	9	12	0	0	2	0	0	3	37	7.9
Drug Trafficking Organization	24	23	10	25	15	15	13	29	24	25	10	8	12	233	49.9
Other Criminal Group	7	15	15	9	4	9	9	18	6	18	18	10	11	149	31.9
Motorcycle Gang	3	1	1	6	3	3	0	3	4	3	1	1	1	30	6.4
Prison Gang	0	1	0	2	0	0	1	2	1	1	1	0	0	1	1.9
Registrant	1	0	1	1	0	0	0	4	0	2	0	0	0	9	1.9
Other	0	2	0	1	0	1	0	0	0	1	0	0	0	5	1.1

(N = 467)

Legend

LCN—"La Cosa Nostra," traditional organized crime families.  
Drug Trafficking Organization—Organizations whose primary purpose is drug trafficking.  
Other Criminal Group—Organizations involved in felony crimes whose members also engage in drug trafficking.  
Motorcycle Gang—Organizations controlled by motorcycle clubs.  
Prison Gang—Organizations controlled by prison inmates.  
Registrant—Persons who subvert legal authority over controlled substances.

**Table 14**  
**Scope of Criminal Organization**  
**Cases Initiated through December 31, 1983**

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
International	17	22	19	23	7	21	23	10	5	15	13	16	10	201	43.1
Multi-District	16	17	7	24	7	12	9	36	22	29	15	2	7	214	45.8
Single District	3	2	1	5	0	5	1	6	8	5	2	1	6	5	9.4
Not Designated	1	2	0	0	0	1	1	1	0	1	0	0	0	7	1.7

(N = 467)

Legend

International—Criminal activities that include substantial international drug trafficking.  
Multi-District—Criminal activities in two or more Federal judicial districts.  
Single District—Criminal activities limited to one Federal judicial district.

**Table 15**  
**History of Criminal Organization**  
**Cases Initiated through December 31, 1983**

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Long-Established	25	27	11	41	15	27	17	37	18	28	22	18	15	301	64.4
Relatively New, Growing	9	13	13	10	9	10	16	12	16	17	6	1	6	138	29.6
Not Designated	3	3	3	1	0	2	1	4	1	5	2	0	3	28	6.0

(N = 467)

Table 16  
Degree of Violence of Criminal Organization  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Extremely Violent	9	6	4	12	3	11	12	4	4	6	3	4	3	81	17.3
Moderately Violent	7	19	7	13	6	7	16	12	6	18	12	5	6	134	28.7
Minimally Violent	17	11	6	17	10	9	4	24	14	16	12	5	10	155	33.2
Not Considered Violent	4	5	9	8	5	7	1	12	11	9	3	5	4	83	18.0
Not Designated	0	2	1	2	0	5	1	1	0	1	0	0	1	14	3.0

(N = 467)

Legend

Extremely Violent—frequent assaults, murders.  
Moderately Violent—some assaults or murders, substantial intimidation.  
Minimally Violent—intimidation, threats, no known murders.  
Not Considered Violent—no known threats or violence.

Table 17  
Principal Prospective Defendant's Organizational Role  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Defend- ants	Percent- age of Defend- ants
Top Leader	66	88	34	67	33	53	41	87	45	63	49	27	32	685	33.1
Mid-Level Leader	56	76	11	64	38	43	67	60	37	40	46	13	49	600	29.0
Major Financial Backer	17	5	4	3	9	9	4	7	1	14	2	1	7	83	4.0
Major Money Launderer	12	9	4	5	1	4	7	7	1	10	15	11	6	92	4.4
Major Enforcer	5	4	2	1	1	5	0	3	2	8	1	1	0	33	1.6
Major Supplier/ Distributor	40	22	20	22	25	33	49	73	117	97	66	13	8	585	28.2
Key Contact to Sources	14	13	5	7	3	10	10	20	1	12	11	4	7	117	5.6
Corrupt Public Official	2	7	0	0	1	0	1	5	0	0	1	2	3	22	1.1
Other	15	12	14	4	0	21	69	50	3	13	35	3	16	255	12.3

(N = 2,072)

Note: The total number of principal prospective defendants is 2,072. Some perform more than one role.

Table 18  
Drugs Involved  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Heroin	13	8	8	16	2	12	17	5	7	7	5	3	1	104	22.3
Cocaine	34	34	18	33	20	29	22	44	23	37	20	15	16	345	73.9
Hashish	4	2	0	5	2	3	1	1	1	2	2	2	1	26	5.6
Marijuana	14	30	6	12	14	17	4	28	12	31	19	14	21	222	47.5
PCP	2	3	0	4	0	1	0	3	0	5	0	1	1	20	4.3
Methamphetamine	6	9	2	10	8	4	5	5	4	5	1	3	0	62	13.3
Methaqualone	6	2	2	1	0	1	2	3	1	6	4	1	6	35	7.5
Pharmaceutical	2	1	1	2	4	1	0	4	0	3	0	0	0	18	3.9
Other	0	2	0	4	0	4	3	3	0	2	0	1	0	19	4.1

(N = 467)

Note: More than one drug is involved in many cases.

Table 19  
Type of Criminal Activity  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Importation	18	33	19	26	12	25	22	30	22	18	18	16	21	280	60.0
Manufacture	3	8	4	13	5	2	10	9	3	10	2	5	3	77	16.5
Distribution	36	38	24	46	23	31	34	51	35	44	28	18	20	428	91.6
Crop Cultivation	0	4	0	0	2	0	0	3	3	8	2	5	2	29	6.2
Diversion	1	0	1	4	2	1	0	2	0	4	1	2	2	20	4.3
Street Sales	19	22	5	20	10	24	6	23	1	21	12	3	6	172	36.8
Financial Backing	18	17	13	12	5	25	20	19	10	19	17	6	10	191	40.9
Money Laundering	20	24	15	18	11	17	16	27	17	26	20	15	11	237	50.7
Other	1	6	1	1	1	0	5	2	1	1	0	3	5	27	5.8

(N = 467)

Note: More than one type of activity is involved in many cases.

Table 20  
Prospective Charges  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Title 18: RICO	15	16	5	11	4	12	13	27	14	8	15	5	16	161	34.5
Title 18: ITAR	12	14	3	13	6	7	4	13	14	13	13	6	1	119	25.5
Title 18: Firearms	9	9	2	7	4	3	5	9	10	11	6	4	0	79	16.9
Title 18: Hobbs Act	2	6	3	0	1	1	0	4	0	4	1	0	2	24	5.1
Title 18: Tax Conspiracy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Title 21: CCE	33	35	16	36	13	26	24	38	22	27	25	15	11	321	68.7
Title 21: Manufacture	3	10	5	20	5	5	9	8	6	14	5	5	2	97	20.8
Title 21: Distribution	34	38	22	47	23	31	30	49	35	45	27	16	14	411	88.0
Title 21: Importation	12	30	13	23	13	23	21	27	26	20	19	17	14	258	55.2
Title 21: Conspiracy	35	41	25	49	22	35	29	50	36	45	26	17	20	430	92.1
Title 26: Tax Violations	28	31	14	23	14	14	15	37	21	32	27	16	13	285	61.0
Title 31: Currency Violations	16	21	9	19	4	16	11	22	17	7	17	15	3	177	37.9
Other	2	12	4	5	1	2	2	10	3	6	6	7	3	63	13.5
(N = 467)															

Note: More than one charge is anticipated in many cases.

Table 21  
Law Enforcement Agency Involvement\*  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
FBI	32	36	18	34	22	28	16	43	28	37	30	15	10	349	74.7
DEA	21	42	24	48	22	34	29	48	31	46	27	18	13	403	86.3
IRS	27	36	23	24	17	19	13	49	23	35	26	15	11	318	68.1
Customs	15	28	23	33	6	11	10	21	28	7	22	13	5	222	47.5
ATF	12	32	8	13	14	11	3	21	16	13	13	4	1	161	34.5
Marshals Service	11	30	2	2	4	3	3	3	1	2	2	4	1	68	14.6
Coast Guard	6	5	2	2	0	4	0	0	0	1	3	4	1	28	6.0
Assistant U.S. Attorneys	34	34	22	45	23	32	29	49	16	47	24	19	13	387	82.9
Organized Crime Strike Force	0	1	2	5	0	13	1	0	2	1	1	0	0	26	5.6
State Investigators	7	14	5	12	13	12	7	8	4	16	16	1	9	124	26.6
State Prosecutors	4	2	1	4	6	5	0	3	0	6	2	1	0	34	7.3
County/Local Investigators	7	13	4	9	15	11	16	15	8	22	8	3	5	136	29.1
County/Local Prosecutors	2	1	7	6	4	5	4	2	0	3	0	1	1	36	7.7
Foreign Govern- ment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Other	2	1	3	1	0	7	0	18	0	2	2	0	2	38	8.1
(N = 467)															

\* "Agency Involvement" indicates participation in Task Force cases by respective Federal, State, and local law enforcement and prosecutorial agencies.

Note: More than one agency is involved in almost all cases.

**CONTINUED**

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Table 22  
Investigative Techniques\*  
Cases Initiated through December 31, 1983

	Total Cases	Percentage of Cases
Undercover or Sting	294	63.0
Title III	188	40.3
Immunity	230	49.3
Tax Grand Jury	211	45.2
Other Grand Jury	323	69.2
Parole into U.S.	3	0.6
Extradition	22	4.7
Financial Investigation	322	69.0
Witness Protection	138	29.6
Other	84	18.0
		(N = 467)

\* Major techniques to be employed during investigation and prosecution as anticipated at the time of case initiation. No regional breakdown is indicated for reasons of investigative sensitivity.

Note: More than one investigative technique was used in most cases.

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Table 23  
Prospective Seizures and Forfeitures  
Cases Initiated through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Cases	Percent- age of Cases
Type of Property															
Seizure of Drugs Likely	11	27	16	28	14	19	28	19	34	24	9	9	9	247	52.9
Seizure/Forfeiture (Money)	22	24	12	27	8	15	19	27	30	23	18	11	3	239	51.2
Seizure/Forfeiture (Asset)	28	33	22	31	14	15	13	41	22	28	23	14	14	298	63.8
Type of Judicial Action															
RICO (Criminal)	11	9	5	4	2	7	6	24	2	7	12	7	7	103	22.1
CCE (Criminal)	27	27	15	26	11	20	15	35	4	25	21	11	5	242	51.8
Other Criminal	0	1	1	16	1	2	1	1	0	2	0	1	2	28	6.0
RICO (Civil)	0	1	0	1	0	0	1	1	0	2	3	1	0	10	2.1
Title 21 (Civil)	24	33	24	37	19	24	21	35	30	36	19	13	10	325	69.6
Title 26 (Civil)	6	12	13	7	9	7	6	8	3	9	8	11	4	103	22.1
Other Civil	0	0	0	1	0	0	0	1	0	0	0	0	0	2	0.4
Title 31 (Criminal or Civil)	0	6	10	11	1	2	4	1	3	2	5	4	0	49	10.5
															(N = 467)

Note: Categories are not mutually exclusive.

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Table 24  
Type of Criminal Organization  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
86 LCN	0	0	0	3	1	1	3	0	0	2	0	0	0	10	3.8
Drug Trafficking Organization	10	2	10	48	2	6	12	14	10	11	5	0	0	130	49.2
Other Criminal Group	0	27	1	1	5	2	3	6	10	3	2	6	5	71	26.9
Motorcycle Gang	0	0	0	14	2	0	0	2	3	2	0	0	0	23	8.7
Prison Gang	0	0	0	0	0	0	1	1	1	0	0	0	0	3	1.1
Registrant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Other	0	5	0	0	14	3	1	0	0	4	1	0	3	31	11.7
(N = 264)															

Legend

LCN—"La Cosa Nostra," traditional organized crime families.  
Drug Trafficking Organization—Organizations whose primary purpose is drug trafficking.  
Other Criminal Group—Organizations involved in felony crimes whose members also engage in drug trafficking.  
Motorcycle Gang—Organizations controlled by motorcycle clubs.  
Prison Gang—Organizations controlled by prison inmates.  
Registrant—Persons who subvert legal authority over controlled substances.

Table 25  
Scope of Criminal Organization  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
International	6	15	10	9	1	8	13	10	14	9	6	3	4	108	40.9
Multi-District	4	13	1	19	9	1	5	12	10	7	1	0	1	83	31.4
Single District	0	1	0	35	0	1	0	0	0	3	1	3	0	44	16.7
Not Designated	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0.4
(N = 264)															

Legend

International—Criminal activities that include substantial international drug trafficking.  
Multi-District—Criminal activities in two or more Federal judicial districts.  
Single District—Criminal activities limited to one Federal judicial district.

Table 26  
History of Criminal Organization  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
Long-Established	9	16	4	58	4	8	11	14	10	13	5	3	3	158	58.7
Relatively New, Growing	0	12	6	6	6	1	8	4	14	5	1	3	2	68	25.8
Not Designated	1	1	0	1	0	0	0	4	0	0	1	0	0	8	15.5
(N = 264)															

Table 27  
Degree of Violence of Criminal Organization  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
88															
Extremely Violent	0	2	0	5	3	2	7	2	4	3	0	0	3	31	11.7
Moderately Violent	1	13	4	43	1	3	8	9	9	11	1	0	0	103	39.0
Minimally Violent	4	1	4	6	6	2	2	11	9	3	4	2	2	56	21.2
Not Considered Violent	5	12	2	7	0	2	0	0	2	1	2	4	0	37	14.0
Not Designated	0	6	1	1	14	3	3	1	0	4	1	0	2	36	13.6
															(N = 264)

Legend

Extremely Violent—Frequent assaults, murders.  
Moderately Violent—Some assaults or murders, substantial intimidation.  
Minimally Violent—Intimidation, threats, no known murders.  
Not Considered Violent—No known threats or violence.

Table 28  
Defendant's Organizational Role  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Defend- ants	Percent- age of Defend- ants
Top Leader	12	37	10	28	8	11	23	30	8	16	9	7	1	200	16.2
Mid-Level Leader	4	36	1	33	66	5	19	50	11	10	2	2	3	242	19.6
Major Financial Backer	1	2	2	4	1	0	2	1	0	0	0	1	0	14	1.1
Major Money Launderer	4	4	2	3	0	0	2	3	0	5	3	1	0	27	2.2
Major Enforcer	0	12	0	2	1	2	7	1	2	0	0	0	0	27	2.2
Major Supplier/ Distributor	0	62	4	75	9	10	58	18	32	18	0	1	0	287	23.3
Key Contact to Sources	0	21	4	7	2	6	5	15	2	7	2	3	5	79	6.4
Corrupt Public Official	0	6	0	0	0	1	1	1	1	0	0	0	0	10	0.8
Other	23	78	15	56	31	24	42	79	37	39	49	1	12	486	39.4
															(N = 1,232)

Note: Total number of persons indicted is 1,232. Some defendants performed more than one organizational role.

Table 29  
Drugs Charged in Indictment  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
90 Heroin	1	3	2	31	1	3	12	4	1	1	0	0	0	59	22.3
Cocaine	3	15	8	17	3	3	12	13	17	12	2	2	3	110	41.7
Hashish	0	0	0	3	0	1	1	0	0	0	0	1	1	7	2.7
Marijuana	5	11	1	11	6	4	4	6	7	7	2	2	1	67	25.4
PCP	0	0	0	2	0	0	0	1	0	0	0	0	0	3	1.1
Methamphetamine	0	2	0	11	3	0	1	0	4	3	0	0	0	24	9.1
Methaqualone	0	4	0	1	0	1	1	3	1	3	1	0	0	15	5.7
Pharmaceutical	0	1	0	0	2	0	0	0	0	0	0	0	0	3	1.1
Other	0	0	1	4	0	0	3	1	1	1	0	0	0	11	4.2
															(N = 264)

Note: More than one drug is charged in some indictments.

Table 30  
Type of Criminal Activity  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
Importation	5	15	2	12	3	4	17	6	17	5	3	4	5	98	37.1
Manufacture	0	4	3	7	6	0	4	2	5	4	0	0	0	35	13.3
Distribution	9	22	10	63	12	8	18	16	27	16	4	3	5	213	80.7
Crop Cultivation	0	1	0	0	1	0	0	0	0	0	0	1	0	3	1.1
Diversion	0	0	0	0	0	0	0	0	0	0	0	0	0		
Street Sales	5	5	0	8	4	4	5	7	5	7	0	1	0	51	19.3
Financial Backing	2	2	1	12	0	4	8	3	11	2	0	1	2	48	18.2
Money Laundering	3	4	2	3	2	2	4	5	14	5	1	3	1	49	18.6
Other	2	2	0	2	0	1	0	1	0	2	0	3	0	13	4.9
															(N = 264)

Note: Many defendants were charged with more than one type of criminal activity.

Table 31  
Defendants by Charges  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Defend- ants	Percent- age of Charges
Title 18: RICO	0	41	0	5	0	5	17	19	0	3	0	0	0	90	7.3
Title 18: ITAR	2	20	3	33	9	0	0	29	15	9	0	1	0	121	9.8
Title 18: Firearms	0	10	0	1	1	2	8	6	11	4	0	0	0	43	3.5
Title 18: Hobbs Act	0	3	0	0	0	0	0	0	0	0	0	0	0	3	0.2
Title 18: Tax Conspiracy	12	7	2	0	0	0	0	1	0	5	0	2	0	29	2.4
Title 21: CCE	2	9	2	11	3	5	12	11	4	3	7	1	1	71	5.7
Title 21: Manufacture	0	12	9	6	0	0	1	0	14	4	0	0	0	46	3.7
Title 21: Distribution	11	138	11	100	71	36	53	80	65	42	58	11	19	695	56.4
Title 21: Importation	0	96	0	10	2	14	28	40	22	4	56	9	15	296	24.0
Title 21: Conspiracy	40	195	30	160	82	54	138	164	79	73	58	10	20	1,103	89.5
Title 26: Tax Violations	6	8	2	8	0	1	1	11	1	3	3	3	0	47	3.8
Title 31: Currency Violations	1	0	6	2	0	0	0	4	0	0	6	0	0	19	1.5
Other	6	39	27	121	41	14	28	69	29	11	7	5	2	399	32.4
															(N = 1,232)

Note: Many defendants were indicted under more than one charge.

Table 32  
Law Enforcement Agency Involvement\*  
Indictments Returned through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Indict- ments	Percent- age of Indict- ments
FBI	8	23	7	64	9	4	8	11	25	16	8	4	1	188	71.2
DEA	9	29	7	60	3	9	16	17	27	18	7	4	2	208	78.8
IRS	9	14	2	40	2	3	4	13	11	6	7	5	0	116	43.9
Customs	4	16	5	45	0	1	8	4	13	0	7	5	3	111	42.0
ATF	0	0	0	1	0	3	2	0	3	3	2	2	0	16	6.1
Coast Guard	0	0	0	0	0	1	1	0	0	0	0	2	0	4	1.5
Organized Crime Strike Force	0	1	0	0	11	0	0	0	0	0	0	0	0	12	4.5
State Investigators	0	2	0	0	2	0	1	0	0	0	0	0	0	5	1.9
State Prosecutors	0	0	0	2	0	2	3	3	0	0	0	0	0	10	3.8
County/Local Investigators	0	3	6	86	8	8	15	17	7	19	8	3	2	182	68.9
County/Local Prosecutors	0	6	11	33	7	1	1	8	1	12	0	0	3	83	31.4
Foreign Government	0	0	0	1	0	3	4	2	1	0	2	2	0	15	5.7
Other	0	0	0	1	0	0	1	2	0	0	1	0	0	5	1.9
															(N = 264)

\* More than one agency was involved in most cases. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

Table 33  
Investigative Techniques\*  
Indictments Returned through December 31, 1983

	Total Indictments	Percentage of Indictments
Undercover or Sting	147	55.7
Title III	68	25.8
Immunity	130	49.2
Tax Grand Jury	46	17.4
Other Grand Jury	133	50.4
Extradition	6	2.3
Financial Investigation	75	28.4
Witness Protection	103	39.0
Informant(s)	183	69.3
Mutual Assistance Treaty	3	1.1
Extended Surveillance	132	50.0
Other	20	7.6

\* Major techniques to be employed during investigation and prosecution as anticipated at the time of case initiation. No regional breakdown is indicated for reasons of investigative sensitivity.

Note: More than one investigative technique was used in most cases.

Table 34  
Defendant's Pleas  
Charges Disposed of through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Pleas	Percent- age of Pleas
Guilty	2	46	17	47	15	1	9	13	39	12	0	0	5	206	32.6
Nolo Contendere	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0.2
Not Guilty	0	112	14	93	52	3	0	18	39	35	9	0	49	424	67.2

(N = 631)

Note: Total number of persons whose cases were disposed of is 260. Many of them entered multiple pleas.

Table 35  
Disposition of Defendant's Charges  
through December 31, 1983

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Disposi- tions	Percent- age of Disposi- tions
Convicted	2	82	17	60	32	4	9	24	42	25	9	0	53	359	56.9
Acquitted	0	7	0	8	2	0	0	3	0	1	0	0	1	22	3.5
Dismissed (Gov- ernment Motion)	0	52	14	68	28	2	0	4	36	21	0	0	0	225	35.7
Dismissed (Non- Government Motion)	0	18	0	1	6	0	0	0	0	0	0	0	0	25	4.0

(N = 631)

Note: Total number of persons whose cases were disposed of is 260. Multiple charges against a defendant are frequent.

Table 36  
Acquittals by Charge  
Charges Disposed of through December 31, 1983

96

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Acquit- tals	Percent- age of Acquittals
Title 18: RICO	0	1	0	0	0	0	0	0	0	0	0	0	0	1	4.5
Title 18: ITAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 18: Firearms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 18: Hobbs Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 18: Tax Conspiracy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 21: CCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 21: Manufac- ture	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 21: Distribution	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4.5
Title 21: Importation	0	1	0	0	0	0	0	0	0	1	0	0	0	2	9.0
Title 21: Conspiracy	0	4	0	8	2	0	0	2	0	0	0	0	0	16	72.7
Title 26: Tax Violations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Title 31: Currency Violations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Other	0	1	0	0	0	0	0	0	0	0	0	0	0	0	4.5
(N = 22)															

Note: Total number of acquittals is 22.

Table 37  
Convictions by Charge  
Charges Disposed of through December 31, 1983

97

	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	FL	Total Convic- tions	Percent- age of Convic- tions
Title 18: RICO	0	4	0	0	0	0	0	0	0	0	0	0	0	4	1.9
Title 18: ITAR	0	4	0	6	6	0	0	3	0	1	0	0	2	22	10.2
Title 18: Firearms	0	0	0	0	0	0	0	0	1	0	0	0	0	1	0.5
Title 21: CCE	1	1	0	0	0	0	2	0	1	0	0	0	0	5	2.3
Title 21: Manufacture	0	0	2	0	0	0	0	0	3	0	0	0	0	5	2.3
Title 21: Distribution	0	9	1	15	7	2	0	1	16	6	3	0	13	73	33.8
Title 21: Importation	0	12	0	6	0	1	0	0	11	1	2	0	11	44	20.4
Title 21: Conspiracy	1	43	8	22	17	1	7	13	3	12	4	0	28	159	73.6
Title 31: Currency Violations	0	0	1	0	0	0	0	4	0	0	0	0	0	5	2.3
Other	0	8	5	11	2	0	0	3	7	5	0	0	0	41	19.0
(N = 216)															

Note: Total number of persons convicted was 216. Many were convicted of multiple charges.

Table 38  
Drugs Seized  
through December 31, 1983

98

Region	Heroin (Kilos)	Drugs Seized Cocaine (Kilos)	Marijuana (Kilos)
Great Lakes	2	33	668
Gulf Coast	4	30	73,450
Los Angeles/Nevada	0	145	6
Mid-Atlantic	1	15	94,128
Mountain States	0	9	1,726
New England	8	39	93,773
New York/New Jersey	27	3,219	12
North Central	5	413	7,530
Northwest	0	657	11
South Central	0	756	76
Southeast	0	2,424	20
Southwest	0	8	10,000
Totals	47	7,748	281,400

Table 39  
Non-Drug Assets Seized  
through December 31, 1983

99

Region	Cash (\$)	Property (\$)
Great Lakes	1,982,377	4,232,130
Gulf Coast	1,055,700	1,422,000
Los Angeles/Nevada	416,640	312,500
Mid-Atlantic	964,110	2,966,975
Mountain States	1,581,727	164,000
New England	1,137,925	3,333,082
New York/New Jersey	265,000	30,000
North Central	1,031,696	1,178,375
Northwest	1,892,100	1,005,994
South Central	0	0
Southeast	1,465,600	5,338,500
Southwest	2,834,250	930,305
Totals	14,627,125	20,913,861

Table 40  
Non-Drug Assets Forfeited  
through December 31, 1983

Region	Forfeitures	
	Cash (\$)	Property (\$)
Great Lakes	741,180	1,395,284
Gulf Coast	5,600	107,100
Los Angeles/Nevada	448,000	2,500,000
Mid-Atlantic	157,500	70,500
Mountain States	0	0
New England	40,000	33,000
New York/New Jersey	74,950	247,445
North Central	85,108	886,000
Northwest	0	1,211,000
South Central	177,200	933,800
Southeast	1,168,037	2,486,370
Southwest	0	300,000
Totals	2,897,575	10,170,499

100

Table 41  
Fines Assessed  
through December 31, 1983

Region	Fines (\$)
Great Lakes	288,000
Gulf Coast	555,000
Los Angeles/Nevada	0
Mid-Atlantic	397,400
Mountain States	5,000
New England	20,000
New York/New Jersey	85,000
North Central	45,000
Northwest	0
South Central	150,000
Southeast	50,000
Southwest	0
Total	1,595,400

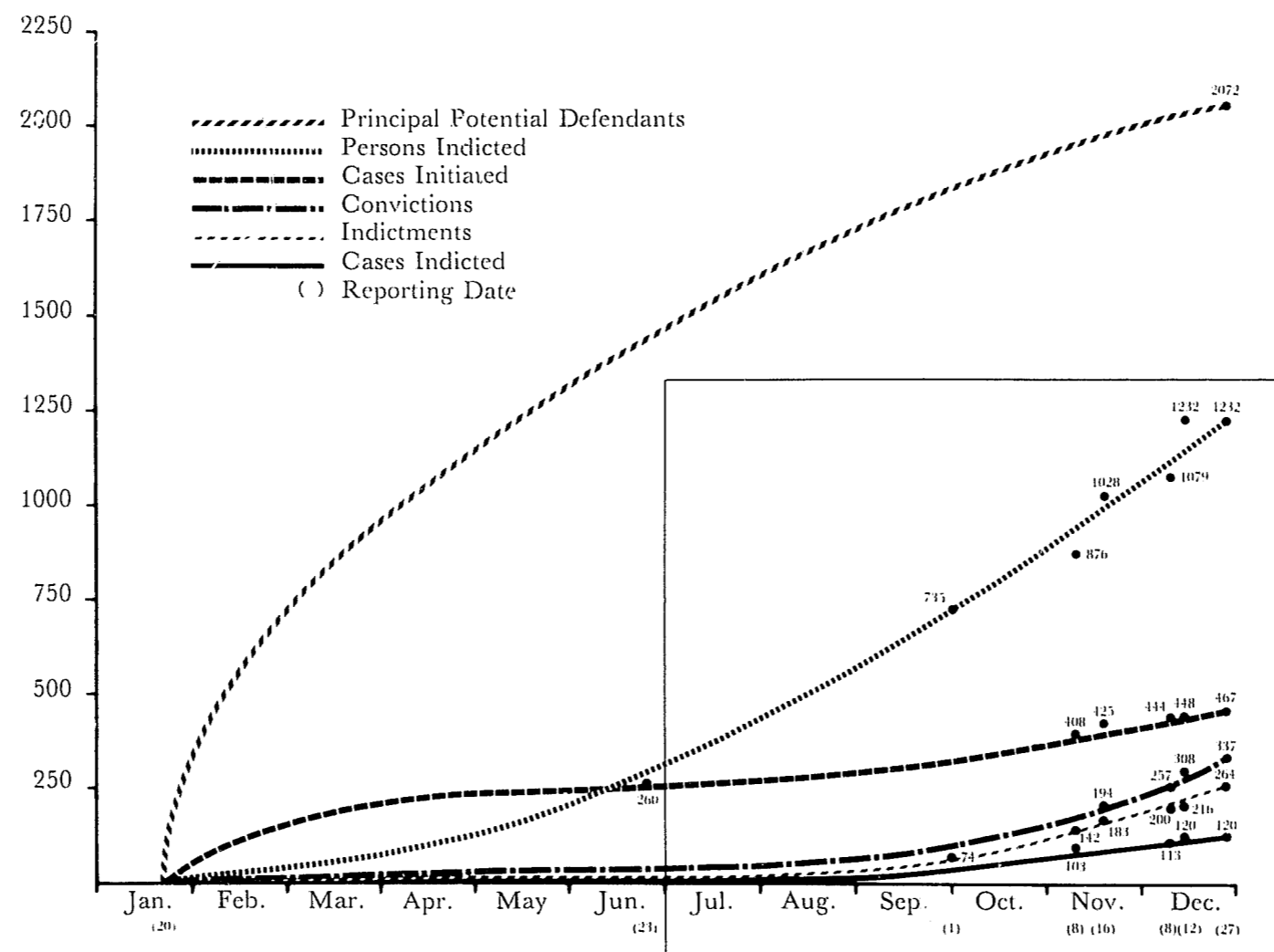
101

**Table 42**  
**Drugs, Cash, and Property Seized**  
**and Fines Levied in OCDE Task Force Cases in 1983**

Region	Heroin	(a) Drugs Seized (by kilos)		(b) Cash	(c) Property	(d) Cash	(e) Property	(f) Fines	(b + d + f) Totals		(c + e) Property
		Cocaine	Marijuana	(\$)	(\$)	(\$)	(\$)	(\$)	Cash (\$)		(\$)
Great Lakes	2	33	668	1,982,377	4,232,130	741,180	1,395,284	288,000	3,011,557		5,627,414
Gulf Coast	4	30	73,450	1,055,700	1,422,000	5,600	107,100	555,000	1,616,300		1,529,100
Los Angeles/Nevada	0	145	6	416,640	312,500	448,000	2,500,000	0	864,640		2,812,500
Mid-Atlantic	1	15	94,128	964,110	2,966,975	157,500	70,500	397,400	1,519,010		3,037,475
Mountain States	0	9	1,726	1,581,727	164,000	0	0	5,000	1,586,727		164,000
New England	8	39	93,773	1,137,925	3,333,082	40,000	33,000	20,000	1,197,925		3,366,082
New York/New Jersey	27	3,219	12	265,000	30,000	74,950	247,445	85,000	424,950		277,445
North Central	5	413	7,530	1,031,696	1,178,375	85,108	886,000	45,000	1,161,804		2,064,375
Northwest	0	657	11	1,892,100	1,005,994	0	1,211,000	0	1,892,100		2,216,994
South Central	0	756	76	0	0	177,200	933,800	150,000	327,200		933,800
Southeast	0	2,424	20	1,465,600	5,338,500	1,168,037	2,486,370	50,000	2,683,637		7,824,870
Southwest	0	8	10,000	2,834,250	930,305	0	300,000	0	2,834,250		1,230,305
Totals	47	7,748	281,400	14,627,125	20,913,861	2,897,575	10,170,499	1,595,400	19,120,100		31,084,360

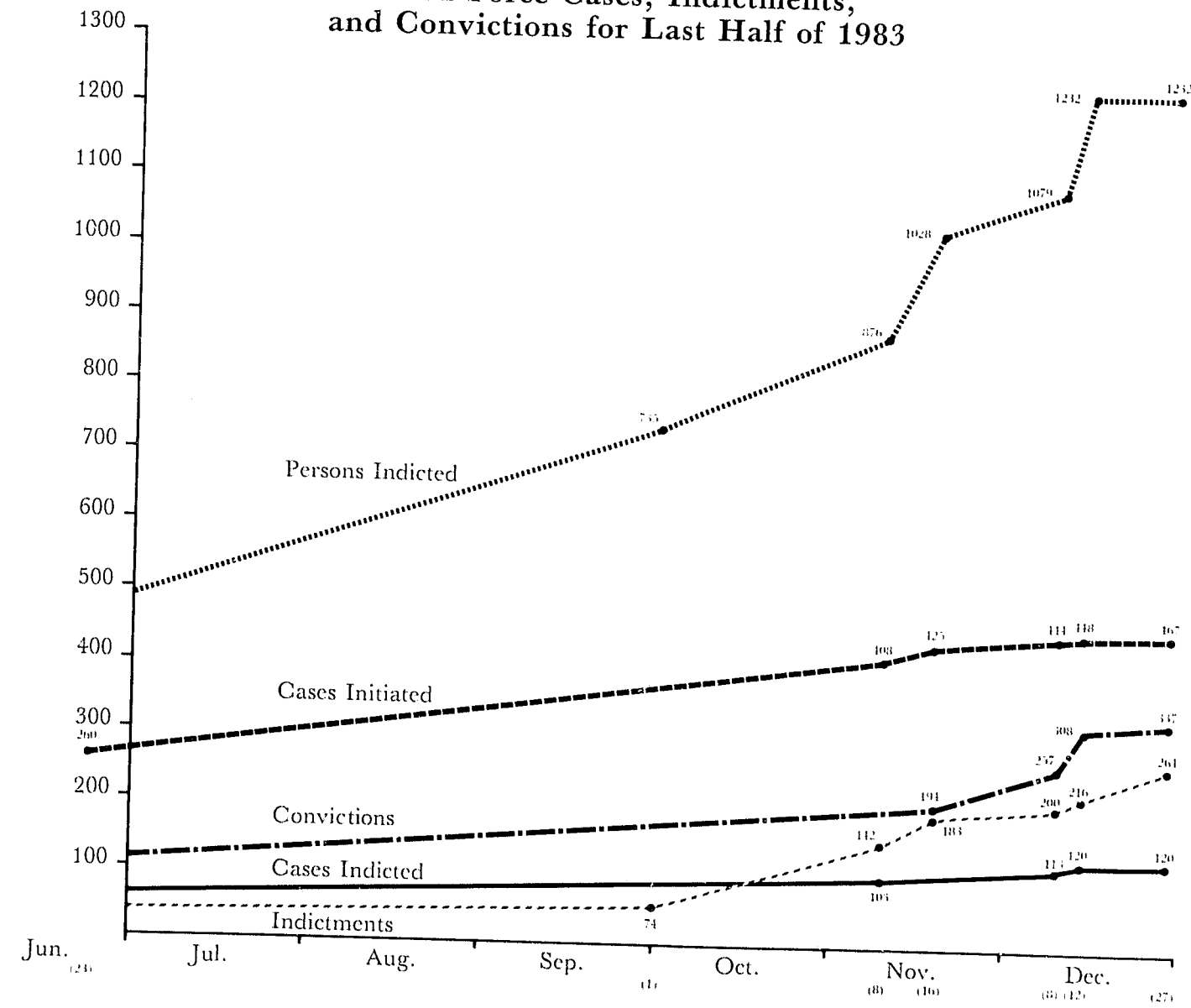
### Exhibit 6

#### Task Force Cases, Indictments, Convictions, and Estimated Potential Defendants in 1983



See Exhibit 7 on next page for plot of these values.

Exhibit 7  
Task Force Cases, Indictments,  
and Convictions for Last Half of 1983



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# Other Presidential Initiatives

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Although the Task Force Program is a significant achievement in itself, it is not an isolated presidential initiative. In 1982 the President announced a Commission on Organized Crime, a Governors Project on criminal justice reform, and a new training program for law enforcement personnel. He also called for expansion of the Federal prison system and enactment of Federal anti-crime legislation. This chapter briefly discusses the progress of these undertakings.

## President's Commission on Organized Crime

One element of the President's program—one that will make substantial short-term and long-term contributions to the development and refinement of the Federal Government's strategy to combat organized crime—is the President's Commission on Organized Crime. Established by Executive Order on July 28, 1983, the Commission consists of nineteen presidential appointees, who are "distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combating organized crime." A list of members appears at the end of this section.

The terms of the Executive Order require the Commission to undertake six principal tasks:

- 1) To make a full and complete national and region-by-region analysis of organized crime;
- 2) To define the nature of traditional organized crime as well as emerging organized crime groups, the sources and amounts of organized crime's income, and the uses to which organized crime puts its income;

- 3) To develop in-depth information on the participants in organized crime networks;
- 4) To evaluate Federal laws pertinent to the effort to combat organized crime;
- 5) To advise the President and the Attorney General with respect to its findings and actions which can be undertaken to improve law enforcement efforts directed against organized crime; and
- 6) To make recommendations concerning appropriate administrative and legislative improvements in the administration of justice.

In addition, the Commission is required to report to the President from time to time as requested, and to submit a final report by March 1, 1986.

Over the course of the next two years, the Commission will constitute a potent new weapon in the Federal Government's arsenal against organized crime. Although other national commissions and committees—notably the Kefauver Committee in the 1950s, the President's Commission on Law Enforcement and the Administration of Justice in the 1960s, and the Senate Permanent Subcommittee on Investigations—have performed valuable services in exposing specific aspects of organized criminal activity, this Commission provides the first opportunity for a comprehensive and thorough investigation devoted exclusively to organized crime in its many manifestations throughout the country. By conducting public hearings in numerous cities across the United States, and by making use of a variety of investigative techniques, the Commission can alert the public to the scope and pernicious effects of organized crime in American society. These hearings will also

amass the kinds of information that will ultimately enable the Commission to present detailed findings on organized criminal activity and to develop an integrated national program for the elimination of such activity.

Although the mandate of the Commission extends to all aspects of organized crime, the Commission has recognized from the outset that it must devote considerable time and resources to the subject of drug trafficking in the United States and abroad. At the first open meeting of the Commission on November 29, 1983, Attorney General William French Smith, Director of the Federal Bureau of Investigation William H. Webster, and Administrator of the Drug Enforcement Administration Frances M. Mullen, Jr., indicated that the impact of organized crime in international drug trafficking was an area that particularly warranted the Commission's attention. Their testimony, and other information available to the Commission, prompted the Commission to select three priority areas as an initial focus for its investigation:

- 1) *Narcotics importation and distribution.* This area is likely to be a particularly fruitful avenue for the Commission to explore. Apart from the fact that drug trafficking is one of the most pervasive and profitable activities conducted by organized crime, investigation of this area may reveal the extent to which criminal entities other than the traditional La Cosa Nostra families have participated in and profited from such activities.
- 2) *Laundering of profits from illegal operations.* Because organized crime depends on a variety of techniques for laundering its profits from drug trafficking and other illegal enterprises and reinvesting those profits in legitimate enterprises, the Commission will seek to acquire a detailed understanding of laundering techniques, both to improve its understanding of organized crime as an economic phenomenon and to develop recommendations for counteracting those techniques.
- 3) *Infiltration of legitimate businesses.* Over the years, many members and associates of organized crime have found it convenient to acquire interest in legitimate enterprises through both legal and illegal means, in order to enhance their profits

and to disguise their true means of livelihood. The Commission will examine this area closely to determine which responses by law enforcement are most likely to make legitimate businesses less tempting targets for infiltration by organized crime.

To date, the Commission has begun to assemble a staff of lawyers and investigators with substantial background in the area of organized crime, and to select the methodologies and investigative techniques most suitable to the Commission's operations and activities.

#### Members of the Commission

Judge Irving R. Kaufman, Chairman of the U.S. Court of Appeals for the Second Circuit; Phyllis T. Aranza, a Lieutenant with the Homicide Division of the Houston Police Department; Jesse A. Brewer, Jr., Deputy Chief of the Los Angeles Police Department; Carol Corrigan, a Deputy District Attorney in Alameda County, California; Justin J. Dintino, Executive Officer of the New Jersey State Police; William J. Guste, Jr., Attorney General of Louisiana; Judith Richards Hope, a lawyer in Washington, D.C., and former Associate Director of the White House Domestic Council; Philip Manuel, President of an investigative consulting firm in Washington, D.C., and former chief investigator of the U.S. Senate Permanent Subcommittee on Investigations; Thomas F. McBride, Associate Dean of the Stanford University Law School and former Inspector General of the Departments of Agriculture and Labor; Eugene H. Methvin, a Senior Editor of *Reader's Digest*; Edwin L. Miller, Jr., District Attorney in San Diego County, California; Manuel J. Reyes, a lawyer and Executive Vice President of the Board of Directors of Miami International Hospital; Representative Peter W. Rodino, Jr., Chairman of the U.S. House Committee on the Judiciary; Charles H. Rogovin, a Professor at the Temple University Law School and former President of the Criminal Justice Associates; Barbara A. Rowan, a lawyer and President of an investigative consulting firm in Alexandria, Virginia; Frances A. Scafani, Chief Administrative Assistant District Attorney for Interagency Liaison in Suffolk County, New York; Samuel K. Skinner, a lawyer in Chicago, Illinois, and former U.S. Attorney for the Northern District of Illinois; Potter Stewart, a retired Associate Justice of the U.S. Supreme Court; and Senator Strom Thurmond, Chairman of the U.S. Senate Committee on the Judiciary.

## The Governors Project on Organized Crime and Narcotics Trafficking

In his October 14 announcement, President Reagan singled out a special initiative for the nation's Governors:

This Administration will launch a project . . . that will enlist the Nation's Governors in bringing about needed criminal justice reforms. For example, without effective enforcement of local and State statutes against various kinds of racketeering like illegal gambling, this vital source of revenue for organized crime will never be fully dried up. This Governors Project will attempt to bring to the attention of the States the importance of such initiatives as well as serving as a sounding board for the Governors' concerns.

The Department of Justice undertook the coordination of the Governors Project. On March 1, 1983, the National Governors' Association (NGA) voted to endorse the President's program, which included the Governors Project. Similar endorsements were later passed by the Southern Governors' Association and the Republican Governors' Association.

Besides endorsing the program, NGA called upon the States to undertake increased drug education and drug enforcement efforts. Two NGA proposals, increased military interdiction efforts and standardization of State drug laws, have since been addressed in part by the formation of the National Narcotics Border Interdiction System (NNBIS) and the Department of Justice's approval of the development of a State guide for drug law reform.

The Governors Project is designed to act as a Federal liaison and to provide a steady flow of information to Governors. Project staff communicate regularly with the Organized Crime Drug Enforcement Task Forces, NNBIS, and the Glynco training program. Beginning February 28, 1983, the *Weekly News Summary*, a timely, comprehensive compilation of current events relating to Federal drug enforcement, has been distributed to the fifty-five State and territorial Governors and to the U.S. Attorneys in the twelve core cities. The Project has also endeavored to provide Governors with specific information on State criminal justice reform. For example, at the request of Governor Mark White,

the Governors Project is providing research and information for a comprehensive proposal for criminal justice reform in Texas. During the past twelve months, Project staff have responded to inquiries originating from Maryland to American Samoa, providing information on criminal justice reform, law enforcement equipment, the Task Force Program, and other State concerns.

The Project serves as a special link on drug enforcement between the Governors and appropriate Department of Justice offices. Project staff meet regularly with NGA staff and have also met with State officials in Illinois, Maine, Maryland, Michigan, Nevada, New Jersey, Ohio, Pennsylvania, Tennessee, and Texas. Recently, NGA and the National Criminal Justice Association proposed to publish a manual for improving State legislation aimed at attacking the drug problem in each State. The Governors Project secured a commitment for a grant to fund the guide from the Federal Justice Research Program.

The Governors Project has assisted in arranging discussions in Washington and in the States between Governors and between Department of Justice officials and State officials. At the NGA's request, the Project arranged for funding for a conference on "The Use of the Military in Controlling Illegal Drugs." Held under the auspices of the NGA and the National Criminal Justice Association, representatives of thirty-one Governors joined in discussions with the nation's chief Federal drug enforcement officials. In addition, the Governors Project has worked to complement the Law Enforcement Coordinating Committees, which offer opportunities for Federal, State, and local drug enforcement officials to meet their counterparts.

Due in part to the high level of cooperation demonstrated by the Governors Project and NGA, the Attorney General has recently called for the establishment of an intergovernmental affairs office. Beginning this year, the Governors Project will continue its liaison efforts as part of the new Office of Legislative and Intergovernmental Affairs.

## Training Law Enforcement Personnel

The development of advanced, specialized law enforcement training for Federal, State, and local investigators and prosecutors is critical to the successful investigation and prosecution of organized criminal groups and high-level drug trafficking enterprises. Task Force investigations and prosecutions demand complex, long-term efforts on the

part of law enforcement personnel. Investigators and prosecutors must be trained to use effectively the full panoply of sophisticated investigative techniques and legal sanctions in order to reach the highest levels of the wealthy, insulated, violence-prone organizations that illegally traffic in drugs.

The President provided for this training in his anti-crime program. Specifically, the President called for the establishment of a National Center for State and Local Law Enforcement Training at the Federal Law Enforcement Training Center in Glynco, Georgia. This Center would complement the excellent training programs already offered by the FBI, DEA, ATF, and U.S. Customs Service for Federal, State, and local law enforcement personnel. The establishment of this National Training Center was based on the realization that while primary responsibility for law enforcement rests with State and local governments, the Federal Government could significantly assist them by, among other means, providing training in those areas where Federal investigative agencies have unique expertise.

The Center is now fully operational. It offers advanced, specialized training to State and local law enforcement on a shared cost basis utilizing existing Federal resources and facilities. Approximately twenty-one different law enforcement courses are offered in areas such as white-collar crime, drugs and narcotics, financial and undercover investigative techniques, fire and arson, cargo thefts, and fraud, as well as in other legal, technical, policy, and management areas. A total of 800 State and local law enforcement officers received training at the Center in FY 1983. Of this number, 375 State and local officers received training about organized crime and drug enforcement. The State and local officers who have been trained, especially those who function as operational and technical specialists, greatly value the training. They state that they rely on the expertise of the Federal Government to keep abreast of emerging trends and developments in law enforcement.

By implementing a national policy of coordinated training, the National Training Center contributes significantly to the development of professional investigative networks and a spirit of intergovernmental cooperation. Congress long ago recognized the value of intergovernmental cooperation and coordinated training programs among Federal, State, and local agencies in the realm of drug enforcement when it passed the Controlled Substances Act in 1970 (21 U.S.C. 873(a)). The National Training Center has already served to pro-

vide information not readily available to State and local law enforcement agencies, such as intelligence data and national trends in law enforcement, and to limit fragmentation, duplication, and parochialism in law enforcement. This national training forum, through which information is disseminated and communication encouraged, is critical both to the successful operation of the Task Forces, which rely heavily on State and local participation, and to law enforcement generally.

In addition to the training offered to State and local law enforcement personnel through the National Center for State and Local Law Enforcement Training, the Justice and Treasury Departments offer over 260 law enforcement courses to State and local officers. In FY 1983, the DEA and FBI provided drug-related training to 4,794 State and local officers. This training included a variety of courses ranging from forensic chemistry to financial investigative techniques such as tracing of funds, banking operations, and financial transactions. Moreover, 1,000 State and local law enforcement officers attended the FBI's eleven-week National Academy Program, which included training in the management of complex drug investigations and in the investigation of international laundering of drug money. Also, DEA and FBI training personnel have developed an eight-hour block of instruction with supporting audio-visual material that provides Federal, State, and local officers in the field with an introduction to narcotics and dangerous drugs.

The Fourteenth Major Drug Traffickers Prosecution Conference (November 7-10, 1983), which highlighted the operation of the Task Forces, was attended by 326 Federal, State and local investigators and prosecutors. Substantive lectures and workshops focused on using Racketeer Influenced and Corrupt Organizations (RICO), Continuing Criminal Enterprise (CCE), tax, bank secrecy, and forfeiture statutes in the prosecution of major cases and on conducting undercover operations, financial investigations, and electronic surveillance in major drug investigations.

A Special Drug Task Force Seminar was conducted on October 25 to 27, 1983, by the Department of Justice Advocacy Institute for sixty-nine Assistant U.S. Attorneys assigned to the twelve Task Force Regions. The seminar provided advanced training in the use of Title 26, Title 31, RICO, and CCE statutes. In addition, the seminar dealt with the prosecutorial problems attendant in obtaining foreign evidence, disclosing grand jury material, acquiring and managing assets subject to criminal or civil forfeiture, and conducting tax

investigations, undercover operations, electronic surveillance, and investigative grand juries.

## Federal Prison System Housing Expansion

### Correctional Facilities

Another of the presidential initiatives addressed the concern that already overcrowded correctional institutions could not absorb the expected increase in inmate population, and \$18 million was appropriated to construct additional housing at existing correctional institutions. The specific institutions were selected because of existing capacity, central service, and site compatibility. Funds are applied as necessary to cover design and construction costs of the housing units in various regions. The following is a discussion of each project:

Memphis, Tennessee, Federal Correctional Institution. A 104-bed housing unit was designed to match the existing housing at this new institution, built in 1977. Site work is complete and construction work is now under way. The unit is a two-story split-level, designed for ease of supervision. The projected activation date is December 15, 1984.

Petersburg, Virginia, Federal Correctional Institution. This 150-bed camp facility will provide permanent housing for the minimum security inmates, who are housed outside the main facility. It is a three-story, five-level structure with cubicles to partition inmate sleeping areas. Construction has begun, with expected activation on February 15, 1985.

Ashland, Kentucky, Federal Correctional Institution. This 100-bed housing unit is a departure from the existing structures at Ashland, which were built in the 1930s. The unit will not have long, hard-to-patrol corridors, but inmate rooms clustered around a large multipurpose area. Construction has started, with activation expected on December 15, 1984.

Butner, North Carolina, Federal Correctional Institution. The 100-bed, two-story housing unit is designed to blend with the existing structures. Bidding is complete and construction is expected to begin soon. The expected activation date is February 1985.

Tallahassee, Florida, Federal Correctional Institution. This 98-bed housing unit will provide

private rooms in addition to the existing dormitory-style housing. Grading work is under way. The housing unit was scheduled for bid in January 1984, with expected activation in February 1985.

Leavenworth, Kansas, U.S. Penitentiary. The 90-bed segregation unit for Leavenworth will encompass secure outdoor recreation and offices as well as 90 segregation rooms. The first design was not approved and a new design concept is now being made final. Activation is expected in September 1985.

Oxford, Wisconsin, Federal Correctional Institution. A minimum security outside camp for 104 inmates will be built at Oxford rather than the originally planned 70-bed witness protection unit. A site adaption of a recently built camp in El Reno, Oklahoma, is being used for this facility. The camp will include facilities for a visiting area, food preparation, and recreation. The bid date was January 1984, with activation proposed for July 1985.

### Detention Facilities

The Federal criminal justice system depends upon the availability of local and State detention services for confinement of persons arrested for Federal offenses. Without local support and cooperation, the Federal Government would be required to establish and operate detention facilities for unsentenced prisoners in an estimated 240 Federal Court cities throughout the United States. At present, an estimated 31 percent of all U.S. Marshals Service prisoners are housed in overcrowded Federal institutions. Federal Court cities are the primary metropolitan areas where local detention space for Federal prisoners is unavailable or extremely limited. Only 46 percent of Marshals Service prisoners can presently be located in Federal Court cities, and 34 percent of the local jails housing these prisoners are under court order for overcrowding and substandard conditions of confinement.

In order to ensure the availability of sufficient detention space that complies with national standards in local facilities, the Department of Justice implemented the Cooperative Agreement Program (CAP) in 1982. Through CAP, the Marshals Service can make funding available to local or State facilities housing Federal prisoners for the purpose of upgrading, expanding, or constructing detention facilities with the mandatory provision that the recipient local or State government will guarantee

to provide for the housing and care of Federal prisoners for a specified period of time. CAP uses Intergovernmental Agreements (IGAs), which require that the Marshals Service enter into multiyear, long-term, guaranteed prisoner housing agreements with local and State authorities.

While there are approximately 4,000 non-Federal detention facilities located throughout the United States, CAP is designed to assist only those facilities (approximately 300) that are essential to the Marshals Service's ability to support the Federal Courts. CAP is not a grant program. The Marshals Service selects those localities where adequate housing and care of Federal prisoners must be obtained in accordance with agency operational priorities. The program encompasses the upgrading of institutional programs, services, and conditions of confinement as determined necessary through the application of established national standards for detention facilities.

In 1983, the Task Force Program appropriation made available a total of \$6.6 million to CAP in order to ensure that sufficient detention space would be available in those Task Force cities where severe inmate housing shortages for Federal prisoners currently exist. The Administration's law enforcement initiatives on violent crime and drug trafficking would be severely hampered without adequate detention space to accommodate the prisoner loads generated by the Task Forces. This additional funding for CAP generated a total of 437 guaranteed bed spaces for Federal prisoners (at an average cost of \$15,103 per bed) in eight Task Force Regions. Five of the eight Regions now receiving CAP assistance had been experiencing severe detention space shortages.

A detailed discussion of the specific costs and benefits derived from Task Force funding is provided below:

New England (Serious Detention Space Shortages). A CAP agreement with Essex County (located in the Boston area) for the Salem and Lawrence Detention Facilities to provide 25 guaranteed beds for five years was finalized at a total cost of \$250,000. Both of these jails were built in the early 1800s, and were under court order for sanitation, safety, and emergency deficiencies. Federal prisoners account for 17 percent of the daily population. CAP funds are being utilized to install a new kitchen and infirmary, renovate the inmate dining hall, and purchase communications and security screening equipment.

Mid-Atlantic (Serious Detention Space Shortages). A CAP agreement with the Baltimore City Jail was negotiated to provide a total of 90 beds for a period of ten years at a cost of \$1 million. The facility, built in the mid-1800s, was under court order for overcrowding and lack of inmate recreational space. Continued access to this facility was essential to the Marshals Service's ability to support the Federal Court. At one time, all Federal prisoners were ordered removed due to the court-ordered population ceiling. As all local jails throughout the Maryland, Washington, D.C., and Virginia areas are severely overcrowded, the district would have had to transport its prisoners to the Metropolitan Correctional Center in New York City on a daily basis. CAP funds are being utilized to renovate and upgrade an inmate gymnasium, and construct a 50-bed housing unit.

Gulf Coast (Serious Detention Space Shortages). A CAP agreement was negotiated with the Cameron County Jail, located in Brownsville, Texas, to obtain 150 beds for fifteen years at a total cost of \$2 million. The facility, built in 1976, is under court order and cited by the Texas State Commission on Jail Standards for overcrowding, poor lighting, inadequate staff supervision of inmates, and lack of smoke alarm equipment. The project will double the jail's bed space to 140 beds. The Cameron County Jail is essential to support of the illegal alien border apprehension program.

North Central. The Marshals Service negotiated a CAP agreement with the Banderburgh County Jail, located in Evansville, Indiana, to provide 20 beds for a period of ten years at a cost of \$250,000. The facility is under litigation in the U.S. District Court for inadequate medical care, as well as lack of recreation and exercise facilities. This is the only facility available in this area which services a Federal Court in Evansville. At present, 98 percent of the prisoners must be housed in Indianapolis, which is 140 miles from the Evansville Federal Court. CAP funds are being used to construct an outdoor exercise area and an indoor multipurpose room for inmates (for exercise, a library, and religious services), to install communications equipment for the visitors area, and to purchase fire, emergency, and inmate recreation equipment.

Northwest (Severe Detention Space Shortages). The loss of the King County, Seattle, Jail (which was under court order for overcrowding) meant

that the Marshals Service was forced to spend from four to five hours a day transporting prisoners to and from court from McNeil Island. The Marshals Service was able to negotiate a CAP agreement with Pierce County, which was constructing a new detention facility. Construction plans were modified, and 60 beds were added and guaranteed for Federal prisoners for a period of fifteen years at a cost of \$2,225,000. The Pierce County Jail is a 45-minute drive from the Federal Court in Seattle.

Los Angeles/Nevada. A CAP agreement (total cost: \$65,000) was also finalized with the Colusa County Jail, located 60 miles from Sacramento. Both the Sacramento and Reno areas are experiencing severe housing shortages, and Colusa County's 32 guaranteed beds will be used to handle overflow population. CAP funds are being used to enclose an outdoor exercise yard as a permanent recreation area; enlarge the sallyport; and purchase laundry and kitchen equipment, perimeter fencing, and fire-retardant mattresses.

Florida (Severe Detention Space Shortages). Due to the influx of illegal aliens, State and local facilities throughout the State are severely overcrowded. Detention space for Federal prisoners in the Jacksonville area was virtually nonexistent, and Duval County, under court order for overcrowding, was unwilling to participate in CAP. As a result, CAP agreements funded by the Task Force Program were negotiated with two facilities for a total of \$804,500. Baker County agreed to provide 20 guaranteed spaces for a period of fifteen years, and Nassau County agreed to provide 15 beds for a period of ten years. Approximately 33 percent of Baker County's population are Federal prisoners, and the facility had been cited by the State Fire Marshal for lack of safety and emergency equipment. Baker County will enlarge its kitchen, purchase food service equipment, renovate its communications center, purchase laundry equipment, and construct a new physical plant. Nassau County will construct a 24-bed minimum security wing, renovate and expand the kitchen area, construct an infirmary, and install fire safety equipment.

Southwest. With the remaining \$5,500 in Task Force funding, a CAP agreement was negotiated with the Valencia County Jail, located approximately 25 miles from the Marshals Service office in Albuquerque, New Mexico, to acquire 25 guaranteed beds for a period of five years. The additional \$14,500 required was obtained from Jobs Bill funding. The bed space was necessary in order

to house illegal alien material witnesses. CAP funds are being utilized to construct a recreation and exercise yard and install additional lighting in inmate areas. Federal prisoners account for approximately 60 percent of the facility's population.

## Anti-Crime Legislative Initiatives

The process of mounting a successful campaign against organized drug trafficking requires not only the coordination and cooperation of the investigative and prosecutorial resources of the executive branch of the Federal Government, but also the coordination and cooperation of the legislative branch. Congress's commitment to the Task Force Program was quick and unstinting. Funding was provided within seventy days following the President's announcement of the Program. Now, additional congressional action is required to enable the Task Forces to reach their full potential. There is an urgent need for criminal law reforms.

Many provisions of Federal criminal law have become hopelessly outmoded. Federal bail laws have created a "revolving door" system of justice in which drug offenders arrested by Federal agents are sometimes released on bail before agents have completed the paperwork associated with the arrest. Many offenders have contacts with drug traffickers overseas; so release on bail provides an opportunity to flee the United States and escape prosecution, an opportunity that is often seized. There are today more Federal drug fugitives than there are Federal drug agents. Federal bail laws contribute to this incredible statistic.

Federal sentencing practices have been called a "national scandal," and shocking disparities in sentences handed down by Federal judges have led many to question whether there is any equity in the justice system. In addition, the sentences have virtually no relation to terms of imprisonment because of the parole system, which generally releases prisoners who have served no more than one-third of their sentences. The time has come for "truth in sentencing."

Forfeiture of the instrumentalities and proceeds of drug trafficking offers tremendous potential for breaking up drug trafficking rings by stripping away the money and other property used to carry out, and derived from, their schemes. Unfortunately, weaknesses in Federal forfeiture laws prevent law enforcement officials from making maximum use of this law enforcement tool in many drug cases.

Federal drug laws also need to be strengthened to prevent diversion of legitimate drugs into illicit channels and to improve the ability of Federal authorities to stop the money laundering operations through which the profits of drug syndicates are being maneuvered to disguise the illicit origin of such monies.

#### The President's Comprehensive Crime Control Act of 1983

On March 16, 1983, President Reagan submitted to Congress a 42-part, omnibus anti-crime package, the Comprehensive Crime Control Act of 1983. These measures would make the urgently needed criminal justice reforms discussed above and address other law enforcement problems outside the drug area.

The Senate Judiciary Committee moved expeditiously on the President's anti-crime bill (S. 829), holding hearings in May and early June 1983. In July, the Senate Judiciary Committee reported (by a vote of 15 to 1) the bulk of the President's crime package as S. 1762. In addition, the Committee reported three major parts of the President's anti-crime package as separate bills: S. 1763, habeas corpus reform; S. 1764, exclusionary rule reform; and S. 1765, reinstitution of capital punishment. All of these measures were passed by overwhelming votes in the full Senate.

The House of Representatives has yet to act on H.R. 2151, the companion bill to S. 829. The Subcommittee on Crime of the House Judiciary Committee has, however, reported H.R. 4901, which contains a number of the forfeiture and drug penalty reforms set out in Titles III and V of S. 1762. Several other proposals in the President's package have received consideration in the House as separate measures, including the insanity defense reform.

#### Summary of the Drug-Related Provisions

Many provisions of S. 1762 would assist in Federal drug enforcement.

*Title I, Bail Reform*, would amend the Bail Reform Act of 1966 to permit Federal Courts to consider danger to the community in setting bail conditions and to deny bail altogether where a defendant poses an especially grave danger to others; tighten the criteria for post-conviction release pending sentencing and appeal; provide for revocation of release and increased penalties for crimes committed while on release; and increase penalties for bail jumping.

*Title II, Sentencing Reform*, would revise the sentencing system to establish a *determinate* sentencing system with no parole and limited "good time" credits; promote more uniform sentencing by establishing a commission to set a narrow sentencing range for each Federal criminal offense; require courts to explain in writing any departure from sentencing guidelines; and allow defendants to appeal sentences which are harsher than commission guidelines and the Government to appeal sentences which are more lenient than commission guidelines.

*Title III, Forfeiture Reform*, would strengthen Federal criminal and civil forfeiture laws by providing for forfeiture of profits and proceeds of organized crime (RICO) offenses; criminal forfeiture in all narcotics trafficking cases; expanded procedures for "freezing" forfeitable property pending judicial proceedings; forfeiture of substitute assets where assets originally subject to forfeiture have been removed from the reach of the Government; forfeiture of land used to grow, store, and manufacture dangerous drugs; and expanded use of efficient administrative forfeiture procedures in uncontested cases.

*Title V, Drug Enforcement Amendments*, would strengthen Federal penalties applicable to narcotics offenses; reduce the regulatory burden on law-abiding manufacturers and distributors of legitimate controlled substances; and strengthen the ability of DEA to prevent diversion of legitimate controlled substances to illegal uses.

*Title IX, Foreign Currency Transaction Amendments*, would improve Federal laws designed to prevent international money laundering by adding an "attempt" provision to existing laws prohibiting transportation of currency out of the United States in violation of reporting requirements; by strengthening penalties for currency violations and authorizing payment of rewards for information leading to the conviction of money launderers; and by clarifying the authority of Customs agents to conduct border searches related to currency offenses.

*Title X, Miscellaneous Violent Crime Amendments*, contains amendments that would be helpful to Task Forces, including Part A, to establish Federal jurisdiction over murder-for-hire and crimes in aid of racketeering; Part B, to establish Federal jurisdiction over solicitation to commit a crime of violence; Part D, to establish a minimum mandatory five-year sentence for use of a firearm in a Federal crime of violence; Part E, to establish an additional, minimum mandatory five-year sentence for use of armor-piercing bullets in a Federal crime of

violence; Part F, to expand 18 U.S.C. 1201 to include kidnapping of Federal officials; Part G, to establish a new Federal offense for crimes against family members of Federal officials; Part M, to amend extradition of foreign fugitives laws; and Part O, to establish Federal jurisdiction over robberies and burglaries directed at pharmacies and others registered to dispense, manufacture, or distribute controlled substances. (Part O is a congressionally initiated proposal.)

*Title XI, Serious Non-Violent Offenses*, includes two provisions of benefit to Task Forces: Part B, to amend 18 U.S.C. 2232 to cover warning the subject of a search; and Part H, to improve penalties for trafficking in drugs, weapons, or other contraband in Federal prisons.

*Title XII, Procedural Amendments*, includes four provisions of interest to Task Forces. These are Part A, to lower from sixteen to fifteen the age at which a juvenile may be prosecuted as an adult for serious crimes of violence and drug trafficking offenses; Part B, to amend wiretap laws to permit emergency wiretaps in life-endangering situations and expand the range of predicate offenses to include child pornography, illegal currency transactions, and crime against victims and witnesses; Part E, to authorize government appeal of new trial orders; and Part F, to improve the Witness Security Pro-

gram through codification of case law and other changes.

#### Other Anti-Crime Provisions

*S. 1764, Exclusionary Rule Reform*, would create an exception to the application of the exclusionary rule to prevent suppression of evidence where it can be shown that officers were proceeding in good faith and with objectively reasonable belief that they were acting in compliance with the law.

*S. 1765, Reinstitution of Capital Punishment*, would establish constitutionally permissible procedures for imposition of the death penalty in certain homicide, treason, and espionage cases.

The Task Forces are committed to penetrating and breaking up the drug trafficking syndicates, which are responsible for the importation and dissemination of the vast majority of illegal drugs being used in this country. As documented elsewhere in this report, the Task Forces are starting to produce dramatic results. However, these results are clearly circumscribed by the existing Federal criminal laws within which the Task Force Program must operate. Congressional action on the criminal justice reforms proposed by the President will help the Task Forces to achieve their full potential.

## Conclusions

This Annual Report inventories the first-year operations of the Task Force Program. Behind the concrete accomplishments cited here are some remarkable changes that have taken place in the process of identifying, developing, and prosecuting significant drug cases. This report pinpoints and explains those changes. Their principal elements are summarized in the following list of Task Force advantages. These include:

- Capacity to synchronize multiple investigations against common target organizations;
- Partnership of investigators and attorneys during early investigative phases;
- Agents and attorneys who are familiar with drug investigations;
- More immediate access to grand jury time;
- Easier access to other agencies' expertise, resources, and records, and quicker response from Washington and other regions to requests for assistance;
- Greater collaboration between Federal, State, and local law enforcement agencies;
- Additional funds for purchase of evidence and other investigative expenses;
- Greater availability of modern surveillance and communications equipment; and
- Investigative and prosecutorial orchestration of case development, resulting in multi-agency and interregional coordination of timing, responsibilities, and actions.

These new advantages result in:

- Economy of effort—the ideal agents and equipment at the right place, at the right time;
- More significant seizures and forfeitures, and broadened use of financial investigations;
- Better cases against higher level targets and the time to investigate and prosecute them in depth;
- Enlargement and enhancement of the narcotics and dangerous drug intelligence data base; and
- A cooperative law enforcement environment where Federal, State, and local agencies can act in concert on investigations and prosecutions.

These first-year results have advanced the Program toward its ultimate goal—disruption of the major drug trafficking organizations. The Task Force Program's progress toward this goal may not yet be extensive. This reflects not on the Program but on the problem. The U.S. drug market, approaching \$100 billion annually, cannot be expected to yield to first-year assaults. But in just a year, the Task Forces have tested and validated a new concept, one of centralized direction, decentralized management, and coordinated efforts, that has certainly damaged and may eventually undermine the high-rolling drug businesses.

Most of those associated with this Program support it enthusiastically. There is little complacency, nor is there room for it. The Task Forces are still in their infancy. Those involved in the Task Forces are very proud of what has been accomplished so far, but no one believes that the design cannot be improved. The Department of Justice will continue to work with all participants to make needed improvements, but it is important not to

lose sight of the fact that the Program is up and running, and has to its credit much that clearly could not have been accomplished without the Task Force approach to investigations.

If first-year trends continue into the second year, the expense of operating the Task Force Pro-

gram may well be exceeded by the value of the forfeitures, fines, and seizures generated by Task Force cases. The foundation is laid. The significant penetrations already effected will bring about the dismantling of even more major drug trafficking organizations during the coming year.

## Appendix A

### The Case Monitoring System

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Among the first activities of the Task Force Program was the formation of a committee to assess what Task Force case information should be collected and how the identified information needs could best be met. The committee consisted of the Assistant Attorney General for the Criminal and Justice Management Divisions, a U.S. Attorney from a core city Task Force, the Director of the Executive Office for U.S. Attorneys, the Task Force Administrator, and a representative of each of the Task Force investigative agencies.

The committee wanted to create an information system that would satisfy the management needs of the Associate Attorney General, U.S. Attorneys, the OCDETF Working Group, and the regional Task Forces. In addition, the information system had to provide the data necessary to evaluate Task Force Program performance. The resultant Case Monitoring System consists of four standard reports: the Case Initiation Form, the Indictment Form, the Sentencing Form, and the Monthly Report.

The Case Initiation Form (CIF) serves two primary functions. First, it provides the core city Task Force Coordination Group with the information necessary for determining if a case meets Task Force case selection criteria. Second, it provides the preliminary data for the records of both the Assistant U.S. Attorney Task Force Coordinator and the Task Force Administrative Unit in Washington, D.C.

In the districts, the CIF is filled out by the Task Force Assistant U.S. Attorney assigned to the case in close consultation with the case agents. Copies of the CIF are then distributed to all district Special Agents in Charge (SACs) of the agencies participating in the Task Force. When appropriate, copies are also distributed to officials of participating State and local law enforcement agencies for review. The U.S. Attorney for that district then reviews the CIF and certifies that all district SACs have initialed copies of the form.

The CIF is then forwarded to the Assistant U.S. Attorney Task Force Coordinator in the core city for review by the Task Force Coordination

Group. If the case is accepted, the CIF is initialed by all Agency Coordinators and the Assistant U.S. Attorney Task Force Coordinator and is signed by the core city U.S. Attorney. The Task Force Coordinator then sends a copy of the CIF to the Task Force Administrative Unit in Washington for entry into an automated system.

The second report in the Case Monitoring System is the Indictment Form. The form updates and provides more in-depth case information at the point where an indictment or an information has been returned by a grand jury.

As with the Case Initiation Forms, the Indictment Form is completed by the Task Force case attorney in consultation with the case agents. Copies of these forms are also distributed to all district SACs and certified by the U.S. Attorney. The Indictment Form is then forwarded to the Assistant U.S. Attorney Task Force Coordinator for review by the core city Coordination Group, providing the opportunity for closer coordination of the Task Force effort. A copy of the Indictment Form is attached to the next Monthly Report and sent to the Task Force Administrative Unit.

Each time a defendant in a Task Force case is sentenced a Sentencing Form is completed. This form provides trial results and other case outcome data. The Sentencing Form reports on charges, convictions, and sentences, and provides data on the types, quantities, and values of forfeited assets. The form also requires a brief narrative on the case's impact on the criminal organizations involved and a discussion of any unusual aspects of the case.

The Sentencing Form is also completed by the Task Force case attorney immediately after the sentencing of each defendant in a Task Force case. The Sentencing Form is then forwarded to the Task Force Coordination Group for review. A copy of this form is attached to the next Monthly Report and submitted to the Task Force Administrative Unit.

The final instrument in the Case Monitoring System is the Monthly Report. The report is a narrative memorandum providing a monthly

update of significant Task Force activities and problems in each district and in each Task Force Region. Each month, the Task Force Administrative Unit sends each Region a Monthly Report Form and a list, by district, of all active Task Force cases.

Each district is required to submit its Monthly Report to the Assistant U.S. Attorney Task Force Coordinator. The Task Force Coordinator consolidates the information received in the memoranda

from each of the districts into a single Monthly Report. This memorandum reflects the activities and issues of the Task Force in the entire Task Force Region. The Task Force Coordinator submits the memorandum to the Administrative Unit.

The Administrative Unit, as the central repository of the case data, is able to provide the national focus necessary for the Associate Attorney General to manage and assess the Task Force Program.

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Appendix B
Research Methodology

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Requirements for this and subsequent Annual Reports were introduced by the President in these words:

I will ask that the Attorney General be required to submit a yearly report to the people through the President and the Congress on the status of the fight against organized crime and organized criminal groups dealing 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.

Congressional conferees then agreed on specific requirements for a report which includes both quantitative and qualitative analyses of each year's progress (H10:632, Congressional Record - House, December 20, 1982).

Quantitative indicators required are those which measure reduction of supply (including data on importation or production), number of abusers, treatment and admission statistics, overdose death figures, and price and purity indices. Enforcement activity is to be measured by amounts of seizures and forfeitures, arrests and convictions by violator type, and an assessment of damage to trafficking organizations.

These data have been provided directly by various agencies within the Department of Justice, or are extracted directly from Department of Justice publications such as the Drug Enforcement Administration's "Quarterly Analysis" or the Bureau of Justice Statistics' Source Book of Criminal Justice Statistics and the Executive Office for U.S. Attorneys' annual reports. Other statistics are from a new data base consolidating Task Force information. Although the Task Force data base is new and incomplete, the data available appear to be unbiased and robust enough to support the observations and conclusions offered in this report. All data are complete or estimated through CY 1983.

The qualitative information requested by Congress includes examples of successful law enforcement and prosecution efforts based on information exchange, allocation of resources, and coordination between agencies (Federal, State, and local). These data were acquired by a small team composed equally of Justice Department personnel and research consultants. Private, face-to-face interviews of approximately one hour's duration were conducted with 362 Task Force members and other interested parties at seventeen U.S. locations between October 17 and December 15, 1983.

The interview sample was intentionally biased to include more management and attorney personnel than agents and consisted mostly of persons at the twelve core cities who coordinate the respective Task Forces. Twenty-nine Task Force personnel from four (non-core city) districts, Buffalo, Wheeling, Las Vegas, and Washington, D.C., were interviewed. This represents 8.58 percent of the total whereas 46.7 percent of full-time professional personnel are located at districts; 24.5 percent of persons interviewed, however, had Task Force responsibilities throughout their respective Regions.

Persons to be interviewed were preselected by title: the U.S. Attorney, agency Special Agents in Charge (SACs), the Assistant U.S. Attorney Task Force Coordinator and each Agency Task Force Coordinator, agents, the Strike Force Chief, and State, county, or local law enforcement officers or prosecutors. No requirements were specified other than conducting interviews with U.S. Attorneys and Assistant U.S. Attorney Task Force Coordinators. Although almost all Agency Task Force Coordinators were interviewed, Assistant U.S. Attorney Task Force Coordinators were free to select the local sample of Assistant U.S. Attorneys, SACs, supervisors, Federal agents, and local law enforcement officers and attorneys. Some follow-up interviews were then scheduled by the interviewers based on local observations and the content of the prescheduled interviews. Task Force agents as opposed to all other categories constituted 21.2 percent of the total sample.

Interviews were loosely structured around a field interview guide developed for this purpose. Responses were manually recorded in narrative form during and after each interview and organized with interview team analyses and comments into regional feeder reports. Attribution of quoted or paraphrased responses was avoided in order to enhance the depth and spontaneity of response. See Exhibit 8 for a numerical array of personnel interviewed by agency and location.

Congress also authorized additional, unspecified measurements. Some such measurements have been defined and are included with the specified qualitative and quantitative data.

A summary of the statistical data appears in Chapter 6. The evaluation and analysis of qualitative results make up the body of this report, particularly Chapters 3, 4, and 5. Case examples, from which readers of the report may draw their own conclusions, appear in Chapter 5.

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Exhibit 8
Number of Interviews by Agency and Location

Location																	
Wheeling	Washington, D.C.	St. Louis	San Francisco	San Diego	New York	Miami	Los Angeles	Las Vegas*	Houston	Detroit	Denver	Chicago	Buffalo	Boston	Baltimore	Atlanta	Total
	7																<u>Interviews</u>
	2																Justice Dept.
4	2	8	6	5	10	7	5	2	6	7	6	5	5	6	7	97	Treasury Dept.
4	1	3	4	4	6	1	5		3	5	3	3	2	3	2	2	USAO
—	4	4	4	5	10	1	7		4	2	2	2	1	4	3	2	FBI
4	1	4	2	3	6	2	2		4	2	3	4	2	2	4	2	DEA
—	2	1	2	1	3	1	1		3	1	2	2	—	1	2	1	IRS
—	1	1	2	2	5	2	2		4	2	2	4	1	1	—	1	ATF
—	2	1	1	1	1	—	—		1	1	1	1	—	1	1	1	Customs
—	1	—	—	1	1	2	1		1	1	—	—	—	1	1	1	USMS
—		—	1	—	2	7	—		—	1	—	—	—	1	1	1	USCG
1		1	—	—	2	—	—		—	—	1	1	2	2	2	1	Other †
13	23	23	22	22	46	23	23	2	26	22	20	24	13	21	21	19	State/Local
																	Total

\* Las Vegas personnel were interviewed at Los Angeles.
† Includes Strike Force, Financial Task Forces, "Operation Greenback."

## Appendix C

### Organized Crime Drug Enforcement Task Force Program Budget for 1983

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Funding for the Task Force Program was initially requested in a 1983 Budget Amendment. The Department of Justice received its entire Task Force Program request except for funds associated with the Presidential Commission on Organized Crime. The total Task Force Program appropriation for FY 1983 was \$127.5 million. Of this amount \$92,569,000 was allocated for law enforcement activities, \$11,731,000 for prosecutorial expenses, \$23,000,000 for correctional facilities, and \$200,000 for the Policy and Management Division. A reprogramming of \$500,000 from the prosecution allocation later provided funds for the establishment of the President's Commission. Funding for the Task Force initiative provided for 1,630 additional personnel in FY 1983.

Task Force funds allocated to law enforcement activities provided operating expenses for investigators, clerical staff, and associated support within the Department of Justice necessary to the twelve Task Force Regions, totaling \$42,225,000 and 760 positions. Operating expenses were also provided for Federal agencies outside the Department of Justice, totaling \$14,716,000 and 500 positions. The Federal Bureau of Investigation (FBI) and Drug Enforcement Administration (DEA) were allocated funds for automated information systems, sophisticated voice privacy communications and surveillance equipment, and some long-range air support. The Task Forces have worked in close cooperation with the State and local law enforcement personnel and were provided \$1,628,000 in FY 1983 for such expenditures as extraordinary overtime, specialized equipment, and other operating costs incidental to State and local involvement in Task Force operations.

The resources for the DEA Air Intelligence Program, \$2,000,000, provided for the purchase of one long-range, cabin class, twin-turbine-engine surveillance aircraft with sufficient fuel and maintenance for missions necessary to South American operations in support of the Task Forces. To strengthen DEA's intelligence networks, an associated processor was installed at the El Paso Intelligence Center (EPIC). For the same reason

DEA's PATHFINDER system was extended to include all DEA division offices. DEA replaced equipment from the DEA Teleprocessing System (DATS) and expanded this system to seventeen overseas locations.

The FBI has strengthened its basic information systems with its 1983 allocations. Funding has enhanced FBI field investigative productivity through the purchase of tempest-tested intelligent terminal clusters for the Organized Crime Information System (OCIS) and the Investigative Support Information System. Implementation of the Field Office Information Management System (FOIMS), a system designed to permit secure handling of all FBI investigative information, has also begun. Finally, the FBI has purchased voice privacy equipment to meet its technical field equipment needs. These FM radio privacy systems thwart interception of agent communications and have been held by field agent personnel as the highest priority operational equipment need.

Funding for the Task Force Program's prosecution activity, \$11,731,000 and 340 positions, covered expenses for the attorney, paralegal, and clerical personnel necessary to ensure that evidence gathered on Task Force cases was legally obtained and properly prepared and presented in grand jury sessions and in the trial and appellate courts in each of the Task Force Regions. Funding was also provided here to meet the increased costs associated with the fees and expenses of witnesses utilized in the presentation of Task Force cases. In addition to the reprogramming of prosecution funds to establish the Presidential Commission on Organized Crime, another \$1,600,000 was transferred to increase funding for the Cooperative Agreement Program (CAP), which is managed by the U.S. Marshals Service.

Excluding the CAP reprogramming, the Corrections Activity received resources of \$23,000,000 and ten positions. CAP funds have been provided for the construction and renovation of State and local jail facilities through cooperative agreements guaranteeing the Federal Government bedspace in

local jails. The initial appropriation language specified that of the total \$127.5 million appropriated to the Task Force Program, \$18 million remain available until expended for construction of new facilities and for constructing, remodeling, and equipping buildings and facilities at existing detention and correctional institutions. Of the \$18 million thus allocated to Federal prison system expansion, \$5,914,000 was obligated in 1983 and \$14,743,000 was carried into 1984. For a discussion of the current status of both the CAP and Federal prison system expansion projects, see Chapter 7.

The Policy and Management Division was originally allocated \$200,000 for the Governors Project and the Annual Report. The Governors Project was provided with \$100,000 to help coordinate Federal efforts with State and local enforce-

ment programs, to create a forum for States to tell the Federal Government of their concerns about organized crime, and to supplement the Law Enforcement Coordinating Committees. The remaining \$100,000 in the Policy and Management Division covers expenses associated with the preparation and publication of the Task Force Program's Annual Report.

Of the total 1983 Task Force Program appropriation, \$108,218,000 was obligated in FY 1983. The unobligated balance at the end of the year that was carried forward into FY 1984 totaled \$18,143,000. Of this amount \$3.4 million remains available for FBI undercover expenses and DEA automated data processing needs, and \$14,743,000 remains available for the Bureau of Prison's prison expansion project. The unobligated balance lapsing at the end of FY 1983 totaled \$1,139,000.

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## Appendix D Personnel Allocations

### Exhibit 9 OCDE Task Force Attorney, Agent, and Support Position Allocations

District	AUSAs		FBI		DEA		IRS*		Customs†		ATF‡		USMS
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	
<u>Great Lakes</u>													
Kentucky, E	1	1	3	0	1	0	1	0	0	0	0	0	0
Michigan, E	8	6	13	5	9	1	13	5	9	2	6	1	1
Michigan, W	1	1	0	0	0	0	0	0	0	0	0	0	0
Ohio, N	4	3	8	2	5	0	3	0	5	1	0	0	0
Ohio, S	2	1	3	0	2	1	4	0	0	0	0	0	0
Pennsylvania, W	3	2	4	1	3	0	2	0	0	0	0	0	0
West Virginia, N	1	1	1	0	0	0	4	0	0	0	0	0	0
West Virginia, S	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals:	20	15	32	8	20	2	27	5	14	3	6	1	1
<u>Gulf Coast</u>													
Louisiana, E	3	2	4	1	8	3	2	0	3	1	0	0	0
Louisiana, M	1	1	2	0	2	0	1	0	0	0	0	0	0
Louisiana, W	1	1	2	0	1	0	1	0	0	0	0	0	0
Mississippi, S	1	1	3	0	1	0	1	0	1	0	0	0	0
Texas, E	1	1	0	0	0	0	0	0	0	0	0	1	0
Texas, N	2	1	4	1	3	0	5	0	0	0	0	0	0
Texas, S	7	5	7	4	15	7	6	3	5	1	6	0	1
Texas, W	3	2	4	0	3	0	6	0	2	0	0	0	0
Totals:	19	14	26	6	33	10	22	3	11	2	6	1	1

District	AUSAs		FBI		DEA		IRS*		Customs†		ATF‡		USMS
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	
<u>Los Angeles-Nevada</u>													
California, C	9	6	21	5	13	2	12	2	12	2	7	1	1
Nevada	2	1	4	1	3	0	2	0	2	1	0	0	0
Totals:	11	7	25	6	16	2	14	2	14	3	7	1	1
<u>Mid-Atlantic</u>													
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0
District of Columbia	2	1	3	2	3	0	1	0	0	0	0	0	0
Maryland	4	4	11	4	6	1	5	2	10	2	3	0	1
Pennsylvania, E	6	4	11	2	8	3	4	0	6	1	0	0	0
Pennsylvania, M	1	0	0	0	0	0	0	0	0	0	0	0	0
Virginia, E	3	2	5	0	2	0	4	0	0	0	0	0	0
Virginia, W	1	1	2	0	1	1	0	0	0	0	0	0	0
Totals:	17	12	32	8	20	5	14	2	16	3	3	0	1
<u>Mountain</u>													
Colorado	6	4	7	3	7	1	4	1	2	0	1	0	1
Idaho (mobile)	0	0	0	0	1	0	0	0	0	0	0	0	0
Montana	1	1	3	0	1	0	0	0	0	0	0	0	0
Nebraska (and Iowa)	2	1	4	1	5	0	1	0	0	0	0	0	0
North Dakota (mobile)	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	1	1	1	0	2	0	0	0	0	0	0	0	0
Utah	1	1	2	0	2	0	1	0	0	0	0	0	0
Wyoming (mobile)	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals:	11	8	17	4	18	1	6	1	2	0	1	0	1

District	AUSAs		FBI		DEA		IRS*		Customs†		ATF‡		USMS
	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	
<u>New England</u>													
Connecticut	3	2	6	1	5	1	2	0	2	0	0	0	0
Maine	1	1	0	0	1	0	0	0	0	0	0	0	0
Massachusetts	7	5	10	5	11	4	4	2	8	2	1	0	1
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0
New York, N	2	1	5	0	2	0	4	0	0	0	0	0	0
New York, W	2	1	5	1	2	1	2	0	3	0	0	0	0
Rhode Island	1	1	3	0	2	0	1	0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals:	16	11	29	7	23	6	13	2	13	2	1	0	1
<u>New York-New Jersey</u>													
New Jersey	5	4	10	2	5	2	5	0	4	1	0	0	0
(New York, E)§	8	6	37	9	32	7	7	3	16	2	5	1	1
(New York, S)§	8	6					7						
Totals:	21	16	47	11	37	9	19	3	20	3	5	1	1
<u>North Central</u>													
Illinois, C	1	1	1	0	3	1	3	0	0	0	0	0	0
Illinois, N	8	6	14	5	10	4	8	3	11	2	6	1	1
(Indiana, N)§													
(Indiana, S)§	3	2	6	1	5	1	4	0	2	0	0	0	0
(Iowa, N)§	0	0	0	0	0	0	0	0	0	0	0	0	0
(Iowa, S)§	1	1	2	0	0	0	0	0	0	0	0	0	0
Minnesota	2	1	3	0	2	0	2	0	2	0	0	0	0
Wisconsin, E	2	1	4	0	2	1	2	0	0	0	0	0	0
Wisconsin, W	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals:	17	12	30	6	22	7	19	3	15	2	6	1	1

District	AUSAs		FBI		DEA		IRS*		Customs†		ATF‡		USMS
	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	
<u>Northwest</u>													
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0
California, E	3	2	5	1	4	0	2	0	0	0	0	0	0
California, N	7	5	11	4	9	2	9	2	8	2	5	1	1
Guam	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	2	1	3	0	3	1	1	0	1	0	0	0	0
Oregon	1	1	3	0	2	0	0	0	0	0	0	0	0
Washington, E	1	1	0	0	1	0	0	0	0	0	0	0	0
Washington, W	2	1	3	0	3	0	1	0	2	0	0	0	0
Totals:	16	11	25	5	22	3	13	2	11	2	5	1	1
<u>South Central</u>													
Arkansas, E	1	1	3	0	2	1	1	0	0	0	0	0	0
Arkansas, W	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois, S	1	1	1	0	0	0	0	0	0	0	0	0	0
Kansas	1	1	3	0	2	0	1	0	0	0	0	0	0
Kentucky, W	1	1	2	0	1	0	1	0	0	0	0	0	0
Mississippi, N	0	0	0	0	0	0	0	0	0	0	0	0	0
Missouri, E	5	4	7	3	6	2	4	2	2	0	4	1	1
Missouri, W	2	1	3	1	2	1	2	0	2	0	0	0	0
(Oklahoma, N)§	1	1											
(Oklahoma, E)§													
Oklahoma, W	1	1	3	0	1	1	2	0	0	0	0	0	0
Tennessee, W	1	1	1	0	2	0	1	0	0	0	0	0	0
Totals:	14	12	23	4	16	5	12	2	4	0	4	1	1

<u>District</u>	<u>AUSAs</u>		<u>FBI</u>	<u>DEA</u>	<u>IRS*</u>		<u>Customs†</u>	<u>ATF‡</u>	<u>USMS</u>
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	
<u>Southeast</u>									
Alabama, M	0	0	0	0	0	0	0	0	0
Alabama, N	1	1	2	0	1	0	2	0	0
Alabama, S	1	1	3	0	3	1	1	0	0
(Georgia, N)§	7	5	9	5	12	3	6	3	4
(Georgia, M)§									
Georgia, S	1	1	3	0	1	0	1	0	0
(North Carolina, E)§	2	1	3	1	2	0	3	0	0
(North Carolina, M)§									
(North Carolina, W)§	1	1							
South Carolina	3	2	3	0	4	2	2	0	4
Tennessee, E	1	1	0	0	0	0	0	0	0
Tennessee, M	1	1	3	0	2	2	1	0	0
Totals:	18	14	26	6	25	8	16	3	8
<u>Southwest</u>									
Arizona	3	2	6	2	7	1	3	0	2
California, S	7	5	13	4	12	3	6	2	10
New Mexico	1	1	3	0	3	1	1	0	0
Totals:	11	8	22	6	22	5	10	2	12

<u>District</u>	<u>AUSAs</u>		<u>FBI</u>	<u>DEA</u>	<u>IRS*</u>	<u>Customs†</u>	<u>ATF‡</u>	<u>USMS</u>
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	
<u>Florida</u>								
Florida, N	3	2						
Florida, M	4	3						
Florida, S	2	1						
Puerto Rico								
Virgin Islands								
Totals:	9	6						

\* IRS has assigned support personnel positions to the core cities for use within each Task Force in the manner determined by the core city IRS management. Five IRS support positions are assigned to the Treasury Financial Law Enforcement Center.

† Thirty-three additional Customs support personnel are assigned to the Treasury Financial Law Enforcement Center, Washington, D.C.

‡ ATF has retained a pool of 17 agents (25 percent of its total) for use in any district on a person-year basis as needs arise.

§ In districts grouped together by parentheses, the United States Attorneys, Task Force agency SACs, and the Assistant United States Attorney Task Force Coordinator for the Task Force in which the districts are located are to meet and determine how the Task Force positions are to be allocated. In some instances, in order to adhere to the guidelines, it will be necessary to not allocate any positions to one or more of the districts in a grouping.

## Appendix E

### Members of the Working Group on Drug Supply Reduction

Associate Attorney General  
U.S. Department of Justice

Administrator  
Drug Enforcement Administration

Director  
Federal Bureau of Investigation

Executive Secretary  
Cabinet Council on Legal Policy

Director of Drug Abuse Policy Office  
Office of Policy Development

General Counsel  
Department of Agriculture

Associate General Counsel  
Legislative and Regulation  
Department of Commerce

Deputy Assistant Secretary  
Manpower, Reserve Affairs and Logistics  
Department of Defense

Deputy Director  
National Institute of Drug Abuse  
Department of Health and Human Services

Deputy Solicitor  
General Law Division  
Department of the Interior

Deputy Assistant Secretary  
Office of the Assistant Secretary for Budget and Programs  
Department of Transportation

Commandant  
United States Coast Guard

Assistant Secretary for Enforcement and Operations  
Department of the Treasury

Commissioner  
United States Customs Service

Deputy Director for Operations  
Central Intelligence Agency

General Counsel  
Central Intelligence Agency

Associate Director for Economics and Government  
Office of Management and Budget

Assistant Secretary  
Bureau of International Narcotics Matters  
Department of State

## Appendix F

### Members of the Organized Crime Drug Enforcement Task Force Working Group

130

Associate Attorney General Chairman	
Deputy Associate Attorney General Executive Director	
Assistant Attorney General Tax Division	Assistant Attorney General Criminal Division
Assistant Commissioner (Enforcement) United States Customs Service	Director Executive Office for United States Attorneys
Director Bureau of Alcohol, Tobacco and Firearms	Chief Office of Operations United States Coast Guard
Director United States Marshals Service	Assistant Secretary (Enforcement and Operations) Department of the Treasury
Administrator Drug Enforcement Administration	Assistant Commissioner (Criminal Investigations) Internal Revenue Service
Assistant Attorney General Justice Management Division	Director Federal Bureau of Investigation

## Appendix G

### Members of the Washington Agency Representatives Group

131

DEPARTMENT OF JUSTICE	
Criminal Division Drug Enforcement Administration:	Chief, Narcotics and Dangerous Drugs Section
	Deputy Assistant Administrator for Operations
	Chief, Operations Management Staff
	Member, Operations Management Staff
Federal Bureau of Investigation:	Deputy Assistant Director, Criminal Investigative Division
	Chief, Task Force Organized Crime Section
	Supervisor, Task Force Organized Crime Section
	Supervisor, Task Force Organized Crime Section
Office of the Associate Attorney General:	Deputy Associate Attorney General
	Staff Director, Task Force Administrative Unit
United States Marshals Service:	Assistant Director for Operations
DEPARTMENT OF TRANSPORTATION	
United States Coast Guard:	Acting Assistant Chief, Operational Law Enforcement Division
	Chief, General Law Enforcement Branch

DEPARTMENT OF THE TREASURY

132	Bureau of Alcohol, Tobacco and Firearms:	Special Agent in Charge, Office of Law Enforcement
		Program Manager/Special Agent, Office of Law Enforcement
	Internal Revenue Service:	Director, Criminal Investigations Division
		Chief, Special Enforcement Section
		Senior Analyst/Special Agent, Special Enforcement Section
	Office of the Assistant Secretary for Enforcement and Operations:	Enforcement Policy Advisor
	United States Customs Service:	Senior Special Agent, Interagency Liaison and Support Section
		Chief, Investigative Operations Branch

**END**



Annual Report of the

ORGANIZED CRIME  
DRUG ENFORCEMENT  
TASK FORCE PROGRAM

March 1985



Office of the Attorney General  
Washington, D. C. 20530

March 19, 1985

The Honorable Ronald Reagan  
President of the United States  
The White House  
Washington, DC 20500

Dear Mr. President:

When you announced the creation of the Organized Crime Drug Enforcement Task Force Program in October 1982, this Administration initiated a comprehensive attack against organized crime and drug traffickers. Through the strategic deployment of more than 1,000 Federal law enforcement personnel and 200 Assistant United States Attorneys and increased initiatives coordinated with State and local law enforcement officials and prosecutors as well as increased international cooperation, impressive gains have been achieved during the two years of Task Force operations. These resources, when combined with the new investigative and prosecutorial tools provided in the Comprehensive Crime Control Act of 1984, provide the means necessary to dismantle and destroy those criminal organizations, their financiers and suppliers who prey upon our society through their importation, manufacture, and distribution of illicit drugs.

The information in the enclosed annual report clearly demonstrates that the efforts of the agents and prosecutors involved in the Task Forces have begun to make major inroads against trafficking groups both on a national and an international scale.

Recognizing that the drug problem remains a serious and constant threat to this nation, our firm and continuing commitment to meet this problem head-on has effectively put the traffickers on notice that the eradication of their criminal enterprises continues to be a top priority of this Administration.

The annual report describes how Federal law enforcement agencies working together wage an ongoing battle with organized criminal groups. As of December 1984, the thirteen Task Forces had initiated 804 cases resulting in 953 indictments initiating criminal charges against 3,468 individuals. 1,408 individuals had already been convicted and sentenced, and fines, seizures and forfeitures exceeded \$219 million. It also discusses how the Task Forces have used sophisticated investigative techniques and

the full range of applicable criminal statutes to combat the increasingly complex drug trafficking trade.

The report highlights the first successful extradition of Colombian nationals effected pursuant to the 1982 extradition treaty with Colombia. Additional Colombian nationals named in Task Force indictments now face possible extradition to face charges in the United States. Another important development on the international front is the agreement with the Cayman Islands providing the United States with a means to gain access to the heretofore secret records of drug traffickers accounts in Cayman banking institutions.

The report provides an update of a number of the several parts of our overall strategy to combat drug-related and other criminal organizations. These include the Organized Crime Commission, the Governor's Project, the expansion of prison space and detention facilities, and enhanced law enforcement training capabilities. An analysis of the Comprehensive Crime Control Act of 1984 and the enhancements it provides to Task Force operations is also included.

Based upon the Organized Crime Drug Enforcement Task Force record to date and the prospect for continued success, it is my honor to transmit herewith the second annual report, presented through your office to the American people and the Congress. Copies are also provided specifically to the Appropriation Committees and Judiciary Committees of the Senate and House of Representatives.

Respectfully,

A handwritten signature in dark ink, reading "Edwin Meese III". The signature is fluid and cursive, with the "III" written in a slightly larger, more formal script at the end.

EDWIN MEESE III  
Attorney General



Office of the Attorney General  
Washington, D. C. 20530

March 19, 1985

The Honorable Ronald Reagan  
President of the United States  
The White House  
Washington, DC 20500

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The information in the enclosed annual report clearly demonstrates that the efforts of the agents and prosecutors involved in the Task Forces have begun to make major inroads against trafficking groups both on a national and an international scale.

Recognizing that the drug problem remains a serious and constant threat to this nation, our firm and continuing commitment to meet this problem head-on has effectively put the traffickers on notice that the eradication of their criminal enterprises continues to be a top priority of this Administration.

The annual report describes how Federal law enforcement agencies working together wage an ongoing battle with organized criminal groups. As of December 1984, the thirteen Task Forces had initiated 804 cases resulting in 953 indictments initiating criminal charges against 3,468 individuals. 1,408 individuals had already been convicted and sentenced, and fines, seizures and forfeitures exceeded \$219 million. It also discusses how the Task Forces have used sophisticated investigative techniques and

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# Executive Summary

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The second Annual Report of the Organized Crime Drug Enforcement Task Force Program describes the operations, accomplishments, and impact of the 13 regional Task Forces through calendar year 1984. During this second year, the first year of operation at full strength, the Task Force Program has continued to target, investigate, and prosecute major narcotic trafficking organizations, and the high-level individuals within these organizations, as mandated by the President and Congress when the Program was initiated in October 1982.

The report identifies a number of Program refinements that occurred in 1984. The major enhancement of the Task Force Program was the design and implementation of the Florida/Caribbean Task Force. On October 1, 1984, the Attorney General announced the creation of the thirteenth Task Force. It encompasses the Northern, Middle, and Southern Judicial Districts of Florida, as well as Puerto Rico and the Virgin Islands. The thirteenth Task Force includes 132 agents and 26 Assistant U.S. Attorneys as well as a complement of support personnel. By adding the Florida/Caribbean Task Force, complete national coverage by the Program has been achieved. A second initiative was the enhancement of the Case Monitoring System. The Case Initiation, Indictment and Sentencing forms were revised to delete duplicate data points and provide definitional uniformity. An Asset Forfeiture Form was added and the Monthly Reporting Form was changed to a Quarterly Report. A Caseload study was also designed and implemented to provide assistance in the forecasting of required investigative and prosecutorial resources.

Through agency perspectives and an overview by the Assistant U.S. Attorney Coordinators, the report presents the views of the agents and prosecutors working within the Task Forces. These contributions provide firsthand insight into the day-to-day operations of the Task Forces, such as the techniques used for case selection, the merits of and reliance on a team approach, and the merging of the expertise of various agencies to facilitate and

streamline investigations. Task Force case examples underscore the cooperative nature of the investigations and the increased reliance on State and local law enforcement agencies. State agencies participated in 29 percent of Task Force investigations in 1984; local agencies participated in 34 percent.

The operations of the OCDE Task Force Program are further elucidated through a discussion of the various investigative and prosecutorial techniques utilized by agents and attorneys in the field. These include the use of undercover operations in 35 percent of the investigations; wiretaps in 24 percent; and the Witness Security Program in 24 percent. Ancillary discussions include the Task Force reliance on the cooperative assistance of foreign governments, and two breakthroughs in international cooperation are highlighted, as well as other breakthroughs in international cooperation. Chapter 4, "The Illicit Drug Situation in 1984," depicts the magnitude of the battle being fought by the OCDE Task Force Program. It points out that while marijuana consumption in the United States in 1984 was somewhat below the 1983 level, cocaine importation increased from an estimated 69 metric tons in 1983 to an estimated 74-90 metric tons in 1984. With this saturation of the marketplace the wholesale price of a kilogram of cocaine has dropped from \$55,000 to \$65,000 in 1982 to approximately \$42,000 in 1984. The report also points out that Colombia, Peru, and Bolivia continue to be the major exporters of cocaine to the United States.

The statistical data presented in this report reflect the ongoing commitment of the Task Forces to focus their efforts on major organizations and high-level individuals. As of December 31, 1984, 804 Task Force cases had been initiated, resulting in the indictment of 3,468 individuals. As of that same date, 1,408 individuals had been convicted and sentenced as a result of Task Force initiatives. Fines, seizures, and forfeitures of property and cash exceeded \$219 million through the end of 1984. The seizure and subsequent removal of illicit drugs from

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# Executive Summary

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The second Annual Report of the Organized Crime Drug Enforcement Task Force Program describes the operations, accomplishments, and impact of the 13 regional Task Forces through calendar year 1984. During this second year, the first year of operation at full strength, the Task Force Program has continued to target, investigate, and prosecute major narcotic trafficking organizations, and the high-level individuals within these organizations, as mandated by the President and Congress when the Program was initiated in October 1982.

The report identifies a number of Program refinements that occurred in 1984. The major enhancement of the Task Force Program was the design and implementation of the Florida/Caribbean Task Force. On October 1, 1984, the Attorney General announced the creation of the thirteenth Task Force. It encompasses the Northern, Middle, and Southern Judicial Districts of Florida, as well as Puerto Rico and the Virgin Islands. The thirteenth Task Force includes 132 agents and 26 Assistant U.S. Attorneys as well as a complement of support personnel. By adding the Florida/Caribbean Task Force, complete national coverage by the Program has been achieved. A second initiative was the enhancement of the Case Monitoring System. The Case Initiation, Indictment and Sentencing forms were revised to delete duplicate data points and provide definitional uniformity. An Asset Forfeiture Form was added and the Monthly Reporting Form was changed to a Quarterly Report. A Caseload study was also designed and implemented to provide assistance in the forecasting of required investigative and prosecutorial resources.

Through agency perspectives and an overview by the Assistant U.S. Attorney Coordinators, the report presents the views of the agents and prosecutors working within the Task Forces. These contributions provide firsthand insight into the day-to-day operations of the Task Forces, such as the techniques used for case selection, the merits of and reliance on a team approach, and the merging of the expertise of various agencies to facilitate and

streamline investigations. Task Force case examples underscore the cooperative nature of the investigations and the increased reliance on State and local law enforcement agencies. State agencies participated in 29 percent of Task Force investigations in 1984; local agencies participated in 34 percent.

The operations of the OCDE Task Force Program are further elucidated through a discussion of the various investigative and prosecutorial techniques utilized by agents and attorneys in the field. These include the use of undercover operations in 35 percent of the investigations; wiretaps in 24 percent; and the Witness Security Program in 24 percent. Ancillary discussions include the Task Force reliance on the cooperative assistance of foreign governments, and two breakthroughs in international cooperation are highlighted, as well as other breakthroughs in international cooperation. Chapter 4, "The Illicit Drug Situation in 1984," depicts the magnitude of the battle being fought by the OCDE Task Force Program. It points out that while marijuana consumption in the United States in 1984 was somewhat below the 1983 level, cocaine importation increased from an estimated 69 metric tons in 1983 to an estimated 74-90 metric tons in 1984. With this saturation of the marketplace the wholesale price of a kilogram of cocaine has dropped from \$55,000 to \$65,000 in 1982 to approximately \$42,000 in 1984. The report also points out that Colombia, Peru, and Bolivia continue to be the major exporters of cocaine to the United States.

The statistical data presented in this report reflect the ongoing commitment of the Task Forces to focus their efforts on major organizations and high-level individuals. As of December 31, 1984, 804 Task Force cases had been initiated, resulting in the indictment of 3,468 individuals. As of that same date, 1,408 individuals had been convicted and sentenced as a result of Task Force initiatives. Fines, seizures, and forfeitures of property and cash exceeded \$219 million through the end of 1984. The seizure and subsequent removal of illicit drugs from

the marketplace included 214 kilograms of heroin, 13,282 kilograms of cocaine, and 503,386 kilograms of marijuana. The data also point to a continued concentration on use of the so-called "kingpin" statutes—the Racketeering Influenced and Corrupt Organization (RICO) and Continuing Criminal Enterprise (CCE) statutes. Through the second year of operations, the Task Forces indicted 355 individuals under RICO and 211 under CCE. These impressive figures, along with case examples, are evidence of an aggressive and accelerating battle against drug-related organized crime.

The report provides an update on the activities of the President's Commission on Organized Crime, the Governors Project, the training of State and local law enforcement personnel, and the

Federal Prison Housing Expansion efforts. A review of the Comprehensive Crime Control Act of 1984 and its implications for the prosecution of major narcotics dealers is also included in the report.

In sum, 1984 has been a year of refinement, focus, and maturation for the Organized Crime Drug Enforcement Task Force Program. The agents and attorneys are more experienced and better equipped to fight criminal organizations. The commitment, confidence, enthusiasm, and success of these dedicated individuals can be measured by the impressive record attained over the last two years. In the coming year, the Task Forces will continue to utilize all means at their disposal to turn the tide in this country's drug war.

Annual Report of the

# Organized Crime Drug Enforcement Task Force Program

March 1985

# ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES



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# Background and Introduction

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On October 14, 1982, the President unveiled an extensive eight-point program to attack drug trafficking and organized crime. At the heart of this initiative was the Organized Crime Drug Enforcement Task Force Program—a network of regionally based, multiagency Task Forces comprised of a broad spectrum of Federal, State, and local criminal justice agencies.

This program was based on the recommendations of an ad hoc committee appointed by the Attorney General in mid-1982. This committee, comprised of senior officials of the Justice and Treasury departments, was charged with the task of devising a more effective approach to the problem of drug trafficking. The group reviewed previous efforts in the drug control field, including a variety of earlier “task forces” and other cooperative ventures. The result of its work provided the structural and philosophical bases for the Program.

This is the second Annual Report of the Organized Crime Drug Enforcement Task Force Program.

## Purpose and Methodology of the Second Annual Report

The purpose of this report is to summarize OCDE Task Force Program operations and results during 1984; and, in doing so, to meet the congressional requirements that it explain the Program guidelines and describe their implementation, provide examples of cases successfully prosecuted, and present and analyze current narcotics flow and enforcement statistics.\*

The methodology of the second Annual

Report differs from that of the first in a number of important aspects.

The original Task Forces were authorized in January 1983 and became operational during the spring of that year. Therefore, the first Annual Report placed primary emphasis on aspects of organizational and operational development in terms of the *Guidelines for the Drug Enforcement Task Forces*. The second Annual Report places primary emphasis on the progressive implementation of the *Guidelines* and on the results achieved by the Task Forces.

The second Annual Report reflects this change in emphasis: (1) implementation of the guidelines is chronicled by narrative perspectives supplied by those who actually accomplished it; (2) narrative case results, through prosecution and appeal, are now available and are presented throughout the text as illustrations; (3) the 1984 statistical results of Task Force Program investigations and prosecutions are presented, and detailed drug use and market indicators are discussed.

These changes reflect the progress and maturation of the Task Force Program during its second full year of existence.

This report was drafted by the Task Forces themselves and by their national support system. Each agency has contributed a brief summary of its experience in the Program and has offered case descriptions. The Assistant U.S. Attorney Coordinators of the 12 original Task Forces have reported on how prosecutors affect and are affected by Task Force participation and have provided other observations which appear throughout the report. The thirteenth Organized Crime Drug Enforcement Task Force, the Florida/Caribbean, has discussed its evolution and provided a report on its unique situation.

The Drug Enforcement Administration, the Federal Bureau of Investigation, the Internal Revenue Service, the U.S. Customs Service, the Bureau of Alcohol, Tobacco and Firearms, the U.S. Marshals Service, and the U.S. Coast Guard have described their participation in the OCDE Task

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\* Report requirements were outlined in the House and Senate Appropriations Conference Committee Report, December 20, 1982, as published in the Congressional Record (H10:632). The *Guidelines for the Drug Enforcement Task Forces* were adopted by the Attorney General on January 20, 1983, which became the effective startup date.

Force Program and given their perspectives on its operation and development. The DEA drafted "The Illicit Drug Situation in 1984" and the FBI provided drafts reviewing Task Force employment of undercover operations and Title III wiretaps. The IRS and the Department of Justice Tax Division reviewed the role of tax grand juries. The Criminal Investigation Division of the IRS contributed sections of Chapter 3, "Investigative and Prosecutorial Techniques." The other Presidential drug law enforcement initiatives are described by cognizant agencies in Chapter 6 of the Annual Report.

Research, editorial, and production assistance was provided by Aurora Associates, Inc., of Washington, D.C.

Throughout this Annual Report run two consistent undercurrents—teamwork and achievement. It is no longer a novelty for multiple agencies to plan and conduct investigations and prosecutions together. Instead, ways of focusing this synergistic power against what are emerging as highly powerful enemies of the public are now discussed.

***While national in scope, and subject to Federal oversight, the Task Force Program was to be decentralized, thus permitting the widest possible flexibility in dealing with problems peculiar to the regions.***

The reports received from the field and from the headquarters focus on cases—what the traffickers were doing and how those activities were disrupted by the joint efforts of the Task Forces. A few of these cases are presented here in brief, offering an exposition of the magnitude of the problem as well as the Task Force solutions. No region has yet reported running out of big drug cases. On the contrary, the early investigations have spun off leads carrying agents deep into the narcotics economy to uncover high-level violators formerly shielded by layers of subordinates. It is in the details of the investigation and prosecution of these cases that the characteristic Task Force capabilities can best be observed.

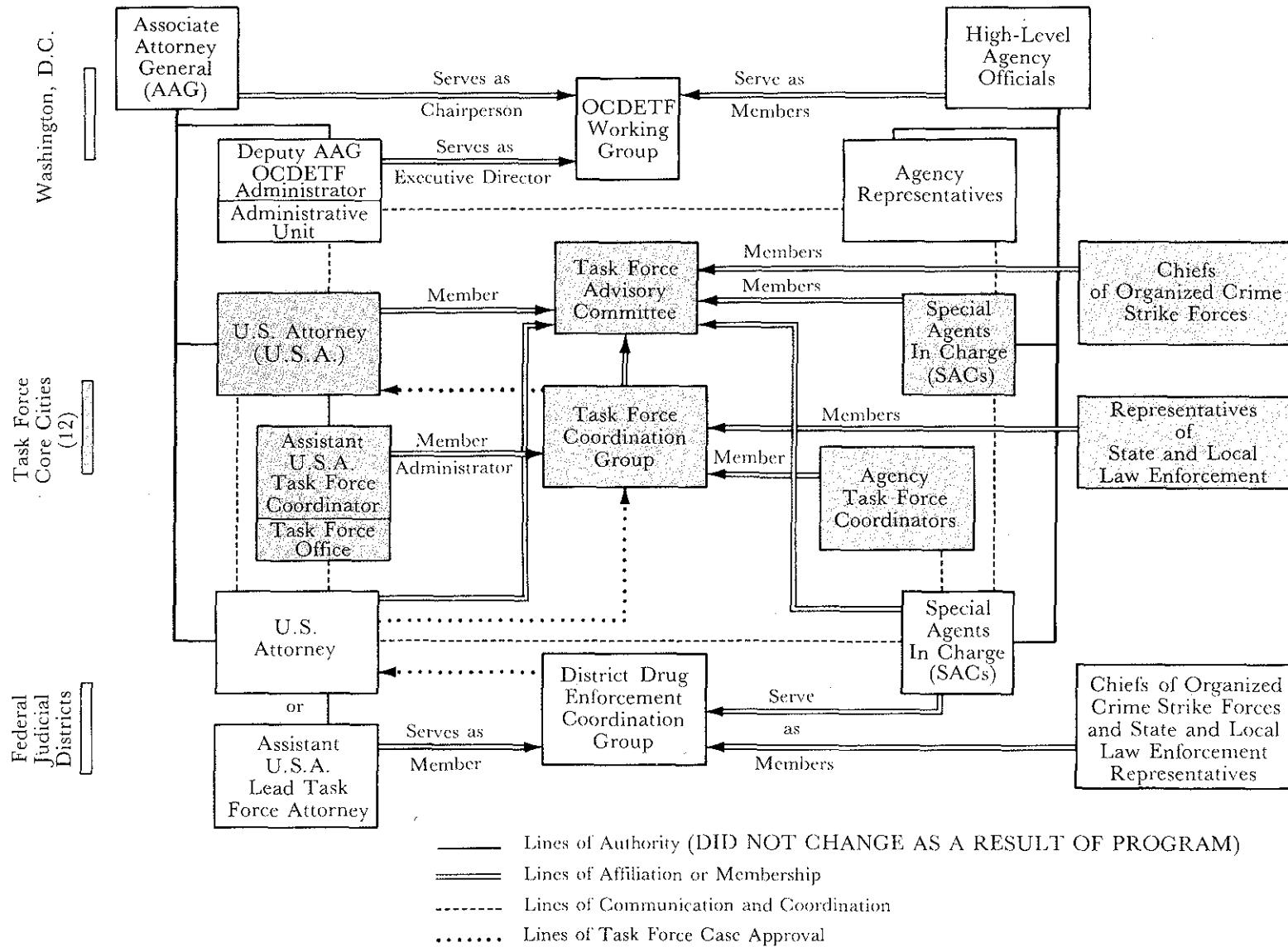
### **Implementing the Task Force Concept**

In combining the resources of several agencies, the designers of the Organized Crime Drug

Enforcement Task Force (OCDETF) Program sought to avoid the pitfalls encountered by earlier task forces in the drug field. Five guiding principles were key to the emerging design:

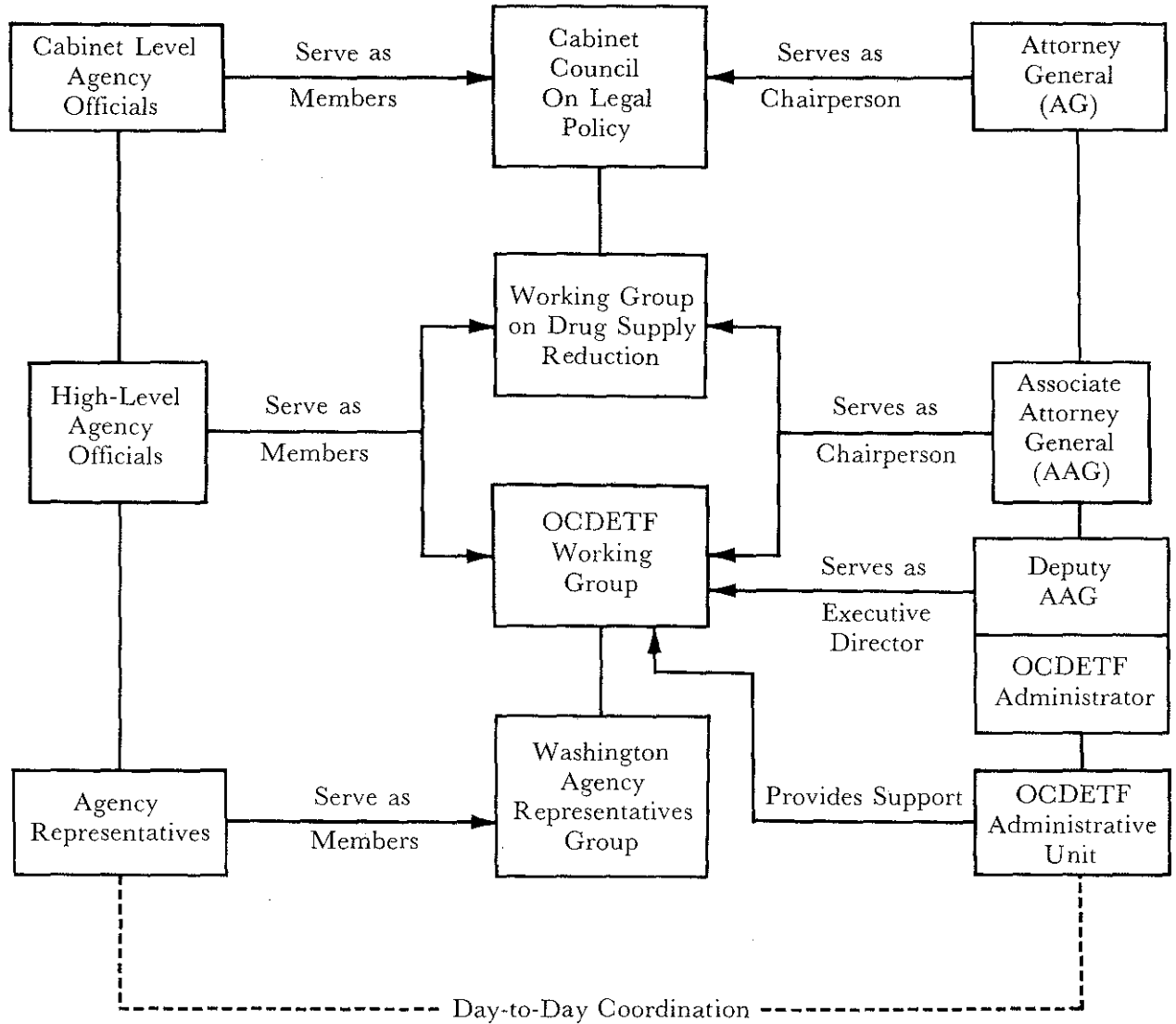
1. The Program was to be national in scope in order to respond to the national scale of drug trafficking and of the national organizations engaged in the illicit business. Localized enforcement programs, even of a regional nature, were seen as inadequate and inappropriate because of the extended scope of criminal organizations working the drug trade.
2. The Task Forces' operational decision making was to be based on a consensus model. The participating agencies would conduct their affairs on the basis of their disparate methods of operation and varying institutional backgrounds, philosophies, approaches, and types of expertise. An authoritarian model would exacerbate or artificially suppress these differences, with resulting discord and inefficiency. The consensus-based approach would permit the retention of individual institutional personalities and the full exercise of organizational capabilities.
3. The Task Force Program was to be drawn from existing agencies and its participants were to retain their organizational identities; the Program would not create a new bureaucracy. Task Forces would not be "superagencies," with the accompanying potential for the infringement of citizens' rights and participation. Agencies would operate in accordance with their own tested and proven methods and guidelines.
4. While national in scope, and subject to Federal oversight, the Task Force Program was to be decentralized, thus permitting the widest possible flexibility in dealing with problems peculiar to the regions. This degree of flexibility would permit the Task Forces to dispose of their assets in the manner most appropriate to their own needs.
5. The Program was to have a quick start-up. The urgency of the drug trafficking problem demanded a prompt response.

# Exhibit 1-2 The OCDE Task Force Program



# Structure of the Washington Elements of the OCDE Task Force Program

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even though operations against high-level targets would be lengthy. The Program was to be designed to move rapidly into an operational posture, with a minimum of bureaucratic delay.

These guiding principles provided the framework for the creation of the OCDE Task Force Program. As announced by the President, the Program was to be composed of 12 regional Task Forces. The Program would cover the entire country, except, at that time, for Florida. Participants would be the U.S. Attorneys' offices, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the U.S. Customs Service, the Bureau of Alcohol, Tobacco and Firearms (ATF), the Internal Revenue Service (IRS), the U.S. Coast Guard, and the U.S. Marshals Service. Initial resource allocations provided for 1,019 investigative agents, 200 prosecuting attorneys, clerical and technical assistants, special startup funding, and additional money for operational use. Overall organizational plans and operational policies were set forth in *Guidelines for the Drug Enforcement Task Forces*, framed by senior representatives of the participating agencies and issued over the signature of the Attorney General.

#### *The Guidelines*

The *Guidelines for the Drug Enforcement Task Forces* were designed to provide a structured but flexible set of operational and administrative rules of conduct for the Task Forces. There has been a high degree of compliance with the letter and spirit of the *Guidelines* on the part of the participating agencies, and the Task Forces have grown into unique but closely related entities, sharing goals, methods, and resources.

The *Guidelines* set forth the OCDE Task Force Program goal:

To identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations by means of:

- Adding new Federal resources for the investigation and prosecution of major drug trafficking organizations and
- Fostering improved interagency coordination and cooperation in the investigation and prosecution of major drug cases.

The *Guidelines* also enumerate the specific objectives of the Program, as follows:

1. To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations;
2. To promote a coordinated drug enforcement effort in each Task Force region and to encourage maximum cooperation among all drug enforcement agencies;
3. To work fully and effectively with State and local drug law enforcement agencies; and
4. To make full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to identify and convict high-level traffickers and to make possible government seizure of assets and profits derived from high-level drug trafficking.

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Appropriate targets for the Task Forces, according to the *Guidelines*, include:

- traditional organized crime figures;
- major outlaw motorcycle gangs;
- prison gangs or prison-associated organizations;
- criminal groups formed for the purpose of importing and/or distributing large amounts of controlled substances, or which are financing the foregoing in addition to other nondrug criminal activity; and
- physicians, pharmacists, or other registrants illegally dispensing substantial quantities of prescription drugs.

### *The Task Force Program in Washington*

The *Guidelines* provide for national oversight of the OCDE Task Force Program through a number of groups composed of representatives of various Federal departments and agencies. This oversight is, as a rule, advisory in nature, providing policy direction and, when needed, dispute resolution.

The senior oversight group is the *Cabinet Council on Legal Policy*, chaired by the Attorney General.\* This council has responsibility for national policy formulation and interagency coordination and cooperation; it deals only with exceptional, national-scale problems and is seldom concerned with the day-to-day details of Task Force operations. The *Working Group on Drug Supply Reduction* is chaired by the Associate Attorney General (see Appendix C for composition of this Working Group) and provides support to the Cabinet Council as well as guidance to the *Organized Crime Drug Enforcement Task Force (OCDETF) Working Group*. This Working Group is also chaired by the Associate Attorney General and is composed of senior officials from agencies of the Treasury, Transportation, and Justice departments. (A roster of the Working Group's ex officio membership is in Appendix D.)

The *OCDETF Working Group* provides direct supervision and guidance for the OCDE Task Force Program nationally. It is its role to articulate policy, and to coordinate the development and maintenance of the OCDE Task Force Program. It is this Working Group's responsibility to resolve interagency administrative or policy disagreements that cannot be settled in the field. The *OCDETF Working Group* is charged with the responsibility for reviewing the *Guidelines* on an annual basis, and for continuing review of resource allocation.

The *Washington Agency Representatives Group* provides routine staff assistance to the Working Group (see Appendix E). It works in close association with the OCDETF Administrative Unit (see below) through meetings and individual consultation. During the early days of the Program, this group met as often as twice a week; meetings are now regularly scheduled on a monthly basis.

The *OCDETF Administrative Unit*, in the Department of Justice, is under the supervision of

the Deputy Associate Attorney General. It has day-to-day responsibility for providing administrative support to the Task Forces and is responsible for records management and maintenance. This Unit serves as a first-echelon point of contact for the Task Forces when Washington intervention or problem-solving assistance is required. The Administrative Unit operated through the OCDE Task Force Program's first two years without funding and without its own table of organization; personnel were drawn, on loan, from other offices. In late 1984 a Director for the Administrative Unit was authorized, and assigned five personnel positions in the office of the Associate Attorney General.

The relationships among the elements of the OCDE Task Force Program are set forth in the exhibits on the following pages.

### *Task Force Field Organization*

The original design for the Task Force Program resulted in the creation of 12 Task Forces. (Florida and the Caribbean have now been incorporated into the Task Force structure—see Chapter 2.) In each of the Task Force regions, a major city was designated as a "core city," and the Federal judicial district in which it is located was termed the core city district. The other judicial districts within a region are referred to as non-core city districts or, for simplicity, as districts.

The number of districts in a region varies from two (in the Los Angeles/Nevada Task Force) to 12 (in the Gulf Coast and the Southeast Task Forces). During 1984, as events demonstrated the need, adjustments were made from the original composition of some Task Forces. A complete year-end listing of the regions and the districts, together with personnel allocations, appears in Appendix B. Chapter 2 explains the changes.

The *U.S. Attorney* for the district where the core city is located is the senior official responsible for the performance of each Task Force. The U.S. Attorney is accountable to the Associate Attorney General for Task Force matters and chairs the Task Force Advisory Committee for the region. The U.S. Attorney also oversees Task Force operations and progress and supervises the Assistant U.S. Attorney Task Force Coordinator, described below.

The core city U.S. Attorney has no line authority over other U.S. Attorneys and their staffs, nor over the personnel of investigative agencies, but bears direct responsibility for the emphasis placed on Task Force activities in the district. The core city U.S. Attorney is also responsible for facilitating interaction among the various agencies, and among the representatives of the districts within the region. The positive, aggressive, and skillful support of the

\* The Comprehensive Crime Control Act of 1984 codified the drug enforcement coordination mechanisms established by the Cabinet Council on Legal Policy and the Working Group on Drug Supply Reduction. Effective January 20, 1985, this Act established the National Drug Enforcement Policy Board chaired by the Attorney General.

core city U.S. Attorney is extremely important to the success of a Task Force.

Each Task Force region has a *Task Force Advisory Committee* composed of all of the region's U.S. Attorneys, the Assistant U.S. Attorney Task Force Coordinator, the Agency Task Force Coordinators, and the senior representatives of the investigative agencies throughout the region. Where there is an Organized Crime Strike Force, its chief is also a member of the Committee. It is this committee's responsibility to oversee the Task Force and to provide general guidance on policy and procedures, within the context of the *Guidelines*.

The central administrative element for each Task Force is the *Task Force Coordination Group*. This is the most visible and recognizable Task Force entity, and usually occupies "the Task Force office."

Each participating agency—ATF, Coast Guard, Customs, DEA, FBI, IRS, and the Marshals Service—has one representative designated as an *Agency Coordinator* and member of the *Task Force Coordination Group*. (The Coast Guard is not represented in the Mountain States and North Central Task Forces.) These agency coordinators are relatively senior and experienced investigative personnel, drawn from their respective organizations. For the most part, they have no supervisory authority over personnel within their agencies (only ATF consistently maintains a supervisory role for its coordinators) but serve to coordinate the activities of their agencies within the Task Force; to provide a direct and informed communications channel to facilitate Task Force operations; to participate in the review, selection, and disposition of Task Force cases; to monitor the allocation of resources to Task Force cases; and to contribute to both the Task Force's and their agencies' reporting and information systems.

An Assistant U.S. Attorney (AUSA) in the core city, the *AUSA Task Force Coordinator*, has the responsibility for the administrative operations of the Coordination Group and for establishing and maintaining the Task Force office. This AUSA Coordinator is also to serve as a focal point for communications among the Task Force's districts, among various Task Forces, and between the Task Force and the Administrative Unit in Washington. It is the AUSA Coordinator's responsibility to ensure that reports to Washington are timely and conform to the requirements spelled out by the Administrative Unit.

In the (non-core) districts, it is once again the U.S. Attorney who sees to the general coordination and oversight of Task Force operations. The U.S. Attorney also provides the administrative support and organizational leadership for the District

***The individuals designated to serve in Task Force positions are required by the Guidelines to be experienced in the conduct of Federal narcotics cases.***

Drug Enforcement Coordination Group, which reviews case selection, resource allocation, and operational progress of Task Force efforts. Districts do not have individual Task Force Coordination Groups such as those in the core cities. Each U.S. Attorney designates an AUSA to serve as Lead Task Force Attorney for the district. This AUSA has responsibility for managing Task Force administrative requirements, overseeing the case selection process, providing necessary reporting, and serving as a liaison point with the core city Task Force office.

*Personnel*

Personnel allocations for the Task Force Program were for 200 AUSAs and 1,019 agents from the participating investigative agencies. Support personnel—clerical, technical, and paralegal—totaling 387 were also allocated. The breakdown of allocations among the several agencies was as follows through September 1984:

	<u>Attorneys/Agents</u>	<u>Support</u>
Asst. U.S. Attorneys	200	146
FBI	334	77
DEA	274	63
IRS	185	35
U.S. Customs	142	58
ATF	72	8
U.S. Marshals Service	12	—
U.S. Coast Guard*	11	—

\*(Coast Guard receives no budget allocation for Task Force personnel, but has stationed coordinators with all Task Force offices except Denver and Chicago.)

With the creation of the Florida/Caribbean Task Force in October, an additional 15 attorney, 57 agent, and 24 support positions were allocated; 84 more slots are planned when Department of Treasury funding becomes available in 1985 (see Appendix B). All of the positions indicated are for field personnel, with the exception of five IRS and 33 Customs support positions allocated to the Treasury Financial Law Enforcement Center in Washington, D.C.

The individuals designated to serve in Task Force positions are required by the *Guidelines* to be experienced in the conduct of Federal narcotics cases. By and large, this policy has been adhered to, with the partial exception of those agencies that have not recently or traditionally had such involvement. U.S. Attorneys and agency supervisors were instructed to designate experienced and capable personnel for the Task Forces, while "back-filling" their vacated positions and avoiding any diminution of effort or effectiveness against their pre-Task Force targets.

All of the participating agencies made good-faith efforts to meet these injunctions, but shortages of trained and experienced personnel made it impossible always to sustain prior levels of effort while devoting a substantial portion of senior agents and attorneys to the OCDE Task Force Program. To a certain extent, these shortfalls persisted for some time, but as additional personnel have moved through the agencies' respective pipelines, "back-fills" have been accomplished. The Task Forces themselves are fully and competently staffed and moving into routine personnel reassignment cycles.

The *Guidelines* further state that the term "Task Force personnel," referring to both agents and attorneys, is to be interpreted to mean dedicated or full-time permanent positions rather than cumulative hours or "fulltime equivalency." Provisions is made for filling up to 25 percent of an agency's allocation on the basis of person-hours, however, to permit temporary utilization of individuals with special skills and to provide a certain amount of managerial flexibility. Task Force cases often require the commitment of resources over and above the designated investigators and attorneys in order to get the job done, and as a result many agencies, in a number of the Task Forces, are exceeding their required personnel commitments and are doing so largely on the basis of person-hours, rather than dedicated or permanent, full-time personnel. While the use of full-time equivalent personnel results in more difficult personnel accounting, some managers have found that such practice affords them greater flexibility in responding to day-to-day fluctuations in re-

quirements. Others feel strongly that a dilution of personnel dedication results in a reduction of availability and responsiveness.

## Operations

Task Force operations follow the same life cycle as other narcotics prosecutions: initiation, investigation, prosecution, disposition. These stages are looked at briefly in the following paragraphs and the features that distinguish Task Force cases from others are highlighted.

### Initiation

Task Force cases can be said to originate twice: once with the inception of an agency's investigation and once more when the case is accepted for Task Force status. Regardless of the case's "age," it may be submitted by the investigating agency for acceptance as a Task Force case. In the districts, the case is reviewed and endorsed (or rejected) first by the District Drug Enforcement Coordination Group. If that group approves it, the district's U.S. Attorney forwards the initiation form to the core city's Task Force Coordination Group for its consideration. If the Coordination Group agrees, the case is formally adopted by the Task Force.

Specified criteria for acceptance of a case by a Task Force are spelled out in the *Guidelines*. A case is appropriate for Task Force adoption if it appears to:

- involve major drug trafficking figures;
- require the resources and expertise of another agency because of possible violations other than those involving narcotics;
- have serious investigative ramifications that extend to other geographical jurisdictions; and/or
- require the assistance of an Assistant U.S. Attorney during the early stages of an investigation.

The local approval process is an integral part of the decentralized nature of the Task Force Program. It enables each region to make its own determination of the scope and nature of cases appropriate for the Task Force, in light of such local conditions as trafficking patterns, the nature of drug use in an area, and the economic or social impact of drug use or trafficking in an area.

The case selection and initiation process initially included oversight by Washington to establish certain levels of "quality" for Task Force cases. In accordance with the OCDE Task Force Program development plan, the Washington involvement in case selection was discontinued in July 1983. The Task Forces now have the responsibility for selecting their own cases. By the end of 1984 a total of 804 cases had been initiated. The characteristics of these cases are displayed in the exhibits presented in Chapter 5.

It is apparent that the number of Task Force cases on the books has continued to increase, although the resources available to the Program have not. Consequently, Coordination Groups increasingly scrutinize cases under review for possible Task Force status in terms of the resources—particularly personnel resources—that they will require. During 1984, some Task Forces have added to the earlier qualitative selection criteria a requirement that Task Force resources adequate to the effective pursuit of a case be identifiable and available. Increasingly, new cases cannot be approved for the Task Force until earlier cases are completed or dropped. The Task Forces are still endeavoring to arrive at a practical method of eliminating from the record—and from actual practice—cases that no longer qualify for Task Force resources, for whatever reason. Law enforcement activities often resist neat categorization and recognizable boundaries; this is particularly so with the complex cases that constitute the bulk of the Task Forces' case loads.

#### *Investigation*

The Task Force Program's *Guidelines* direct that:

Investigation should focus on criminal activities in order to achieve high level prosecutions and, when appropriate, should also concentrate on the financial aspects of the case. The investigations should utilize a wide range of advanced and traditional investigative techniques which may include but not be limited to:

- undercover
- Title III
- immunity
- tax grand jury
- other grand jury
- parole into the United States

- extradition
- witness protection

The thrust of this directive is threefold. In the first place, it directs that investigations will not be of the traditional "buy/bust" nature, in which drug sellers are arrested promptly after making one sell to an undercover operative. Instead, investigations will continue beyond the first buy and beyond the retail seller to identify and collect evidence on the illegal activities of major traffickers—importers and distributors—and of the financiers, lawyers, and others who participate in money laundering and other support roles.

Second, the directive requires that investigations will utilize such investigative techniques as are appropriate, drawing upon the special resources of the Task Forces as necessary. This means that more than one agency's particular expertise, technology, and personnel strength can be employed in Task Force cases. The Task Forces are also provided with special appropriations of operational funds which can be drawn upon for the purchase of evidence and information, and for the purchase of sophisticated investigative equipment.

***In addition to directing enhanced cooperation and coordination among the several agencies that participate in the Task Force Program, the Guidelines encourage wide cooperation with State and local law enforcement agencies and provide for reimbursement to them for overtime work on Task Force investigations.***

Third, the range and nature of the investigative techniques requires, more often than not, continuing and intensive participation by Assistant U.S. Attorneys in the development of investigative strategy and in the provision of continuing counsel to ensure that evidence growing out of the investigation will be complete, conclusive, proper, and admissible.

Task Force investigations have indeed benefited from these stated intentions in the *Guidelines* and from a number of synergisms that may not have been anticipated. The result is a litany of features found in Task Force investiga-

tions that are not standard in traditional efforts. They include more experienced investigative personnel; ready attorney availability; greater personnel resources, both in numbers and range of expertise; interagency communications channels that result in rapid and effective flow of investigative information; and the existence of a Task Force "network" such that, for example, a California investigative team can achieve instant attention and rapport with its counterparts in Ohio.

In addition to directing enhanced cooperation and coordination among the several agencies that participate in the Task Force Program, the *Guidelines* encourage wide cooperation with State and local law enforcement agencies and provide for reimbursement to them for overtime work on Task Force investigations. The generally enhanced relations with State and local agencies have greatly increased investigative leads and opportunities, augmented the personnel resources available to investigations, and consolidated relations among the agencies of various levels of government.

Another distinguishing feature of Task Force activities is the emphasis placed on financial investigations, directed at proving or reinforcing drug charges, bringing tax or currency charges against target drug dealers, and identifying assets subject to seizure and forfeiture. The Task Forces have designated experienced attorneys and agents to serve as specialists in financial investigations. A Task Force feature of some novelty, which has grown during 1984, is a financial investigations unit now existing within most of the Task Forces. The manner in which these specialists operate and the role of financial investigations in Task Force operations are described in some detail in Chapter 3.

Also worth noting is a substantial increase in the use of international litigative efforts in support of investigations as well as prosecutions. Perhaps most outstanding is the greater use of extradition of witnesses as well as fugitives; the parole into the United States of witnesses; and the acquisition, through legal means, of banking and financial information from foreign financial institutions. Working closely with the U.S. Department of State, the Task Forces have been highly successful in this area of international investigations.

These and other investigative highlights of the Task Force Program are examined further in Chapter 3. Statistical data reflecting the nature of the Task Forces' investigations are to be found in Chapter 5.

#### *Prosecution*

Task Force prosecutions benefit from broad, thorough, and careful investigations of the sort

outlined above, and from the dedicated attention of attorneys who are skilled and experienced in narcotics cases and who are intimately familiar with the cases at hand. Distinctive factors of Task Force prosecutions include:

- a disciplined use of plea agreements, as outlined in the *Guidelines*, to lead to higher level targets;
- an increased emphasis on forfeitures, either in civil actions or under the criminal forfeiture provisions of the "kingpin" statutes;
- the use of any of a wide range of statutes—not just drug statutes—to put drug trafficking organizations out of business; and
- a concerted determination to coordinate prosecutorial activities among various jurisdictions in order to achieve maximum impact on entire organizations.

Increasingly, Task Forces are making use of the process of "cross-designation" of attorneys permitting State or local prosecutors to participate in Federal prosecutions and vice versa. As with the use of State and local investigators, this practice not only augments the attorney resources that can be brought to bear, it also adds to prosecutorial flexibility in terms of choices of venues and charges.

The effectiveness of the Task Forces' prosecutions is attested to by the extent to which they have resulted in convictions under the statutes that carry heavy penalties. A section of Chapter 3 provides a detailed look at the Task Forces' success in utilizing the "kingpin" statutes.

#### *Disposition*

The ultimate statistical measure of law enforcement success is to be found in the outcome of prosecutions. A review of the statistics presented in Chapter 5 shows that, during 1984, Task Force cases resulted in 1,559 persons whose cases were disposed of, of whom 1,129, or 72.4 percent, entered a guilty plea; 279, or 17.9 percent, were found guilty; 51, or 3.3 percent, were found not guilty; and charges against 100, or 6.4 percent were dismissed.

Case examples describing how a few of the 1984 cases were pursued and concluded are interspersed among the succeeding chapters.

## The Standby Senator

Luis Pinto grew up in Colombia, son of an active political leader. Upon reaching college age he came to the United States where he attended the University of Kentucky and then, Indiana Institute of Technology. He returned to Colombia in 1958 and went into politics. Like his father, he was successful, and he was elected "Standby Senator" from his home state of Boyaca. Then, in 1980, he returned to Kentucky and installed himself and his family in a large estate in the small city of Fort Wright.

Late in 1982, the Fort Wright police chief told the FBI of his concern about the wealthy South American, living in a luxurious mansion, moving large amounts of currency through local banks, and apparently unemployed. Since there was suspicion that the money was related to drugs, the FBI joined with the DEA to investigate the chief's suspicions. They found that Pinto had made deposits of cash in local banks during the previous year—amounting to more than \$3 million.

The FBI brought the case to the newly-formed Great Lakes Task Force in early 1983, and IRS and Customs joined the investigation team. The principal agencies agreed to put their own special talents into the case, and met almost daily with the responsible Assistant U.S. Attorney to coordinate their planning and to share the information collected. An intensive financial investigation revealed that Pinto had moved not just \$3 million, but more than \$12 million through local banks during the previous 18 months. Pinto and his 22-year-old son would frequently deposit cash, or make a cash purchase of a cashier's check. To avoid completing Currency Transaction Reports, he kept his cash transactions under the \$10,000 reporting threshold. Over 500 cashier's checks, amounting to \$6 million, were transmitted to Colombia.

An extensive surveillance mounted by DEA and FBI agents revealed Pinto traveling to Panama with \$3 million in cash in five suitcases. On another occasion, Pinto's "tails" saw him ship a suitcase by plane from Miami to Northern Kentucky. Pinto's son picked up the suitcase at the airport, and later the same day he made several deposits of cash to his father's accounts in various banks. Task Force agents had the banks' tellers keep the Pinto cash separate, and later a "sniffer" dog picked out these bundles of money as having drug traces. DEA laboratory analysis confirmed the dog's finding; the drug was cocaine.

A phone tap was installed, and a team of Spanish-speaking agents handled the monitoring and translations. Movements of drugs and money between Miami and Colombia were uncovered through the phone tap. The tap also showed that Pinto, in a state of near panic, planned to move his family back to Colombia. A television network special program, "The Cocaine Cartel," had described Pinto as a launderer of drug money. His reaction was clear to those monitoring the phone tap, as he talked with relatives and associates in Colombia.

To keep close track of Pinto's departure plans, the Task Force had a confidential informant act as if he were buying the mansion. This source was then able to keep the Task Force informed of Pinto's actions and plans. Pinto bought plane tickets for himself and his family—one way—to Colombia. That was all the Task Force needed. Search and arrest warrants were obtained. Agents executing the warrants seized half a million dollars, guns, and cars—and arrested the Pinto family.

It did not take long for a grand jury to indict Pinto, his wife, and son. It didn't take Pinto much longer to weigh the evidence against him and decide to plead guilty, and agree to cooperate with the Government, in hopes of mitigating his punishment. He received a 10 year sentence and fines of \$525,000. His wife and son were placed under supervised parole.

A nice ending? No, just a nice beginning. For instance, Pinto told of his account in a Montreal Bank. The Royal Canadian Mountain Police cooperated with the Task Force, and obtained a seizure warrant for the \$500,000 in the account—a precedent setting action for the RCMP.

Pinto's further confessions revealed that he was actually laundering funds for three organizations. One operated primarily in South Florida, another in Los Angeles, and the third in San Francisco. With free access to Pinto's records and his recollections, the investigators determined that his laundering activities during the previous two years were far greater than they had believed, amounting to about \$50 million. The records and information now available made it

necessary to use a computer program to track dates, events, people, and sums of money.

Growing out of the seminal Pinto investigation were three separate cases dealing with the organizations Pinto had served. The Los Angeles case led to the indictment of more traffickers—two charged with CCE. Extradition has been requested for seven defendants in Colombia. The Miami case resulted in the indictment of seven, five of whom were arrested and two of whom are in Colombia, the subjects of extradition requests. The third case, in San Francisco, is still in progress. Yet other trafficking organizations and mechanisms for laundering money are being uncovered as the Standby Senator's case continues to expand.

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# The Second Year

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Nineteen eighty-four was a year of maturation and consolidation of gains for the Task Forces. Investigations matured into prosecutions, and agents and attorneys honed and perfected what for many were newfound technical skills. The special procedures developed during the Program's first year for tailoring agency capabilities to meet case development needs have been institutionalized.

The Federal, State and local agencies engaged in drug and cashflow interdictions in South Florida were now joined to the nationwide system by the creation of the Florida/Caribbean Task Force. The Task Force Administrative Unit was able to improve the system for tracking cases, to implement logical revisions of certain Task Force geographic boundaries, and to initiate a study of the burgeoning Task Force case load.

These innovations of the Task Force's second year are summarized in this chapter. The Task Forces in the field speak for themselves through agency and AUSA reports of their views at the close of the second year.

## The Thirteenth Task Force

On October 1, 1984, the Florida/Caribbean Task Force became the thirteenth OCDE Task Force, completing the Program's national coverage. By year's end, the newest Task Force was at work on dozens of substantial cases, providing support to its sister Task Forces, and working in harmony with pre-existing drug law enforcement elements in the region.

Florida was host to both the earliest and the most recent major Federal drug task force. Southern Florida had served as a focal point for related efforts for several years prior to the initiation of the OCDE Task Force Program. Florida and the Caribbean experienced seriously escalating drug-related crime problems beginning in the early 1970s. Miami and the surrounding ports were the points of entry into the United States of vast amounts of marijuana and cocaine, primarily pro-

duced in South America. While Miami itself constituted a market for some of these drugs, it was and remains primarily a trans-shipment point to all areas of the country. It is also a banking center through which flows huge amounts of cash, the fruits of illicit drug transactions.

Miami is easily accessible to South American drug traffickers. It was a well-established commercial and financial center long before the onslaught of the narcotics trade. There were previously developed popular patterns of commerce and travel between Miami and South and Central America. These factors, combined with the potential for smuggling that hundreds of miles of coastline and scores of remote airports present, made Florida a hospitable base for the illicit drug trade.

As this trade grew, so did related violence in the streets of Miami. Foreign and immigrant traffickers did not observe the "disciplines and courtesies" of many indigenous American criminal groups, with established criminal etiquette and mutual respect for territory. Many traditional criminal organizations had developed a system of "living by the rules," only infrequently resorting to violence as a means of resolving disputes. The newcomers to American drug dealing resorted to violence much more readily. Many South American-based smugglers and dealers believed that carrying—and using—high-powered, sophisticated weapons was an essential element in defending one's supply of drugs. Homicides in and around Dade County rose alarmingly; murders occurred in broad daylight, and in plain sight. All too often the victims were innocent bystanders.

As this terrifying lawlessness strained available police resources in the area, drug dealers amassed exceptional amounts of money, much of which found its way into the banking system of Southern Florida. South American criminal narcotics organizations directed payments from their U.S. wholesale customers to Miami. From California, New York, Detroit, Denver, and the rest of the country came cash payments for tons of marijuana and kilos of cocaine. In suitcases, duffel bags,

and cardboard cartons—the cash flowed into Miami banks.

In order to be useful, the profits from drug sales had to be either available for reinvestment in further purchases of wholesale drugs in foreign countries—or laundered. Both the transfer of funds out of the country for reinvestment and the laundering of funds through foreign accounts typically began at the domestic commercial banks. This kind of activity can tend to corrupt elements of a banking system.

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As a result of this activity, Miami rapidly became the U.S. leader in drug-related cash flow. As early as 1978, the Federal Reserve Banks in Miami and Jacksonville received a surplus of \$3.3 billion in currency from financial institutions in Florida. In contrast, the remaining 35 Federal Reserve Banks were required to provide the institutions they serviced with some \$3.5 billion in currency. By 1984 the Miami Branch of the Federal Reserve experienced a cash surplus of \$7 billion! This huge surplus, recognized as a strong indicator of the processing of drug money, coupled with the unprecedented incidents of violence, served as strong impetus for the development of a new Federal response.

The Federal response to what had become an intolerable situation took several forms. The first was the establishment, in 1980, of Operation Greenback, made up of investigation and prosecution teams in Miami, Tampa, and San Juan. The teams were made up of criminal investigators from IRS, Customs, and DEA, and prosecuting attorneys from the U.S. Attorneys' offices and the Department of Justice. The Greenback units

focused upon the flow of illegal drug money through the area's legitimate institutions.

The most widely heralded initiative was the creation, in early 1982, of the Vice President's South Florida Task Force (VPSFTF), charged to coordinate and strengthen Federal drug law enforcement in the region. The VPSFTF was responsible for the creation of the DEA/Customs Joint Task Group, an investigative effort focusing on the follow-up of interdictive operations. To assist in carrying out the VPSFTF mandate dealing with criminal weapons use, ATF tripled its personnel in Southern Florida, and entered into an aggressive program of collaboration with State and local forces in firearms enforcement, resulting in a 400 percent increase in firearms cases prosecuted in the district.

These substantial initiatives were solidly in operation in late 1982, when the President announced the creation of the Organized Crime Drug Enforcement Task Force Program. The strides made by these organizations in Southern Florida had, on the one hand, encouraged Federal planners to use the multi-agency task force approach more widely in confronting drug trafficking. On the other hand, these focused attacks had diverted a substantial amount of drug smuggling to gulf and eastern sea- and airports of entry. Money laundering activities had been diverted to as far away as New York and the California-Mexico border. The problems were now shared by many regions.

A more recent addition to the Federal presence in Southern Florida was the National Narcotics Border Interdiction System (NNBIS), an information-gathering and consultative organization designed to identify smuggling operations and to assist the Coast Guard and Customs in interdicting the illegal importation of drugs. NNBIS is also charged with facilitating the use of military resources in support of interdiction actions. NNBIS was established in March 1983, with six regional locations around the country, to assist in coping with the vast amount of drug importation, including the importation that had been diverted from the Miami area.

The OCDE Task Force Program was structured to avoid disrupting the organization and functioning of the enforcement programs already operating in Southern Florida. The original plan provided limited additional resources to Southern Florida and only modest resources and no organizational structure to the Northern and Middle Districts of Florida.

Although drug traffic in and through Southern Florida had received widespread attention, relatively little notice was given to the situation in the Caribbean. Clearly, Puerto Rico shared many o

***Because such a high proportion of the United States' cocaine and marijuana imports, and the dollars they generate, travel through Miami, the other twelve Task Forces find themselves in steady contact with various Southern Florida officials.***

Miami's economic and cultural ties to Latin America and was comparably accessible to smugglers. The Virgin Islands constituted a virtually unguarded point of entry into American jurisdiction with a high number of daily transients and ample opportunities to spend money without attracting attention. The magnitude of illegal drug transactions in these jurisdictions was unknown.

Acting through supplementary budget appropriations for FY 1985, Congress authorized the establishment of the Florida/Caribbean Task Force as an integral part of the Organized Crime Drug Enforcement Task Force Program.

The Department of Justice took considerable pains to design and inaugurate a Florida/Caribbean Task Force compatible with existing programs. Studies were made to obtain Florida law enforcement perspectives; to determine what elements were already available and what others were needed to make the new Task Force a viable and productive addition; and to determine how best to integrate the new program with existing ones without waste or disruption.

The primary concern of those involved was that the new Task Force would add to the complexity and difficulty of rationalizing and coordinating drug law enforcement activities in the area. Some officials in Southern Florida lamented the proliferation of investigative agencies and the difficulties encountered in attempting routine but essential coordination. In an area with more than 1,000 drug investigators already at work, the insertion of yet one more organization was viewed with apprehension. In order to be accepted and to succeed, the new Task Force would have to create new avenues of coordination without reinforcing existing communication barriers.

Another challenge affecting the plans for the new Task Force was the enormous volume of referrals being received in Florida from other OCDE Task Forces. Because such a high proportion of the United States' cocaine and marijuana imports, and the dollars they generate, travel through Miami, the other 12 Task Forces find themselves in steady contact with various Southern Florida officials.

There is a constant and sizable flow of requests to Miami for investigative assistance in support of cases in other parts of the country. Often providing this assistance requires days of investigative time. Frequently, other Task Forces develop leads or obtain information that is properly considered to be of operational interest to Miami investigators and prosecutors; the receipt and pursuit of such leads is also time consuming. Even routine requests for information which are not demanding on an individual basis can assume overwhelming proportions when their numbers increase. It was clear that the new Task Force should plan to serve the other Task Forces and the existing drug law enforcement programs in Miami by becoming a clearinghouse and service center for dealings among them.

A need existed for the new Task Force to serve as a regional entity, providing assistance and guidance to the state's Middle and Northern Districts, and to Puerto Rico and the Virgin Islands, as well as the beleaguered Southern District of Florida. None of these judicial districts had received significant resources, support, or guidance under the previous arrangement, and it was essential that they be joined in a regional approach to the problems common to them all.

Another factor to be considered in planning for the new Task Force was the differences in scale and concept between OCDE Task Force Program cases and those typical of Southern Florida. The Task Forces concentrate their attention on organizations, and structure their investigations accordingly, using a multi-agency approach. Cases under investigation by agencies of the Vice President's South Florida Task Force, in contrast, were generally selected on the basis of prior intelligence of major transactions. Nonetheless, the volume of drugs and size of drug transactions in or through Southern Florida was of such magnitude that no other Task Force region regularly dealt with transactions of comparable importance. Typical drug transactions in Southern Florida can be as much as 10 times the size of those in other regions. The advent of the OCDE Task Force Program meant the introduction of a different conceptual approach—targeting organizations—and linked the national OCDE Task Force Program to extremely high levels of trafficking, as well as to numerous other high-profile drug law enforcement groups.

The Florida/Caribbean Organized Crime Drug Enforcement Task Force became operational in Miami on October 1, 1984. In accordance with a schedule of careful development, all the parts were in place on that date. The Florida/Caribbean Task Force was set up according to the *Guidelines*, supplemented by several considerations. Primary

among these is the rule that no existing task force, group, operation, or office would be altered as a result of the initiation of the OCDE Task Force Program, unless agreed to by the entity affected.

Unlike most existing drug law enforcement groups in the area, the Florida/Caribbean Task Force would be a regional group, responsible for resources throughout the five Federal judicial districts assigned to it.

Consistent with Organized Crime Drug Enforcement Task Force Program policies elsewhere, the Task Force would function under the general policy direction of an advisory committee. The Florida/Caribbean Advisory Committee, however, would have additional representation, reflecting the unique characteristics of the region. The Florida/Caribbean Advisory Committee is composed of:

- The U.S. Attorney, Southern District of Florida, Chair;
- The U.S. Attorneys of the Middle and Northern Districts of Florida, and of the Districts of Puerto Rico and the Virgin Islands;
- The Special Agents in Charge of the participating Federal investigative agencies;
- Representatives of State and local law enforcement bodies;
- A representative of the Department of Defense;
- The Chief of the Miami Organized Crime Strike Force; and
- The Commander of the Seventh Coast Guard District, who is also the Coordinator of the Vice President's South Florida Task Force and of the Southeastern Region of NNBIS.

Thus the advisory committee has, through the Coast Guard Commander, representation from both the VPSFTF and NNBIS. The result is further assurance that the policies of the major organizational elements are kept consistent and mutually supportive.

The next organizational level is the Task Force Coordinating Group, which differs from those of the other Task Forces in two respects. First, in addition to the regular corps of agency and AUSA Coordinators, it has an Administrator, supplied by the Department of Justice, to assist in Task Force management and to facilitate interaction among the many drug law enforcement elements in the area. Second, the Coordinating Group provides continuing operational-level technical coordination between the Task Force and NNBIS. Recognizing the particular importance of interdiction in the Florida area, the Task Force makes special efforts to provide information derived through the investigative process to NNBIS. Daily contact between the Coordination Group and NNBIS facilitates the timely flow of technical information between the two offices.

Further, to ensure operational coordination with both NNBIS and the Vice President's Task Force, an informal but regular liaison has been established at the operating level, through regular meetings of the OCDETF Administrator and the Staff Coordinator for those two organizations.

The District Drug Enforcement Coordination Groups in the remaining districts of Florida, Puerto Rico, and the Virgin Islands follow the same pattern as those in other Task Forces around the country. The respective U.S. Attorneys appoint the Groups, which review and consult on resource allocations and progress, and a Lead Task Force AUSA, responsible for Task Force operations in the district.

Prior to October 1, 1984, the only Task Force personnel allocations in the Florida/Caribbean region were for nine AUSAs and six support positions in the three districts of Florida. The following table shows the professional (agent or attorney) personnel assigned to each of the Florida/Caribbean

<u>District</u>	<u>USAO</u>	<u>FBI</u>	<u>DEA</u>	<u>USCS</u>	<u>IRS</u>	<u>ATF</u>	<u>USMS</u>	<u>USCG</u>
N. Dist. FL	5	0	0	2	5	0	0	0
M. Dist. FL	8	8	7	4	10	2	0	0
S. Dist. FL	11	23	18	17	13	13	1	1
Puerto Rico	2	3	3	0	2	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>26</b>	<b>34</b>	<b>28</b>	<b>23</b>	<b>30</b>	<b>15</b>	<b>1</b>	<b>1</b>

Task Force's districts as of the end of 1984.

In addition to attorney and agent positions, 40 new support positions were added to the six existing in the three Florida districts, to make a total of 46.

Many of the new positions were filled by experienced, existing personnel, with backfill to their respective agencies actually creating the additional personnel. Staffing, however, was not fully complete by year's end. Department of Justice agencies had begun the process but would not complete the hiring and training necessary to reach full strength until the Spring of 1985. Treasury agencies were obliged to await additional congressional appropriations action in order to reach full programmed strength.

The Greenback operations in both the Florida and Puerto Rican districts were being incorporated directly into the new Task Force, keeping their proud identity and gaining new Task Force associations. By mid-1984 the Miami office of Operation Greenback was conducting about 50 investigations with a staff of 53 investigative agents and attorneys and a support staff of 22 clerks and technicians.

In Florida's Middle District, Operation Greenback included eight attorneys and agents. The Puerto Rican Greenback operation was conducted by nine attorneys and agents when it became part of the new Task Force. The inauguration of the Florida/Caribbean Task Force served to support and strengthen all of these Operation Greenback efforts.

As part of the process of integration, the Greenback managers consolidated much of the ongoing activity into cases that met OCDE Task Force Program criteria. Those cases that did not meet these criteria were being phased out of the Greenback inventory, and by year's end those Greenback cases being actively pursued were consistent with *Guidelines* standards, and new cases were being developed. To further this vital integration of Greenback into the Task Force, senior Greenback agents from DEA, IRS, and Customs were appointed by their agency managers to serve as coordinators for their respective agencies in the new Task Force.

One of the three Greenback operations (Miami) in the Florida/Caribbean region moved promptly and smoothly into the Task Force, becoming a functioning and productive specialty unit. The other two operations were still in transition as the year ended.

Another special function was established within the Task Force: responding to OCDE Task Force Program referrals. Coping with the flow of

referrals and requests for assistance has been a major responsibility of all the agencies in Southern Florida, as previously noted. Each of those agencies responded to such requests in a positive manner, trying to balance its own immediate needs with those of other Task Forces. Now the Florida/Caribbean Task Force Coordination Group serves to expedite and facilitate that process. The Coordination Group assists the Task Force agencies' referral units by screening and placing in order of priority those referrals and requests received from other Task Forces. This mechanism provides a clear and responsive channel for the other Task Forces around the country and reduces the interference in investigative agencies' operations, which was common before this system was implemented.

In addition to integrating Greenback and handling referrals, most Florida/Caribbean Task Force agents and attorneys are devoted to the pursuit of regular cases within the Program context.

The Northern and Middle Districts of Florida were participants in the OCDE Task Force Program from the beginning. At the time of the new Task Force's inauguration they had some 38 cases in an active status. The two districts had operated outside a regular Task Force Program environment—independent of a regional structure. (As noted elsewhere, the Program's system is highly decentralized and relies on regional offices for coordination and guidance, within the framework of the *Guidelines*.) In the absence of explicit regional guidance and coordination, the two districts had developed widely differing standards and approaches. The Northern District had developed a large caseload, totaling some 26 cases, while the Middle District, using a different case structure, had initiated only 12. An early priority established for the new Task Force is to assist and support districts in bringing their policies—and case-loads—into a common regional standard.

By the end of 1984, the two districts had a total of 32 active cases. Since the OCDE Task Force Program's inception in 1983, the Task Force agencies in the Northern and Middle Districts of Florida had convicted a total of 56 individuals.

Puerto Rico and the Virgin Islands presented new dimensions to the OCDE Task Force Program. The unique geography, cultures, and laws present challenges to the program which are not yet fully identified. Puerto Rico has introduced two major investigations into the Program. Although no Task Force personnel resources were allocated for the Virgin Islands, the Miami office of the Task Force and the U.S. Attorney in the Virgin Islands have set about defining and implementing an operational plan for that district.

The new Florida/Caribbean Task Force moved promptly in Southern Florida to adopt and initiate cases meeting Task Force Program criteria. By year's end, the Southern District of Florida had certified 10 cases, targeted on those organizations believed to be the largest and the most extensive in scale and impact. These cases were at varying stages when taken into the Task Force, and two have already resulted in indictments.

Thus, in a relatively short period of time, plans were drawn for the new Florida/Caribbean Task Force, and it was inaugurated in an environment rife with narcotics crime and already containing a large number of traditional and nontraditional law enforcement organizations. It was established without altering, displacing, or disrupting any existing law enforcement operations. Arrangements were made to ensure fullest possible coordination with existing entities and the Task Force began operations of its own, while reinforcing Greenback's financial investigations and cases, and setting aside resources to respond to the referrals of other Task Forces.

Realignments and adjustments were still taking place at year's end as the OCDE Task Force Program approach took root and operations were geared up toward capacity.

As the Florida/Caribbean Task Force reaches its full size and status, it can be expected to develop further its unique identity within the Task Force Program. It will add a new dimension to the drug law enforcement program in Southern Florida, focusing sharply on the discovery and prosecution of organized criminal elements engaged in drug trafficking there and across the hemisphere. It is expected to foster the creation of a regionwide program dedicated to coordinated and concentrated pursuit of drug-dealing organizations.

## Fine-tuning the System

### Judicial Districts

Experience gained during the first full year of Task Force operations indicated that a number of judicial districts should be shifted from one Task Force to another to bring them more closely in line with the patterns followed by organized crime and the structures of the law enforcement agencies. These realignments would result in a streamlining of investigations and prosecutions and a reduced need for bureaucratic coordination. Four such transfers were made on October 1, 1984.

#### *Northern District of Mississippi*

The Northern District of Mississippi was

reassigned from the South Central Task Force to the Gulf Coast Task Force.

It had originally been anticipated that the majority of OCDE Task Force cases in this district would originate in Memphis, Tennessee, a South Central Task Force city. In practice, however, a majority of the Northern Mississippi Task Force cases have involved trafficking from Mexico and Colombia via the Gulf Coast.

The fact that this had been the only district in the 5th Circuit that was not in the Gulf Coast Task Force reinforced the transfer decision.

A final consideration was the fact that the FBI and DEA Special Agents in Charge for the Northern District of Mississippi are located in the Southern District of Mississippi, a Gulf Coast Task Force district.

#### *Northern and Western Districts of New York*

These two districts were originally included in the New England Task Force. The lines of criminal activity that most affect these districts, however, emanate from the New York City area and not from New England (Boston). In addition, all of the investigative agencies in these districts are overseen by offices within New York State, and none is subordinate to a New England office.

#### *Western District of Kentucky*

This district was transferred from the South Central Task Force to the Great Lakes Task Force to conform more closely to the investigative agencies' structures. The offices in charge of all of the investigations in the Western District of Kentucky are located within the Great Lakes Task Force region; none is located in the South Central Region.

## The Case Monitoring System

The OCDE Task Force Program has gathered critical information about the first two years of investigations through the use of the OCDETF Case Monitoring System. This system was designed to satisfy the reporting and management needs of the Associate Attorney General, U.S. Attorney, the OCDETF Working Group, the Task Force, and other program administrators. In 1984, after a full year of experience, a revision to simplify and upgrade the reporting system was initiated. The resulting changes became effective January 1, 1985.

The Case Monitoring System used to generate the statistics presented in this report consists of the automated OCDE Task Force data collected from four separate forms: the Case Initiation Form, the Indictment Form, the Sentencing Form, and the Monthly Report. In the revised system the forms

of these forms have been simplified. The Monthly Report has been replaced by a Quarterly Report and a fifth input source, the Asset Forfeiture Form, has been added. A description of each part of the revised system follows.

An *Investigation Initiation Form* replaces the Case Initiation Form. It serves two primary functions. First, the form provides the Assistant U.S. Attorney Task Force Coordinator and the core city Task Force Coordination Group with a full explanation of why the investigation should be considered for Task Force status. Second, it provides preliminary data for the records of the regional Task Force and for the Administrative Unit in Washington.

In the districts, the Task Force attorney assigned to the investigation completes the Investigation Initiation Form in close consultation with the agents involved in the investigation. Copies of the form are then distributed to the district Special Agents in Charge (SACs) of the Task Force agencies (FBI, DEA, Customs, IRS, ATF, etc.) and other agencies where appropriate. The district's U.S. Attorney then reviews the data and, if approved, the form is forwarded to the AUSA Task Force Coordinator in the core city for consideration by the Coordination Group.

The Task Force Coordination Group examines each core city and district Investigation Initiation Form and determines whether it meets Task Force selection criteria. If the investigation is accepted, the form is initialed by the Coordinators and is then signed by the core city U.S. Attorney. Finally, it is forwarded to the Administrative Unit in Washington for entry into an automated data system.

The *Indictment or Information Form* replaces the Indictment Form as the second part of the revised system. Its primary purpose is to give the Core City Coordination Group and the Administrative Unit a full description of each indictment or information returned and each defendant charged in Task Force investigations.

As with the Investigation Initiation Form, the Indictment or Information Form is completed by the Task Force case attorney in consultation with the investigative agents, distributed to all district SACs, and certified by the U.S. Attorney. The form is then forwarded to the regional level for review by the Task Force Coordination Group, providing opportunity for close coordination of the Task Force effort. Finally, the Indictment or Information Form is sent to the Administrative Unit for processing.

On a quarterly basis the Administrative Unit prepares and sends a computer-generated *Disposition and Sentencing Report* to each Task Force. This

report, a summary of data from Indictment or Information Forms, consists of one formatted sheet for each individual who has been indicted but whose case has not been disposed of by sentence, acquittal, or dismissal. The forms are distributed to the responsible attorneys in the field who complete the report as decisions are rendered. At the end of the quarter the districts send their reports to the AUSA Task Force Coordinator for review. The Coordinator forwards them to the Administrative Unit as part of the Quarterly Report for the region.

The *Quarterly Report* provides the Task Force Coordinators with an update of significant activities and problems in their respective districts. It also provides the Administrative Unit with a consolidated report of Task Force activities and of current concerns in each Task Force. The format is a questionnaire which asks for information on post-sentencing actions and appeals, administrative or management issues, significant developments in Task Force cases, and the impact of recent convictions on targeted organizations. The Quarterly Report is completed by the Lead Task Force Attorney in each district and sent to the AUSA Coordinator, who consolidates the information into a single Quarterly Report from the region.

The totally new instrument in the revised Case Monitoring System is the *Asset Forfeiture Form*. This form is used to report the value and disposition of assets forfeited to the government in Task Force cases. The Asset Forfeiture Form requires data such as the type of asset, its estimated value at seizure and actual value at disposition, and the statutory authority for forfeiture. Working closely with the case agents, the Task Force case attorney is responsible for completing the form immediately after a forfeiture is ordered. Once completed at the case level, the form is forwarded to the Task Force Coordinator and then to the Administrative Unit in Washington.

The Administrative Unit is the central repository for all OCDE Task Force data and reports. It monitors compliance with the Case Monitoring System, provides administrative support to the program at the national level, and produces documents needed for internal and external purposes. The Case Monitoring System generates essential data required by the Associate Attorney General to manage and assess the OCDE Task Force Program.

### The Caseload Study

Early attorney involvement in the development of investigative strategy is one of the cornerstone principles of Task Force practice. It has been widely recognized that the more complex the

case, the greater the need for expert attorney involvement during the investigative stages to ensure the admissibility of evidence collected, and to maintain the integrity of the impending prosecution. During the first months of the Task Force Program, when only a few cases had reached the prosecution stage, there were ample attorney resources to provide for early involvement. However, as the growing caseload matured, functions performed by Task Force members shifted heavily from investigative toward prosecutorial tasks. In the second year of the Program, agents and lawyers spent far more time in court or preparing for courtroom activities than in 1983.

As caseloads swelled in some Task Forces, methods of controlling work volume were developed that narrowed the *Guidelines*, where the instruction is to accept "significant investigations of major drug trafficking organizations that warrant the involvement of more than one investigative agency . . . [and] . . . demand significant attorney resources during the investigative stage." The will to take on all such cases was not diminished but the capacity was lacking in some locations and it was decided to limit the acceptance of new cases through prudent management controls.

This screening occurred first at the law enforcement agencies, which sometimes chose not to "let a case go Task Force," because investigator time committed to the Task Force already exceeded personnel allocations. When a case survived the first screen and was nominated, agency and AUSA coordinators measured its projected personnel requirements against their agencies' personnel availability. Inevitably, some important cases were refused.

***For October 1983, AUSAs reported spending 64 percent of their Task Force time in preindictment activities. A year later, in October 1984, the situation was reversed and 62 percent of time was now devoted to pretrial and trial/appeal functions.***

The Office of the Associate Attorney General was concerned about the potential impact of this phenomenon on Task Force operations. In September 1984, using funds provided by the National Institute of Justice, a preliminary study was

***The additional resources provided by the OCDE Task Force Program have allowed the conduct of a greater number of long-term, in-depth investigations from the initial stages to ultimate conclusion . . .***

initiated to further illuminate and quantify these conditions of caseload stress so that future agent and attorney requirements might be more accurately predicted. A group of researchers familiar with the Task Force Program designed the study to include three related research efforts utilizing data samples that fairly represent the first two years of program operations.

The first such effort, *Timeflow*, gathered information from more than 140 Assistant U.S. Attorneys, 40 by face-to-face interview, and the rest by mailed questionnaires. The AUSAs were asked to describe their Task Force involvement over a period of 15 months, in terms of cases worked, time invested, and functions performed. These functions—such as meeting with investigators, drafting indictments, responding to motions, writing sentencing memos—were classified as investigative or prosecutorial depending upon whether they preceded or followed indictment dates. Prosecutorial functions were again split into pretrial and "trial/appeal" segments. Data were then aggregated and the results analyzed for content and trends.

Another approach, *Caseloadflow*, examined 20 successful Task Force prosecutions to determine month-by-month what Federal investigator effort, as well as AUSA time, brought them to conclusion. In this study, results can be compared with investment to provide useful predictive information.

These studies were backed up by *Database*, a broad analysis of existing case and personnel data from the automated data bases of the FBI, DEA, IRS, ATF, and U.S. Customs, as well as the Administrative Office of U.S. Courts, the Executive Office of U.S. Attorneys, PROMIS, and the Task Force Program itself. Data base studies also addressed general questions of agent and attorney time expended, comparative case length and caseloads, outcomes, and other factors by which Task Force cases might be distinguished from other Federal criminal prosecutions.

Final results of the caseload study are due in May, but some findings and trends are already apparent:

- In 1984 the five principal Federal investigative agencies exceeded their original agent commitment to the Task Forces by 12 to 75 percent.
- Over a 17 month period, assigned AUSAs reported devoting 51 percent of their Task Force time to preindictment activities, mainly grand jury preparation and participation in the development of investigative strategies, *however*:
- For October 1983, AUSAs reported spending 64 percent of their Task Force time in preindictment activities. A year later, in October 1984, the situation was reversed and 62 percent of time was now devoted to pretrial and trial/appeal functions.
- From the reported sample of cases at each of six month-long "windows" 25 percent were in post-indictment stages in July 1983, 35 percent in October 1983, 41 percent in January 1984, 54 percent in April, 55 percent in July, and 62 percent in October 1984.

Investigative agencies, particularly the FBI and the IRS, have assigned more agents into Task Force cases than were allocated in 1984 budgets. In addition the Task Force cases so pursued have set up prosecutor demand which exceeds the 200 authorized Task Force AUSAs. In some districts, this expanding workload has been spread by the U.S. Attorney over a number of AUSAs, whether or not designated as Task Force personnel. In others, caseload is tightly controlled to conform with existing personnel allocations.

The study, when distributed to the Task Forces, will assist coordinators and agency managers in predicting personnel requirements and effectively planning their caseloads. It should also provide the Justice Department with the possibility of developing new forecasting ability and a glimpse of the profile and magnitude of the future Task Force caseload.

## Agency Perspectives

### Drug Enforcement Administration

During the second full year of operation the OCDE Task Force Program continues to enjoy the enthusiastic support of DEA field personnel. This enthusiasm stems primarily from the positive advantages that have accrued because of the Task Force concept.

***DEA has become increasingly proficient in all aspects of financial investigations, organized crime penetration, and other areas due in large part to its relationship with other Task Force agencies.***

There have always been more potentially high-level cases waiting to be worked than personnel and funds to work them. Investigations of major high-level traffickers have inherent requirements for the long-term investment of personnel and funds. The additional resources provided by the OCDE Task Force Program have allowed the conduct of a greater number of long-term, in-depth investigations from the initial stages to ultimate conclusion, while still addressing the overall drug trafficking problem.

Because of the varied resources available, the OCDE Task Force Program has attracted the best cases. A greater number of significant cases, yielding stronger penalties, have resulted. This has been due to the increase in funding and investigative personnel; the availability of an experienced prosecutorial staff; the sharing of expertise among Federal agencies; the greater emphasis on the use of financial and Title III investigations; and CCE/RICO indictments.

Historically, DEA has been an organization heavily involved in cooperative efforts. In addition to its close working relationships with other Federal law enforcement agencies such as the INS, IRS, FBI, and U.S. Customs Service, DEA has always worked with State and local law enforcement agencies in both formal and informal task force operations. DEA has engaged in cooperative investigative activities because it has long recognized that the complexity of the drug trade is such that varied forms of expertise are needed to combat trafficking effectively.

State and local law enforcement agencies play a major role in the cooperative picture. By designating \$3.2 million for State and local over-

***... Class I violators in all DEA investigations received an average sentence of 97 months. Class I violators in DEA-initiated Task Force investigations were given an average sentence of 138 months.***

time and expenses, the OCDE Task Force Program has paved the way for increased State and local participation. The use of local law enforcement personnel in the program has resulted in several important accomplishments. First, it has expanded the number of law enforcement officers available to work drug cases. Second, it has solidified the already excellent relationship between DEA and State and local law enforcement agencies. Third, it has involved State and local authorities in the highest level of drug law enforcement, thus raising the sights of these authorities to new plateaus.

Each Task Force case is by nature a multifaceted investigation selected at the outset by mutual agreement. Each OCDE Task Force case that is initiated is guaranteed to have the cooperative expertise of the entire Federal law enforcement community. DEA and the FBI are highly skilled in the planning and conduct of investigations, the conduct of surveillances, and the retrieval of criminal records; the U.S. Customs Service and the INS are expertly equipped to intercept drugs and drug violators entering the United States; and the Internal Revenue Service is particularly strong in determining individuals' net worth and in penetrating efforts designed to disguise ownership of assets. The combining of these resources provides a formidable weapon for the enforcement of Federal drug laws.

In this combined effort, DEA has been unselfish in the sharing of expertise with other agencies and has also benefited from the exposure it has had to other disciplines in the Federal law enforcement community. DEA has become increasingly proficient in all aspects of financial investigations, organized crime penetration, and other areas due in large part to its relationship with other Task Force agencies.

DEA also recognizes that the cooperative aspects of the OCDE Task Force Program extend to the prosecutorial level. The addition of 200 Assistant U.S. Attorneys dedicated solely to the prosecution of drug-related cases has meant that at least in Task Force cases, DEA does not have to compete for prosecution time with other agencies. The importance of this is reflected in the fact that Class I violators in all DEA investigations received an average sentence of 97 months. Class I violators in DEA-initiated Task Force investigations were given an average sentence of 138 months.

Finally, statistical results of the OCDE Task Force Program are indicative of the Program's success. From the inception of the program through FY 1984, DEA has brought 540 cases to the OCDE Task Force, virtually all of which have been against

major trafficking groups. DEA has participated in 2,336 arrests and seized roughly \$84 million in assets including 477 vehicles, 32 vessels, 19 aircraft, \$32 million in currency, \$32 million worth of real property, and 223 weapons. DEA presently is devoting approximately 52,000 investigator hours per month to the OCDE Task Force Program.

In the final analysis, the OCDE Task Force Program concept has allowed the U.S. Government to better coordinate its resources in combating drug trafficking. From the Drug Enforcement Administration's perspective, it is working.

### **Federal Bureau of Investigation**

During the second year of the OCDE Task Force Program, the Federal Bureau of Investigation (FBI) has continued its substantial commitment of resources to this important Program. Recognizing the significance of the problem being attacked, the FBI has dedicated 550 Special Agents\* to Task Force investigations, although allocated only 362 agents for that purpose. At all levels of management, from the Director to the Field Supervisor, a common theme of commitment to the OCDE Task Force Program prevails.

The Director, in establishing FBI goals, has stressed the importance of the Program and the necessity for participating agencies to make good-faith efforts at greater cooperation. During the past two years in the OCDE Task Force Program, the FBI has developed a better understanding of the other Federal, State, and local agencies contributing to the drug law enforcement effort and, at the same time, has had an opportunity to share with the other participating agencies the investigative skills developed during its 76-year history.

Historically, the FBI has utilized the Title III electronic surveillance technique in attacking both traditional and nontraditional organized crime groups. This practice has continued during the second year of the OCDE Task Force Program, as reflected by the fact that the FBI was actively involved in processing 95 Title III applications and 117 extension affidavits through FBI Headquarters during 1984. The commitment of Bureau resources to investigations utilizing the Title III electronic surveillance technique is significant. The OCDE Task Force Program has assisted greatly in these investigations by providing Special Agents from other participating agencies to assist in the various stages of these complex investigations. In so doing, the Task Forces have helped to keep any given investigative agency from being overwhelmed by a single major investigation.

\* Based on direct agent work years

The FBI has long been interested in just those types of investigations enumerated in the *OCDE Task Force Guidelines*. The FBI has stressed the commitment of its resources to cases against narcotics trafficking groups made up of traditional organized criminal groups, La Cosa Nostra and the Sicilian "Mafia," and nontraditional criminal organizations such as the Hells Angels, Outlaws, and Pagans Motorcycle Gangs; prison-spawned gangs; and ethnic-based groups. In addition to those groups, the FBI has stressed the need to investigate international narcotics trafficking cartels. Similar emphasis has also been placed on financial flow investigations and money laundering operations.

A problem that, unfortunately, often follows in the wake of narcotics trafficking and which has proved susceptible to the Task Force approach, is the corruption of public officials. For years, the FBI has investigated corruption cases which have reached all levels of government. Obtaining concurrent drug investigative jurisdiction with DEA in 1982 increased the FBI's involvement in that area of corruption which has long plagued all countries of the world where narcotics trafficking flourishes. The vast sums of money available to narcotics traffickers increase the possibility that corruption of public officials will occur. The FBI stresses that its agents always be alert to the possibility of corruption of public officials. The focus of the OCDE Task Force trafficking groups reinforces and parallels the FBI's traditional investigative philosophy, facilitating the participation of the FBI's Task Force investigative activities.

***The Coordinators have expressed the opinion that many of the successful investigations would not have developed in magnitude, as they did, without the spirit of cooperation among the various participating agencies.***

The FBI stresses long-term conspiracy investigations, utilizing a wide variety of sophisticated investigative techniques, including Title III electronic surveillance, consensual monitoring, undercover operations, and financial flow investigations. For these reasons, the FBI views itself as being an active and integral part of the OCDE Task Force Program, and looks forward to continuing its major role in this vital Program.

In an effort to broaden its knowledge and intelligence base, the FBI undertook a study of Orien-

tal organized crime groups and their impact on the crime problem in the United States. The results of this recently completed study indicate the importance of developing prosecutive cases against these groups, which *are* involved in narcotics trafficking in this country. Through the OCDE Task Force Program, the FBI hopes to focus investigative attention on these groups in 1985.

***The FBI Special Agents in Charge (SACs) in all 59 FBI field divisions have shown their support and commitment to the OCDE Task Force Program by dedicating resources over and above those budgetarily allocated to Task Force cases.***

The FBI continued its support of training related to the OCDE Task Force Program during the second year. The FBI Task Force Coordinators sponsored training programs for FBI personnel assigned to the OCDE Task Force Program and also sponsored training programs for all Task Force participants. FBI personnel from Headquarters, the FBI Academy at Quantico, Virginia, and from various FBI field offices participated in these programs. One example of the training provided by the FBI is the money laundering financial flow seminars held in 10 of the OCDE Task Force Program regions during 1984. The FBI strongly encourages its Task Force Coordinators to support training programs in their region and looks forward to being a participant in training programs that will increase the proficiency of all agent personnel assigned to the Task Force Program.

In an effort to stress the role and responsibility of the FBI in the OCDE Task Force Program, the FBI continued its policy of regular meetings between Headquarters personnel and the FBI Core City Coordinators. These meetings have been mutually beneficial. The Coordinators have stressed the very positive developments which have occurred as a result of the OCDE Task Force Program. They fully understand what is expected of them in their role.

The Coordinators believe that relationships with other participating Federal law enforcement agencies, along with State and local law enforcement agencies, have been strengthened. They report that the successes achieved by the OCDE Task Force Program have been attributable, in part, to the high experience level and professional

attitude of the various agency Coordinators assigned at the core city level. The increased commitment of attorney resources to the OCDE Task Force Program has assisted in decreasing the time it has taken to process Title III orders, to return indictments, and to proceed with civil and criminal forfeitures. The Coordinators have expressed the opinion that many of the successful investigations would not have developed in magnitude, as they did, without the spirit of cooperation among the various participating agencies.

The FBI Special Agents in Charge (SACs) in all 59 FBI field divisions have shown their support and commitment to the OCDE Task Force Program by dedicating resources over and above those budgetarily allocated to Task Force cases. The core city SACs have consistently supported the aims and goals of the OCDE Task Force Program and have ensured that the Coordinators have been given the support they have needed to carry out their responsibilities. This commitment of resources in excess of those allocated has, of course, had an impact on other investigative responsibilities of the FBI. This commitment is proof of recognition of the importance of the Program.

During the course of any multiagency or multijurisdictional investigation, differences in investigative philosophy occur. The experiences gained during the second year of the OCDE Task Force Program have shown that these differences can be resolved. The FBI believes that the coming year will be one in which the participating agencies will gain an even greater understanding of each other's investigative philosophy.

The past year has been a growth experience for the FBI in narcotics investigations. With greater experience in narcotics investigations, the FBI has continued to press its attack against organized crime groups and has begun to investigate truly international narcotics traffickers and money launderers. The widespread utilization of the Title III electronic surveillance technique, stimulated by the undercover technique, has allowed the FBI and other participating agencies to reach high levels of international narcotics trafficking groups. The Bureau looks forward to continuing its role in the OCDE Task Force Program and expects to have an even greater impact on organized crime and narcotics trafficking groups in the coming year.

#### **Internal Revenue Service**

Since President Reagan announced the formation of the OCDE Task Force Program, through its Criminal Investigation Division, the IRS has been an active participant. In addition to the investigation of narcotics traffickers' violations of the

income tax laws under Title 26, the Criminal Investigation Division has been actively involved in the investigation of money laundering operation under Title 31 and conspiracy under Title 18.

***With the expedited review process, the elapsed time from completion of the investigative stage to indictment on IRS Task Force cases is half that of other IRS cases.***

IRS agents have been recognized in the Task Forces as financial experts. One reason for this recognition is the Service's unique ability to identify the "professionals" in our society who profit from involvement in narcotics trafficking. This classification includes lawyers who finance traffickers' organizations and, in many instances, help launder the illicit narcotics money. It also includes the accountants who keep the books and may help disguise the source of narcotics proceeds. It includes doctors, engineers, stockbrokers, and wealthy businessmen who have helped finance loads of narcotics and who are the silent partners in the drug business. In the past, this class of criminals has rarely been prosecuted and has seldom been identified. Historically these individuals were not often targeted by drug law enforcement agencies because there was no firm informational or evidentiary link between them and narcotics. The only viable means of attack against this class of criminal is through financial investigations, where the paper trail of money earned from the sale of narcotics is tracked to its ultimate beneficiaries.

At the inception of the OCDE Task Force Program, the IRS took immediate steps to overcome certain obstacles which had hampered its meaningful participation in multiagency investigations in the past. IRS procedures relating to grand juries and tax prosecutions were lengthy and cumbersome. Agreements were reached between the IRS and Department of Justice on new authorization and review procedures for criminal tax grand jury investigations conducted under the OCDE Task Force Program. In addition, the Department of Justice's Tax Division appointed a liaison attorney for each of the Task Forces. These attorneys are responsible for monitoring and reviewing all cases and grand jury requests in their respective regional Task Forces.

As a result of these initiatives, the IRS has become a more effective partner in Task Force in-

vestigations. Because of the streamlined grand jury request procedures, IRS agents are now able to participate in the developmental stages of investigations and, while certain legal limits are still in force, they can cooperate and share information with other Task Force agencies. With the expedited review process, the elapsed time from completion of the investigative stage to indictment on IRS Task Force cases is half that of other IRS cases.

***In comparing IRS FY 1984 Task Force cases with non-Task Force cases, it is evident that the Task Force cases have a higher success rate, are completed in a shorter period of time, and result in longer sentences and higher fines.***

The commitment of the Internal Revenue Service to the OCDE Task Force Program is the largest of any of the Treasury agencies'. The IRS is providing 18 percent of the Task Force investigators and at year's end had participated in 66 percent of Task Force cases. Although allocated funds for 185 Task Force investigators, the IRS contributed 323 staff years to Task Force investigations during FY 1984.

The Service's demonstrated financial investigative expertise, its clearly defined, non-overlapping statutory authority and its success in streamlining its procedures for tax grand jury requests and case reviews have encouraged other agencies within the OCDE Task Force Program to place their trust in capabilities of the IRS. Both prosecutors and investigative agencies are now much more willing to entertain tax charges associated with the basic drug charges in Task Force cases. It has become increasingly clear that by combining the expertise of the other agencies with the expertise of the IRS agents, evidence of the source of funds (narcotics activities) can be coupled with evidence of the expenditure of funds (income tax consequences) to improve the Government's chance for successful prosecution.

IRS National Office personnel participate with a team of Department of Justice prosecutors who travel throughout the country sharing their technical expertise in such areas as forfeitures, financial search warrants, multiagency grand juries, and financial investigative units of the Task Forces. A very successful seminar for IRS Task Force Coordinators and management officials was held at the El Paso Intelligence Center in April of 1984. The

seminar included an orientation on the activities conducted at the center and briefings by the heads of various analysis sections. In addition to other presentations, there were training sessions on the use of link analysis in large-scale narcotics investigations, the use and application of Klein Conspiracy in Task Force cases, and the organizational approach to conducting drug trafficking investigations.

IRS Task Force Coordinators continue to make presentations and conduct training sessions at the local level. For example, the Mid-Atlantic Task Force Coordinator is currently participating with the DEA Financial Task Force Unit in a program initiated by DEA to train uniformed police officers to recognize the type of financial leads frequently associated with drug dealings.

In comparing IRS FY 1984 Task Force cases with non-Task Force cases, it is evident that the Task Force cases have a higher success rate, are completed in a shorter period of time, and result in longer sentences and higher fines. It is equally clear that many of the successful prosecutions accomplished by the IRS would not have been possible without the full cooperation and expertise of the DEA, FBI, Customs, ATF, and the other Federal and local law enforcement agencies assigned to the OCDE Task Force Program. The IRS is proud to be part of the Task Force team.

#### **U.S. Customs Service**

Through the Financial Investigations Division of the Office of Investigations, the U.S. Customs Service has developed strategies, programs, and systems for the enforcement of the Bank Secrecy Act.

***... the OCDE Task Forces have been able to utilize the Treasury Financial Law Enforcement Center (TFLEC) to substantially enhance their investigative resources.***

Involvement with the OCDE Task Force Program has enhanced the U.S. Customs Service's ability to utilize the provisions of the Bank Secrecy Act to conduct financial investigations resulting in the arrests of the violators and forfeiture of their assets. In turn, the OCDE Task Forces have been able to utilize the Treasury Financial Law Enforcement Center (TFLEC) to substantially enhance their investigative resources.

The Treasury Department established TFLEC at the U.S. Customs Service Headquarters as a centralized repository for financial information generated under the provisions of the Bank Secrecy Act.

The Bank Secrecy Act has provided law enforcement with a valuable tool in the form of three reports: the Currency Transaction Report (Internal Revenue Service Form 4789), which is commonly referred to as a CTR; Report of International Transportation of Currency or Monetary Instruments (Customs Form 4790), which is commonly referred to as a CMIR; and Report of Foreign Bank and Financial Accounts (Department of Treasury Form No. 90-22.1), which is commonly referred to as an FBA. The strategy and logic of Congress in enacting the Bank Secrecy Act, and of the Treasury Department in establishing TFLEC within the U.S. Customs Service, was to create a mechanism to provide information on and to examine the characteristics of currency flow suspected of being related to narcotics and other white collar crime and to provide an audit trail for suspect transactions.

TFLEC utilizes the three reports by using criminal investigators, analysts, and automatic data processing equipment to assemble information from the three forms and from other intelligence sources into intelligence reports, currency flow charts, and link analysis. These are provided to the OCDE Task Force Program at various locations for investigative action.

TFLEC also maintains reference materials on legal decisions, legislative initiatives, Bank Secrecy Act information, and organized crime cash flow.

The OCDE Task Forces, working closely with the U.S. Customs Service, are able to utilize the TFLEC material to assist in obtaining subpoenas and grand jury action for the purpose of identifying, locating, and seizing the assets of the criminal organizations, while at the same time indicting, prosecuting, and obtaining convictions of and jail sentences for their principals and major members.

The drug trade, primarily a cash-and-carry business, generates huge volumes of currency; this currency must be recycled in some way through the international banking system. The sheer bulk of the currency involved, usually in small bills, makes it impractical to process it through any system other than the organized banking system.

When currency is recycled through U.S. banks, the transactions involved should cause the banks to file the prescribed currency transaction reports. Thus, the U.S. Customs Service can provide Task Force investigators with a documented audit trail of the funds. In addition, cash flow

analysis of the transactions will often provide investigators with a relatively simple trail through the infrastructure of the organizations. This will help in identifying those principals and members of the group who tend to keep their distance from the contraband, and who are extremely difficult to identify through traditional methods. Thus, investigators are provided with targets on whom to focus their investigative resources.

The effectiveness of the U.S. Customs Service's participation in the OCDE Task Force Program can be measured by evaluating various indicators including number of targets provided to the Task Forces by TFLEC; increased awareness and cooperation by outside entities such as banks and financial institutions; increased number of requests for TFLEC information or assistance; reaction of law enforcement officers and U.S. Attorneys to TFLEC-generated information; successes of the Task Forces as shown by arrest, seizure, and forfeiture, jeopardy assessment, penalties, and bond forfeiture statistics; increased number of Task Forces conducting major financial investigations, using Customs-generated information; and increased perception of the U.S. Customs Service's involvement, expertise, and successes in financial investigations.

In FY 1984, Customs participation in the OCDE Task Force Program resulted in 727 arrests, 860 indictments, 276 convictions, and the seizure of \$16.2 million in currency/monetary instruments, and \$17.5 million in property.

The U.S. Customs Service will continue to participate in the OCDE Task Force Program. Utilization of this multiagency investigative approach promotes full and effective cooperation among Federal, State, local and foreign law enforcement officials. The Program, designed to target, investigate and prosecute individuals who organize, direct, finance, or are otherwise engaged in major multiagency drug trafficking enterprises, provides a coherent framework in which the U.S. Customs Service can efficiently pursue its goals of (1) identifying unusually high flows of currency; (2) frustrating organized crime's use of legitimate financial channels to launder money; (3) destroying the financial base and infrastructure of criminal enterprises; and (4) disrupting the movement of narcotics into the United States.

#### **Bureau of Alcohol, Tobacco and Firearms**

Over the past several years, officials responsible for the enforcement of drug laws at all levels have witnessed a universal and alarming trend: increasing numbers of drug violators are using firearms and explosives in furtherance of their il-

***The machinegun is fast becoming the preferred weapon of violators seeking to protect the huge profits available to the illegal drug traffickers. Firearms of all varieties are now used by dealers to protect their "territory" or to attempt to take over the territory of a rival drug trafficker or trafficking organization.***

legal enterprises. The machinegun is fast becoming the preferred weapon of violators seeking to protect the huge profits available to the illegal drug traffickers. Firearms of all varieties are now used by dealers to protect their "territory" or to attempt to take over the territory of a rival drug trafficker or trafficking organization.

***ATF's jurisdiction and its investigative expertise make it a well-suited partner to other OCDE Task Force program agencies involved in the ongoing war against illegal drugs.***

Aside from the damage traffickers do one another and the perils to bystanders, this violence makes enforcement of the drug laws more hazardous. Paradoxically, it also has one advantage for drug law enforcement. The use of firearms and explosives by drug traffickers produces violations that are sometimes provable when drug charges are not. The agency responsible for enforcement of the Federal firearms, explosives, and arson laws is the Bureau of Alcohol, Tobacco and Firearms (ATF). Because of the proclivity to violent use of firearms and explosives exhibited by drug violators, ATF special agents pursuing firearms and explosives violations come into frequent contact with drug violators. ATF's jurisdiction and its investigative expertise make it a well-suited partner to other OCDE Task Force Program agencies involved in the ongoing war against illegal drugs.

The Bureau of Alcohol, Tobacco and Firearms' involvement in the OCDE Task Force Program is one of the most effective means by which it contributes to overall drug law enforcement efforts. The number of ATF special agents commit-

ted to the program is small when compared to some of the other agencies involved, with funding to support only 80 personnel positions prior to the establishment of the Florida/Caribbean Task Force. As the Program progressed, it became apparent that ATF would not be able to fulfill its role in this important endeavor by utilizing only the allocated Task Force positions. The decision was made to respond to OCDE Task Force Program investigative needs on a priority basis, as existing resources permitted. Operating under those expanded guidelines, ATF exceeded the 80 budgeted positions by 40, for a total of 120 staff-years in 1984.

In the OCDE Task Force Program, ATF special agents focus their investigative efforts on major drug traffickers who also violate laws enforced by ATF. Because of their consistent reputation for using guns and explosives, special emphasis has been placed on identifying outlaw motorcycle gangs trafficking in drugs as targets of OCDE Task Force investigations.

ATF is firm in its commitment to the OCDE Task Force Program; however, it cannot supply agents where there is no indication that the laws they enforce are being violated. Nevertheless, through the ATF Task Force coordinators ATF monitors all investigations, in order to be prepared when an opportunity arises. Frequently, firearms or explosives violations surface as an investigation unfolds, and the potential for utilizing the firearms and explosives laws as tools arises. In those Task Force regions where ATF maintains liaison in all investigations, ATF has greatly enhanced Task Force effectiveness.

The OCDE Task Force Program has been extremely successful and ATF has played an integral role in that success. Of the 832 indictments returned in Task Force cases through October 3, 1984, 144 involved ATF violations. Up to that date ATF agents had seized 1,171 firearms in OCDE Task Force Program investigations.

Effectiveness in combating crime increases significantly when agencies combine resources with singleness of purpose. Indeed, the many successes of the OCDE Task Force Program can be attributed to the strengths of each participating agency, joined in the spirit of teamwork and cooperation. The Task Force approach is designed to succeed, the objective is clear, the level of agency commitment is established, and the means of attack are all-encompassing.

#### **U.S. Marshals Service**

The U.S. Marshals Service continues for a second year to support the activities of the OCDE Task Force Program.

The Service provides a criminal investigator on site at each OCDE Task Force location as a liaison and coordinator between the OCDE Task Force and the Marshals Service. These coordinators also devote much of their time as fully participating members of Task Force investigative teams. Based solely on these 13 full-time participants, it may appear that the contribution of the Marshals Service is comparatively small. The Marshals Service as a whole, however, is closely associated with Task Force efforts. The Marshal Coordinators have the capabilities of the entire Service to draw upon.

In 1984, the Marshals Service was required to increase drastically the level of its support as OCDE Task Force Program first-year investigations successfully brought major felons to trial. The Service has accomplished this increase in several ways.

***... in 1984, 20 percent of all the international extraditions conducted by the Marshals Service were in response to Task Force requests.***

First, many OCDE Task Force cases brought to trial in 1984 were high in risk, dangerous, and expensive. These trials often involved several defendants with a propensity and capacity for violence and disruption of the judicial process. The Marshals Service is tasked to preserve the security and integrity of these important judicial proceedings. Last year, in support of Task Force prosecutions, the Marshals Service was able to thwart actual attempts at jury tampering, assaults on Federal prosecutors, elaborate and expensive escapes, and civil disruption in the courtroom.

During 1984, 44 individuals sponsored by the Task Force Program were authorized protection under the Marshals Service's Witness Security Program. Without this protection for witnesses, the prosecution of violent criminals would be extremely difficult, often impossible. This program is of special significance in the Task Force context because of the levels and types of violence often associated with drug transactions.

Since many Task Force cases target "the fruits of crime," the Marshals Service has developed a centralized program to manage seized and forfeited property. The offices of this program are located, for the most part, in Task Force core cities. The National Asset Seizure and Forfeiture Program (NASAF) focused its efforts on assistance in Task

Force forfeiture actions, to absorb the administrative and property management burdens associated with the asset seizures which were handled in the past by Federal investigators and attorneys.

Task Force seizures of real property and businesses tend to be highly publicized and result in complicated problems of management. Although the forfeiture provisions contained in the Comprehensive Crime Control Act of 1984 will not eliminate these special problems, they will add to the role of the Marshals Service in managing such assets.

The Marshals Service has the longest history of any Federal law enforcement agency in the field of fugitive investigations and, during 1984, it has shared its experience-based investigative information and techniques in this field with the Task Forces.

In those instances when fugitives escape the boundaries of the United States, the Marshals Service provides extradition assistance, and its significance to the OCDE Task Force Program is reflected by the fact that in 1984, 20 percent of all the international extraditions conducted by the Marshals Service were in response to Task Force requests. This percentage is on the rise.

The Marshals Service provides a variety of other support. From arraignment of defendants to their case's adjudication the Marshals Service is responsible for their movement to and from court rooms and between detention facilities. Task Force initiatives and new laws affecting bail have already begun to increase the number of persons held in custody, and the Marshals Service is responding enthusiastically to the increased challenge.

The execution of process is an often overlooked activity of the Marshals Service; however it is essential to the success of Federal cases being prosecuted by the Task Forces. Subpoenas, summonses and other court orders are being handled daily by the Marshals Service.

Overall, participation as a partner in the Task Force Program has been a challenging and satisfying experience for the U.S. Marshals Service. Each of the mandated activities the Service pursues has found new frontiers of application in the ongoing war on drugs.

#### **U.S. Coast Guard**

The Coast Guard has assigned a full-time Agency Coordinator to 11 of the 13 Task Forces; the Coast Guard is not a participant in Chicago or Denver.

Representing a purely interdictive agency in a Program otherwise comprised of investigators places the Coast Guard Task Force Coordinator

in a unique position. They have no standard investigative role, per se. As a result, the Coast Guard Coordinators are assigned a variety of responsibilities according to their experience and specialties, melded with the needs of their respective Task Forces.

***... the Coast Guard Coordinators were the maritime experts for the Task Forces, and provided valuable intelligence and guidance on cases with maritime connections.***

During the second year, all of the Coast Guard Coordinators performed three basic functions. First, they participated in the case selection, analysis, and review process. Second, they acted as a valuable liaison, not only with the Coast Guard itself, but also with the Department of Defense military services, the National Narcotics Border Interdiction System (NNBIS), and the El Paso Intelligence Center (EPIC). Third, the Coast Guard Coordinators were the maritime experts for the Task Forces, and provided valuable intelligence and guidance on cases with maritime connections. In addition to these tasks, the Coast Guard Coordinators have assumed roles according to the background and training of each.

For example, one East Coast Coordinator was involved in case analysis and some field investigative work of maritime cases. He also provided Coast guard sighting and boarding data and, as the Task Force's expert in maritime smuggling, analyzed charts and other documents found on seized vessels. He performed the liaison functions typical of all Coast Guard Coordinators and did some computer programming for the Program as well.

Another Coast Guard Coordinator performed the normal liaison duties with the Coast Guard and military services and coordinated Task Force requests for resources from these forces. He provided maritime expertise to the organization and coordinated intelligence requests with EPIC. Previously the Public Affairs Officer for a Coast Guard district office, he is now the local Task Force Public Affairs Officer.

Two Coast Guard Coordinators are attorneys with previous law enforcement experience. In addition to being the Task Force maritime experts in case investigation and review, they also prepared briefs and prosecuted, having been designated Special Assistant U.S. Attorneys.

Another Coordinator was a policeman before entering the Coast Guard. In addition to his normal liaison duties he was particularly active in coordinating resource requests with the Army and Air National Guards. Due to the extensive coastline in his region there were several requests for Coast Guard assistance by the U.S. Attorneys in non-core cities. The Coast Guard Coordinator established close working relationships with various State and county officials in the region. He also functioned as the Computer Systems Manager for his Task Force.

Two of the Coast Guard Coordinators were Reserve Officers on active duty. Both have experience in Coast Guard intelligence and civilian law enforcement and became deputized U.S. Marshals. They were actively involved in maritime case investigations, performing document searches, chart reconstruction, and vessel lookouts.

The Coast Guard was one of the earliest agencies to have a full-time Coordinator in Southern Florida. This officer has considerable law enforcement experience at various levels in the Coast Guard. With the heavy maritime smuggling activity in Florida and the Caribbean, there is ample casework for which the Coast Guard Coordinator provides critical maritime expertise. The extensive involvement of many Federal law enforcement agencies in the Miami area, and the presence of an active NNBIS center, kept this Coast Guard Coordinator deeply involved in liaison activities and intelligence exchange.

The Coast Guard Coordinator in St. Louis has many years' experience in Coast Guard Intelligence. He acted as liaison with NNBIS centers in Chicago and New Orleans, and with EPIC. He also conceived and implemented the River Intelligence Unit (RIU) as a sub-unit of the Program. This new organization was formed in October 1984 to determine the level of narcotics trafficking and other criminal activities taking place on our vast inland river system. The RIU is headed by the Coast Guard Coordinator, with Customs and DEA representatives assisting.

Constant liaison is maintained between RIU State and local law enforcement authorities along the rivers, EPIC, and NNBIS located in Chicago and New Orleans in order to create for the Task Force a rapid, reliable, and secure means of exchanging intelligence information. Contact with the river industry (barge companies) will take place as deemed appropriate and necessary. Intelligence to be gathered includes information on narcotics shipment and transfers, identification of persons with maritime connections or employment having a history of drug-related offenses, information on

stolen vessels, and suspicious activity on the waterways. The RIU has the potential to become a highly valuable organization in support of the Program's goals.

## AUSA Perspectives

The types of cases handled by Task Force attorneys' are much larger than the typical cases found in U.S. Attorneys' Offices, and often involve the use of statutes that are unfamiliar to the courts.\*

***New resources, in people and dollars, are wedded in a cooperative and comprehensive attack on large and complicated drug trafficking schemes.***

The Task Forces' attorneys and the investigative agents recognize a variety of benefits distinctive to the Program. New resources, in people and dollars, are wedded in a cooperative and comprehensive attack on large and complicated drug trafficking schemes. The environment is one characterized by complexity. Investigations are long and intricate and extend to many jurisdictions, often to foreign countries. They focus on criminal activities covered by sections of the criminal code dealing with taxes, currency, racketeering, public corruption, fraud, and other non-drug areas, in addition to narcotics trafficking.

***Methods of investigation previously used only sparingly have become the standard for Task Force cases.***

The range and nature of the investigative techniques employed to gather the evidence necessary to bring prosecutions to a successful conclusion can be bewildering. The pace of investigations, the extent to which they are conducted overtly or covertly, and the conflicts inherent in pursuing multifaceted investigations make for scenarios

fraught with legal and technical difficulties. It is imperative, throughout the investigation, to ensure that the evidence obtained is conclusive and admissible in court.

The prosecutions must be of such quality as to overcome the challenges of some of the best, and best-paid, defense counsel. Litigation must be expert, followed by expert post-trial counsel dealing with both sentencing and appeals.

What has been the impact of the OCDE Task Force Program on the role of the attorneys engaged in these demanding tasks?

The Task Force investigations generally represent a higher level of drug cases than previously prosecuted in the region. The selection of major targets has required a reevaluation of the threshold amounts of drugs and money that previously caused a matter to be regarded as a significant case. In the process, the magnitude of the problem has become apparent, as what was once considered a major bust is no longer, and persons previously regarded as substantial dealers are now conceived as witnesses.

Methods of investigation previously used only sparingly have become the standard for Task Force cases. Electronic surveillance is used more extensively now than at any time in the past. The granting of use immunity and the compulsion of testimony, also used infrequently before, are commonplace, as are lengthy grand jury and financial investigations.

First, the OCDE Task Force Program affords attorneys the time they need to participate in the development of investigative strategy, and to provide the necessary legal services and counsel that the investigators require. They are not expected to rush cases to completion, but to move deliberately toward successful and comprehensive conclusions. And while Task Force attorneys carry a caseload of fewer cases, their cases are more intricate and long-lasting than those of their non-Task Force counterparts.

In addition, Task Force attorneys tend to remain in the Task Force, becoming highly qualified specialists in the course of their exposure. Older investigators lamented that they had been obliged to "train" the AUSAs assigned to provide legal

\* Quotations in this section are from year-end reports by AUSA Task Force coordinators.

counsel during investigations. All too often the Government had looked to enthusiastic and energetic, but nonetheless inexperienced, AUSAs for legal consultation during preindictment investigation. The development of a core of Task Force attorneys, now devoting themselves to these tasks over a period of two years, has radically altered and improved this situation.

Exacting legal strictures bound the use of Title III wiretaps and similar eavesdropping techniques, and the mounting of undercover operations. These activities are especially time-consuming for investigators and attorneys alike in that they, along with search and arrest warrants, require extensive amounts of legal paperwork. A wiretap, for example, requires a detailed application for initial approval and repeated affidavits for renewal. The preparation of the necessary documents has become a virtual art form. The AUSAs report that they have developed a great deal of new and valuable expertise in these exacting tasks, growing out of their Task Force experience. The result is a corps of attorneys who are vastly more efficient at these tasks, a significant development in an area where maintaining investigative momentum is crucial.

A major accomplishment of the OCDETF in this district has been the development of a group of prosecutors who are skilled in handling complex Federal narcotic and financial investigations. Before the creation of the Task Force Program, narcotics cases were assigned within the U.S. Attorney's Office on a rotating basis. There are now four Assistant U.S. Attorneys, two OCDETF and two non-OCDETF, who handle strictly narcotics cases. This has resulted in the increased use of search warrants, longer range Grand Jury investigations, and the development of a coordinated narcotics intelligence base.

Another feature cited by attorneys is their growth into "experts" in matters relating to narcotics dealing. These attorneys are now recognized by some courts for their acumen in interpreting the narcotics environment when applying for warrants for wiretaps or searches. They can authoritatively indicate the probability of finding narcotics ledgers or financial books and records which will show the fruits of drug trafficking, even in locations where drugs themselves are not likely to be found. Similarly, with experience, they can decode drug dealers' cryptic conversations in support of applications for extensions of ongoing court-authorized

wiretaps or for new, supplementary wiretaps. The development of such expertise in the offices of the U.S. Attorneys is recent, and is primarily attributable to the OCDE Task Force Program.

Chapter Three of this Report deals with the "kingpin" statutes—CCE and RICO—noting the stringent requirements for conviction under those statutes. Those are but two of the many intricate and delicate statutes with which these attorneys must increasingly deal. Their ability to do so grows with experience, individually and collectively, as the Task Force AUSA's "network" shares its expanding expertise.

A major investigative technique in Task Force cases has been the use of a grand jury to obtain testimony and evidence. Again, the attorneys in the Task Force have the *time* required for extensive use of the investigative grand jury. Increasingly, these grand juries are moving to compel the testimony of hostile (or neutral) witnesses such as defense attorneys, in the development of major narcotics cases.

***... prosecutors are increasingly  
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However, all significant drug dealers amass large amounts of money and are able to afford excellent counsel. Consequently, defense attorneys who are assured of substantial fees enthusiastically pursue all legal avenues, including extensive pretrial motions of all sorts that are intended to change the course of the prosecution, to avoid it altogether, or simply to wear down the prosecution team. Teams of defense lawyers move into court with literally hundreds of pretrial motions. To deal successfully with such massive resistance, the AUSAs must have both special skills and resources. They have developed the skills, largely because the Program affords them the resources.

After his arrest, Rosario Gambino moved to adjourn his trial indefinitely on the purported grounds that a medical (psychiatric and/or neurological) problem rendered him incompetent to communicate effectively with his lawyers, assist in his defense and stand trial. Fortunately, because of the extensive surveillances before Gambino's arrest made

possible through OCDETF resources, the Government was able to demonstrate in detail just how normally he had been functioning. The OCDETF resources also permitted the commitment of extensive AUSA time to confer with the psychiatrist who would be the Government's witness and prepare to cross-examine the two defense psychiatrists and psychologists. In a scathing opinion, District Court Judge Lacey found that Rosario Gambino's post-arrest behavior, upon which the doctors retained by him had based their opinion, constituted malingering and the motion was denied.

By contrast, in 1979 Gambino had been prosecuted in the Eastern District of New York on charges resulting from what the Government alleged was his role in the importation of six kilograms of heroin at JFK Airport. Thereafter, Gambino moved to delay his trial on the grounds that he had a precancerous polyp in his throat, which prevented him from communicating with his lawyer and preparing for trial. Largely because of the delay, the multidefendant case was fragmented into separate trials of three groups of defendants, which depleted the Government's resources and was very taxing for the witnesses called by the Government. Indeed, because of a number of hung juries, six trials resulted, and Rosario Gambino was ultimately acquitted. Gambino's polyp never became cancerous, his defense was conducted with undue impediment—and, as the New Jersey verdicts show, he was not so disabled that he was prevented from thereafter conducting his heroin business.

It was probably the concerted effort against Gambino which was brought to bear through the OCDETF Program which tended to equalize the Government's resources with those of Gambino, and turned the tide.

At trial, too, drug dealers usually enjoy representation by the most able lawyers. In many cities, the attorney corps includes highly skilled lawyers who have specialized in narcotics cases. Their success has been partly due to the fact that they were in competition with relatively inex-

perienced prosecutors. As Task Force attorneys move into their third year, that imbalance is being redressed. The prosecutors are increasingly poised and self-confident in dealing with laws of a complexity that many defense attorneys have not mastered.

The post-trial actions of a prosecutor involve sentencing and, often, appeals. The prosecutor's presentation of pertinent information for the consideration of a sentencing judge can affect the sentence imposed. The Task Force Program has carefully institutionalized the collection of pertinent information about defendants, and presents the most significant of these materials to the judge before sentencing. The result has been a general trend toward stiffer sentences for drug dealers in Task Force cases.

Because OCDETF AUSAs recognize that the sentencing stage is critical at least to specific deterrence of the particular defendant from committing further crimes, in this region we have been involving ourselves more deeply in the sentencing process by filing detailed sentencing memoranda in major cases.

While these efforts to focus on sentencing have not always been as successful as the Government would have wished, it seems clear that the effort nearly always has some impact and often is highly significant. For example, in sentencing Jairo Muriel, a "right-hand man" to one of the key defendants in *United States vs. Escobar et al.*, Judge Morris E. Lasker observed to the defendant that:

"In this case, as you know, the Government has fought you very hard. The Government has submitted to me a presentence memorandum relating to every defendant in this case. It is a very long document, which you may have seen, and in the early stages of my consideration of this case, I was inclined to resent the fact that the Government had pressed me as an individual judge so hard in the determination of what the sentence would be here, and I was irritated this morning when the U.S. Attorney's office presented me with further material and wondered why

(the Lead OCDETF AUSA in the District) would participate and make a statement.

However, as time has gone by, I have become persuaded that in the unusual circumstances of the cocaine scourge of this country which emanates today at least primarily from your country of Colombia, and which is wreaking havoc on thousands, if not millions, of people in this country, and in your own country in different ways, that it is proper for the Executive Branch of the Government to bring to the attention of the court how strongly the Executive Branch feels about this and what the ramifications and results of this pernicious cocaine traffic are."

Thereafter, Judge Lasker sentenced Muriel to the fifteen-year prison sentence which the Government had recommended.

It is still too early in the life of the Task Force Program to determine what kind of appeals rates are being generated. A preliminary and very limited analysis shows consistently high rates of appeals for major sentences (five years or more) growing out of trial convictions. Essentially anyone convicted at trial who can afford it appeals on the grounds of "What is there to lose?" There is still insufficient data to measure the success rate of those appeals.

Yet another area of attorney expertise being brought into play relates to forfeitures. As Task Forces have assigned attorneys as referents for this field, the level of expertise has risen among AUSAs as a group. Provisions for forfeitures are increasingly being utilized, and the cases themselves are being designed from the outset with forfeitures in mind.

The increasing load of cases, however, is taking a toll, as are the very intensity and complexity of the cases themselves. Increasingly, attorneys and their supervisors are looking at the problems of stress and burnout, as appeals add to the burden of investigation and prosecution. A few new attorney positions are anticipated in the coming year, and the newcomers will be welcomed into the network by their senior colleagues. Investigators, in the second year of the Task Force Program, are complaining that the attorney availability and "grand jury time" that helped them make big cases is now slipping away due to volume.

It must be noted that the attorneys in the region are becoming overburdened with the prosecution (thankfully usually successful during 1984) and now massive appellate work required by the success of the Task Force Program. There is simply not enough time to do the trial and appellate work, and at the same time, continue to fill the crucial role as advisor to the agencies conducting ongoing narcotics and currency investigations. More attorneys and support staff are without a doubt the greatest current needs for continuing our successes in jailing narcotics kingpins and forfeiting their assets to the United States.

## The Big Payoff

In November 1983, New York DEA Agents and New York State Police Officers arrested Roberto Carvajal and 21 other defendants in a "reverse" marijuana investigation in which undercover agents of the Austin, Texas, Resident Office received a \$1,000,000 advance payment for 30,000 pounds of marijuana. Two additional defendants were arrested in Austin. Investigative seizures shortly after the arrests amounted to approximately \$650,000 in cash, jewelry, vehicles, and real estate.

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Subsequently it was learned that the FBI's Chicago Field Office was also investigating the illegal financial activities of one of the main defendants arrested in this case, Herbert Martin Kornblau. His name had been submitted as a lead target in a Chicago Customs/FBI OCDE Task Force case nomination.

The lead defendants in the New York case, Carvajal, Kornblau, and Sheldon Pett, generated a high level of interest by several government agencies. As a result, DEA arranged a meeting in December 1983 to coordinate and exchange information at the U.S. Attorney's Office for the Southern District of New York. It was determined during the meeting that the cases should be combined as an OCDE Task Force case and that it be developed with the intent to seek indictments against the major violators under the Continuing Criminal Enterprise statute.

On February 1, 1984, Carvajal, out on bond, and his female co-defendant, Elizabeth Perez, were victims of a double homicide in Miami, Florida. Each was killed with one gunshot through the eye.

Investigation by the DEA located two "stash" houses, one in New York and a second in Lancaster, Pennsylvania. Further investigations in New York and Miami identified additional properties owned by the defendants including two discos, three residences, boats, a shipping center, an apartment complex, and development property in the Florida Keys, collectively valued at over \$15,000,000.

Total asset seizures to date are in excess of \$5,000,000. Of the 22 individuals indicted by a Federal grand jury in the Southern District of New York, 17 have pled guilty, three are awaiting trial, and, of course, two were murdered.

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# Investigative and Prosecutorial Techniques

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The OCDE Task Force Program can lay claim to no new inventions in the fields of investigative and prosecutorial techniques. It can, however, be justifiably proud of its creative utilization of existing tools.

This chapter begins with an examination of various law enforcement combinations which have been effected under the Task Force Program banner and the benefits of the synergies thus created. Interagency, interjurisdictional, and international cooperative efforts are all explored.

The breadth and depth of expertise available to the cooperating forces permits them to pursue prosecutions under the "kingpin" statutes to an extent never before achieved. These statutes, which impose heavy penalties on major traffickers, are discussed in their context as weapons in the Task Force Program's arsenal. The combination of diverse resources has made possible the effective use by the Task Forces of a number of demanding investigative techniques. The Task Forces' use of undercover operations, electronic surveillance, and financial investigations is detailed below.

This chapter concludes with a review of the Task Forces' utilization of the Witness Security Program, which enabled the maximum exploitation of witnesses whose cooperation might otherwise have been lost.

## Combining Forces Against Drug Crime

Those who know the OCDE Task Forces best, the 13 Coordination Groups and the core city U.S. Attorneys who review their work, seem to agree that certain elements of the system's design are responsible for the successes so far achieved. Most of these elements are dictated by the original *Guidelines*: establish a decentralized management model; seek high-level targets of investigation; promote coordination between Federal agencies and between Task Force districts and regions; increase

integration of Federal, State, and local drug investigations; and emphasize financial and tax investigations.

As Task Force operations grow and develop, certain other organizational, investigative, and prosecutorial techniques have emerged as particularly adaptable and effective in the high-profile, multiagency environment: wiretaps authorized under Title III work best in a Task Force due to their short-term, high-intensity personnel requirements; international cooperation and investigative coordination in narcotics law enforcement reached unprecedented levels in 1984; agents cite greater access to investigative grand juries as an important Task Force advantage; the seldom-used, 15-year-old "kingpin" statutes, RICO and CCE, have found their home in Task Force operations; and the undercover technique is enhanced by the combined personnel environment and by greater availability of cash for "flashing" or for wholesale drug purchases.

### The Team Approach

The Task Force Coordination Group, composed of an AUSA and seasoned investigative supervisors from participating Federal, State, and local agencies, is central to the operation of each of the 13 Task Forces. It is by decision of this committee that cases throughout the region are selected, it is in response to their judgment that investigative and prosecutorial assets are allocated among cases, and it is through their activities that interagency, interdistrict, and interregional cooperation is obtained and coordinated. Assuring full cooperation among Federal agencies may seem by contrast to be their simplest task, but this is not always true.

The investigating agencies are presently concerned about the numerical count of achievements. The Task Force role must be reiterated to explain that quality defendants, not merely a numerical count, are the goal. Through OCDE Task Force activity, the fact has

surfaced that the narcotics problem is even graver than predicted. A single investigative agency with limited resources, its goals geared to a numerical count, cannot be expected to combat drug enterprises that have been operating for over a decade. The financial underpinnings of drug organizations are now being explored, we are moving to the root of the problem—money. Any diffusion of Task Force assets continues the last two decades of sporadic drug law enforcement. Task Force cases require long-term investigation and the agencies should support these cases throughout, not merely at time of arrest and search. These comments are not made to criticize any agency as a whole, but to point out that an agency whose method of evaluation does not include the quality of the case, and relies only on numbers of arrests, numbers of indictments, and numbers of guns, pounds, and dollars is set at cross-purposes with the goals of the Task Force Program.

AUSA Coordinator's Report

***The Larkin-Fortmann Task Force Case is a perfect example of the successful Task Force approach, that is, destroying an entire organized smuggling and distribution network by taking advantage of the strengths of different agencies, jailing the leaders of the organization, and forfeiting their assets to the United States—thereby paying for the enforcement efforts with the ill-gotten gains of the criminals.***

On the other hand, another AUSA Coordinator reports what he calls "the good news."

Interagency cooperation in the war on drugs is at an all-time high. Intelligence information is shared to an extent unprecedented prior to the creation of the Task Forces. In the first year of

operation, information sharing seemed to be grudging at best. During the second operational year, the agents and supervisors knew each other better, trusted each other more, and were happier with the necessity of sharing data concerning high-level drug traffickers. Notable successes in multiagency Task Force cases during 1984 have convinced the agencies that there is indeed a solid self-interest motive for cooperation. Lack of cooperation is now perceived as missing out on opportunities to claim recognition in the big cases which are meriting regional and national attention.

***... efforts at cooperation result in successful completion of a case that no single agency could have brought to fruition.***

The Larkin-Fortmann Task Force Case is a perfect example of the successful Task Force approach, that is, destroying an entire organized smuggling and distribution network by taking advantage of the strengths of different agencies, jailing the leaders of the organization, and forfeiting their assets to the United States—thereby paying for the enforcement efforts with the ill-gotten gains of the criminals.

AUSA Coordinator's Report

Presumably, the reports cited above are accurate and might even have come from a single Task Force region reporting on different days. Our report neatly summarizes the problems involved in getting aggressive and independent agencies to work together on complex cases using shared resources. The second report, just as succinctly, records the pride of accomplishment these agencies feel when these efforts at cooperation result in successful completion of a case that no single agency could have brought to fruition. The weight of commentary from the Task Forces and parent agencies clearly reflects a steadily growing rapport, both at the intervening levels of management and at the cutting edge—the agents and AUSAs working together in common cause.

The Task Force approach, as set forth in the *Guidelines*, holds that the coordination of covert investigations, the exercise of search and arrest warrants, witness and plea negotiations, and prosecutions will only be successful when implemented consistently and continuously. The conduct of Task Force cases is the *raison d'être* for the Coordination Group conference, held weekly in most Task Forces. At this meeting each case in progress is considered and potential conflicts of strategy, tactics, and timing are ironed out. Each coordinator comes to the conference with complete knowledge of his or her agency's position and plans in each Task Force case. Each leaves prepared to update the SAC and appropriate agency elements on other agencies' immediate plans and on Task Force progress and intentions. The coordination expected of this group is by no means limited by a case's locale. Through their separate agency channels and through Task Force channels, Coordinators will pass on and acquire case information, exchanging it with those who need to know throughout the United States and, at times, beyond.

The Coordination Group decides, as well, who is to conduct liaison with Federal, State, or local entities not represented in the Task Force. Although the (non-core city) districts do most of their own coordinating, the core city Coordinators are available to perform their services throughout their respective Task Force regions. District operations are likely to be as big and complex as core city operations, with strong State and local participation, and equally important targets. Here are two examples of coordination and cooperation in smaller districts:

The Task Force in Arkansas was implemented with the basic premise that joint investigation was a necessary factor in successful drug prosecutions. In this vein, the Attorney for the Eastern District of Arkansas assembled a committee consisting of the heads of the various federal investigative agencies in this district and included the Director of the Arkansas State Police, the Chiefs of the Little Rock and North Little Rock Police Departments. The Arkansas State Police and the North Little Rock Police Department each assigned one individual to the Drug Task Force on a full-time basis. The Little Rock Police Department has assigned two men to work full-time on the Task Force and three others to work part-time. All these local agents have been deputized as

Special Deputy U.S. Marshals and are housed in the Drug Enforcement Administration office.

In the Arkansas Task Force each investigation is conducted under the team unit concept. One agent from each of at least two agencies is assigned to the investigation. The case agents then identify work projects and divide job assignments. The committee case agents receive support through their respective supervisors who make specific job assignments to other Task Force (and non-Task Force) personnel as the situation dictates. In most investigations, the committee of case agents, in conjunction with the AUSA, chooses one agent to be the lead agent on the case. The supervisor in each agency plays an important role in planning the initial investigative strategy. As the case develops into a major investigation, the supervisory agent or the case agent seeks the support of other agencies and the Organized Crime Drug Enforcement Task Force Coordinators. The lead agent is charged with the responsibility of keeping each agency informed of activities in the investigation, to keep the investigation moving, and to report to the Task Force AUSA, who sits in at the meetings of case agents committees.

#### Lead Task Force Attorney's Report

Coordination on a daily, sometimes hourly, basis occurs among case agents:

Upon approval of a matter as a Task Force investigation by the Gulf Coast Regional Coordinators and the U.S. Attorney, the agencies involved hold an organizational meeting. This meeting is the most critical and important first step in the entire Task Force case process. It is attended by all agents who will be working on the case and occurs within two or three days of approval.

At this meeting the agents give detailed investigative information, either verbally or by circulation of offense reports. Prior case histories and related investigations and prosecutions are

discussed. Very often the involvement of other districts and regions is discovered at this meeting, which immediately expands both the scope and the opportunities in the case. An investigative framework is established so that the early stages of the investigation will have direction, avoiding a disorganized start. It is important, however, that the framework remain flexible to accommodate future events and opportunities.

Assignments are handed out at this first meeting and centers of paperwork control are established. For example, a Customs agent might receive all phone tolls and take responsibility to make necessary analysis. The IRS agent would receive all bank records and other financial documents, along with analytical responsibility. All drug offense information would be directed to the DEA or FBI agent. By spreading the workload, several Task Force processes are set in motion: intelligence is shared; a team approach begins to develop; agents from different agencies begin to build the essential element of familiarity with one another from which will flow trust and increased sharing of information; and the involvement of multiple agents in the circulation of investigative facts brings into play the resources and data bases of all the participating agencies.

In giving assignments at the organizational meeting, State and local indices are checked; since by sheer numbers, State and local authorities are capable of gathering much more detailed information than the Federal agencies. As an investigation proceeds, more and more linkages are discovered and utilized to connect seemingly unrelated events. These linkages are frequently produced by State and local law enforcement.

#### AUSA Coordinator's Report

The direction of a complex multiagency investigation carried out by senior, skilled Federal and State agents need not be dictated by any one agency. Rather, the direction is dictated by the seasoned judgment and experience of all of the participating agents and supervisors. Normally the

agency which first recommended the investigation plays a primary role in its management, but the Task Force draws upon the expertise and sagacity of all participants to determine the direction and management of the case. Thus, at the organizational meeting each agency is responsible for contributions to the design of the investigation. As multiple agencies participate in the design, they come to realize that the end product will in fact be their own product.

As an investigation gets underway, the information being discovered is passed among the agencies and critical linkages begin to develop. As communication proceeds, team spirit begins to develop. Agents from functionally and geographically separated agencies are no longer fighting the battle individually, but find themselves part of a coordinated multifront and multitalented offense. Task Force agents are not limited to making a case based on one agency's jurisdictions, but rather have the opportunity to use the strongest statutes available to Justice and Treasury agencies. The data base from which information can be obtained and the agencies' ability to develop it is vastly expanded. NADDIS, TECS, OCIS, NCIC, TFLEC, and State and local information systems are available and easily accessed. The analytical capacities of the participating agencies also become available: EPIC, TLAN, VIA, and PATHFINDER can all be used to enhance the usefulness of the information gathered. More personnel strength is available, and with it, broader expertise, particularly in highly technical areas.

With a broader agency base comes a broader array of investigative opportunities. A Treasury undercover operation presented with an opportunity to purchase narcotics can quickly and efficiently follow that lead through the easily arranged introduction of Task Force DEA agents. A Justice undercover operation which is presented with a money laundering opportunity can immediately avail itself of Treasury expertise. If maritime skills are required, the Coast Guard is readily available. Given the range of talents of the seven Task Force agencies, plus those of State and local and other cooperating Federal agencies, the investigative possibilities are almost limitless.

***No single agency had sufficient resources to accomplish this work. It was the Task Force and its focused use of resources in a coordinated strike that led to success in this investigation.***

The Coordination Group provides a framework in which to pursue investigations in several parts of the country at the same time. Each Task Force has at least seven points of contact—the Coordinator of each participating agency—with every other Task Force. Through national meetings, each agency's Coordinators have become acquainted with one another. Thus, phone calls from one Task Force to another are not between strangers but between persons who view themselves as members of the same national priority program.

As an investigation proceeds toward indictment, considerable contact occurs between the attorneys in the two or more Task Force regions typically involved in the case. Just as investigators from the various agencies in different Task Forces maintain coordination during the investigation, so too the attorneys proceed in a coordinated manner. Through the national Task Force network, attorneys learn whether their indictment may jeopardize undercover work in another part of the country. Exposure of sources of information; protection of undercover operations; flight of main defendants; flight of assets; and the best place to prosecute are among the issues considered prior to the first indictment. Upon indictment the national cooperation continues, from bail hearings to the development of "defendant-witnesses" for the use of other Task Forces.

In several cases, AUSAs from one Task Force have been "loaned" to another to pursue a Task Force prosecution, some for several months. Both inter- and intra-regional sharing can go beyond personnel:

In addition to attorney resources, our region has shared travel funds for the benefit of the entire region. Earlier this year some districts were out of Task Force travel funds while others still had substantial funds. The U.S. Attorneys in our region agreed to shift funds among the districts so that each district could finish out Fiscal Year 1984.

This same sharing and effective use of resources has occurred among the agencies. Several wiretaps have been approved in Task Force cases in this region. In each instance, the sponsoring agency had to rely on resources from other Task Force agencies in order to man the investigation. Absent the Task Force structure, the lending agencies might not have offered manpower to

support a wiretap in which they had no investigative interest.

The sharing of resources, both manpower and money, was dramatically demonstrated in the recent *Mont Blanc* investigation. A 900 pound shipment of cocaine was smuggled into the United States, and taken off the streets by a Texas Department of Public Safety prearranged roadblock. This was done so skillfully that the targets of the investigation continued to deal with our undercover agents.

Following the loss of the cocaine, the cartel smuggled 1,200 pounds of marijuana as a test to see if it would get busted. By pooling resources of the Task Force agencies, it was possible to use hidden cameras to guard the marijuana in a warehouse, rather than seizing it. When part of this marijuana was transported illegally, a Sheriff's Office, by prearrangement, seized it. As with the first load, this was done so skillfully that the targets continued to deal with the undercover agents. The cartel then smuggled in another load of cocaine which was seized and the targets were arrested.

No single agency had sufficient resources to accomplish this work. It was the Task Force and its focused use of resources in a coordinated strike that led to success in this investigation.

On a more subtle level, in 1984, we have seen in this region more sharing of information than ever before, more trust than ever before, and a stronger desire to work together. This is not to say that all is in harmony. During 1985 we will continue to work to lower the remaining barriers which separate law enforcement agencies from each other.

#### AUSA Coordinator's Report

Another example of multiagency cooperation involved the investigation of an organization comprised of an estimated 200 persons residing in the San Diego/Tijuana area and actively engaged in the smuggling of marijuana and cocaine into the United States since 1978. The organization was

believed to be responsible for distributing, monthly, controlled substances and drugs with an estimated street value in excess of \$10 million.

In June 1984, DEA agents executed five search warrants in this investigation, seizing 4,400 pounds of marijuana and numerous firearms, including assault rifles which were believed to have been destined to be smuggled into Mexico. Investigation by the ATF revealed the source of the rifles to be a San Diego pawnshop. Further ATF investigation revealed a myriad of illegal firearms activities between the pawnshop and members of the drug smuggling organization. It was established that a two-way smuggling operation existed, moving drugs into the United States and firearms into Mexico. Through the Southwest Border regional office of the Task Force, this information was coordinated with DEA, IRS, Customs, and local agencies, all of which were working on other aspects of the investigation. This coordination allowed the incorporation into the case of five co-conspirators whose connection to the overall smuggling conspiracy had been previously unknown. One of those men was also implicated in the firearms violations. The additional charges persuaded this defendant to become a witness for the Government. As a witness, the defendant provided accurate, verifiable, and extremely incriminating evidence against numerous other members of the organization, and, in particular, its leader.

Although the level of coordination and cooperation is high, occasionally disputes will arise. A step-by-step procedure for resolution of disputes within the Task Forces is spelled out in the *Guidelines*. Disputes that could not be settled by implementing the local levels of these procedures have been rare. As Task Force relationships mature, and as joint investigations lead more and more often to convictions, disagreements are increasingly being settled "at home," with effective case development as the only arbiter.

The power of the Task Forces to fight drug crime and their ability ultimately to bring it under control appears to rest squarely on growing cooperation and near-perfect coordination of investigations and prosecutions. As the *Guidelines* state:

The Task Force Program's overall goal is to identify, investigate, and prosecute members of high-level drug trafficking enterprises, and to destroy the operations of those organizations by means of adding new Federal resources for the investigation and prosecution of major drug trafficking organizations and

***... funding and deputation—have resulted in what participants describe as a dramatic increase in joint cooperative efforts of Federal and non-Federal agencies.***

fostering improved interagency coordination and cooperation in the investigation and prosecution of major drug cases.

Among the specific objectives of each Task Force will be . . . to promote a coordinated drug enforcement effort in each Task Force region, and to encourage maximum cooperation among all drug enforcement agencies.

#### **State and Local Participation**

Just before dawn on November 22, 1983, a Task Force of more than 200 Federal, State, and local law enforcement officers led by Special Agents of the Drug Enforcement Administration conducted simultaneous raids in New Jersey and New York that led to the arrests of more than 40 suspects and the seizure of substantial quantities of cocaine, "speed," and Dilaudid, as well as cash and weapons. The raids concluded the active phase of a five-month investigation into the activities of what amounted to a drug clearinghouse in Newark, New Jersey, operating behind the shield of a purported charity. That phase had included a court-authorized wiretap in the "charity" office and several other locations, physical surveillance leading to vehicle stops and arrests of some members of the drug ring in possession of drugs, and undercover purchases.

***Nationwide, almost 700 State and local law enforcement officers took the oath of office as Special Deputy U.S. Marshals during 1984, in order to participate in the Task Forces' cases.***

Between December 16, 1983, and April 4, 1984, all but eleven of the defendants either pleaded guilty or were reindicted. Two of the kingpins were among those who agreed to cooperate after pleading guilty to RICO and CCE charges. Their testimony led directly to the conviction of ten other defendants.

The probe was directed by the Newark Field Division of DEA, with investigative participation by the Internal Revenue Service, Essex County Prosecutor's Office, Essex County Police, and the Newark Police Department. Additional assistance was afforded by the Middlesex County Narcotics and Organized Crime Task Force, Gloucester County Prosecutor's Office, New Jersey State Police, and a number of other local police departments throughout New Jersey and New York. The ability to prosecute not only for direct drug crimes, but also for widely disparate schemes engaged in by the group, was greatly facilitated by the number and variety of the investigative agencies involved.

#### AUSA Case Narrative

Increased participation by State and local law enforcement elements has been a major factor in the success of the OCDE Task Force Program in 1984. As a prominent principle of its organizational guidelines, the Program promotes joint involvement of State and local authorities in the investigation, apprehension, and prosecution of major drug traffickers and drug trafficking organizations. To promote this participation, funding is provided to underwrite some of the costs incurred by State and local personnel while they are working on Task Force cases. When appropriate to a case, the deputation of State or local law enforcement personnel as Special Deputy U.S. Marshals is encouraged by the Task Force Program. Both of these Program initiatives—funding and deputation—have resulted in what participants describe as a dramatic increase in joint cooperative efforts of Federal and non-Federal agencies.

#### *Funding*

Congress has appropriated funds to reimburse the States and localities for overtime and expenses incurred by their personnel while they are par-

ticipating in Task Force cases. There are now more than 200 active reimbursement agreements between Task Forces and State, county, or local agencies. These local agencies continue to pay the salaries of their investigators who are working on Task Force cases but are relieved of the costs of overtime, travel, and per diem expenses incurred as a result of their participation.

The Southeast Task Force is one example of a Task Force that has made exceptional strides in bringing State and local forces into its cases. By the end of 1984, 50 cases were under investigation in the Southeast Task Force, with at least one case in each of the 12 Federal districts in that region. Two districts had Task Force investigations underway even though they are among those smaller districts with no allocation of Task Force resources, either attorneys or agents. This region has enlisted significant participation from State and local agencies to assist with its caseload. The Georgia Bureau of Investigation (GBI) assigned a coordinator, a squad commander, and six agents to the Task Force. These agents operate from the Task Force headquarters in Atlanta. More than 50 GBI agents have now worked on Task Force cases in Georgia. The Cobb County Sheriff's Department also has a full-time coordinator assigned permanently to the Task Force.

#### ***Local law enforcement personnel have unique and comprehensive insights into drug trafficking in their jurisdiction.***

State investigative agencies throughout the region have worked on Task Force cases, including the Office of the Secretary of State of Georgia; the Tennessee Bureau of Investigation; the South Carolina Law Enforcement Division; the North Carolina State Bureau of Investigation; and the Alabama Bureau of Investigation. Local agencies participating in Task Force cases include the Atlanta, Athens, Savannah, Henry County, East Point, and Chattanooga police departments, and the Fulton County Sheriff's Department.

#### *Deputation*

Nationwide, almost 700 State and local law enforcement officers took the oath of office as Special Deputy U.S. Marshals during 1984, in order to participate in the Task Forces' cases. Departments entering this partnership provide experienced law enforcement personnel who agree to adhere to the policies and procedures of the spon-

soring Federal agency while working on the Task Force case, though they continue to be subject to the established lines of authority of their own organizations. In addition, State and local officers agree to adhere strictly to the requirements of the Federal Rules of Criminal Procedure relating to grand jury secrecy.

In late October 1983, cooperating Federal and local law enforcement agencies in Indiana submitted for nomination as a Task Force target a registered pharmacist whom the agencies suspected of diverting large quantities of Schedule II Controlled Substances into the drug market in the Indianapolis metropolitan area.

After receiving Task Force approval, the Indianapolis Police Department and the Organized Crime Drug Enforcement Task Force entered into an agreement and five Indianapolis Police Department narcotics detectives were made Special Deputy U.S. Marshals. The Federal and local agencies moved swiftly to agree upon and utilize seven Title III wire intercepts on the pharmacy and the three main distributors of the drugs. Because of the nature and extent of the interagency and Federal and local cooperation, the law enforcement agencies were able to devastate the organization in February 1984, by serving 30 search and seizure warrants upon the members of the organization, at the conclusion of the court authorized wire intercepts. The impact upon the drug market in the metropolitan Indianapolis area was far-reaching. The street price of the pharmaceutical drugs that the organization had been distributing almost tripled and the local methadone clinic experienced a tremendous increase in patient load.

During the grand jury phase of this Task Force case, interagency and Federal and State cooperation continued. This exemplary cooperation resulted in the indictment of 27 individuals, of whom 25 pleaded guilty, one was tried and sentenced to 15 years imprisonment, and one was a fugitive. The major defendant, although not yet sentenced, had agreed to a preindictment

plea agreement under which he will receive a term of 20 years and forfeit all proceeds of his illegal activity. Federal agencies, local law enforcement and local prosecutors' offices worked closely to arrive at plea agreements entailing substantial sentences for the defendants.

The results achieved in this case could only be accomplished through cooperative sharing by all participating agencies of the intelligence acquired and evidence obtained during the course of the investigation. The cooperative effort continues with anticipated prosecution of 30 additional defendants at the Federal level and still others in State court.

#### AUSA Coordinator's Report

##### *Benefits of the Team Approach*

The mutual advantages of a Federal/State/local team are numerous. Clearly, the funding for overtime and expenses helps the non-Federal agencies, but there are more significant benefits which they receive as a result of their participation. Full partnership with the Federal law enforcement community provides them with expertise they may be lacking, in an area such as financial investigations. Since Federal jurisdiction is nationwide, deputization enables members of State and local departments to cross geographical jurisdictional lines in the conduct of an investigation. In addition, the non-Federal agencies have seen the payoff of this partnership when major drug traffickers in their areas receive stiff penalties imposed as a consequence of the Federal statutes, which in many instances are more punitive than those of the States.

The assets forfeiture provisions of Federal law now provide an increased incentive to State and local agencies to participate in the OCDE Task Force Program. The Comprehensive Crime Control Act of 1984 makes it possible for non-Federal agencies to receive a share of drug traffickers' asset forfeited as a result of joint investigations.

The Federal Task Force participants have also realized benefits of this Federal/State/local team approach. Local law enforcement personnel have unique and comprehensive insights into drug traf

***For the first time Colombian nationals could be extradited to the United States for narcotics violations.***

ficking in their jurisdiction. Their contacts within the community and their networks of informants generate information which in many instances supplies links between seemingly unrelated data.

***The extradition of these major narcotics violators represents not only a significant victory in the war on drugs, but it has also set a new standard of cooperative international effort in combating narcotics trafficking . . .***

In most cases, Federal drug law enforcement agencies have found it easier to work with the local agencies than to conduct separate investigations, particularly where, as in many jurisdictions, the State or local agency is the "only game in town"—Federal presence being minimal at best. Consequently, the utilization of State and/or local agencies provides the Task Forces with a personnel resource which always enhances, and in many cases makes possible, the conduct of a Task Force investigation. This kind of partnership has resulted in wide participation by State and local law enforcement agencies in Task Force investigations. In 1984 roughly half of the investigations conducted by the Task Forces had active State and local participation.

### **International Cooperation**

By November of 1983, electronic surveillances determined that the Catalano Faction was importing heroin from other La Cosa Nostra Families in Sicily. The primary supplier was identified as Gaetano Badalamenti of Cinisi, Sicily, the most wanted narcotics fugitive in Italy. . . .

To facilitate an exchange of information, Italian Magistrates and police officials regularly came to the United States. Some of these officers were made special deputy U.S. Marshals and assisted in monitoring and interpreting ongoing Title III installations. . . . FBI, Customs, and DEA agents were sent to Italy, Spain, Switzerland, and Brazil to facilitate the investigations in those countries. Due to this outstanding cooperation, continuous physical surveillances could now be maintained on the New

York subjects during their regular visits to Sicily and Western Europe. The American agents would simply get on an airplane with the subject and join with a foreign surveillance team at the intended destination. Moreover, surveillances of interest which were initiated in a foreign country could be continued in the United States by our agents. . . .

In early April 1984, Badalamenti called Alfano over a public telephone which was being monitored and told him to come to Madrid. Again, due to the smooth international relations which had been developed, DEA and FBI agents followed Alfano to Madrid where the Spanish police continued the quick moving surveillance. Two days later Gaetano Badalamenti, his son Vito, and Alfano were arrested in Madrid. Italian police officials who were on the scene positively identified Badalamenti and praised the Americans for engineering the capture of this long-sought international fugitive. . . .

The kind of international cooperation that affects Task Force cases is illustrated dramatically in the foregoing excerpt from a motion by the U.S. Attorney's Office in Manhattan. Task Force efforts to improve cooperation with police and prosecutors from other nations have become possible through funding for travel and by a determination that investigative and prosecutorial efforts should be pursued even beyond our borders.

***This agreement is a major breakthrough in the efforts to get Caribbean jurisdictions to provide the United States with access to the records of "offshore" transactions in which major drug smugglers and distributors disguise the links between their assets and their crimes.***

Both investigative and prosecutorial elements have benefited from two particular initiatives of the Department of State, working closely with the Department of Justice. The first is a broad new agreement with the Government of Colombia for

the extradition of accused narcotics traffickers; the second is an agreement with the Government of the United Kingdom and the Government of the Cayman Islands, providing for access by American law enforcement personnel to certain financial records relating to narcotics trafficking.

#### *Colombian Extradition*

In 1982 a new and innovative extradition treaty went into effect between the United States and Colombia. For the first time Colombian nationals could be extradited to the United States for narcotics violations. However, despite repeated approval of American extradition requests by the Colombian Supreme Court, the Colombian President refused extradition of nationals for reasons having to do with domestic considerations.

On April 30, 1984, after opening a major offensive against narcotics traffickers, the Justice Minister of Colombia was assassinated. At the Minister's funeral, President Belasario Betancur announced that he would henceforth approve the extradition of Colombian nationals to face criminal charges abroad. This reversal of policy opened a tremendous opportunity to breach the sanctuary which many Colombian narcotics kingpins had been enjoying in their country, despite pending prosecutions in the United States.

Recognizing the historic potential of this opportunity for antinarcotics efforts, a sub-Cabinet-level working group convened in May 1984 to coordinate U.S. law enforcement and diplomatic efforts. While endorsing enhanced interdiction efforts and the supplying of antinarcotics aircraft and other assistance to Colombia, it was agreed that the focal point of this thrust would be extradition.

Since that time the United States has submitted new requests to Colombia for the extradition of approximately 65 fugitives, many of whom are defendants in OCDE Task Force program cases. As of January 1, 1985, the Colombian Supreme Court had approved the extradition of nine of the detained fugitives and, of this group, President Betancur has approved extradition of six and denied one. Several of the fugitives fled Colombia to Spain after the crackdown and four fugitives are now under arrest, awaiting extradition from Spain.

As of the date of this writing four of the six Colombian extraditions have been completed. The extradition process for those still in custody in Colombia should be completed in 1985. The extradition of these major narcotics violators represents not only a significant victory in the war on drugs, but it has also set a new standard of cooperative international effort in combating narcotics traffick-

ing and has established a valuable precedent, through all of Latin America, in favor of the policy of extraditing nationals.

#### *The Cayman Islands Agreement*

On July 26, 1984, the United States and the United Kingdom exchanged diplomatic correspondence establishing an agreement on access to the documentary information, resident in the Cayman Islands, needed in narcotics investigations and proceedings in this country. This agreement is a major breakthrough in the efforts to get Caribbean jurisdictions to provide the United States with access to the records of "offshore" transactions in which major drug smugglers and distributors disguise the links between their assets and their crimes.

***... the Cayman authorities will  
obtain a warrant to search for  
and seize the needed records and  
deliver them to the United  
States.***

The agreement is the result of seven months of intense negotiation between the Cayman Island Government, the British Government (the Caymans are a British colony), and the U.S. Departments of Justice and State. The United States entered the negotiations to check the growing role played by Cayman Islands' institutions in facilitating banks, law firms, and trust companies in the laundering of profits acquired through drug trafficking. The British were prompted to negotiate by a keen concern that the increasingly successful use by U.S. prosecutors of subpoenas served on the United States branches of international banks and businesses to compel the release of records maintained in bank secrecy jurisdictions abroad tended to undermine Cayman Islands bank secrecy laws.

Under the agreement, whenever Federal prosecutors or investigators here need bank or business records located in the Cayman Islands in a matter "arising from, related to, connected with, or resulting from" illegal drug trafficking, the U.S. Attorney General may obtain the records by issuing a "certificate" to the Attorney-General of the Cayman Islands.

The certificate can be issued in connection with a Federal grand jury investigation, a criminal case awaiting trial, or even a civil or administrative proceeding ancillary to narcotics trafficking litigation. Thus, a civil forfeiture proceeding under the United States Code can serve as the predicate for

a certificate. The matter involved need not even specifically involve narcotics charges as long as the investigation or proceeding is materially related to narcotics trafficking. For example, a pending or contemplated tax evasion case can qualify for the issuance of a certificate if the "likely source" of the target's income is narcotics trafficking.

The certificate contains no information about the case other than the grand jury number or docket number and the Attorney General's assurance that the matter falls within the scope of the agreement. Therefore, use of the certificate process does not conflict with grand jury secrecy or pose the practical jeopardy to the investigation inherent in traditional methods of international judicial assistance.

Upon receipt of the certificate, the Cayman Islands Attorney-General is obliged to order the Cayman entities involved to surrender the records to him within 14 days. Once the records are surrendered, the Attorney-General forwards them to the Department of Justice. The agreement also obligates the Cayman authorities to provide foundation testimony to ensure the admission of the records into evidence before our courts. If bank officials or other individuals fail to produce the records specified in the certificate, they face the imposition of fines and imprisonment, and the Cayman authorities will obtain a warrant to search for and seize the needed records and deliver them to the United States.

In return for the Cayman Islands' good faith implementation of these procedures, the United States agreed not to use subpoenas served upon the U.S. branches of international banks and businesses in any case which would fall within the agreement. However, the United States insisted that the agreement not take force until the Caymans had drafted and enacted new internal legislation which clearly enabled its government to carry out the promises offered at the bargaining table. The necessary Cayman internal legislation was enacted in late August 1984, and the agreement became effective August 29, 1984.

By year's end, the Attorney General had issued 17 certificates demanding Cayman Islands records for use in major drug investigations from all over the country. Most of the prosecutors responsible for the cases involved have praised the evidence obtained under the agreement as extremely valuable. For example, the Lead Task Force Attorney in Cincinnati has credited the evidence obtained pursuant to the agreement with facilitating the recent convictions there of members of a major cocaine trafficking organization.

The agreement is to remain in force for 15 months. A key provision specifically obliges the

Cayman authorities to begin good faith negotiation of a full, formal, mutual legal assistance treaty that would cover more than just narcotics-related offenses. These negotiations are to begin in May 1985. Accordingly, both sides view the current agreement as an interim arrangement pending negotiation of the formal treaty. There can be little doubt, however, that the agreement has provided a significant boost to the efforts to gain international cooperation in the battle against narcotics.

## The Kingpin Statutes

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Eighteen months of intensive Task Force investigation made it clear that Gazy Jalilie was the head of a major cocaine distribution and money laundering organization in Sacramento. While attempting to board a flight from Miami to Panama, he and two associates were arrested by Federal agents. Nineteen other members of the organization were later arrested. After Federal officials confronted Jalilie with the massive evidence against him, he agreed to plead guilty to, among other things, having operated a continuing criminal enterprise.

U.S. Customs and AUSA Case Narratives

The Continuing Criminal Enterprise statute (Section 848 of Title 21 of the U.S. Code), commonly called CCE, provides for the most rigorous sanctions of any Federal criminal statute directed at drug-related activities. Enacted as part of The Comprehensive Drug Abuse Prevention and Control Act of 1970, it carries a maximum penalty of life imprisonment and a minimum of 10 years—with no parole in either case—and fines up to \$100,000. It also provides for forfeiture of any and all proceeds of the specified criminal activity, or of any assets purchased with such proceeds. This means that the Government has the right to take ownership of any real estate, automobiles, aircraft, boats, business equity, bank accounts, securities,

***A total of \$33,800,000 in non-drug assets has been forfeited to the Government as a result of Task Force convictions under the Continuing Criminal Enterprise statute.***

or any other kind of goods or entitlements that were used in a criminal activity or purchased with money generated from it.

Jalilie's sentencing was scheduled for late March 1985. The Government asked for a sentence of twenty-five years (without parole) and forfeiture of assets valued at almost a million dollars.

#### U.S. Customs and AUSA Case Narratives

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Because the penalties are so severe, the statute requires five stringent elements of proof for conviction of defendants charged with CCE:

- The defendant's conduct must constitute a felony violation of Federal narcotics law;
- That conduct must take place as part of a continuing series of violations;
- The defendant must undertake this activity in concert with five or more persons;
- The defendant must act as the organizer, supervisor, or manager ("kingpin") of this criminal enterprise; and
- The defendant must obtain substantial income or resources from the enterprise.

The Task Forces are remarkably well-suited to conduct the comprehensive investigations necessary to establish the requisite proof for CCE convictions, and to identify potential assets for forfeiture.

The CCE statute was not the only statute relating to drug trafficking passed in 1970. The Racketeer Influenced and Corrupt Organizations (RICO) statute, part of the Organized Crime Control Act of 1970, provides other strong sanctions that deal with criminal organizations and their pernicious infiltration into legitimate businesses. The RICO penalties, however, are less severe than those for CCE: up to 20 years imprisonment, \$25,000 in fines, and civil and criminal forfeitures.

Richard Fields was arrested in Marquette, Michigan, in 1978 for possession of about nine ounces of cocaine. He was not prosecuted, but was the subject of continuing investigations

over the succeeding years. The Task Force assumed the case in the spring of 1983, the forces of several agencies and attorneys were combined and expanded, and the investigation proceeded in pyramid fashion. One witness' testimony led to admissions by others, and their cooperation in turn led to more important participants in the enterprise. Fields himself agreed to cooperate with the investigation. Ultimately, a host of convictions was obtained, among them the conviction of a Chicago bank. But most significant were 19 convictions for RICO.

#### IRS and AUSA Case Narratives

The RICO provisions focus on an "enterprise," defined as "the association of a group of individuals," where that enterprise utilizes income from an illegal activity, acquires or exercises control through illegal activity, commits illegal acts, or conspires to do any of these things. The enterprise may or may not relate to drug dealing but a prosecutor must show that each defendant is guilty of a pattern of racketeering. That is, within a 10 year period the defendant must have committed at least two acts of racketeering. These acts must be connected by a common scheme in order to demonstrate that they are not merely unrelated offenses.

While the maximum penalties provided for by RICO may be less severe than the maximum CCE penalties, they can be extensive. Furthermore, while CCE convictions are usually limited to two or three defendants in a given case, RICO can, and does, provide for punishment not just of the leaders but of even remote associates—"little fish"—who are willing participants in the enterprise's illegal activities. Hence, in the Fields case cited above, 19 RICO convictions were obtained within one drug-related enterprise.

As noted, both statutes were enacted in 1970. Their full and effective use, however, has come about only with the advent of the Organized Crime

***The Task Forces have. . . used their undercover operations to gain greater access to drug organizations. . . This method leads to better identification — and stronger incrimination — of high level drug dealers.***

Drug Enforcement Task Force Program, a Program that has consistently emphasized the importance of the kingpin statutes as a necessary concomitant to its organizational focus. Most CCE and RICO prosecutions during 1984 have been under the Task Force aegis, with the following results.

As of December 31, 1984, 11 percent of all Task Force indictments included one or more defendants charged with CCE. A total of 211 defendants were charged with operating a continuing criminal enterprise. Of those 211, CCE charges against 109 defendants were disposed of by year's end—61 percent of those defendants were convicted (as a result of either a trial or a plea of guilty). Only 4 percent of those defendants were acquitted of CCE charges. CCE charges against 35 percent of the defendants were dismissed for a variety of reasons. These included the granting of motions by the defense; motions by the Government after the defendant agreed to plead guilty to other charges; or, often, motions by the Government after the defendant agreed to cooperate with the Government and/or forfeit substantial amounts of property and cash. The minimum 10 year sentence mandated under CCE resulted in heavy sentencing: 52 percent of those defendants sentenced received prison terms of 10 to 20 years, 10 percent received jail terms ranging from 20 to 25 years, and 38 percent were given terms of 30 years or greater. A total of \$33,800,000 in non-drug assets has been forfeited to the Government as a result of Task Force convictions under the Continuing Criminal Enterprise statute.

By year's end, 4 percent of all Task force indictments included one or more defendants charged with RICO. A total of 355 defendants were charged with violations of the RICO statute. Of those, there have been dispositions of the RICO charges against 142 defendants; 65 percent were convicted, and 37 percent of those sentenced received prison terms ranging from 12 to 20 years. An additional 37 percent of those convicted of RICO violations were given jail terms in the five to eight year range. Prison terms of one to four years were given to 21 percent of those defendants convicted of RICO. Non-drug asset forfeitures for all RICO defendants reached \$5,700,000 by year's end.

The forfeiture provisions of both RICO and CCE were clarified and strengthened by the Comprehensive Crime Control Act of 1984. Those modifications are discussed in Chapter 3 of this Report.

The CCE and RICO statutes serve drug law enforcement well. They are punitive. They summarily remove the fruits of crime. They entail substantial periods of incarceration. They deprive

convicted criminals of the financial means for continuing their illegal activities. And, by imposing substantial prison terms, they deter criminals from reentering the drug business for a long time.

The enormous importance of this last element is illustrated by the example of Nicholas Valvano, the principal in a Task Force case. Valvano was convicted under CCE and sentenced to 20 years *without parole*. He and his 45 codefendants had *more than 400* prior convictions among them at the time of their trial. Valvano, the leader of the gang, had been convicted four times prior to 1977. Since that date he was convicted three more times: for an armed robbery, which was followed by a police shoot-out; for a separate bank robbery; and for parole violation. He had been sentenced to more than 15 years—yet he was legally at liberty in 1982, and remained so until his arrest in 1983! Because of CCE, he will not be on the streets again before the next century.

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## Investigative Techniques

### Undercover Operations

An undercover operation is one in which an investigative agent assumes the role of a participant in an activity that relates to criminal behavior. It is designed to collect direct, first-hand, evidence or to obtain collateral intelligence, such as the names of other participants or locations of criminal activities. Undercover activities are often combined with electronic monitoring (also known as consensual monitoring or "wearing a wire") to substantiate the agent's eyewitness testimony.

The range of undercover operations is almost limitless. An undercover operation can be as simple as one agent's visit to a medical clinic (while wearing a wire) to collect first-hand evidence of illegal drug diversion activities; or it can be a major undertaking such as the operation of a bogus company involved in ostensibly shady dealings, in order to learn of illegal activities.

The undercover agent is an actor, assuming an often dangerous role. The undercover agent must win the trust of the operation's targets, a task that often entails personal risk. The pay-off, however, comes when sufficient trust has been established so that the targets are willing to share their secrets with the undercover agent.

These secrets can consist of the actual commission of a crime in the presence of the agent, as when a drug dealer sells his wares to an undercover agent. While such undercover "buys" have long been a staple of drug law enforcement, they have usually been accompanied by immediate arrests.

The "buy/bust" syndrome has become standard. The Task Forces have resisted the simple buy/bust approach and have used their undercover operations to gain greater access to drug organizations by making increasingly larger "buys" from increasingly higher figures in the organization. This method leads to better identification—and stronger incrimination—of high level drug dealers.

In some instances, an undercover agent becomes a member of the target criminal organization. The Southern Comfort case, involving an organization run by kingpin Harold Rosenthal, is illustrative:

An informant was a pilot for Rosenthal's organization. Rosenthal wanted him to hire a copilot. DEA obliged by providing one of its agents who was a qualified pilot. Together, the informant and the undercover agent flew cocaine into the country (where ultimately it was intercepted). But Rosenthal became suspicious of the copilot, believing he was responsible for leaks of information that were endangering the organization. Rosenthal ordered the pilot to investigate the copilot and "take care of him," if necessary. Because Rosenthal was known to be quite capable of ordering the "elimination" of anyone who threatened his operation, the Task Force team had to take steps to protect the agent. Accordingly, the pilot reported back to Rosenthal that he had gift-wrapped and presented a poisonous snake to the copilot, thereby arranging an "accident" which claimed the copilot's life. The funeral was duly reported by Atlanta newspapers. In this case the agent was able to provide enormous amounts of highly useful information for the investigation and contributed significantly to the ultimate prosecution of Rosenthal and his associates.

#### OCDETF Case Narrative

Undercover operations are the most frequently exploited source of investigative information in Task Force operations other than informants. During 1984, 35.3 percent of those cases in which indictments were brought had utilized an undercover operation as an element of the investigation.

The utility of undercover operations grows out of two factors in particular. One factor is the necessity of discovering what normally remains hid-

den and unreported. Drug dealing is based on transactions between two willing parties—a buyer and a seller. Therefore, there is usually no one to file a complaint. To discover the drug dealers, it is often necessary for an agent to pose as a party to such a transaction.

The second factor is the credibility of a witness. Undercover agents are credible witnesses. When an informer-witness, or "snitch," has been a party to criminal activities it is often possible for the defense to challenge that witness's integrity, especially if the witness was an accomplice, has a criminal history, or has entered into a plea agreement which limits punitive exposure in exchange for testimony. The undercover agent, on the other hand, is a professional law enforcement officer, not a criminal. In testifying, the agent is reporting on how professional responsibilities were carried out. When this first-hand testimony is further substantiated by authorized wiretaps or by consensual recordings of conversations with or between defendants, the testimony becomes unassailable.

Task Force operations most commonly seek to use undercover operations to identify and incriminate the organizational heart, the leadership without which it can no longer function. A frequent objective is to learn the identities of those parties in the organization who never touch the drugs—the bankers, lawyers, financiers, and others who enrich themselves in criminal activities. Such Task Force cases are usually designed strategically, with an intended long-range objective complementing other aspects of the investigation. The approach must remain flexible, however, in order to permit prompt exploitation of targets of opportunity as they arise.

#### Title III Wiretaps

A major OCDE Task Force case, concluded in 1984 with substantial convictions, involved importation of 18 kilos of heroin concealed in a shipment of Italian tiles destined for Buffalo. On September 13, 1983, the heroin was surreptitiously removed from the shipment in a New Jersey in-bond warehouse and replaced with a look-alike by Task Force Agents. Three days later, Andrea Aiello, awaiting the shipment in Buffalo, phoned his confederate Lorenzo Scaduto in New York City with a status report. (In this intercepted conversation, authorized under Title III, the "horse" is the heroin shipment; the "track" is the warehouse.)

Aiello: Ahm...I'm here waiting because...the horse, ah... yesterday they couldn't take him out. He was lame. So...I was supposed to get him this morning. But nothing has arrived yet. So I'm waiting until five o'clock.

Scaduto: Uh, uhm.

Aiello: I just spoke to a guy. He told me, he says, "I think... it's supposed to arrive at five o'clock." At least, we left it like this.

Scaduto: But did you ask him, if, if they took him out from the track?

Aiello: This morning... yesterday, they couldn't get it yesterday. So, now, ahh... they unhitched him this morning. And... I'll wait here at five o'clock.

Scaduto: Why don't you call the track here to see if already, or...

Aiello: What do I do with the track? Everything is done.

Scaduto: And they can tell you if it already left from there? They brought it from the track?

Aiello: He told me, "You can inquire over there. They will put it in the trailer."

Scaduto: Yeah.

Aiello: He says, "It will arrive over there." He says, "From here, the information that I got from the veterinarian is that it left today." So this is what I can tell you. He put it in our trailer. If that driver is able to run with speed... he should be over there tonight.

The following day Aiello reported that "the horse is in the barn."

AUSA Coordinator's Report  
and Title III Transcript

Title III of the Omnibus Crime Control and Safe Streets Act of 1968 is the legislation that enables the Federal Government to engage in wiretapping and electronic surveillance of private communications. Such intercepts are used to hear

and record secret conversations.\* The targets of the intercepts do not know that someone is listening, but often use code languages to disguise what they are discussing, on the assumption that the telephone may be tapped. In common parlance, one of these operations might be referred to as a bug, a tap, a wire, or a Title III.

***... Title IIIs are not frivolously undertaken. It is only because the Task Forces are engaged in cases of such magnitude and duration that the expenditure of such efforts and resources can be justified.***

Electronic surveillance can be one of the most productive tools in the investigation of organized crime and narcotics trafficking. Its particular value derives from two factors: for the investigations it produces intelligence leading to previously unknown conspirators, dates of events, and the locations of activities of interest to law enforcement. For the prosecutions it produces the defendant's own words, describing his criminal actions. Legally and properly obtained recordings or transcripts are strong, virtually incontrovertibly incriminating pieces of evidence. Some of the Task Forces' most impressive cases have been possible only because of the product of electronic intercepts.

***Of the 953 indictments reported by the end of 1984, 224 (23.5 percent) resulted from investigations which utilized an intercept operation.***

A wiretap or other similar intercept is, of course, an invasion of privacy and, under normal circumstances, is prohibited by the same Title III. The potential for abuse in conducting intercepts is

\* The legal restrictions of Title III do not apply to what is called a "consensual wire," in which, for instance, an undercover agent wears a hidden microphone and recorder. Courts have ruled that consensual intercepts are not substantially different from an agent's personally reporting what transpired, except that the recording is more accurate and reliable. At the same time, the Department of Justice reviews consensual operations in advance, against criteria similar to those for a Title III. There is no requirement for a court order, however.

enormous, and the law provides stiff penalties for those not clearly sanctioned. The process by which these bugs may be authorized and the constraints under which they are to be administered are set out in detail in law and in departmental guidelines and are designed to avoid eavesdropping that might be considered inappropriate. The first such constraint, for example, is a specific and limited listing of those offenses whose probable commission justifies the activation of an intercept operation.<sup>†</sup>

When an investigative team is convinced of the propriety and desirability of mounting a Title III operation, it is necessary to obtain first the approval of the U.S. Attorney General to request a court-ordered warrant for the operation. The application for this authorization must be extremely detailed, and its preparation is a time-consuming chore for agents and attorneys. The application is followed by a comparably detailed affidavit. Each court-approved intercept is then authorized for only a brief period—usually 10 to 15 days, and never more than 30 days. Any request for renewal requires a detailed review of the recordings or transcripts collected to date.

The actual operation of the listening and recording equipment makes enormous strains on the agencies' personnel. It is, for example, essential that conversations not covered by the court order *not* be intercepted, and this in turn means that the equipment must be monitored "live" rather than by automatic equipment. All pertinent materials that are recorded must be transcribed (and often translated, as well) and reviewed for investigative exploitation, for the operation's next renewal (when appropriate) or for prosecutorial use. These processes—monitoring, transcribing, translating, and reviewing—are tremendously time consuming and expensive. There is normally an additional necessity for a physical surveillance to reinforce the tap and, often, to exploit highly perishable leads. This kind of surveillance doubles the personnel needs.

The heavy burdens inherent in the several requirements listed above mean that Title IIIs are not frivolously undertaken. It is only because the Task Forces are engaged in cases of such magnitude and duration that the expenditure of such efforts and resources can be justified. And it is only because the combined resources of the agencies—in both personnel and expertise—are sufficient to mount and sustain wiretap operations that they have been brought to bear in so many instances

and with such beneficial results. Even the multiagency personnel pool is often not enough and many Task Force wiretaps have been possible only because of the assistance of State and local agencies, under the aegis of the Task Force Program. The Task Forces have benefited greatly from the many years of Title III experience of the FBI in particular and other investigators are becoming increasingly adept. For illustration, a Task Force lawyer has also noted that:

The District of New Jersey has particularly honed its skills in seeking court authorization for multiple wiretaps and in trying the resultant cases. . . . The OCDETF AUSAs have been heavily engaged in seeking and/or reviewing drug-related wiretaps, with ever-decreasing lead time needed for actual drafting as experience skyrockets.

The confluence of these factors has generated a surge of Title IIIs within the Task Forces. Of the 953 indictments reported by the end of 1984, 224 (23.5 percent) resulted from investigations which utilized an intercept operation.

***Convincing evidence of the flow and availability of large amounts of cash is of incomparable importance when bail is set and at the time of sentencing.***

The number of Title III authorizations and extensions approved by the Attorney General has doubled during the past two years, and narcotic cases currently account for more than two-third of the total.

***Using the reports of financial transactions which are gathered in the records of the Treasury Financial Law Enforcement Center (TFLEC), Task Forces seek to spot anomalies and patterns indicative of money laundering.***

<sup>†</sup> The comprehensive Crime Control Act of 1984 added currency transactions (31 U.S.C. 5322) to the offenses concerning which interceptions may be ordered.

## Financial Investigations

The OCDE Task Force Program has brought the use of multiagency financial investigations in narcotics cases to new levels of sophistication and utility, and extended their value dramatically. These investigations are typically spearheaded by IRS or Customs and coordinated by an AUSA specialist. This section will briefly examine the Task Forces' accomplishments in using financial investigations in narcotics cases to achieve a variety of objectives. Special attention will be given to two facets of OCDE Task Force Program financial investigations: tax grand juries and civil and criminal forfeiture law.

One major objective of Task Force financial investigations is the identification of previously unknown persons who are benefiting from drug trafficking. In practice these investigations lead principally to financiers and money launderers. Using the reports of financial transactions which are gathered in the records of the Treasury Financial Law Enforcement Center (TFLEC), Task Forces seek to spot anomalies and patterns indicative of money laundering.

In addition to identifying the unknowns, these units and the methods they employ can also take the name of a suspect and construct a trail of evidence that makes prosecution possible. Such a case is that of Luis Pinto, whose sole function was to assist three cocaine organizations by moving their cash funds into concealable or legitimate accounts for further use or reinvestment. (See case study, "The Standby Senator.")

Another purpose of financial investigations is to establish links among individuals engaged together in a narcotics enterprise. The flow of money, transfers of property, or transfers of interest in valuables or in companies can often be traced and documented by expert investigators. Within the OCDE Task Force Program it has become quite common, for instance, for search warrants to be drawn in such a fashion as to ensure that one authorized participant in a search party is a financial investigator with the expertise to recognize drug-related ledgers or other documents. The following excerpt from a Task Force case narrative shows the interplay of financial records and other investigative elements.

Electronic and physical surveillance of the activities was continued and on September 7, cryptic telephone conversations and physical surveillance of an apparent clandestine meeting led agents to follow one of Goldberg's associates to a storage locker in San

***An IRS analysis of Task Force cases indicted in 1984 disclosed an average elapsed time of 9.2 months from case initiation to the return of an indictment or information. During the same period, non-Task Force cases averaged 15.6 months.***

Rafael, California. The locker was searched pursuant to a warrant the following morning and inside were found packaging material with marijuana residue and over a thousand pages of business type records indicating a multimillion dollar Thai marijuana importation and distribution operation. During the next several months, the records were analyzed by experts and found to be detailed accounting records of an enterprise which had employed more than 20 individuals to receive, process, inventory, and distribute vast quantities of Thai marijuana, with total sales of 7.3 million dollars during May through August 1983. The records were also subjected to fingerprint and handwriting analysis and entries in the records concerning capital expenditure, such as the rental of trucks to transport the marijuana, were correlated with telephone tolls and subpoenaed rental records showing the rental of those trucks by subjects of the investigation. This, together with information developed from the wire tap of Goldberg and information from Wells and Scroggin concerning their knowledge of Goldberg's marijuana trafficking, furnished the basis for the indictment of Goldberg and the others.

### AUSA Case Narrative

An additional outcome of financial investigations relates to their impact on prosecution. Most jurors have little first-hand knowledge of drugs. They find it difficult to comprehend the significance of one kilo, a hundred pounds, or a ton. Measuring the size of an organization's operations in terms of dollars spent or received, however, brings the organization into much sharper focus for a jury. Convincing evidence of the flow and availability of large amounts of cash is of incomparable impor-

tance when bail is set and at the time of sentencing.

To facilitate financial investigations the Task Forces are encouraging and assisting the development of groups with special expertise. These are financial investigation units; generally staffed by investigators from two or more investigative agencies, and often joined by an AUSA. During 1984 about 40 of these units were active and most of them were part of, or closely related to, OCDE Task Forces. Eleven of the core cities have financial investigation units. The most widely known is Operation Greenback. (See Chapter 2.)

As the Internal Revenue Service increases its participation at the earlier stages of Task Force investigation there is more frequent use in search warrants, of language authorizing the search for and seizure of financial records of narcotics traffickers and organizations. This authorization is sought once probable cause is established that such evidence exists and is on the premises to be searched. Often, in keeping with the Task Force concept, IRS special agents participate with other agencies, using their specialized expertise to search for items of financial evidence. Having one warrant, executed by various agencies whose agents search for items within their area of expertise, greatly enhances the efficiency of the endeavor. Not only does the expertise of the IRS agents in locating critical financial documents assist in the development of Title 26 tax cases, the evidence gathered can provide leads to assets vulnerable to seizure under the forfeiture provisions of the CCE statute or the Controlled Substances Act and can also uncover evidence that will pertain to the "substantial income and resources" element of the CCE prosecution.

Before the OCDE Task Force Program was instituted, the Criminal Investigation Division of the IRS had initiated the High Level Drug Leaders (HLDL) project as a part of its efforts to combat narcotics traffickers. While most criminal cases in the Internal Revenue Service are investigated administratively, that is, without the use of a grand jury, HLDL cases utilized grand jury investigations. During the development of the OCDE Task Force Program, it was recognized that major drug investigations would be greatly enhanced by HLDL-type participation of the IRS.

***... the OCDE Task Force Program's conscious emphasis on forfeitures is calculated to cripple drug organizations by taking away their profits.***

In the early months of the OCDE Task Force Program, the IRS would submit detailed written requests for authorization to start or join Task Force grand jury investigations. That procedure was reflection of long-standing safeguards designed to prevent the misuse of the grand jury process. Requests for grand jury authorization were reviewed at several levels within the IRS and then forwarded to the Department of Justice. When these requests were approved the IRS would apply its resources to the grand jury investigation and, at its conclusion, prepare a lengthy and detailed report recommending prosecution. This report would also be reviewed at several levels within IRS before being submitted to the Department of Justice.

The system for approving IRS participation in grand jury investigations and for approving prosecution on tax charges was far more time consuming than the approval procedures of the other participating federal agencies. In some instances, procedural delays precluded IRS from participating in ongoing investigations and, in other instances where IRS was a participant, indictments were delayed to accommodate these lengthy reviews.

Coordinated timing of indictments is often critical to the success of Task Force prosecutions. Therefore, in November 1983, the IRS reevaluated its position and the Secretary of the Treasury modified the procedures, delegating approval of Task Force grand jury investigations to the District Directors. Further, authorizations for the prosecution of criminal tax cases involving Task Force targets during 1984 were made on an expedite basis, the average case being authorized in less than 30 days. Often authorizations were granted orally within 24 to 48 hours of the submission of the investigating agent's report.

Drawing on over a year's experience, it is possible to evaluate the effect that the expedited review process has had on Task Force tax cases. An IRS analysis of Task Force cases indicted in 1984 disclosed an average elapsed time of 9.1 months from case initiation to the return of an indictment or information. During the same period non-Task Force cases averaged 15.6 months. The expedited review procedures in Task Force cases has saved substantial time; this in turn, has resulted in more significant multifelony indictments, and in more tax dollars assessed and collected. Moreover, this expeditious review has allowed the IRS to apply its expertise to all financial aspects of investigations—not just tax violations—and to create an atmosphere of full cooperation with the other Federal and local enforcement agencies involved.

The streamlining of IRS procedures in Task Force cases has resulted in expanded effectiveness and use of the tax grand jury in Task Force grand jury investigations. A total of 120 Task Force grand jury investigations were authorized by the Department of Justice's Tax Division during 1984. As a result of these grand jury investigations, a total of 351 individuals have been investigated for criminal tax violations. In 1984, the Tax Division authorized prosecution of 271 of these defendants for criminal tax violations.

In a further attempt to streamline the processing of Task Force cases, the Tax Division of the Department of Justice appointed special Criminal Section attorneys as liaison attorneys to the Task Forces. Each tax attorney is assigned to a regional Task Force and is responsible for expeditious review of all grand jury requests and prosecution reports from the Task Force in that region. The attorneys were selected on the basis of their experience with complex multiagency investigations involving the extensive use of indirect methods of proof, which are frequently used in Task Force cases.

In 1984 prosecutors from the Tax Division traveled to all areas of the country where their expertise was required either by another prosecutor or by investigating agents. These activities were coordinated with the U.S. Attorneys and resulted in unprecedented cooperation in Task Force investigations and trials. Tax Division attorneys are also in constant contact with the Internal Revenue Service Coordinators in their respective regions in order to keep abreast of new developments that might be of particular importance to the Tax Division.

The following examples typify the results of the combined efforts of local Task Force AUSAs, with Tax Division support, using the expedited approval procedures and tax grand juries:

A Southwest Border Region case involved a major cocaine and marijuana importation/distribution organization. The grand jury investigation conducted by an Assistant U.S. Attorney and a Tax Division liaison attorney resulted in a multicount and multidefendant indictment charging various violations of Titles 18, 21 and 26. Among the charges were tax evasion, maintaining a continuing criminal enterprise, and conspiracy involving the laundering of drug proceeds by an accountant. To prosecute a CCE charge successfully, it is necessary to prove the defendant derived "substantial income" from his drug dealing. Charges of tax evasion amounting to

\$2,100,000 helped to meet that requirement. This case was resolved successfully after the second day of trial with guilty pleas being taken to various Title 26 and Title 21 offenses.

The Tax Division representative for the North Central Region Task Force helped the Task Force AUSA in Chicago in the grand jury investigation of Carl Valdes, et al. This investigation lasted through July, 1983, and concerned itself with an importation/distribution network that marketed cocaine with a street value of approximately \$50,000,000. The investigation resulted in the indictment of 21 people. Charges included violations of the RICO law, the continuing criminal enterprise statute, and criminal tax laws. The suit alleged evasion of a million dollars in taxes. A trial occurred in June 1984 which resulted in 20 of the 21 defendants being found guilty, the remaining defendant being a fugitive.

#### Tax Division Case Narratives

Multiagency grand jury investigations as outlined above are having an impact. Through December 31, 1984, 328 Task Force criminal indictments/informations for tax statute violations have been obtained. These charges generally were obtained in conjunction with other charges under narcotics, conspiracy or banking laws.

As in the case of tax grand juries, the OCDE Task Force Program's conscious emphasis on forfeitures is calculated to cripple drug organizations by taking away their profits. This is a field of spectacular success, in terms that are real and measurable.

At the Task Force Advisory Committee meeting in New Orleans early in 1984, the use of forfeitures was the principal topic discussed. Thanks to the presentation by the District of South Carolina and IRS's national office, our region learned of the successes that had been achieved in other parts of the country and decided to apply these principles in the Gulf Coast Region.

After the meeting the Eastern District of Texas stepped up its efforts to seize a horse ranch near Aubrey, Texas.

Included in this seizure were approximately 150 horses, several luxury homes, tractors, equipment, jewelry and expensive vehicles. In the trunk of one of the vehicles was 240 pounds of gold bullion. Current value of the seizures is estimated to be in the range of \$10,000,000.

In another Task Force case, the *Cash Crop* investigation, the Southern and Western Districts of Texas have seized bank accounts, vehicles, jewelry, contents of safety deposit boxes, three homes, a marijuana processing ranch, equipment, and land with approximate value of \$9,000,000.

#### AUSA Coordinator's Report

In another Southern District case a multi-million dollar printing company, vehicles, homes, and aircraft with an approximate value of \$5,000,000 were seized in a RICO indictment which is currently pending. The total seizures during 1984 of drug-related assets for this region exceeds \$26,000,000.

#### AUSA Coordinator's Report

The Task Forces are encouraged to use these complex and unfamiliar tools by presentations given at meetings such as the one in New Orleans cited here, and by a series of Task Force/Department of Justice seminars such as the week-long forfeitures seminar held in Denver in April 1984.

Other organizational reinforcers are regularly offered by the Department of Justice's Asset Forfeiture Office and the U.S. Marshal Service's National Asset Seizure and Forfeiture (NASAF) Program. The Asset Forfeiture Office supervises and assists in Federal forfeiture litigation. It provides forfeiture guidelines to all Federal prosecutors; provides advice, guidance, or research to attorneys and agencies requesting it; and provides training programs or speakers for sessions sponsored by other groups.

The NASAF Program, launched in the Spring of 1984, was created explicitly to centralize the management of seized assets and to support Task Force initiatives. The NASAF Program incorporates a headquarters administrative unit and 13 field offices, located in Task Force core cities (except that there is a NASAF office in Seattle and none in San Diego). NASAF, when fully implemented, will be a centralized program for the management of seized and forfeited property. It will

absorb the administrative and property management responsibilities associated with asset seizures previously handled by Federal investigators and attorneys.

The Comprehensive Crime Control Act of 1984 includes provisions that will have a major impact on Task Force forfeiture proceedings. Because the act was signed late in the year, the effect of the changes will not become apparent until 1985. The changes are briefly explained in Chapter 6 of this report.

The two "kingpin" statutes, RICO and CCE, provide for criminal forfeiture of the fruits of crime. Other statutes provide for civil forfeiture of such illicit profits. These forfeiture provisions are being used increasingly by the Task Forces, as are administrative seizures which can be employed under certain circumstances.

In addition to RICO and CCE seizures, jeopardy assessments executed by the IRS are a part of the Task Force arsenal. Jeopardy assessments differ from other tax assessments in that at any time after the due date the IRS may avoid the usual time-consuming procedures and immediately assess and collect the tax, given that there is an indication that collection may be in jeopardy. Termination assessments under the same circumstances are made before the due date.

Jeopardy and termination assessments are made by the IRS in OCDE Task Force cases and in other IRS narcotics-related investigations. It is not currently possible to segregate OCDE Task Force jeopardy and termination assessments from the total jeopardy and termination assessments made by IRS through its overall narcotics program, but an analysis of the total IRS narcotics jeopardy and termination assessments during fiscal years 1983 and 1984 is shown in the Exhibit following. It shows a substantial increase in the number of such assessments, the total amount assessed and the average assessment from FY 1983 to FY 1984 (the first full year of the OCDE Task Force Program). FY 1976 figures are provided for comparison:

#### IRS Narcotics Jeopardy and Termination Assessments

Fiscal Year	Number of Cases	Total Assessment (\$ Millions)	Average Assessment (\$)
1976	104	7.4	71,000
1983	262	68.8	262,900
1984	297	116.6	392,700

These jeopardy and termination assessments are civil forfeitures and result in an immediate demand for payment. They provide for seizures of assets of sufficient value to satisfy the subject's tax obligations. All other forfeiture laws can reach only property used in illegal activities or obtained with tainted money. Jeopardy and termination assessments, however, can apply to *all* property owned by the individual, regardless of the source of funds used to acquire the property. This feature makes these assessments particularly effective when dealing with wealthy narcotics traffickers.

The ability and willingness of the Task Forces to employ these tools has grown dramatically. The Program's first year resulted in almost \$50 million in seizures and forfeitures alone. The first OCDE Task Force Program Annual Report noted in its conclusion that "If first year trends continue into the second year, the expense of operating the OCDE Task Force Program may well be exceeded by the value of forfeitures, fines, and seizures generated by Task Force cases." The total value of Task Force fines, seizures, and forfeitures in 1984 was nearly \$170 million, and that projection has indeed been realized.

## The Witness Security Program

The Witness Security Program, established in 1971 as part of the Organized Crime Control Act of 1970, is administered by the U.S. Marshals Service. The program provides for the physical security and social well-being of government witnesses and their families whose lives have been threatened by virtue of their willingness to provide vital information and testimony against organized criminal activities. Witnesses and their families are relocated to a safe area under a new identity and assisted by the USMS in becoming self-sufficient. Since 1971 over 4,600 principal witnesses have accepted the protection of the program. Program witnesses are responsible for the conviction of over 78 percent of the defendants against whom they have testified. Since the program's inception, the Marshals Service has an unblemished record for protecting the lives of witnesses living within the security guidelines of the program.

In 1984, 44 witnesses entered the Witness Security Program after cooperating in Organized Crime Drug Enforcement Task Force investigations. They represent approximately 17 percent of the total of 265 witnesses who entered the Witness Security Program last year.

The protected Task Force witnesses testified

against many criminal organizations, most extremely dangerous. These witnesses were members of or closely associated with such narcotics organizations as the Pagans Motorcycle Gang in Pennsylvania, Maryland, and Delaware, the Ghost Riders in Washington, and the Outlaw Motorcycle Club in Ohio; Colombian trafficking groups; and the Dixie Mafia.

Four witnesses were placed in the program in a recent Task Force prosecution in the Northern District of Georgia, when members of the Rosenthal smuggling operation were indicted. Rosenthal and his associates have a well-established reputation for violence. Information indicates that the organization tortured those suspected of disloyalty.

The marijuana and cocaine ring of Harold Jerry Garmany was responsible for the importation of at least 200,000 pounds of marijuana and 80 kilograms of cocaine. The Garmany organization has been documented as extremely violent and involved in several murders. Members and customers of the organization had been beaten and threatened. Three witnesses in this case entered the Witness Security Program. In January 1984, Garmany was convicted in the Northern District of Alabama and was sentenced to 20 years incarceration and fined \$40,000.

In the Northern District of Ohio, two Drug Task Force witnesses entered the Program as a result of their cooperation in a case concerning seven members of an organization capable of distributing up to 20 kilograms per month of high grade cocaine, flown directly from Colombia. The organization was known for violence, and the lead defendant, Salvatore Gati, had made it clear that he used armed enforcers. All seven defendants either pled guilty or were convicted. Three defendants were sentenced to 12 years incarceration and fined \$10,000 each, one defendant was sentenced to 10 years and fined \$10,000, one defendant was sentenced to three years incarceration, and two are awaiting sentencing.

In March 1984, seven individuals were indicted by the Task Force in the Western District of North Carolina on charges arising from the distribution of marijuana and cocaine in Florida, North Carolina, and West Virginia. The majority of the defendants in the North Carolina prosecution are from Wilkes County, a mountainous rural area notorious for moonshine stills, bribery of public officials, and crimes of violence. There have been six drug-related homicides in the county in the last two years. One witness, who had been a member of the organization, entered the Witness Security Program. One leader of the group, Garvey

Martin Cheek, Jr., was convicted and sentenced to 75 years incarceration. His co-leader, Jeffrey Denny Van Meter, was convicted and sentenced to 50 years incarceration without parole. Three other defendants were convicted and each was sentenced to 10 years in Federal prison. Of the remaining two defendants, one is believed dead and the other is a fugitive. More than 50 other individuals are likely to be prosecuted as a result of this investigation.

In the Southern District of Mississippi, 11 individuals considered to be the very top criminals on the Gulf Coast were indicted. They had conducted their various illegal activities—including drug trafficking—with impunity for years because of their ability to bribe local law enforcement officers. A sheriff and his chief deputy were among

those indicted, and both agreed to testify for the Government. Because the group and its members had lengthy criminal records and a reputation for violence and murder, the sheriff, his deputy, and two other witnesses entered the Witness Security Program. Of the 11 defendants, 10 pled guilty, and the other committed suicide.

Members and associates of the Pagans Motorcycle Club were prosecuted in several districts on charges arising from the distribution of marijuana, quaaludes, methamphetamine, and cocaine. The Pagans, as a matter of policy, inflict or attempt to inflict severe bodily harm on any and all persons who testify against them. The Club has a documented history of violence, including murder. Several witnesses who have testified against the Pagans entered the Witness Security Program.

## Pagan Rituals

The Pagans Motorcycle Club is located primarily in East Coast states, from New York to Florida. The Pagans are organized in about 20 local chapters, under the direction of the Mother Club chapter, which elects from among its own members a National President, Vice-President, Sergeant-at-Arms, and Treasurer. Each of the Mother Club's 15 to 20 active members also serves as advisor to one or more local chapters. The Mother Club governs the Pagans by setting policy, enforcing rules, and scheduling Club events. Club members are commonly known by colorful nicknames.

For about ten years, members of the Pagans had been involved in dealing almost every kind of controlled substance, but the overwhelmingly predominant drugs were methamphetamine ("meth") and phencyclidine ("PCP"). Both of these synthetic drugs are manufactured in crude laboratories from other, fairly common, chemicals. A form of drug popular with some Pagans is "killerweed," parsley leaves impregnated with PCP, which can be smoked like cigarettes, but with very different results.

While Federal agents had been working against the Pagans for some time, the Pagans were careful to avoid seriously incriminating themselves on major drug charges. They were well aware of the provisions of the RICO statute, for instance, and took special precautions to protect themselves against RICO charges. But that all changed in October 1982, when an anonymous phone call to a well-known DEA agent indicated that "Jimmy D" wanted to cooperate.

Jimmy D had just been convicted in a state court of shooting a member of a rival criminal organization. The shooting was an assignment from the Club. While the attempted murder was a State offense, there were also Federal firearms charges filed against Jimmy D. He was worried about his wife and daughter, and wanted to avoid exposure to added prison time. So, Jimmy D "flipped."

Jimmy D had been a Pagan since 1976. In addition to his gun-toting enforcer role, he was intimately involved with the manufacture and distribution of meth and PCP within the Club, and had become a principal "chemist" of the Mother Club's meth. He was able to tell the Federal agents a great deal about previous drug dealing within the Mother Club. When he agreed to work with the federal agents as a confidential informant, arrangements were made for Jimmy D's release "on bail, pending appeal" of his shooting conviction.

Jimmy D's offer of cooperation coincided almost to the day with the President's announcement of the OCDE Task Force Program, which gave the investigators assurance that the resources of men and money would be available to continue long-term exploitation of this opportunity. Prospects for getting the Pagans looked bright. This was the first case accepted by the Task Force in Philadelphia.

Over the course of about six weeks, Jimmy D recontacted his friends in the Club, and let it be known that he needed money to care for his wife and daughter while he would be in prison. He agreed to cook a batch of meth, in exchange for \$10,000 paid to himself or his wife. DEA chemists made up a batch of "look-alike" meth, which Jimmy D was then able to sell to members known as "White Bear" and "McNut." These transactions took place at a Holiday Inn. Jimmy D was "wearing a wire," and Task Force agents heard and recorded the conversations, and photographed White Bear and McNut receiving the phony meth from Jimmy D and placing it in their cars.

Soon thereafter, Jimmy D returned to prison, and to the care of the Witness Protection Program.

The Task Force already had the benefit of an FBI confidential informant, "Kool Breeze," who contributed to the investigators' growing knowledge of the Pagans' drug dealings. Over the course of the following 18 months, more members came forward, offering to cooperate. In all, the cooperating members were "Shadow," "Ronnie," "Muff," "Yosemite Sam," "Worm," "Scarf," and "Hands." In addition, two non-members shared their knowledge of the Pagans' affairs.

To develop a body of informants of this sort, two investigative techniques in particular are required. One is the use of negotiated plea agreements and immunities. Most of the informants in this case had criminal charges pending against them, and hoped to mitigate their punishment by assisting the government in its pursuit of more serious criminals. Plea agreements must be carefully worked out, and were in most of these instances. Some of the informants, however, had no charges against them. Their cooperation was obtained through use of immunity agreements, which protected them from prosecution for a certain range of activities in which they may be or may have been involved.

The second technique is to afford the informant some guarantee of protection from his former criminal associates. Because of the Pagans' code of silence and proven history of violence, it was apparent that anyone who cooperated with the authorities would be in jeopardy. Eight of the informants have been taken into the Witness Security Program. Three others have accepted Federal assistance in relocating elsewhere.

Investigators continued to put together detailed and comprehensive cases, using their new informants. They were able to follow the course of some of the look-alike meth, for instance, when Dino gave a sample to Shadow. Shadow demonstrated his continuing value to the Task Force throughout most of 1983, as he was able to corroborate Jimmy D's reporting, and to provide continuing information after Jimmy D went back to prison. Like Jimmy D, "Kool Breeze" helped the investigation by wearing a wire to various Pagans meetings where drug deals were discussed. The tapes figured prominently at the first of the trials. "Muff" reported on her drug dealing involvement with a number of Pagans after her husband went to jail on federal drug charges.

It took until mid-1984 to put together secure cases against the Pagans' leadership. There was the look-alike meth deal of Jimmy D. Jimmy D and Kool Breeze recorded their various deals, Kool Breeze doing so up to late 1983. These and other informants used their recollections of other transactions they had witnessed or participated in, going back to 1975. There were dozens of occasions documented, each one with a first-hand account, and substantiated by at least one other informant's recollection.

In addition to the Philadelphia Task Force team and other Federal agents up and down the East Coast, State, county, and local law enforcement units in Virginia, West Virginia, Maryland, North Carolina, Delaware, Pennsylvania, New Jersey and New York made substantial contributions to the case.

The investigation has thus far resulted in 22 Pagans' being charged in two major indictments and four lesser ones, and the seizure of four clandestine PCP laboratories.

The trial of the first 10 Pagans opened in early 1985 and resulted in conviction of all 10 defendants; eight under RICO and two under CCE.

# The Illicit Drug Situation in 1984

This chapter presents a summary of the availability, trafficking, and abuse patterns of illicit drugs in the United States during 1984. This summary is arranged in the following categories: (1) Marijuana, (2) Cocaine, (3) Heroin, (4) Heroin Substitutes and Analogs, and a fifth category, "Dangerous Drugs." Dangerous drugs is an umbrella term used to describe those illicit drugs (stimulants, depressants, psychomimetic substances, etc.) which do not fall into the four previous categories.

## Marijuana

It is estimated that the volume of marijuana consumed in the United States in 1984 did not exceed the 1983 volume of nearly 14,000-tons. Marijuana availability in 1984 was affected by a preharvest shortage in the domestically grown portion of the commercial product. There has also been evidence of sporadic shortages of Colombian marijuana in 1984.

***The marijuana abusing population is likely to have stabilized or even decreased during the last five years.***

Estimates indicate that the domestically produced portion of the marijuana supply remained stable in 1984; it is not expected to exceed the 10 to 11 percent level attained in 1983.

The remaining 90 percent of the marijuana supply available in the United States in 1984 was from foreign sources. It was estimated that during 1983 Colombia accounted for 60 percent of the total United States supply. Based on preliminary data, the proportion declined in 1984. Mexican marijuana, on the other hand, was far more significant in the United States market in 1984, perhaps doubling its 1983 proportion of less than 10 percent. Other foreign sources of marijuana included Jamaica and Central America.

Although there is no direct evidence of a single

highly developed distribution structure in the United States, there is evidence to support the contention that many local, intrastate, and interstate distribution organizations exist and are responsible for the successful transportation and distribution of the large quantities of homegrown marijuana available in the market. In 1984 the major marijuana growing states were Hawaii, California, and Oklahoma, in that order. Major crops also originate in Arkansas, Georgia, Indiana, Kansas, Tennessee, and West Virginia.

The Federal Government funds cooperative efforts with some States to eradicate marijuana plants. That funding level increased from \$960,000 in 1982 to \$3.3 million in 1984. Some 3.8 million cultivated plants and approximately 9 million wild plants were destroyed during the year.

Marijuana abuse has actually declined in 1984 as measured by the number of younger users experimenting with the drug and the number of marijuana-related emergency room episodes. (See Exhibit 4-3.) However, this may be partially accounted for by the shortages mentioned earlier.

The marijuana abusing population is likely to have stabilized or even decreased during the last five years. The National High School Senior Survey indicates that 40 percent of all seniors used marijuana in 1984. This proportion is down from the 42 percent reported in 1983, and is the lowest since 1975. Changes in abuse patterns, rather than in absolute abuser prevalence, are likely to be responsible for the level of marijuana abuse indicators such as treatment admissions and emergency room men-

***Preliminary estimates indicate that approximately 74-90 metric tons of cocaine were exported to the United States in 1984. Approximately 75 percent of this supply originated in Colombia, most of the rest in Bolivia and Peru.***

tions. In general, the price of both hybrid marijuana and sinsemilla at more than \$100 per ounce make these varieties prohibitively expensive to younger users. For them, less expensive commercial grade marijuana sold at approximately \$50 per ounce remains the drug of choice. (See Exhibit 4-2.) It is known that high prices for sinsemilla in 1984 forced some adult users to downgrade to the domestic and imported commercial grade product.

### Cocaine

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Preliminary estimates indicate that approximately 74-90 metric tons of cocaine were exported to the United States in 1984. Approximately 75 percent of this supply originated in Colombia, most of the rest in Bolivia and Peru.

***Based on information obtained from intelligence sources, drug treatment clinics, and street studies units, it is estimated that "freebasing" (the inhaling of the fumes of a heated solution of cocaine and ether) is continuing to gain in popularity.***

By 1983, cocaine had saturated the United States drug market, causing substantial wholesale price reductions, although since June 1984 this situation has stabilized. Currently, a kilogram of cocaine sells in Miami for between \$33,000 and \$38,000 in multikilogram quantities. At the national level, the wholesale price of a kilogram of cocaine has declined from a range of approximately \$55,000 to \$65,000 in 1982 to a range of approximately \$40,000 to \$50,000 at the end of 1984. The price of cocaine at the "street" or gram level has not reflected the sharp downward trend at the wholesale level. Nationally, a gram currently sells for \$100 to \$120, a price that has remained relatively stable over the last several years; bargain purchases as low as \$50 a gram in Miami and \$75 in New York City have been reported from time to time. Price movement at the street level has been evident only in the increasing availability of small and therefore relatively inexpensive packages of cocaine. The marketing of these packages is probably related to a rise in the use of "speedballs," a heroin/cocaine combination, rather than market pressure on the price per gram of cocaine. There is continued evidence of an adequate supply of cocaine with stable wholesale prices in most cities during the second half of 1984. (See Exhibit 4-2.)

***... the rate of cocaine incidence on an annual basis had held relatively consistent from 1979 through 1984.***

Not all cocaine smuggled into the United States arrives as processed cocaine. Due to the relative ease with which chemicals used to convert cocaine paste into powder are obtained in the United States, south Florida has developed into a burgeoning cocaine processing area. This is evidenced by the increasing number of cocaine conversion laboratories seized there. During 1984, 18 of the 22 cocaine laboratories seized nationwide were in the south Florida area. The number of cocaine conversion laboratories seized in the United States has risen steadily since 1980. Seizures rose from three in that year to five in 1981, six in 1982, eleven in 1983.

Domestic removals of cocaine reported by the DEA have soared in the past three years. (See Exhibit 4-6.) ("Removals" consists of those amounts confiscated and small amounts voluntarily sacrificed to or purchased by Federal agencies.) Nonetheless, the glut remains.

All available indicators of cocaine abuse and trafficking suggest an increase over the high levels reported in 1983. The abuse of cocaine is widespread and growing. During the last year there has been evidence of the spread of cocaine abuse from high-income users to drug abusers in the lower socioeconomic levels, including narcotics addicts.

Most of the increase in intravenous cocaine use has occurred within the narcotics using population, although in New York City and Miami there is some evidence of intravenous cocaine use among persons not previously addicted to heroin. This appears to be due to increased availability of cocaine in smaller packages; which, weighing less, are less expensive. These packages are used for speedballs. Within the addict community in Eastern cities, the use of heroin/cocaine speedballs continues to grow. Speedballs account for a third of all cocaine overdose episodes reported through hospital emergency rooms (See Exhibit 4-3.) The smoking of marijuana cigarettes coated with coca paste has been reported in New York and Miami.

Based on information obtained from intelligence sources, drug treatment clinics, and street studies units, it is estimated that "freebasing" (the inhaling of the fumes of a heated solution of cocaine and ether) is continuing to gain in popularity. This fact would suggest that both the intensity and frequency of use of cocaine among dependent individuals are increasing at an even greater rate than

the prevalence or the frequency of cocaine use in the general population.

Treatment data for all persons reflect a 50 percent increase in primary cocaine admissions to public treatment facilities, although the absolute proportion of 8.5 percent of all drug admissions is low. Treatment data also suggest that a surprisingly large number of cocaine users (17.8 percent) do not initiate use until over the age of 25.

In the National Survey of High School Seniors conducted by the National Institute on Drug Abuse, approximately 5.8 percent of high school seniors report *monthly* use of cocaine in 1984; 12 percent report *yearly* use. Comparable 1976 figures were 2 percent for monthly users and 6 percent for annual users. The data also suggest that the period 1975-79 witnessed the greatest relative increase in new high school aged users, and that the rate of cocaine incidence on an annual basis had held relatively consistent from 1979 through 1984.

### Heroin

The smuggling of opiates into the United States is estimated to have increased in 1983-84. (See Exhibit 4-1.) The number of Nigerian couriers smuggling Pakistani-produced heroin into the United States from Nigeria increased significantly while substantial increases in Mexican border smuggling were also noted.

***The most significant change in heroin trafficking patterns over the last several years involved the processing points of Southwest Asian heroin.***

***This heroin is now composed primarily of Pakistani-refined heroin in lieu of the Italian processed product.***

Heroin originating in Iran, Pakistan, and Afghanistan still dominated the illicit heroin market throughout 1984. Its share of the United States market is now 49 percent. Southeast Asian heroin from opium grown in the "Golden Triangle" of Laos, Burma, and Thailand increased from 14 percent of the United States market in 1982 to its present 17 percent, while Mexican heroin commanded an overall 34 percent share. Indicators for Mexican heroin suggest continued increases in United States availability, primarily in the Southwest and on the Pacific Coast, and in Detroit, Chicago, and

St. Louis. On the East Coast, heroin abuse and availability have been stable at approximately 1982 levels except in Washington, D.C., where increases have been noted. Overall levels of availability and abuse have increased very slightly since 1982.

The most significant change in heroin trafficking patterns over the last several years involved the processing points of Southwest Asian heroin. This heroin is now composed primarily of Pakistani-refined heroin in lieu of the Italian processed product. The relative share of Southwest Asia heroin in the United States market declined slightly from 54 percent in 1981 to 49 percent in 1984. The Pakistani home-processed share within that market grew rapidly while the portion routed through Sicily and Italy for processing decreased during this period.

According to seizure data and other intelligence reports, Pakistani and Afghan heroin is readily available despite the concerted efforts of the Government of Pakistan to control opium production. Although government efforts have been partly successful, it is believed that many lab operators simply moved their operations across the border into Afghanistan where they continue to produce both heroin base and heroin hydrochloride. Pakistan, however, remains the conduit for Southwest Asian heroin moving to Europe and the United States.

Pakistani trafficking activity has expanded rapidly within the United States. Major Pakistani trafficking groups are active in New York, Washington, Los Angeles, and Detroit. While it is believed that the major share of heroin from Pakistan enters through New York, Miami has been reported as another east coast port of entry.

Lebanese trafficking groups are also active on the east coast and in the north central United States. During the past year, Lebanese trafficking activity increased significantly in New York, Detroit, and Boston—cities with large Lebanese communities having extended family connections in the United States, Canada, and Lebanon. The estimated share of the total United States heroin market trafficked by the Lebanese in 1984 was approximately 16 percent. This contrasts with the same period in 1983 when an estimated 6 percent of the market was handled by Lebanese (and some Syrian) traffickers. This trend coincides with increasing reports of heroin conversion laboratories in Lebanon.

Despite Thai use of the military in suppression efforts, there have been no indicators showing a scarcity in the availability of narcotics leaving Thailand for the international market. Kilogram prices for heroin have been dropping in Thailand, indicating a surplus. Additionally, some

La Cosa Nostra crime families on the U.S. east coast have consolidated contacts with sources of supply in Hong Kong and Thailand. Another group, consisting of illegal immigrants to the United States from the People's Republic of China, has infiltrated the Southeast Asia heroin market. This group is not one of the traditional "Triads" with roots in secret society history, but a new and relatively undefined threat.

***Designer drugs result when chemists structurally modify well-known and controlled substances in order to produce analogs of these substances not covered by the Controlled Substances Act.***

A recent upswing in Mexican heroin availability has been blamed on the declining Mexican economy, coupled with the devaluation of the peso which has led to greater involvement by Mexican nationals in the producing and export of narcotics. Wholesale purities are at an all-time high. The principal heroin producing areas in Mexico continue to be Sinaloa, Durango, and the Guerrero states.

**Heroin Substitutes and Analogs**

The use of heroin substitutes, composed primarily of pharmaceutical narcotics and analgesics, is highly regionalized and composed of diverse patterns and trends. In Chicago, New Orleans, St. Louis, Dallas, and Buffalo, pentazocine (Talwin), combined with pyribenzamine or triplennamine ("T's and Blues"), has been a major narcotic of choice. In Miami, Washington, D.C., and Boston, hydromorphone (Dilaudid) has traditionally been popular, while Newark, Chicago, Philadelphia, and Los Angeles dominate national trends in codeine combinations ("Hits," "Loads").

Some shift in user preference from pentazocine (Talwin) to codeine preparations and hydromorphone (Dilaudid) has been observed. This shift is partially the consequence of the decline in trafficking of T's and Blues which is attributable to the reformulation of Talwin (pentazocine) with a narcotic antagonist, an action voluntarily initiated by the manufacturer in early 1983 in order to decrease the abuse potential of the drug.

As addicts decrease their use of T's and Blues, Dilaudid is becoming the pharmaceutical opiate

most commonly abused by intravenous addicts. Oxycodone (Percodan) remains a very popular oral dosage form of narcotic, particularly in the southern states.

New alternatives are continually being developed. Over the years, the scientific search for potent analgesics with limited dependence-producing liabilities has not been totally successful. It has often yielded synthetic chemicals which produce euphoria but with a physical dependence similar to heroin's. Clandestine laboratory operators search scientific literature for methods which can be used to produce these new synthetics and give them increased control over illicit narcotics production and trafficking.

The term, "designer drugs" summarizes this phenomenon, first observed in California during the 1970s. Designer drugs result when chemists structurally modify well-known and controlled substances in order to produce analogs of these substances not covered by the Controlled Substances Act. Perhaps the best example of this phenomenon is the synthetic opiate fentanyl (a controlled substance) and its analogs. Fentanyl is a licit anesthetic used in most major surgical operations in the United States. Fentanyl is estimated to be approximately 80 times more potent than morphine. It is used illicitly as a heroin substitute as well as, in itself, a drug of choice. Recognizing that many analogs of the drug were not controlled, unethical chemists synthesized such an analog, alphamethyl fentanyl.

Alphamethyl fentanyl is estimated to be 300 times as potent as morphine. The illicit and uncontrolled nature of fentanyl analogs' manufacture leads to inconsistencies among batches. This fact, combined with the high potency of the various derivatives and difficulties in evenly distributing the drug during the procedure, contributes to the overdose potential of fentanyl analogs. Alphamethyl fentanyl was added to the Controlled Substances List in 1981. Almost immediately a new series of fentanyl analogs appeared on the market. During 1984 eight different fentanyl analogs from northern California were analyzed in federal laboratories. The fentanyl analog 3-methyl fentanyl, for example, was purchased in Brooklyn, New York, by DEA in July 1984. The suspects in this case indicated that their source of supply was in Califor-

***This complex pattern of abuse is, perhaps, nowhere more evident than in the category of dangerous drugs.***

nia. This analog is at least 10 times more potent than fentanyl, 1,000 to 2,000 times more potent than morphine.

Based on tissue analysis conducted by the University of California, 10 of the overdose deaths reported in the South Bay area of San Francisco in August 1984 were related to 3-methyl fentanyl. Fentanyl analogs proliferate in the San Francisco-Oakland Bay areas, including Marin and San Mateo Counties. During September 1984 the San Mateo County Crime Laboratory handled 60 to 70 fentanyl-related cases. Another analog, Benzyl fentanyl was believed to be involved in several overdoses in Indio, California, during September 1984. The drugs involved were similar to samples found in San Diego. Drug treatment programs in the Bay area also have reported an increase in fentanyl use by clients.

From a user point of view, fentanyl and heroin are similar enough to make them easily interchangeable. Fentanyl can be packaged in papers, balloons, tin foil, or coin holders and is adulterated with the same diluents as heroin. Experienced heroin users reported great satisfaction with fentanyl. There is increased evidence of the use of fentanyl, known on the street as "synthetic heroin."

### **Dangerous Drugs**

The drug abuse situation remains complex. Polydrug abuse is now the norm rather than the exception among users of all classes of drug. This complex pattern of abuse is, perhaps, nowhere more evident than in the category of dangerous drugs.

After a period of decline methamphetamine abuse and trafficking have recently increased. The use of oral dosage forms of amphetamine has continued to decline as a long range trend, probably

reflecting the curtailment of supplies diverted from legitimate sources.

The trend of diminishing availability and abuse of methaqualone first noted during 1981 has continued in 1983 and 1984. Methaqualone abuse continues to decline due to shortages of bulk methaqualone powder, a consequence of international controls which have now been adopted by virtually all major producing and exporting countries. The bulk of purported Quaalude tablets available in the United States in 1984 was counterfeit, generally containing an alternative depressant or sedative substance such as diazepam or phenobarbital. Currently, the focus of illicit methaqualone trafficking remains in Florida and the Southeast and is likely to remain so simply due to the prevalence of well-established methaqualone trafficking groups in that area.

Available intelligence suggests that abusers are becoming wary of counterfeit Quaaludes due to the generally poor quality of the product as well as erratic and fluctuating potency. Increasingly, diazepam tablets and capsules, which retail for approximately \$1, are supplanting methaqualone as the street depressant of choice.

The use of PCP increased in 1983 and again in 1984. PCP use continues to grow at a significant rate in Washington, D.C., New York, and Los Angeles. Additionally, there is growing evidence of the increased importance of both heroin/PCP and cocaine/PCP combinations in the illicit retail traffic. Both the illicit distribution and manufacture of this drug are dominated by Black and Hispanic traffickers and the demographics of the abusing population accurately reflect those of the dealers. The major exception to this pattern is in the Queens/Long Island area of New York where PCP is widely abused by white males, aged 15 to 25 years.

## National Drug Data Tables

The following exhibits reflect national data for each of the years beginning with 1981. The exhibits are arranged in these categories: The Market (Exhibits 4-1 and 4-2), Use and Abuse (Exhibit 4-3), and Drug Law Enforcement (Exhibits 4-4, 4-5 and 4-6). The data source is identified for each table. Law enforcement data are based on Federal activity alone and do not reflect the extensive efforts of State and local authorities.

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### Exhibit 4-1 Importation/Production

	CY81	CY82	CY83	CY84
Heroin (metric tons)	3.89	4.08	4.12	
Cocaine (metric tons)	34-45	45-54	50-61	
Marijuana (metric tons)	9,600	12,340	13,600	
Dangerous Drugs (MDU)*	3,280	3,030	2,660	

\*Million dosage units

Source: DEA, NNICC, Narcotics Intelligence Estimates, 1983.

### Exhibit 4-2 Retail Prices

	CY81	CY82	CY83	CY84
Heroin (per milligram)	\$2.34	\$2.31	\$2.50	\$2.34 (E)
Purity (percent)	3.9	5.0	4.5	4.7 (E)
Cocaine (per gram, 30% pure)	\$100	\$100-125	\$100-125	\$100-120*
Commercial Grade Marijuana (per ounce)		\$30-50	\$40-65	\$40-65*

(E) Estimated

\*November 1984

Source: DEA data.

**Exhibit 4-3  
Emergency Room Mentions**

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	CY81	CY82	CY83	CY84
Heroin	9,667	12,640	12,663	12,000 (E)
Cocaine	4,781	6,180	7,194	9,900 (E)
Marijuana	4,678	5,293	5,590	5,400 (E)
Dangerous Drugs	15,909	15,134	12,870	11,550 (E)

(E) Estimated

Source: DEA data.

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**Exhibit 4-4  
Drug Arrests**

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	CY81	CY82	CY83	CY84
Heroin	2,526	2,218	2,098	
Cocaine	4,289	4,415	5,113	
Marijuana	3,726	3,683	3,770	
Dangerous Drugs	2,337	2,387	1,826	
Total	12,878	12,701	12,807	13,000 (E)

(E) Estimated

Source: DEA, Offender Based Transaction System.

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**Exhibit 4-5  
Convictions**

	CY81	CY82	CY83	CY84
Heroin	1,087	1,162	1,982	
Cocaine	1,998	2,121	3,473	
Marijuana	1,386	1,538	3,104	
Dangerous Drugs	1,348	1,167	1,849	
Total	5,819	5,988	10,408*	10,000* (E)

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(E) Estimated

\*Improved quality control procedures introduced in 1983 have resulted in the late reporting of a portion of the convictions.

Source: DEA, Offender Based Transaction System.

**Exhibit 4-6  
Drug Removals\***

	CY81	CY82	CY83	CY84
Heroin (kilos)	231	305	495	385
Cocaine (kilos)	3,205	9,763	18,027	12,390
Marijuana (kilos)	3,078,696	3,022,551	1,948,771	2,446,373
Dangerous Drugs (MDU)	139,936	13,998	21,056	17,759

\*Includes seizures, purchases, and samples

Source: Coast Guard, plus DEA data for all other agencies.

## The Barons of Pot

"The Barons of Pot," that's what the *Ann Arbor News* labelled brothers Ned and Fred Shure after their arraignment. By that time, the information had surfaced in various trials that the Shures were leaders of one of the largest marijuana organizations in Michigan. This was made especially newsworthy by the fact that Ann Arbor had achieved its own national notoriety some years earlier when it made the penalty for smoking marijuana a mere \$5 fine.

Fred Shure is a 50-year-old Harvard graduate. He received a doctorate in physics from the University of Michigan, where he was a professor of nuclear engineering from 1955 until 1981 when the investigation began. He and brother Ned own a student book store adjacent to the 30,000-student campus of Eastern Michigan University in nearby Ypsilanti. The Shures are active and well-known businessmen who own many real estate properties in the Ann Arbor area. In 1979 they even purchased the largest building in Flint, Michigan, an 18-story office building.

The Shures enjoyed a modest lifestyle in Ann Arbor which belied the true extent of their illegal activities and wealth. An investigation of the Shures began in September 1981 as part of an ongoing grand jury task force operated in Detroit, known as Operation Citadel. The participating agencies at that time consisted of the Internal Revenue Service and the Drug Enforcement Administration. In 1982 the Federal Bureau of Investigation joined this Task Force.

Witnesses contacted throughout the investigation were generally uncooperative, either because they were business and personal friends of the Shures who couldn't believe they were involved in illegal activity, or because the witnesses themselves were involved in the illegal activity. Immediately after being contacted by an agent, most witnesses would call one of the Shures who would refer them to an attorney. During the investigation, 25 witnesses claimed their Fifth Amendment privilege, several fled the state, and a large number of others were uncooperative or obstructive. The Shures were confident that they were insulated from prosecution by the circle of friends that protected them, by the business acumen that had legitimized their illegal income, and by their clandestine methods of importing marijuana.

In late 1982 the members of the Operation Citadel Task Force began to pull the pieces of the puzzle together. The FBI in Michigan learned of a major grand jury investigation in Virginia. Marijuana was being imported there, and some of it was then transported to Michigan. A cooperating witness in Norfolk identified the financiers and recipients of 40,000 pounds of marijuana in 1980 as "Jim and Jeff," two brothers from Ann Arbor. DEA had recently broken up a major marijuana organization in New Orleans. In this case the financiers of a 40,000-pound load were identified as "Jim and Jeff Stern from Detroit."

At this point, the Great Lakes Region of the OCDE Task Force Program was formed and "The Barons of Pot" became one of the original Task Force cases. In April of 1983 the Shures were indicted in New Orleans on four counts of importation of marijuana, a 15 year felony violation. Recognizing their continuing liability in Virginia and Michigan, Ned and Fred Shure signed a plea agreement in May 1983, requiring them to plead guilty to one tax and two drug counts, making them each liable for fines of up to \$260,000 and permitting sentences of up to 35 years in prison. They also agreed to cooperate fully with the Government and testify in court regarding their illegal activities.

The Shure brothers testified that they had been involved in the distribution of marijuana since 1970. Between 1977 and 1981 they distributed over 250,000 pounds of marijuana in Michigan and California, importing the loads through Florida, Louisiana, Virginia, and California. Throughout this period, they had earned and spent millions of dollars on ventures and misadventures involving their marijuana marketing activity. They had owned several planes to transport marijuana, two of which crashed. They invested over \$1 million in a boat that burned before they got a chance to ship the first load of marijuana. They had flown all over the world to arrange marijuana shipments, always using false names so as not to be identified. To hide some of their illegal income they laundered it through their legitimate businesses and maintained cash hoards in excess of \$500,000 in gold and silver stored in California and Canada.

The Shures had nine employees in Michigan who transported, bagged, and processed the marijuana, and eight who were distributors. By the end of 1984 eight of these 17 had pleaded guilty to various tax and drug counts and more pleas were expected.

The testimony of the Shures has had a significant impact on other Task Forces, for example:

In addition to transporting marijuana from various ports of entry into Michigan, the Shures imported marijuana into California and had a separate organization to distribute it there. One of the California partners was Bruce Perlowin, who was also involved in a money laundering scheme out of Florida. He was charged in Tampa in early 1983 with RICO and with conspiracy to defraud the government.

In December 1984 Perlowin decided to plead guilty not only to the charges in Florida, but also to Continuing Criminal Enterprise in California. He was sentenced to 15 years in prison on the two charges, and property valued at \$2.4 million was forfeited. In addition to Perlowin, two other individuals pled guilty to tax and drug charges in Florida. Others were indicted and the Shures will testify against them in subsequent trials.

Since early 1983, two men have been under investigation by the IRS in Denver. The Shures had financial and drug dealings with both of these individuals, who had operated in California as well. One is a close friend of the Shures and is expected to sign a plea agreement and cooperate. IRS agents in Colorado have joined in a California grand jury investigation into the Shure organization.

On March 28, 1984, the Shures were sentenced in the courtroom of Judge Charles W. Joiner in Ann Arbor. While the Shures were liable for a substantial sentence, their lawyer, a former U.S. Attorney, argued that their cooperation went above and beyond the call of the plea agreement, and therefore they should be given special consideration. He cited letters from U.S. Attorneys' Offices throughout the country as evidence of the Shures' cooperation. He indicated to the court that a fair sentence would have to be below the parole guidelines of 40-52 months, otherwise their cooperation would have been totally unrewarded.

The judge didn't see it that way. Cognizant of the community interest in this case, the judge, in a 25-minute sentencing speech, laid out his reasons for the sentence he was about to give. He acknowledged that the Shures were fine family men but he said this was not a factor that should influence judges in connection with sentences to be imposed. Then, focusing on the cooperation of the Shures, as their own attorney had done, he stated that he believed the Shures had already received the benefit of their cooperation by being charged with a lesser crime. He sentenced each of the Shures to seven years in prison on each drug count and five years in prison for the tax charge, with the sentences to be concurrent. He further imposed the maximum fine for each count, a total of \$260,000 each. These penalties are in addition to the \$555,000 in taxes, interest, and penalties the Shures owe the Internal Revenue Service.

It will be years before the full impact of Ned and Fred Shures' cooperation and testimony can be evaluated. It has set in motion a chain reaction in the drug community all across the country. As drug organizations collapsed under the weight of the Shures' testimony, more witnesses have cooperated and other organizations have been exposed. Through this Organized Crime Drug Task Force Program investigation, new and significant tax and drug cases will be generated for the next several years.

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# Task Force Results

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The following chapter presents Task Force Program data from the creation of the Program through December 31, 1984. Exhibits 5-1 through 5-6 describe the investigations initiated by the Task Forces. Exhibits 5-7 through 5-10 present data about the indictments and informations returned in Task Force cases; Exhibits 5-11 and 5-12 describe the defendants charged in those cases; and Exhibits 5-13 through 5-15 show the disposition of the charges. Exhibits 5-16 through 5-19 illustrate the assets removal activities of the Task Forces. Most of these data were derived from the OCDE Task Force Program Case Monitoring System.

Since the program was created, the Task Forces have initiated 804 investigations, 335 (41.7 percent) of which have resulted in at least one indictment or information. A total of 953 indictments and informations have been returned charging 3,733 defendants. As of December 31, 1984, 1,408 defendants had pled guilty or been found guilty in Task Force cases.

The Task Forces are identified in the Exhibits as follows:

FC	Florida/Caribbean
GL	Great Lakes
GC	Gulf Coast
LA	Los Angeles/Nevada
MA	Mid-Atlantic
MS	Mountain States
NE	New England
NY	New York/New Jersey
NC	North Central
NW	Northwest
SC	South Central
SE	Southeast
SW	Southwest

Data for the four Federal judicial districts that were reassigned to different regions on October 1, 1984 are included in the statistics for their new regions. (See Chapter 2.)

Exhibits 5-1 and 5-2 show the type and scope of the criminal organizations targeted in Task Force investigations. More than one organization is targeted in some investigations. A total of 804 in-

vestigations were initiated, nearly half of which (395) targeted at least one organization whose primary purpose is drug trafficking. One-third of the investigations (34.1 percent) targeted criminal groups primarily engaged in other felony crimes, but whose members also engaged in drug trafficking. Sixty-two Task Force investigations (7.7 percent) targeted traditional organized crime (LCN) families; 49 investigations (6.1 percent) targeted motorcycle gangs; 11 (1.4 percent) targeted prison gangs; and 14 (1.7 percent) targeted registrants or individuals having legal authority over controlled substances.

Nearly half of the Task Force investigations (48.3 percent) targeted organizations whose illicit activities were international in scope. Because the Task Force program emphasizes regional enforcement activities, 44.5 percent of the investigations targeted organizations whose activities span two or more Federal judicial districts. Only 55 investigations (6.8 percent) targeted organizations whose criminal activities were limited to single Federal judicial districts.

Exhibits 5-3 and 5-4 reveal the drugs and criminal activities under investigation by the Task Forces. Note that more than one type of drug or activity may be involved in a single investigation. More investigations involved cocaine than any other drug (73.6 percent of the investigations).

Most Task Force investigations (93.7 percent) examined some form of drug distribution. The investigations also probed importation (62.8 percent), money laundering (53.2 percent), and financial backing of drug trafficking (43.0 percent). Relatively few Task Force investigations explored crop cultivation (5.7 percent) or drug diversion (3.0 percent).

Exhibit 5-5, Proposed Investigative Techniques, illustrates the variety of investigative techniques the Task Forces are able to employ. This table shows the techniques Task Force participants *anticipated* would be used at the time the investigations were initiated. Note that use of more than one technique is planned in most investigations. (No

regional breakdown is indicated for reasons of investigative sensitivity.) The most common proposed techniques were financial investigation (71.6 percent of investigations), use of investigative grand juries (70.9 percent), undercover operations (64.6 percent), and immunities (50.5 percent).

Exhibit 5-6, Law Enforcement Agency Participation, underscores the Task Force Program's emphasis on multiagency investigations. It illustrates the various Federal, State, and local law enforcement agencies participating in Task Force investigations and prosecution. This exhibit shows the number of investigations to which each agency *expected* to commit personnel at the time they were initiated; more than one agency is involved in nearly all investigations. DEA, FBI, and IRS each expected to participate in at least two-thirds of the investigations initiated. Customs and ATF anticipated their participation in 48.5 percent and 34.8 percent of the investigations, respectively.

Exhibits 5-7 through 5-12 describe the 953 indictments and informations returned in Task Force cases through December 31, 1984. Charges have been brought in 41.7 percent of the investigations initiated as of that date. A total of 3,733 defendants have been charged.

Exhibits 5-7 and 5-8 delineate the drugs involved and criminal activities charged in the indictments and informations returned by the Task Forces. Note that more than one drug or activity is often involved in a single case. Cocaine-related offenses were charged more often than those of any other drug (44.4 percent of the cases). Marijuana offenses were charged in 283 indictments (29.7 percent) and methamphetamine offenses were charged in 125 indictments (13.1 percent). Some indictments and informations did not allege any drug offenses, primarily cases involving money laundering and other financial offenses.

Over 80 percent of the Task Force indictments (781) charged drug distribution and almost a third charged importation (291).

Exhibit 5-9, Investigative Techniques Used, reveals the variety of investigative techniques employed by the Task Forces in those cases that resulted in charges. Note that more than one technique is used in most investigations. (No regional breakdown is indicated for reasons of investigative sensitivity.) The investigative techniques most commonly employed were: extended surveillance (46.5 percent of indictments), investigative grand juries (41.6 percent), immunity (38.0 percent), undercover operations (35.3 percent), and financial investigations (35.3 percent).

Exhibit 5-10, Law Enforcement Agency Participation, delineates the various Federal, State, and

local law enforcement agencies, as well as foreign government agencies, that participated in those Task Force cases resulting in charges. Because the Task Force Program emphasizes multiagency investigations, more than one agency is involved in virtually all investigations. Foreign government agencies participated in 40 investigations (4.2 percent).

Over two-thirds of the Task Force indictments and informations were a result of investigations in which DEA was involved. The FBI and IRS each participated in over half.

Exhibits 5-11 and 5-12 describe the defendants charged in Task Force cases. Exhibit 5-11 shows the variety of roles the defendants played in the targeted criminal organizations. The defendants charged to date have included leaders of criminal organizations (33.4 percent of named defendants) and major drug suppliers and distributors (21.8 percent). Fifteen of the defendants were described as corrupt public officials.

Exhibit 5-12 presents the numbers of defendants charged with various offenses. Note that many defendants were charged with more than one offense. Title 21 offenses of conspiracy and distribution were the most common offenses charged: three-quarters of the defendants (2,793) were charged with conspiracy and nearly half (1,722) were charged with distribution. Thirty percent of the defendants (1,121) were charged with other offenses, including use of a communications facility, possession with intent to distribute, and conspiracy to defraud the government.

Exhibits 5-13 through 5-15 present disposition and sentencing information for Task Force cases. Exhibit 5-13 illustrates the dispositions of defendants in Task Force cases that have been adjudicated through December 31, 1984. Of the defendants charged, 72.4 percent pled guilty to at least one charge and 17.9 percent were found guilty (by judge or jury) on at least one charge. Slightly over 3 percent of the defendants were acquitted on all charges while 6.4 percent had all of their charges dismissed. The 1,408 defendants who were guilty of at least one charge do not include defendants whose sentences were pending at year's end.

Exhibit 5-14 displays the array of charges for which defendants were convicted and the number of convictions per offense category (defendants were often convicted of more than one offense). The major offenses include Title 21 conspiracy (34.9 percent) and distribution (27.8 percent). Other convictions included 165 Title 21 importation charges, 119 Interstate Transportation in Aid of Racketeering (ITAR) charges, 104 RICO and 60 CCE charges. The 3,110 convictions include those for

defendants whose sentences were pending as of the end of the year.

Net prison term ranges and the number of defendants sentenced to each term are identified in Exhibit 5-15. A total of 276 defendants (19.6 percent) were not sentenced to prison, but received suspended sentences, probation, or another sentencing option. Less than half (47.7 percent) of all defendants convicted and sentenced received prison terms of five years or less. Many defendants (268) received sentences of six to ten years. Forty-four defendants received prison terms of over 20 years; of those, five received terms of more than 65 years, including one life sentence imposed for operating a Continuing Criminal Enterprise.

Exhibits 5-16 through 5-19 describe the asset removal activities of the Task Forces through December 31, 1984. As Exhibit 5-16 shows, the

Task Forces have seized a total of 214 kilos of heroin, 13,282 kilos of cocaine, and over 500,000 kilos of marijuana. The largest combined seizures of each type of drug include 107 kilos of heroin and 3,385 kilos of cocaine from the New York/New Jersey Region and 126,646 kilos of marijuana from the New England Region.

Exhibits 5-17 and 5-18 show that \$76,279,000 in cash, and property valued at \$81,338,000 have been seized. In addition, \$12,330,000 in cash and \$39,715,000 in property have been forfeited through the efforts of the Task Forces. The largest forfeitures have occurred in the Southeast Region, where a total of \$13,577,000 in cash and property have been forfeited to the government. \$9,624,000 in fines have been assessed in Task Force cases. The largest number of fines have been levied in the Mid-Atlantic, Southeast, and Great Lakes regions.

**Exhibit 5-1**  
**Type of Criminal Organizations Targeted in**  
**Investigations Initiated through December 31, 1984**

Number of Investigations*																Percentage of Investi- gations N = 804**
Type	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total		
74 Drug Trafficking Organization	21	38	33	19	49	31	16	44	35	39	38	20	12	395	49.1%	
Other Criminal Group	23	22	35	21	25	8	13	18	22	20	23	26	18	274	34.1%	
LCN	5	4	1	2	9	2	12	21	1	0	4	0	1	62	7.7%	
Motorcycle Gang	1	6	3	2	8	4	2	3	4	6	5	2	3	49	6.1%	
Registrant	0	1	0	1	3	0	0	0	5	0	3	1	0	14	1.7%	
Prison Gang	0	0	1	0	3	0	0	1	3	1	1	1	0	11	1.4%	
Total Unspecified														24	3.0%	

Legend

LCN: "La Cosa Nostra," traditional organized crime families.

Drug Trafficking Organization: Organizations whose primary purpose is drug trafficking.

Other Criminal Group: Organizations involved in felony crimes whose members also engage in drug trafficking.

Motorcycle Gang: Organizations controlled by motorcycle clubs.

Prison Gang: Organizations controlled by prison inmates.

Registrant: Persons who subvert legal authority over controlled substances.

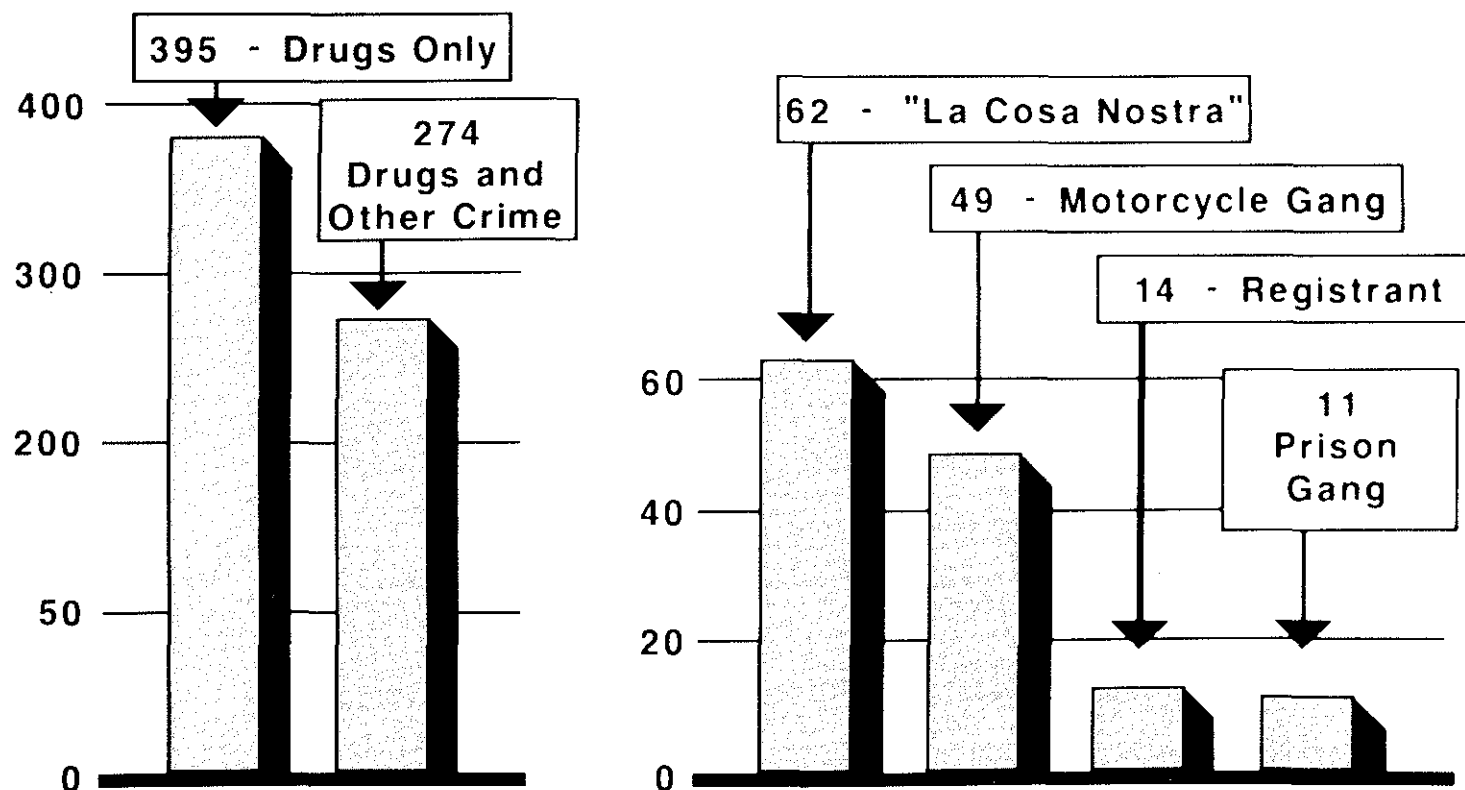
\* The number of investigations in which at least one organization of this type was targeted.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of involvement for each type of organization. More than one type of organization is involved in some investigations.

Organized Crime Drug Enforcement Task Force Program

**TYPE OF CRIMINAL ORGANIZATIONS TARGETED**

In Investigations Initiated Through December 31, 1984



**Exhibit 5-2**  
**Scope of Criminal Organizations Targeted in**  
**Investigations Initiated through December 31, 1984**

76

Scope	Number of Investigations*														Percentage of Investi- gations N = 804**
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
International	26	34	48	32	40	17	26	60	15	19	19	27	45	388	48.3%
Multi-district	17	35	24	12	54	27	16	20	44	35	46	22	6	358	44.5%
Single district	6	2	3	1	7	0	1	6	8	11	6	3	1	55	6.8%
Total Unspecified														26	3.2%

Legend

International: Criminal activities that include substantial international drug trafficking.

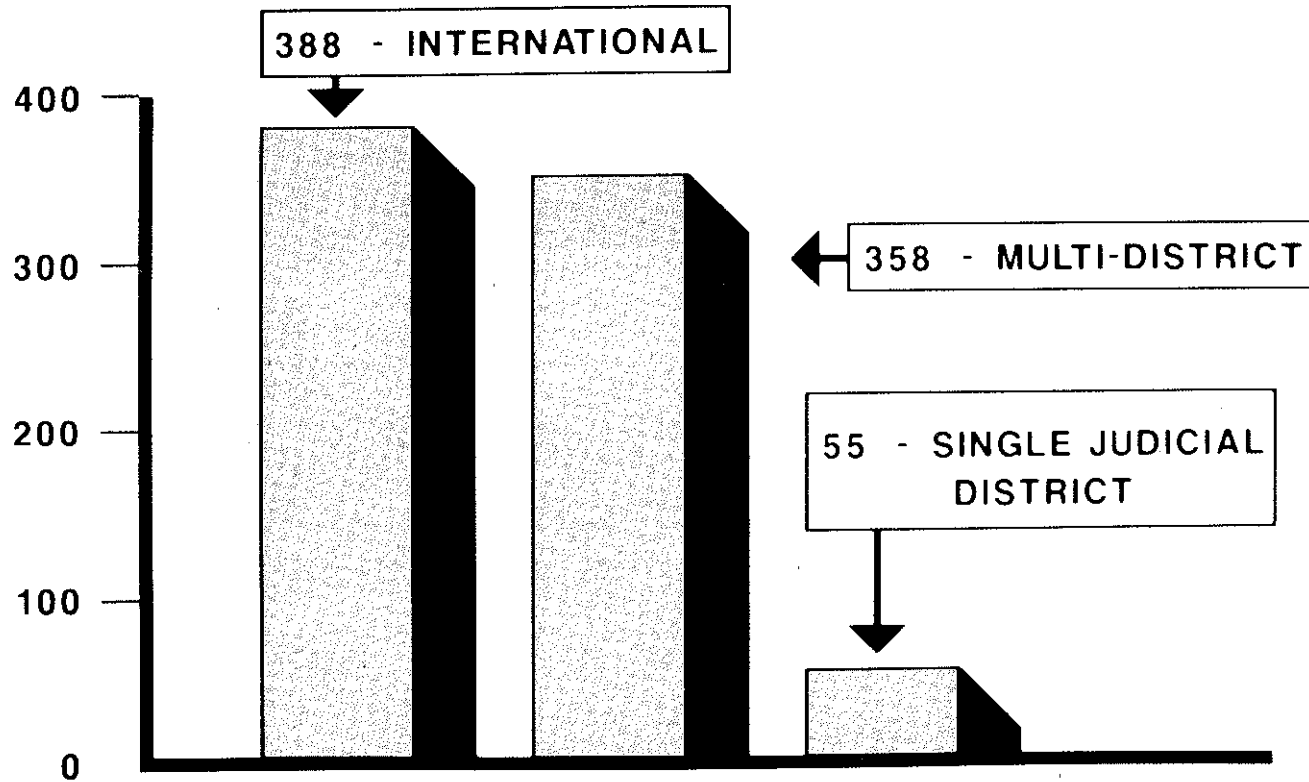
Multi-District: Criminal activities in two or more Federal judicial districts.

Single District: Criminal activities limited to one Federal judicial district.

\* The number of investigations in which at least one organization of this geographic scope was targeted;

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of investigations within each category. More than one organization is involved in some investigations.

## Organized Crime Drug Enforcement Task Force Program SCOPE OF CRIMINAL ORGANIZATIONS TARGETED



**Exhibit 5-3**  
**Drugs Involved in**  
**Investigations Initiated through December 31, 1984**

78

Drug	Number of Investigations Involving Drug														Total	Percentage of Investigations N = 804*
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW			
Cocaine	32	57	65	31	61	36	32	62	55	49	51	37	24	592	73.6%	
Marijuana	42	33	53	7	26	22	25	12	36	26	42	33	23	380	47.3%	
Heroin	4	19	14	13	27	5	13	39	11	14	8	6	7	180	22.4%	
Methamphetamine	0	8	14	4	22	10	2	10	7	9	11	4	5	106	13.3%	
Methaqualone	8	10	6	2	3	0	1	3	4	1	9	9	2	58	7.2%	
Hashish	1	7	4	0	6	2	7	5	4	4	2	4	3	49	6.1%	
PCP	1	4	4	1	5	0	0	1	4	0	6	0	1	27	3.4%	
Pharmaceutical	0	2	3	1	4	4	1	0	6	0	5	1	0	27	3.4%	
Other	0	2	3	2	7	0	3	5	3	2	9	0	2	38	4.7%	
Total Unspecified														16	2.0%	

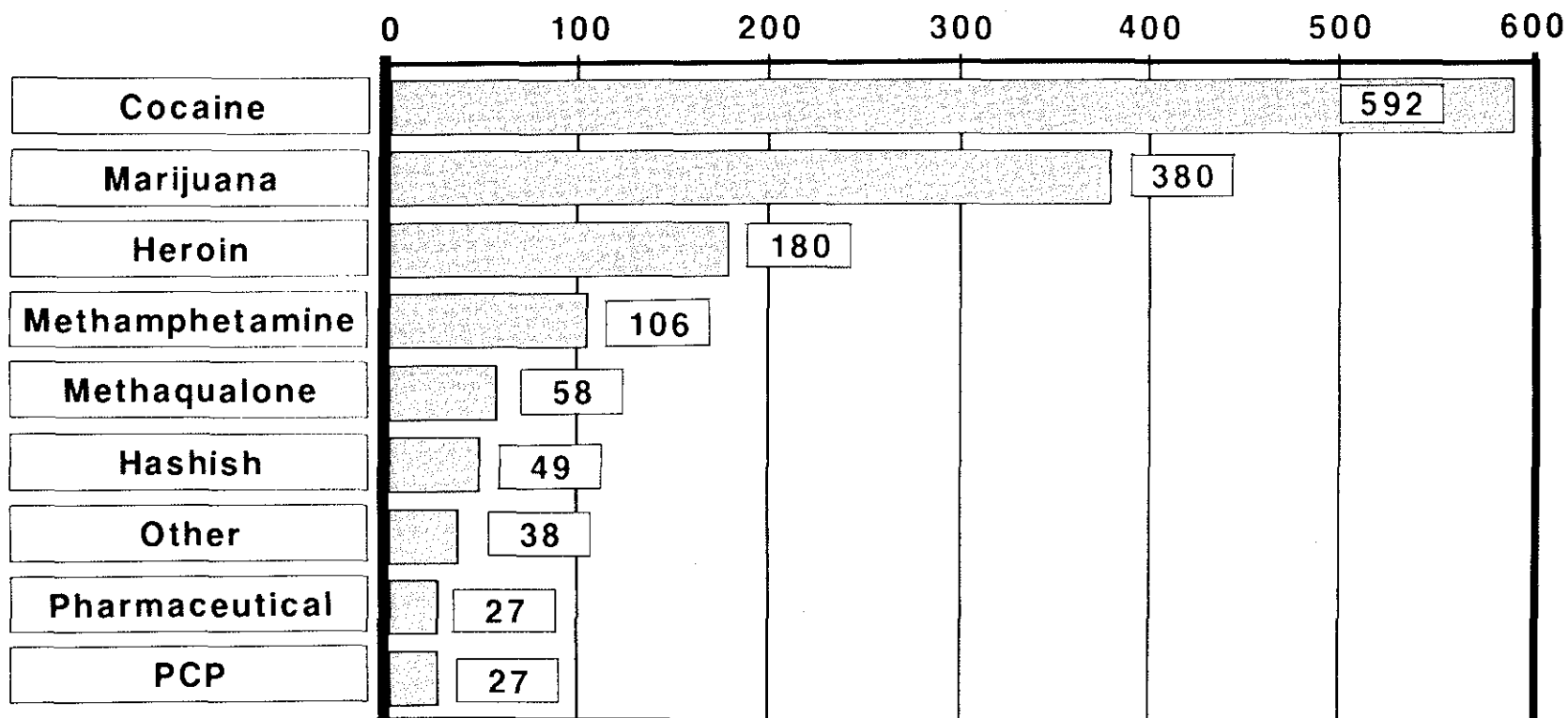
\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mention for each drug. More than one drug is involved in many investigations.

Exhibit 5-3 (Continued)

Organized Crime Drug Enforcement Task Force Program

**DRUGS INVOLVED**

In Investigations Initiated Through December 31, 1984



**Exhibit 5-4**  
**Type of Criminal Activities Involved in**  
**Investigations Initiated through December 31, 1984**

Activity	Number of Investigations Involving Activity														Percentage of Investi- gations N = 804*
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
80 Distribution	46	63	72	42	92	44	40	79	64	66	67	48	30	753	93.7%
Importation	42	36	62	34	46	25	33	56	36	46	28	34	27	505	62.8%
Money Laundering	27	36	46	31	38	22	22	42	35	38	31	35	25	428	53.2%
Financial Backing	24	30	37	22	32	9	29	45	25	26	23	31	13	346	43.0%
Street Sales	14	33	36	10	35	16	26	21	34	9	31	18	6	289	35.9%
Manufacture	7	8	16	8	25	9	2	16	11	10	14	6	10	142	17.7%
Crop Cultivation	4	3	8	1	0	3	1	0	3	5	9	4	5	46	5.7%
Diversion	2	1	0	1	5	1	1	0	2	0	7	2	2	24	3.0%
Other	8	1	8	3	3	1	1	6	2	4	6	2	7	52	6.5%
Total Unspecified														9	1.1%

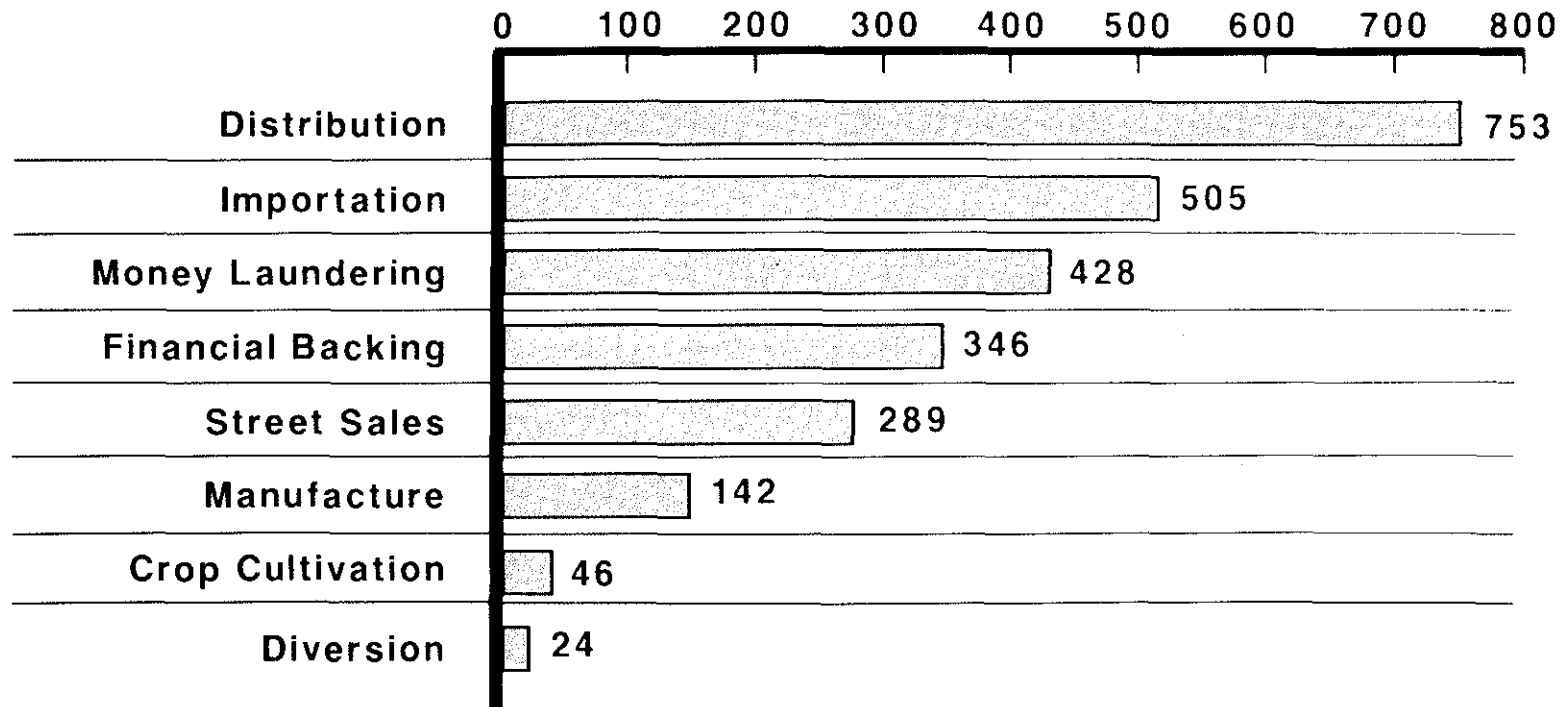
\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in most investigations.

Exhibit 5-4 (Continued)

Organized Crime Drug Enforcement Task Force Program

**TYPE OF CRIMINAL ACTIVITIES INVOLVED**

In Investigations Initiated Through December 31, 1984



**Exhibit 5-5**  
**Investigative Techniques Proposed\* in**  
**Investigations Initiated through December 31, 1984**

82

Technique	Number of Investigations**	Percentage of Investigations N = 804***
Financial Investigation	576	71.6%
Investigative Grand Jury	570	70.9%
Undercover	519	64.6%
Immunity	406	50.5%
Tax Grand Jury	355	44.1%
Title III	351	43.7%
Witness Security	253	31.5%
Extradition	56	7.0%
Parole into U.S.	7	0.9%
Other	117	14.5%
Unspecified	17	2.1%

\* The major investigative techniques personnel *anticipated* would be used at the time the investigations were initiated. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of investigations in which this technique was proposed.

\*\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency with which each technique was proposed. More than one technique is proposed in virtually all investigations.

**Exhibit 5-6**  
**Law Enforcement Agency Participation in**  
**Investigations Initiated through December 31, 1984**

Agency	Number of Investigations*														Percentage of Investi- gations N = 804**
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
DEA	33	45	73	33	78	37	42	71	58	62	61	46	29	668	83.1%
FBI	18	58	64	22	60	41	36	39	53	57	47	48	23	566	70.4%
IRS	19	50	63	27	54	28	24	42	58	46	49	45	26	531	66.0%
Customs	12	29	52	30	49	19	15	30	30	51	11	38	24	390	48.5%
ATF	10	18	52	6	26	17	13	24	26	36	19	24	9	280	34.8%
Local Investigators	15	19	26	10	25	23	15	35	26	21	34	14	10	273	34.0%
State Investigators	16	14	28	8	23	21	18	21	15	10	23	33	6	236	29.3%
U.S. Marshals Service	3	14	38	2	3	9	5	7	7	4	4	7	9	112	13.9%
Coast Guard	2	9	9	3	3	2	6	3	2	6	4	8	7	64	8.0%
Local Prosecutors	3	2	8	4	9	8	6	16	4	0	5	3	1	69	8.6%
State Prosecutors	0	3	6	2	4	9	7	5	4	0	7	6	1	54	6.7%
Organized Crime Strike Force	2	1	4	4	9	1	10	8	1	2	1	2	0	45	5.6%
Other	4	6	7	5	6	1	8	11	20	2	3	2	2	77	9.6%
Total Unspecified														39	4.8%

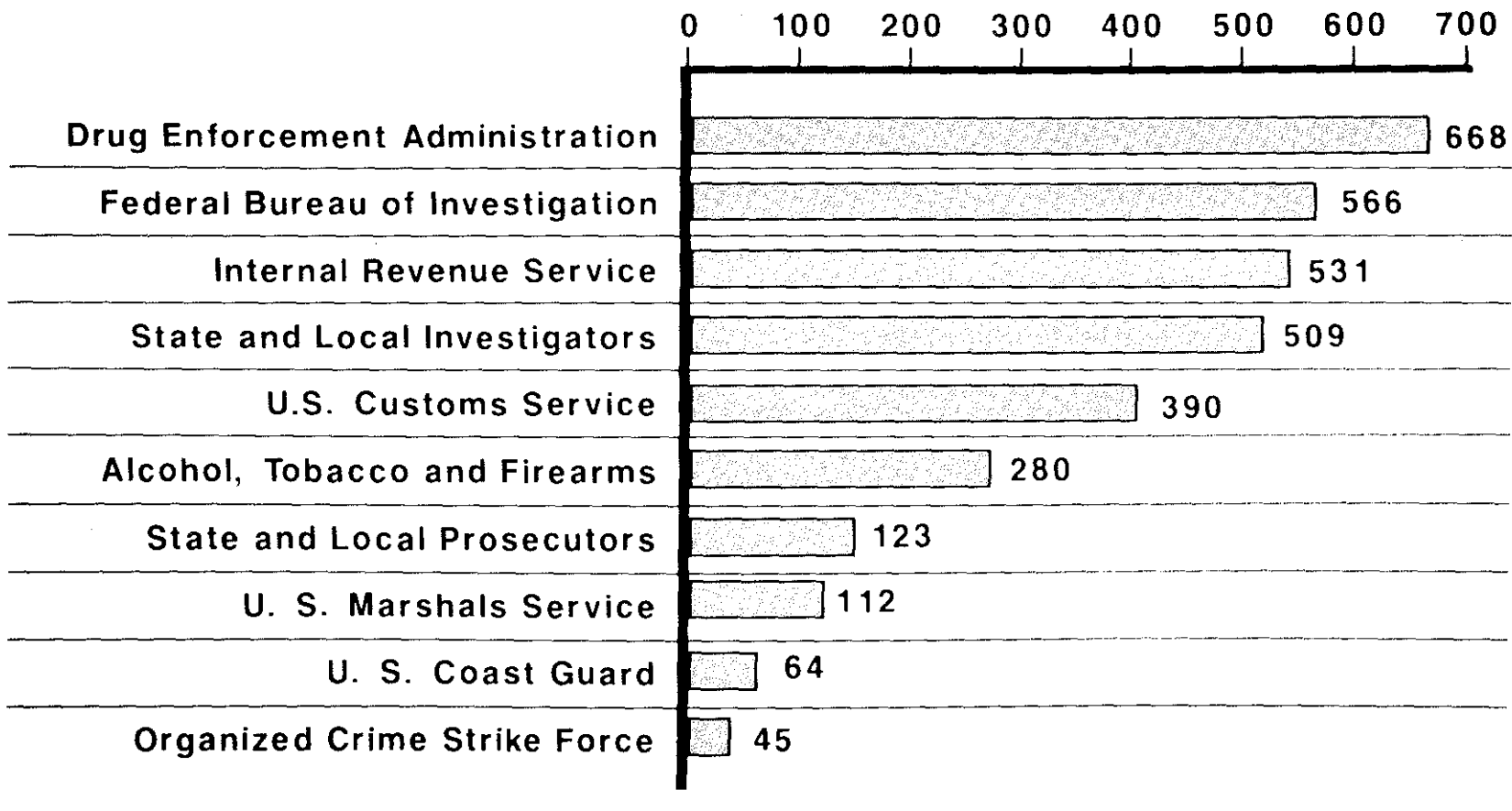
\* The number of investigations in which this agency *expected* to participate, at the time the investigations were initiated.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in almost all cases.

## Organized Crime Drug Enforcement Task Force Program

**LAW ENFORCEMENT AGENCY PARTICIPATION\***

In Investigations Initiated Through December 31, 1984



\* The number of investigations in which this agency *expected* to participate, at the time the investigations were initiated.

**Exhibit 5-7**  
**Drugs Charged in**  
**Indictments and Informations Returned through December 31, 1984**

Drug	Number of Indictments and Informations*														Percentage	
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	N = 953**	
Cocaine	10	57	34	14	28	32	26	43	36	36	65	26	16	423	44.4%	
Marijuana	8	38	30	3	29	20	14	15	29	25	16	30	26	283	29.7%	85
Methamphetamine	0	23	6	0	54	10	2	9	3	8	6	0	4	125	13.1%	
Heroin	0	12	9	5	38	2	5	22	6	3	9	8	2	121	12.7%	
Methaqualone	1	7	5	0	1	0	1	3	4	1	6	2	3	34	3.6%	
Hashish	1	2	0	0	5	2	5	4	0	1	1	8	2	31	3.3%	
Pharmaceutical	0	2	1	0	2	2	0	0	4	0	2	2	0	15	1.6%	
PCP	0	0	0	0	6	0	0	1	1	0	2	0	1	11	1.2%	
Other	0	4	0	1	27	2	2	9	6	3	6	2	1	63	6.6%	
None or Unspecified***														97	10.2%	

\* The number of indictments and informations in which this drug was charged.

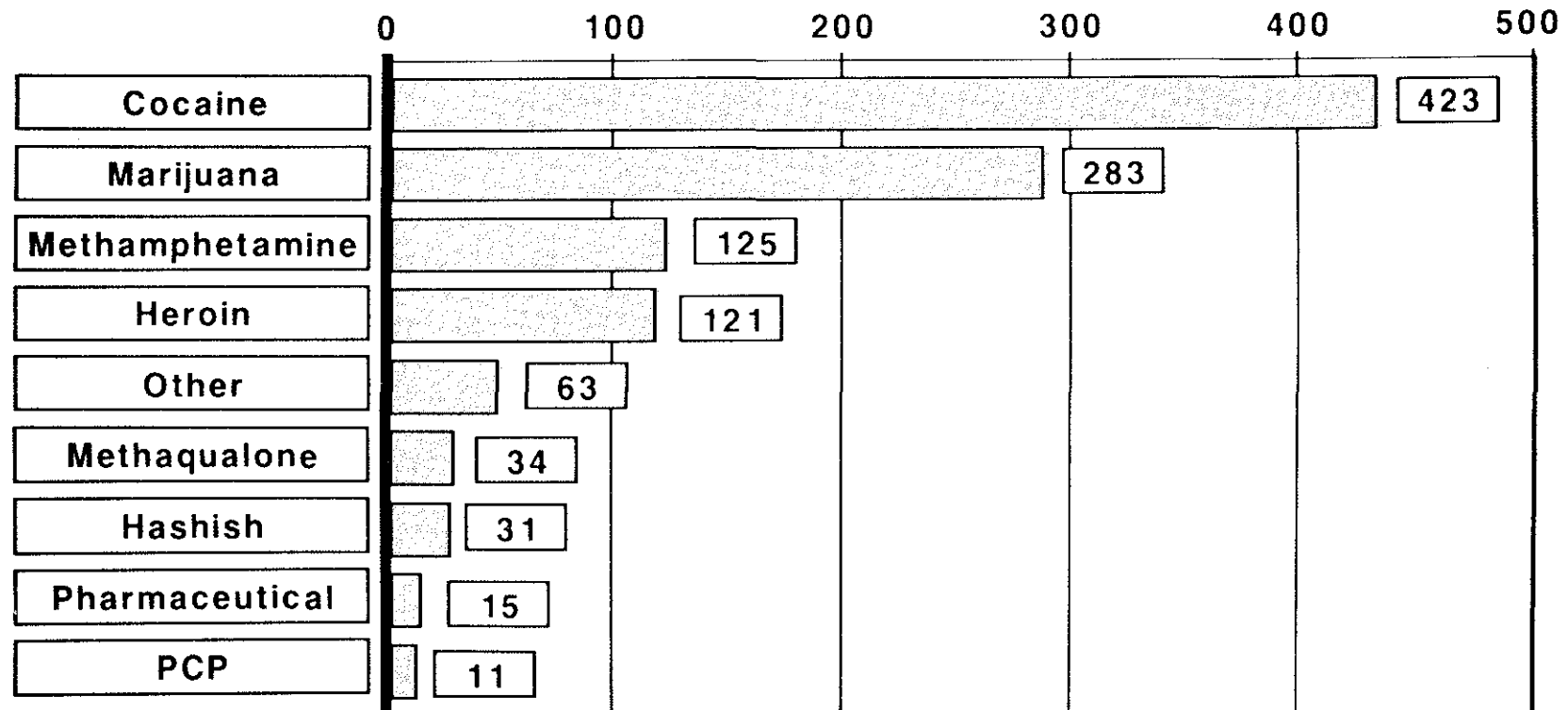
\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

\*\*\* Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

# Organized Crime Drug Enforcement Task Force Program

## DRUGS CHARGED

In Indictments and Informations Returned Through December 31, 1984



**Exhibit 5-8**  
**Type of Criminal Activities Charged in**  
**Indictments and Informations Returned through December 31, 1984**

Activity	Number of Indictments and Informations*														Percentage	
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	N = 953**	
Distribution	14	126	59	19	139	54	36	55	53	64	79	51	32	781	82.0%	
Importation	10	11	37	6	25	8	17	30	18	34	36	32	27	291	30.5%	
Street Sales	0	8	12	1	14	24	12	22	16	9	39	12	4	173	18.2%	
Financial Backing	7	3	6	2	25	3	9	23	7	27	34	9	12	167	17.5%	
Money Laundering	7	6	9	6	16	6	9	12	15	19	31	7	16	159	16.7%	
Manufacture	0	1	7	6	11	16	1	8	4	9	31	0	5	99	10.4%	
Crop Cultivation	0	1	1	1	1	5	1	0	0	0	25	0	5	40	4.2%	
Diversion	0	1	0	0	0	0	0	0	5	0	22	0	0	28	2.9%	
Other	6	3	7	1	51	2	3	14	6	5	8	3	21	130	13.6%	
Total Unspecified														60	6.3%	

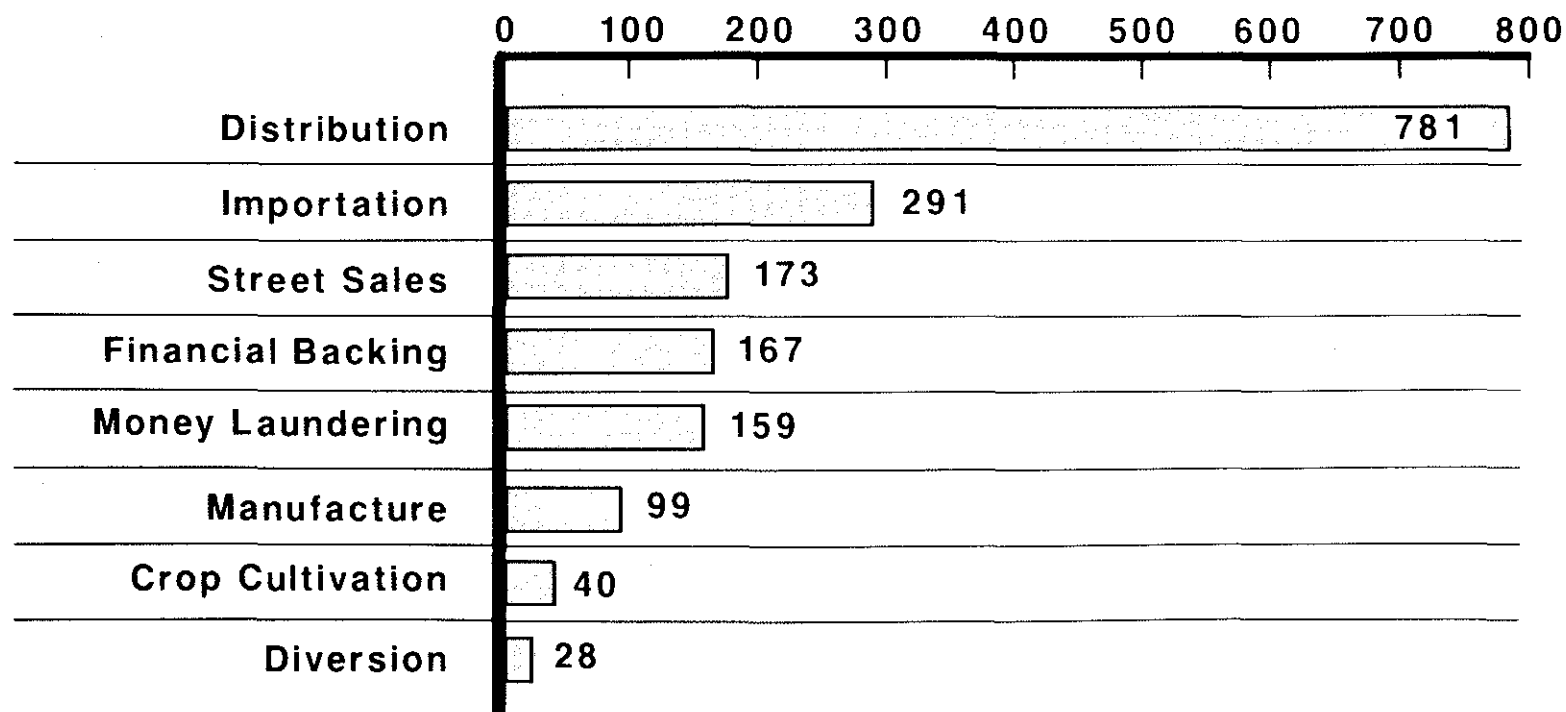
\* The number of indictments and informations in which this activity was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in most cases.

## Organized Crime Drug Enforcement Task Force Program

**TYPE OF CRIMINAL ACTIVITIES CHARGED**

In Indictments and Informations Returned Through December 31, 1984



**Exhibit 5-9**  
**Investigative Techniques Used\* for**  
**Indictments and Informations Returned through December 31, 1984**

Technique	Number of Indictments and Informations**	Percentage N = 953***
Extended Surveillance	443	46.5%
Investigative Grand Jury	396	41.6%
Immunity	362	38.0%
Undercover	336	35.3%
Financial Investigation	336	35.3%
Tax Grand Jury	232	24.3%
Witness Security	231	24.2%
Title III	224	23.5%
Extradition	24	2.5%
Mutual Judicial Assistance Treaty	11	1.1%
Parole into U.S	3	0.3%
Other	107	11.2%
Unspecified	144	15.1%

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\* The major investigative techniques used during investigation and prosecution. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of indictments and informations for which this technique was used.

\*\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency with which each technique was used. More than one technique is involved in most cases.

**Exhibit 5-10**  
**Law Enforcement Agency Participation in**  
**Investigations Resulting in Charges through December 31, 1984**

Agency	Number of Indictments and Informations*														Percentage	
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	N = 953**	
DEA	11	34	61	14	150	24	35	74	51	57	78	59	51	699	73.3%	
FBI	5	49	48	9	87	27	22	60	18	49	70	63	35	542	56.9%	
IRS	5	104	30	8	117	18	6	22	51	31	29	39	42	502	52.7%	
Customs	5	13	32	9	61	12	4	14	13	19	1	37	34	254	26.6%	
ATF	0	7	7	0	65	1	4	3	4	6	10	36	25	168	17.6%	
Coast Guard	1	0	0	0	9	0	4	1	0	0	0	0	4	19	2.0%	
Organized Crime Strike Force	2	0	2	0	2	4	2	7	0	0	0	1	0	20	2.1%	
State Investigators	2	71	4	0	7	3	1	14	13	2	3	6	1	127	13.3%	
State Prosecutors	0	2	2	0	2	4	2	18	5	0	2	2	2	41	4.3%	
Local Investigators	8	7	18	10	125	28	27	30	24	22	47	47	16	409	42.9%	
Local Prosecutors	2	14	12	3	38	16	1	26	10	4	18	7	3	154	16.2%	
Foreign Government	0	0	3	0	1	0	4	19	1	2	1	3	6	40	4.2%	
Other OCDE Task Force	2	0	2	0	0	2	0	12	6	1	1	3	2	31	3.2%	
Other	0	7	0	1	3	2	0	1	2	0	0	2	1	19	2.0%	
Total Unspecified														47	4.9%	

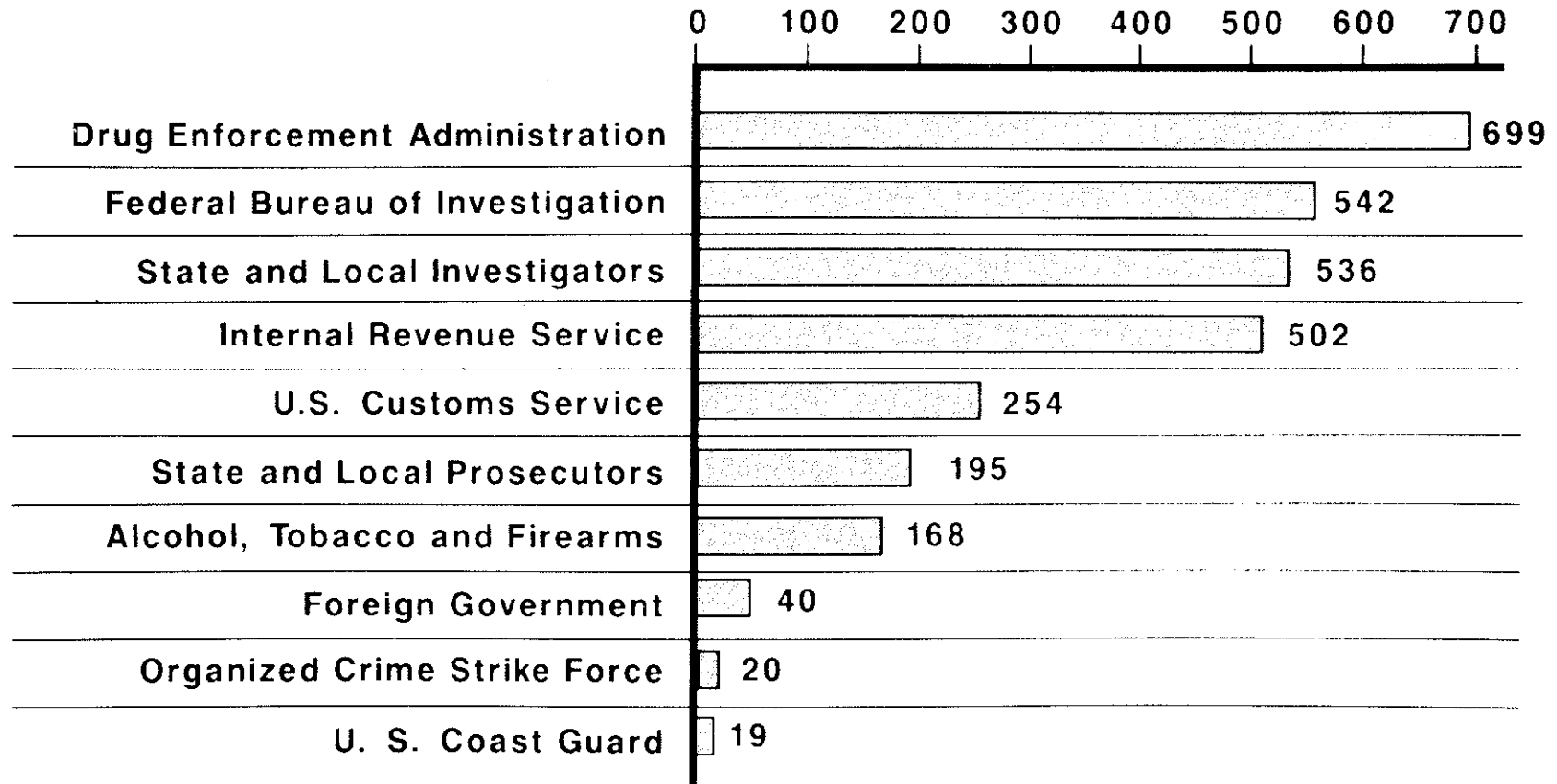
\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of participation for each type of agency. More than one agency is involved in almost all cases.

## Organized Crime Drug Enforcement Task Force Program

**LAW ENFORCEMENT AGENCY PARTICIPATION\***

In Investigations Resulting in Charges Through December 31, 1984



**Exhibit 5-11**  
**Defendants' Roles in Targeted Criminal Organizations**  
**Defendants Charged through December 31, 1984**

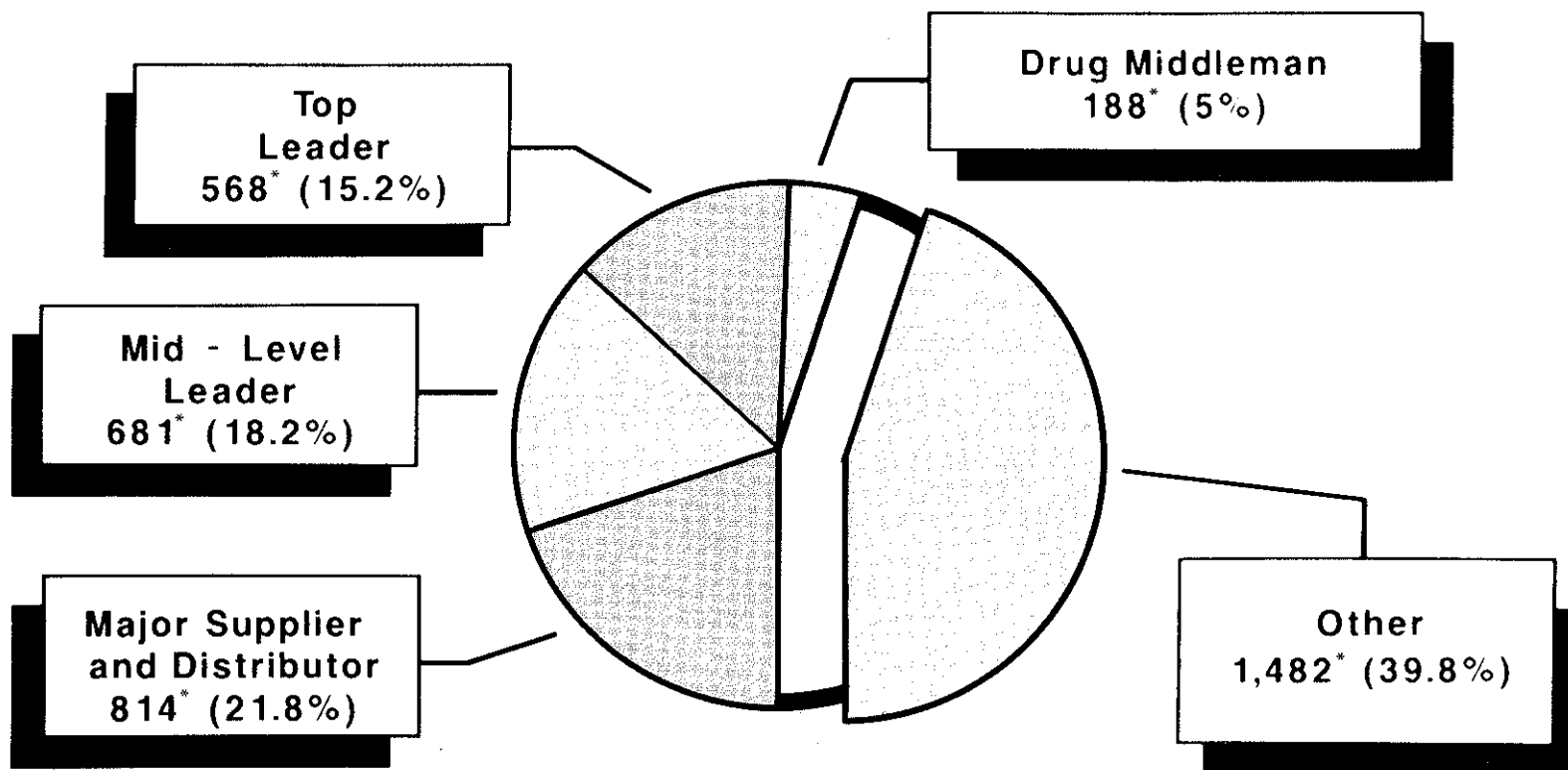
Role	Number of Defendants*														Percentage	
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	N = 3,733**	
Top Leader	15	46	72	23	65	27	26	96	50	23	48	32	45	568	15.2%	
Mid-Level Leader	18	91	85	16	63	101	24	52	60	33	42	52	44	681	18.2%	
Major Financial Backer	5	3	3	2	9	1	0	10	1	1	1	3	8	47	1.2%	
Major Money Launderer	2	3	9	23	5	0	0	22	9	0	5	4	13	95	2.5%	
Major Enforcer	3	10	6	1	3	3	4	8	1	2	0	0	9	50	1.3%	
Major Supplier/Distributor	13	75	74	13	89	35	52	201	49	45	86	30	52	814	21.8%	
Key Contact to Sources	9	11	28	5	15	8	8	12	25	5	27	6	29	188	5.0%	
Corrupt Public Official	1	1	2	0	0	0	1	1	1	1	0	1	6	15	0.4%	
Other	34	89	106	34	112	74	97	107	98	77	90	84	99	1,101	29.4%	
Total Unspecified														174	5.0%	

\* The number of defendants who performed this role in the criminal organization targeted in this investigation and prosecution. Note that if an individual was named in more than one indictment or information, more than one entry is made for role.

\*\* The number of defendants named in Task Force indictments and informations. Some defendants were named in more than one indictment or information.

# Defendants' Roles In Targeted Criminal Organizations

Defendants Charged Through December 31, 1984



\* The number of defendants who performed this role in the criminal organization targeted in this investigation and prosecution. Note that if an individual was named in more than one indictment or information, more than one entry is made for role.

**Exhibit 5-12**  
**Offenses Charged**  
**Defendants Charged through December 31, 1984**

Offense	Number of Defendants Charged														Percentage	
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	N = 3,733*	
Title 18: RICO	70	41	40	1	45	0	5	19	59	0	3	35	37	355	9.5%	
Title 18: ITAR	7	86	40	6	48	19	0	22	48	31	33	27	66	433	11.6%	
Title 18: Firearms	0	4	15	1	8	1	5	9	8	12	12	3	39	117	3.1%	
Title 18: Hobbs Act	0	3	5	1	0	0	0	0	0	0	0	0	0	9	0.2%	
Title 18: Tax Conspiracy	2	67	7	29	0	5	0	0	8	0	10	0	30	158	4.2%	
Title 21: CCE	4	14	15	3	26	7	12	42	27	11	9	29	12	211	5.6%	
Title 21: Manufacture	0	6	14	7	23	0	0	1	1	31	7	0	2	92	2.5%	
Title 21: Distribution	45	171	201	38	213	130	130	178	129	113	132	141	101	1,722	46.1%	
Title 21: Importation	48	4	132	1	23	14	52	67	51	36	10	95	73	606	16.2%	
Title 21: Conspiracy	47	272	317	99	266	196	195	449	233	149	228	146	196	2,793	74.8%	
Title 26: Tax Violations	2	32	18	7	23	7	2	7	23	6	10	10	23	170	4.5%	
Title 31: Currency Violations	0	1	1	11	6	3	0	24	8	0	0	12	31	97	2.6%	
Other	8	123	98	75	107	52	20	193	120	68	61	41	155	1,121	30.0%	
Total Unspecified														93	2.5%	

\* The number of defendants charged in Task Force indictments and informations. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

**Exhibit 5-13**  
**Dispositions by Defendant in**  
**Cases Adjudicated through December 31, 1984\***

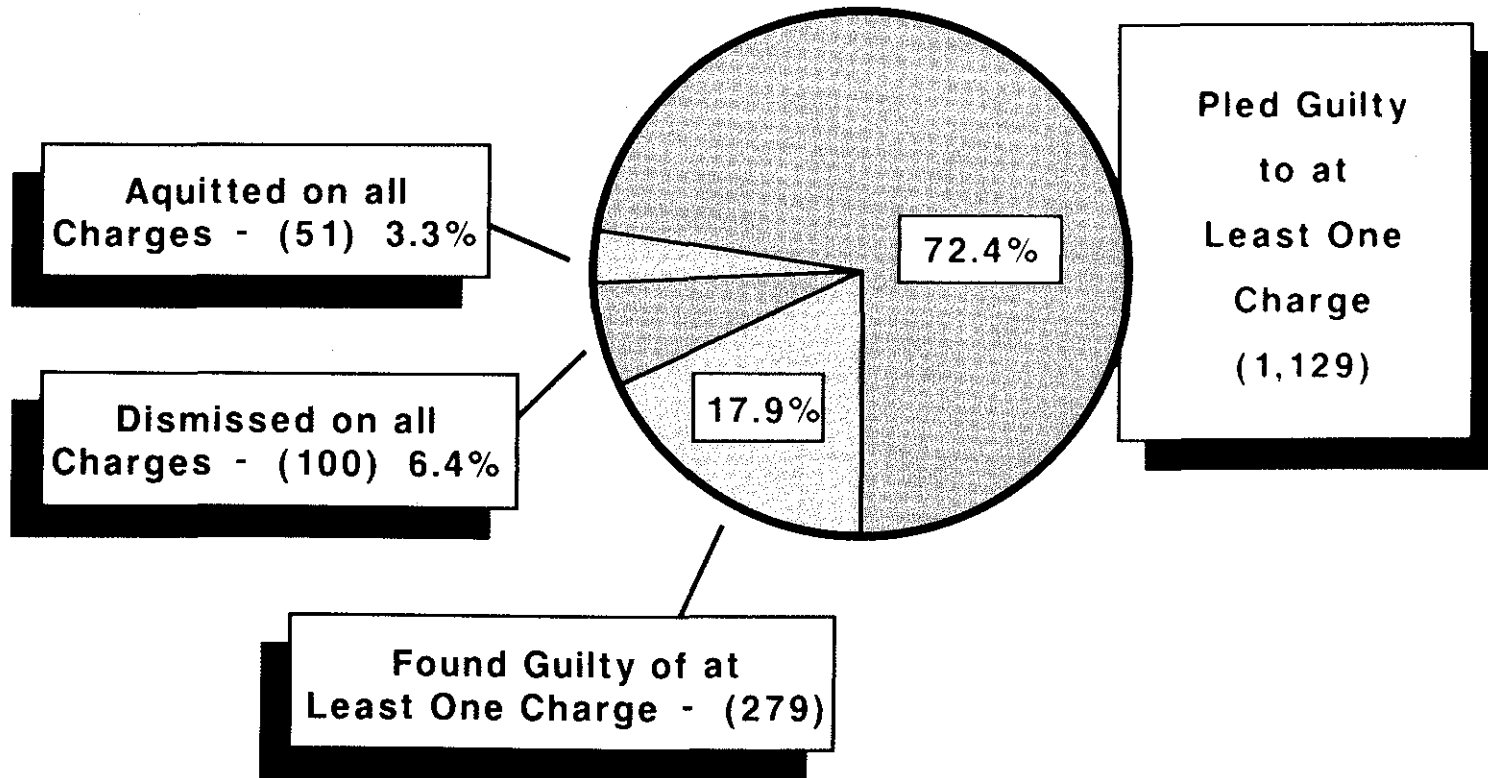
Disposition	Number of Defendants Receiving Disposition														Percentage of Defendants N = 1,559
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
Found guilty of at least one charge	21	18	25	5	25	10	10	51	28	7	26	46	7	279	17.9%
Pled guilty to at least one charge	17	168	93	45	75	91	34	141	174	72	117	52	50	1,129	72.4%
Dismissed on all charges	0	13	12	5	12	6	3	7	13	8	14	2	5	100	6.4%
Acquitted on all charges	3	0	6	1	8	0	3	8	2	4	4	7	5	51	3.3%

\* Does not include defendants who are pending sentencing.

Organized Crime Drug Enforcement Task Force Program

## Disposition By Defendant

In Cases Adjudicated Through December 31, 1984\*



\* Does not include defendants who are pending sentencing.

**Exhibit 5-14**  
**Convictions by Offense for**  
**Charges Disposed of through December 31, 1984**

Offense	Number of Convictions														Percentage of Convictions N = 3,110
	FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
Title 18: RICO	15	13	11	0	7	0	8	16	22	0	2	10	0	104	3.3%
Title 18: ITAR	4	8	4	5	24	12	0	7	24	5	6	10	10	119	3.8%
Title 18: Firearms	0	1	2	0	12	0	2	1	3	5	13	6	5	50	1.6%
Title 21: CCE	1	3	2	0	5	0	1	15	5	6	5	16	1	60	1.9%
Title 21: Manufacture	0	4	1	2	3	0	0	0	9	3	5	0	0	27	0.9%
Title 21: Distribution	19	58	14	23	261	51	62	62	99	60	55	83	18	865	27.8%
Title 21: Importation	18	0	27	0	6	1	19	5	17	19	1	48	4	165	5.3%
Title 21: Conspiracy	62	110	67	18	120	68	46	150	108	37	107	164	27	1,084	34.9%
Title 31: Currency Violations	0	1	0	7	5	0	3	2	3	0	9	7	1	38	1.2%
Other*	2	95	15	35	75	36	7	100	73	50	51	33	26	598	19.2%

\* Includes Hobbs Act (Title 18), Tax Conspiracy (Title 18), Tax Violations (Title 26), and other offenses.

**Exhibit 5-15**  
**Net Prison Terms Imposed\* on**  
**Defendants Sentenced through December 31, 1984**

		Number of Defendants Sentenced to Term														Percentage of Sentenced Defendants N = 1,408
Term		FC	GL	GC	LA	MA	MS	NE	NY	NC	NW	SC	SE	SW	Total	
98	0 years**	0	46	11	5	12	26	10	39	66	14	28	8	11	276	19.6%
	5 years or less	7	87	67	26	54	53	23	76	77	40	84	38	40	672	47.7%
	6 - 10 years	21	35	24	8	22	17	8	45	36	14	14	19	5	268	19.0%
	11 - 15 years	3	15	4	9	9	5	1	23	13	5	13	11	0	111	7.9%
	16 - 20 years	7	3	9	0	3	0	2	2	4	4	1	2	0	37	2.6%
	21 - 25 years	0	0	1	1	0	0	0	0	3	1	1	4	0	11	0.8%
	26 - 45 years	0	0	1	1	0	0	0	6	1	1	1	9	1	21	1.5%
	46 - 65 years	0	0	0	0	0	0	0	1	1	0	1	4	0	7	0.5%
	More than 65 years***	0	0	1	0	0	0	0	0	1	0	0	3	0	5	0.4%

\* The total of all consecutive sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).

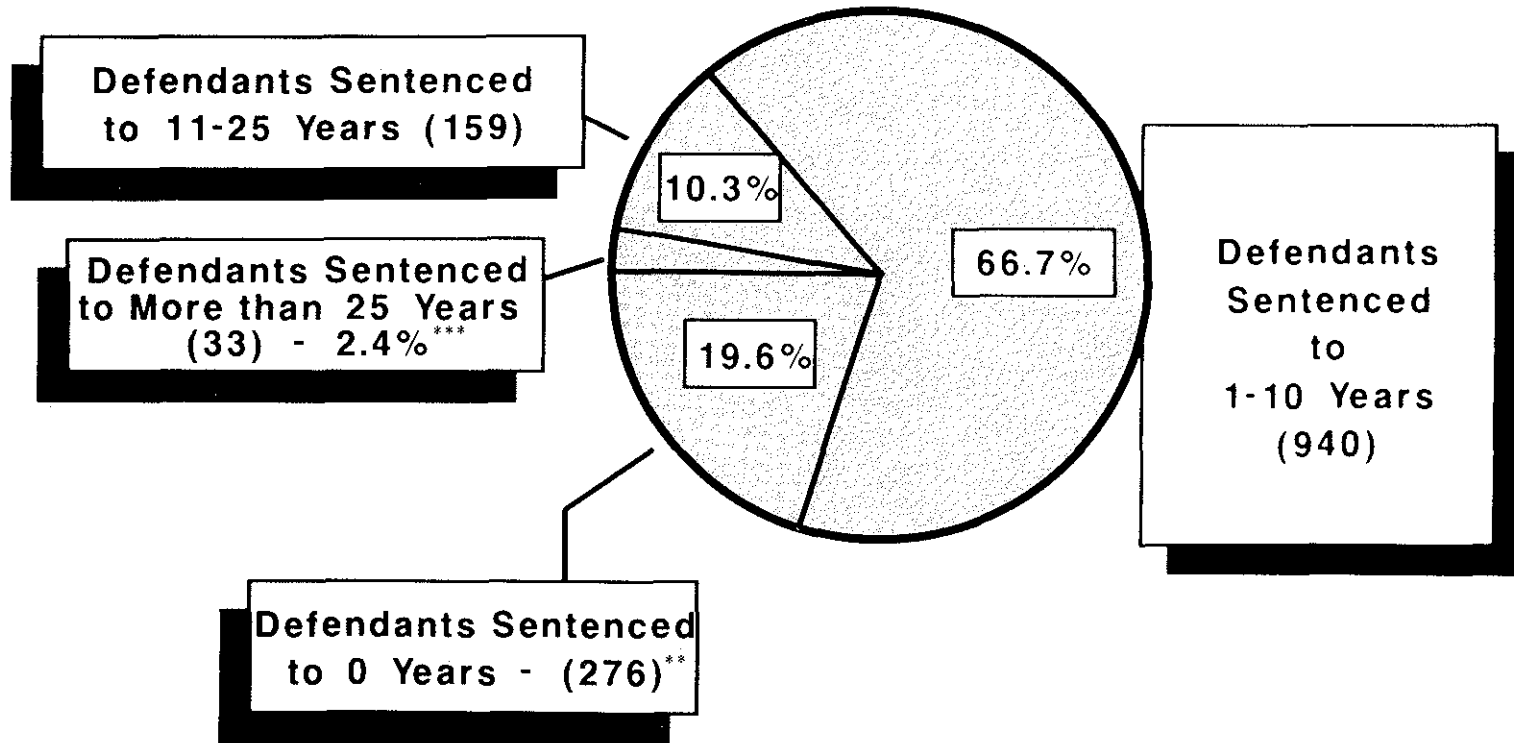
\*\* The number of defendants convicted but not sentenced to prison, e.g., those receiving suspended sentences or probation.

\*\*\* Includes one life sentence without possibility of parole.

Organized Crime Drug Enforcement Task Force Program

**Net Prison Terms Imposed\***

On Defendants Sentenced Through December 31, 1984



**Exhibit 5-16**  
**Drugs Seized**  
**through December 31, 1984**

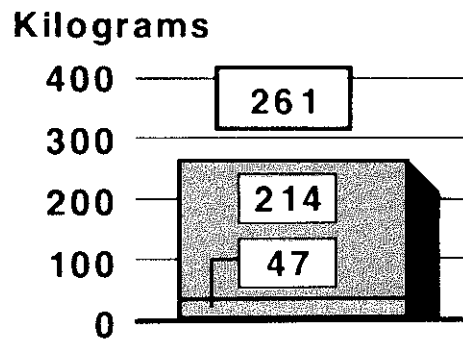
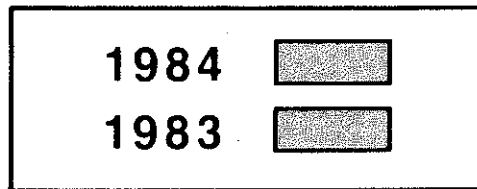
100

Region	Heroin (Kilograms)	Cocaine (Kilograms)	Marijuana (Kilograms)
Florida/Caribbean	0	1,637	34,500
Great Lakes	10	55	4,320
Gulf Coast	10	1,135	117,648
Los Angeles/Nevada	22	1,132	6
Mid-Atlantic	17	830	100,128
Mountain States	1	34	1,749
New England	17	65	126,646
New York/New Jersey	107	3,385	12,512
North Central	25	968	11,211
Northwest	0	665	21,806
South Central	0	787	939
Southeast	5	2,572	1,538
Southwest	0	17	70,383
Totals	214	13,282	503,386

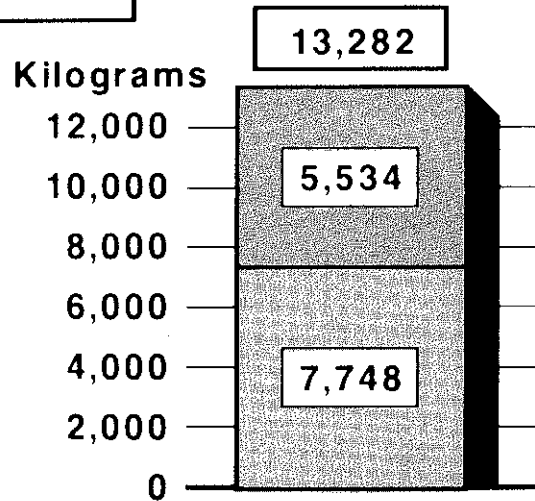
Organized Crime Drug Enforcement Task Force Program

# Drugs Seized 1983 / 1984

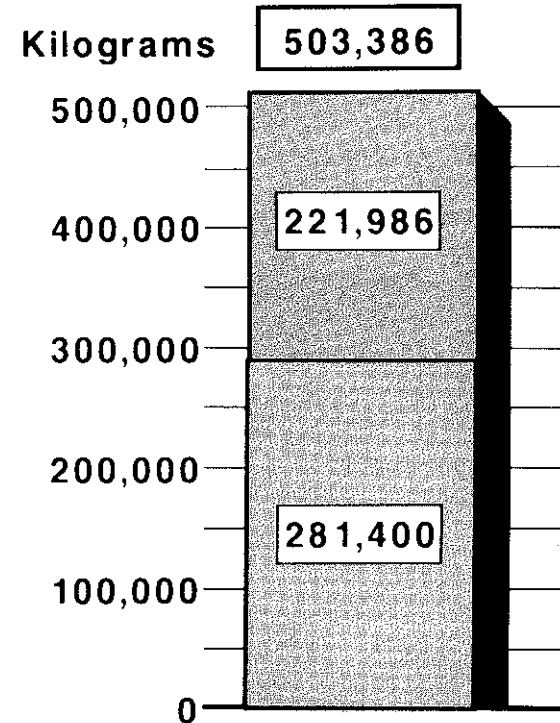
Through December 31, 1984



HEROIN



COCAINE



MARIJUANA

**Exhibit 5-17**  
**Non-Drug Assets Seized**  
**through December 31, 1984**

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Region	Cash (\$)	Property (\$)
Florida/Caribbean	4,117,000	3,625,000
Great Lakes	3,904,000	7,001,000
Gulf Coast	9,079,000	20,077,000
Los Angeles/Nevada	20,945,000	1,974,000
Mid-Atlantic	3,689,000	3,495,000
Mountain States	3,704,000	6,174,000
New England	8,513,000	6,574,000
New York/New Jersey	5,589,000	12,894,000
North Central	1,866,000	3,690,000
Northwest	2,929,000	1,855,000
South Central	133,000	569,000
Southeast	2,612,000	8,874,000
Southwest	9,199,000	4,536,000
Totals	76,279,000	81,338,000

**Exhibit 5-18**  
**Non-Drug Assets Forfeited**  
**through December 31, 1984**

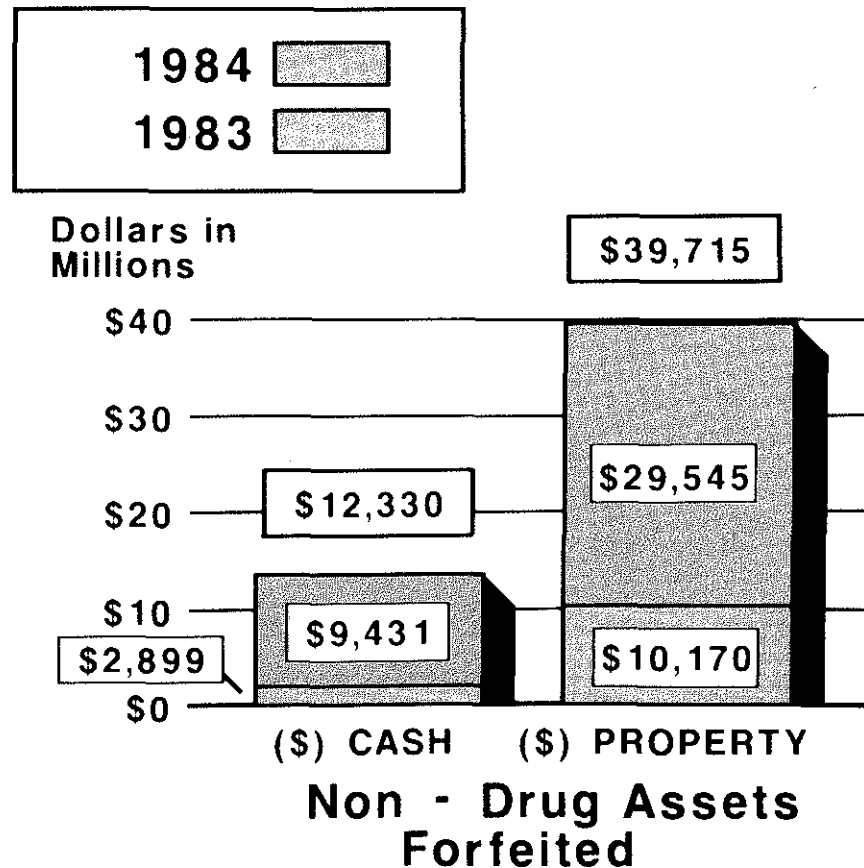
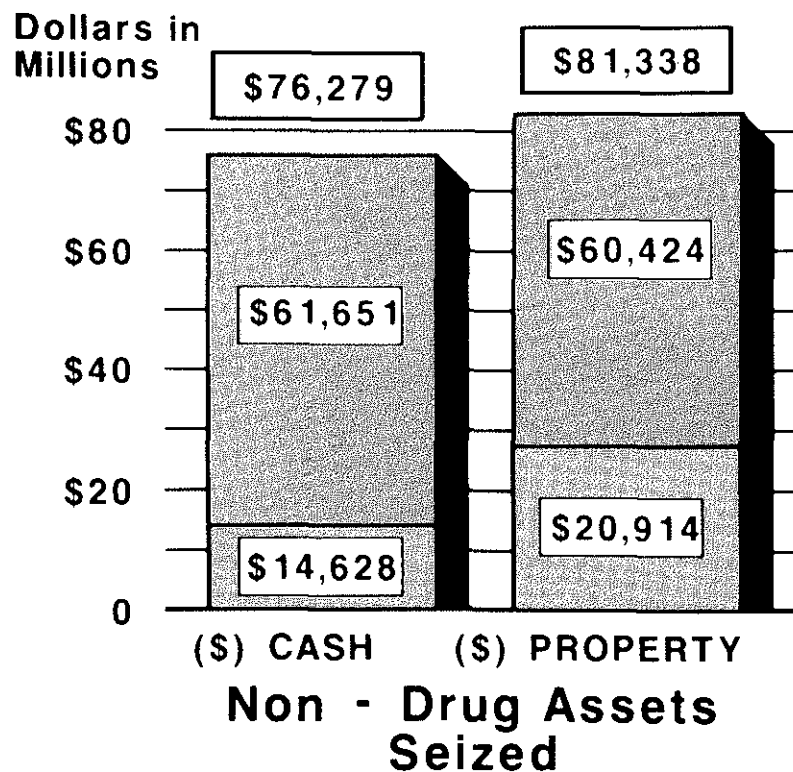
Region	Cash (\$)	Property (\$)
Florida/Caribbean	717,000	3,676,000
Great Lakes	953,000	5,795,000
Gulf Coast	163,000	2,208,000
Los Angeles/Nevada	702,000	2,560,000
Mid-Atlantic	1,529,000	789,000
Mountain States	0	869,000
New England	190,000	543,000
New York/New Jersey	561,000	2,227,000
North Central	2,783,000	6,261,000
Northwest	930,000	1,447,000
South Central	181,000	1,077,000
Southeast	2,835,000	10,742,000
Southwest	786,000	1,521,000
Totals	12,330,000	39,715,000

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## Organized Crime Drug Enforcement Task Force Program

## Non-Drug Assets Seized/Forfeited 1983 vs 1984

Through December 31, 1984



**Exhibit 5-19**  
**Fines Assessed**  
**through December 31, 1984**

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Region	Fines (\$)
<hr/>	
Florida/Caribbean	863,000
Great Lakes	1,376,000
Gulf Coast	615,000
Los Angeles/Nevada	0
Mid-Atlantic	2,402,000
Mountain States	51,000
New England	288,000
New York/New Jersey	754,000
North Central	426,000
Northwest	427,000
South Central	611,000
Southeast	1,769,000
Southwest	<u>42,000</u>
Totals	9,624,000

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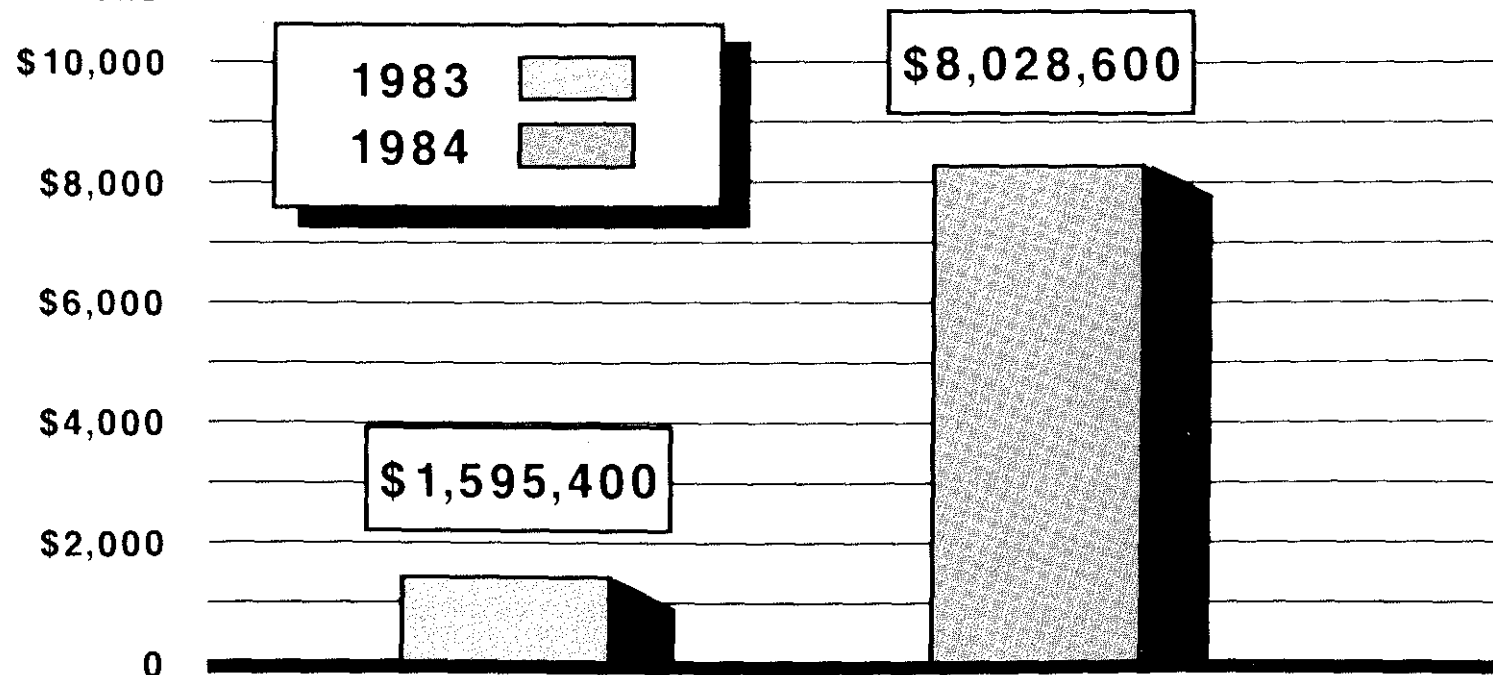
105

Organized Crime Drug Enforcement Task Force Program

**FINES ASSESSED**

Through December 31, 1984

Dollars in  
Millions



## Charlie's Downfall

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Charlie Fleming was 60 years old and everybody in town knew he had a long criminal record. His family had functioned as a criminal organization for years, and Charlie himself had been convicted several times since 1950. It isn't surprising that, in the late seventies, he went into the cocaine business in a big way. Based on strong loyalty to Charlie, the organization—which included his young wife, his daughter, and his son-in-law—shielded him, and numerous prosecution attempts failed. Charlie became a millionaire, and not from the motorcycle shop he ran as a front.

When the Task Force organized in early 1983, Charlie and his gang were selected as the first case in Savannah. Various agencies had informant reports, allegations, sketchy rumors, and suppositions about Charlie. Nothing solid, but "everyone knew" Charlie was dealing cocaine.

The OCDE Task Force team—FBI, IRS, Georgia Bureau of Investigation (GBI), and the U.S. Attorney's Office—decided to identify the players first. "Pen registers" were placed on Charlie's telephone and his son-in-law's business telephone to find out whom they called. An inventory of frequently called numbers began to identify Charlie's associates.

The team decided that there were substantial grounds for a tax investigation of Charlie. Such investigations are overt and completely apparent to the subject, so the team agreed to mount the tax investigation in tandem with covert taps on the same two telephones. In October 1983, a court order authorizing the phone taps was obtained. Because of the heavy personnel manpower requirements of running two taps at once, the team found itself seriously short handed. They turned to the GBI, who, overnight, sent 12 agents into town from around the State. The telephone taps were set up and the overt investigation launched. IRS agents made a show of contacting Charlie's associates as part of the tax investigation. Many of those contacted called Charlie or his son-in-law. Charlie himself placed many calls in connection with the investigation. Some of those contacted were Charlie's old cohorts who were still in prison.

Agents monitoring the telephone taps heard Charlie discussing a possible "cash hoard defense" as a means of combating the anticipated tax prosecution. (This approach would claim that Charlie's money was not illegal or unreported income, but money that he had hoarded years before.)

It became apparent that this investigation was now taking more lawyer time than the U.S. Attorney's Office could afford. The Task Force regional office was asked for help. For the next six months, one attorney from Baltimore spent half his time in Savannah working on this case.

As Charlie continued to reveal his associations through the telephone taps, the FBI and GBI agents developed their drug investigation. The telephone taps were about to expire, and the team decided to get the most out of its final days. So, the investigators mounted a number of high profile searches of members of Charlie's organization, with two results: the two telephones were busy with panic calls and many of those who were frightened by the tax and drug investigations began to volunteer to cooperate with the government.

Another six months were required to sort and examine the records and testimonies accumulated, and to present the materials to a grand jury. In June 1984, the indictment was returned. Charlie was the subject of 30 counts, both income tax charges and a variety of drug charges, including CCE. Twenty-one other people were indicted at the same time.

Charlie was in jail awaiting trial. His million-dollar bail kept him out of circulation. But many of those who were indicted with him decided to plead guilty, some after offering evidence against Charlie. By September Charlie was alone. Only his immediate family was holding out. On September 7, 1984, the four of them, Charlie, his wife, daughter, and son-in-law, entered guilty pleas to the most serious charges against them. Sentences were handed down in October.

Charlie's 33-year-old wife got five years and a \$10,000 fine.

His daughter got five years and a \$5,000 fine.

His son-in-law got 20 years and was fined \$20,000.

Charlie's initial sentence amounted to a total of 375 years and fines of \$730,000. His plea agreement also provided for the forfeiture of all his property listed in the indictment, except his residence, and to the publication of documents showing his debts of over \$250,000 in taxes for subsequent collection.

Charlie and his friends—22 pleaded guilty in all—are out of the drug business for a while. The combined investigations of diverse agencies, the judicious use of the overt tax investigation with the covert Title III, the immense personnel contribution of the GBI, and the provision of an AUSA through the OCDE Task Force network all contributed to the successful termination of Charlie's criminal career.

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# Other Presidential Initiatives

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The President's national anti-drug strategy, announced in October 1982, was implemented through a package of complementary efforts. Among these, the Organized Crime Drug Enforcement Task Force Program was principal. The 1984 activities of the other elements are summarized in this Chapter.

## **President's Commission on Organized Crime**

The President's Commission on Organized Crime, established by Executive Order on July 28, 1983, consists of nineteen presidential appointees who are "distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combating organized crime." A list of members appears at the end of this section.

The terms of the Executive Order require the Commission to undertake six principal tasks:

- 1) To make a full and complete national and region-by-region analysis of organized crime;
- 2) To define the nature of traditional organized crime as well as emerging organized crime groups, the sources and amounts of organized crime's income, and the uses to which organized crime puts its income;
- 3) To develop in-depth information on the participants in organized crime networks;
- 4) To evaluate Federal laws pertinent to the effort to combat organized crime;
- 5) To advise the President and the Attorney General with respect to its findings and actions which can be undertaken to im-

prove law enforcement efforts directed against organized crime; and

- 6) To make recommendations concerning appropriate administrative and legislative improvements in the administration of justice.

In addition, the Commission is required to report to the President from time to time as requested, and to submit a final report by March 1, 1986.

## **Setting an Agenda**

In the first Annual Report of the Organized Crime Drug Enforcement Task Force Program, it was predicted that the President's Commission on Organized Crime "... will make substantial short-term and long-term contributions to the development and refinement of the Federal Government's strategy to combat organized crime." As a first step toward the accomplishment of that goal, the Commission, in November of 1983, took the testimony of Attorney General William French Smith, Director of the Federal Bureau of Investigation William H. Webster, and Administrator of the Drug Enforcement Administration Frances M. Mullen, Jr. In response to that testimony, which indicated that the impact of organized crime in international drug trafficking was an area that particularly warranted its attention, the Commission adopted a preliminary agenda consisting of three fundamental categories of inquiry: narcotics importation and distribution, laundering of profits from illegal operations, and infiltration of legitimate businesses. At the same time, a professional team of 35 attorneys, investigators, and support personnel was selected to carry out the Commission's day-to-day responsibilities.

In pursuit of those stated objectives, on March 14, 1984, in New York City, the Commission conducted its first public hearing dealing with a specific area of interest, the laundering of criminal proceeds. Taking sworn testimony from Federal

agents (including a former undercover DEA agent), a convicted felon, a Treasury official, and others, the Commission explored the financial laundering schemes of organized crime. Testimony included a detailed account of one man's laundering of more than \$150 million on behalf of narcotics traffickers.

In addition to the substantive information developed at its March hearing, the Commission demonstrated irrefutably that a thorough examination of organized crime would require certain essential legal tools. To that end, statutory authorization was sought giving the Commission subpoena, contempt, and immunity powers, as well as law enforcement status for the purposes of other Federal statutes. On July 17, 1984, President Reagan signed the measure into law as P.L. 98-368.

With this grant of legal authority, the Commission has begun to pursue its mandate with an ambitious program of public hearings and research projects. In New York City on October 23-25, 1984, the Commission exposed in detail sophisticated organized criminal groups whose roots are in Asia. Witnesses testified on the operations of Chinese Triad and Tong societies and Vietnamese criminal groups. The hearing was the first major public exposure of the growing threat of these groups and their links with traditional organized crime.

In Washington, D.C., just a month later, the Commission held three days of public hearing which examined in detail the violent organized criminal groups which control the cocaine industry. Expert witnesses from the State Department, law enforcement, the medical and academic communities, and insiders including convicted smugglers, testified on the dangers of cocaine use and described the cocaine industry including cocaine growing, processing, transportation and marketing, and the means used to launder the enormous profits from cocaine trafficking.

In addition, considerable evidence was presented demonstrating the links between powerful cocaine cartels and antigovernment terrorist groups active in a number of South American countries. Of particular concern was the disclosure that the cultivation of poppies, from which heroin is produced, has been observed for the first time in Colombia.

While putting on these public hearings, the Commission also prepared and released in October 1984 a lengthy interim report, entitled *The Cash Connection: Organized Crime, Financial Institutions, and Money Laundering*, documenting in detail the means by which various organized criminal groups actively exploit weaknesses or corruption in our banking system to camouflage the sources and disposition

of funds. The report makes recommendations on ways to deny organized crime access to our financial institutions and casinos, and further recommendations which would allow financial institutions to better detect and report suspected money laundering to law enforcement. The report also proposed a unique addition to the arsenal in the fight against money laundering: a model Federal statute, entitled "Financial Institutions Protection Act," making money laundering itself a substantive offense and removing certain obstacles to more effective assistance by banks to law enforcement.

As this Annual Report is being prepared, the Commission is vigorously pursuing an agenda for the coming months which includes:

- the preparation of a number of additional interim reports on topics including international drug trafficking and the Government's options in responding to it, and the current state of electronic surveillance techniques, technology, and statutes;
- a series of additional public hearings on subjects including heroin trafficking, gambling, labor racketeering, and the current state of "traditional organized crime";
- a comprehensive survey of State and local law enforcement experience regarding organized criminal activity;
- preparation of a series of model State antiracketeering laws which will be supported by the results of the national survey;
- a series of research projects, including an effort to determine further the sources, amounts, and uses of the income generated by organized crime; and
- cooperative arrangements with various segments of the private sector, such as the banking and aviation industries, to facilitate and promote their assistance to law enforcement.

More such projects will be designed and carried out prior to the submission of the Commission's final report in 1986.

#### **Members of the Commission**

Judge Irving R. Kaufman, Chairman, U.S. Court of Appeals for the Second Circuit; Jesse A. Brewer, Jr., Deputy Chief, Los Angeles Police

Department; Carol Corrigan, Deputy District Attorney, Alameda County, California; Justin J. Dintino, Executive Officer, New Jersey State Police; William J. Guste, Jr., Attorney General of Louisiana; Judith Richards Hope, a lawyer and former Associate Director, White House Domestic Council, Washington, D.C.; Philip Manuel, President of an investigative consulting firm and former Chief Investigator, U.S. Senate Permanent Subcommittee on Investigations; Thomas F. McBride, Associate Dean, Stanford University Law School and former Inspector General, Departments of Agriculture and Labor, Washington, D.C.; Eugene H. Methvin, a Senior Editor, Reader's Digest; Edwin L. Miller, Jr., District Attorney, San Diego County, California; Manuel J. Reyes, a lawyer and Executive Vice President, Board of Directors of Miami International Hospital; Representative Peter W. Rodino, Jr., Chairman of the U.S. House Committee on the Judiciary; Charles H. Rogovin, Professor, Temple University Law School and former President of the Criminal Justice Associates; Barbara A. Rowan, a lawyer and President of an investigative consulting firm; Frances A. Sclafani, Chief Administrative Assistant District Attorney for Interagency Liaison in Suffolk County, New York; Samuel K. Skinner, a lawyer and former U.S. Attorney for the Northern District of Illinois; Potter Stewart, a retired Associate Justice of the U.S. Supreme Court; Senator Strom Thurmond, Chairman of the U.S. Senate Committee on the Judiciary; Phyllis T. Wunche, a lieutenant with the Homicide Division of the Houston Police Department.

## The Governors Project

As part of the comprehensive attack on organized crime and narcotics trafficking, the Department of Justice implemented a series of special initiatives to solicit and involve the nation's Governors and State prosecutors in improving crime control efforts and criminal justice reform in this area.

One such initiative has been the Governors Project, which deals with a twofold approach to assist Governors, legislators, State Attorneys General, and local prosecutors in their efforts to develop and update existing legislation to combat organized crime and narcotics trafficking. The first approach will be the development of a *State Officials Handbook and Guide for Legislative Reform of Organized Crime and Narcotics Laws*. This effort will assist in determining the magnitude of disparity among the

50 State organized crime/drug enforcement laws and will produce recommendations for more uniform laws dealing with organized crime/drug enforcement issues.

An integral part of this initiative is the involvement of State prosecutorial systems in this national effort. The Governors recognized and identified this need in their annual criminal justice policy position by stating:

Governors should encourage State and local prosecutors to assume leadership in the development and coordination of priority drug investigative efforts and priority prosecution strategies and urge implementation of special judicial processes that guarantee fair and speedy adjudication of major drug cases.

Therefore, the second approach of the twofold strategy during the ensuing year will be to involve and assist the prosecutorial systems of the States in their participation in this effort. This activity will center on coordinating efforts with the National Association of Attorneys General and the National Association of District Attorneys.

Funding has been secured for the initial thrust with the Attorneys General and will include such activities as: initiation of education and training programs with regard to RICO and other organized crime and drug law enforcement issues, provision for technical assistance to the State Attorneys General on the development of relevant legislation in these areas, the creation of a "brief bank," and a talent and resource inventory of Federal and State attorneys and other experts in these fields, and the publication and dissemination of a monthly newsletter on drug enforcement and organized crime issues.

The Project will continue to serve as a special link between drug law enforcement efforts and legislative development. Located within the Office of Legislative and Intergovernmental Affairs, the Project offers a special opportunity for Governors, State Attorneys General, and prosecutors to keep current with the latest national legislative proposals and to have significant input during the developmental phase. Nowhere was this type of cooperation and coordination between governmental units more evident than with the passage of the Comprehensive Crime Control Act of 1984 by the 98th Congress. The Governors Project was a focal point, assisting in the immediate dissemination of copies of the final legislative enactments in the areas of crime and narcotics control and forfeiture to key State and local policymakers and prosecutors.

During the coming year, the Governors Project will continue to serve in a Federal liaison role and will provide a steady flow of timely information to States and municipalities in the area of drug law enforcement and control of organized crime. This will, at a minimum, continue to include communications with the Organized Crime Drug Enforcement Task Forces, the National Narcotics Border Interdiction System (NNBIS) and the Law Enforcement Coordinating Committees.

tool through their endorsement of the training received at Glyngo.

## **Federal Prison Housing Expansion**

Another of the presidential initiatives addressed the concern that already overcrowded correctional institutions could not absorb the expected increase in inmate population, and \$18 million was appropriated to construct additional housing at existing correctional institutions. The specific institutions were selected because of capacity, central service, and site compatibility. Funds are applied as necessary to cover design and construction costs of the housing units in various regions. The following is a discussion of each project:

### **Memphis, Tennessee, Federal Correctional Institution**

A 104-bed housing unit was designated to match the existing housing at this new institution, built in 1977. The unit is a two-story split-level, designed for ease of supervision. Construction work is complete and the activation date was January 15, 1985.

### **Petersburg, Virginia, Federal Correctional Institution**

The 150-bed camp facility will provide permanent housing for minimum security inmates who are housed outside the main facility. It is a three-story, five-level structure with cubicles to partition inmate sleeping areas. Activation is planned for April 1985.

### **Ashland, Kentucky, Federal Correctional Institution**

This 100-bed housing unit is a departure from existing structures at Ashland, which were built in the 1930s. The unit does not have long, hard-to-patrol corridors but inmate rooms clustered around a large multipurpose area. Construction is complete, and the activation date was January 31, 1985.

### **Butner, North Carolina, Federal Correctional Institution**

The 100-bed, two-story housing unit is designed to blend with existing structures. Construction is complete and the activation date was in February 1985.

### **Tallahassee, Florida, Federal Correctional Institution**

This 98-bed housing unit provides private rooms in addition to the existing dormitory-style

## **Training Law Enforcement Professionals**

In his anti-crime program, the President also provided for training. Specifically, the President called for the establishment of a National Center for State and Local Law Enforcement Training in Glyngo, Georgia. This Center would complement the excellent training programs already offered by the FBI, DEA, ATF, Secret Service, Marshals Service, and U.S. Customs Service for Federal, State, and local law enforcement personnel. The establishment of this National Training Center was based on the realization that while primary responsibility for law enforcement rests with State and local governments, the Federal Government could significantly assist them by providing training in those areas where Federal investigative agencies have unique expertise.

The Center offers advanced, specialized training to State and local law enforcement on a shared cost basis utilizing existing Federal resources and facilities. Approximately twenty-two law enforcement courses are offered in areas such as white-collar crime, contraband cigarette smuggling, financial and undercover investigative techniques, fire and arson, cargo thefts, fraud, and other legal, technical, policy, and management areas.

A new course under intensive development is the Technical Investigative Equipment Training Program, aimed at qualifying key State and local personnel in establishing and maintaining the electronic aids necessary to effectively prosecute continuing criminal enterprises. Another course under development will assist State and local agents in investigating illegal hazardous waste disposal, a lucrative activity attractive to established criminal groups.

A total of 1,354 State and local law enforcement officers received training at the Center in FY 1984. Of this number, 489 State and local officers received training in organized crime and drug law enforcement. State and local officers already trained have become the principal outreach and recruiting

housing. Construction is complete and activation expected in April 1985.

#### **Leavenworth, Kansas, U.S. Penitentiary**

The 90-bed segregation unit for Leavenworth will encompass secure office and outdoor recreation space, as well as 90 segregation rooms. The design concept is now being made final. Activation is scheduled for June 1986.

#### **Oxford, Wisconsin, Federal Correctional Institution**

A minimum security outside camp for 104 inmates will be built at Oxford rather than the originally planned 70-bed witness protection unit. A site adaptation of a recently built camp in El Reno, Oklahoma, is being used for this facility. The camp will include facilities for a visiting area, food preparation and recreation. Activation is scheduled for April 1985.

### **Legislative Initiatives**

Prior to 1984, it had been almost fourteen years since the enactment of significant Federal criminal law reforms. During that period, Federal criminal laws had become increasingly outmoded with the result that the OCDE Task Forces, when first created, were attempting to stem the flow of drugs with inadequate criminal statutes.

#### **The Comprehensive Crime Control Act of 1984**

All of this changed dramatically when the Comprehensive Crime Control Act was signed into law on October 12, 1984, as Title II of Public Law 98-473. This omnibus package of criminal law measures is the most substantial and far-reaching reform of the Federal criminal justice system ever enacted at one time and profoundly readjusts the balance between the forces of law and the forces of lawlessness. While the more than fifty parts of the Comprehensive Crime Control Act strengthen laws in virtually every area of criminal activity, the anticrime package will be particularly useful in the investigation and prosecution of drug traffickers.

#### *Summary of Drug-Related Provisions*

The following provisions of Public Law 98-473 will be of the greatest assistance in Federal drug law enforcement:

Chapter I, Bail Reform, amends the Bail Reform Act of 1966 to permit Federal Courts to consider danger to the community in setting bail conditions and to deny bail altogether where a defendant poses an especially grave danger to

others; to tighten the criteria for postconviction release pending sentencing and appeal; to provide for revocation of release and increase penalties for crimes committed while on release; and increased penalties for bail jumping. Although applicable to all Federal criminal cases, these new bail reform procedures are of particular utility in drug law enforcement where experience has shown that many defendants jump bail and many more continue to engage in drug trafficking while released on bail.

Chapter II, Sentencing Reform, revises the sentencing system to establish a determinate sentencing system with no parole and limited "good time" credits; promote more uniform sentencing by establishing a commission to set a narrow sentencing range for each Federal criminal offense; require courts to explain in writing any departure from sentencing guidelines; allow defendants to appeal sentences which are harsher than commission guidelines and the Government to appeal those that are more lenient than commission guidelines; and increase criminal fine levels. With the exception of increased fine levels, these sentencing reforms will not take effect until November of 1986. As with bail reform, the sentencing chapter will be applicable to every Federal criminal case and will help to ensure more uniform and appropriate sentencing of drug and other defendants.

Chapter III, Forfeiture Reform, strengthens Federal criminal and civil forfeiture laws by providing for forfeiture of profits and proceeds of organized crime (RICO) offenses; criminal forfeiture in all narcotics trafficking cases; expanded procedures for "freezing" forfeitable property pending judicial proceedings; forfeiture of land used to grow, store, and manufacture dangerous drugs; expanded use of efficient administrative forfeiture procedures in uncontested cases; and sharing of forfeited property with participating Federal, State and local law enforcement agencies. These forfeiture reforms have greatly enhanced the ability of Federal prosecutors to strip away the assets and proceeds of drug rings. The new powers to pay rewards to private individuals who furnish information resulting in a forfeiture and to transfer forfeited property to State and local agencies which participate in a law enforcement operation resulting in a forfeiture are expected to greatly enhance cooperation in support of drug law enforcement.

Chapter V, Drug Enforcement Amendments, strengthens Federal penalties applicable to narcotics offenses by providing longer prison terms for large-scale drug crimes. It also reduces the regulatory burden on law-abiding manufacturers and distributors of legitimate controlled substances and strengthens the ability of DEA to prevent diversion

of legitimate controlled substances to illegal uses. Among other things, the new drug diversion amendments facilitate revocation of the registrations of those who dispense or distribute controlled substances in violation of Federal law.

Chapter IX, Foreign Currency Transaction Amendments, improves Federal laws designed to prevent international money laundering by expanding prior law to cover *attempts* to transport currency out of the United States in violation of reporting requirements (prior law only reached completed offenses); by strengthening civil and criminal penalties for currency violations and authorizing payment of rewards for information leading to the conviction of money launderers; and by clarifying the authority of Customs agents to conduct border searches related to currency offenses. Money laundering activities are associated with virtually every drug smuggling operation.

Chapter X, Miscellaneous Violent Crime Amendments, contains amendments that will be helpful to Task Forces, including Part A, establishing Federal jurisdiction over murder-for-hire and crimes in aid of racketeering; Part B, establishing Federal jurisdiction over solicitation to commit a crime of violence; Part D, establishing a minimum mandatory five-year sentence for use of a firearm in a Federal crime of violence; Part E, establishing an additional, minimum mandatory five-year sentence for use of armor-piercing bullets in a Federal crime of violence; Part F, expanding 18 U.S.C. 1201 to include kidnapping of Federal officials; and Part G, establishing a new Federal offense for crimes against family members of Federal officials. Drug rings are notorious for their violent behavior and the amendments described above give Federal prosecutors important new weapons to use in prosecuting drug-related violence.

Chapter XI, Serious Non-Violent Offenses, includes two provisions of benefit to Task Forces: Part B, which makes it a felony to warn the subject of an impending search; and Part H, which enhances penalties for trafficking in drugs, weapons, or other contraband in Federal prisons.

Chapter XII, Procedural Amendments, includes four provisions of interest to Task Forces. These are Part A, lowering from sixteen to fifteen the age at which a juvenile may be prosecuted as an adult for serious crimes of violence and drug trafficking offenses; Part B, amending wiretap laws to permit emergency wiretaps in life-endangering situations and expanding the range of predicate offenses to include child pornography, money laundering, and crimes against victims and witnesses; Part E, authorizing government appeal of

new trial orders; and Part F, improving the Witness Security Program through codification of case law and other changes.

Chapter XIII, National Narcotics Act, codifies the organizational structure established by the Reagan Administration to coordinate Federal drug law enforcement efforts. This chapter also requires periodic reports on drug law enforcement policy, strategy, and operations.

#### *Crime Bill Implementation*

Because of the massive nature of the Comprehensive Crime Control Act and the fact that most provisions of the new statute were effective upon the date of enactment, implementation has required a major effort by the Department of Justice. The day the measure was signed into law, a package of interpretive materials was distributed to all U.S. Attorneys by the Office of the Associate Attorney General providing guidance in such crucial areas as bail procedures. In December, the Department issued a detailed *Handbook on the Comprehensive Crime Control Act of 1984 and Other Criminal Statutes Enacted by the 98th Congress*; this publication provides a summary, analysis, and discussion of every part of the crime package as well as policy guidance where appropriate. The Federal Bureau of Investigation, Drug Enforcement Administration and other components of the Department also issued interpretive materials for field personnel during the fall of 1984. These formal issuances were supplemented with numerous informal briefings by Headquarters personnel of U.S. Attorneys, Task Force Coordinators, and Law Enforcement Coordinating Committees. Implementation activities will continue into 1985 in an effort to achieve a uniform application of the new law throughout the United States.

#### **Other Drug-Related Laws Enacted in 1984**

Two other drug enforcement measures were enacted in 1984 as separate measures:

- (1) The Controlled Substance Registrant Protection Act, Public Law 98-305, provides Federal criminal penalties for certain thefts and robberies directed against persons or establishments, such as pharmacies registered with the Drug Enforcement Administration to manufacture, distribute, or dispense controlled substances. This statute authorizes Federal investigation and prosecution of some drug related crimes that were not previously within the jurisdiction of Federal authorities.

- (2) The Aviation Drug-Trafficking Control Act, Public Law 98-499, amends the Federal Aviation Act and related statutes to strengthen Federal penalties applicable to flight crew personnel engaged in smuggling controlled substances.

#### **Anticipated Criminal Justice Legislative Initiatives for the 99th Congress**

Because of the speed with which the Comprehensive Crime Control Act was cleared in the closing days of the 98th Congress and the sharp differences between the Senate and House of Representatives on many key provisions of the bill which prevented the sort of coordinated and cooperative effort needed to refine major legislation, numerous technical amendments are needed in the Com-

prehensive Crime Control Act. The Department of Justice will, therefore, seek approval of technical corrections legislation in the 99th Congress to perfect the Comprehensive Crime Control Act.

It is also anticipated that Congressional action will be sought on a number of substantive criminal law measures in 1985, including items such as reinstitution of capital punishment in certain cases and reform of Federal habeas corpus laws to reduce Federal judicial interference in completed State adjudications, two parts of the President's Comprehensive Crime Control Act of 1983 that were not approved by the 98th Congress. (The Senate approved both of these measures by overwhelming margins in February of 1984.) It is likely that the Department of Justice will submit other proposed criminal justice reforms for consideration by the 99th Congress.

## A Family Affair

Rosario Gambino - 45 years in prison, \$105,000 fine

Erasmus Gambino - 34 years in prison, \$95,000 fine

Anthony Spatola - 34 years in prison, \$50,000 fine

Antonio Gambino - 30 years in prison, \$50,000 fine

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These were the principal sentences handed down on December 5 and 7, 1984, in the U.S. District Court in New Jersey. The sentencing ended an effort that began as an OCDE Task Force case in 1983, and included extensive use of wiretaps, undercover operations, and physical surveillance; as well as prodigious prosecutorial performances by Task Force attorneys.

An FBI undercover agent was introduced to Antonio Gambino, a member of the "Gambino Family." The man making the introduction was a regular customer of Antonio's and at this very meeting, bought an ounce packet of cocaine. Antonio said he could also get some high-grade heroin from some tough and dangerous contacts, who never deal in anything less than a kilo. These guys were so tough, according to Antonio, that they didn't stop at murder. The agent expressed interest in obtaining a sample of good quality heroin.

At this point the Task Force team moved into high gear. Wiretaps were installed on a number of phones. Antonio delivered the sample to the agent. Combining wiretap information with the results of surveillance, undercover negotiations, and long distance phone records, the investigators were able to identify Antonio's superiors as Rosario and Erasmus Gambino, both alleged "soldiers" in the Gambino crime family of La Cosa Nostra. Further identifications led the investigators to further taps and surveillances in Manhattan and at the Caffe Milano in Brooklyn.

The undercover agent purchased a half-kilo of heroin in January 1984. At this meeting, Anthony Spatola, another "family member," was also present, and he and Antonio Gambino were introduced to two additional undercover agents from DEA, who posed as the first agent's boss and a chemist on hand to test the sample. The "boss" asked Antonio and Spatola for a commitment for ten kilos of uncut heroin each month. Antonio and Spatola said they would have to find out.

The taps and surveillance showed that it was Rosario Gambino who had to approve the deal. He exercised exclusive control over who was permitted to participate in heroin negotiations, what their roles would be, and what their shares of the proceeds would be. In this instance, it was agreed that for each kilo sold \$200,000 would be delivered to Erasmus.

After consultation with their superiors, Antonio and Anthony advised the agents that three kilos were available for delivery to the agents and the Gambinos said they "had the guarantee" for ten kilos of ninety-percent pure heroin per month.

A week after the first heroin sale, highly publicized arrests in another Task Force case took place in Philadelphia. These arrests, involving a separate group of Sicilian heroin traffickers associated with the Gambino family, had long been planned and were repeatedly delayed, to avoid "spooking" the Gambinos before the first heroin sale in this investigation. The Gambinos continued the negotiations after the Philadelphia arrests, but they were clearly more cautious. They insisted on additional safeguards, referring to what had happened in Philadelphia. In particular, they demanded more information about the undercover agent's alleged boss. The Gambinos insisted on meeting the boss, at his home base in San Diego, prior to any more sales.

As soon as the agents agreed, Antonio told the agents that "two fresh pizzas (two kilos of heroin) had just arrived from overseas." The agent bought "half a pizza," in full view of surveillance cameras.

With the help of the Southwest Border Task Force, the San Diego meeting was arranged, including a phone tap and other audio surveillance of the room rented for the co-conspirators. Extensive surveillance of the Gambinos was maintained while they were in San Diego. The visit

was a complete success, and the Gambinos were solidly convinced that the agents were legitimate. The negotiations continued.

The Task Force investigation's undercover operation and court-ordered wiretaps had now provided sufficient convincing evidence from covert operations. Search and arrest warrants were obtained and executed on March 16. At Rosario's house the agents found, among other things, over \$20,000 in small bills, and two 100-dollar bills that had been used to purchase the heroin three weeks earlier. At Erasmo's a sample of heroin was found—94.5 percent pure.

After the arrests, Task Force attorneys successfully turned away Rosario's attempts to avoid prosecution on grounds of mental illness, and embarked on a seven-week trial. The evidence presented included over 80 tapes and transcripts, most of which had to be translated from Sicilian. These conversations had been culled from the thousands that had been intercepted over the eight New Jersey telephones that had been tapped during a 100-day period.

The overwhelming weight of the evidence and its careful presentation by attorneys and agents resulted in guilty verdicts for the three Gambinos and Spatola. The attorneys then prepared their sentencing memoranda, drawing on records from numerous other districts, and pointing out for the sentencing judge exactly what the previous records of these men contained, and recommending substantial sentences for each of them. The combined results for the four: a total of 143 years imprisonment and \$300,000 in fines.

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# Conclusions

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The second Annual Report of the Organized Crime Drug Enforcement Task Force Program focuses on Task Force accomplishments during the first two years of operation. First-hand assessments by the agencies involved, by AUSA Coordinators, and by agents and attorneys in the field, detail Task Force achievements in disabling and dismantling drug-related organizations. The statistical data gathered from the Task Forces themselves depict their progress in terms of cases initiated, indictments returned, convictions, sentences imposed, and assets forfeited and seized. Behind these impressive figures lie the individual agency commitments and the innovative investigative and prosecutorial approaches that actually drive the OCDE Task Force Program. They include:

- Coordinated approaches to the investigation and prosecution of high level drug traffickers and drug trafficking organizations, combining the talents and resources of seasoned investigators and prosecutors;
- Increased participation by State and local agencies through the underwriting of overtime costs and the use of Special Deputy U.S. Marshal's designations; thus promoting joint involvement of intra-state law enforcement officials in the investigation, apprehension, and prosecution of major drug traffickers and drug trafficking organizations;
- Increased international cooperation resulting in extradition treaties and access to financial and other records vital to the prosecution of organizations and individuals in the international illicit drug trade;
- Continued emphasis on convictions

under the CCE and RICO statutes, including full use of their enhanced forfeiture provisions for removal of the economic bases of criminal organizations;

- Reliance on undercover operations, wiretaps, and financial investigations to penetrate drug-related organizations, and provide to expose their illicit activities, and to provide evidence resulting in their successful prosecution; and
- Extensive use of the Witness Security Program to ensure the cooperation and protection of witnesses necessary for the successful prosecution of organized criminal groups.

The second-year results of the Organized Crime Drug Enforcement Task Force Program attest to the commitment, expertise, and aggressiveness of the agents and attorneys involved. Through their tireless efforts and extraordinary personal sacrifices they have, in meeting the original goals of the Task Force Program, surpassed expectations. The conclusion of last year's report stated, "If the first-year trends continue into the second year, the expense of operating the Task Force Program may well be exceeded by the value of the forfeitures, fines, and seizures generated by Task Force cases. The significant penetrations already effected will bring about the dismantling of even more major drug trafficking organizations during the coming year." This year, we are proud to report that the first-year trends have continued. The value of forfeitures, fines, and seizures has, indeed, surpassed the expense of operating the program.

As the OCDE Task Force Program enters its third year, the expectations will grow. The Task Force personnel stand ready to meet even greater challenges in the year ahead and to commit themselves to meeting those expectations.

## Appendix A

### Organized Crime Drug Enforcement Task Force Program Budget for 1984

The Organized Crime Drug Enforcement Task Forces were initially funded in 1983 from a single appropriation—that is, all Federal organizations participating in Task Force activities were reimbursed from one appropriation maintained at the Department of Justice. A notable change to the method of Task Force funding occurred for 1984. Resources previously available in this central appropriation to reimburse the Internal Revenue Service, the U.S. Customs Service, and the Bureau of Alcohol, Tobacco and Firearms were transferred to the Department of Treasury. Funds for participating Department of Justice organizations continued to be provided from the central appropriation on a reimbursable basis.

In 1984, the Task Forces operated at what was essentially an annualization of their 1983 funding level. The President's budget requested \$105,949,000 for the OCDE Task Force Program of which \$89,050,000 was appropriated in the 1984 Appropriations Act (P.L. 98-166). Congressional action on the President's request consisted of an advancement of \$16 million into 1983 with the enactment of the Jobs Bill (P.L. 98-8). This action offset amounts requested under the OCDE Task Force Program in 1984 for the Cooperative Agreement Program (\$10 million) and Federal Prison System Expansion (\$6 million). Congress also implemented a one percent across-the-board cut which reduced the request by \$899,000. The Second Supplemental Appropriations Act (P.L. 98-396) added \$1,132,000 for the 1984 pay raise and brought the total enacted the OCDE Task Force Program appropriation to \$90,182,000.

Although the 1984 enacted level is significantly less than the 1983 budget of \$127.5 million, it represents full-year funding of the positions appropriated in 1983. The reason for the reduction in 1984 is twofold. As referenced above, 500 positions and \$12,716,000 were transferred to the Department of Treasury. Treasury funded the IRS, Customs, and ATF at a total of 500 positions and \$32,867,000 in 1984. Several automatic non-policy decreases also contributed to a reduced 1984 Program budget. These nonrecurring costs were

associated with permanent change of station moves, DEA purchase of one airplane, FBI automation and voice privacy equipment purchases, the Cooperative Agreement Program, and Federal Prison System expansion. Uncontrollable increases of \$24,765,000 were needed to annualize the 1,110 positions and resources approved in 1983 for DOJ.

Only two Program increases appeared in the 1984 budget. One of these increases provided resources for the President's Commission on Organized Crime. While the Commission was initially funded by a 1983 reprogramming, Congress appropriated funds for 20 positions and \$2,475,000 in 1984. These funds were to remain available throughout FY 1985. The Commission obligated \$1,622,000 in 1984 and has carried forward \$853,000 into 1985.

Resources to permit a strong automated support capability to assist investigative personnel in identifying and countering drug trafficking networks were provided in 1983, a portion of which remained in the 1984 base. An additional amount of \$6.7 million was included in 1984. These automation funds for the DEA and FBI are to remain available for obligation until FY 1985 as are \$7.7 million associated with undercover activities (P.L. 98-396).

Of funds appropriated in FY 1983 and made available until 1984 for undercover activities and the purchase of automated data processing and telecommunications equipment, the DEA and FBI obligated \$3.3 million. Similarly, the Federal Prison System obligated \$10.7 million of funds appropriated in 1983 but made available until expended. This leaves \$4.3 million remaining of the \$18 million initially appropriated in 1983 to increase overall Federal prison capacity.

Total obligations for the OCDE Task Force Program appropriation in 1984 were \$98 million. Of this amount \$84 million was obligated against 1984 funds and \$14 million was against unobligated 1983 resources. The unobligated balance at the end of 1984 that was carried forward into FY 1985 totals \$9.5 million. Only \$1.7 million lapsed at the end of FY 1984.

## Appendix B Personnel Distribution

### OCDE Task Force Attorney, Agent, and Support Position Allocations

<u>District</u>	<u>AUSAs*</u>		<u>FBI</u>		<u>DEA</u>		<u>IRS**</u>		<u>Customs***</u>		<u>ATF****</u>		<u>USMS</u>
	Attorney	Support	Agent	Support	Agent	Support	Agent	Support	Agent	Support	Agent	Support	Agent
<u>Florida/ Caribbean</u>													
Florida, N	5	3	0	0	0	0	0	1	2	1	0	0	0
Florida, M	8	5	8	2	7	2	0	1	4	1	2	0	0
Florida, S	11	7	23	4	18	4	28	5	17	5	13	2	1
Puerto Rico	2	1	3	1	3	1	2	0	0	0	0	0	0
Virgin Islands	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	26	16	34	7	28	7	30	7	23	7	15	2	1
<u>Great Lakes</u>													
Kentucky, E	1	1	0	0	1	0	1	0	0	0	0	0	0
Kerntucky, W	1	1	4	0	1	0	1	0	0	0	0	0	0
Michigan, E	8	6	12	5	9	1	13	5	9	2	6	1	1
Michigan, W	1	1	0	0	0	0	0	0	0	0	0	0	0
Ohio, N	4	3	8	2	5	0	3	0	5	1	0	0	0
Ohio, S	2	1	3	0	2	1	4	0	0	0	0	0	0
Pennsylvania, W	3	2	4	1	3	0	2	0	0	0	0	0	0
West Virginia, N	1	1	0	0	0	0	4	0	0	0	0	0	0
West Virginia, S	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	21	16	31	8	21	2	28	5	14	3	6	1	1

<u>District</u>	<u>AUSAs</u>		<u>FBI</u>		<u>DEA</u>		<u>IRS</u>		<u>Customs</u>		<u>ATF</u>	<u>USMS</u>
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent
<u>Gulf Coast</u>												
Louisiana, E	3	2	8	1	8	3	2	0	3	1	0	0
Louisiana, M	1	1	0	0	2	0	1	0	0	0	0	0
Louisiana, W	1	1	0	0	1	0	1	0	0	0	0	0
Mississippi, N	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi, S	1	1	3	0	1	0	1	0	1	0	0	0
Texas, E	1	1	0	0	0	0	0	0	0	0	0	1
Texas, N	2	1	4	1	3	0	5	0	0	0	0	0
Texas, S	7	5	8	4	15	7	6	3	5	1	6	0
Texas, W	3	2	4	0	3	0	6	0	2	0	0	0
Totals	19	14	27	6	33	10	22	3	11	2	6	1
<u>Los Angeles-Nevada</u>												
California, C	9	6	20	5	13	2	12	2	12	2	7	1
Nevada	2	1	3	1	3	0	2	0	2	1	0	0
Totals	11	7	23	6	16	2	14	2	14	3	7	1
<u>Mid-Atlantic</u>												
Delaware	0	0	0	0	0	0	0	0	0	0	0	0
District of Columbia	2	1	3	2	3	0	1	0	0	0	0	0
Maryland	4	4	11	4	6	1	5	2	10	2	3	0
Pennsylvania, E	6	4	11	2	8	3	4	0	6	1	0	0
Pennsylvania, M	1	0	0	0	0	0	0	0	0	0	0	0
Virginia, E	3	2	5	0	2	0	4	0	0	0	0	0
Virginia, W	1	1	10	0	1	1	0	0	0	0	0	0
Totals	17	12	40	8	20	5	14	2	16	3	3	0

<u>District</u>	<u>AUSAs</u>		<u>FBI</u>		<u>DEA</u>		<u>IRS</u>		<u>Customs</u>		<u>ATF</u>		<u>USMS</u>
	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Attorney Support	Agent Support	Agent
<u>South Central</u>													
Arkansas, E	1	1	3	0	2	1	1	0	0	0	0	0	0
Arkansas, W	0	0	0	0	0	0	0	0	0	0	0	0	0
Illinois, S	1	1	0	0	0	0	0	0	0	0	0	0	0
Kansas	1	1	0	0	2	0	1	0	0	0	0	0	0
Missouri, E	5	4	6	3	6	2	4	2	2	0	4	1	1
Missouri, W	2	1	6	1	2	1	2	0	2	0	0	0	0
Oklahoma, N	1	1	0	0	0	0	0	0	0	0	0	0	0
Oklahoma, E	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma, W	1	1	3	0	1	1	2	0	0	0	0	0	0
Tennessee, W	1	1	3	0	2	0	1	0	0	0	0	0	0
Totals	13	11	21	4	15	5	11	2	4	0	4	1	1
<u>Southeast</u>													
Alabama, M	0	0	0	0	0	0	0	0	0	0	0	0	0
Alabama, N	1	1	2	0	1	0	2	0	0	0	0	0	0
Alabama, S	1	1	3	0	3	1	1	0	0	0	0	0	0
Georgia, N	6	5	10	5	12	3	6	3	4	1	5	1	1
Georgia, M	1	0	0	0	0	0	0	0	0	0	0	0	0
Georgia, S	1	1	3	0	1	0	1	0	0	0	0	0	0
North Carolina, E	2	1	0	1	2	0	3	0	0	0	0	0	0
North Carolina, M	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina, W	1	1	3	0	0	0	0	0	0	0	0	0	0
South Carolina	3	2	3	0	4	2	2	0	4	1	0	0	0
Tennessee, E	1	1	2	0	0	0	0	0	0	0	0	0	0
Tennessee, M	1	1	0	0	2	2	1	0	0	0	0	0	0
Totals	18	14	26	6	25	8	16	3	8	2	5	1	1

<u>District</u>	<u>AUSAs</u>		<u>FBI</u>		<u>DEA</u>		<u>IRS</u>		<u>Customs</u>		<u>ATF</u>		<u>USMS</u>
	Attorney Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent Support	Agent
<u>Southwest</u>													
Arizona	3	2	5	2	7	1	3	0	2	1	0	0	0
California, S	7	5	12	4	12	3	6	2	10	2	5	1	1
New Mexico	1	1	2	0	3	1	1	0	0	0	0	0	0
Totals	11	8	19	6	22	5	10	2	12	3	5	1	1

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\* Four Task Force attorney and two support positions were added to the Criminal Divisions, Department of Justice for FY 85, nine attorney positions were added to the Tax Division to assist in Task Force tax prosecutions as described on Chapter 3.

\*\* Five additional IRS support positions are assigned to the Treasury Financial Law Enforcement Center, Washington, DC.

\*\*\* Thirty-three additional Customs support personnel are assigned to the Treasury Financial Law Enforcement Center.

\*\*\*\* ATF has retained a pool of 19 agents and 2 support positions (20 percent of its total) for use in any district on a person-year basis as needs arise.

## **Appendix C**

### **Members of the Working Group on Drug Supply Reduction**

Associate Attorney General  
U.S. Department of Justice

Administrator  
Drug Enforcement Administration

Director  
Federal Bureau of Investigation

Executive Secretary  
Cabinet Council on Legal Policy

Director of Drug Abuse Policy Office  
Office of Policy Development

General Counsel  
Department of Agriculture

Associate General Counsel  
Legislative and Regulation  
Department of Commerce

Deputy Assistant Secretary  
Manpower, Reserve Affairs and Logistics  
Department of Defense

Deputy Director  
National Institute of Drug Abuse  
Department of Health and Human Services

Deputy Solicitor  
General Law Division  
Department of the Interior

Deputy Assistant Secretary  
Office of the Assistant Secretary for Budget and Programs  
Department of Transportation

Commandant  
United States Coast Guard

Assistant Secretary for Enforcement and Operations  
Department of the Treasury

Commissioner  
United States Customs Service

Deputy Director for Operations  
Central Intelligence Agency

General Counsel  
Central Intelligence Agency

Associate Director for Economics and  
Government  
Office of Management and Budget

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Assistant Secretary  
Bureau of International Narcotics Matters  
Department of State

## Appendix D

### Members of the Organized Crime Drug Enforcement Task Force Working Group

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Associate Attorney General  
Chairman

Deputy Associate Attorney General  
Executive Director

Assistant Attorney General  
Tax Division

Assistant Attorney General  
Criminal Division

Assistant Commissioner (Enforcement)  
United States Customs Service

Director  
Executive Office for United States Attorneys

Director  
Bureau of Alcohol, Tobacco and Firearms

Chief  
Office of Operations  
United States Coast Guard

Director  
United States Marshals Service

Assistant Secretary  
(Enforcement and Operations)  
Department of the Treasury

Administrator  
Drug Enforcement Administration

Assistant Commissioner  
(Criminal Investigations)  
Internal Revenue Service

Assistant Attorney General  
Justice Management Division

Director  
Federal Bureau of Investigation

## Appendix E

### Members of the Washington Agency Representatives Group

#### DEPARTMENT OF JUSTICE

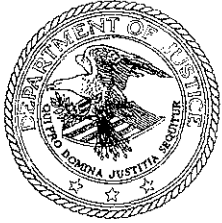
Criminal Division Drug Enforcement Administration:	Chief, Narcotics and Dangerous Drugs Section	129
	Deputy Assistant Administrator for Operations	
	Chief, Operations Management Staff	
	Member, Operations Management Staff	
Executive Office for United States Attorneys:	Deputy Director	
Federal Bureau of Investigation:	Deputy Assistant Director, Criminal Investigative Division	
	Chief, Task Force Organized Crime Section	
	Supervisor, Task Force Organized Crime Section	
	Supervisor, Task Force Organized Crime Section	
Office of the Associate Attorney General:	Deputy Associate Attorney General	
	Director, Task Force Administrative Unit	
United States Marshals Service:	Assistant Director for Operations	



**Annual Report of the**

**ORGANIZED CRIME  
DRUG ENFORCEMENT  
TASK FORCE PROGRAM**

**Fiscal Year 1988**



Office of the Attorney General  
Washington, D.C. 20530

March 31, 1989

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

This Administration took office with a promise to the American people to end the scourge of drugs. To help fulfill that promise, we have established the identification and elimination of criminal drug trafficking organizations as our highest law enforcement priority.

The Organized Crime Drug Enforcement Task Force (OCDETF) Program, established in 1982, continues to be the flagship of the Federal Government's war on drugs. Through the strategic deployment of more than 2,100 Federal law enforcement personnel and over 650 Assistant United States Attorneys as well as increased cooperation and coordination with State and local investigators and prosecutors, the Task Forces continue to make impressive gains. These resources, added to the enhanced investigative and prosecutorial tools provided by the Anti-Drug Abuse Act of 1988, will enable OCDETF to even more vigorously pursue and eliminate those criminal organizations, their financiers, suppliers and distributors who threaten the very fabric of our society.

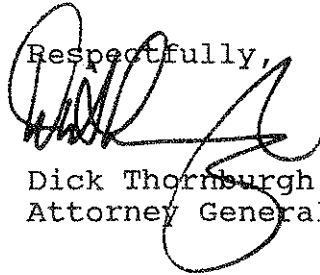
This Annual Report contains a detailed description of the illicit drug trafficking situation in the United States as well as the OCDETF response during Fiscal Year 1988. It also provides insight into the nature, structure and organization of the national and international drug cartels that are operating within our borders.

The report further indicates how the combined resources of the Departments of Justice, Treasury and Transportation, through the eleven member agencies which constitute OCDETF, have made major inroads in crippling and dismantling major criminal organizations. As of September 30, 1988, the thirteen Task Forces had initiated a total of 2,352 cases which produced 4,917 indictments charging 16,859 defendants. To date, 10,070 defendants have been convicted and 9,634 have been sentenced. The Task Forces have also seized over \$917 million in cash and property since the Program's inception.

These striking results not only underscore the effectiveness of the OCDETF Program, but provide notice to those criminal organizations which deal in drugs that our resolve to destroy them is unwavering. They also demonstrate the dedication and commitment of all the Task Force personnel who are leading the way toward a drug free society.

In light of the accomplishments of the Organized Crime Drug Enforcement Task Forces and the genuine prospect for even greater achievements in the future, it is with great satisfaction and pride that I transmit herewith this Annual Report, presented through your office to the American people and the Congress. Copies will be provided separately to the Appropriations and Judiciary Committees of the Senate and House of Representatives.

Respectfully,



Dick Thornburgh  
Attorney General

**Annual Report of the**

**Organized Crime  
Drug Enforcement  
Task Force Program**

**Fiscal Year 1988**

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**IN MEMORIAM**

**Officer Charles Beasley,**  
*Detroit Police Department*  
*and*  
**Special Agent Everette E. Hatcher,**  
*Drug Enforcement Administration*

*who gave their lives in the line of duty  
while assigned to OCDETF investigations.*

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# Executive Summary

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When the Organized Crime Drug Enforcement Task Force (OCDETF) Program was created in October 1982, the President requested that a yearly report be made to Congress and to the American people on the status of the fight against organized criminal groups dealing in drugs. These reports were made for the first and second years of the OCDETF Program's operations. In the three subsequent years, the activities of the Program were summarized and included in the Progress Reports of the National Drug Enforcement Policy Board. With the statutory termination of that Board, the OCDETF Program returns to a dedicated report format for its Annual Report.

Compared with previous Annual Reports, this one focuses less on the OCDETF Program process and more on the availability and abuse of illicit drugs and on the nature and structure of the criminal drug trafficking organizations targeted by the Program.

Worldwide production of illicit drugs or their source materials is up in all categories. Opium production measured in metric tons has increased in Southwest Asia, principally in Afghanistan, and in Southeast Asia, principally in Burma. Coca leaf production is up in all the major growing countries, most significantly in Bolivia, where it is estimated that production increased by over 10,000 metric tons in the last year. And, while there has been a decrease in marijuana production in Mexico, Jamaica, and Belize, this has been offset by increases in Colombia and, most dramatically, in the United States.

The estimated mean price for cocaine has dropped in each of the three most common quantities: kilogram, ounce, and gram. This fact, when coupled with the sharp increase in cocaine removed from circulation, up more than 57 percent from 1987 to 1988, is a strong economic indicator that large quantities of cocaine must be entering the United States undetected.

Equally discouraging are the statistics commonly referred to as "emergency room mentions."

These figures identify specific drug use which is reported by patients upon admission to hospital emergency rooms. In 1988, there was a 30 percent increase in "mentions" of cocaine abuse, a clear indication that the use of crack cocaine is spreading as fast as was predicted by the most pessimistic estimates of only a year ago. The abuse statistics do, however, end with one positive note: there is evidence of decreasing drug use by U.S. high school seniors.

The focus in this report on "The Nature of the Enemy" was suggested by Attorney General Thornburgh's request of each of the 93 United States Attorneys to provide a threat assessment of the drug trafficking organizations in each Federal judicial district.

Not surprisingly, the consensus distilled from initial drafts of these reports and other source material is that the drug trafficking organizations are eminently flexible in their response to the changing patterns of the demand for illicit drugs. More importantly, the enormous profits to be made from the manufacture and sale of illicit drugs have attracted new participant organizations to the supply side of the business as well as facilitated new alliances between and among the veteran manufacturing and trafficking organizations.

The ultimate test of a coordinated attack on drug trafficking is the ability to produce positive results. The statistical results detailed in this Annual Report are presented both cumulatively, for the period commencing with the creation of the Task Forces in October 1982 through the end of FY 1988 and, separately, for FY 1988. The Task Force results are convincing evidence that the Program is making a major contribution to the war on drugs.

As might be expected, there has been an increase in the percentage of investigations initiated that involve cocaine. There has also been a substantial increase in the percentage of investigations initiated that involve money laundering. This increase

continues a trend that has been accelerating since the inception of the Program. It is indicative of the maturation of the OCDETF Program model, as an increase in money laundering investigations reflects developing expertise in a heretofore limited area.

Particularly supportive of the OCDETF concept is sustained use of one of the most powerful tools in the Federal arsenal, the investigative grand jury. Prosecutors are employing the grand jury as an investigative technique in over 60 percent of all Task Force cases. Similarly, investigators are making extensive use of undercover operations in developing Task Force cases that result in indictments. This technique is particularly suited to the Task Force concept where long-term, complicated investigations, many times requiring undercover operations, are supported by encouraging investigative agents to follow all leads in the pursuit of the major leaders, be they manufacturers, suppliers, or money-launderers.

The positive effect of enhanced Federal criminal penalties for Title 21 drug offenses is evidenced in the substantial increase in the percentage of defendants charged under this statute. Previously, to assure maximum sentences, prosecutors often had to try defendants under the complex and difficult-to-prove statute, Title 18: Racketeer Influenced and Corrupt Organizations (RICO). Now, with the increase in penalties for drug offenses covered under Title 21, prosecutors can, by

proving the drug violations, be assured of longer prison terms for the guilty.

This change is borne out by the statistics on net prison terms. The percentage of defendants sentenced to terms of five or more years of confinement has increased to 54.2 percent, compared to the six-year cumulative rate of 50.9 percent. Of greater significance is the fact that in FY 1988, top leaders, major suppliers, and mid-level leaders were sentenced to average prison sentences of 16.4, 7.0, and 8.3 years, respectively. This represents an increase in years sentenced, over all years of Task Force operation, of 20 percent for top leaders, 6 percent for major suppliers, and 27 percent for mid-level leaders.

In the first Annual Report of the OCDETF Program, the statement was made, "If first-year trends continue into the second year, the expense of operating the Task Force Program may well be exceeded by the value of the forfeitures, fines, and seizures generated by Task Force cases." In FY 1988, the non-drug property assets seized were valued at \$198.6 million; cash assets seized totaled \$94.5 million. The total of these sums far exceeds the FY 1988 expense of the OCDETF Program.

In sum, the Organized Crime Drug Enforcement Task Forces have matured to become the principal Federal weapons in the investigation and prosecution of drug traffickers and their organizations. The benefits of Federal, State, and local investigative and prosecutorial agencies working together to fight a common enemy are clear.

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# I.

## Background and Introduction

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### **Background of the OCDETF Program**

On October 14, 1982, the President unveiled an extensive eight-point program to attack drug trafficking and organized crime. At the heart of this initiative was the Organized Crime Drug Enforcement Task Force (OCDETF) Program--a network of regionally based, multi-agency Task Forces comprised of a spectrum of Federal, State, and local criminal justice agencies.

This Program was based on the recommendation of an ad hoc committee appointed by the Attorney General in mid-1982. Composed of senior officials of the Justice and Treasury Departments, the committee was charged with devising a more effective approach to the problem of drug trafficking. After reviewing previous efforts in drug control, committee members provided the structural and philosophical bases for the Program. These principles and practices were presented in the "Organized Crime Drug Enforcement Task Force Program Guidelines."

### **Introduction to the FY 1988 Annual Report**

This is the Annual Report of the Organized Crime Drug Enforcement Task Force Program for FY 1988. This first section contains a brief explanation of the purpose and methodology of the FY 1988 Annual Report. This explanation is followed by an overview of the OCDETF Program's approach to drug trafficking investigations and prosecutions and a description of the Program's organization.

Subsequent sections provide a detailed description of the current drug trafficking situation in the United States and a detailed report of the OCDETF Program's response during FY 1988. A summary of the 1988 legislative anti-drug initiatives is also included.

The emphasis of the FY 1988 Annual Report is on "the nature of the enemy." Attorney General Dick Thornburgh has asked the United States Attorneys to analyze the current organizational structure of narcotics trafficking groups operating in their districts. These reports, due in the spring of 1989, will assess changes in the nature of drug trafficking organizations and will reflect the increased knowledge and understanding of the realities of the drug trafficking situation garnered through six years of Program experience. Draft reports were generated with substantial input of intelligence data from the OCDETF member agencies.

The draft reports, already received from the field, focus on cases--what traffickers were doing and how their activities were disrupted by the coordinated efforts of the law enforcement community. Initial analysis has revealed an emerging picture of formidable, well-financed drug trafficking organizations. The threat posed by these organizations is of a type that requires the coordinated response that the OCDETF Program was created to provide. This Annual Report includes descriptions of these organizations based upon the analysis of these draft reports and other sources of information.

The purpose of the Annual Report is to fulfill congressional reporting requirements and participant information needs through a summarization of Program operations and results. This exposition includes an explanation of Program goals and missions as well as a description of the means used to achieve them. It provides examples of cases successfully prosecuted and statistical data analysis of the status of the illicit drug situation and of current drug enforcement efforts.

### **Methodology**

This Annual Report draws on data from three primary sources: draft field reports submitted by U.S. Attorneys in response to the Attorney General's

request; analyses of documents and data from OCDETF and participating agencies; and on-site interviews conducted in the field offices and in the Washington, D.C., headquarters of the OCDETF Program's participating agencies.

The draft reports from the U.S. Attorneys are often quite detailed. In addition to information which is based on matters of public record, the reports contain information developed during both previous and current investigations. The information provided by these preliminary draft reports has been analyzed and used extensively in developing the picture of the current state of drug trafficking and drug trafficking organizations as it is presented in this Report.

***The coordination of investigative and prosecutorial activities and the sharing of information are at the heart of the OCDETF approach.***

Documents developed by OCDETF and participating agencies have been reviewed for data relevant to this Annual Report, and such data have been incorporated in the appropriate sections. Data from the field, which come into the participating agencies and into the OCDETF Program administrative staff in Washington, has been aggregated and analyzed, and provides the basis for statistics presented in the Annual Report. Such figures cover investigative techniques used for indictments and informations, agency participation in various investigations, offenses charged, case dispositions, and net prison terms imposed--in short, the data that provide the measure of OCDETF accomplishments.

Because the Task Force Program is decentralized and major operational decisions are made at the district and regional levels, an accurate and comprehensive picture of Task Force Program activities must include in-depth information obtained from personnel at that level. To accomplish this, interview teams visited the 13 OCDETF core cities and several non-core city districts. They conducted face-to-face interviews with Task Force Coordinators, U.S. Attorneys, agency Special Agents in Charge, and other personnel who work with the OCDETF Program in the field. The interview teams also observed Program operations in the field. From these

data, a composite picture of Program operations and processes at the operational level was developed. The Annual Report draws heavily on information obtained in these interviews.

Research, editorial, and production assistance was provided by Aurora Associates, Inc., of Washington, D.C.

## **The OCDETF Approach**

### **Overview**

As stated in its "Guidelines," the goal of the Organized Crime Drug Enforcement Task Force Program is "to identify, investigate, and prosecute members of high-level drug trafficking enterprises and to destroy the operations of those organizations." In light of this goal, Task Force organizers developed the operational principles that guide the Program today.

The coordination of investigative and prosecutorial activities and the sharing of information are at the heart of the OCDETF approach. These principles reflect OCDETF's understanding of the drug trafficking problem as one demanding a national, even international, approach. This understanding includes the perception that localized programs will not suffice because most individual cases represent only one piece of a much larger puzzle. In an environment in which large-scale drug trafficking networks can involve multinational suppliers, sophisticated money-launderers, and multiple domestic distribution organizations, an approach based on coordinated activity and shared information is imperative.

Optimally, coordination and information sharing will be spontaneous and will reflect each member agency's perception of the value and importance of coordination, both in the fulfillment of the agency's immediate individual objectives and as an effective means of promoting the overall mission. Achievement of this realization on the part of the OCDETF participating agencies is one of the most important accomplishments of the Program. Even localized cases, requiring the skills of only one agency, can be important in providing information that broadens the general understanding of the nature of the drug trafficking problem.

Experience has made it clear that major drug trafficking organizations routinely violate many different statutes in multiple jurisdictions. The ability

to bring to bear expertise from agencies with a wide variety of skills and missions and to operate effectively across jurisdictional boundaries are key elements in the effectiveness of the OCDETF approach.

This approach of cooperation and shared information has been nurtured in the context of a concerted effort to develop a consensual or collegial relationship among participating agencies.

This model has been effective in ameliorating the problems of jurisdictional rivalry that often exist when one agency or body is seen as attempting to impose its view on others involved in a task force environment. When investigative intelligence is shared and when each agency is involved in areas in which it has the greatest expertise, coordination is achieved by the mutual recognition of the advantages inherent in employing the widest possible variety of appropriate law enforcement techniques in each individual case.

The criteria for selection of Task Force cases are designed to assure that each case chosen is of a type and magnitude that will derive maximum benefit from utilization of the Task Force approach. Cases that require the expertise of more than one investigative agency, that involve major drug trafficking figures or organizations, and that involve activity in more than one jurisdiction are prime candidates for consideration as Task Force cases. The effectiveness of OCDETF case management is materially enhanced by Assistant U.S. Attorney involvement at the early stages of the investigation.

Cases that meet these criteria, while usually targeting drug kingpins, often lead to charges against and conviction of other criminals. These individuals fall into two broad categories: those providing support functions to illegal drug trafficking and those who work directly for the kingpins. Those providing ancillary support include such specialists as money-launderers, financiers, legal counselors, and drug-producing and drug-designing chemists. Direct employees of the drug trafficking operations may include wholesalers, distributors, and enforcers. Cases may also lead to other organizations connected to the initial target. These may include smuggling, supply, distribution, or production organizations whose existence was unsuspected at the inception of the case. Often, investigations of these connected organizations or figures provide the information or link needed to develop a successful case against the kingpins who were the initial focus of the investigation.

The OCDETF Program has found that financial investigations often provide an opportunity for exposing such links. The uncovering of the financial network of organized drug trafficking operations is also an invaluable tool in piecing together details of organizational relationships in the drug trafficking world. The results of such investigations enable Task Force investigators to trace the cash flow that sustains the entire organizational structure of drug trafficking operations.

*The uncovering of the financial network of organized drug trafficking operations is . . . an invaluable tool in piecing together details of organizational relationships in the drug trafficking world.*

During prosecution, evidence gathered in financial investigations is used to give juries a clearer picture of the scope of drug operations. This type of evidence is often more enlightening to a jury than is the simple fact of a quantity of seized drugs.

Often, evidence is found in financial investigations that allows for immediate seizure of drug organization or drug kingpin assets. In addition, financial investigations can provide the basis for bringing currency or tax violation charges against drug organizations and kingpins. These charges are an important adjunct to the drug charges themselves and in some instances, where direct drug charges cannot be sustained, provide the only way of successfully prosecuting drug traffickers.

### **Headquarters and Field Organization**

The OCDETF Program has avoided the creation of a large, Washington-based bureaucracy. The Executive Review Board (ERB), chaired by the Associate Attorney General, is composed of senior officials from agencies of the Treasury, Transportation, and Justice Departments. The ERB provides oversight nationally by articulating policy, reviewing the allocation of resources, and resolving outstanding issues that cannot be settled in the field. The Washington Agency Representatives Group,

comprised of high-level section managers from each member agency, provides problem resolution research for the Board. A small administrative staff is based at the Justice Department headquarters in Washington. The administrative staff serves as the first-echelon point of contact for the Task Forces when Washington intervention or assistance is required. This staff is also responsible for records management and maintenance and supports field operations in the 13 OCDETF regions. Each region's headquarters is located in a "core city."

The organization of each region has two principal structural components: the Task Force Advisory Committee and the Task Force Coordination Group. The Advisory Committee oversees the Task Force, while the Coordination Group shares intelligence among the agencies, decides which cases are selected, coordinates the allocation of assets among cases, and facilitates the cooperation among the agencies and between regions.

Each regional Advisory Committee is comprised of all of the region's U.S. Attorneys, the Assistant U.S. Attorney (AUSA) Task Force Coordinator, the coordinators for each participating agency, and the senior regional representatives of those agencies. As the senior official responsible for each Task Force's performance, the core city U.S. Attorney chairs the committee and supervises the AUSA Coordinator.

The Task Force Coordination Group plays a central role in coordinating the OCDETF Program within its region. Consisting of the AUSA Task Force Coordinator, coordinators from each participating Federal agency, and representatives from State or local law enforcement organizations, the Coordination Group evaluates cases proposed for Task Force designation. The committee reviews the use of Task Force resources, resolves disputes between member agencies, and designates specialists within the Task Force to appropriate case-related functions. The AUSA Coordinator, an experienced Federal drug prosecutor, is responsible for the day-to-day operations of the Coordination Group.

In the non-core cities, District Drug Enforcement Coordination Groups review investigation selection, resource allocation, and the progress of Task Force efforts. Each non-core city U.S. Attorney selects an AUSA to serve as Lead Task Force Attorney for the district. This Lead Task Force Attorney coordinates case selection with representatives of the

participating agencies, is responsible for district reporting tasks, and serves as liaison with the core city Task Force office.

## **OCDETF Member Agencies**

Each of the Federal Task Force members brings its own special skills and methods to the Program. Members come from three Cabinet-level departments: Justice, Transportation, and Treasury.

### ***The U.S. Department of Justice***

The Associate Attorney General is the chairperson of the OCDETF Program Executive Review Board (ERB). The Justice Department provides central administrative support and, through Assistant U.S. Attorneys in core cities, supports coordinated field-level operations. Participating Justice agencies include the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Immigration and Naturalization Service (INS), the U.S. Attorneys' offices, and the U.S. Marshals Service. Support for the Program is also provided by the Department's Tax and Criminal Divisions.

The effective use of the expertise of these components is an indispensable tool in the OCDETF Program. Thus, DEA's narcotics investigative experience, knowledge of drug distribution organizations, and close working relations with State and local authorities make this agency essential to every Task Force. The same holds true for the FBI which brings to the Program the ability to gather and analyze intelligence data and to deploy and manage sophisticated electronic surveillance and undercover techniques.

The U.S. Attorneys' offices have a special role in the Program. Task Force cases are chosen from those that will benefit materially when prosecutors are brought in very early in the course of an investigation. These attorneys participate in strategy development, provide legal services, and assist in handling very complex legal issues such as those involved in court-authorized wiretaps.

The Immigration and Naturalization Service (INS) has statutory responsibility for the admission, control, and removal of aliens. Pursuant to this authority, INS identifies and screens high-risk persons entering the United States to curtail alien involvement in illicit narcotics enterprises.

Exhibit 1-1

Structure of the Washington Elements  
of the OCDETF Program

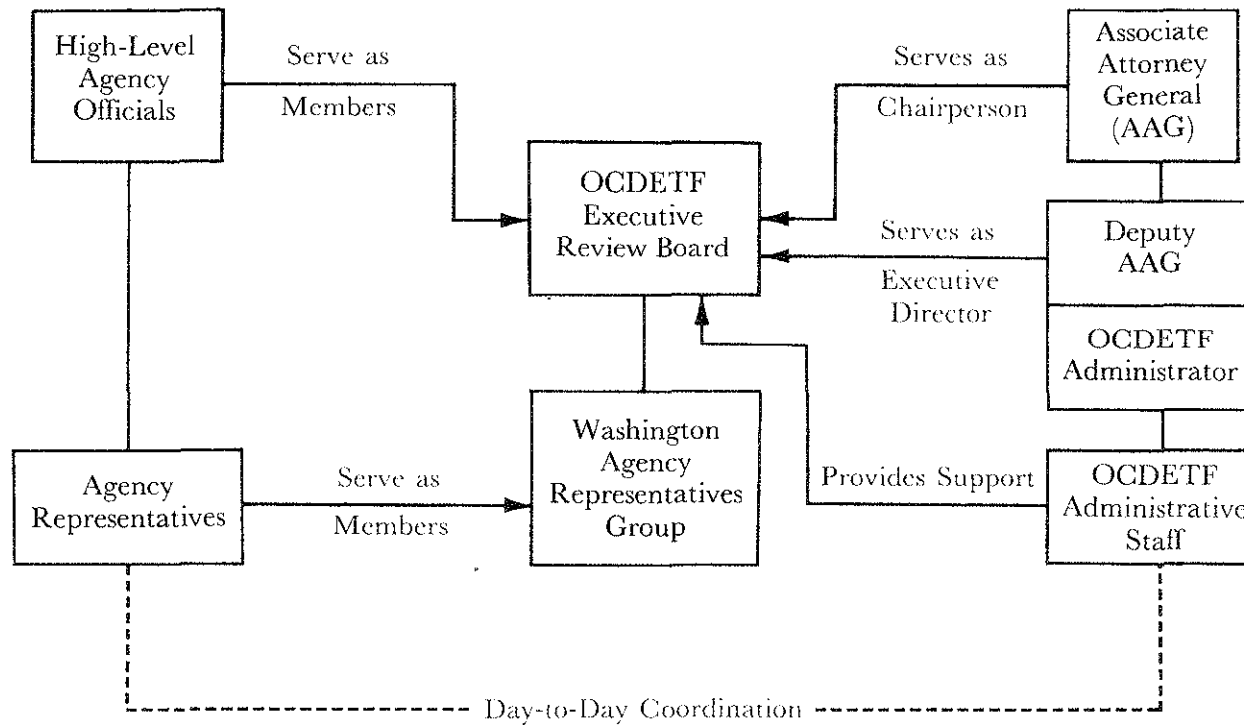
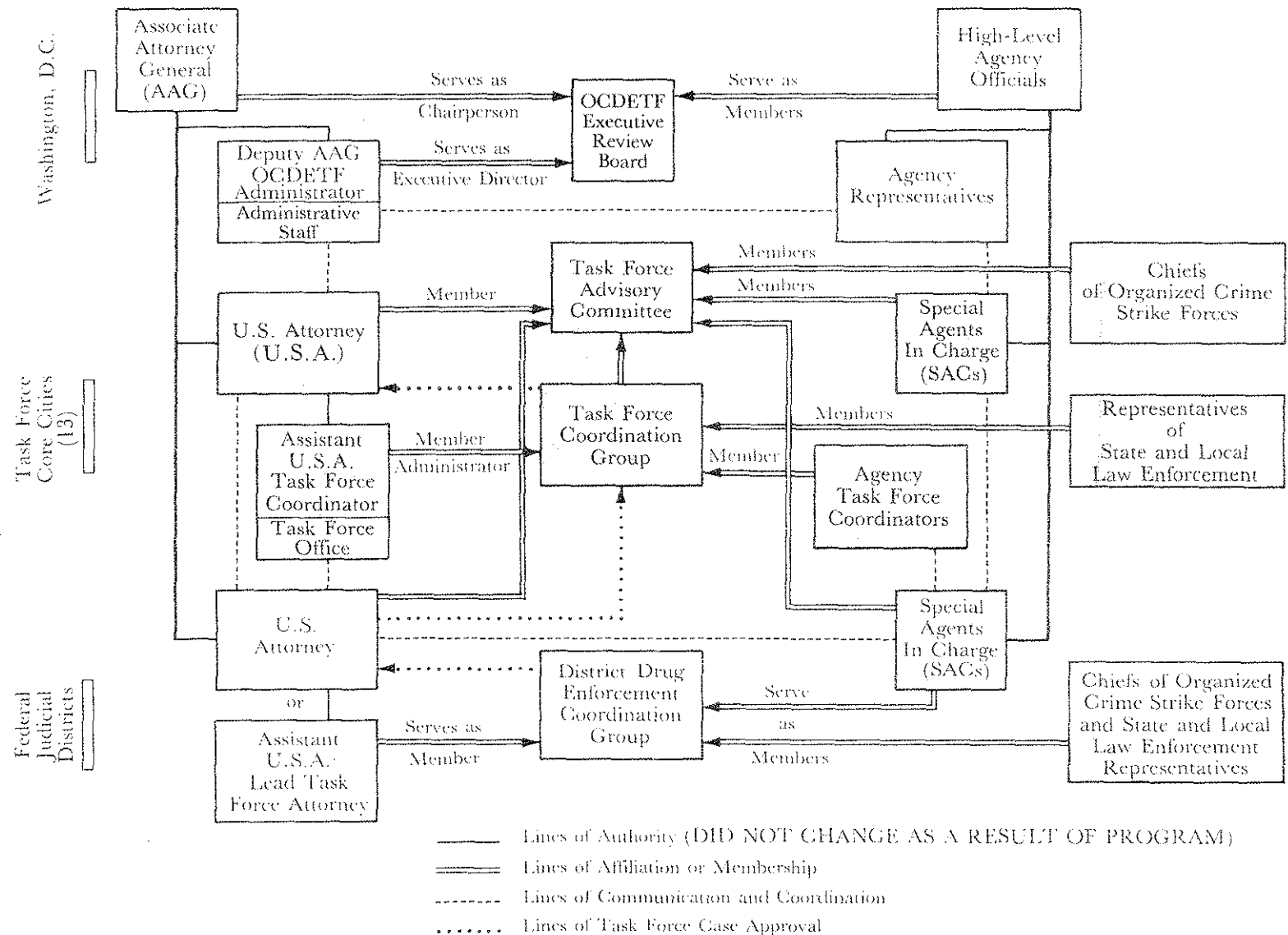


Exhibit 1-2  
The OCDETF Program



The U.S. Marshals Service is charged with safeguarding the integrity of the judicial process by preventing jury tampering and disruption in the courtroom. The Marshals Service also manages seized assets and those assets forfeited by drug traffickers.

#### *The U.S. Department of Transportation*

The Transportation Department participates in the OCDETF Program through the U.S. Coast Guard. Primarily an interdictive agency in a program mainly comprised of investigators and prosecutors, the Coast Guard has assumed a variety of functions that meld with the work of the other Task Force agencies. Coast Guard coordinators participate in case selection, analysis, and review; serve as liaison with the military services; and provide valuable intelligence and guidance on cases with maritime connections. The Coast Guard shares responsibility with the U.S. Customs Service for enforcing Federal drug smuggling statutes and for air and sea interdiction.

#### *The U.S. Department of the Treasury*

Participating Treasury agencies are the Bureau of Alcohol, Tobacco and Firearms (BATF), the Internal Revenue Service (IRS), and the U.S. Customs Service.

BATF's special role in enforcing Federal firearms, explosives, and arson laws gives the Program access to special expertise in dealing with drug traffickers who are well armed and increasingly prone to violence. BATF's jurisdiction and capabilities make it a well-suited partner to other agencies participating in the war against illegal drugs.

The IRS actively participates in Task Force cases through its investigation of tax-related violations of the Internal Revenue Code. The IRS's Criminal Investigation Division also investigates money laundering operations, enforces major provisions of the Bank Secrecy Act, and assists in asset seizure and forfeiture actions. Additionally, the IRS's Examination Division may initiate jeopardy and termination tax assessments in cases where the collection of a tax may be in jeopardy.

Along with the IRS, the U.S. Customs Service has been especially effective in conducting financial

investigations. Through the analysis of computer data collected under the Bank Secrecy Act, Customs identifies drug traffickers and money-launderers for Task Force investigations. Customs' capacity to track the international movement of cash, persons, and commodities complements the drug trafficking investigations of other Task Force agencies.

The Customs Service is also a major interdictive agency. Its mission includes the interdiction of drug shipments through all ports of entry into the United States.

#### **State and Local Participation**

From the Program's inception, State and local law enforcement elements have worked closely with the Task Forces. The "Guidelines" promote the coordinated involvement of State and local authorities in investigating, apprehending, and prosecuting major drug traffickers and their organizations. The increase in State and local participation significantly increases the available resources and expands the venue for prosecution.

Four features of the OCDETF Program facilitate such coordination. States and localities are eligible for reimbursement from the Federal Government for designated expenses incurred when they participate in Task Force cases, and State and local enforcement officials can be deputized under appropriate circumstances. Additionally, the OCDETF Program allows for the cross-designation of attorneys, with designated Federal attorneys participating in State prosecutions and State attorneys in Federal prosecutions. Finally, the OCDETF Program provides for the equitable sharing of assets forfeited by drug traffickers.

#### **Conclusion**

The long-term, multi-agency approach of OCDETF is the most promising investigative and prosecutorial strategy for dealing with sophisticated drug trafficking organizations. As the following sections of this report illustrate, only such a multidimensional approach can begin to attack the highly sophisticated, complex, and widespread drug organizations that control illicit drug trafficking in the United States today.

## The Five Star Health Club

The Five Star Health Club, in Fairmont, West Virginia, was in reality a gambling casino. Just three days prior to a police raid that closed it forever, the club was locked up by its owners. This was not the owners' only line of work. Three of the "five stars," the Spadafore brothers, Donnie, John, and Ralph, were drug dealers. The others were their attorney and an ex-cop who was a convicted gambler.

Over a period of years beginning in 1979, the Spadafore organization smuggled multi-kilo quantities of cocaine into Fairmont, then broke it into smaller consignments for distribution in central West Virginia and in Erie, Pennsylvania. Among many other local endeavors, they owned a grocery where, on inquiry, the grocer would pour you grams of cocaine from the middle Bisquick box on the shelf.

The gang originally made their wholesale purchases in Miami but soon tired of paying stateside prices and branched out into their own version of international drug smuggling. Donnie, the leader, brought in an Erie, Pennsylvania, organized crime figure, Joseph Scutelli. The organization began to specialize in complicated logistical planning in order to avoid leaving trails. A firm Peruvian connection was established, improving certainty of supply and reducing price.

In a typical instance, three different private planes were used by the smuggling team. A ring-member pilot flew his own aircraft from Lima to Stella Maris in the Bahamas, where "the vacationers" were about to leave for Pittsburgh on a charter. "The vacationers" were a retired Erie Police Department detective and his wife, who were used repeatedly because of their ability to blend in with Caribbean tourists. Arriving in Fort Lauderdale at midnight, the couple (and the dope) boarded another of the organization's planes, which dropped them in Pittsburgh and delivered the cocaine to an unused, unlighted runway of the Morgantown, West Virginia, airport.

At the South American end, drugs were usually packed in a pillow stuffed with llama hair. When transported by car in the United States, the drugs were wrapped in a shoebox and addressed for mailing. If challenged, the driver would report having found the box at a rest stop and say he planned to mail it.

The Five Star attorney was versatile. At times he stored drugs or money at his home for the group. When an insurance arson was planned by the gang, this "corporate counsel" gave such advice as "put a dog and cat in the house and you'll get paid easier." According to other defendants, it was he who arranged for and delivered monthly payments to "the Charlies" to give the gang protection from law enforcement. "The Charlies," Anderson and Dodd, were the county prosecutor and the sheriff, both convicted at later dates. The lawyer also was accused of acting as lookout while the brothers broke into the police garage seeking to recover cash and cocaine they thought was hidden in an impounded car. (Somebody else got there first.)

A fellow barrister--actually a city judge--was hired to keep police occupied inside the station next door during the break-in. The young judge was seduced into drug dealing by Donnie's offer of a trip to South America to "run some errands." He was half way to Peru when he first learned that the only errand was to pick up drugs and that he would be paid \$65,000 for doing so. The temptation was too great.

The information and evidence necessary to bring down the "stars" was developed over a period of four years by agents of the FBI, IRS, West Virginia State Police, and Fairmont Police Department, under auspices of the Organized Crime Drug Enforcement

Task Force. Faced with up to life in prison, the Spadafores all entered plea agreements. The mastermind, Donnie, pled guilty in the Northern District of West Virginia to charges of operating a continuing criminal enterprise, unlawful possession of an unregistered firearm, and filing a false income tax return. He was sentenced to 20 years without parole. John Spadafore's primary role in the organization had been providing the muscle; he pled guilty to RICO charges in connection with drugs and also received 20 years. Ralph's role was to provide financial services and present a legitimate front for the organization. He was the overseer of the gambling operation and was responsible for all hiring. Ralph pled guilty to violating the RICO statute in connection with gambling and was sentenced to six years. All but one of the 21 persons indicted have been convicted or have pled guilty. The last is a fugitive believed to be somewhere in South America.

One of those convicted was Carol Rae Olson, a key supplier to the Spadafore organization, and a vice-president of an oil company whose jet aircraft were used to move drugs. Her conviction was especially important because it severed a direct cocaine pipeline from Peru to the United States. Olson was apprehended in Hawaii with Donnie Spadafore's help and found guilty of six counts of racketeering, conspiracy, and cocaine importation. Others found guilty included Scutelli, the ring's lawyer, the city judge, two pilots, and "the vacationers."



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## II.

# The Nature of the Enemy

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### Availability and Abuse of Illicit Drugs

#### Patterns of the Drug Problem

The worldwide drug problem is a modern plague that is multifaceted and pervasive. Drugs are at once a social, economic, medical, political, and national security problem; their massive influx is ravaging society.

The social effects of drug abuse are devastating. Illicit drug trafficking destroys social productivity by creating dependencies that destroy the ability to perform in the workplace, by creating incentives to turn to crime in order to get the money needed to feed drug habits, and by corrupting individuals with the prospects of the enormously high sums they can make dealing drugs.

*... as drug traffickers buy legitimate businesses, the effect is less to integrate the dealers into society than to draw parts of the economy into the drug culture.*

The social effects of drug trafficking are accentuated and reinforced by their direct and indirect economic impact. The sums spent on drugs represent resources lost to legitimate productive enterprises. The money laundered by drug dealers corrupts everything and everybody it touches; as drug traffickers buy legitimate businesses, the effect is less to integrate the dealers into society than to draw parts of the economy into the drug culture. Further, the indirect economic effects of drugs carry over into the workplace, whether one considers the accidents caused by employees under the influence of drugs,

the drop in productivity caused by drug abuse, or the burden placed on employers when anti-drug abuse programs must be implemented in their companies.

The abuse of drugs generates severe medical problems: deaths from overdoses, children born to addicted mothers, and the spread of diseases such as AIDS and hepatitis through the sharing of contaminated needles by intravenous drug users. By channeling scarce resources into treatment, the drug problem increases the cost of health care for the entire nation. Even marijuana can have devastating long-term results. Not only is marijuana the drug with which many users begin, but marijuana cigarettes have several times the carcinogenic tar content of tobacco cigarettes.

Drug abuse also has important political and national security dimensions. The larger drug organizations, particularly the so-called Colombian cartels, have become so powerful that they threaten the stability of any regime that confronts them. The traffickers' drug money has corrupted many officials in source countries to the point where even officials charged with eradicating the problem are on the traffickers' payrolls. Additionally, the governments of some source countries hostile to the United States see drugs as a weapon that can be used to weaken U.S. society.

Fifteen countries are currently listed by the U.S. State Department as major producers of illicit drugs. Four of these, Afghanistan, Burma, Iran, and Laos, all opium producers, are decertified for United States assistance under the provisions of the Foreign Assistance Act. Two other countries, Panama and Syria, are decertified for failure to control trafficking and money laundering.

Colombia, the largest exporter to the United States of marijuana and processed cocaine, will continue to be assisted in the internal battle between the government and the traffickers. The U.S. State

Department points out in its official statement of explanation:

A much-needed infusion of government military capability had handsome results in 1988: over 23 tons of cocaine seized, more than 800 labs destroyed including 29 major complexes, and more than 600,000 gallons of precursor chemicals seized. In January and February of this year Colombia continued to take the initiative in a series of raids on major cocaine-producing facilities that yielded the largest seizure ever of precursor chemicals. The strong actions against cocaine refining were particularly welcome as a test of Colombia's continuing courage to resist the violence of well-armed trafficking and insurgent groups. The aerial spray program has succeeded in eliminating about 90 percent of traditional cannabis cultivation; however, new growth in other regions pushed Colombia back into position as the number one exporter of marijuana to the U.S. Strategies are being revised to meet this challenge and the U.S. has confidence in the cannabis spraying program. . . . As much as has been done, Colombia must do more, not just to eradicate crops, but to overcome corruption and intimidation. Colombia fights a two-front war against the traffickers and insurgents, too often in league with one another. We will continue to assist in meeting that challenge.

The consumption of illegal drugs is one of the most serious domestic problems the United States faces. Estimates of the extent of the user population, or of the consumption of particular drugs, vary. What can be said is that the number of users of all kinds of illegal drugs is well into the millions. While the number of heroin users remains comparatively level, the number of users of other drugs, particularly of "crack" cocaine, has grown significantly. Although drug users are found disproportionately in inner-city neighborhoods, they are by no means confined to these areas. No social class, no geographic area has been spared the effects of the drug plague.

The 1988 statistics indicate that cocaine is available at prices significantly below the pre-1987 levels. DEA removal and arrest reports, together

with the Drug Abuse Warning Network (DAWN) reports of hospital emergency room drug "mentions," contain clear implications of an increase in cocaine abuse. The only bright side is that this increase is not occurring among high school seniors. For the fourth consecutive year their reported cocaine use was significantly down, along with that of marijuana and phencyclidine (PCP). Researchers were quick to point out, however, that the group excluded, by definition, those of high school age and not in school, who are generally considered to be more seriously at risk and would be expected to raise the totals more than proportionately.

### *Peru, Bolivia, Ecuador, and Colombia . . . account for nearly all of the coca leaf produced . . .*

There is no single "drug abuse problem," but rather a series of overlapping problems. The various abused drugs have very different effects on users, ranging from a mild euphoria to the triggering of psychotic behavior to sudden death from overdose. Further, there are many different kinds of users, from inner-city youth to successful upper-income professionals. Drug traffickers are as varied a group as those they supply, from the small-time free-lancer to the heads of vast, tentacular, international cartels. The following sections discuss the availability and abuse patterns of the major illicit drugs and the changing status of the major drug trafficking organizations.

## **Principal Drugs of Abuse**

### *Cocaine*

Cocaine continues to be a major drug abuse problem because of its widespread use, increased availability, and significant health consequences. Four Latin American source countries--Peru, Bolivia, Ecuador, and Colombia--account for nearly all of the coca leaf produced, with at least three-quarters of the cocaine product actually processed in Colombia. In 1988, South American coca cultivation yielded up to 227,000 metric tons of coca leaf, which converts to approximately 355 metric tons of cocaine, continuing a steady annual increase. The coca plant is converted into a paste and then a base before

being transported to laboratories in Colombia for final refining into cocaine hydrochloride (HCL). Cocaine generates vast profits for international drug traffickers, particularly the organizations based in the Colombian cities of Medellin and Cali.

The use of cocaine is of epidemic proportions in the United States. Drug abuse experts estimate that over 22 million Americans have tried cocaine. Nearly six million people use it at least once a month, with one-third to one-half that number thought to be addicted. The estimated daily increase in the number of users is more than 5,000. While field reports assert that cocaine HCL is the drug of choice for the majority of cocaine users, the increasing availability of "crack," a form of cocaine processed primarily for smoking, has led to a surge in the number of individuals admitted to hospitals for cocaine-related emergencies.

Crack is an inexpensive, highly addictive, physically and emotionally destructive drug, whose use has reached staggering levels in some communities. Although the majority of crack available in the United States is believed to originate from independent, low-level traffickers, who buy cocaine HCL from wholesalers, convert it to crack, and sell it to users, Federal investigators have discerned a fundamental change in the structure of crack trafficking. Several large-scale trafficking groups, whose complexity is beginning to approach that of established mid-level cocaine or heroin dealers, have begun to emerge and are now overshadowing the small-scale traffickers. An increase in violence has occurred as power struggles over drug territory develop among successful small-scale groups, inner-city street gangs, and large-scale Jamaican organizations attempting to expand their market area.

The extraordinary overall expansion of the market for crack raises broader issues about the relation of supply to the demand for illegal drugs. International traffickers and domestic distributors do not simply react to their customers' demands. Many drug suppliers are trying to anticipate their customers by developing more "advanced" products. As a rough analogy, the development of crack bears some resemblance to Henry Ford's development of the automobile for the mass market. Ford managed to satisfy a pre-existing demand for greater mobility by bringing the automobile within reach of ordinary consumers. In so doing, he serviced a totally new market. Similarly, crack has "democratized" the

consumption of cocaine. The unit cost is lower than that of cocaine HCL, its effects are even more intense, and the product can be distributed in a pure form, with no adulterants or diluents. But because its effects are so short lived, users need a steadier supply of the drug than for other forms of cocaine. In that sense, crack sellers satisfy their users and help to feed an insatiable demand.

***Crack is an inexpensive, highly addictive, physically and emotionally destructive drug, whose use has reached staggering levels in some communities.***

The distribution of cocaine has reached a point where the cocaine market is integral to many local economies. Some of the economic effects of the drug economy are discussed below. It is sufficient to note here that while the long-term effects of large-scale drug trafficking invariably weaken the economies of source and consuming nations, there are effects which are perceived as beneficial in the short term. The sheer size of the returns available to those willing to take risks is extraordinary. According to an estimate from the field, the total annual value of the illegal drug business in the United States has risen to over \$100 billion. Reaching beyond the immediate circle of those who deal in drugs, cocaine trafficking dollars affect bankers, car dealers, realtors, and others with whom drug dealers invest or spend their earnings.

The pattern of drug industry distribution lines contributes to the success of drug trafficking operations. Distribution networks are both widespread and easily adapted to the threat from law enforcement organizations. It is difficult, if not impossible, to completely control drugs such as cocaine, which are produced and processed abroad and then smuggled into the United States. In addition to small-scale smuggling by couriers who conceal drugs on their persons or in luggage, drug traffickers have shown endless ingenuity in devising new approaches. According to reports by U.S. Attorneys and others, the greatest growth area in smuggling is the secreting of narcotics shipments in ostensibly legitimate commercial cargo, such as fresh cut flowers, frozen fruit juices, and industrial equipment.

## Ray Ray and the BGF

The Black Guerrilla Family is a close-knit gang that originated in the '70s in California prisons. BGF members and affiliates are engaged in many types of crime and are best characterized as "simply prone to violence."

This OCDETF case involved an investigation by a Task Force team consisting of the DEA, IRS, BATF, Los Angeles Sheriff's Office, California Department of Justice, and local police officers from four jurisdictions. Their goal was to uncover and prosecute the narcotics, strong-arming, and homicide activities of the Elrader "Ray Ray" Browning organization. After two years of investigation, working undercover and using informants, six months of intensive surveillance, and three months of wiretaps on residences, automobiles, and portable phones, 28 defendants were indicted on a variety of cocaine, heroin, and firearms charges. Browning's organization distributed cocaine and heroin in Los Angeles, Detroit, Oakland, and Kansas City. In addition to the 20 other murders attributed to them, they were proved responsible for the killing of a Government informant and the attempted murder of one of Browning's drug couriers whose consignment of cocaine was seized by the DEA in Detroit.

Browning was released from prison in 1979 after serving part of a State term for a murder he committed as a juvenile. In August of that year, a man, identified as Browning, walked into a cafe and shot to death two men. The attack was to avenge a drug robbery of James "Doc" Holiday, Ray Ray Browning's associate. Ray Ray's conviction was overturned when a California Supreme Court decision rendered inadmissible the testimony of a witness who had been hypnotized in an attempt to refresh her memory.

In 1983, Browning was found guilty of firebombing and shooting into a Pasadena home in an incident related to drug territories. Again, his conviction was overturned, and he was released in September 1985. Browning then began organizing his major drug ring.

Like a corporation's chief executive officer, Ray Ray headed a broad narcotics empire with senior executives in at least four cities. Gross sales were estimated at \$1 million to \$3 million per month! Profits were funneled into a pricey life-style for Browning, his girlfriend and second-in-command, Nei Marie Wells, and a very small group of top confederates such as "Doc" Holiday. The rest were mainly small-time drug dealers ordered by Ray Ray to work for him or close up shop.

At home in Pasadena everyone knew Ray Ray. Seeing him being driven in his white limousine or smiling behind the wheel of his Rolls-Royce, young boys watched in reverence and adults spoke in hushed tones. To those who knew him, Browning always seemed to beat the system. Folklore produced a man larger than life. Tales of drug rivalries, intimidation, and murder abounded.

The turning point was an incident in Detroit. Big John Milan, a Browning operative, arrived by bus with 18 kilos of cocaine in two suitcases. Observing two men and a dog examining his luggage, Big John refused to claim it. The agents had been alerted to his arrival by their L.A. counterparts who were tapping Ray Ray's phone. They later testified that they did not detain Milan in order to protect the integrity of the wiretap.

Milan called Nei Wells to ask permission to abandon the bags but was told that he might as well get arrested because Ray Ray wouldn't believe his story. He then approached the baggage clerk who gratuitously told him not to claim the bags because the police had discovered the "bricks" inside. At that, John departed without the bags and checked into a Detroit hotel which the gang customarily used. Within a few hours he changed hotels at

Ray Ray's direction. The next evening, two men fired several .45 caliber slugs into Big John's room, wounding him seriously. At that point, Big John decided to cooperate with authorities in order to save his life. Nei's to-the-point comment registered on tape was "We never heard of dogs sniffing buses before."

John Milan would make a zealous witness but not a particularly well-informed or reputable one. Nei Marie Wells, however, was all these things. Nei functioned at the center of the web and knew more of the details than anyone but Ray Ray himself. Facing CCE charges and sentencing possibilities of up to 80 years, Nei decided to cooperate, provided she and her children could be protected from Ray Ray's wrath. Nei Wells became "the most diligent, conscientious cooperating witness" the prosecutor had ever seen. She is presently out on bond awaiting sentencing, and she and her family are secure in the U.S. Marshal's Witness Security Program.

The raid that closed down the Ray Ray Browning operation involved several hundred officers and agents who went to 17 locations simultaneously, and seized 15 pounds of cocaine, \$300,000 in cash, four homes, an apartment building, and 10 cars. They arrested 21 persons, and seven more were later detained on additional Federal warrants. The Browning case and several immediate spin-offs resulted in seizures totaling almost a million dollars in cash and several million dollars worth of real estate, jewelry, and vehicles.

Twenty of the 28 charged defendants were prosecuted in Federal court. Of those 20, 18 pled guilty and received sentences of up to 20 years in prison without parole; the only defendants to go on trial in Federal court were Browning and Holiday. After a three-week trial in which they chose to handle their own defense, both were convicted. While awaiting sentencing, Browning tried to escape from Terminal Island Federal Prison by posing as an attorney, complete with wig, mustache, briefcase, and lawbook, but was foiled by an alert guard who recognized Ray Ray's "swagger."

Ray Ray and his swagger are presently serving two life sentences plus 120 years in Leavenworth. He was among the nation's first defendants to be prosecuted under the 1986 statute mandating a life term for a conviction as the chief of a continuing criminal enterprise involving drugs. He was ordered to pay \$2 million in fines, just in case anything should be left after forfeitures and the collection of unpaid taxes on the drug income. "Doc" Holiday was sentenced to life without possibility of parole.

The judge remarked at sentencing on August 29, 1988, "When Congress passed the [statute] it had a certain individual in mind. Well, Mr. Browning you are it." Under the newest drug law, which took effect November 21, 1988, a defendant in Browning's position who is proven to have committed or ordered a drug-related murder faces the death penalty. Perhaps Ray Ray lucked out once again.

These "cargo cases" present a significant challenge to law enforcement authorities. For example, flowers cut and boxed in Colombia arrive at Miami International Airport daily; after clearing Customs, consignees claim them, break the shipments down, and send them on to wholesalers and retailers. The problem for law enforcement is to distinguish between legitimate shipments and those with concealed drugs before the flowers wilt, as they will if shipments are not quickly cleared.

Whenever agents make a seizure, there is the potential to hold up the remaining consignments, leaving legitimate consignees to swallow their losses. Even when the authorities have made their seizure, it may not immediately lead to arrests or prosecutions. As the cargo is likely to remain unclaimed, extensive follow-up investigations are required to identify the persons responsible for the shipment.

In South Florida and certain other areas, it may be that there is such a glut of cocaine that even massive seizures have minimal effect on available supplies. The conditions that favor this widespread availability include the great mobility of traffickers, the "cellular" nature of many distribution organizations, and, as mentioned earlier, the ability of many traffickers to stay ahead of their clientele by developing new products. A recent seizure of cocaine in South Florida, amounting to 6,000 kg, led to no arrests or convictions and had no impact on local wholesale or retail prices for cocaine. This is in ironic contrast to seizures of less than 50 kilos elsewhere that have sometimes led to the breakup of major local trafficking organizations.

The geography in many Task Force districts works in favor of smugglers and against law enforcement agents; for example, the thousands of miles of Florida coastline, with its many inlets, make the region ideal for any kind of smuggling. In the case of Miami or San Diego, proximity to the border or coastal waters affects the entire picture: the distribution network, the demand for particular drugs, on-site processing, and, of course, prices. Because the Mexican cities of Tijuana and Mexicali are just over the border, San Diego and vicinity has become a center for international drug trafficking and money laundering operations.

Several features of the San Diego metropolitan area help to account for its importance, among them the continuing stream of traffic into and out of the area, which favors the smuggling of easily conceal-

able drugs; the existence of remote areas, which can serve as dropoff points; and a large tourist industry, which swells the user base. The sheer volume of traffic at international ports of entry makes it impossible to search every person or vehicle entering the United States; for example, in southern California, at the San Ysidro port of entry alone, more than 44 million individuals were processed in FY 1988.

Drug traffickers understand all this quite well and count on it. Given the volume of traffic, their chances of being caught are small to begin with. There are always enough remote, unattended crossing points to turn to, if the authorities beef up the official checkpoints. But many smuggling organizations never resort to uncontrolled border areas. Instead, they use professional "mules" (couriers) and sophisticated, compartmentalized cars, vans, and trucks for smuggling, with an extremely high rate of success.

The situation in southern California is also worth discussing because it illustrates many of the difficulties in the interdiction of the flow of cocaine. While brown Mexican heroin and marijuana were long the main illicit drugs coming in from Mexico, that situation has changed. By the middle of the 1980s, the deterioration in Mexico's economic situation had transformed it into a major point for the transshipment of cocaine. During this period of increasing interdiction along the eastern air corridor and in South Florida, drug smugglers operating out of Colombia and other Central and South American countries increasingly used Mexico as a transshipment point to southern California.

The increase in intercepted loads at Mexican ports of entry has proved astounding. In unrelated incidents, agents recently seized loads totaling 584, 676, and 425 kg. In one 20-day period, agents seized 871 kg of cocaine in three unrelated cases. For the first eight months of FY 1988, agents in DEA's San Diego division seized 2,362 kg of cocaine, up from 636 kg for all of 1987.

Changing patterns of consumption accompanied shifts in importation patterns. Before 1985-1986, most users "snorted" cocaine. The development of crack cocaine, which is smoked, greatly changed the picture. Street dealers can give their customers a product that is ready to smoke immediately. The final processor simply combines baking soda, water, and cocaine powder and heats the mixture on a stove. Once the process is completed, the dealer breaks, or "cracks," the solid product into

rock-like fragments that are ready for sale.

Crack magnifies the effects associated with taking ordinary cocaine. It is much more addictive, accentuating both the intense highs and the corresponding lows that cocaine produces. Because a crack-induced euphoria is so intense and its effects so short lived, it engenders a demand that makes the user quickly come back for more. It also has certain practical advantages over intravenous injections. For instance, intravenous drug users are switching to crack because smoking crack eliminates the risk of contracting AIDS through contaminated needles. Crack's low cost and widespread availability have made it the drug of choice of many users.

### ***Cocaine availability in the United States remains high as prices continue to fall.***

With dosage units so small and unit prices so low, the trade has opened up an entirely new cocaine market among lower-income users. This market has also become very lucrative. Dealers can take an ounce (28.35 grams) of cocaine HCL costing \$1,000 and convert it into about 25,000 milligrams of crack that will sell on the street for \$10 per 100-milligram unit. Thus, crack is as irresistible to the dealer as it is to the user: it is easily manufactured, easily transported, and easily distributed. For this reason, crack distribution is popular with small free-lance traffickers who buy the product from larger distributors.

Cocaine continues to be one of the most dangerous drug threats to the health and welfare of the American people. Cocaine availability in the United States remains high as prices continue to fall. Between 1982 and 1988, the wholesale price for a kilo of cocaine fell from a national range of \$47,000 to \$70,000 to a range of approximately \$11,000 to \$34,000. With the drop in prices, there has been a concomitant increase in the purity of cocaine. Fifteen years ago, the average packet of cocaine was 10 to 20 percent pure. Today, the average purity of retail cocaine stands at approximately 70 percent.

### ***Heroin***

Among illicit addictive drugs, heroin, with an estimated one-half to three-quarters of a million addicts in the United States, is second only to cocaine in its widespread use and devastating social

effects. Heroin available in the United States comes from three sources: Mexico, Southeast Asia (Burma, Thailand, and Laos), and Southwest Asia (Afghanistan, Pakistan, and Iran).

Compared to cocaine, heroin has a much more stable user population, as evidenced by the aging of the heroin-using population over the past decade. In 1978, 34 percent of the heroin-related emergency room admissions monitored by DAWN were persons 30 years of age or older. In 1980, 1986, and 1987, this rose to 42, 64, and 67 percent, respectively.

Investigations by Federal law enforcement agencies confirm the ready availability of relatively pure Mexican heroin in various forms, primarily on the West Coast. A relatively new form of crudely processed, inexpensive, and potent poppy derivative, often called Mexican "black tar," "gumball," "gum," or "tootsie roll," is available in many areas of the country.

Black tar heroin owes its popularity to its relative cheapness, high potency, and availability. It is known that street sample purities can go as high as 93 percent and that samples of 60 to 70 percent are common--compared to an average level of 6 to 7 percent for Mexican brown heroin. These high purity levels have caused the number of heroin-related emergencies and overdoses to skyrocket and have opened up new illicit markets.

### ***It is estimated that roughly 40 percent of heroin entering the United States originates in Mexico . . .***

Data published by the FBI suggest that the magnitude of the threat presented by the increase in Mexican heroin production is of formidable proportions. It is estimated that roughly 40 percent of heroin entering the United States originates in Mexico; that opium available for processing into heroin in Mexico rose from about 17 to about 50 tons between 1983 and 1988; and that each ton of raw opium could be processed to yield about 100 kg of heroin.

The Mexican states of Sonora, Chihuahua, and Durango have been the primary growing areas for opium. Evidence exists that opium poppy cultivation is moving from the northwestern part of the

country into the southern states of Guerrero, Oaxaca, and Veracruz. Growing seasons there are longer, the soil is more fertile, and the fields are much larger than those normally cultivated in the north. The combination of these factors has dramatically increased heroin production in Mexico.

A newer and even deadlier form of drug, fentanyl, is beginning to compete with brown or black tar heroin in the user market. Fentanyl is a synthetic form of heroin that may be a thousand times more powerful than any Mexican heroin. From the user's standpoint, fentanyl and heroin are sufficiently similar to make them easily interchangeable. Fentanyl can be packaged in papers, balloons, tin foil, or coin holders and is adulterated with the same diluents as heroin. Because fentanyl is relatively new and untested, there are no reliable street tests for determining its potency, and the number of deaths from overdose is high. A current OCDETF investigation in southern California involved the seizure of 40 ounces of fentanyl, the largest single seizure in the United States to date.

As a rough generalization, major heroin distributors, such as La Cosa Nostra (LCN), the Sicilian Mafia, and Asian gangs, now use many of the same techniques as do cocaine distributors. There are the same organized networks, the same corruption of public officials, the same use of remote airstrips, the same ability to adjust prices to escalating demand. In addition to La Cosa Nostra, the Sicilian Mafia, and Asian gangs, heroin distributors include the so-called Mexican Mafia, operating mainly in the southwestern United States; a number of other domestic traffickers, operating on both coasts; and foreign nationals, such as Chinese importing networks, which obtain their heroin directly from Hong Kong, as well as Lebanese, Nigerian, and Pakistani traffickers.

Hong Kong and Lebanon have especially important roles in international drug trafficking: Hong Kong as the premier narcotics money laundering center for Southeast Asian traffickers, Lebanon as the world's major producer of hashish and key transit point for heroin. U.S. Government officials believe that half of the injectable heroin that enters Hong Kong may be destined for the United States. Local Hong Kong drug organizations also traffic in heroin base (smokable heroin), the kind most popular with the vast Hong Kong drug-consuming population. Hong Kong authorities have enacted legislation to

deal with racketeering organizations, and the government's revision of banking laws has given Hong Kong and U.S. law enforcement agencies greater access to information on Asian drug-related activities.

In many regions of the United States, the growing importance of foreign nationals as direct sources of supply has become apparent. At the same time, information gained in Federal narcotics investigations since the late 1970s has consistently reflected the intermingling of cocaine and heroin traffic by the more sophisticated inner-city distribution networks.

One of the most important international links in heroin trafficking is that between the Sicilian Mafia and La Cosa Nostra leadership. OCDETF Program investigations have revealed the extent of the Sicilian Mafia's involvement in importing and distributing heroin in many areas of the United States. In one OCDETF Program case alone, La Cosa Nostra distributed an estimated \$1.65 billion worth of heroin smuggled from Sicily.

In one OCDETF case, the FBI, DEA, Customs, State and local police, and Italian law enforcement authorities have investigated a ring of Italian drug traffickers that had routinely imported heroin from Southwest Asia into the United States by way of Sicily and the Italian mainland. It is believed that as many as 200 high-level drug traffickers in the United States and Italy were involved in this lucrative and rarely interrupted trade. Most are now in jail. While the Sicilian Mafia and LCN are still major suppliers, they are now feeling competition from newer, less traditional organizations. Particularly in border areas, Mexican traffickers have the great advantage of being closer to both sources and markets. Even in Mexico, heroin's immense profitability has led to newer suppliers, independent of the traditional Mexican cartels. There is now a low-level industry, with family groups independently smuggling 10 to 15 ounces across the border, perhaps with greater impunity than established organizations making larger shipments.

### *Marijuana*

Marijuana is the most widely used illicit drug in the United States and the only one domestically cultivated. Foreign sources of marijuana include Mexico, Jamaica, Thailand, Colombia, Laos, and Belize. By official estimates, the worldwide cultiva-

tion of marijuana increased from between 7,070 to 10,925 metric tons in 1985 to as many as 19,870 tons in 1988.

As with other illicit drugs, marijuana creates the usual network of suppliers, distributors, and money-launderers, whose funds can be used to corrupt public officials and legitimate private organizations and to recruit more individuals into drug trafficking. Moreover, there are other sinister side effects of large-scale marijuana trafficking. These include the use, by growers, of booby traps to protect their plots; the infiltration of cannabis cultivation in the national forests; and the distortion of entire local economies by the influence of money generated by marijuana growers, particularly on the West Coast. In these rural areas it is easy to cultivate marijuana, a drug whose production some inhabitants consider neither immoral nor undesirable, as a sideline to other earnings. The added utility of cultivating one's plot in a national forest lies in the legal status of the site where drugs are seized. If cultivators are caught on their own property, law enforcement officials can confiscate the entire property--an obvious impossibility on public land.

In 1988, domestically produced marijuana was thought to comprise approximately a quarter of the total U.S. supply. Domestic growers have become more creative. For example, they have moved toward the cultivation of sinsemilla, the potent unpollinated female plant. Another trend is toward the use of hydroponic techniques--the cultivation of plants in water containing nutrients rather than in soil, to increase yield and concentrate the plant's active ingredients. In an effort to elude detection, indoor cultivation has also increased.

These developments make domestic marijuana cultivation more difficult to combat. In some remote farming communities, marijuana has become a staple crop. An underground economy has evolved, with prices fixed to benefit everyone involved in production, from planters to those who do the harvesting. Compared to cocaine and heroin networks, those involved in producing and distributing marijuana are more independent and widely dispersed, which makes their suppression that much more difficult.

A single current OCDETF Program investigation gives some idea of the multitude of marijuana trafficking organizations working together. The breakup of one high-level smuggling organization

led to the unraveling of a network of more than 15 U.S. and Canadian distributors responsible for smuggling 60 to 70 tons of marijuana into the United States annually. Additionally, the Task Force identified over 90 Canadian money laundering organizations based in Toronto and in West Palm Beach, Florida. This one investigation led to 51 indictments in the United States and Canada and to the seizure of \$21 million in assets.

### *Other Dangerous Drugs*

The abuse of synthetic drugs poses perhaps the greatest challenge for the future, because these drugs provide almost unlimited alternatives to other drugs of abuse. Synthetic drugs reach the illicit market through the diversion of pharmaceutical drugs, such as amphetamines and barbiturates, and through clandestine manufacture. All of the phencyclidine (PCP) and most methamphetamine available to illicit users is produced in domestic clandestine laboratories.

***OCDETF Program  
estimates place southern  
California [methamphetamine]  
seizures at one-fourth to  
one-third of the U.S. total over  
the last several years.***

The explosive growth in the use of methamphetamine illustrates some of the problems in controlling dangerous drugs manufactured in clandestine laboratories with ingredients that can be purchased legally from local supply houses. In the San Diego area, the problem is so severe that it has become known as the methamphetamine, or "crystal meth," capital of the United States. The number of labs seized there has increased from six in FY 1983 to 136 in FY 1988.

OCDETF Program estimates place southern California seizures at one-fourth to one-third of the U.S. total over the last several years. Despite increased law enforcement, the popularity of this dangerous stimulant has exploded.

The production and abuse of methamphetamine has aggravated a difficult situation. In California, and to an extent throughout the United States, outlaw motorcycle gangs control the manufacture

and distribution of these drugs. Gang members do not hesitate to employ violence on the slightest provocation. In fact, law enforcement officials believe that laboratories that produce dangerous drugs accentuate the violence common to all forms of drug trafficking. "Meth"-related murders are often characterized by multiple stab or gunshot wounds, and the labs themselves are often booby-trapped with explosives or toxic materials. Law enforcement sources have also noted the presence of so-called "invisible" toxic chemicals, either in the labs or in the drugs themselves. These are often unknown substances that can cause permanent damage to anyone who comes in contact with them.

The production of dangerous drugs in clandestine labs has become a major industry in some parts of the country. A recent case in southern California uncovered a large methamphetamine manufacturing and distribution organization operating in the San Diego area. The organization routinely dealt in multi-pound quantities of the drug through a local auto body shop that served as a front. Federal law enforcement agents ultimately seized over 100 pounds of methamphetamine, \$1.6 million in cash, three residences, two businesses, and over 100 cars, as well as an armory of semi- and full-automatic military assault weapons.

Methamphetamine is only the most prominent of the dangerous drugs. The term "designer drugs" summarizes a relatively new phenomenon. Designer drugs result when chemists produce altered versions of controlled substances, analogs whose exact chemical structures are not covered by the Controlled Substances Act. Perhaps the best example of this phenomenon is the synthetic opiate fentanyl. Fentanyl originated as an anesthetic. By creating an analog, alphamethyl fentanyl, unethical chemists created a drug many times more powerful than heroin and even more lethal. The addition of alphamethyl fentanyl to the list of controlled substances did not arrest the spread of designer drugs. It encouraged chemists to become still more creative, producing fentanyl analogs whose potencies and dangers remain largely unknown.

Chemists and pharmacists are producing new drugs faster than government agencies can track them. In fact, many of the newest analogs are derived from precursors that are not themselves controlled. The weakness of analog-related legislation is that it only covers the final product, and enforcement agencies have not found it possible to license chemical

supply houses and enforce a stringent record-keeping program.

In the southeastern United States, lysergic acid diethylamide (LSD) has re-emerged as a popular distribution item. Evidence exists that LSD originating on the West Coast retails in many areas at a rate of \$5 to \$6 per dosage unit; the seizure of as many as 15,000 to 20,000 dosage units in Georgia gives some idea of the drug's availability. LSD is simply one drug among many. For example, dilaudid is a popular drug among intravenous addicts and middle-class opiate abusers generally. Retailing in parts of the Southeast for \$50 to \$60 per unit, dilaudid remains popular because, as a registered drug, it is literally a known quantity, unlike heroin and, therefore, safer to buy in the open market.

## **The Changing Face of Drug Trafficking Organizations**

### **Patterns of Organized Crime**

From its inception, the Organized Crime Drug Enforcement Task Force Program has concentrated on drug trafficking organizations whose operations cross national borders, are vertically integrated, and draw on alternate sources of supply and distribution. Concentration on target organizations fitting this profile is predicated on evidence that indicates that even though these organizations are of diverse natures in other aspects, their scope and operating methods make a coordinated approach necessary.

In the early 1970s, a new kind of drug trafficking organization began to emerge. First, profound social, political, and economic changes in the drug-producing and drug-consuming nations combined to accelerate and intensify the spread of drugs. Second, there was vastly increased mobility within and between consuming and producing nations, aided by cheap, readily available, international transportation. There was, too, a huge immigration from producing nations--chiefly from Latin America and the Far East--to the United States. Third, in the producing countries, many peasants and urban workers had surplus time for the kinds of work needed to sustain the drug traffic. Fourth, in the consuming nations, the old restrictions against many types of behavior, including the taking of drugs, had declined sharply. Taken together, these conditions made a new, unprecedented kind of drug trafficking possible.

No one drug organization is "typical." Instead, there is a multiplicity of trafficking organizations that follow a few rather well-defined patterns. There are the major international vertically integrated trafficking groups, best exemplified by the Colombian drug cartels; domestic groups such as the outlaw motorcycle gangs, whose operations often run from manufacturing to wholesaling; and city-based drug operations, such as the California street gangs, which are primarily involved in domestic distribution and retail sales.

The management structure of a major international drug trafficking organization can be visualized as a solar system. At the center are the kingpins who actually direct its activities and who are the only ones who see the organization as a whole. These individuals often have no direct contact with the product they distribute, let alone the ultimate user, the better to insulate themselves and to maintain the organization as a going concern. Orbiting this central body are other individuals with their own satellites orbiting them. These individuals perform indispensable functions as money-launderers, as accountants, as lawyers, or as the chemists who process drugs from their original states into the final product. Beyond these inner circles are the operatives who process the raw product, transport the semifinished product to an initial port of entry, and then direct the various wholesaling and retailing operations, including cutting (reducing) the drug's initial purity before it reaches the street.

The outlaw motorcycle gangs and the Los Angeles street gangs represent a different type of organizational model for drug trafficking. Compared to the Colombian cartels, and to the other major international trafficking organizations, the motorcycle gangs tend to have smaller, less sophisticated operations--lines of supply are shorter, bank accounts are fewer, and the quantities of drugs transported are not as great. Each of the four major outlaw motorcycle gangs has its own sphere of influence. For example, the Hells Angels are most active in California, while the Bandidos' operations are concentrated in the Southwest. The motorcycle gangs traffic in synthetic and counterfeit dangerous drugs, such as crystal meth, that are prepared in laboratories under their control. Either directly or through agents, they transport the product to local distributors who sell to the end user.

The Los Angeles street gangs represent a type that has an even more compact organizational struc-

ture with operations that are generally more directly linked to the end user than are those of the Colombian cartels or the motorcycle gangs. This type of organizational structure is smaller, with a less clear-cut division of labor, and the distinction between supplier and ultimate distributor blurs, since the street gangs are primarily retailers. However, older gang members sometimes deal in large quantities of cocaine, although they are not primarily wholesalers. The gangs tend to sell directly to the user or to small-scale operatives who split an ounce into grams or take cocaine HCL and turn it into crack.

Many retailers, especially the small-scale retailers, operate on their own. In southern California, for instance, there are distribution networks that sell cocaine to dealers in multi-kilo quantities or to smaller dealers in ounces or grams. In another pattern, Mexican nationals smuggle small amounts of brown or black tar heroin across the border and sell to users. While some distribution organizations are limited to members of the same ethnic group, this is not an essential characteristic in the definition of these distribution operations. However, a factor that is common to this type of distribution pattern is that distributors have access to a steady source of supply and have protected sites where they can sell their product.

Among the various types of organizational structures and operational types, law enforcement agencies have noted some common aspects of distribution channels and operating methods. First, except for domestically grown marijuana and for drugs produced in clandestine laboratories, most of the major illicit drugs originate outside the United States. The links between coca leaves cultivated in the Huallaga Valley of Peru and the destination of the final product--perhaps in some inner-city neighborhood--are long and complicated. In fact, the international trafficking networks, especially the Colombian drug cartels, are like "shadow" versions of legitimate enterprises. They are sophisticated organizations that finance operations with money generated by the enterprise, recruit operatives, provide for transportation, and supply local traffickers who supply the end user.

Second, a feature common to many of the largest organizations is their ability to tap alternate sources of supply. Thus, the Colombian cartels can buy their coca leaf or paste in Peru, Bolivia, Ecuador, or in Colombia itself. When Turkish authorities clamped down on the illicit cultivation of opium

producing poppies, drug organizations shifted production to the Golden Triangle region of Southeast Asia and to the mountainous regions on both sides of the Afghanistan-Pakistan border. The major traffickers, then, have the ability to regroup and redirect a part of their operations without disrupting the whole.

Even La Cosa Nostra and other older organizations have had to become more flexible in their operations and in their relations with other organizations. LCN and the Sicilian Mafia traditionally depended solely on absolute control of a supply-and-distribution system that was predictable and protected at every step of the way. Operating in an environment of new players in international drug trafficking and of changing patterns of drug production and use, they have adapted by forming temporary alliances with other traffickers, developing new outlets for their products, and seeking alternate sources of supply.

The newer drug trafficking organizations that have sprung up domestically exhibit certain common patterns of development. Many of the major trafficking organizations began as operations limited to a single product or geographic area. Only later, as their leaders saw the possibilities inherent in expansion, did these groups move out into surrounding communities and develop more rigid, less personality-oriented structures for their organizations. For example, although the Crips and the Bloods, the two major Los Angeles street gangs, originated in southern California in the late 1960s, it was not until the mid-1980s that they went from small-time hoodlums to significant players in narcotics trafficking. The same holds true for the quasi-military, violence-prone gangs that developed inside the California State prison system in the 1960s. In each case, the organization's nucleus was a core group that defined itself by race or ethnicity or a well-defined geographic area--as in the case of the Los Angeles street gangs--or by status, as with prison gangs.

***Provided that the kingpins are untouched, . . . anyone seized by the police or neutralized by a rival gang can be replaced . . .***

Another common characteristic of today's successful drug trafficking organizations, whether inter-

national or domestic, is their ties to social and economic milieus in which there are excess labor markets willing to take risks in order to have an opportunity to partake in the enormous potential profit available in drug trafficking operations. Taken individually, most of those who are drawn into drug trafficking operations are expendable. Provided that the kingpins are untouched, virtually anyone seized by the police or neutralized by a rival gang can be replaced almost immediately. The drug kingpins can draw upon an enormous pool of unskilled labor required to do only one or two things effectively within the international supply-and-distribution network.

Another element common to the activities of all drug trafficking organizations is the necessity of responding to market factors which affect them all in their role as sales organizations. The logic of any sales business dictates that it constantly strive to increase its utilization of resources and access to customers so as to foster growth and profits. All of the conditions discussed--vertical integration, alternate sources of supply, the pool of excess labor to be tapped at will, the insulation of the kingpins from the distribution network--serve to explain how the organizations operate, but they do not entirely account for the phenomenal growth of the most successful groups.

Some of the preconditions for such growth are obvious. Since drugs such as heroin and cocaine are addictive, the user has a strong interest in supporting the habit by recruiting new users and supplying them with drugs. Thus, drug traffickers are operating within a market in which customers often become the most effective sales personnel. The physical nature of the "merchandise" also contributes to growth. Drugs like cocaine and heroin can be easily transported. Completely stopping their flow is almost impossible because new entry points and new smuggling methods can always be found.

The political and economic climate of many source countries also encourages cultivation of the raw materials that traffickers process into drugs. Five of the most important source countries--Mexico, Colombia, Ecuador, Peru, and Burma--have grave economic and political problems that are conducive to the move from conventional cash crops to coca, opium poppies, and marijuana. For impoverished peasants in the Peruvian or Ecuadorian jungles, there simply is no conventional crop that can

provide the kind of income that coca produces. There is even a relationship to political radicalism. In Peru, for instance, the Maoist Sendero Luminoso (Senderistas), or Shining Path, guerrillas have moved from their base in the Andes down into the Huallaga Valley, the chief coca growing area in Peru. Not only have the Senderistas colluded with drug traffickers to take a portion of the profits, it appears that they are getting in on the trafficking themselves.

In sum, the newer drug trafficking groups discussed here have common features that make a coordinated investigative approach necessary. Yet, the structure of drug trafficking networks makes penetrating them exceedingly difficult and dangerous. The volume of drugs entering the United States is so large, the organizations involved are so numerous, and their ability to change their operations in response to threats is so great as to thwart conventional law enforcement methods. It is very difficult to shut down operations when such organizations can quickly regroup. Nor is this all; the more successful traffickers have demonstrated a phenomenal ability to respond to, and even manipulate, market conditions. The move from brown to black tar heroin was a response to product shortages, while the move from cocaine HCL to crack was a conscious market strategy to expand cocaine usage among less affluent customers.

The following sections describe some of the more important drug trafficking organizations in some detail. The aim, however, is less to categorize them than to analyze their workings and to discuss recent changes in their operations.

## **Principal Trafficking Organizations**

### ***The Colombian Drug Cartels***

#### ***The Four Principal Cartels***

The South and Central American nations that provide the flood of cocaine, some of the heroin, and much of the marijuana consumed in the United States are split along ethnic, economic, and political lines. The wealth and power that the narcotics trade generates cut across all of these divisions in ways that are altering these societies dramatically. The current power of the cartels over Colombian society demonstrates the frightening impact of a criminal organization when it becomes a state within a state.

***The move from brown to black tar heroin was a response to product shortages, while the move from cocaine HCL to crack was a conscious market strategy to expand cocaine usage among less affluent customers.***

The two largest Colombian syndicates, the Medellin and Cali cartels, control almost 70 percent of the cocaine--much of it transported from Bolivia, Ecuador, and Peru but actually processed in Colombia. The term "cartel" is somewhat misleading because it suggests a greater degree of cohesion than exists. They are, rather, communities of interest of greater or lesser duration: groups that pool their shipments, or share transportation lines, or exchange the kinds of information that make the work of the traffickers easier. But, in one sense, these groups do behave like classic cartels: through collusion they try to set prices and to eliminate any real competition. For instance, they effectively set prices for cocaine for resale and transportation, and they assemble the funds needed to buy the consent of major forces in Colombian society--whether the police, the judiciary, the bureaucracy, or those journalists who influence public opinion. Those who will not allow themselves to be bought are subject to threats, violence, and even murder. It is also misleading to assume that the structure of these organizations is ever established once and for all. The situation is sufficiently fluid that the power of different cartels rises or falls, depending on changes in the markets and the distribution networks with which they are involved. Besides the main cartels, there are dozens of other groups starting in the cocaine business and hoping to expand their markets. Even among the principal cartels, there is a constant jockeying for position. As of the end of 1988, the Cali and Medellin cartels were involved in a vicious trade war that had claimed over 100 lives.

The social changes brought about by drug trafficking seem to point in different directions. The leading cartel figures are becoming almost respectable in their home countries, and many of the smaller operators who transport coca paste to the big cartel-operated laboratories are using their earnings to buy

## Los Diamantes

This Houston, Texas, OCDETF investigation offers a quick glimpse of the "Colombian invasion"--following cartel cocaine, cartel employees move into U.S. assignments as wholesalers, money-launderers, and street dealers. This conspiracy came to the attention of Federal authorities in when two Special Agents of an IRS Money Laundering Task Force observed Mario Restrepo in an area frequented by known traffickers and money-launderers. The agents followed Restrepo and discovered two residences in southwest Houston which were the hub of a great deal of vehicular and pedestrian activity. The agents stopped an approaching trash truck and arranged with the driver to pick up the garbage outside the houses and give it to them. They quickly set up a 24-hour surveillance and headed for the office with the trash.

In the bags was perfect evidence of a large-scale cocaine distribution and money laundering operation--money wrappers and rubber bands, a duffel bag, and ledger pages recording multi-kilo cocaine transactions. A "sniffer dog" from U.S. Customs responded positively to cocaine residue on the papers. Over the next few days, the surveillance identified additional suspects. By the end of the week, based on the "garbage," search warrants were obtained for the two homes and for four other locations. The searches produced more than \$1.3 million in U.S. currency, 55 kilograms of cocaine, cellular phones and digital pagers, and the current books and records of the drug distribution/money laundering operation. Seven persons were arrested including Carlos Mancado-Rua, who was wanted by Houston police on a murder charge. A Federal grand jury originally indicted seven persons for these offenses; all but one were Colombian citizens. Two teenage boys were later dismissed from the indictment as required by law, and Federal juvenile proceedings were commenced against them. Ultimately, they were adjudicated as delinquents and deported to Colombia. Four of the five remaining defendants entered guilty pleas to drug or money laundering offenses.

A jury trial was conducted for the remaining defendant, Mario Restrepo. During the course of the trial, one cooperating defendant testified for the Government and gave the jury a rare insight into that portion of the Pablo Escobar cocaine cartel operating on American soil. The defendant testified how large quantities of cocaine are stored in local stash houses for eventual distribution in Houston as well as New York. He explained that certain members of the conspiracy would actually distribute cocaine, while others were responsible for the receipt of cash and maintaining the accounts receivable books.

It was testified that the local boss of this operation was a Colombian named Samuel Posada Rios Lemonada, or, familiarly, "Lemonada." Lemonada returned to Colombia in August 1988, when his picture appeared on Houston television in the context of a murder investigation. Because a 400-kilogram load of cocaine was scheduled to be delivered to Houston for redelivery to customers there and in New York, a group had to be hurriedly formed to receive and distribute the cocaine in Lemonada's absence. The group consisted of the five indicted adults and the 15- and the 17-year-old juveniles. All had previously been distributors subordinate to Lemonada.

Between August 9 and September 9, 1988, the group distributed 260 kilograms of cocaine around Houston and drove 140 kilos to New York City. Each and every kilo package bore the name "DIAMANTE," the trademark of Pablo Escobar of Medellin, Colombia. During this same time period, the group collected more than a million dollars in payment for the cocaine.

In the course of this brief investigation, OCDETF mobilized agents of Customs, INS, DEA, and the Houston Police Department, in addition to the originating IRS team.

An FBI expert in illicit business records and documents testified that the drug records seized from the conspirators evidenced over \$5 million in cocaine transactions; \$1.5 million was still owed for parts of the last, 400-kilo consignment. In addition to more than \$1.3 million in cash, two houses, six vehicles, and a submachine gun were seized.

The jury convicted Mario Restrepo on all counts. All defendants forfeited their interest in the houses, cars, money, and electronic communications equipment. Restrepo and his four co-conspirators will be sentenced on April 14, 1989. From his safe retreat in Medellin, Lemonada presumably continues to command markets in Houston through Colombian contacts living there.

houses and automobiles and, generally, to move into the ranks of the Colombian middle class. That middle class has begun to accept this Colombian Mafia--the term most Colombians actually use--partly out of resignation, partly out of weariness of what many perceive as fighting a war on behalf of another nation. In any case, the physical appearance of the city of Medellin gives evidence of the hold the traffickers have on that city; the cartel chiefs control most of the impressive office buildings and retail establishments in the El Poblado district, where most of them live. This infiltration into the mainstream of Colombian society is particularly pernicious because the drug cartels are criminal organizations. No society can accommodate a criminal element without corrupting itself in the process.

Law enforcement agencies perceive the Medellin cartel to be the most powerful of the four main cartels. Based in the upland city of Medellin, this cartel consists of several groups, headed by their own chiefs, that work together for common ends. The Medellin cartel supposedly originated out of an alliance formed in the early 1980s by Jorge Luis Ochoa-Vasquez, Pablo Emilio Escobar-Gaviria, Jose Gonzalo Rodriguez-Gacha, and Carlos Enrique Lehder-Rivas. The organization's aim was to unite against several Colombian kidnapping gangs that were targeting the families of wealthy drug traffickers and businessmen. Today the directors of the cartel are Pablo Emilio Escobar-Gaviria; his cousin and business partner, Gustavo de Jesus Gaviria-Rivero; and Jorge Luis Ochoa-Vasquez. Of all the Colombian cartels, this one probably has the most structured organization, including "managers" who are dispatched to the United States for tours of duty as business representatives, headquarters that receive fax transmissions from operatives, and links between themselves and the country's legitimate business interests.

Within the past year, Jose Gonzalo Rodriguez-Gacha has emerged as one of the Medellin cartel's most powerful, though least known, leaders. Known as "the Mexican," because of his fondness for mariachi bands, Rodriguez operates out of Pacho, about 80 miles from Medellin. From here, Rodriguez and his organization virtually control certain states, thus gaining a regional political base. Rodriguez personally directs his network of transporters, distributors, and representatives in Miami, Los Angeles, and New York. In both South Florida and southern

California, the organization maintains key representatives who are in charge of receiving shipments, collecting debts, and supporting the group's operations across the United States and Colombia.

In certain respects, the Rodriguez-Gacha organization differs markedly from those of other leaders of the Medellin cartel. Many of Rodriguez's U.S. representatives do not work on a commission basis, as do those working with the Escobar-Gaviria group. Instead, they are on straight salary. They are instructed to wear coats and ties, to keep businessmen's hours, and not to drive flashy automobiles. Additionally, his men are told to avoid areas where Colombians can be found, since American authorities frequently penetrate these locations.

Although the Medellin group is by far the best known Colombian cartel, there are at least three other major players: the Cali, the Bogota, and the North Atlantic Coast cartels. All originated about the same time--in the late 1970s and early 1980s--and, despite their differences, all three have worked with each other and with the Medellin cartel from time to time. Until about mid-1987, the Cali and Medellin cartels worked closely together and, as is typical of the drug cartels, staked out different territories.

Some areas might belong to one cartel or another, so that originally, New York was assigned to the Cali group because of the foothold that its operatives had gained there. Other places, like Miami, might be so important that they were considered "open" territories belonging to no one group. The Cali and Medellin cartels also pooled funds to defend their members and, it is believed, worked with terrorist groups such as the Basque ETA, which shared its expertise on remote-controlled car bombs with the cartels.

The Cali cartel is second only to the Medellin organization in wealth and influence. Since the outbreak of "war" with the Medellin cartel in mid-1987, the Cali cartel has gone its own way. Its relative obscurity vis-a-vis the Medellin cartel has worked to its advantage, since law enforcement agencies have tended to concentrate more on the better known group.

The Cali organization operates out of both Cali and Buenaventura, and it is closely tied to another group in the town of Pereira. Although the Cali group has kept a lower profile than its former collaborators in Medellin, it is equally dynamic. The organization has formed business alliances with the

so-called North Atlantic Coast cartel and, within the United States, is moving beyond its traditional bases in Miami, New York, and Los Angeles.

Less is known about the Bogota cartel. It is known that, in one respect, this cartel has evolved in a manner typical of many drug trafficking groups. Originally a conventional smuggling organization that dealt in contraband emeralds and later marijuana, the Bogota group met many of its cocaine customers through American criminals. Among their contacts were Miami and Caribbean associates of the late Meyer Lansky's group. As the cartel moved into cocaine trafficking, its leaders developed access to Colombian political power. At about the same time, they began to buy real estate in the llanos, or plains, of eastern Colombia. In so doing, they gained proximity to their raw material sources and set up the processing plants that mark the intermediate step between cultivation and transportation of the semifinished product.

Compared to the other cartels, the Bogota cartel seems to have bought itself more protection from the police. It is said that this cartel's leadership likes the publicity that the Medellin group receives. In effect, the Bogota cartel, even more than the Cali cartel, can go about its business while the larger group attracts the attention of the authorities.

The North Atlantic Coast cartel is the least cohesive of the four major Colombian drug organizations. Based mainly in the coastal cities of Cartagena, Barranquilla, Santa Marta, and Rio Hacha, this cartel is really a loosely knit set of transient associations that form various short-term arrangements for operating with each other or with the larger cartels. The North Atlantic Coast cartel is less vertically integrated than are the other Colombian cartels. Originally a smuggling operation, the North Atlantic Coast cartel is, in a sense, a service organization for the other cartels, shipping products to the United States and laundering money derived from those transactions.

As with the Bogota cartel, the North Atlantic Coast cartel graduated from marijuana to cocaine trafficking. As U.S. drug interdiction operations against marijuana trafficking operations became more aggressive, the North Atlantic Coast cartel accepted an offer from the Medellin and Bogota cartels. For a set fee, they would smuggle large amounts of cocaine to prearranged points off the U.S. coasts. To oversee smuggling operations, the

North Atlantic Coast cartel set up operations at a number of cities, both in the East, in Miami, Jacksonville (FL), Gainesville (FL), Atlanta, New York, and Boston; and in the West, in Los Angeles and San Diego.

It cannot be emphasized too strongly that the positions of the Colombian cartels relative to each other are constantly shifting. Some law enforcement authorities believe that although the Medellin cartel once set the pace for the other Colombian drug organizations, it is no longer as powerful as it once was. Pablo Emilio Escobar-Gaviria and other top leaders must continue to maintain a low profile, due to pressure from U.S. and Colombian Government authorities and to the 1987 arrest and subsequent conviction of Carlos Lehder-Rivas, reputedly the most violent chief of the Medellin cartel. The necessity of keeping this low profile has forced these leaders to turn over many daily operational responsibilities to other individuals.

### *Cartel Operations and Impact*

Certain conditions have to be satisfied for the Colombian cartels to gain and maintain a foothold on the U.S. mainland. In order to serve as a base of operations, a location has to combine several elements. Cartel operatives must be at the hub of a regional transportation network which connects other major points within that region and beyond. It is desirable to have remote airstrips where drugs can be delivered, regional centers near international borders or ports, constant traffic into and out of the region, and a large labor pool willing to participate in distributing--or in many cases, processing--the semifinished product. In the past decade, the Southern and Central Districts of California and the Southern District of Florida have met all of these conditions.

In the early 1980s, Florida was the point at which cocaine trafficking roads converged. Because of its thousands of miles of coastline, hundreds of commercial airports and clandestine airstrips, heavy concentration of international cargo and tourist traffic, the expanding nature of its international banking activities, and its proximity to source countries in South and Central America, Florida became the cocaine capital of the United States. While Miami itself constituted a market for some of these drugs, it was and is primarily a transshipment point to all

## Operation Beacon

Mickie Munday and Jim Coley formed the core of the Beacon group. Now in their 40s, they had been friends since high school. They got their start in the smuggling business in 1978. Their method then was unsophisticated. They made direct flights from Colombia in general aviation aircraft loaded, at first, with marijuana and, later, with cocaine. They would land on remote roads and canal banks in South Florida and offload their cargo. In December 1981, Coley and a copilot flew across Cuba too high and too fast. The U.S. Air Force scrambled F4s to intercept what they thought was a possible MiG and encountered Coley. Coley and his copilot dumped their load of cocaine, but were met and questioned by U.S. Customs when they landed. Coley disappeared before charges were brought but Harold Johns, the less cautious copilot, was arrested and convicted. Coley became a fugitive.

By October 1982, Coley and Munday were ready to resume smuggling. They joined with Phil Cardilli and Danny Simms to launch a combined boat/aircraft smuggling venture. Coley headed up air operations. Like other weekend vacationers, on Fridays he would fly a private plane from Boca Raton or Fort Lauderdale to Rum Cay or Long Island in the Bahamas. The plane would transport women passengers, referred to in the organization as "cover girls," and return to the United States with the passengers on Sunday or Monday. The intent was to avoid suspicion by appearing to be engaged in a vacationer's charter or a corporate outing. To this end, Coley and his copilot would wear "uniforms" of dark trousers, white shirt, dark tie, and epaulets.

Instead of spending the weekend in the Bahamas, Coley would fly to Colombia, pick up a load of cocaine, and fly to a group of uninhabited rocks in the Bahamas, named Scrub Cay, where the narcotics were dropped to two boats operated by Cardilli and Simms. Coley would return to Rum Cay or Long Island where he would wipe down the aircraft, wash off the tires, and replace the remaining Colombian aviation gas with Bahamian gas to remove any physical connection between the aircraft and its secret intermediate stop. The aircraft would return to the United States with only the cover girls as cargo.

Cardilli and Simms would proceed from Scrub Cay to Nassau in two very different boats to wait for the organization's amphibian airplane to fly cover for their return into the U.S. They would clear Bahamian Customs and run across the Gulf Stream to Florida on a Sunday afternoon, two among hundreds of boats returning from the weekend. One of the boats was a classic narcotics smuggler's profile, a "go-fast" that was all horsepower. The other boat was an open fisherman 40 feet long, with no cabin to hide in and not enough power to run away. In fact, the open fisherman was built around a hidden drug compartment accessed by a complicated hydraulic system. If Bahamian or American Coast Guard patrols were encountered, the "go-fast" would speed away as if attempting to escape and would draw law enforcement off the real target.

The open fisherman would enter the United States through Haulover Cut in northern Dade County and proceed up the intracoastal waterway to a marina with dry storage in a warehouse structure where it would be unloaded at a quieter time.

Munday's role was to monitor law enforcement. He operated out of a sophisticated radio room in his Miami residence. His monitors were linked to the aircraft, the boats, and to an observation post located in an 11th floor apartment overlooking the ocean, the intra-coastal waterway, and Haulover Cut. Here Munday, Coley, or a confederate could watch the Cardilli/Simms boats return under the watchful eye of the amphibian as each million-dollar smuggling venture drew to a successful conclusion.

Munday had a falling-out with Cardilli and Simms. In May 1985, Munday and Coley returned to their original mode, direct smuggling flights to the U.S. Ironically, they had already been introduced, by Cardilli and Simms, to the informant who eventually did them in.

Before they resumed air operations, Munday and Coley flew many missions into the Florida Keys to test the effectiveness and range of the first aerostat radar balloon detection system deployed by law enforcement. Based on their studies, they decided to return from Colombia around the western side of Cuba and to approach Florida from the southwest. The aircraft would head for the Venice airport south of the Sarasota-Tampa metropolitan area in predawn darkness, with lights and transponder off. They would approach the beachfront airport, flying 50 feet above the waves. Once over the runway, they would switch on lights and transponder, gain altitude, and immediately log on with Tampa air traffic control. The system accepted them as an aircraft that had just taken off from Venice, which had no tower to report arrivals or departures. They would fly to their ranch in Lakeland, Florida, and land on the strip there. The cocaine would be loaded in the trunk of a car, and the car would be hooked to a tow truck and towed to the delivery point in Miami. In the event of an encounter with law enforcement, the tow truck operator could plausibly deny knowledge of the contents of the trunk of the car.

Operation Beacon was begun in October 1984 as an OCDETF investigation led by Special Agents of U.S. Customs and the FBI, with cooperation of the DEA and the Florida Joint Task Group. The probe was built around the cooperation of a citizen who had been used by Cardilli and Simms as a source of sophisticated electronics equipment. He had supplied the night vision goggles used by the group to electronically enhance night vision of boat and air crews, and also supplied forward-looking infrared radar (FLIR) of the type used by the military to see darkened targets in the night. Ultimately, this citizen was asked to build a radio beacon (hence the operations's name) that would be activated by immersion and would signal the location of an air-dropped narcotics load. Cardilli and Simms had introduced this person to Munday and Coley. The citizen, now cooperating with authorities, rose in the Munday/Coley ranks and was able to disclose, in advance, major narcotics shipments.

Other than that, Munday hadn't made a mistake. Even now, if alive, he is a wealthy fugitive unlike his lifelong pal, Coley, who is doing 20 years in Federal prison.

It has been estimated that the Beacon group cleared more than \$27 million in profits from the 20,000 pounds of cocaine it was charged with smuggling. Real estate valued at \$2.4 million was seized along with seven aircraft, 28 vessels, and 13 vehicles. Cash seizures included \$106,000 found in Coley's home, \$526,000 from the trunk of his Cadillac, and \$1.4 million found buried in the ground at the Lakeland Ranch.

Thanks to well-coordinated enforcement efforts, the Beacon group may have reimbursed the taxpayers for its own investigation. The social damage and human suffering inflicted by its products can never be recouped.

areas of the United States. It also remains a banking center through which flow huge amounts of cash derived from illicit drug transactions.

***Southern California had all the elements . . . that had made South Florida the major entry point for Colombian drug traffic . . .***

In the mid-1980s, Los Angeles and San Diego began to rival South Florida as centers for distributing cocaine and laundering the proceeds of drug trafficking. As pressure on drug traffic in South Florida grew, the cartels began to shift their transshipment operations to Mexico. From there, drugs could easily be shipped across the border into California, either concealed in cars or trucks or dropped at remote landing strips. Southern California had all the elements--accessibility combined with isolated stretches of country, heavy traffic at the international ports, and major regional financial centers in San Diego and Los Angeles--that had made South Florida the major entry point for Colombian drug traffic several years earlier. The drug business in southern California grew so rapidly that currency surpluses at the Los Angeles Federal Reserve Bank began to rival those at the Federal Reserve's Miami branch.

To see the Colombian drug cartels as merely highly successful criminal enterprises is to view them too narrowly. As the cartels have grown, their influence has spread until it now pervades Colombian society. This influence is partly a function of the size and wealth the cartels have attained. But it goes beyond that. The leaders of some of the cartels, or factions within each cartel, have made a concerted effort to exert pressure on and take control of the country's political and economic infrastructure. To a considerable extent, they have succeeded.

Many law enforcement officials are convinced that no force in Colombian society can stand against the drug cartels. The Medellin, Cali, and other foreign narcotics supply organizations are expanding multinational structures. The size and breadth of their operations make it difficult for any nation to control them unilaterally. Their great wealth is of sufficient magnitude to enable them to corrupt, to coerce, and ultimately, perhaps, to control poor nations. On occasion, these organizations can be investigated in a single judicial district, but successful prosecution requires international cooperation.

One measure of the Colombian cartels' power is their brazenness and their eagerness--up to a point--to display their power and wealth. They have become a state within a state in a country that by one estimate is home to 140 right-wing paramilitary squads and six Marxist guerrilla groups and that has a murder rate two-and-one-half times greater than New York City's. The cartels' wealth is so great that they can buy the tacit or outright support of many police and military officials and intimidate or murder those whom they cannot buy. For example, agents of the Medellin cartel assassinated the Colombian Attorney General when he began investigating why Jorge Luis Ochoa-Vasquez, who had been arrested at a traffic checkpoint, was released. They have also murdered 30 judges and two newspaper editors. In one incident, the M-19 leftist guerrilla organization murdered 11 Colombian Supreme Court justices, possibly at the instigation of the Medellin cartel. The fear that the cartels can instill makes it extremely dangerous for any government to try to extradite the leaders to the United States.

But, it is important to understand that, in many segments of Colombian society, the cartels and their leaders are genuinely popular. Many of the poor see themselves becoming narcotics traffickers, and elements of the middle classes are beginning to accommodate to the reality of the cartels' influence. The wealth of the Medellin cartel, in particular, is so vast that it has reshaped the Colombian economy in ways that have brought short-term benefits to citizens at both ends of the economic spectrum.

It is believed, for example, that the boom generated by the cocaine economy has made it unnecessary for the government to reschedule its foreign debt; Colombia has recently enjoyed one of the highest economic growth rates in Latin America. Cartel figures have financed political campaigns. Moreover, the rise of high-level cartel figures from relative obscurity has a certain populist flavor. For instance, Pablo Escobar, the head of the Medellin cartel, has built 500 houses for Medellin's poor in a neighborhood that he controls absolutely, thus giving the impression that he is a protector of the poor. Yet the impact of drug trafficking on the Colombian poor has been devastating.

Colombia now has one of the highest rates of drug addiction in the world, due, in part, to the widespread use of a toxic cocaine derivative called basuco. Basuco, which is made from low-grade coca paste, is contaminated with kerosene, sulfuric acid,

and other poisons. According to a January 9, 1989, article in the Washington Post, the mayor of Bogota claims that basuco "is the most poisonous drug in the world. It hits all levels, high income and low. . . . It costs what . . . 50 cents? Anyone can afford that." Drug traffickers in Colombia, Peru, and Bolivia first distributed basuco as payment to those peasants who mash coca leaves and ended up by flooding Colombia with the product. The best that can be said about the situation is that the traffickers themselves recognize that basuco is not a product for export.

Some Colombian intellectuals have even tried to make a case on behalf of the cartels. In his Impacto del Narcotrafico en Antioquia, Mario Arango, a Medellin lawyer who serves as legal counsel to several leading traffickers, argues that the cartels have inhibited the social and political deterioration of Colombia. In an interview published in the January 8, 1989, Washington Post, Arango contended that narcotics trafficking has led to an egalitarian "social revolution."

According to Arango, "with narcotics, the mestizos, mulattoes and blacks . . . have had the opportunities to enter consumer society and gain substantial wealth. The best vehicles that are driven in the city of Medellin are in the hands of people who have black or dark skins." And he shrewdly observed that "I consider the drug trade to be the support for a country in crisis. This explains the contradictions in the establishment, which on the one hand denounces it and on the other hand lives with it and benefits from it."

The wealth and power of the drug cartels has put an end to any talk of extraditing high-level traffickers to the United States. Given the propensity of cartel leaders to use force without much provocation, any Colombian official who advocates extraditing them is taking a big risk. Besides, elements within the government believe that the cartels are doing useful work in ridding the country of unwanted leftist elements. In that sense, it can be said that the traffickers are doing the dirty work for certain elements of the military--eliminating guerrillas, as well as peasants and trade union activists. Indeed, the cartels can now deliver some of the economic goods that leftist guerrillas can only promise.

The international cocaine trade has political, economic, and social ramifications. For producing countries, coca is not some exotic plant; it is a mild stimulant that peasants in the mountain valleys of

Peru and Bolivia have used for hundreds of years to make their condition more bearable. For them, as well as for the Colombian middlemen who buy, process, and ship the product, the effects of cocaine on people thousands of miles away are a matter of indifference.

*... a farmer could make more money from one hectare of coca in a season than he might otherwise earn in a lifetime.*

The long arm of the cartels has also reached deep into the countryside of Colombia and its neighbors. The drug cartels, according to one recent estimate, now own one-twelfth of Colombia's productive farmland. Peasants have cultivated coca because they could make more money selling it to the traffickers than they could from any other cash crop. According to one source, a farmer could make more money from one hectare of coca in a season than he might otherwise earn in a lifetime. Attempts by the U.S. and Colombian Governments to persuade the peasantry to switch to other cash crops have not been particularly successful, owing to corruption, the intimidation of the peasants by drug traffickers, and the lack of resources to keep crop substitution programs going.

The impact of all this drug money is not restricted to Colombia. For instance, the drug cartels' need for safe havens has led them to buy the cooperation of foreign public officials, who will tolerate the operations of the cartels on their soil and allow them to use their countries for transshipping drugs. From the cartels' viewpoint, countries such as the Bahamas and Panama are ideal transit points. In the case of the Bahamas, not only do many local families have relatives living in South Florida, but the population is scattered on many small islands. It is not difficult for smugglers who know the islands to schedule dropoffs at their convenience, counting on the passive or active complicity of the inhabitants to shield them from the law. In any case, the traffic between the Bahamas and the U.S. mainland is so heavy that traffickers can easily hide themselves in the general flow.

The Bahamian Government is now beginning to prosecute local drug traffickers. U.S. Government agencies are much more in evidence now, as the

IRS's Criminal Investigation Division has authorized a special agent to be posted to the islands, the DEA maintains an active presence, and Customs and Coast Guard personnel are stepping up operations.

Other Caribbean countries have been implicated in the drug trade. In a 1988 indictment, the U.S. Government presented video-taped evidence that the Cuban Government was escorting drug planes to a military installation on the north coast of Cuba, allowing the cocaine to be transferred to waiting boats, and then escorting the boats into international waters, where they headed for the United States. As with the Bahamas, the Turks and Caicos Islands, and Haiti, Cuba has served as a refueling and transshipment point for Colombian smugglers.

In the most notorious case, Panamanian strongman Manuel Antonio Noriega was indicted for accepting payoffs from the Medellin cartel. It has been alleged that Noriega provided services to the cartel that ran from protecting a cocaine laboratory that the cartel was building in Panama, to arranging for the transshipment of intermediate chemicals needed to process cocaine, to permitting the laundering of millions of dollars in Panamanian banks.

In short, the activities of the Colombian cartels have had dramatic, far-reaching effects on everyone in the supply pipeline: from those who harvest and process coca leaves in the Huallaga Valley of Peru to the officials of a dozen nations whose cooperation is necessary for the distribution of the product to the ultimate user. That user may be an inner-city youth, an upper middle-class professional, or, increasingly, a person living in a rural area. However, the reach of the cartels is much wider, extending to the broader economy within which drug traffickers must operate.

### ***Money-Launderers***

Strictly speaking, money laundering is not so much an independent activity as the indispensable adjunct to any kind of large-scale drug operation. Drug trafficking organizations do not always launder their own funds, but often depend on outside experts who function as independent contractors and whose activities often predate the existence of drug organizations. Economic conditions in Latin American countries--among them, artificial exchange rates and restrictions on the movement of currency--favored the rise of money laundering operations. When drug

traffickers realized the need to conceal their gains, they found organizations able and willing to fulfill this need. This may explain why money laundering is more a process than an organization. Because the major money-launderers act as independent contractors, they have maintained their own identities without becoming adjuncts to the major drug traffickers.

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Money laundering encompasses all those activities which are necessary to successfully conceal from the authorities the fruits of illegal activities and the enterprises from which they came. The Colombian cartels, like other traffickers, need to launder their money, because their operations deal exclusively in cash. The cartels, whose operations are generating billions of dollars, have an especially great need for these services. It is possible that the need is so great that the cartels have found it necessary to attempt to gain clandestine control of banks, through which they could launder large amounts of cash without the knowledge of law enforcement authorities.

Laundering enables drug traffickers to conceal their earnings from law enforcement agencies. It also enables traffickers to reinvest their earnings in new drug supplies and, through investments in legitimate businesses, to merge with the surrounding society.

In an age when hundreds of millions of dollars can be moved electronically, laundering is a much more sophisticated activity than it was a generation ago. But the basic means have not changed. First, drug-generated funds can be moved offshore, either to pay off suppliers or to legitimize the profits of criminal activities. For example, traffickers can deposit their cash in a Panamanian bank, launder the money through various shell corporations, and then return the laundered funds to the United States, where they are then invested. This is what the Government has alleged Ramon Milian-Rodriguez and

his organization did in laundering over \$1 billion in a seven-year period.

In some of its manifestations, money laundering is just another kind of smuggling. In November 1988, Operation Greenback, in South Florida, infiltrated an organization that was exporting millions of dollars concealed in electrical appliances. Investigators have uncovered many other smuggling methods, including the use of the mails to send money offshore and the movement of large sums of money overseas to pay for imported goods that either did not exist, were not shipped, or were overvalued.

Second, money-launderers have often attempted to do their laundering within the domestic U.S. banking system. Using a loophole in the reporting requirements of the U.S. Bank Secrecy Act, they developed a technique known as "smurfing," in which a number of couriers, or "smurfs," make cash deposits into multiple accounts in sums under the \$10,000 reporting limit. These sums are then transferred by wire to a single account. This particular loophole was closed by recent changes in the reporting requirements mandated by the Money Laundering Control Act.

Whatever the means used for domestic laundering of drug trafficking proceeds, once the drug traffickers and their launderers have concealed the origins of their funds they can use the domestic banking system to funnel sums into the usual range of legitimate businesses. Drug traffickers particularly favor enterprises with large cash flows--luxury car dealerships or shopping centers, for example--with which to commingle the money derived from drugs.

The third way to launder money is through the exchange of foreign currency for U.S. dollars. For example, currency controls in many South American countries prohibit their residents from possessing large quantities of U.S. dollars and from taking large quantities of their capital out of the country. Likewise, drug traffickers have large quantities of U.S. dollars in this country that they need to convert into pesos to purchase more product, pay for security, and make the requisite "political contributions" in their native countries. To fill this void, launderers in the South American countries offer to purchase the pesos from businessmen needing U.S. dollars to make purchases in the United States and from individuals trying to move their assets to the United States. After reaching an agreement for pesos vs. dollars, the

launderers approach the traffickers in their country and offer to purchase the dollars in the United States and give the traffickers pesos in their native country. After that agreement is reached, the trafficker directs his representatives in the United States to move his dollars into the launderer's U.S. bank accounts. Upon notification that the dollars have been deposited, the launderer releases the pesos to the trafficker. The final transaction occurs in the United States when the launderer releases the agreed-upon quantity of dollars (by check or wire transfer) to the foreign national who originally sold the pesos. Now, the trafficker has pesos in his home country and the businessman has his capital in dollars in the United States--all without any currency physically leaving any of the involved countries. This type of laundering is more difficult to detect than the physical movement of large sums of money out of the United States.

Related to this is the shipment of bullion and gold coins to Mexico, a method that narcotics traffickers like because gold can be shipped, imported, and exported duty free. Traffickers can buy gold from one of the major international brokerage firms in New York, arrange for it to be shipped to Los Angeles, where the dollars-for-gold transaction is completed, and then export the gold to Mexico. As the Federal Government imposes fewer export controls on gold, gold shipments are less likely to be subjected to the same close scrutiny as currency shipments. Thus, the actual value of the gold exported is unknown, even though a value must be stated on the export document filed with the Government.

There is also a fourth way to launder money, and it is the hardest method of all to trace. This is simply to acquire a domestic or international financial institution. By controlling an entire institution, traffickers go far beyond their immediate aim of concealing their earnings. In effect, they take over a part of the local banking system and divert it to their own ends. Indeed, given the extent of money laundering operations, it may be that law enforcement organizations see only the tip of the iceberg. Traffickers are using banks all over the United States--especially in South Florida and southern California--to manipulate correspondent banking relations and overnight deposits, arrange Eurodollar loans, and abuse the so-called "exempt list," those bank customers exempted from cash reporting requirements.

## O-How-Cute

O-How-Cute was a toy store in Edison, New Jersey. Its owner, Adi Tal, operated an international money laundering service that handled more than \$10 million in less than two years.

Tal and his major partner, Nir Goldeshtein, and their stewardess wives enlisted in their plan a dozen friends, including a flight steward and a Hasidic rabbi. None of the friends had prior criminal records and some were told various inventive stories that may have convinced them, at least at the outset, that the work was legitimate. Nine, including the two principals, the steward, and the rabbi, have now pled guilty to charges under Title 18 or 31 and have been sentenced to terms ranging from four months to two years. The other five are international fugitives. The kingpins, Tal and Goldeshtein, were sentenced on March 23, 1989, to 52 months and 40 months, respectively.

Like any successful service business, the Tal organization lived by its reputation for reliability and was quick to respond from any of its locations: North Jersey, New York City, Los Angeles, or Seattle. In a typical transaction, a beeper-equipped agent would respond to a call and arrange for a pick-up. He would meet a stranger, receive from \$10,000 to \$500,000, and report to Tal for instructions. The cash would be temporarily stored in kitchens, bedrooms, or safe deposit boxes. Portions would be converted to cashier's checks and money orders in denominations under \$10,000, or deposited in personal--usually fraudulent--accounts. Some of the checks, and drafts on the personal accounts, were inserted between the pages of magazines and shipped via air freight forwarders to Panama or Colombia. Others were mailed or delivered between the L.A. and Seattle offices or to Goldeshtein in New Jersey. The network's commission for this kind of work ranged from 3 to 10 percent.

Large amounts of cash would be shifted around in this, a major laundering operation. For example, when Tal had several hundred thousand dollars delivered to Rabbi Sholom Levitin in Seattle, Levitin took a 2 percent fee and deposited the funds in a number of private and business bank accounts, always at less than \$10,000 a crack. He next combined the monies into one account, from which he wire-transferred the funds to a private account in Israel. From there, another Tal associate transferred the funds to a business account in Panama City.

The two partners did much of the traveling and many of the transactions personally. They closely supervised the rest. As they studied and tested the regulations on international banking, they became adroit at damage control. When U.S. Currency Transaction Reports were filed on the gang's transactions, the names listed in the reports were almost always fictitious. When counterfeit currency was found in one of their deposits at a bank in West Germany, they soothed the bank and trained their own operators to recognize counterfeits. When checks for \$350,000 were stolen in Colombia, employees were instructed by Tal to endorse every check "for deposit only," making them non-negotiable. When, on separate occasions, Tal and then Goldeshtein were interrogated by Israeli and British Customs about their luggage containing more than \$400,000 in U.S. currency, they were able to talk their way out of being detained or reported.

At its peak, Tal estimated that his network was moving \$70,000 a day. He bragged to an employee that he once picked up \$7 million in Los Angeles in one day in response to various beeper calls.

At the outset, the OCDETF team, made up of Special Agents of the IRS, Customs, and DEA, merely inferred the connection between drug smuggling and the use of banks in Panama and Colombia. The presumption became stronger when it was learned that transactions were regularly reported to associates in Cali, Colombia. An even stronger connection was established when sniffer dogs were able to locate currency bearing narcotics residue in each of the partners' residences.

The downfall of this very successful operation, which was under investigation for more than two years, was attributable not to mistakes but to state-of-the-art police work and concerned private citizens. On four separate occasions, packages of uncanceled checks were discovered by alert air freight handlers, who notified enforcement agencies. An investigation was opened that gathered reports of Tal/Goldeshtein activities sufficient to justify Title III phone surveillances on various residences of both partners. From there on, the investigation of this OCDETF case, absent specific drug violations, was brought to a close by successfully prosecuting members of the Tal organization on money laundering charges.

***Recently, the Los Angeles Federal Reserve has reported a great increase in its surplus; in 1988, it was nearly \$4 billion.***

The flooding of entire regions with drug money is one of the most sinister second-order effects of the drug trade, although it is useful in tipping off the authorities as to what is occurring. "Flooding," tracked by the regional Federal Reserve banks, describes this phenomenon precisely. Every year since 1980, the Miami branch of the Federal Reserve Bank of Atlanta has reported cash surpluses in the \$5 to \$6 billion range. Recently, the Los Angeles Federal Reserve has reported a great increase in its surplus; in 1988, it was nearly \$4 billion.

It might be asked why the investment of drug money in legitimate businesses should be cause for concern. Considered very narrowly, the influx of huge amounts of drug-related cash has provided some short-term benefits to Latin American debtor nations. The same might be said for domestic beneficiaries of drug money. However, it cannot be emphasized too strongly that this flood of money is not only a consequence of the drug problem, but a major problem in its own right. Even where the money enters the local economy, the effect is mainly to inflate prices. Even banks that stand to gain from accommodating such customers ultimately bear the costs of any losses that drug-related transactions generate.

#### ***La Cosa Nostra and the Sicilian Mafia***

Along with the more than two million law-abiding Italian immigrants who came to the United States early in this century was a small group of criminal members of the three major southern Italian secret societies--the Sicilian Mafia, the Neapolitan Camorra, and the Calabrian N'Drangheta. Settling into ghettos where they could speak their native language and maintain their traditions, society members soon formed neighborhood gangs to pursue a variety of criminal activities.

In the early 1930s, following a bloody internecine war, neighborhood gangs coalesced into an organization they called "Cosa Nostra," which literally translated means "Our Thing." La Cosa Nostra (LCN), as it became known, was not a subsidiary or outpost of the Sicilian Mafia, but rather a

distinctively American criminal empire that today consists of 25 families, or centers of power, that together contain at least 2,000 members, and several times that many associates. These families, which are largely independent local organizations, comprise a confederation and acknowledge the authority of a commission consisting of the leaders of the most powerful LCN families.

Remarkably similar ruling bureaucracies are found among the families and have existed since LCN's early years. Each family is led by a boss, who is supported by a principal underboss. Consiglieres, counselors, usually with significant contacts outside the family, provide advice and mediate disputes but have no line authority. Soldiers, the lowest level family members, are organized into groups led by caporegimes, or street bosses.

***Of 25 identified LCN families, 19 have had individual members who have been found to engage in drug violations.***

From the outset, certain families had prohibitions against drug trafficking, as older members believed drugs were a scourge and understood the amount of attention that drug involvement would draw from law enforcement. A ban prohibiting involvement of LCN members in drug trafficking was allegedly ratified by the major LCN figures at the famous Apalachin, New York, conclave on November 14, 1957.

Despite the pact, individual LCN members have historically been involved with importation and high-volume distribution of heroin from Southwest and Southeast Asia. Of 25 identified LCN families, 19 have had individual members who have been found to engage in drug violations.

A recent survey of LCN-related intelligence from the Boston FBI files indicates that in spite of a family rule prohibiting involvement in drug activities, approximately 50 percent of New England LCN members have had some form of involvement in illegal drug trafficking or personal drug abuse. Observance of the rule is a myth and is not enforced by the family hierarchy. Individual members and capos cannot resist the lucrative drug profits. The potential for tremendous wealth, when coupled with the changing LCN membership, has given rise to a

new and potentially more violent role for LCN in drug trafficking operations.

Over the past 25 years, LCN has evolved from ethnic neighborhood gangs with decentralized power, in the hands of middle managers in the prime of life, to an organization of centralized power, held by aging leaders, forming a pyramid-like hierarchy. The upper- and middle-management level of this structure has been devastated by the Government's continuous attack on LCN.

The membership losses caused by this attack have presented LCN with a number of problems. The recent convictions of LCN leaders have left leadership vacancies and, as a result, operational difficulties. Within many families, a number of leaders at the caporegime level and above were simultaneously removed. This forced sudden promotions from lower, less experienced ranks which, in turn, has led to a new breed of soldier who is greedier, who enjoys the high profile eschewed by the older capos, who is more undisciplined and more prone to violence. Because of their youth, the new middle-level leaders do not have the old established lines of communication within the family or with other LCN families. They are more willing to become involved in drug trafficking.

The most obvious drug trafficking partner for LCN is the Sicilian Mafia, which is independently active in the United States. Both groups associate and criminally interact in a number of areas of mutual interest. The Sicilian Mafia is primarily involved in international heroin trafficking and is associated with LCN in several locales, including Buffalo, Boston, New Jersey, Chicago, and Detroit.

Current estimates indicate that LCN and the Sicilian Mafia are responsible for one-third of the total volume of heroin brought into the United States each year. Additionally, it has recently been reported that the Sicilian Mafia and LCN family members are exchanging or bartering heroin for cocaine, with LCN's South American cocaine moving through the United States to Europe and the Sicilian heroin moving from the Middle East through Italy to the United States.

This role as middleman in cocaine distribution has led to the development of ties between individual LCN members and the Medellin cartel. These ad hoc relationships developed on the basis of a common desire to expand both their markets and their product lines. The relationships are generally initiated through introductions by mutual criminal associates.

These relationships are rather tentative at first, but once trust has been established, extensive interaction results.

As LCN family members have and will continue to be involved in a broad array of criminal enterprise, it is realistic to expect them to further develop the avenues and methodologies to profit from illicit drug trade. They will not initiate direct confrontation with the Colombian or other major drug cartels. They are not in a position to, nor would they want to go head to head with the Colombians. They are, however, prepared to coexist and cooperate with the Colombian cartels and other drug-specific groups and organizations as they have done for many years with the outlaw motorcycle gangs in the distribution of methamphetamine.

Specifically, LCN maintains working relationships with certain other organized crime groups in order to fulfill its racketeering objectives. The Gambino, Bufalino, and Bonanno families have strong ties to Colombian and Cuban drug cartels in the greater Miami area, providing these families with drugs for distribution in the United States. Individual LCN members work with Asian and Latin American organized crime groups and cartels that manufacture and smuggle narcotics and with ethnic street gangs and outlaw motorcycle gangs involved in high-risk, low-level distribution and street sales.

The changing character of LCN membership and the potential profits to be realized are factors which indicate that LCN's role in drug trafficking will continue to be significant.

***Within the last five years, Asian, particularly Chinese, gangs operating on both coasts have become major players in the international drug trafficking scene.***

#### ***Asian Organized Crime Groups***

Within the last five years, Asian, particularly Chinese, gangs operating on both coasts have become major players in the international drug trafficking scene. As has been the case with some other ethnic groups, Chinese Organized Crime (COC) leaders in this country have used their ties with overseas criminal organizations to assure a regular

## Droznek/Rosa Case

During the course of the Droznek/Rosa case, two dozen defendants pled guilty, individually and in small groups, leaving only two to be tried in this four-year-long OCDETF investigation by the FBI, DEA, IRS, BATF, and the Pennsylvania Bureau of Narcotics. Among those entering agreements with the Government were Marvin "Babe" Droznek and Joseph Rosa, both self-confessed soldiers in the LaRocca/Genovese LCN family of western Pennsylvania.

Having confessed to participating in a continuing criminal enterprise, Droznek made consensually recorded phone calls and "wore a wire" while pursuing business as usual--dealing cocaine. This risky activity made Droznek a devastating witness in a case noteworthy for the lack of physical evidence. There were plenty of guns but no cocaine. He eventually testified against Rosa, and most of the other defendants.

The prime target of Droznek's testimony was a friend he never quite trusted, Joe Rosa. When Rosa invited him to bring \$200,000 along and join him on a buying trip to Florida, Droznek set up a unique "death insurance" policy. A third party was to hold \$20,000 to pay for Rosa's murder if anything happened to Droznek. Fortunately for both, the trip was canceled. When Droznek later told Rosa of his "insurance," Rosa admitted he had indeed considered a rip-off. Droznek lived his adult life in a violent world. He admitted using threats and violence as an enforcer. He owned many guns, including submachine guns, and on occasion would fire one into the ground as a "demonstration."

Close associates of Droznek who met untimely deaths included Robert George and Mark Puzas. George was a hotel operator, drug addict, and cocaine dealer. On a Tuesday, he told Droznek that he was suspicious that a man with whom he had been dealing might be "a dirty cop." The man was, in fact, an undercover county detective. The next day George confronted him with a loaded shotgun. The brave officer slapped the gun away and killed George with one shot from his .357 magnum. Mark Puzas became a confidential informant who was used by county narcotics detectives when they searched Droznek's home for marked cash after Puzas had purchased a kilogram of cocaine from him. A county grand jury recommended his prosecution during its separate investigation of Droznek. Two days after a visit from Droznek, Puzas hanged himself in jail.

Droznek worked his way up through the gambling ranks: first, as a numbers writer, then booking bets, then as a collector and loan shark, and then as a "beard," a layoff man paid a commission to keep big bookmakers from recognizing the real source of a bet. In 1984, having lost a Las Vegas sports informer who had enabled him to make some sure-thing bets, Droznek made his first "coke" deal. In the next three years he and his associates distributed more than 200 kilos of cocaine in the Pittsburgh area.

During early 1985, Droznek was introduced, by a mutual customer, to a drug dealer and vending machine entrepreneur, William Kostrick. This customer had been a part of Kostrick's prior operation, in which Kostrick and Rosa had obtained cocaine in South Florida and utilized couriers to transport the drug to Pennsylvania. The cocaine was cut, stashed, and redistributed to various dealers. In a process that continued throughout the conspiracy, Kostrick and/or Rosa would travel to Florida to purchase quantities of cocaine. Couriers would fly to Miami or Fort Lauderdale and rent cars for transportation back to Pittsburgh and redelivery to Kostrick, Rosa, or Droznek.

Throughout 1985 and 1986, each of the three principals developed separate sources and systems of delivery and each would supply the others according to their needs. Kostrick, for example, developed contacts with a family from western Pennsylvania who had relocated to the West Coast of Florida. This family had developed its own contacts with various Colombian and Cuban suppliers. The family members would transport cocaine in multi-kilogram lots to Kostrick in Pittsburgh. Rosa had developed contacts through his LCN connections. The three partners each maintained various stash houses that concealed both the cocaine and the money generated from the sale thereof. As a sideline, Droznek and Rosa, together with various other members of the conspiracy, also trafficked extensively in automatic and silenced weapons.

Each of the principals generated large amounts of cash during the operation of the enterprise. Droznek purchased a restaurant in Pittsburgh and a comfortable home in the suburbs. He also invested in certificates of deposit and utilized a number of safe deposit boxes to store his cash. Through his gambling and cocaine operations, Droznek established associations with a number of racketeers who owned and operated semi-legitimate businesses. Droznek used these associates to purchase fictitious W-2 wage statements to shelter him from income tax evasion charges. One such business operated as a pollution spill clean-up business. Droznek purchased his W-2 by paying the owner, a compulsive gambler and fraud artist, a 10 percent commission for each check.

Kostrick lived relatively modestly, investing his money in the vending business, possibly stashing some of his profits with family members. Most of the locations where Kostrick's machines were placed were owned by cocaine customers or loanshark victims. Rosa spent large amounts of his income for automobiles, jewelry, and entertainment. He made a number of expensive real estate purchases, which he attempted to conceal through the use of nominees. Rosa also formulated a construction and landscaping business in an attempt to generate a legitimate income in response to an extensive IRS investigation. Much of Rosa's ill-gotten gains, including \$175,000 worth of jewelry Rosa had stolen from his own store in an insurance scam, were passed on to the LCN underboss.

The membership of this criminal organization included a number of past and present law enforcement officers. Robert George, a hotel owner and a major dealer for all three of the principals, had been the chief of police of the small township in the northern suburbs of Pittsburgh. George had been fired from that position in the early 1980s as a result of various acts of administrative misconduct. Kostrick and two of his convicted associates had been former North Versailles Borough police officers. Michael Monaco, who provided Droznek with gun permits, had been an Allegheny County Deputy Sheriff prior to his arrest for cocaine trafficking in 1985. Perry Perrino, convicted and sentenced to 10 years' incarceration, had been an Allegheny County Assistant District Attorney during the course of the conspiracy. At Perrino's sentencing, it was alleged that he had accepted both money and cocaine from Droznek while employed as a District Attorney, and that Perrino had discussed with Droznek the status of an informant in an investigation then pending against Droznek. According to Charles Sheehy, the Acting U.S. Attorney, many of the persons contacted during this investigation have abandoned their jobs, careers, or professions as a result of cocaine addiction. Almost without exception, each individual who became involved in heavy cocaine use turned to criminal activity in order to support the habit. The lure of cocaine, and the wealth which can be generated from its sale, was shown to have corrupted numerous public officials entrusted with the responsibility of law enforcement.

supply of whatever they wish to peddle--whether it is Chinese video cassettes, prostitutes, or heroin.

Although Asian organized crime is a relatively new threat, it has much in common with older groups, especially La Cosa Nostra in its formative years. As with LCN, Asian organized crime grew out of much older secret or fraternal societies that degenerated into criminal groups. This was the case with the Triads, now based mostly in Hong Kong, which originated in the 17th century to oppose the Manchu dynasty that governed China. Similarly, the Tongs began in the late 19th century as perfectly legitimate mutual aid societies for immigrants brought to the United States as contract railroad laborers. In the case of the Triads, organizations moved from legitimate purposes into a variety of rackets. By contrast, while most American Tongs serve legitimate business purposes, several are closely tied to organized crime.

But, the resemblances between Chinese criminal organizations such as the Triads and LCN go deeper than their origins as protective and fraternal societies. In both kinds of organization there is the same emphasis on loyalty to the group and retribution against those who reveal secrets to outsiders; the same fragmentation into subgroups controlled by powerful leaders; the same independence of their parent overseas organizations; the same use of extortion and the corruption of public officials to promote their activities; the same exploitation of large populations of non-English-speaking, innocent immigrants; and, finally, the same involvement in a broad mosaic of diverse criminality of which drug trafficking is but one part.

This is not, however, the entire story. Since the mid-1960s, three events have had an incidental, second-order impact on the growth of Asian organized crime: the liberalization of quotas for Asian immigrants in 1965, the ending of the Vietnam conflict, and the agreement between the United Kingdom and the People's Republic of China by which Hong Kong will revert to the latter in 1997, after more than 150 years of colonial rule.

These events wrought profound changes within Asian American society. The first two transformed conservative, insular communities, while the third may lead some of the most dangerous Hong Kong criminals to move their operations to the United States. Finally, the Immigration and Nationality Act of 1965 repealed restrictions on Asian

immigration dating from the Chinese Exclusion Act of 1882. Combined with the influx of immigrants from Southeast Asia as the war in Vietnam drew to a close, this legislation dramatically increased the Asian American population. Between 1960 and 1980, the total number of Asian Americans grew from 878,000 to nearly 3.6 million. By 1980, 91 percent of Vietnamese Americans, 66 percent of Filipino Americans, and 63 percent of Chinese Americans--but only 28 percent of Japanese Americans--had been born overseas. By then, Asian Americans had become the largest ethnic group among all immigrants.

The immigration opened up the closed, rather circumscribed, world of the older criminal groups. The new immigrants tended to be young, knew little English and, like some immigrants before them, saw criminal organizations as the quickest road to advancement. In attempts to protect themselves from attacks by American-born Chinese, Chinese immigrant youth formed street gangs. Among the first were the Wah Ching in San Francisco and the Ghost Shadows in New York.

There are two primary classifications of Chinese criminal organizations operating in the United States today: American COC, and Triads and similar groups. Hong Kong serves as the primary base of operations for the Triads. It is estimated that there are as many as 100,000 Triad members belonging to more than 50 Triads in Hong Kong. The major Triads are organized in five major groups, of which the Wo group and 14K are the largest. In Taiwan, the United Bamboo Gang boasts 1,200 members, and the Four Seasons Gang 3,000 members.

Traditionally, Triads have had rigid hierarchical structures. At the apex of the organization is the Triad leader, the Shan Chu. Below the Shan Chu is the Deputy. Below the Deputy and of comparable seniority are the Heung Chu, the ceremonial official, and the Sing Fung, who handles recruiting. They are joined by other senior Triad officials. Below this level are a number of "Red Poles." These are the enforcers and hit-men, and they have direct control of some operational Triad groups. At the same level as the Red Poles are a "White Paper Fan," the general administrative official, and a "Straw Sandal," who handles liaison between and among the Triads and other groups. The ordinary members comprise the remainder of the organization.

Currently, most Triads lack the traditional

structure. Most are run by a chairman who is usually a "Red Pole." There is also a central governing committee of six to nine members. A "White Paper Fan," as a member of the central committee, is usually the treasurer. Only a few Triads are active in North America. However, members, either alone or in conjunction with American COC groups, often engage in criminal ventures in the United States. Among the Triads known to have active U.S. connections are the Sun Yee On, 14K, Wo Hop To, Wo On Lok, and Leun Kung Lok.

A much greater threat than that of the Triads is presented by the sophisticated criminal organizations that have evolved from the street gangs. The Wah Ching is the most developed Chinese criminal organization on the West Coast. It has 600 to 700 members, 200 of whom are "hard-core." The Wah Ching has a central leader who is supported by four deputies under his nominal control. Various deputies employ groups of Viet Ching (ethnic Chinese from Vietnam), under the direction of their lieutenants, to serve as enforcers. Typical of all Chinese criminal organizations, the Wah Ching organization is extremely loose-knit and fluid. It is believed that the Wah Ching is affiliated with the Sun Yee On Triad in Hong Kong.

In New York City, the street gangs are affiliated with the Tongs. The Tongs exhibit complex organizational structures. These include co-presidents, executive officers and staff, and a wide assortment of designated administrators and coordinators.

The Flying Dragons Gang is affiliated with the Hip Sing Tong, the Ghost Shadows Gang is attached to the On Leong Tong, and the Tung On Gang and the Tung On Tong are headed by the same person.

The Chinese organized crime activity in Boston is dominated by the Ping On Gang. It is believed that the gang has about 200 active members; however, the current internal functioning and degree of cohesiveness of the Ping On Gang is a matter of conjecture.

Chinese organized crime has expanded from control of Chinese gambling, extortion, pornography, and entertainment to include large-scale international narcotics trafficking. While Chinese criminal organizations do not quite equal the scale of the Colombian cartels, the scope of their operations is impressive nonetheless. Working with Asian nationals, Chinese American criminals are the largest

importers of heroin from Southeast Asia, virtually all of it originating in the Golden Triangle formed at the junction of Burma, Thailand, and Laos. The February 1989 seizure in New York's Chinatown of more than 800 pounds of processed heroin reveals the magnitude of this traffic.

Most of the heroin that originates in the Golden Triangle is shipped to the West Coast of the United States via Hong Kong and through such secondary transit points as Singapore, Seoul, Tokyo, and Taipei. The destination is New York, out of which about half the heroin moves to other East Coast cities. Chinese criminal organizations operate mainly as shippers and wholesalers: they buy the raw product, process it, arrange for its transshipment and, finally, turn it over to retailers. From what is known, Chinese traffickers work through other groups, especially LCN, who distribute the product to the ultimate user.

Although the Hong Kong Triads are involved in drug trafficking, their role cannot be categorized easily. Some of the ethnic Chinese who smuggle heroin out of the Golden Triangle, and others who ship it to New York, are not affiliated with the Triads. Other traffickers may be entrepreneurs who work with organized crime groups on specific ventures. In still other cases, drug trafficking is simply a means of transferring assets from Hong Kong to the United States.

To some extent, the magnitude of Chinese drug trafficking is reflected in the amount of money flowing out of Hong Kong to U.S. banks, especially those on the West Coast. However, much of this money simply represents assets that Chinese business people want to transfer to a safe haven when Hong Kong reverts to China. By merely measuring the volume of foreign money entering the United States, one fails to distinguish between legitimate asset transfers and the laundering of drug money. The important point is that there is a huge and growing influx of money from Hong Kong, primarily to banks in San Francisco, Los Angeles, and New York. This provides the wide stream in which the drug money can flow inconspicuously. Some of these funds flow into large American commercial banks, with the rest going into some 100 Chinese owned and operated banks. Most of these are small and cater exclusively to a Chinese American clientele; at some banks, tellers are assigned to service one or two accounts exclusively.

Traffickers in Hong Kong, Taipei, and Singapore can send funds by wire transfer or letters of credit to banks in southern California, knowing that such transfers trigger no reporting requirements. Where such electronic transfers are impracticable, drug dealers have used "smurfs" (discussed in the section on money laundering; see p. 35) to make deposits under the \$10,000 reporting limit at several bank branches on the same day. As in other regions, these transfers of drug money lead to huge surpluses at regional Federal Reserve banks. The Los Angeles branch of the San Francisco Federal Reserve Bank has accumulated annual surpluses of as great as \$4 billion since the mid-1980s.

Compared to Colombian drug dealers, more Asian dealers invest in real estate than in personal property. Criminal organizations based in Asia are investing heavily in shopping centers, apartment complexes, and office buildings. The result has been to drive up real estate prices, especially in those areas with large Asian American populations. Chinese American criminals, on the other hand, prefer investing in businesses where most transactions are done in cash: nightclubs, restaurants, travel agencies, and jewelry stores. The advantage of owning such businesses is that, besides serving as fronts for criminal activities, they are ideal for commingling legal and illegal funds in a way that avoids detection.

There is much that law enforcement organizations have to learn about Asian organized crime. Only recently have they begun to give the problem the attention it deserves. The lack of agents with the background to infiltrate the Asian criminal organizations means that much about the gang operations remains unclear. What is clear is that the larger gangs--the Wah Ching on the West Coast, several New York gangs dominated by Tongs, and the Boston Ping On Gang--are powerful and sophisticated organizations.

### *The Jamaican Posses*

Jamaican organized crime gangs, known as posses, have only recently emerged as a major drug trafficking force. Generally originating in Kingston, Jamaica, the posses have been active in the United States since about 1984. The approximately 40 posses operating in the United States, Canada, Great Britain, and the Caribbean are conservatively estimated to have 10,000 members, the

majority of them convicted felons, illegal aliens, or both. Almost all posses have connections in New York and Miami, which have large Jamaican populations. Informants have revealed the existence and operating locations of specific posses. However, when arrested, a Jamaican criminal is likely to refuse to discuss his posse and will often even deny that such bands exist.

The posses have distinctive operating methods. Beginning as marijuana traffickers, the posses shifted to the transporting and selling of cocaine, particularly crack. Compared to the Colombians, the posses are more vertically integrated, since they are involved as importers, wholesalers, distributors, and even retailers. They normally purchase cocaine from Colombians or Cubans in Jamaica, the Bahamas, southern California, and South Florida, usually in small quantities of 4 or 5 kilos. By excluding the middleman, the posses can substantially raise their profit margins to the point where, for example, one posse controlling 50 crack houses realized \$9 million a month.

Once settled in a city, posses quickly develop crack house operations. Despite their location in low-income areas, crack houses are sophisticated operations, from the barred or blackened windows, to the doors barricaded with two-by-fours, to the lookouts using walkie-talkies to warn of police raids. Because crack house residents move often, police find it difficult to keep track of their activities.

The posses do not restrict their operations to crack houses. Sometimes temporary quarters will do. In Columbus, OH, Frederick, MD, and Wilmington, NC, posse members set up retail distribution networks in economy motels (usually located near interstate highways), possibly as an attempt at a kind of rough market analysis. Where the market proved lucrative, the Jamaicans started to lease rental properties in the same area.

There are indications that Jamaican organized crime is developing working relationships with West Coast street gangs, traditional organized crime, and Colombian narcotics cartels. At this time, the exact nature of the relationships between the posses and the West Coast street gangs remains unclear. It is known that Jamaican drug dealers are operating in "the Jungle," a small area in Southwest Los Angeles known for drug activity and drug-related violence, and that the Los Angeles gangs known as the Crips have moved into crack distribu-

tion markets in Kansas City, Cleveland, and Dallas, where Jamaican criminal organizations also operate. It is also known that Jamaican criminals have had longstanding relations with Colombians, with the former buying cocaine directly from the latter.

***Jamaican criminals have not hesitated to issue contracts on the lives of police and Federal agents . . .***

Of the posses so far identified, the largest and most violent are the Spangler and Shower posses. According to BATF figures, drug wars between the Spanglers and rival gangs have led to between 350 and 525 murders during the last five years, and the posses as a whole have accounted for at least 1,400 murders in the United States since 1985. In general, these and other posses have demonstrated a willingness to turn to violence and torture at the slightest provocation, to a degree which is unusual even among drug traffickers. Victims in some homicides were apparently shot in the ankles, knees, and hips before being shot in the head. It also appears that other victims were subjected to scalding hot water, before being murdered and dismembered.

The willingness of posse members to resist arrest and to engage police in shootouts makes them even more dangerous. Jamaican criminals have not hesitated to issue contracts on the lives of police and Federal agents who they feel are disrupting their business, even to the point of offering a \$25,000 "award" in Virginia to anyone who killed a police officer. Jamaican criminals have attempted to entrap police by identifying their telephone and beeper numbers and then luring them to staged shootouts.

From the time they enter the United States illegally to the time when they launder their drug profits, members of Jamaican organized crime are adept at throwing law enforcement officials off their track. This can involve anything from substituting photos or names on valid passports to forging Social Security cards, birth certificates, and INS green cards. In the course of breaking up a fraudulent document ring in Kingston, Jamaican police discovered electronic typewriters with typefaces similar to those used by the Jamaican and U.S.

Governments, as well as a variety of forged documents for each of the localities that the criminals wished to penetrate. In another case, an investigation in Pennsylvania exposed a veteran of the State Police who had been selling blank driver's license applications to members of the Shower posse, who then entered any name or date of birth that they wished.

Jamaican posses often do their own money laundering. They have used Western Union for wire transfers of money, purchased legitimate businesses (restaurants, auto repair shops, record stores) as fronts, and bought real estate for quick resale. In one such case, investigators found that a doctor at the University of Mississippi Medical Center had conspired with a Jamaican dentist to launder money through a Panamanian front company that made fake loans to the Jamaican.

Recent investigations show that Jamaican criminal groups are establishing new entry routes for drug shipments. These are in addition to Miami, the traditional entry point. It appears, for example, that members of Jamaican criminal groups have been entering the United States by wading across the Rio Grande into Texas and that these groups may be linked to Colombian drug suppliers arrested in the Houston area. In another instance, 15 Haitian and Jamaican aliens arranged to be smuggled from Belize to Juarez, Mexico, from which point they entered the United States. A Jamaican drug trafficker then tried, unsuccessfully, to place them aboard a Continental Airlines flight from El Paso to Houston, from where they would have proceeded to the New York metropolitan area.

Although Jamaican organized crime is concentrated in metropolitan areas, it is starting to move outward. The experience of the Northern District of West Virginia is a case in point. After Jamaicans arrived in the Martinsburg area in the early 1980s as migrant workers to pick fruit at harvest time, many stayed on to peddle cocaine and crack. After a 1986 Task Force raid, which included local police participation, closed down the Martinsburg operation, much of the street action moved to Charles Town, 16 miles away. In the spring of 1988, Federal, State, and local enforcement officers conducted a raid and a series of arrests of suspected street-level crack dealers in Charles Town. What they found was a well-run operation. Dealers were selling cocaine in gram quantities at the street level, with the crack

running at a purity level of 90 percent or better. These dealers received their supplies from couriers shuttling between Jamaican gangs in Miami, New York, and Washington, D.C.

The posses' mobility, large networks of distributors and couriers, and use of aliases compel enforcement agents to use innovative investigative techniques. Among these techniques are the review of Western Union wire transfers, telephone toll analyses, and the tracing of firearms recovered from Jamaican criminals. An increasingly useful information source is the Federal Bureau of Prisons. The Bureau has computerized listings of information on the approximately 800 Jamaican criminals who have passed through the Federal prison system, about a quarter of whom are still in custody. The violent nature of Jamaican posses and the threat they pose to security have led the Bureau of Prisons to attempt to discover links between Jamaican inmates and specific posses.

A treaty ratified by the Jamaican Parliament in December 1987 broadened the category of those wanted in the United States and apprehended in Jamaica who could be returned to the United States. Under the terms of the treaty, Jamaica must extradite fugitives wanted in the United States for any offense that would be a crime in Jamaica. The treaty also covers fugitives wanted in the United States for conspiring to traffic in narcotics, a charge that was not extraditable before the treaty was ratified. The new treaty and the legislation that implements it also permit the extradition of offenders wanted in the United States for the unlawful possession or use of firearms, another crime not formerly covered.

### ***Outlaw Motorcycle Gangs***

Although some precursor organizations have been traced to California immediately after World War II, the first major gang, the Hell's Angels, was founded in 1950 in Fontana, California. Other gangs were organized during the 1950s and 1960s. This was the formative period, as larger gangs absorbed smaller ones, new chapters sprang up far from "mother chapters," and alliances between different gangs developed. It was not until the early 1970s that the gangs began to change in significant ways, evolving from loosely coordinated groups into sophisticated criminal organizations involved in drugs, bombings, contract killings, and prostitution.

Although there are at least 500 outlaw motorcycle gangs in the United States, four are especially important: the Hell's Angels, the Outlaws, the Pagans, and the Bandidos.

Despite their freewheeling styles, the larger motorcycle gangs are highly structured, well-disciplined organizations. In fact, BATF investigations have shown surprising similarities in the structures of La Cosa Nostra and some motorcycle gangs: the national officers corresponding to the LCN Commission; chapter presidents corresponding to the bosses; vice presidents (underbosses); road captains and sergeants at arms (caporegimas); members (soldiers); and legitimate businesses that function either as fronts or to launder money. In some parts of the United States, the bikers and LCN work together, with the former controlling the distribution of methamphetamine through LCN outlets.

The gangs' illegal activities run the gamut from prostitution and burglary to rape, assault, and murder. The gangs are involved in illegal banking activities, including loansharking and financing drug deals.

***. . . the Hell's Angels' drug trafficking . . . expanded to large-scale trafficking in cocaine, PCP, marijuana, and methamphetamine.***

The four national motorcycle gangs have long records in drug trafficking. According to FBI investigators, the Hell's Angels' drug trafficking, which began in the mid-1960s with local distribution of LSD within the San Francisco area, expanded to large-scale trafficking in cocaine, PCP, marijuana, and methamphetamine. By the early 1970s, the Angels moved into the clandestine manufacture of methamphetamine, and it appears that they still have significant control over these operations.

Each gang specializes. For instance, the Bandidos are heavily involved in manufacturing, distributing, and selling methamphetamine, while the Pagans dominate the PCP and methamphetamine trade in the Northeast. Through their Florida chapters, which may be involved with Cuban and Colombian suppliers, the Outlaws are engaged in cocaine trafficking as well as trafficking in "Valium" manufac-

tured in Canadian laboratories and distributed in the United States from Chicago.

As befits sophisticated criminal organizations, outlaw motorcycle gangs use various sophisticated techniques to conceal and protect their operations. For example, the Bandidos and the Outlaws have been found to carry pocket tape recorders that members can activate when confronted by the police; the aim is to bait police officers into making compromising statements that gang members can use when they are tried. The major gangs have also begun to exchange computerized intelligence on law enforcement officers and their informants and have planted associates in courthouses, prisons, and police departments.

For all this, Federal, State, and local enforcement agencies are beginning to move successfully against outlaw motorcycle gangs. They are, for example, making effective use of those members who for one reason or another fear that their days are numbered. Such members will occasionally turn to law enforcement for protection in return for informing on their gang's illegal activities. Also, as the gangs have become businesses, rivalries within the organizations have replaced the old-time camaraderie. Law enforcement agencies have exploited these rivalries to learn more about the operations of the gangs, with a view to breaking them up.

### ***California Street Gangs***

California is home to particularly menacing drug trafficking organizations, the street gangs. Originating in the Los Angeles area around 1969 or 1970, such street gangs as the Crips and Bloods have gone from neighborhood violence to large-scale drug trafficking in different regions of the United States. Although there are many different gangs in the Los Angeles area, the Crips and the Bloods are the two major gang organizations today. The gangs themselves have a complex structure, with hundreds of smaller gangs known as "sets" within each of the two major groups. In Los Angeles County, for example, there are said to be about 190 Crips sets and some 65 Bloods sets. The sets are generally based in particular neighborhoods and take their names from local streets, such as "Five-Deuce Hoover Crips" (52nd and Hoover Streets) or "110 Main Street Gangster Crips" (110th and Main Streets) or they are of unknown derivation--"Rollin

60 Crips," "Blood Stone Villains," and "Neighborhood Bloods."

***... the most violent and active members are those between 14 and 18, many of them "wantabees" who want to prove themselves in order to be accepted by other gang members ...***

Within each set, there is a further subdivision: (1) original gangsters; (2) gangsters, the younger hard-core members, whose ages range from 16 to 22; and (3) baby gangsters, who are between 9 and 15 (in some gangs there are "tiny" gangsters, who are even younger). To some extent, these categories correspond to hard-core, associate, and peripheral members--those on the outside of the gang. While some members are in their late 20s and early 30s, the most violent and active members are those between 14 and 18, many of them "wantabees" who want to prove themselves in order to be accepted by other gang members, precisely the ones most useful as soldiers in gang activities.

Law enforcement agencies believe that the approximately 250 sets that are part of the Crips and the Bloods have an estimated 25,000 gang members. If one adds in the other known gangs in Los Angeles County, there may be as many as 700 gangs with 75,000 to 80,000 members. In the mainly black areas of Compton, Inglewood, and Long Beach, just south of Los Angeles, more than 10,000 gang members are involved in drug trafficking, especially in crack cocaine.

As the gangs grew, friction among them increased, to the point where many gang members went "from fists to Uzis." The gangs direct their violence at each other, the police, and any member of the public who stands in the way of their operations. What makes this violence so frightening is the amount of firepower at the gangs' disposal. Whereas the gangs once had to make do with zip guns, small-caliber revolvers, and sawed-off shotguns, they now have the wherewithal to acquire semi-automatic rifles and large-caliber handguns. In parts of Los Angeles, the weapon of choice is the AK-47 with a multiple-round clip. With so much firepower, gang-

related homicides in the Los Angeles area have risen steadily.

Both Crips and Bloods are heavily involved in PCP and cocaine trafficking. Many street gang members have set up organizations to find the chemicals they need for production and secluded areas where the manufacture of PCP will go undetected.

The manufacture and distribution of crack cocaine in the Los Angeles area has expanded tremendously. Known as "rock" cocaine because of its size and shape, it is increasingly the drug of choice for the majority of users in the area. The usual arrangement is for an Old Gangster (O.G.), or former gang member, to establish relations with Colombian or Mexican suppliers of powder cocaine. The O.G. is at the head of the local distribution network and receives the cocaine either on consignment or with an up-front payment. First, he turns over multi-kilogram quantities of cocaine hydrochloride for processing into crack, or rock cocaine. The supplier then gives small multi-ounce quantities of the final product to street distributors, who conceal it in convenient locations from which they can quickly replenish their stock as it is sold to the end user.

Sellers use a number of techniques for distributing crack. They may employ "spotters" to direct customers to where the distributor is waiting or they may sell directly to car drivers. Another approach is to make the sale from heavily fortified "rock houses" to which the customer has only limited access. The customer may have to wait outside until the transaction is completed, with the seller out of sight, or may be admitted only as far as a caged area at the front of the house. However, crack distributors are moving away from rock houses to highly mobile street sales and sales from motel rooms. In the latter case, dealers will usually pay in cash, rent multiple rooms, and use pagers and cellular phones to contact distributors and purchasers of the crack.

The Los Angeles gangs are radiating out from the areas where they originated--up the West Coast as far as Seattle and Vancouver, into the heartland as far as Denver, Kansas City, and Chicago, and even to cities on the East Coast. Police in all these cities report that Los Angeles gangs are establishing branch operations to sell crack, sometimes in competition with other gangs who consider these cities to be their territory. This is the case, for instance, with the Samoan gangs in the San Francisco Bay area. In Baltimore, local law enforcement agencies have

identified a trend, as Los Angeles gangs send cocaine HCL by way of their own gang members, "wantabees," or local drug dealers looking for a purer or cheaper supply. Following the arrest of two Crips in Maryland and the Eastern District of Virginia, authorities began an OCDETF Program project to determine the extent of infiltration of the area by Los Angeles street gangs.

The nature of these street gangs makes investigation difficult. The lack of audit trails, the high mobility of many drug dealers, and the relative absence of a formal organization have hindered investigators from infiltrating the gangs. As law enforcement agencies begin to understand the gangs better, they are learning to spot their weaknesses. For instance, many gang leaders outside the Los Angeles area will often return to Los Angeles for long periods, leaving their organizations more or less to fend for themselves. Additionally, when Los Angeles gangs try to move into new territory, law enforcement officials can sometimes count on information from local dealers who resent being cut out of their own territories. Experience has led agencies to develop strategies for dealing with the gangs, such as using Federal drug statutes, which tend to be more stringent than those of most States, to prosecute drug traffickers. Profiles of gang members dealing in drugs are also being developed in an effort to build up case files of the gangs themselves.

### *Other Domestic Trafficking Organizations*

A significant category of domestic drug traffickers is that of the urban trafficking organizations. These organizations can be highly structured and composed of extremely violent career criminals. Quite often, they are long-established entities with a core membership that changes as "youngsters" age and as older members are convicted or killed. Quite often, the older, incarcerated "godfathers" remain actively involved even during their confinement.

These urban distribution networks exist throughout the country, and their activities have been particularly well documented in such places as Chicago, Detroit, St. Louis, and East St. Louis, Illinois. The kingpins generally supervise their major distributors as well as enforcers who are heavily armed with automatic weapons and explosives. These organizations commonly seek to monopolize the narcotics distribution in these urban areas and routinely murder rival drug traffickers. The violence

is also directed at witnesses in drug prosecutions. Recent information also indicates an increasing threat to law enforcement officers and prosecutors.

The drug sources are quite often Mexican and South American nationals. Females are traditionally used as couriers from the source city to the ultimate destination. Due to transportation costs and the lesser availability of cocaine and heroin in these end-user cities, the profit margins are extraordinarily high. A kilogram of cocaine which can be purchased in a source city for \$12,000 to \$15,000 can be resold for \$30,000. Because profit is astronomical, control of the industry is a dominant goal of these organizations, ergo, the violence to independent, rival dealers.

Oftentimes, because of their longstanding ties to the urban center in which they live, members of these drug organizations have contacts in local law enforcement and government and are able to obtain information concerning law enforcement investigations. Their ability to obtain this type of information decreases their vulnerability. Family ties also lead to spin-off distribution networks in other cities.

There are many small-scale domestic traffickers who lack the organizational trappings of the groups described so far. As different as young urban professionals and rural and small town Southerners may be, both will sometimes turn to selling drugs, either as a sideline or as a full-time occupation.

In some cases, drug trafficking is simply a variation on an activity that an individual may have been doing for a long time. In parts of the Southeast, rural people who once produced moonshine have found marijuana and cocaine even more profitable. The isolation of many rural areas makes them ideal for drug "drops," as well as the kind of marijuana cultivation that has invaded many national forests. Many of these individuals have diversified from moving small quantities of cocaine to assisting in the operation of clandestine laboratories.

So-called "yuppies" start from a different kind of experience. Many of those who went through college and graduate school experimented with some drugs, and a few of them never gave them up. As stockbrokers, lawyers, and professionals in the fast lane, some professionals find they need an occasional snort of cocaine to keep them going full speed. From there, it is possible to become a full-time trafficker, especially if one has access to essential chemicals or legal, controlled drugs that can be diverted. Such professionals may very well provide

drugs for other professionals--it is, after all, a grave mistake to assume that all drug users come from the ranks of the inner-city poor. Drugs may wreck a user's health and personality. But there are enough middle-class users to suggest that this need not be the inevitable result of taking drugs.

The different lifestyles of rural, blue collar workers and urban professionals carry over into the ways they operate. The most obvious difference is that the former usually work through longstanding organizations consisting of blood relations, while the latter prefer a more collegial approach. Rural traffickers tend to be more like organized criminal groups than the yuppies, who are not career criminals. Instead of a hierarchical, top-down approach, yuppies will usually sponsor short-lived joint ventures with their friends and business colleagues. To that extent, the rural organizations seem to have more staying power. They work mainly with close associates, each of whom knows his or her place in the hierarchy. Rural traffickers are also more adaptable. Despite the stereotypes, they do not all work out of the backwoods. Some have moved to nearby cities and are building up organizations that are comparable in some ways to groups discussed above.

## Conclusion

Today's drug trafficking organizations cannot be characterized by any one organizational or operational model. Rather, they must be seen as sharing certain characteristics which are related to the nature of their unifying purpose: the production, distribution, and sale of illicit drugs.

The larger organizations, which have national or international scopes of operation, have developed sophisticated mechanisms for protecting their leaders, laundering their profits, assuring the availability of alternate supply lines, and developing protected networks of outlets for their products. Smaller, often newer, drug trafficking organizations are sometimes less sophisticated but are engaged in the same patterns of development.

Among the most violent and sophisticated criminal drug cartels operating in the United States are those with a seemingly impregnable base in Colombia. These cartels are vertically integrated organizations engaged in the production, processing, smuggling, distribution, and sale of cocaine and other dangerous drugs in the United States.

## Buddies

Alan Greenwald began life as the privileged youngest son of a prominent Hagerstown, Maryland, family. But, by age 29, he had become the fugitive former ring leader of the State's largest and longest-standing cocaine smuggling ring. Having had casual customer contact with local drug dealers, young Greenwald and his hometown buddy, Marshall Jones, a physician's son, reached the fateful decision that made them rich but notorious: to become narcotics kingpins. The two moved to Miami, and on Collins Avenue quickly found a major Colombian supplier, Jorge Torres. With Torres' help, they proceeded to supply Maryland with an estimated hundred million dollars worth of dope over a period of 10 years.

Of course, there were glitches. First, an effort to sell 700 pounds of marijuana in Florida failed. The customers were State drug agents. The buddies were to be locked up for a year, but Jones found a great work-release program, Silver Touch Talent Consultants, which put him right to work--dealing drugs. During their "imprisonment," a boat they had hired to move marijuana from Jamaica strayed into Cuban waters, its cargo was confiscated and its three-man crew was imprisoned, requiring congressional intervention to get them freed. By the time of their release, the two buddies had acquired a staff: Steven Silver (of Silver Touch), who served as a money-launderer, and the other two Jones brothers, Nathan and Frank, who, along with one Carl Martin, handled the Hagerstown end of things and also worked as couriers.

On his first trip on AMTRAK, young Frank Jones chickened out and threw two kilos of cocaine off the train in Georgia. Both the Maryland and Florida ends of the conspiracy rushed to Savannah and walked the tracks for a few days, but to no avail. The package was never found. Other Greenwald/Jones couriers were arrested with cocaine from time to time, Dale Blevins at O'Hare Airport and Charles "Billy" Hoffman in Florida, but the organization bought them good defenses. Blevins was acquitted based on an illegal luggage search; Hoffman served a few months. More recently, Jeffrey Sollenberg, a Maryland friend who Greenwald asked to store money in a basement safe, informed Washington County, Maryland detectives, resulting in invaluable evidence against the partners.

Notwithstanding these setbacks, the enterprise was profitable for almost 10 years and, although a full accounting can never be made, some evidence of its level of cash flow is provided by the following:

- o Marshall Jones received \$200,000 from Silver during his prison stay and a known \$200,000 to \$250,000 from Maryland dealers. He later invested \$325,000 in Silver Touch and when arrested was relieved of \$136,000 and his \$61,000 Maserati.
- o Silver is known to have purchased \$1.8 million worth of cashier's checks.
- o More than \$100,000 passed through Sollenberg's safe, including \$18,000 seized by the arresting officers.
- o In 1986, Guy Varron, a Hagerstown distributor, stored \$100,000 for Greenwald and Jones.

- o By 1987, Federal authorities had seized \$1.9 million of the ring's assets, including Silver's Miami recording studio, several houses, a racing boat, three luxury cars, and \$135,000 in cash.
- o Federal prosecutors confidently estimated that more than 1,600 pounds of cocaine flowed through just the avenues *known* to be controlled by Greenwald and Jones at *purchase* prices from \$12,000 to \$25,000 per pound.

Early on, Jones became the marketing expert, building teams of distributors in Virginia and West Virginia as well as Maryland that would sell all the drugs Greenwald could buy. Raymond Carnahan was his distributor in Alexandria, Virginia. An OCDETF team there, composed of IRS and DEA agents, made undercover purchases from Carnahan and eventually arrested him with a pound of cocaine.

At about the same time, "Billy" Hoffman again was arrested, this time by narcotics detectives in Florida, with a kilo of cocaine and a one-way ticket to Baltimore. After five more months in jail, Hoffman pled to a reduced charge and began to cooperate with authorities. An Assistant State's Attorney in Hagerstown made the connection between Hoffman and Greenwald, and through Hoffman's information, a Washington County, Maryland, grand jury returned an indictment against Greenwald. The case, and the county prosecutor, moved to Maryland's U.S. Attorney's office as the evidence grew. Washington County and Maryland State police investigators worked alongside the DEA, IRS, BATF, and others to expose the organization's tentacles. The long series of investigations that retrospectively uncovered the Greenwald, Jones, and Silver partnership provide a fine example of coordinated enforcement effort by local, State, and Federal agencies.

To date, more than 125 persons having criminal culpability have been identified in the investigation, and more than 40 have been convicted in Maryland, Virginia, and Florida. Several million dollars worth of drugs have been seized in the three states. Silver and Martin got 35 years each; Torres, the supplier, 25. Nate Jones was sentenced to 10 years, and his younger brother, Frank, of AMTRAK fame, awaits sentencing.

Greenwald was the first to fall and Marshall Jones the last. Faced with indictments in Hagerstown, Greenwald made arrangements to surrender but, instead, disappeared. He left behind several thousand dollars, his Mercedes, and his eight-months pregnant wife, Deborah (who was later convicted on State drug charges). In December 1988 he was indicted in Baltimore for operating a continuing criminal enterprise. Marshall Jones decided to cooperate with Federal prosecutors and has continued to do so throughout the many trials. Nonetheless, in January 1989, he was sentenced to 18 years in Federal prison, forever closing Maryland's biggest narcobusiness.

La Cosa Nostra has streamlined its operations to adapt itself to the changing drug trafficking environment. LCN has entered into distribution and marketing arrangements with the Sicilian Mafia and with newer groups such as the Colombian cartels. On both coasts, Asian organized crime groups have become major players in the American drug trafficking scene. These groups have ties to established organizations in Asia, and their growth has been facilitated by the increase in Asian immigration into the United States. Economic and political pressures are leading many Hong Kong drug operations to funnel money and resources into the United States in an attempt to provide an alternative base to Hong Kong, in the light of that colony's uncertain future.

Overlaying the drive toward increased organizational and operational sophistication is an equally omnipresent tendency to use force and intimidation to achieve objectives.

Newer and even more violent groups operating under the rubric "Jamaican posses" have established a firm foothold in the United States and are expanding their operations. They specialize in cocaine, especially crack, the distribution of which is the focus of turf wars between Jamaican groups and between Jamaicans and other established trafficking organizations.

Outlaw motorcycle groups have evolved into nationwide distribution and retail sales organizations whose activities also include the processing and manufacture of such dangerous drugs as methamphetamine. These groups are "motorcycle gangs" in origin but have become business organizations with sophisticated internal hierarchies and networks of distribution.

California street gangs have grown to become more structured and are expanding from their his-

toric geographic base to deal in a variety of new locations across the nation.

Smaller domestically based organizations ranging from informal urban networks, to upscale former college associates, to rural family-based organizations descended from moonshiners are bringing organized drug trafficking to segments of our society which have hitherto been relatively isolated from the drug trafficking scene.

These developments, among many diverse drug trafficking organizations, create a disturbing pattern. These organizations are broadening and deepening their penetration of U.S. society. At each level of activity there is evidence of more sophisticated organizational structures; more sophisticated use of technology; more sophisticated development of methods for protection of the leaders of the organizations; and, in many cases, more violent confrontations between competing groups.

***Smaller domestically based organizations . . . are bringing organized drug trafficking to segments of our society which have hitherto been relatively isolated from the drug trafficking scene.***

The following sections describe the OCDETF Program's response to these developments and document the successes of the law enforcement techniques which have been developed and employed to meet the threat of organized drug trafficking in the United States.

**Exhibit 2-1**  
**Worldwide Production: 1985-1988**

<b>Drug/ Country</b>	<b>1985 Metric Tons</b>	<b>1986 Metric Tons</b>	<b>1987 Metric Tons</b>	<b>1988 Metric Tons</b>
<b>Opium</b>				
Afghanistan	400-500	400-500	400-800	700-800
Iran	200-400	200-400	200-400	200-400
Pakistan	40-70	140-160	190-220	190-220
Total SW Asia	640-970	740-1,060	790-1,420	1,090-1,420
Burma	490	770-1100	925-1,230	1,065-1,500
Laos	100	100-290	150-300	210-300
Thailand	35	20-25	20-45	23-33
Total SE Asia	625	820-1,415	1,095-1,575	1,298-1,833
Mexico	25-45	35-50	45-55	45-55
Total Opium	1,290-1,640	1,595-2,525	1,930-3,050	2,433-3,308
<b>Coca</b>				
Bolivia	42,000-53,200	44,000-52,920	46,000-67,000	57,445-78,355
Colombia	12,400	12,000-13,600	18,000-23,000	19,000-24,200
Peru	95,200	95,000-120,000	98,000-121,000	97,000-124,000
Ecuador	1,900	1,000	400	300-500
Total Coca	151,500-162,700	152,000-187,520	162,400-211,400	173,745-227,055
<b>Marijuana</b>				
Mexico	3,000-4,000	4,000-6,000	5,970-7,130	5,655
Colombia	2,000-4,000	2,530-3,630	3,435-7,760	5,927-9,625
Jamaica	625-1,280	1,485-2,025	325-535	340-470
Belize	645	550	200	120
Others	800-1,000	800-1,000	1,000-2,000	3,000-4,000
Total Marijuana	7,070-10,925	9,365-13,205	10,930-17,625	15,042-19,870
<b>Hashish</b>				
Lebanon	720	720	600	700
Pakistan	200	200	200	200
Afghanistan	200-400	200-400	200-400	200-400
Morocco	30-60	30-60	60	85
Total Hashish	1,150-1,380	1,150-1,380	1,060-1,260	1,185-1,385

Source: INCSR, U.S. Department of State.

**Exhibit 2-2**  
**Estimated Price of Cocaine**  
**CY 1985 - CY 1988**

	1985 (\$)	1986 (\$)	1987 (\$)	1988 (\$)
<b>Price for Kilogram Quantity</b>				
National Range	28,000-50,000	15,000-45,000	10,000-40,000	11,000-34,000
Miami	28,000-37,000	15,000-25,000	12,000-15,000	13,000-20,000
New York	34,000-40,000	18,000-28,000	15,000-30,000	16,000-23,000
Chicago	40,000-45,000	30,000-45,000	20,000-40,000	17,000-24,000
Los Angeles	35,000-40,000	25,000-35,000	10,000-18,000	11,000-16,000
<b>Price for Ounce Quantity</b>				
National Range	1,200-2,300	800-2,300	800-2,100	500-2,000
Miami	1,200-1,600	800-1,200	800-1,200	800-1,200
New York	1,400-2,000	1,200-1,800	800-1,600	600-1,000
Chicago	1,600-2,300	1,500-2,000	1,100-1,800	750-1,400
Los Angeles	1,500-2,000	1,500-2,200	600-1,000	500-800
<b>Price for Gram Quantity</b>				
National Range	50-100	50-120	50-120	50-120
Miami	50-70	50-60	50-60	55-85
New York	75-100	70-100	80-100	50-90
Chicago	100	100	100	75-100
Los Angeles	100	100	100	50-100

Source: DEA, Offender-Based Transaction System.

**Exhibit 2-3**  
**Estimated Price of Heroin**  
**CY 1985 - CY 1988**

	1985	1986	1987	1988
<b>Price for Kilogram Quantity</b>				
Southwest Asian (\$)	100,000-220,000	90,000-200,000	100,000-220,000	70,000-200,000
Southeast Asian* (\$)	90,000-200,000	100,000-200,000	100,000-220,000	100,000-210,000
Mexican (\$)	100,000-230,000	100,000-180,000	100,000-200,000	100,000-200,000
<b>Price for Ounce Quantity</b>				
Heroin (\$)	3,500-10,000	3,500-10,000	3,200-10,000	2,200-12,000
Purity (%)	40%-80%	10%-70%	30%-80%	20%-80%
<b>Price for Gram Quantity</b>				
Heroin** (\$)	160-370	160-530	135-360	120-470
* Price can be as low as \$70,000 to \$90,000 when sold Oriental to Oriental. ** Street gram quantity includes diluents; average price for all types.				

Source: DEA, Offender-Based Transaction System.

**Exhibit 2-4**  
**Estimated Price of Marijuana**  
**CY 1985 - CY 1988**

	1985	1986	1987	1988
<b>Commercial Grade</b>				
Pound (\$)	300-600	350-700	350-1,450	350-1,800
Ounce (\$)	50-100	45-120	60-130	30-250
Potency (THC) (%)	3.70	3.34	3.46	3.63
<b>Sinsemilla</b>				
Pound (\$)	1,200-2,000	800-2,000	1,400-2,100	800-3,000
Ounce (\$)	120-200	100-200	160-210	120-300
Potency (THC)(%)	7.28	8.44	7.97	8.43

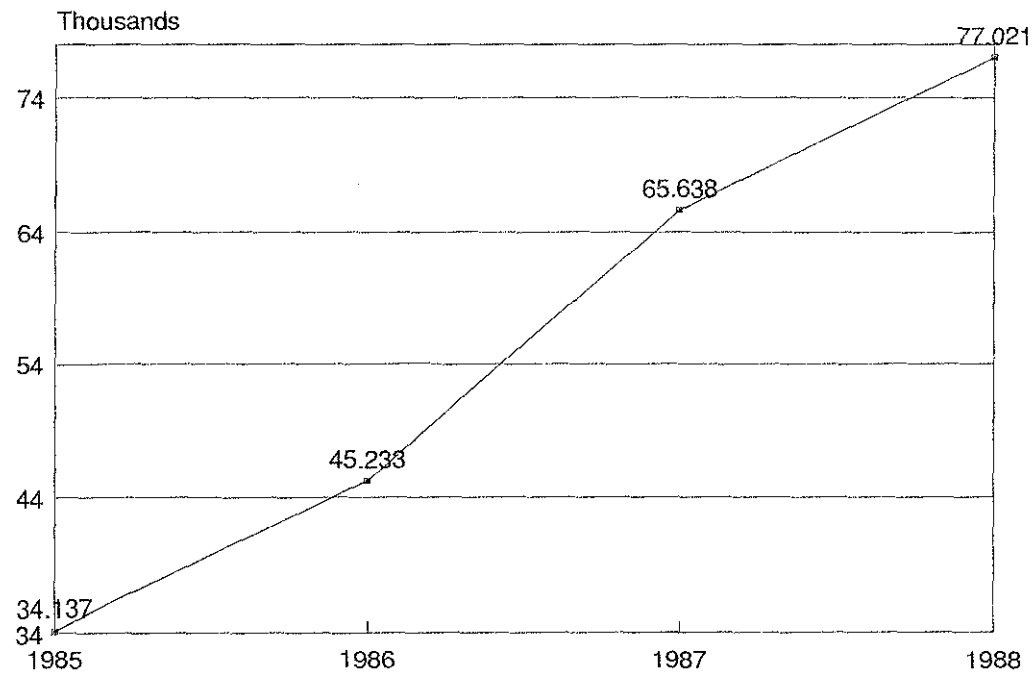
Source: DEA, Offender-Based Transaction System.

**Exhibit 2-5**  
**Estimated Price of Other Dangerous Drugs**  
**CY 1985 - CY 1988**

Quantity		1985 (\$)	1986 (\$)	1987 (\$)	1988 (\$)
<b>Depressants</b>					
Diazepam (Valium) (Price per 5-10 mg tablet)	1000+	.30-1.00	.23-1.00	.19-1.00	.20-1.00
	1	1.00-2.00	1.00-3.00	1.00-3.00	.50-5.00
Counterfeit Qualudes (Price per tablet)	1,000+	.50-2.00	.50-2.00	.50-2.00	.50-2.00
	1	3.00-10.00	3.00-10.00	3.00-10.50	3.00-10.50
<b>Hallucinogens</b>					
LSD (Price per dosage unit or "hit")	1,000	1.00-2.00	.98-2.30	1.00-2.50	.35-1.50
	1	2.00-5.00	3.00-6.00	3.00-6.00	2.00-8.00
PCP	Ounce (powder)	950-1,100	950-1,100	975-1,100	1,000-1,200
	Ounce (liquid)	150-500	150-525	100-500	100-500
	1 cigarette*	30-50	30-70	30-70	
<b>Stimulants</b>					
Methamphetamine	Pound	10,000-20,000	6,800-18,000	5,500-17,500	6,000-20,000
	Ounce	800-2,000	1,000-1,800	1,000-1,500	700-1,800
	Gram	60-100	60-120	60-120	60-125
* A full-length cigarette saturated with PCP.					

Source: DEA, Offender-Based Transaction System.

**Exhibit 2-6**  
**Emergency Room Mentions**  
**CY 1985 - CY 1988**

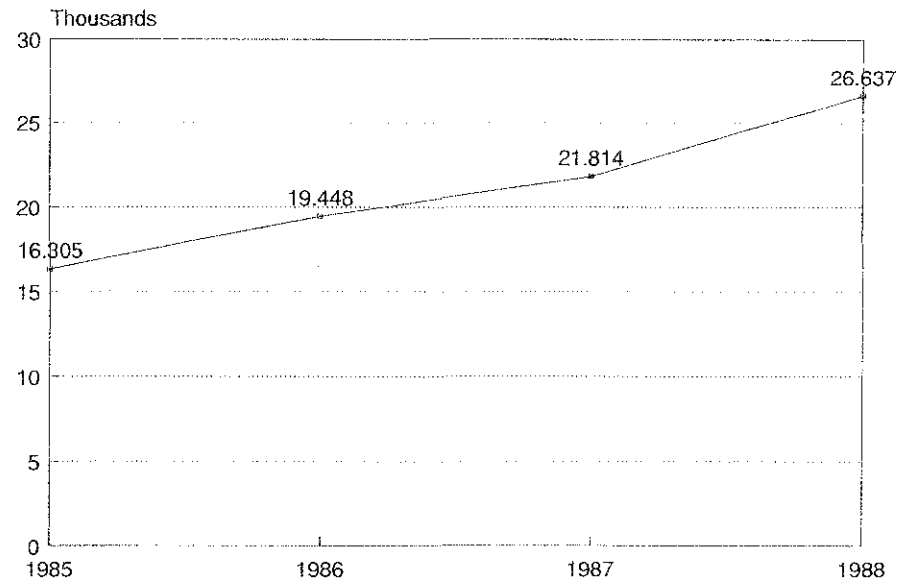


	1985	1986	1987	1988*
Cocaine	10,397	19,090	32,578	42,492
Heroin/Morphine	12,522	13,644	14,550	15,733
Marijuana/Hashish	3,818	4,613	7,218	8,200
Methamphetamine/Speed	1,694	1,787	2,380	2,644
PCP/PCP Combinations	4,876	5,307	7,804	6,904
LSD	830	792	1,108	1,048
Total	34,137	45,233	65,638	77,021

\* Projected from figures for first nine months of CY 1988.

Source: NIDA, Drug Awareness Warning Network (DAWN).

**Exhibit 2-7  
Drug Arrests  
CY 1985 - CY 1988**

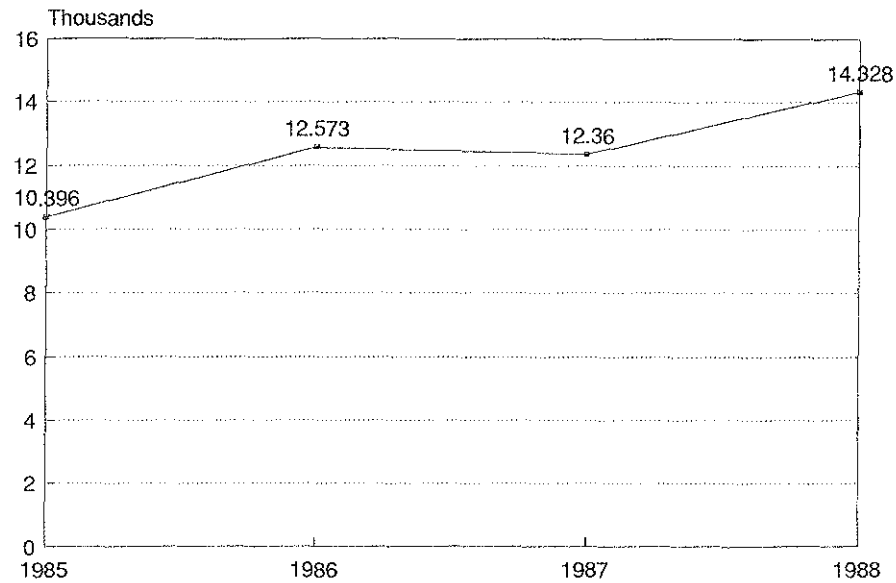


	1985	1986	1987	1988(E)
Cocaine	7,973	11,074	12,188	15,553
Heroin	2,178	2,115	2,048	2,508
Marijuana	3,521	3,691	4,399	4,928
Other Dangerous Drugs	2,568	3,179	2,736	3,648
<b>Total</b>	<b>16,305</b>	<b>19,448</b>	<b>21,814</b>	<b>26,637</b>

(E) Estimated to the end of CY 1988.

Source: DEA, Defendant Statistical System.

**Exhibit 2-8  
Convictions  
CY 1985 - CY 1988**

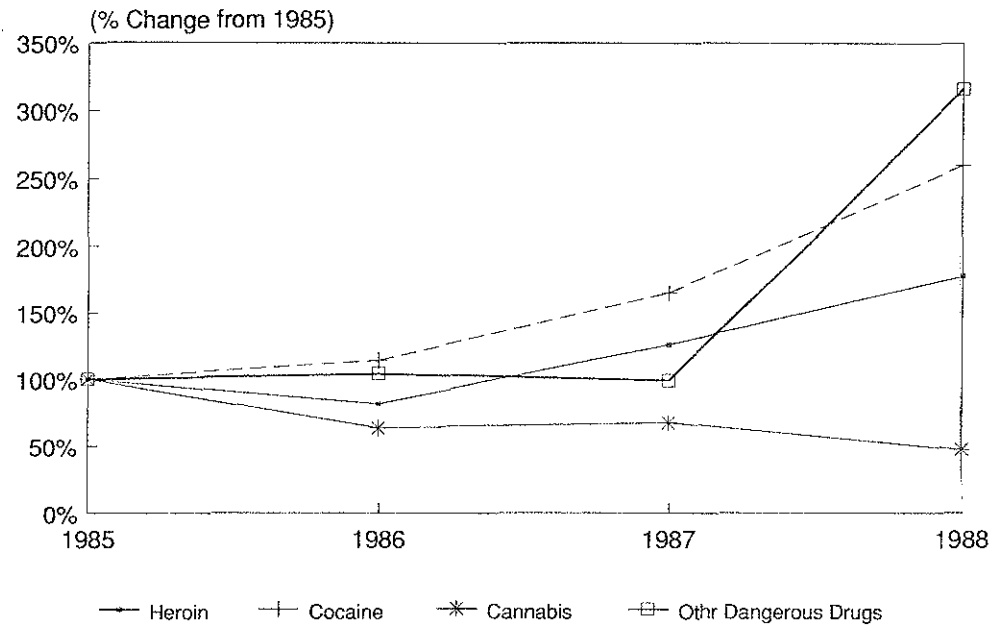


	1985	1986	1987	1988(E)
Cocaine	4,343	6,267	6,731	7,547
Heroin	1,731	1,531	1,255	1,272
Marijuana	2,676	2,888	2,787	3,364
Other Dangerous Drugs	1,646	1,887	1,587	2,145
Total	10,396	12,573	12,360	14,328

(E) Estimated to the end of CY 1988.

Source: DEA, Defendant Statistical System.

**Exhibit 2-9**  
**Drug Removals\***  
**CY 1985 - CY 1988**

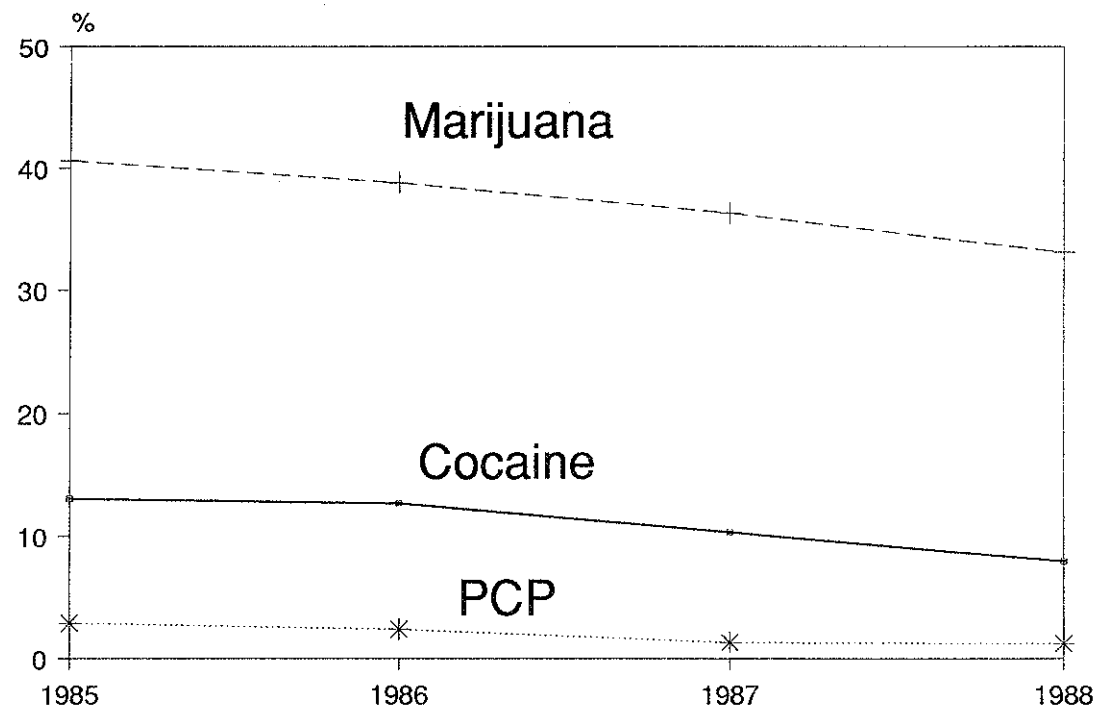


	1985	1986	1987	1988
Heroin (kilos)	439.9	388.6	382.4	793.9
Cocaine (kilos)	24,654.9	27,500.1	37,404.8	55,896.9
Cannabis (kilos)	860,840.2	715,923.6	649,489.3	532,004.3
Dangerous Drugs (MDU)	38,531,643	34,774,658	33,788,528	103,132,890

\*Includes seizures, purchases, and samples.

Source: STRIDE, March 9, 1989.

**Exhibit 2-10**  
**Percentage of High School Seniors Who Used Drugs**  
**CY 1985 - CY 1988**



	Class of 1985	Class of 1986	Class of 1987	Class of 1988
Cocaine	13.1	12.7	10.3	7.9
Marijuana	40.6	38.8	36.3	33.1
PCP	2.9	2.4	1.3	1.2

Source: University of Michigan's Institute for Social Research.



# ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES



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# III.

## Task Force Results

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### Introduction

Some results of the OCDETF Program's efforts are revealed through data collected at three key points in the course of case maturation.

At case initiation, Task Force coordinators review agency-submitted, partially developed investigations to compare them with OCDETF guideline criteria and determine their suitability. If the decision is made to accept a case, projections then follow about which investigative and prosecutorial methods to pursue and what resources can be allocated for these purposes. Unique to the process of case initiation is the introduction of the Coordination Group, with its multi-agency resources and the inclusion of prosecutorial expertise. Data collected at this point identify trends in case selection and reveal something about the early investigative effort. The influence of the Coordination Group is now imprinted on the Task Forces' workload. Exhibits 3-1 through 3-5 provide these data.

When indictments and informations are returned, another set of data is collected. At this point the pooled investigative efforts of the agencies have begun to bear fruit. Certain of these data arrays reuse the categories which projected Task Force needs, but they now capture occurrences: investigative methods used compared with those whose use was planned; actual agency participation in contrast to projected participation. More significant are the quantified indicators of investigative productivity: numbers of indictments or informations returned, numbers of defendants indicted. To these are added such potentially useful information as how many indictments were associated with each investigative method, how many associated with various types of

criminal activities, how many with each of several drugs, how many with each participating agency, etc. Exhibits 3-6 through 3-12 report these data.

At disposition and sentencing, a final set of data is collected that includes numbers of defendants convicted and not convicted, numbers who pled guilty or were found guilty, and the kinds and duration of sentences handed down. These are the final quantitative measures of the OCDETF Program's impact on criminal enterprises. They reflect the combined effectiveness of its investigative and prosecutorial commitments. Exhibits 3-13 through 3-18 present these findings.

OCDETF's 13 regional Task Forces are identified in the exhibits as follows:

- FC - Florida-Caribbean
- GC - Gulf Coast
- GL - Great Lakes
- LA - Los Angeles-Nevada
- MA - Mid-Atlantic
- MS - Mountain States
- NC - North Central
- NE - New England
- NW - Northwest
- NY - New York-New Jersey
- SC - South Central
- SE - Southeast
- SW - Southwest Border

### Case Investigation/Initiation Data

The first data assembly milestone in the OCDETF Program Case Management Reporting System occurs when a Task Force case is formally initiated. Exhibits 3-1 through 3-5 report on what

was known about the targets of investigation at the time of initiation as well as on the investigative approach. By September 30, 1988, 2,352 investigations had been initiated, 448 in FY 1988.

### **Drug Trafficking Organizations** (Exhibits 3-1a through 3-1d)

In FY 1988, the Task Forces initiated 448 new cases--a record year. Every Task Force region initiated at least 20 investigations; the New York region was most active with 52 initiations.

A comparison between Exhibit 3-1a (FY 1988) and 3-1c (cumulative FY 1983-1988) shows a significant shift in criminal organizations targeted in FY 1988 toward "Drug Trafficking Organizations" as such.

### **Drugs Involved in Investigations** (Exhibits 3-2a through 3-2d)

Nearly 80 percent (1,880) of the 2,352 investigations (Exhibit 3-2c) were expected to involve cocaine, 45 percent marijuana, 24 percent heroin, 11 percent methamphetamine, 5.3 percent hashish, 4.5 percent methaqualone, and 2.8 percent PCP. Exhibit 3-2a (FY 1988) reports a shift of significant magnitude toward cocaine investigations, still followed in order by marijuana and heroin. Methaqualone, with only two cases, has almost disappeared from investigation initiation reports.

### **Types of Criminal Activities Involved in Investigations** (Exhibits 3-3a through 3-3d)

The number of identified money laundering cases has strongly increased in FY 1988 over previous years while the number of street sales and distribution cases increased slightly overall (Exhibit 3-3c). The Task Forces have initiated some 2,200 investigations against drug distributors, far more than for any other category of criminal activity.

### **Investigative Techniques Proposed** (Exhibits 3-4a through 3-4d)

The Federal agencies nominating cases to their OCDETF Coordination Groups have proposed the use of each of four favorite investigative techniques

in three-fourths of all cases initiated in FY 1988. These techniques are, in order of popularity, investigative grand jury, undercover or sting, financial investigation, and pen register. Compared with cumulative data, this constitutes some increase in "undercover or sting" and an extreme upward swing in the anticipated usefulness of pen registers (compare Exhibits 3-4a and 3-4c). Cumulatively, 72.7 percent of all 2,352 Task Force cases sought to employ investigative grand juries, and 72.6 percent aimed to use financial investigations. Undercover or sting operations were slated in 1,637 investigations; Title III or other surveillance methods in 1,145 cases; grants of immunity in 1,069 cases; tax grand juries in 912 cases; witness protection in 755 cases; and extradition in 239 cases.

### **Agency Participation in Investigations** (Exhibits 3-5a through 3-5d)

An OCDETF case is, by definition, a multi-agency case. Initial agency resource allocations may shift as an investigation progresses.

The most striking shift occurring in FY 1988 initiation figures was the planned involvement of local investigators in most cases, 58.3 percent, and State police in more than 40 percent. INS, in its first full year in the Task Forces, was programmed to participate in 26 percent of investigations.

The Program's history of agency resource assignments (Exhibit 3-5c) projected DEA involvement in 85.8 percent (2,017) of all Task Force investigations, IRS involvement in 68.4 percent (1,608), FBI in 58 percent (1,364), Customs in 47.2 percent (1,111), local investigators in 44.9 percent (1,057), BATF in 35.2 percent (828), and State investigators in 34.6 percent (814). The U.S. Attorneys and the U.S. Marshals Service are assumed to be involved in all OCDETF case investigations.

### **Indictments and Informations Data**

The second data assembly milestone in the Task Force Case Management Reporting System occurs when indictments are returned. While the first five sets of exhibits report on intelligence analyses, investigation planning, tailoring of the investigative team, and commitment of resources, Exhibits 3-6 through 3-10 reflect actual results in these same areas. Exhibits 3-11 and 3-12 provide factual infor-

mation on the actual role played by some of the indicted participants, and on the offenses charged.

By September 30, 1988, 2,352 OCDETF investigations had produced 4,917 indictments and informations resulting in 16,859 defendants indicted on one or more charges. A full share, 933, of those indictments were handed down in FY 1988.

### **Scope of Criminal Organizations** (Exhibits 3-6a through 3-6d)

As a national program with groups of the 94 Federal judicial districts as its 13 jurisdictional/geographic divisions, the OCDETF Program has been found to be particularly well suited to combat criminal organizations and activities that cross traditional jurisdictional boundaries. Approximately 80 percent of FY 1988 cases as well as total Task Force cases are known to extend beyond a single judicial district including some 35 percent that are international in scope.

### **Drugs Charged in Indictments** (Exhibits 3-7a through 3-7d)

Cocaine, the drug of choice of the decade, was mentioned in 67 percent of indictments in FY 1988. Marijuana was named in 25 percent, although relatively few investigations involved marijuana as the only drug. The 625 mentions of cocaine brought the Task Forces' six-year total to 2,675 indictments based in part or in whole on cocaine transactions (Exhibit 3-7c), far more than any other category. Heroin charges dropped sharply in FY 1988 prosecutions.

### **Types of Criminal Activities Charged** (Exhibits 3-8a through 3-8d)

In FY 1988, drug distribution and/or street sales were by far the predominant charges. Distribution was charged in 775 of the 933 indictments; street sales in 234. These charges, along with drug importation (which dropped off in FY 1988), have always far surpassed all others; their trend is still significantly upward. When coupled with other data discussed in this report, some change in conceptualization of their mission as seen by the Task Forces may be occurring. Exhibits 3-2a through 3-2d predicted, and Exhibits 3-7a through 3-7d reported, an increasingly large number of cocaine cases. Exhibits 3-12a through 3-12d report a large increase in drug distri-

bution as a charged offense. The advent of inexpensive crack cocaine and the shootings and murders that have been identified with its sale come quickly to mind as at least part of the explanation for a shift in investigative/prosecutorial emphasis.

### **Investigative Techniques Used** (Exhibits 3-9a through 3-9d)

As planned in the Program Guidelines written in 1982, Task Force investigators make heavy use of undercover techniques and sting operations. In addition, OCDETF prosecutors have employed investigative grand juries and immunity offers in 61 and 37 percent of cases, respectively, over the life of the Program. Pen registers, financial investigations, and Title III or other surveillances are also frequently used.

Clearly, OCDETF makes extensive use of a wide variety of investigative methods, some of which require considerable sophistication and persistence to exploit properly. It is also apparent that several methods are typically used in any particular Task Force investigation. All of these methods are currently in use in each Task Force region. (Security considerations compel us to omit a regional breakdown in Exhibits 3-9a through 3-9d.)

### **Agency Participation** (Exhibits 3-10a through 3-10d)

The increases in involvement of State and local investigators predicted in investigation initiation data were validated in reports submitted at the time of the indictments. Except for the Drug Enforcement Administration itself, no group was more often involved in OCDETF cases than local investigators, who participated in more than half of the cases indicted in FY 1988. A similar percentage decrease was observed in FBI, IRS, Customs, and DEA participation (although the number of indictments was generally up) (Exhibits 3-10a and 3-10c).

### **Criminal Roles of Indicted Defendants** (Exhibits 3-11a through 3-11d)

These role categories, developed several years ago, were designed to discriminate among various functional roles believed to be common to drug trafficking organizations. The categories have all, to greater or lesser degrees, been filled with data, led by

"Major Supplier," "Mid-level Leader," and "Top Leader" (Exhibit 3-11c). Meanwhile, the category "Other" has grown at an increasing rate and now classifies 6,025 indictments, more than 35 percent of the total classifications. This simply indicates that large numbers of relatively low-level defendants are swept up in these major cases.

### **Offenses Charged**

(Exhibits 3-12a through 3-12d)

These tables and charts define the obvious: that more Task Force defendants are charged under Title 21 than any other. The disaggregated Title 21 statistics of importation, communication, distribution, conspiracy, CCE, and manufacture are of greater interest. Title 21 conspiracy and distribution charges are of much greater magnitude than any others. (The FY 1988 jump in distribution charges has previously been noted.)

Use of a communication facility and importation--both under Title 21--and Title 18: ITAR (Interstate Transportation in Aid of Racketeering) are other charges often brought. Although all but overwhelmed numerically, the charges under Titles 18, 26, and 31 have each brought down hundreds of drug-connected defendants, some of whom have received the highest penalties.

### **Dispositions and Sentencing Data**

These data offer the best available quantitative measure of OCDETF Program outcomes. Cases against 1,541 defendants were adjudicated last year, bringing the cumulative OCDETF total to 11,788. More than 85 percent were convicted and, of that number, 81 percent went to jail.

The details are available in Exhibits 3-13 through 3-18, along with sentencing information on what criminal roles were hit hardest and the magnitude of non-drug assets seized.

### **Dispositions**

(Exhibits 3-13a through 3-13d)

The Task Force conviction rate stands at between 85 and 86 percent for FY 1988 as well as cumulatively. More than 10,000 violators have been successfully prosecuted by OCDETF.

### **Sentences**

(Exhibits 3-14a through 3-14d)

The great majority of those convicted in OCDETF cases go to prison: 83 percent, or 968 individuals, in FY 1988. Cumulatively, from FY 1983 through FY 1988, 7,833 convicted defendants were sentenced to confinement (81 percent).

### **Prison Terms**

(Exhibits 3-15a through 3-15d)

Task Force prison term data reveal regional differences. Changes in public threat perception, along with increases in mandatory Federal drug offense sentencing, are likely to be the major generators of a general increase in the length of sentences (compare Exhibits 3-15a and 3-15c). Sentences of 10 years or more increased in FY 1988 by 4 percent over the aggregated average.

### **Imprisonment by Criminal Role**

(Exhibits 3-16a and 3-16b)

These data displays produce a running total of years of imprisonment assigned to each major category of offender. Top leaders, who account for 14.7 percent of all those sentenced to confinement, are serving 29.5 percent of all time sentenced.

### **Convictions by Role**

(Exhibits 3-17a and 3-17b)

These exhibits extract the average sentence imposed on persons in each of the three major roles. Comparison of Exhibits 3-17a and 3-17b shows how the previously noted sentence increases were distributed in FY 1988.

These are substantial periods of confinement--in particular, the 13.6-year average for top leaders. This, plus the fact that this category contains 1,152 people, supports the notion that OCDETF's targets have been in keeping with its mandate.

### **Non-Drug Seizures**

(Exhibit 3-18)

Drug trafficking organizations, like other businesses, can be disrupted by the removal of financial resources needed to support their operations as well

as by the removal of leadership and expertise. Through September 30, 1988, the OCDETF Program had seized a total of \$577.6 million in property and \$338.5 million in cash.

The most recent fiscal year shows a major increase in this form of impact. The \$293.1 million in cash and property seized in 1988 more than doubled the total for any previous year. It is also interesting to note that FY 1988 seizures exceeded the year's entire OCDETF budget.

### **A Word of Caution**

The data contained in virtually all of the following tables have been disaggregated by Task Force region. This form of display invites comparison between regions. Particular care needs to be taken not to make unsuitable inferences from such information.

There are many variables that will affect the

apparent productivity of a regional Task Force and that have nothing whatever to do with the Task Force's internal efficiency. Sheer volume of drugs and the size of the drug-using population in a geographic area come readily to mind. Other variables, such as proximity to borders, or the willingness of the courts to take cases having over 20 defendants, or the relative costs of operating in a certain city, are further examples.

Unless such variables can be identified, their relevance assessed, and their impact statistically controlled for, cross-regional comparisons should be held in abeyance. In the absence of such knowledge, it is methodologically naive to attribute regional differences to any preconceived cause.

Also note that FY 1988 represented the first full year of OCDETF participation by the Immigration and Naturalization Service and that the Florida-Caribbean Task Force did not come into being until FY 1984.

**Exhibit 3-1a. - FY 1988**  
**Types of Criminal Organizations Targeted in**  
**Investigations Initiated**

Criminal Organizations	Number of Investigations*														Percentage of Investi- gations N=448**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Drug Trafficking Organizations	29	41	38	26	31	35	26	33	26	50	20	47	24	426	95.1%
LCN	1	0	3	0	1	0	0	0	0	2	0	0	0	7	1.6%
Motorcycle Gangs	0	1	2	0	2	0	1	0	1	0	1	0	0	8	1.8%
Registrants	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.2%
Prison Gangs	0	0	0	1	0	1	0	0	0	0	0	0	0	2	0.4%
Unspecified	1	0	0	0	2	0	0	0	1	0	0	2	2	8	1.8%

\* The number of investigations in which at least one organization of this type was targeted.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of involvement for each type of organization. More than one type of organization is involved in some investigations.

Note:

LCN: "La Cosa Nostra," traditional organized crime families.

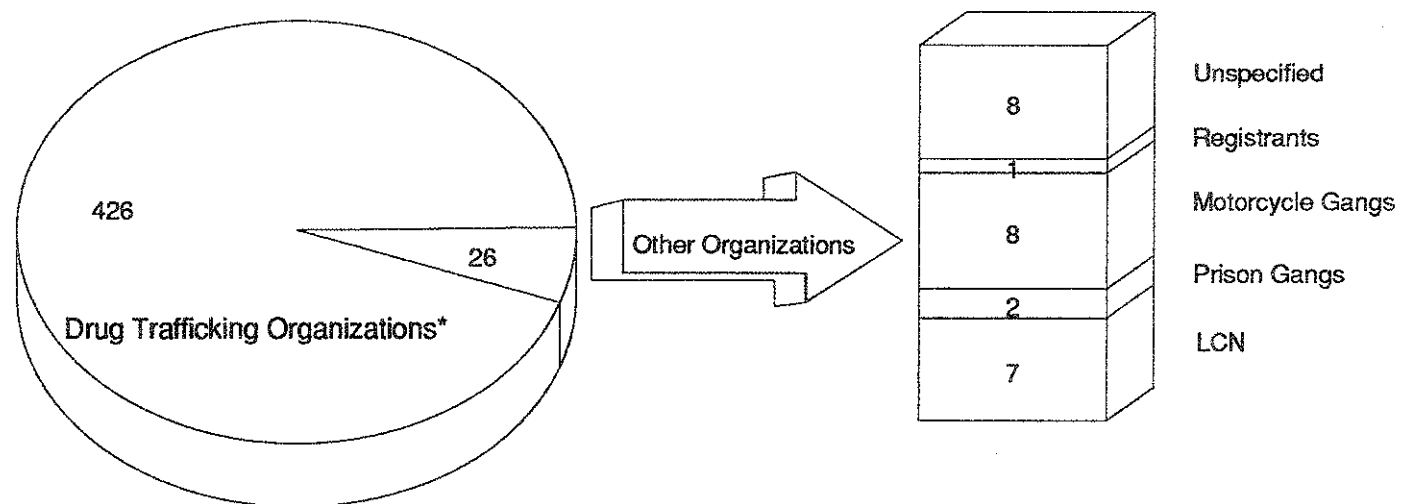
Drug Trafficking Organizations: Criminal organizations whose primary purpose is drug trafficking or whose members also engage in drug trafficking.

Motorcycle Gangs: Organizations controlled by motorcycle clubs.

Prison Gangs: Organizations controlled by prison inmates.

Registrants: Persons who subvert legal authority over controlled substances.

## Exhibit 3-1b. - FY 1988 Types of Criminal Organizations Targeted



\*Criminal organizations whose primary purpose is drug trafficking or whose members also engage in drug trafficking.

**Exhibit 3-1c. - FY 1983 through FY 1988  
Types of Criminal Organizations Targeted in  
Investigations Initiated**

Criminal Organizations	Number of Investigations*														Percentage of Investi- gations N=2,352**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Drug Trafficking Organizations	194	193	184	128	176	127	143	130	150	222	128	203	111	2089	88.8%
LCN	11	5	12	2	17	2	2	18	0	44	5	1	1	120	5.1%
Motorcycle Gangs	1	7	8	3	13	7	10	4	12	3	6	4	4	82	3.5%
Registrants	2	2	6	2	3	0	7	3	0	0	4	2	0	31	1.3%
Prison Gangs	0	1	0	2	3	2	3	1	1	2	1	2	1	19	0.8%
Unspecified	2	0	1	1	8	1	3	4	3	6	4	6	4	43	1.8%

\* The number of investigations in which at least one organization of this type was targeted.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of involvement for each type of organization. More than one type of organization is involved in some investigations.

Note:

LCN: "La Cosa Nostra," traditional organized crime families.

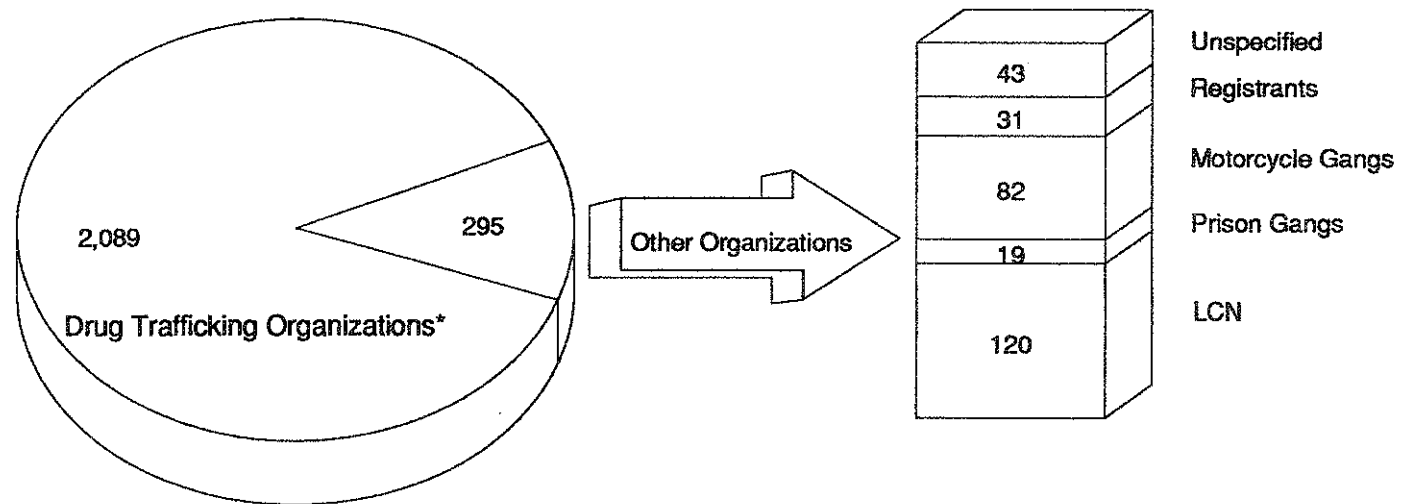
Drug Trafficking Organizations: Criminal organizations whose primary purpose is drug trafficking or whose members also engage in drug trafficking.

Motorcycle Gangs: Organizations controlled by motorcycle clubs.

Prison Gangs: Organizations controlled by prison inmates.

Registrants: Persons who subvert legal authority over controlled substances.

## Exhibit 3-1d. - FY 1983 through FY 1988 Types of Criminal Organizations Targeted



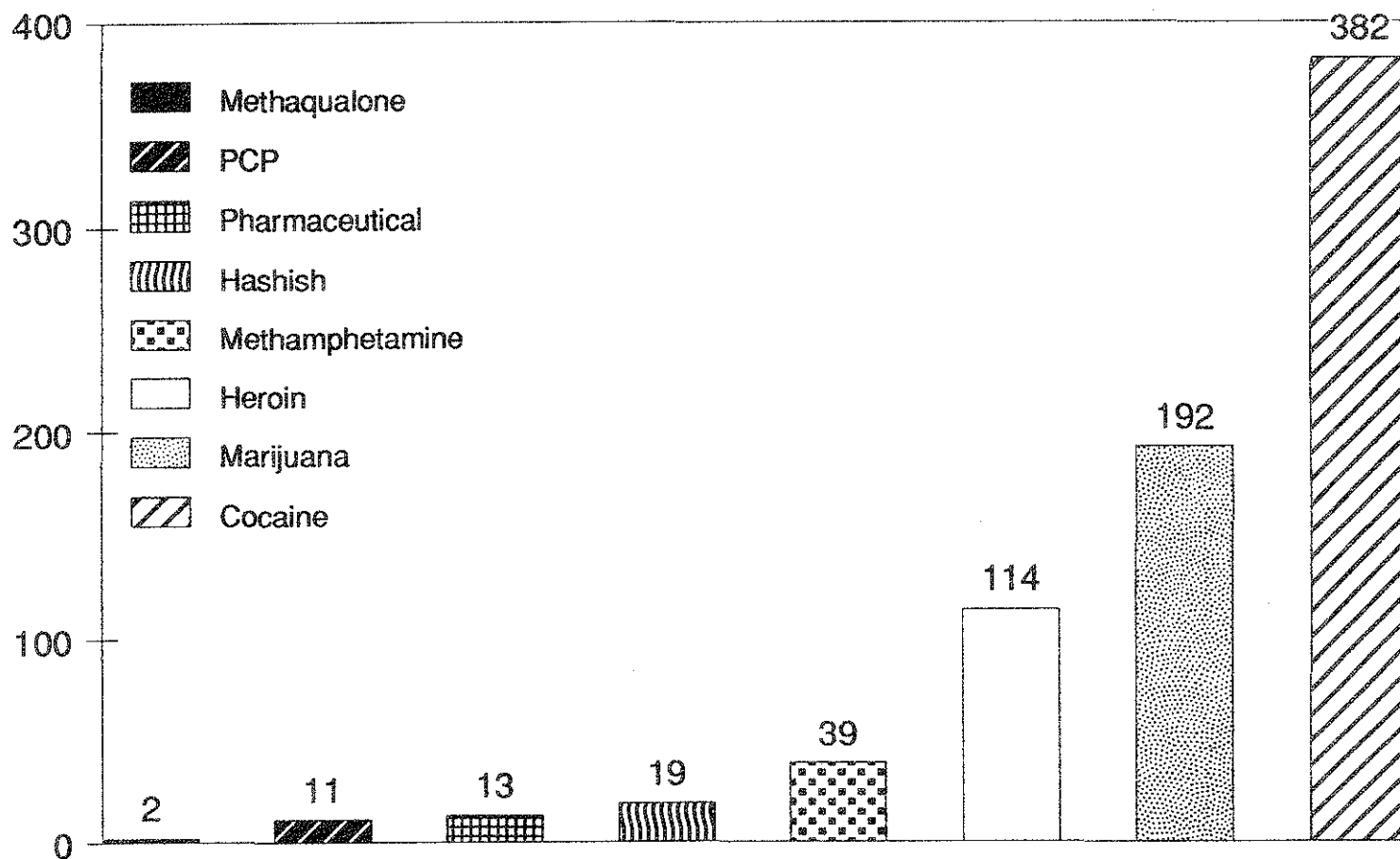
\*Criminal organizations whose primary purpose is drug trafficking or whose members also engage in drug trafficking.

**Exhibit 3-2a. - FY 1988  
Drugs Involved in  
Investigations Initiated**

Drug	Number of Investigations Involving Drugs														Percentage of Investi- gations N=448*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	27	38	40	24	32	27	24	28	19	37	18	46	22	382	85.3%
Marijuana	18	30	18	7	8	14	11	15	9	10	11	26	15	192	42.9%
Methaqualone	1	0	0	0	0	0	1	0	0	0	0	0	0	2	0.4%
Heroin	1	9	10	10	14	5	14	7	7	28	2	1	6	114	25.4%
Hashish	2	1	2	1	1	0	2	4	4	2	0	0	0	19	4.2%
Other	3	5	5	2	3	2	4	1	1	1	0	2	2	31	6.9%
Unspecified	1	0	0	0	0	1	0	0	0	0	0	0	0	2	0.4%
PCP	0	1	1	2	4	0	0	0	1	0	2	0	0	11	2.5%
Methamphetamine	0	5	2	4	5	4	2	0	5	3	5	2	2	39	8.7%
Pharmaceutical	1	2	3	0	1	0	1	1	0	0	1	2	1	13	2.9%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mentions for each drug. More than one drug is involved in many investigations.

### Exhibit 3-2b. - FY 1988 Drugs Involved in Investigations



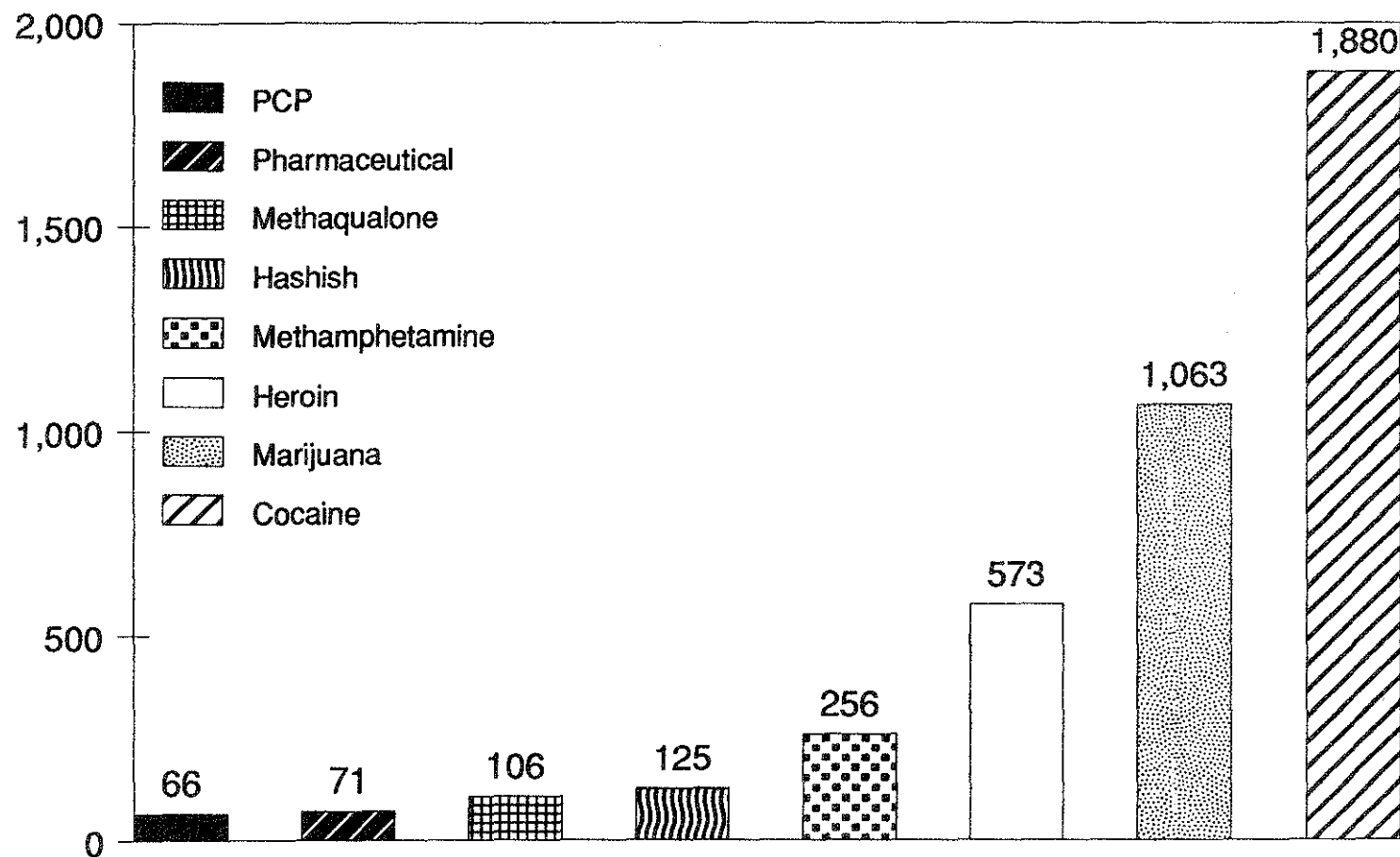
More than one drug is involved in many investigations. Investigations involving Other Drugs = 31; Unspecified = 2.

**Exhibit 3-2c. - FY 1983 through FY 1988  
Drugs Involved in  
Investigations Initiated**

Drug	Number of Investigations Involving Drugs														Percentage of Investi- gations N=2,352*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	163	174	186	107	163	109	138	126	116	203	119	179	97	1880	79.9%
Marijuana	135	135	107	33	56	67	83	67	64	34	72	133	77	1063	45.2%
Methaqualone	14	10	23	5	5	0	8	2	2	4	9	21	3	106	4.5%
Heroin	20	48	55	35	63	23	42	34	41	135	25	20	32	573	24.4%
Hashish	12	10	18	6	7	5	9	14	16	12	6	6	4	125	5.3%
Other	9	10	12	4	11	3	12	7	7	6	7	10	7	105	4.5%
Unspecified	3	3	1	3	3	2	1	1	2	4	3	3	1	30	1.3%
PCP	1	7	11	7	15	0	6	1	2	1	11	3	1	66	2.8%
Methamphetamine	2	35	17	17	37	26	17	2	31	16	24	14	18	256	10.9%
Pharmaceutical	1	8	16	1	9	4	8	4	2	1	10	5	2	71	3.0%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mentions for each drug. More than one drug is involved in many investigations.

### Exhibit 3-2d. - FY 1983 through FY 1988 Drugs Involved in Investigations



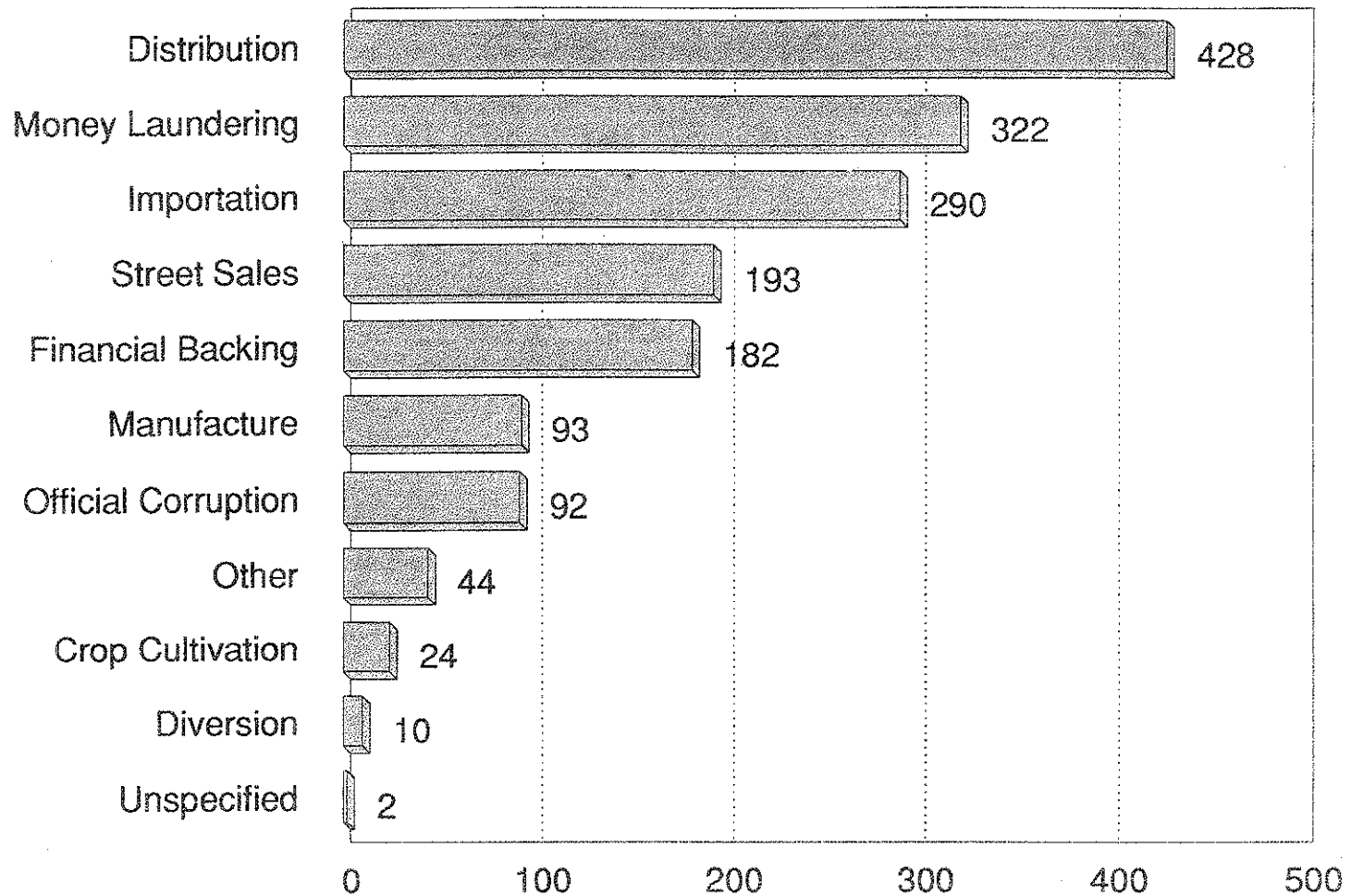
More than one drug is involved in many investigations. Investigations involving Other Drugs = 105; Unspecified = 30.

**Exhibit 3-3a. - FY 1988**  
**Type of Criminal Activities Involved in**  
**Investigations Initiated**

Activity	Number of Investigations Involving Activity														Percentage of Investi- gations N=448*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Financial Backing	18	21	15	13	16	8	10	17	14	9	11	18	12	182	40.6%
Importation	26	32	17	15	24	22	15	22	11	42	11	29	24	290	64.7%
Money Laundering	24	34	25	24	30	22	20	23	21	34	19	26	20	322	71.9%
Other	3	5	0	4	3	3	0	4	2	5	6	8	1	44	9.8%
Street Sales	9	17	25	7	23	8	16	14	11	19	13	24	7	193	43.1%
Distribution	26	42	40	24	35	35	27	30	26	50	20	48	25	428	95.5%
Official Corruption	9	13	10	7	6	3	5	6	4	9	4	9	7	92	20.5%
Crop Cultivation	1	5	3	0	0	4	0	1	2	0	2	3	3	24	5.4%
Diversion	0	2	2	0	0	1	1	1	0	0	0	2	1	10	2.2%
Manufacture	8	11	9	7	10	4	4	1	8	11	10	6	4	93	20.8%
Unspecified	1	0	0	0	0	0	0	1	0	0	0	0	0	2	0.4%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in many investigations.

Exhibit 3-3b. - FY 1988  
Type of Criminal Activities Involved

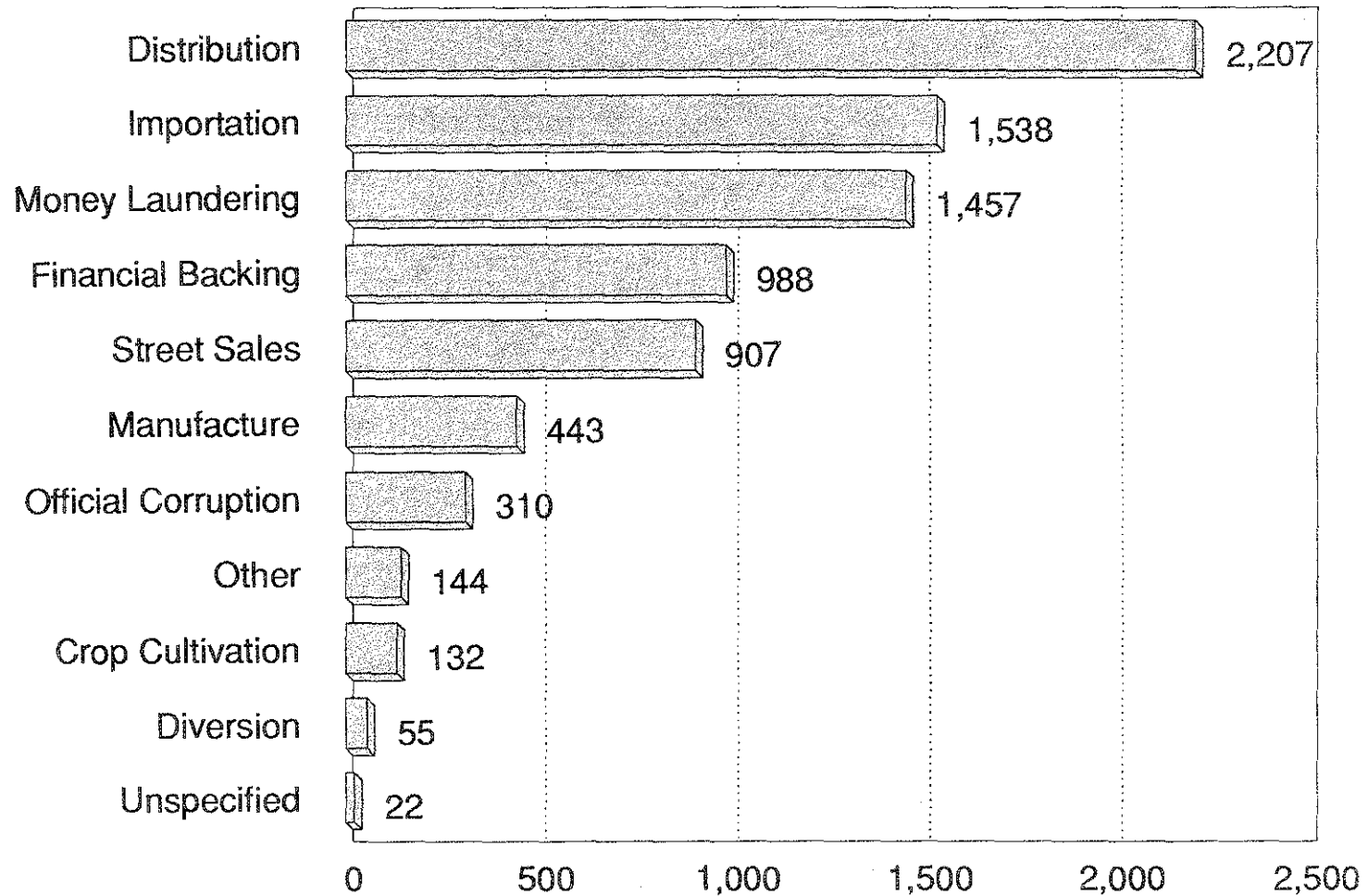


**Exhibit 3-3c. - FY 1983 through FY 1988  
Type of Criminal Activities Involved in  
Investigations Initiated**

Activity	Number of Investigations Involving Activity														Percentage of Investi- gations N=2,352*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Financial Backing	85	104	89	61	89	34	60	79	84	95	52	103	53	988	42.0%
Importation	172	159	105	90	119	79	89	109	97	205	72	139	103	1538	65.4%
Money Laundering	137	142	114	106	124	72	104	90	103	153	82	133	97	1457	61.9%
Other	17	19	9	7	10	5	2	10	8	10	18	18	11	144	6.1%
Street Sales	44	90	103	32	97	51	91	71	43	87	77	88	33	907	38.6%
Distribution	178	197	196	121	206	135	158	146	158	257	136	207	112	2207	93.8%
Official Corruption	42	42	26	12	19	10	16	21	12	31	10	44	25	310	13.2%
Crop Cultivation	8	14	18	3	0	11	9	5	10	2	16	17	19	132	5.6%
Diversion	2	3	9	1	8	2	5	4	1	1	9	7	3	55	2.3%
Manufacture	35	47	32	33	63	24	32	6	40	45	33	23	30	443	18.8%
Unspecified	2	1	1	1	2	0	1	2	2	6	1	3	0	22	0.9%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in many investigations.

Exhibit 3-3d. - FY 1983 through FY 1988  
Type of Criminal Activities Involved



**Exhibit 3-4a. - FY 1988  
Investigative Techniques Proposed\* in  
Investigations Initiated**

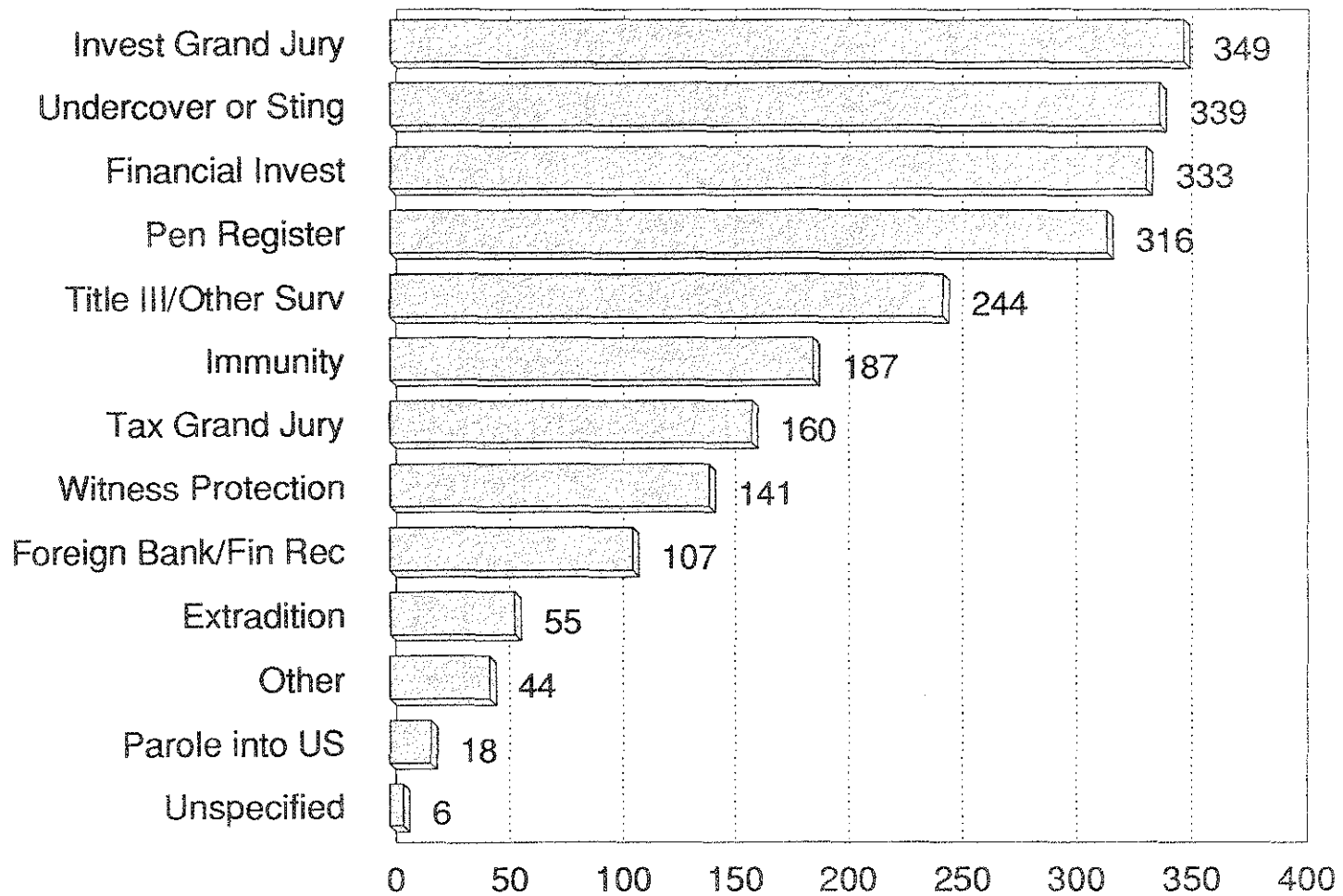
<b>Technique</b>	<b>Number of Investigations**</b>	<b>Percentage of Investigations N=448***</b>
Financial Investigation	333	74.3%
Investigative Grand Jury	349	77.9%
Immunity	187	41.7%
Tax Grand Jury	160	35.7%
Undercover or Sting	339	75.7%
Parole into U.S.	18	4.0%
Title III or Other Surveillance	244	54.5%
Witness Protection	141	31.5%
Extradition	55	12.3%
Pen Register	316	70.5%
Foreign Bank/Financial Records	107	23.9%
Other	44	9.8%
Unspecified	6	1.3%

\* The major investigative techniques anticipated to be used at the time the investigations were initiated. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of investigations in which this technique was proposed.

\*\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency with which each technique was proposed. More than one technique is proposed in virtually all investigations.

## Exhibit 3-4b. - FY 1988 Investigative Techniques Proposed



**Exhibit 3-4c. - FY 1983 through FY 1988  
Investigative Techniques Proposed\* in  
Investigations Initiated**

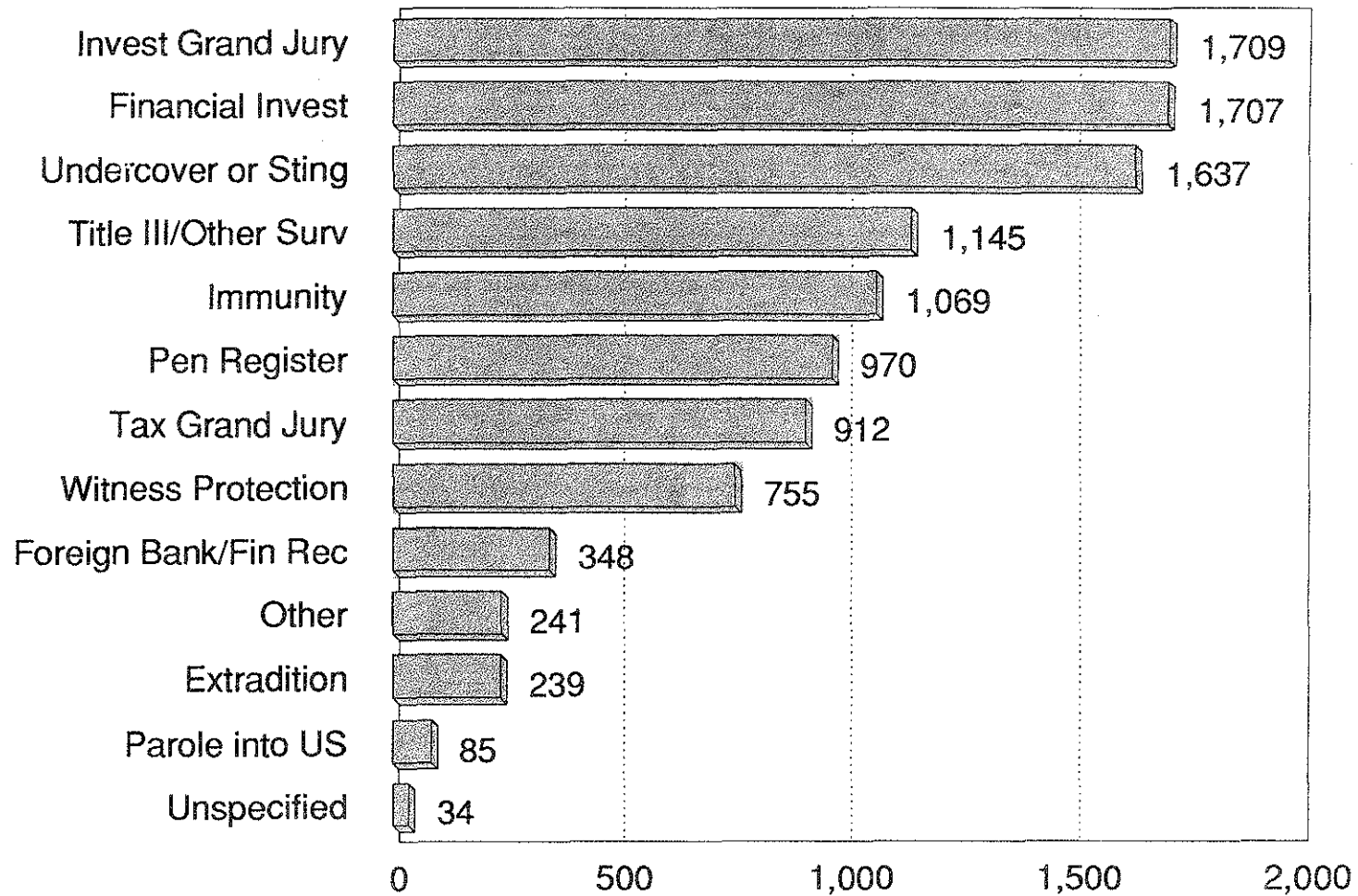
<b>Technique</b>	<b>Number of Investigations**</b>	<b>Percentage of Investigations N=2,352***</b>
Financial Investigation	1707	72.6%
Investigative Grand Jury	1709	72.7%
Immunity	1069	45.5%
Tax Grand Jury	912	38.8%
Undercover or Sting	1637	69.6%
Parole into U.S.	85	3.6%
Title III or Other Surveillance	1145	48.7%
Witness Protection	755	32.1%
Extradition	239	10.2%
Pen Register	970	41.2%
Foreign Bank/Financial Records	348	14.8%
Other	241	10.2%
Unspecified	34	1.4%

\* The major investigative techniques anticipated to be used at the time the investigations were initiated. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of investigations in which this technique was proposed.

\*\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency with which each technique was proposed. More than one technique is proposed in virtually all investigations.

### Exhibit 3-4d. - FY 1983 through FY 1988 Investigative Techniques Proposed



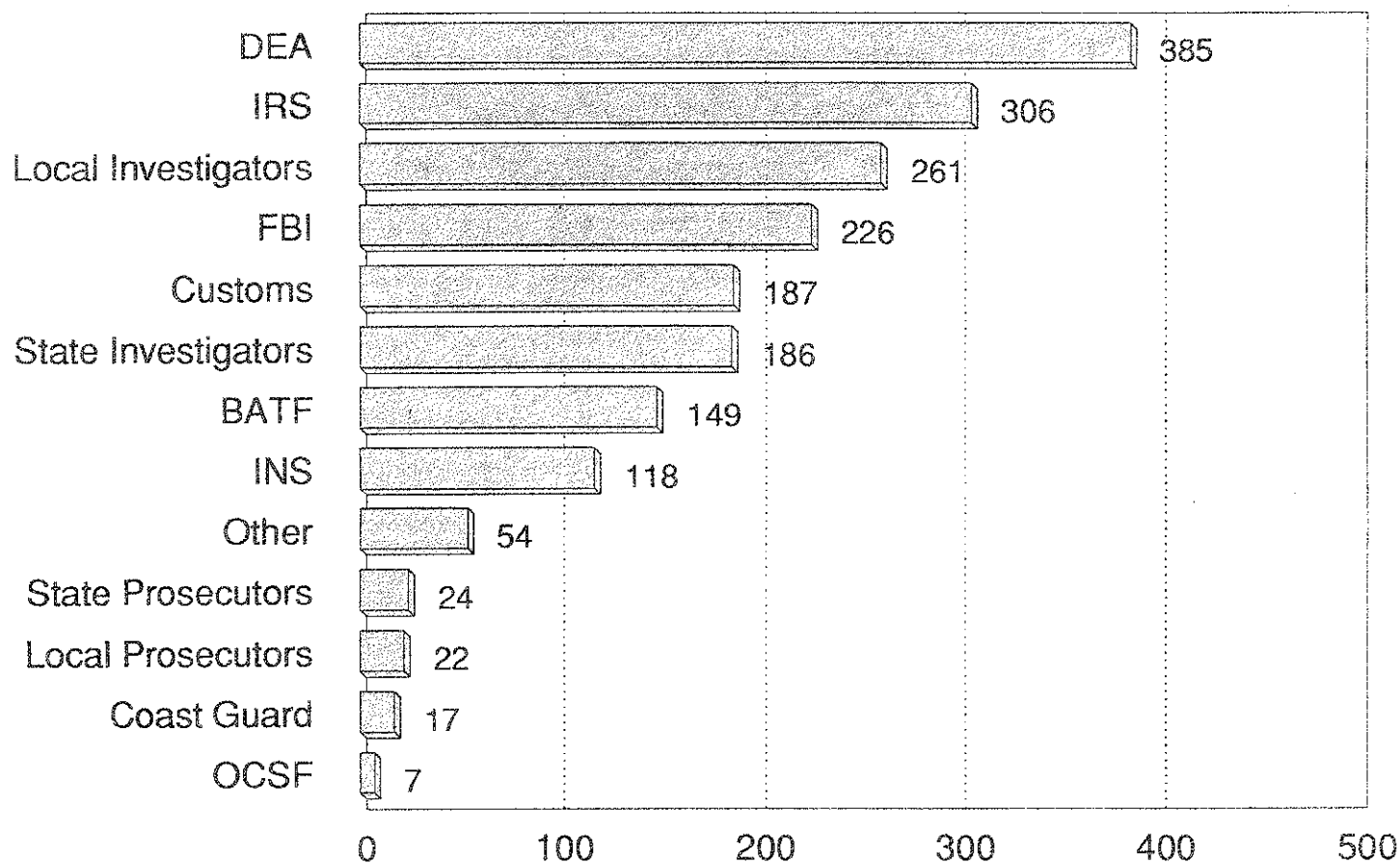
**Exhibit 3-5a. - FY 1988  
Agency Participation in  
Investigations Initiated**

Agency	Number of Investigations*														Percentage of Investigations N=448**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	17	26	25	14	20	26	14	20	18	29	15	25	12	261	58.3%
DEA	25	39	23	25	32	26	25	29	24	49	17	46	25	385	85.9%
FBI	12	29	28	10	15	27	16	13	8	21	15	25	7	226	50.4%
IRS	19	34	33	22	18	27	21	20	15	32	18	29	18	306	68.3%
State Investigators	7	21	17	4	10	17	10	17	13	17	8	40	5	186	41.5%
Customs	19	27	4	9	15	1	7	7	10	33	8	25	22	187	41.7%
Other	6	9	2	2	8	1	2	3	2	8	2	7	2	54	12.1%
Local Prosecutors	1	2	1	2	2	2	2	3	1	4	2	0	0	22	4.9%
BATF	4	17	14	9	16	6	6	8	8	19	13	24	5	149	33.3%
Organized Crime Strike Force (OCSF)	0	1	0	0	2	1	0	1	0	1	1	0	0	7	1.6%
State Prosecutors	2	3	2	1	1	2	0	5	0	2	2	4	0	24	5.4%
Coast Guard	0	1	3	0	1	0	1	3	1	4	0	0	3	17	3.8%
INS	1	14	7	9	15	7	11	10	7	11	7	7	12	118	26.3%

\* The number of investigations in which this agency expected to participate at the time the investigations were initiated. U.S. Marshals Service and U.S. Attorneys were expected to participate in all cases.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in all cases.

### Exhibit 3-5b. - FY 1988 Agency Participation\*



\*U.S. Marshals Service and  
U.S. Attorneys were expected to  
participate in all cases.

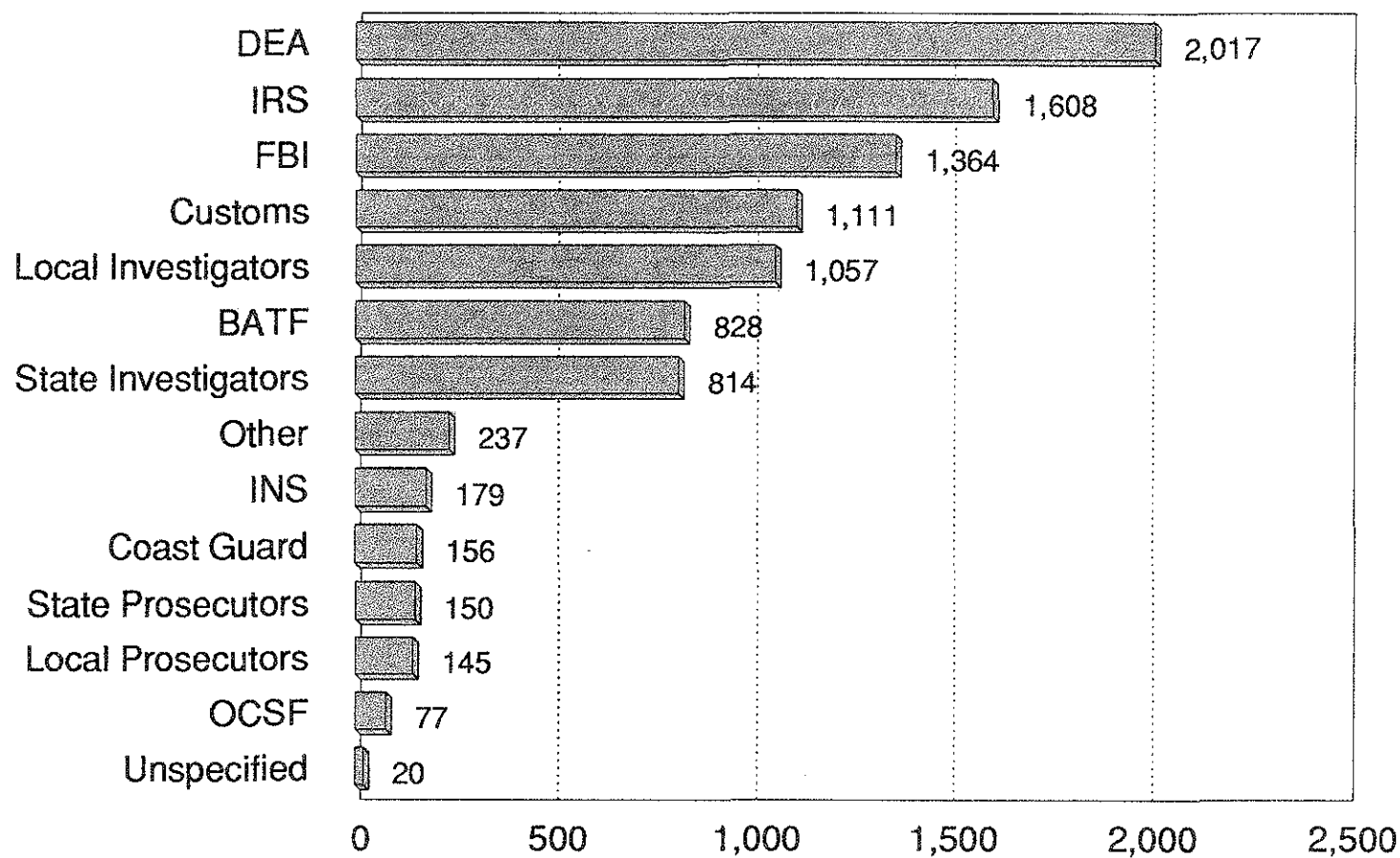
**Exhibit 3-5c. - FY 1983 through FY 1988  
Agency Participation in  
Investigations Initiated**

Agency	Number of Investigations*														Percentage of Investigations N=2,352**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	84	104	90	53	87	82	72	77	74	107	83	98	46	1057	44.9%
DEA	162	199	139	113	185	115	138	148	147	243	124	196	108	2017	85.8%
FBI	64	149	148	59	113	100	100	82	104	136	94	148	67	1364	58.0%
IRS	108	167	154	101	142	101	124	94	111	149	110	157	90	1608	68.4%
State Investigators	45	100	60	22	58	65	58	67	46	56	54	148	35	814	34.6%
Customs	97	133	48	86	101	35	66	39	97	156	39	125	89	1111	47.2%
Other	20	21	14	16	25	5	29	14	8	45	15	17	8	237	10.1%
Local Prosecutors	6	15	8	9	22	13	9	12	3	29	11	5	3	145	6.2%
BATF	78	106	52	36	70	44	42	41	62	116	55	90	36	828	35.2%
Organized Crime Strike Force (OCSF)	6	10	3	5	16	5	3	11	3	10	2	3	0	77	3.3%
State Prosecutors	8	19	8	6	10	12	5	23	3	20	11	19	6	150	6.4%
Coast Guard	10	21	19	6	7	4	5	21	12	9	12	14	16	156	6.6%
INS	6	23	12	11	22	9	13	20	15	18	7	9	14	179	7.6%
Unspecified	0	0	1	2	5	0	2	1	0	5	0	1	3	20	0.9%

\* The number of investigations in which this agency expected to participate at the time the investigations were initiated. U.S. Marshals Service and U.S. Attorneys were expected to participate in all cases.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in almost all cases.

### Exhibit 3-5d. - FY 1983 through FY 1988 Agency Participation\*



\*U.S. Marshals Service and  
U.S. Attorneys were expected to  
participate in all cases.

**Exhibit 3-6a. - FY 1988**  
**Scope of Criminal Organizations Charged in**  
**Indictments and Informations**

Scope	Number of Indictments and Informations*													Percentage of Indictments and Informations N=933**	
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
International	14	32	107	2	19	28	35	3	19	8	10	40	15	332	35.6%
Multi-district	4	12	38	0	34	45	120	16	15	12	34	78	5	413	44.3%
Single District	2	8	17	4	15	16	28	1	9	3	4	35	2	144	15.4%
Unspecified	10	0	8	1	1	21	2	3	1	2	1	1	2	53	5.6%

\* The number of indictments and informations in which a member(s) of at least one organization of this geographic scope was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of charges in each geographic category. More than one organization is involved in some indictments and informations.

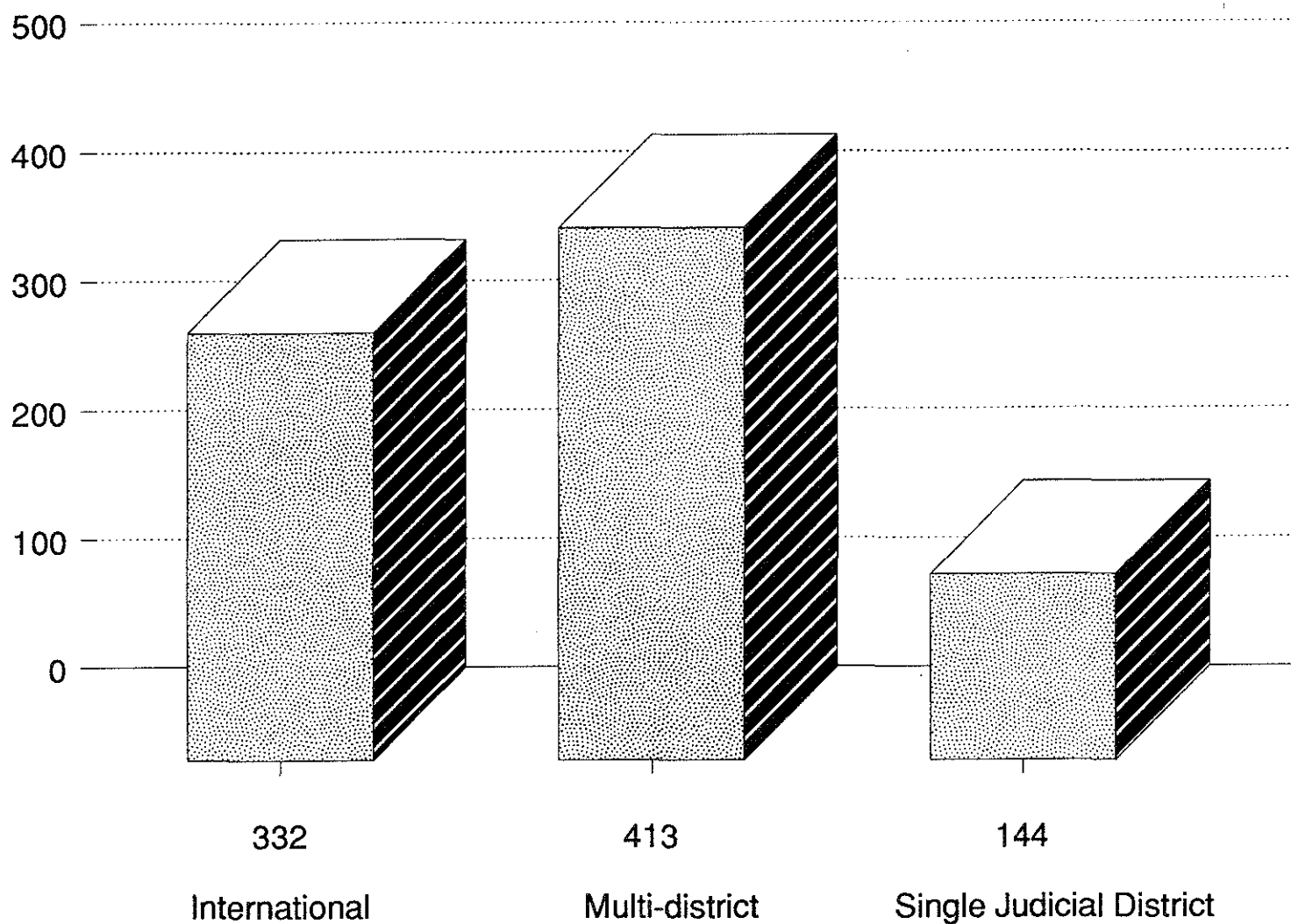
Note:

International: Criminal activities that include substantial international drug trafficking.

Multi-district: Criminal activities in two or more Federal judicial districts.

Single District: Criminal activities limited to one Federal judicial district.

Exhibit 3-6b. - FY 1988  
Scope of Criminal Organizations Charged



**Exhibit 3-6c. - FY 1983 through FY 1988  
Scope of Criminal Organizations Charged in  
Indictments and Informations**

Scope	Number of Indictments and Informations*														Percentage of Indictments and Informations N=4,917**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
International	91	194	285	55	162	42	166	41	106	105	90	184	113	1634	33.2%
Multi-district	37	157	335	14	393	147	289	56	125	87	220	342	47	2249	45.7%
Single District	24	49	46	24	130	24	54	19	32	54	37	129	38	660	13.4%
Unspecified	55	17	56	9	37	68	26	46	26	27	19	34	23	443	9.0%

\* The number of indictments and informations in which a member(s) of at least one organization of this geographic scope was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of charges within each geographic category. More than one organization is involved in some indictments and informations.

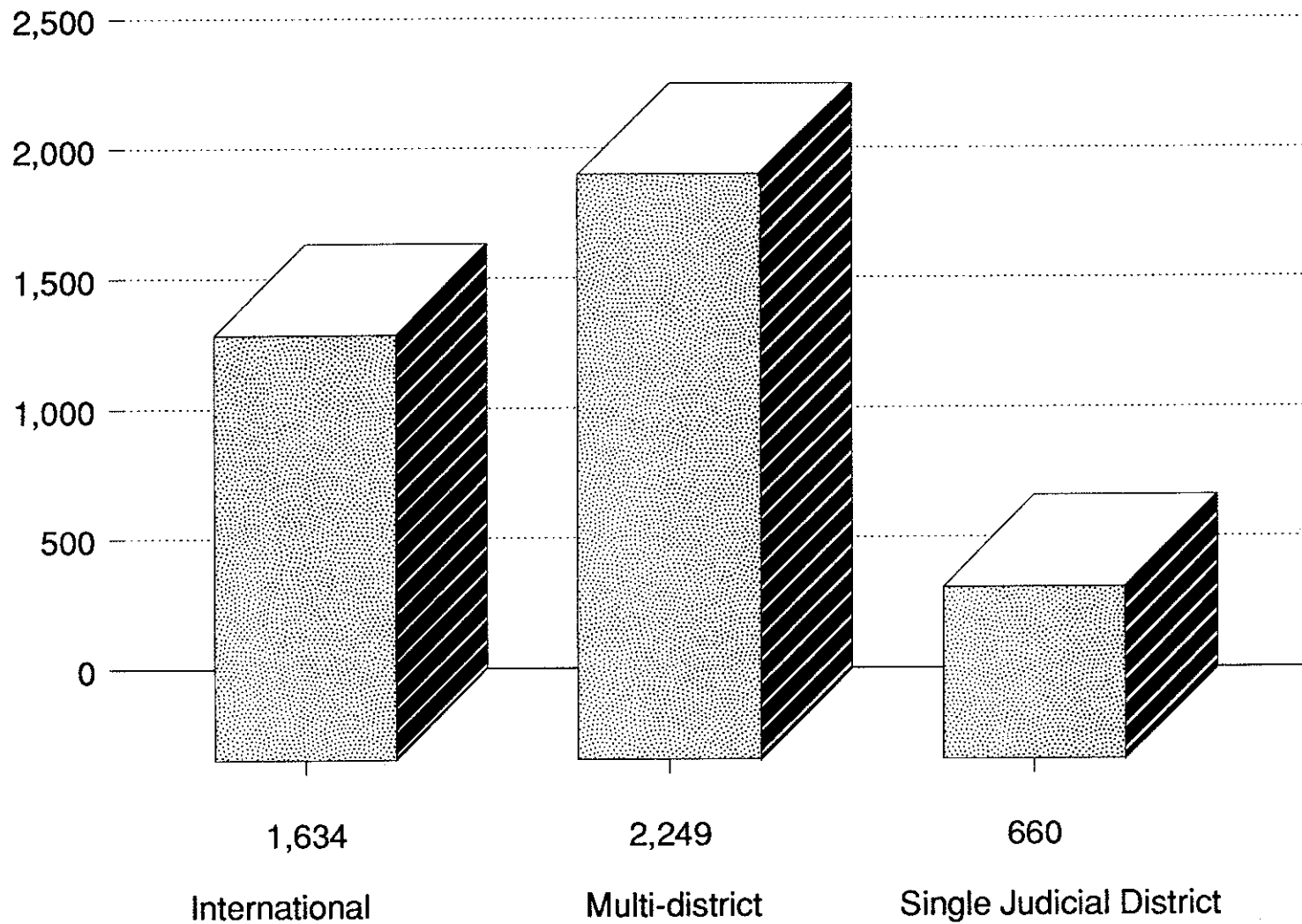
Note:

International: Criminal activities that include substantial international drug trafficking.

Multi-district: Criminal activities in two or more Federal judicial districts.

Single District: Criminal activities limited to one Federal judicial district.

Exhibit 3-6d. - FY 1983 through FY 1988  
Scope of Criminal Organizations Charged



**Exhibit 3-7a. - FY 1988**  
**Drugs Charged in Indictments and Informations Returned**

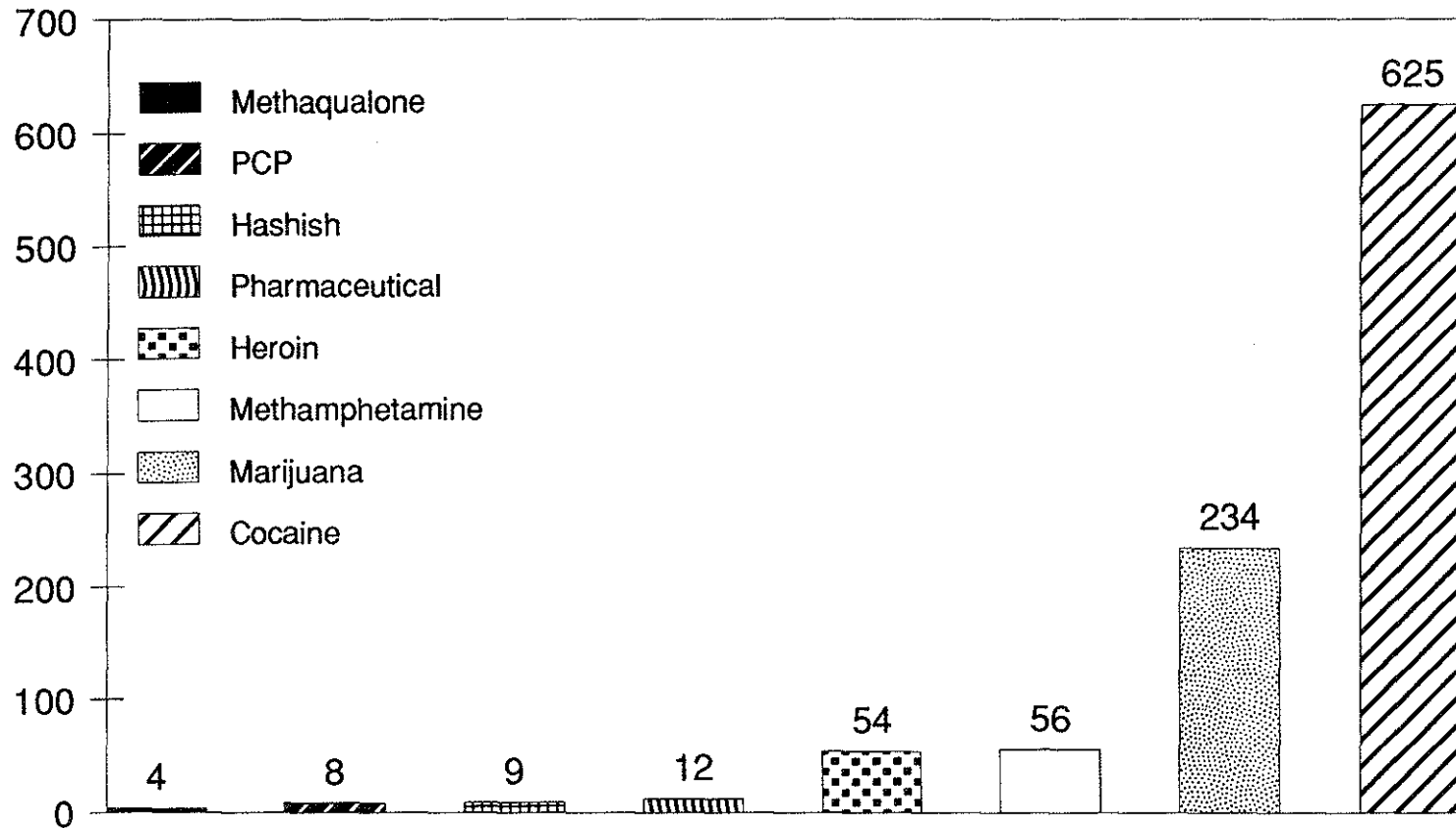
Drug	Number of Indictments and Informations*														Percentage N=933**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	19	24	136	4	39	76	141	16	22	11	31	94	12	625	67.0%
Marijuana	9	17	14	0	9	22	58	1	18	14	19	40	13	234	25.1%
Methaqualone	0	1	0	0	0	0	0	0	0	2	0	1	0	4	0.4%
No Drugs Charged/ Unspecified***	4	12	14	1	7	10	15	3	6	1	4	21	1	99	10.6%
Other	0	3	6	0	6	5	5	0	0	2	2	11	0	40	4.3%
Heroin	1	0	4	0	5	18	7	3	2	6	3	2	3	54	5.8%
Hashish	1	1	2	0	0	0	2	0	1	0	2	0	0	9	1.0%
PCP	0	1	0	1	3	0	0	0	0	0	2	1	0	8	0.9%
Methamphetamine	0	4	1	1	9	2	17	0	9	0	9	3	1	56	6.0%
Pharmaceutical	0	0	8	0	1	1	1	1	0	0	0	0	0	12	1.3%

\* The number of indictments and informations in which this drug was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

\*\*\* Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

# Exhibit 3-7b. - FY 1988 Drugs Charged in Indictments and Informations



More than one drug is involved in many indictments. Indictments involving Other Drugs = 40; No Drugs/Unspecified = 99.

**Exhibit 3-7c. - FY 1983 through FY 1988  
Drugs Charged in Indictments and Informations Returned**

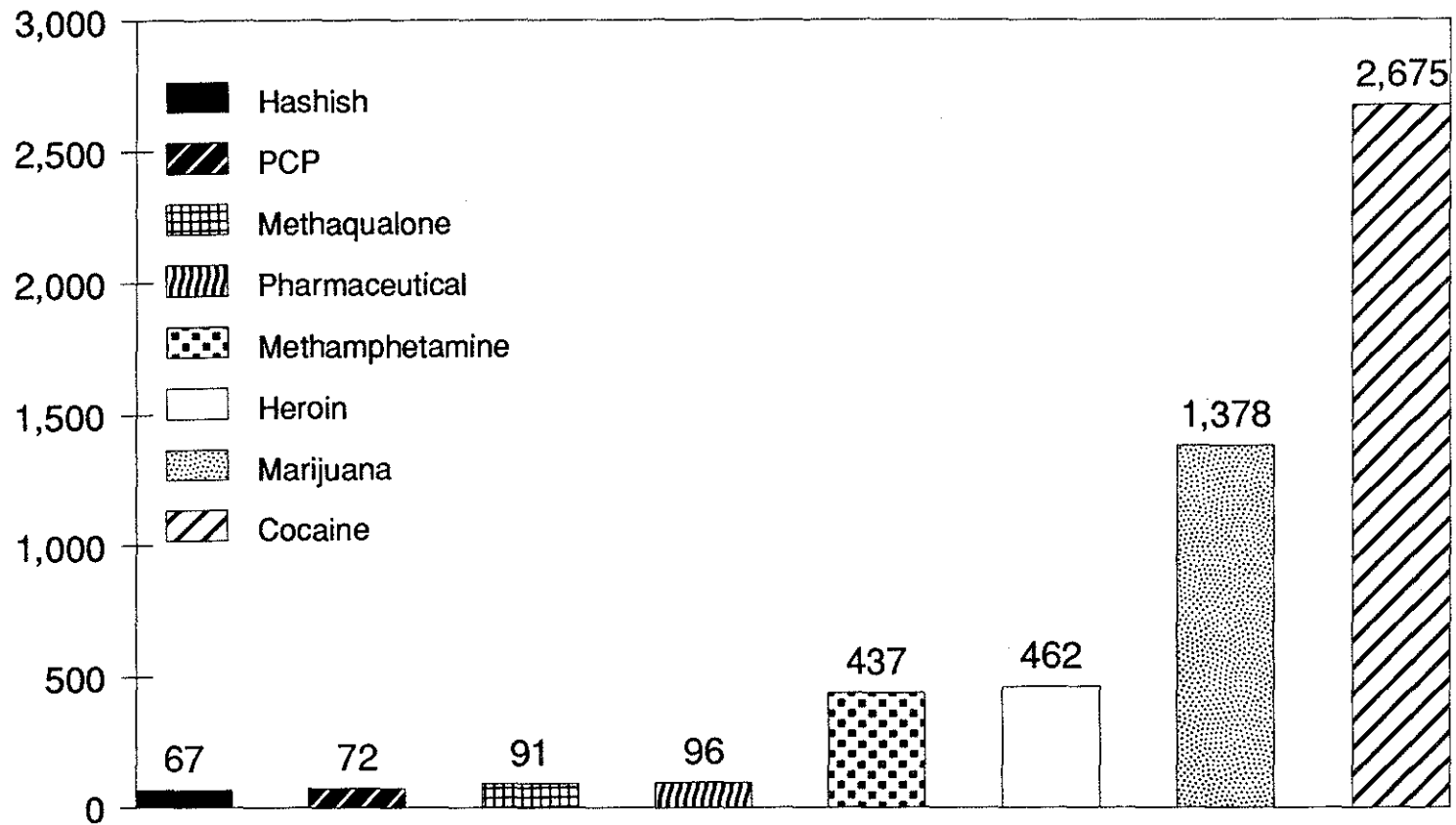
Drug	Number of Indictments and Informations*														Percentage N=4,917**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	90	184	432	77	279	173	319	114	149	133	237	373	115	2675	54.4%
Marijuana	69	117	148	7	191	70	172	29	95	57	83	243	97	1378	28.0%
Methaqualone	1	7	15	1	7	0	9	8	3	6	6	24	4	91	1.9%
No Drugs Charged/ Unspecified***	63	83	87	5	79	21	77	15	28	26	38	106	46	674	13.7%
Other	15	5	24	1	35	18	17	1	5	12	13	19	0	165	3.4%
Heroin	9	29	37	9	127	34	41	14	17	87	16	27	15	462	9.4%
Hashish	5	1	8	2	9	2	5	4	3	7	4	15	2	67	1.4%
PCP	1	6	4	2	44	0	1	0	1	2	8	1	2	72	1.5%
Methamphetamine	0	57	49	5	116	44	33	2	45	17	36	9	24	437	8.9%
Pharmaceutical	0	1	24	16	13	3	15	2	0	5	8	9	0	96	2.0%

\* The number of indictments and informations in which this drug was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

\*\*\* Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

### Exhibit 3-7d. - FY 1983 through FY 1988 Drugs Charged in Indictments and Informations



More than one drug is involved in many indictments. Indictments involving Other Drugs = 165; No Drugs/Unspecified = 674.

**Exhibit 3-8a. - FY 1988**  
**Type of Criminal Activities Charged in**  
**Indictments and Informations Returned**

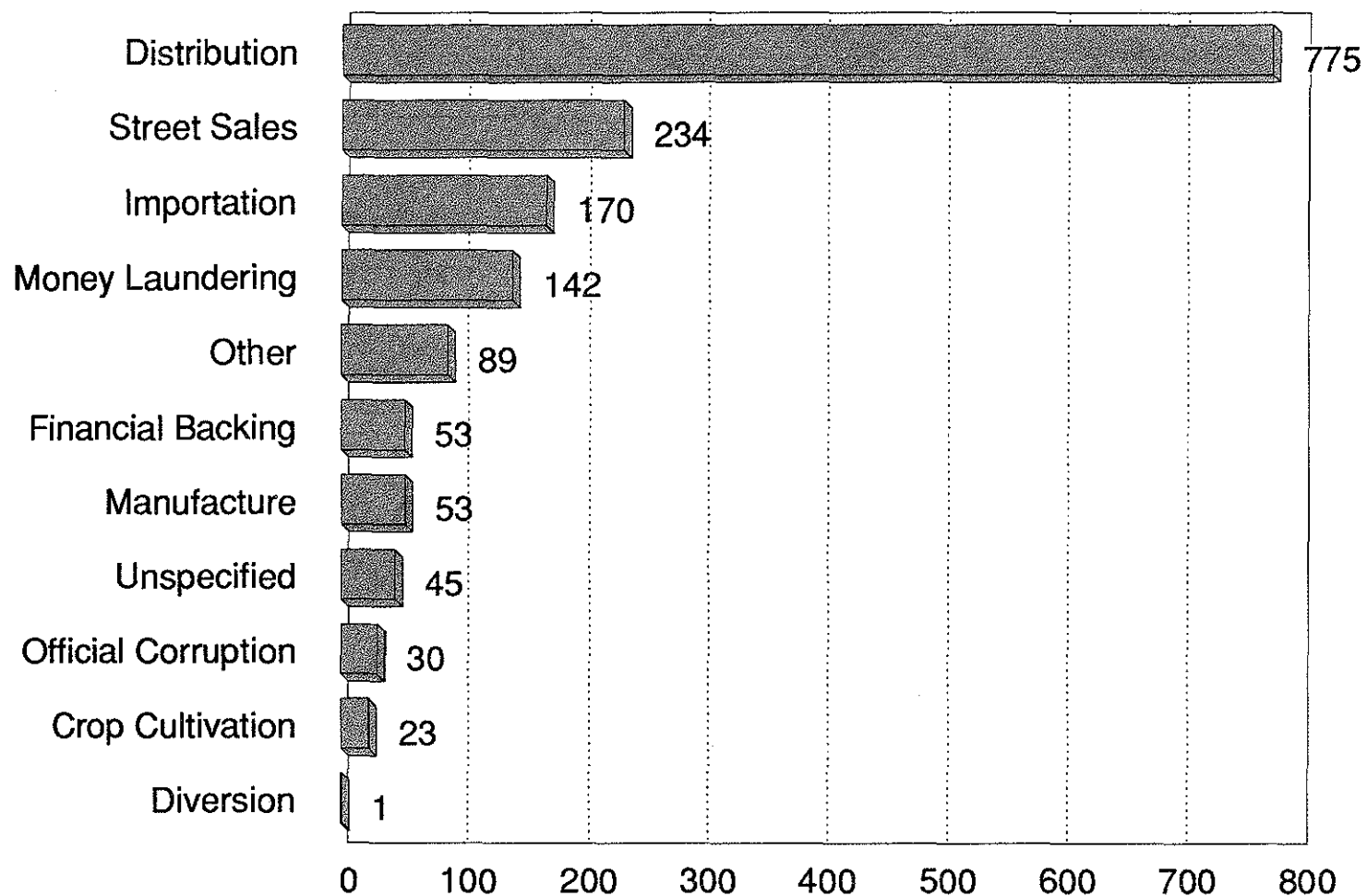
Activity	Number of Indictments and Informations*														Percentage N=933**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Distribution	21	32	154	4	59	92	164	20	36	13	39	121	20	775	83.1%
Financial Backing	1	3	4	0	3	2	13	0	12	0	2	4	9	53	5.7%
Importation	16	10	2	0	13	26	19	0	17	5	4	41	17	170	18.2%
Money Laundering	11	4	6	1	9	10	30	0	14	5	6	35	11	142	15.2%
Other	3	9	12	1	9	5	10	1	6	13	3	16	1	89	9.5%
Official Corruption	6	2	2	0	4	2	1	1	0	2	2	4	4	30	3.2%
Unspecified	1	7	3	1	0	8	6	3	1	0	6	8	1	45	4.8%
Street Sales	3	10	55	0	6	25	67	7	9	3	15	30	4	234	25.1%
Crop Cultivation	1	1	1	0	0	6	3	0	0	1	2	5	3	23	2.5%
Diversion	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0.1%
Manufacture	1	7	2	1	7	8	6	0	4	1	4	9	3	53	5.7%

\* The number of indictments and informations in which this activity was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in many cases.

# Exhibit 3-8b. - FY 1988

## Type of Criminal Activities Charged



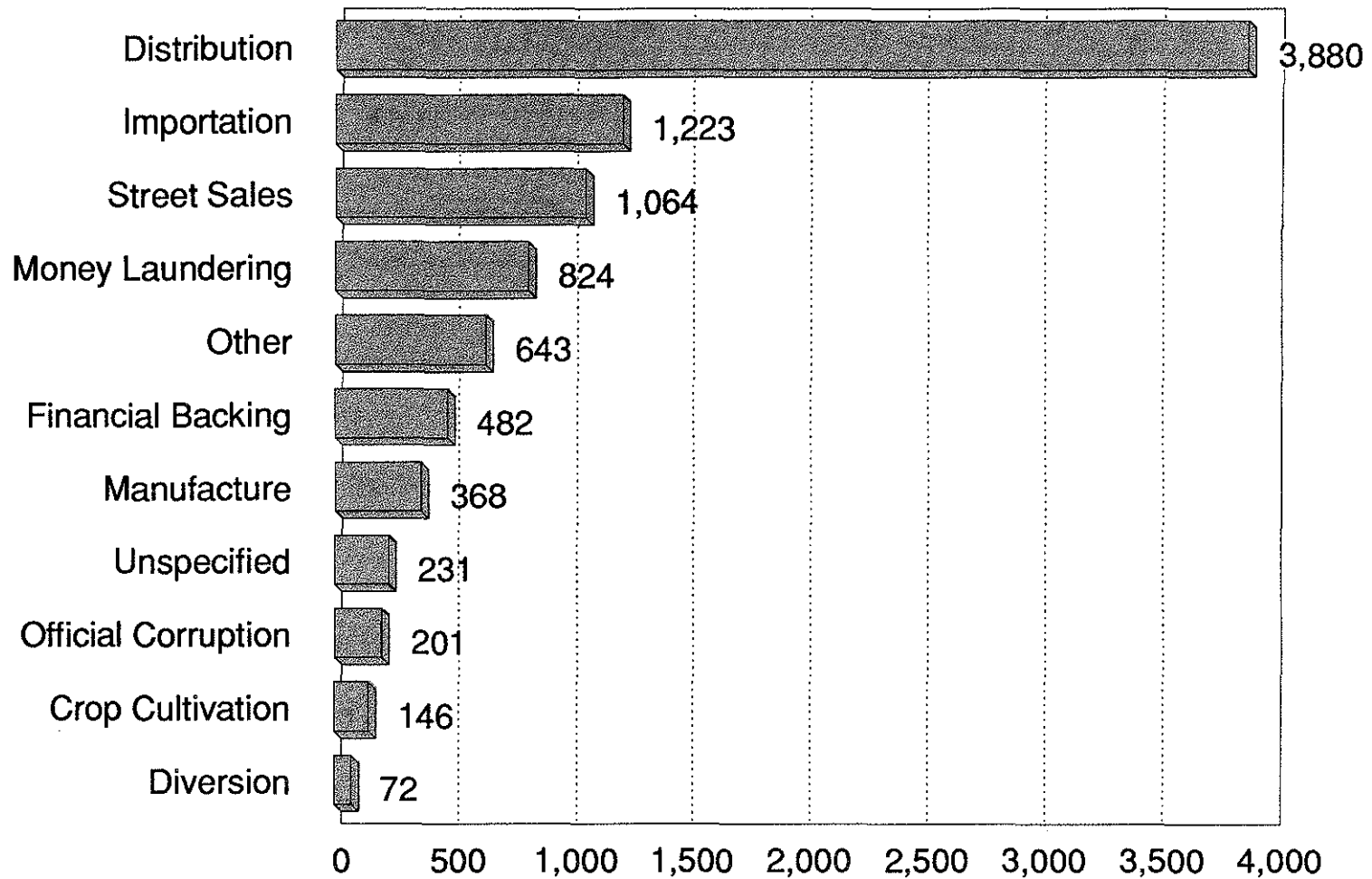
**Exhibit 3-8c. - FY 1983 through FY 1988  
Type of Criminal Activities Charged in  
Indictments and Informations Returned**

Activity	Number of Indictments and Informations*														Percentage N=4,917**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Distribution	131	304	600	85	572	245	425	131	235	196	288	510	158	3880	78.9%
Financial Backing	33	39	24	10	62	26	39	11	53	38	54	51	42	482	9.8%
Importation	106	106	64	31	169	62	74	29	99	72	80	216	115	1223	24.9%
Money Laundering	75	49	34	31	112	40	102	14	61	45	65	110	86	824	16.8%
Other	37	82	66	5	90	12	56	11	40	57	44	98	45	643	13.1%
Official Corruption	25	28	20	3	16	10	14	10	2	5	4	30	34	201	4.1%
Unspecified	5	26	26	1	36	14	28	9	7	9	23	39	8	231	4.7%
Street Sales	36	77	118	13	158	105	183	50	46	55	96	102	25	1064	21.6%
Crop Cultivation	2	3	31	2	5	12	12	1	6	2	37	15	18	146	3.0%
Diversion	1	0	8	13	6	1	13	0	0	0	28	2	0	72	1.5%
Manufacture	8	47	22	12	49	44	22	2	34	14	61	29	24	368	7.5%

\* The number of indictments and informations in which this activity was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in many cases.

Exhibit 3-8d. - FY 1983 through FY 1988  
Type of Criminal Activities Charged



**Exhibit 3-9a. - FY 1988  
Investigative Techniques Used\* for  
Indictments and Informations Returned**

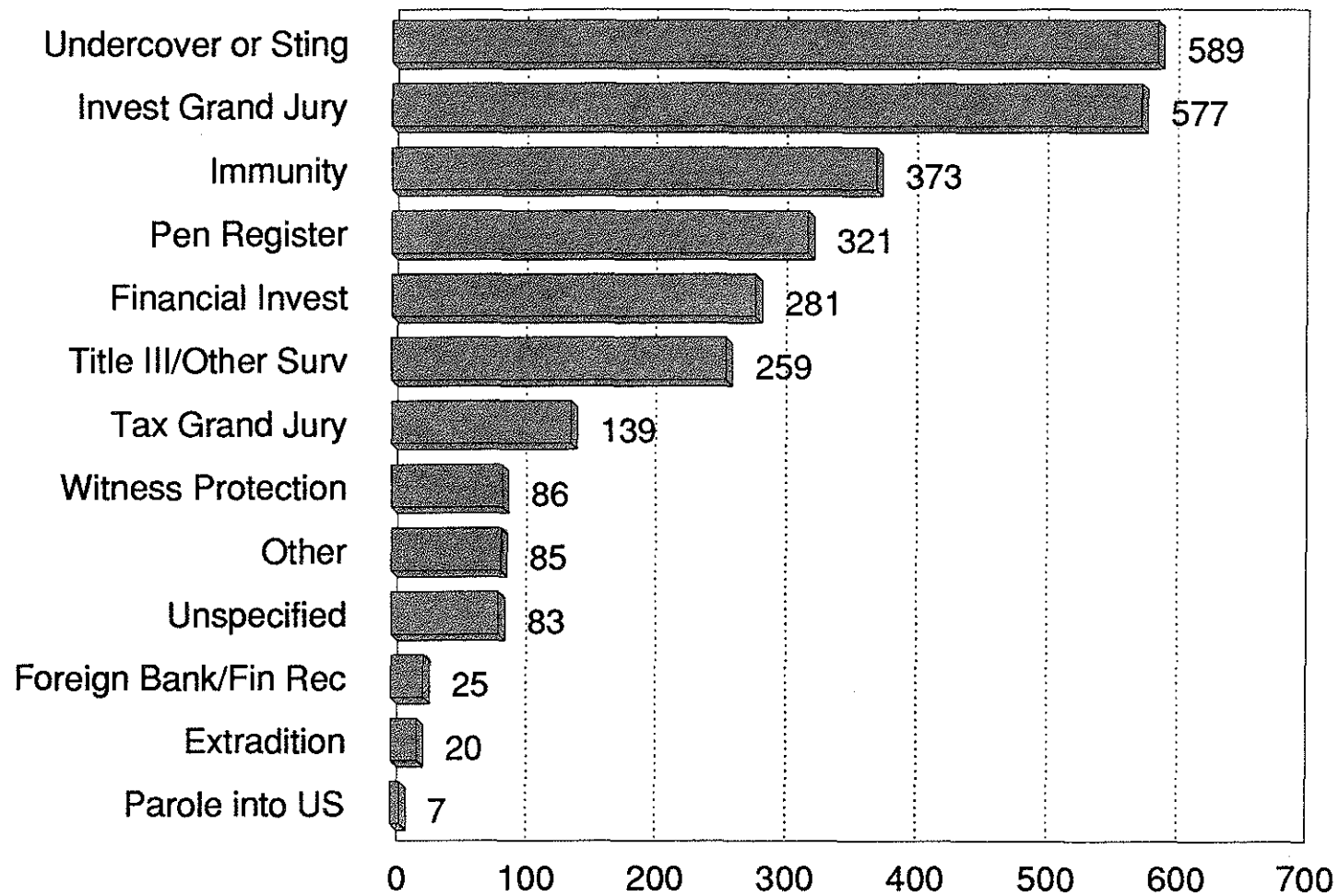
<b>Technique</b>	<b>Number of Indictments and Informations**</b>	<b>Percentage N=933***</b>
Financial Investigation	281	30.1%
Immunity	373	40.0%
Investigative Grand Jury	577	61.8%
Other	85	9.1%
Tax Grand Jury	139	14.9%
Witness Protection	86	9.2%
Title III or Other Surveillance	259	27.8%
Unspecified	83	8.9%
Foreign Bank/Financial Records	25	2.7%
Undercover or Sting	589	63.1%
Extradition	20	2.1%
Pen Register	321	34.4%
Parole into U.S.	7	0.8%

\* The major investigative techniques used during investigation and prosecution. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of indictments and informations for which this technique was used.

\*\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency with which each technique was used. More than one technique is involved in many cases.

### Exhibit 3-9b. - FY 1988 Investigative Techniques Used



**Exhibit 3-9c. - FY 1983 through FY 1988  
Investigative Techniques Used\* for  
Indictments and Informations Returned**

<b>Technique</b>	<b>Number of Indictments and Informations**</b>	<b>Percentage N=4,917***</b>
Financial Investigation	1641	33.4%
Immunity	1820	37.0%
Investigative Grand Jury	2997	61.0%
Other	1240	25.2%
Tax Grand Jury	1004	20.4%
Witness Protection	851	17.3%
Title III or Other Surveillance	1478	30.1%
Unspecified	269	5.5%
Foreign Bank/Financial Records	136	2.8%
Undercover or Sting	2954	60.1%
Extradition	116	2.4%
Pen Register	1287	26.2%
Parole into U.S.	40	0.8%

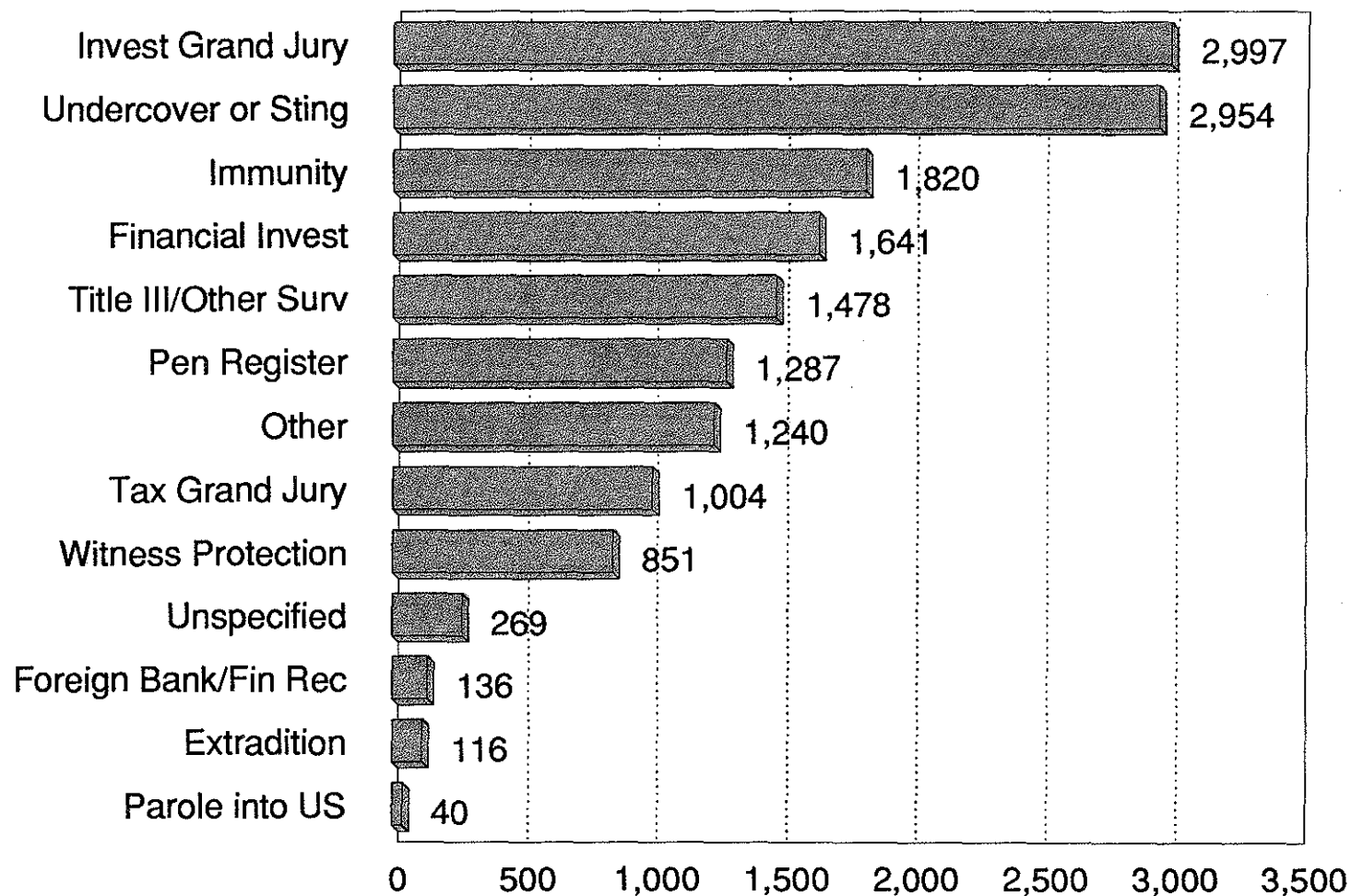
\* The major investigative techniques used during investigation and prosecution. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of indictments and informations for which this technique was used.

\*\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency with which each technique was used. More than one technique is involved in many cases.

## Exhibit 3-9d. - FY 1983 through FY 1988

### Investigative Techniques Used



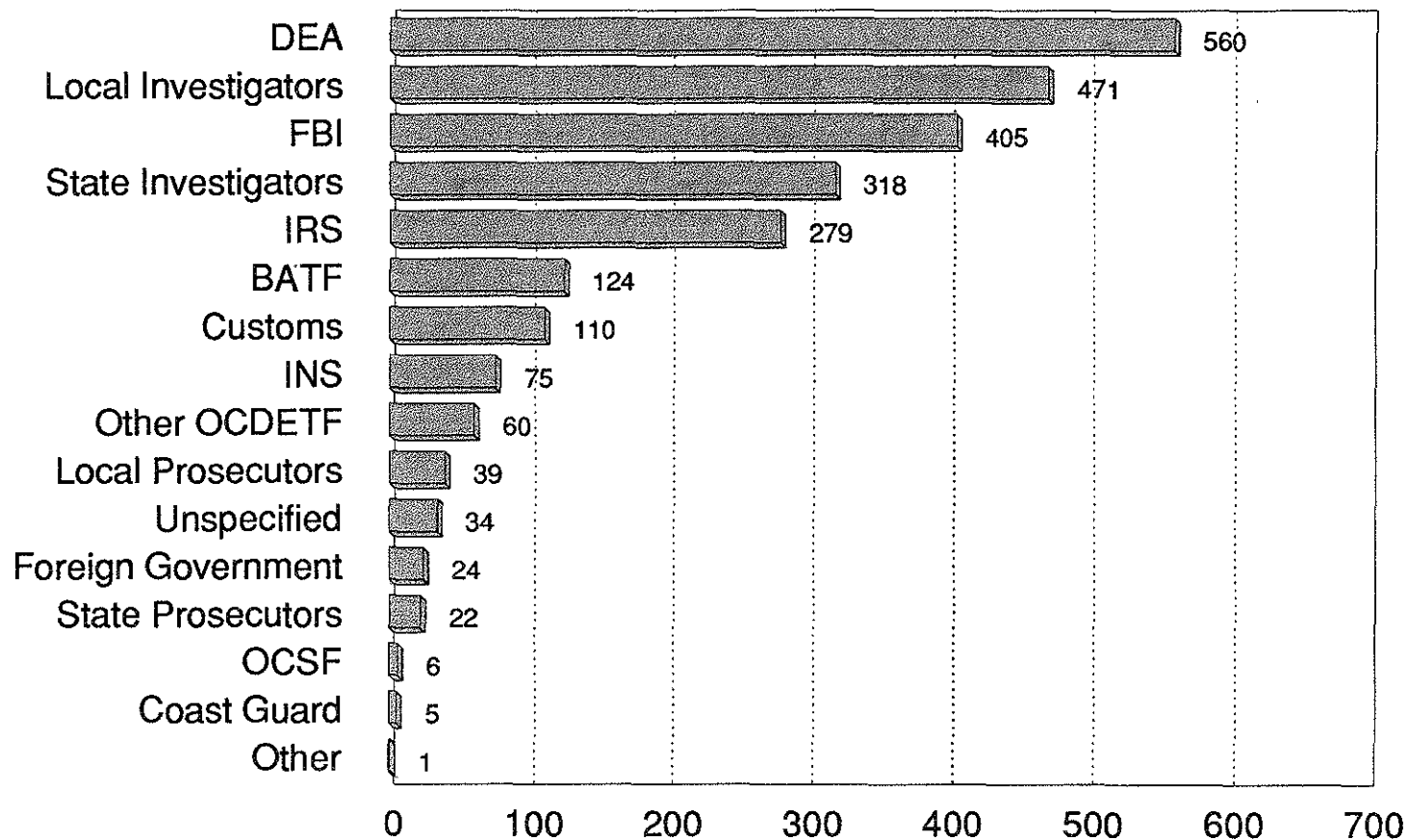
**Exhibit 3-10a. - FY 1988  
Agency Participation in  
Investigations Resulting in Charges**

Agency	Number of Indictments and Informations*														Percentage N=933**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	5	21	106	4	26	68	118	17	15	13	25	48	5	471	50.5%
FBI	6	11	29	0	29	66	144	6	29	7	12	61	5	405	43.4%
IRS	13	13	17	2	15	30	80	8	17	5	21	47	11	279	29.9%
Customs	13	8	3	1	9	2	12	0	13	2	0	37	10	110	11.8%
DEA	17	44	12	7	42	70	152	21	26	19	36	94	20	560	60.0%
Local Prosecutors	0	3	0	0	3	7	16	1	3	1	0	5	0	39	4.2%
State Investigators	2	24	41	0	15	39	81	7	16	3	14	75	1	318	34.1%
State Prosecutors	1	0	1	0	3	2	10	0	3	0	1	1	0	22	2.4%
Other OCDETF	4	3	4	0	11	10	9	0	5	1	1	12	0	60	6.4%
Foreign Government	2	1	2	0	2	1	8	1	3	0	0	1	3	24	2.6%
Organized Crime															
Strike Force (OCSF)	0	0	0	0	6	0	0	0	0	0	0	0	0	6	0.6%
Unspecified	0	0	13	0	3	4	1	0	2	0	0	8	3	34	3.6%
BATF	5	19	3	0	9	9	32	0	11	0	5	28	3	124	13.3%
Coast Guard	0	0	0	0	0	0	0	0	3	0	0	0	2	5	0.5%
INS	0	7	0	0	2	22	28	0	8	0	1	4	3	75	8.0%
Other	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0.1%

\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of participation for each agency. More than one agency is involved in all cases.

# Exhibit 3-10b. - FY 1988 Agency Participation\* in Investigations Resulting in Charges



\*U.S. Marshals Service and  
U.S. Attorneys participate in all cases.

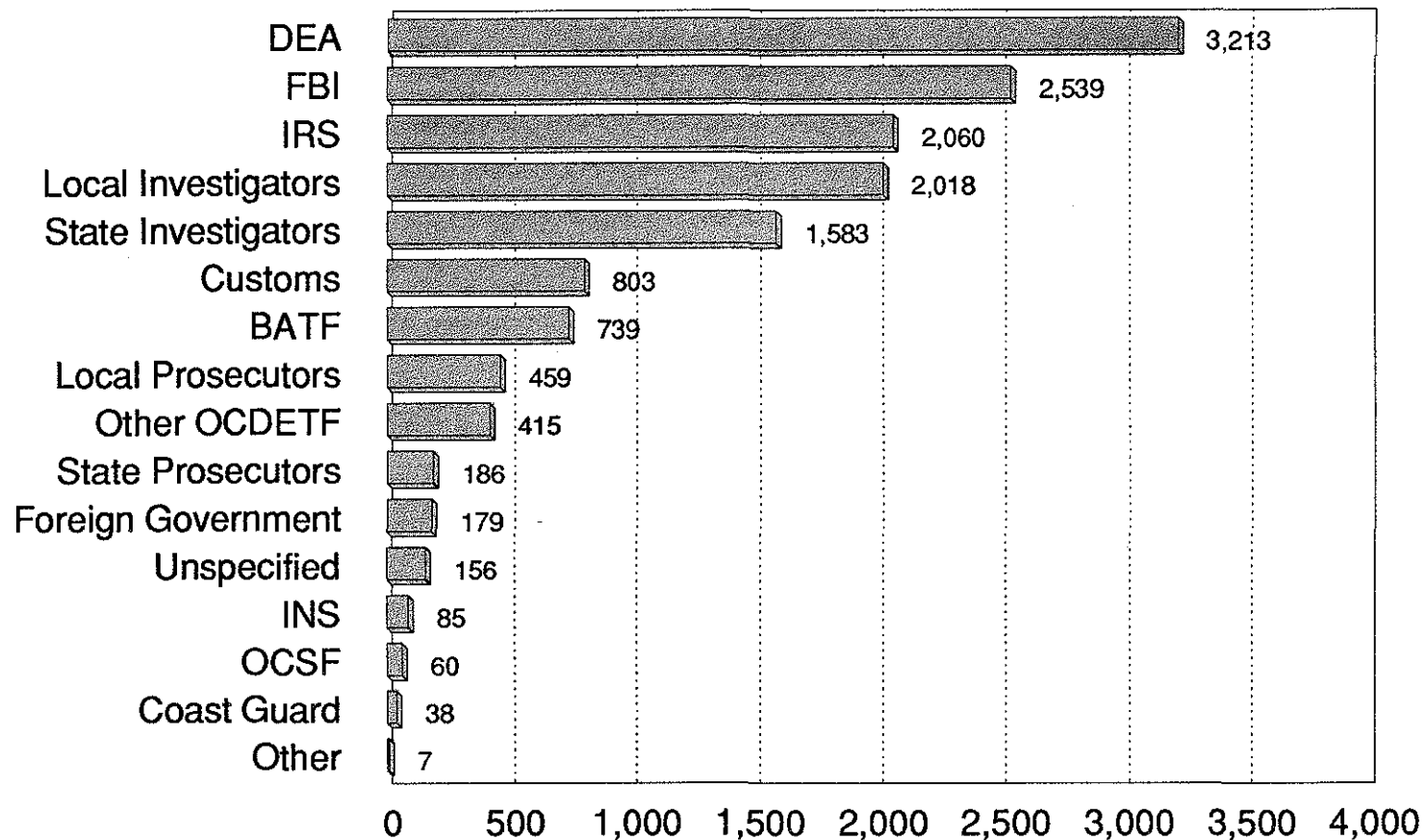
**Exhibit 3-10c. - FY 1983 through FY 1988**  
**Agency Participation in**  
**Investigations Resulting in Charges**

Agency	Number of Indictments and Informations*														Percentage N=4,917**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	64	121	255	24	362	153	240	95	112	80	198	270	44	2018	41.0%
FBI	43	210	317	26	337	142	323	67	176	115	254	437	92	2539	51.6%
IRS	78	140	408	55	273	87	253	44	107	76	153	259	127	2060	41.9%
Customs	76	84	39	24	108	19	66	7	69	31	3	153	124	803	16.3%
DEA	138	326	160	82	435	187	431	145	196	205	280	445	183	3213	65.3%
Local Prosecutors	3	25	20	5	120	61	46	3	13	57	54	37	15	459	9.3%
State Investigators	36	104	329	40	225	107	191	40	49	51	142	255	14	1583	32.2%
State Prosecutors	6	5	8	15	40	7	17	8	10	25	6	31	8	186	3.8%
Other OCDETF	17	35	24	15	62	18	32	7	20	41	11	78	55	415	8.4%
Foreign Government	12	18	6	14	12	2	15	8	20	35	13	12	12	179	3.6%
Organized Crime Strike Force (OCSF)	2	10	2	0	18	4	3	5	8	6	1	1	0	60	1.2%
Unspecified	5	6	32	1	44	21	6	1	5	3	6	19	7	156	3.2%
BATF	55	79	33	14	142	17	47	17	46	7	67	155	60	739	15.0%
Coast Guard	1	1	1	0	9	0	1	3	7	1	0	2	12	38	0.8%
INS	0	7	5	1	3	22	29	0	9	0	1	4	4	85	1.7%
Other	0	0	0	0	1	2	1	0	0	1	0	2	0	7	0.1%

\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of participation for each agency. More than one agency is involved in all cases.

# Exhibit 3-10d. - FY 1983 through FY 1988 Agency Participation\* in Investigations Resulting in Charges



\*U.S. Marshals Service and  
U.S. Attorneys participate in all cases.

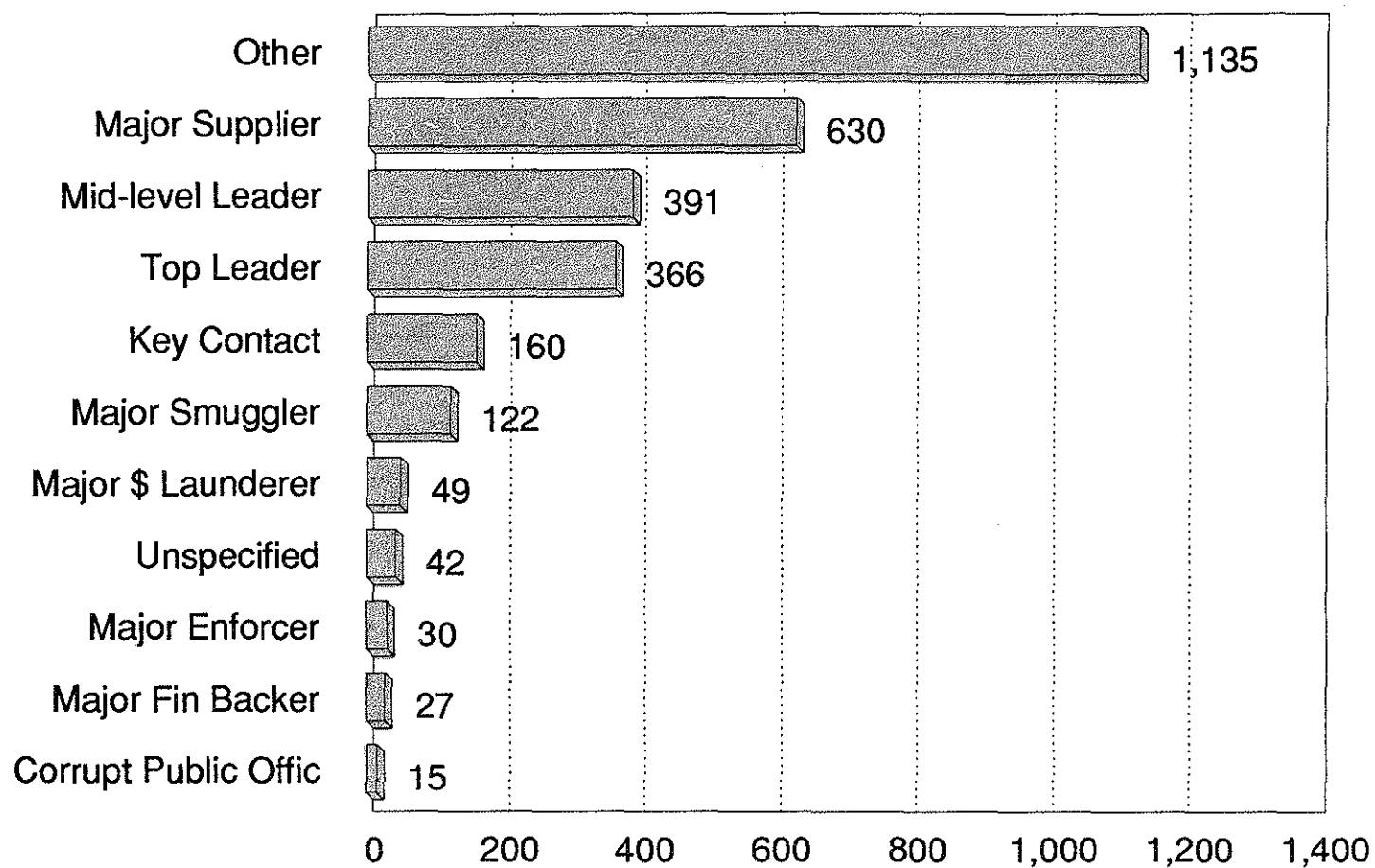
**Exhibit 3-11a. - FY 1988**  
**Defendants' Roles in Targeted Criminal Organizations**  
**Defendants Charged**

Role	Number of Defendants*														Percentage N=2,967**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Corrupt Public Official	2	1	5	0	0	0	1	1	1	0	0	1	3	15	0.5%
Key Contact	18	18	11	0	11	10	29	4	6	6	5	38	4	160	5.4%
Other	57	192	181	4	96	71	111	24	68	19	79	194	39	1135	38.3%
Major Supplier	15	48	62	2	20	52	154	18	14	53	39	143	10	630	21.2%
Major Financial Backer	2	6	1	0	1	1	3	1	1	0	4	7	0	27	0.9%
Top Leader	17	54	32	5	33	36	68	6	12	11	14	62	16	366	12.3%
Major Enforcer	3	1	0	0	0	4	2	1	3	0	3	12	1	30	1.0%
Mid-level Leader	25	69	14	0	24	49	75	10	14	7	31	61	12	391	13.2%
Major Money-launderer	8	7	3	1	3	0	5	0	1	4	1	15	1	49	1.7%
Major Smuggler	24	51	4	0	0	5	2	0	6	7	1	14	8	122	4.1%
Unspecified	6	1	4	1	1	18	2	0	1	1	2	2	3	42	1.4%

\* The number of defendants who performed this role in the criminal organization targeted in this investigation and prosecution. Note that if an individual was charged in more than one indictment or information, more than one entry is made for role.

\*\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency of involvement for each criminal role. Some defendants were charged in more than one indictment or information.

# Exhibit 3-11b. - FY 1988 Defendants' Roles in Targeted Criminal Organizations - Defendants Charged



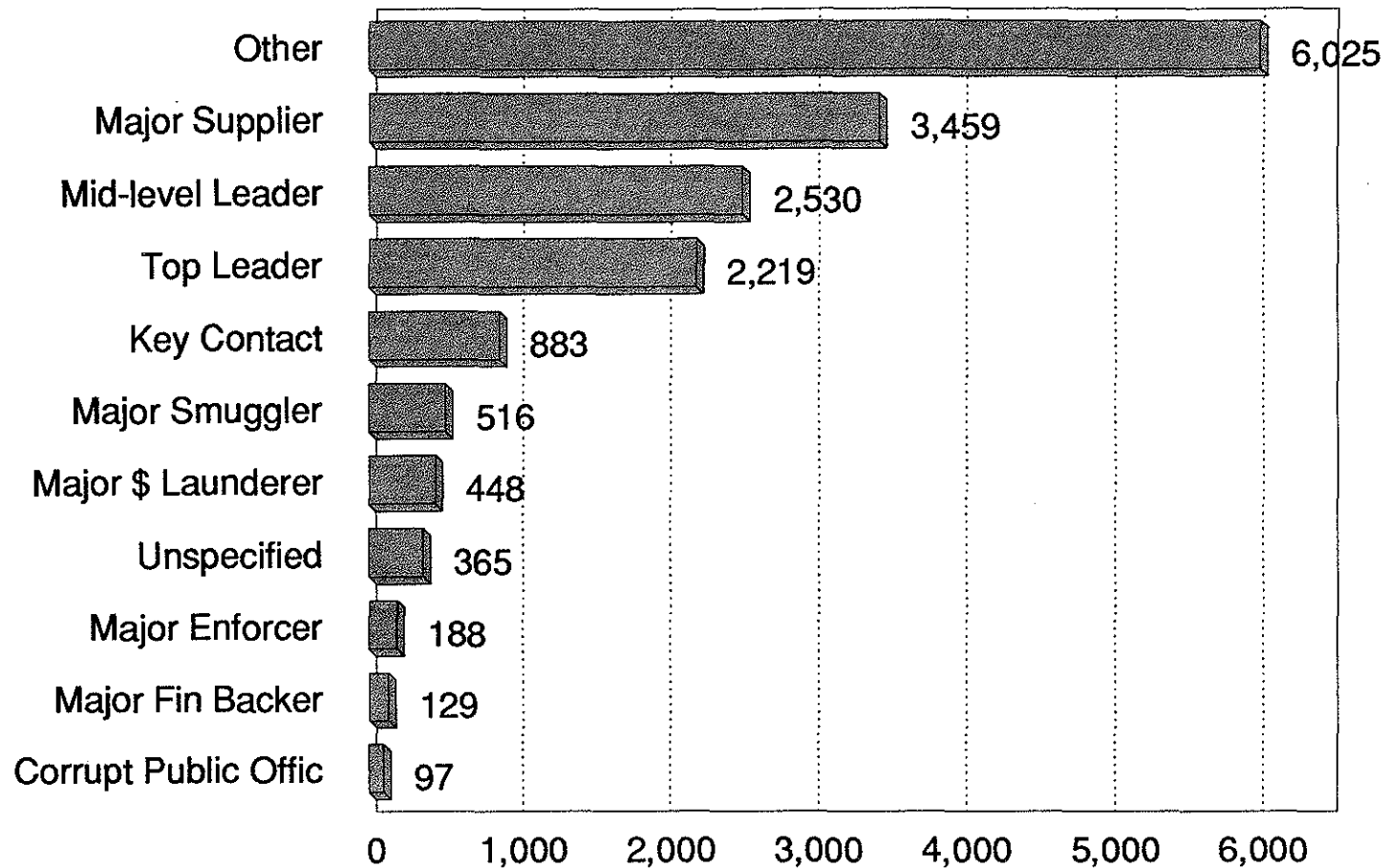
**Exhibit 3-11c. - FY 1983 through FY 1988  
Defendants' Roles in Targeted Criminal Organizations  
Defendants Charged**

Role	Number of Defendants*														Percentage N=16,859**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Corrupt Public Official	7	8	14	0	1	0	15	3	4	7	1	18	19	97	0.6%
Key Contact	65	105	82	16	88	28	110	30	31	81	51	129	67	883	5.2%
Other	304	578	861	124	825	252	452	255	366	423	390	762	433	6025	35.7%
Major Supplier	90	299	319	57	337	172	470	160	213	443	222	488	189	3459	20.5%
Major Financial Backer	11	14	11	3	11	2	8	3	5	16	10	27	8	129	0.8%
Top Leader	102	247	195	67	270	120	267	80	110	192	126	288	155	2219	13.2%
Major Enforcer	8	19	18	1	12	8	12	12	16	16	14	29	23	188	1.1%
Mid-level Leader	116	258	242	52	261	323	285	102	117	153	120	351	150	2530	15.0%
Major Money-launderer	69	53	18	64	19	3	32	18	23	44	11	42	52	448	2.7%
Major Smuggler	62	96	65	9	44	6	14	14	36	35	14	71	50	516	3.1%
Unspecified	23	14	33	2	56	28	25	27	8	55	11	42	41	365	2.2%

\* The number of defendants who performed this role in the criminal organization targeted in this investigation and prosecution. Note that if an individual was charged in more than one indictment or information, more than one entry is made for role.

\*\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency of involvement for each criminal role. Some defendants were charged in more than one indictment or information.

# Exhibit 3-11d. - FY 1983 through FY 1988 Defendants' Roles in Targeted Criminal Organizations - Defendants Charged

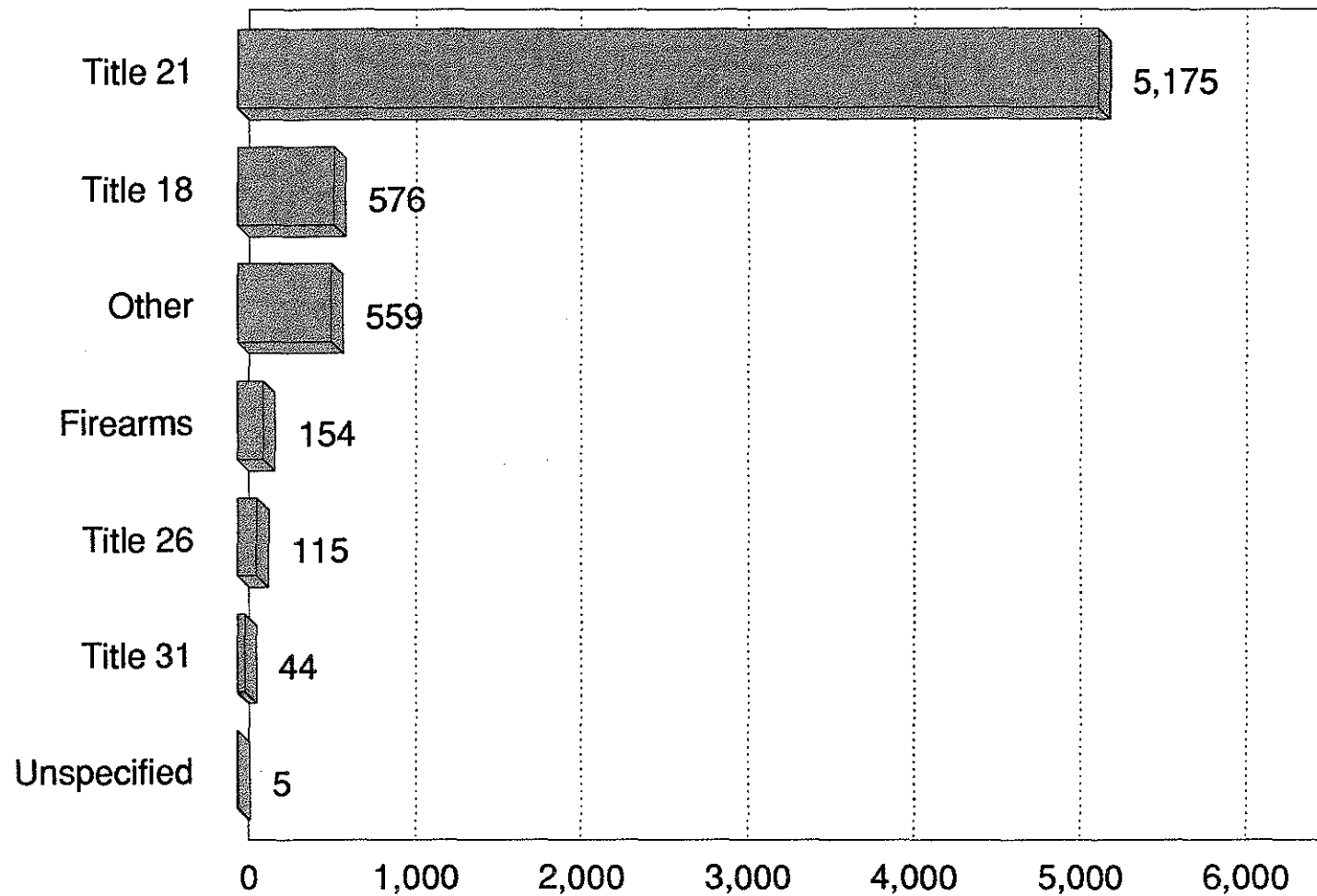


**Exhibit 3-12a - FY 1988  
Offenses Charged  
Defendants Charged**

Offense	Number of Defendants Charged														Percentage N=2,967*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Title 18: RICO	9	6	13	0	0	2	4	0	0	2	9	10	0	55	1.9%
Title 21: Importation	67	182	8	1	41	26	24	0	27	2	6	92	12	488	16.4%
Title 21: Use of Communication Facility	0	36	49	0	21	40	97	2	27	0	23	68	9	372	12.5%
Title 18: ITAR	3	117	25	0	15	24	58	0	10	9	17	43	18	339	11.4%
Title 21: Distribution	63	319	238	10	115	183	287	37	94	45	74	331	45	1841	62.0%
Other	24	191	44	3	51	41	60	8	12	21	16	82	6	559	18.8%
Title 21: Conspiracy	146	393	184	9	119	149	388	55	103	101	146	430	86	2309	77.8%
Title 26: Tax Violations	3	6	29	1	10	7	23	3	1	9	9	12	2	115	3.9%
Title 21: CCE	8	15	7	0	2	11	11	4	8	3	7	17	4	97	3.3%
Title 18: Tax Conspiracy	3	0	10	1	2	0	5	2	2	1	4	12	0	42	1.4%
Title 18: Non-tax Conspiracy	30	23	9	0	5	0	11	0	7	0	0	9	45	139	4.7%
Title 18: Hobbs Act	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0.0%
Title 31: Currency Violations	9	3	3	0	6	1	3	0	5	0	1	10	3	44	1.5%
Title 18, 26: Firearms	4	22	17	0	13	20	6	3	11	10	16	25	7	154	5.2%
Title 21: Manufacture	15	10	0	3	2	8	6	0	6	1	1	15	1	68	2.3%
Unspecified	0	0	0	0	1	2	0	0	0	0	1	1	0	5	0.2%

\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency with which each offense is charged. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

# Exhibit 3-12b. - FY 1988 Offenses Charged

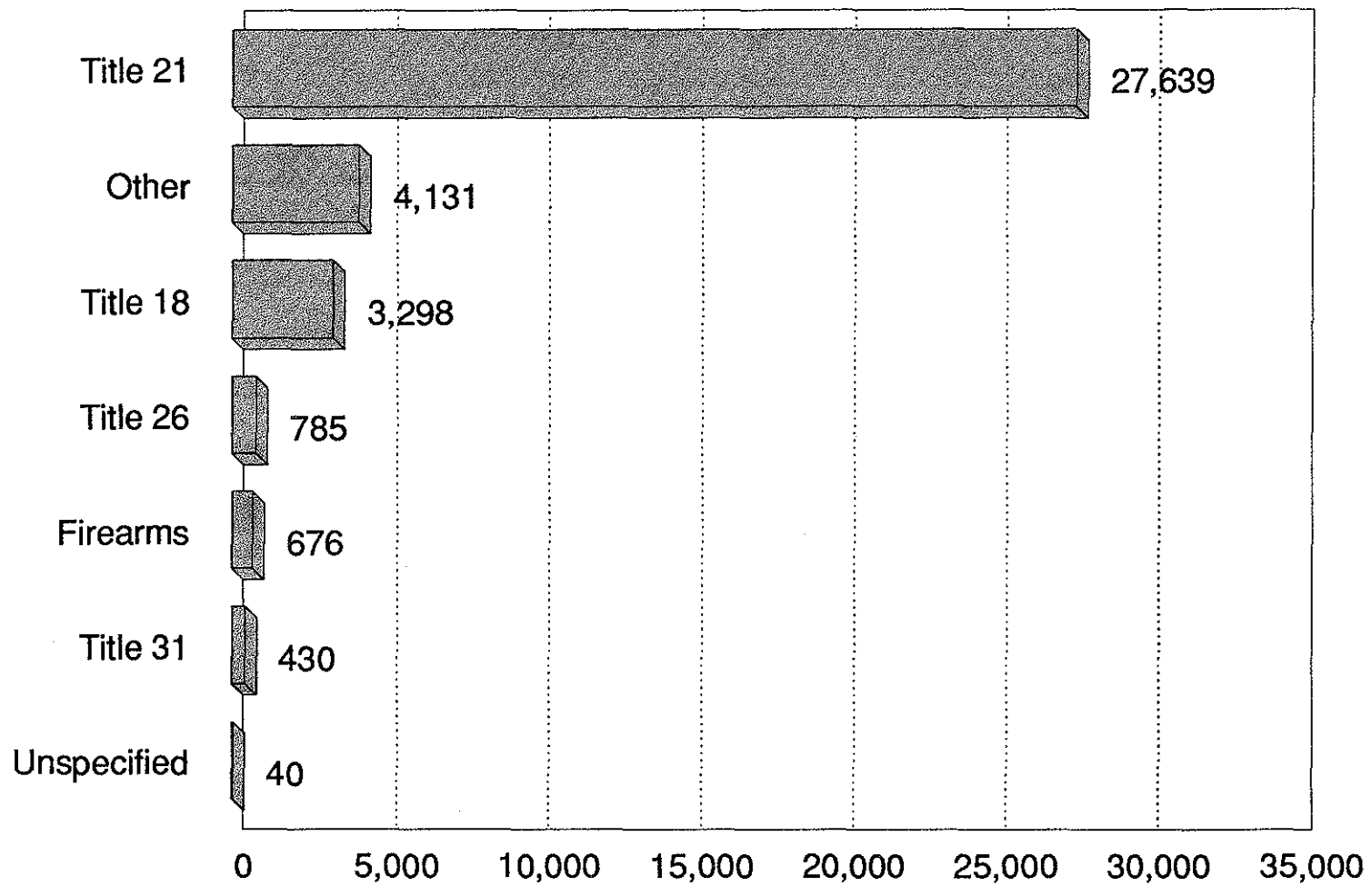


**Exhibit 3-12c. - FY 1983 through FY 1988**  
**Offenses Charged**  
**Defendants Charged**

Offense	Number of Defendants Charged														Percentage N=16,859*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Title 18: RICO	120	100	183	7	83	12	115	30	5	123	19	85	52	934	5.5%
Title 21: Importation	281	519	86	22	152	56	97	85	142	137	29	483	177	2266	13.4%
Title 21: Use of Communication Facility	26	160	244	32	213	256	414	62	152	187	163	258	168	2335	13.9%
Title 18: ITAR	33	269	232	29	200	110	213	32	135	68	85	323	166	1895	11.2%
Title 21: Distribution	381	1022	1054	217	1058	639	914	419	585	574	316	1275	468	8922	52.9%
Other	191	486	403	140	461	319	412	73	208	448	197	407	386	4131	24.5%
Title 21: Conspiracy	556	1338	1302	327	1464	739	1294	614	765	1205	716	1657	951	12928	76.7%
Title 26: Tax Violations	22	79	145	9	113	35	93	18	35	34	63	96	43	785	4.7%
Title 21: CCE	44	70	102	12	94	30	92	20	64	61	60	96	39	784	4.7%
Title 18: Tax Conspiracy	22	29	122	46	25	13	41	16	19	9	34	39	54	469	2.8%
Title 18: Non-tax Conspiracy	96	69	72	26	39	2	17	1	26	33	8	60	166	615	3.6%
Title 18: Hobbs Act	1	6	5	0	1	11	2	0	0	0	2	2	0	30	0.2%
Title 31: Currency Violations	50	24	24	39	42	9	25	1	33	36	4	56	87	430	2.6%
Title 18, 26: Firearms	37	64	50	16	86	41	23	23	68	28	39	111	90	676	4.0%
Title 21: Manufacture	24	53	35	15	47	9	16	2	106	3	26	32	36	404	2.4%
Unspecified	8	0	4	0	1	3	4	0	1	8	2	3	6	40	0.2%

\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency with which each offense is charged. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

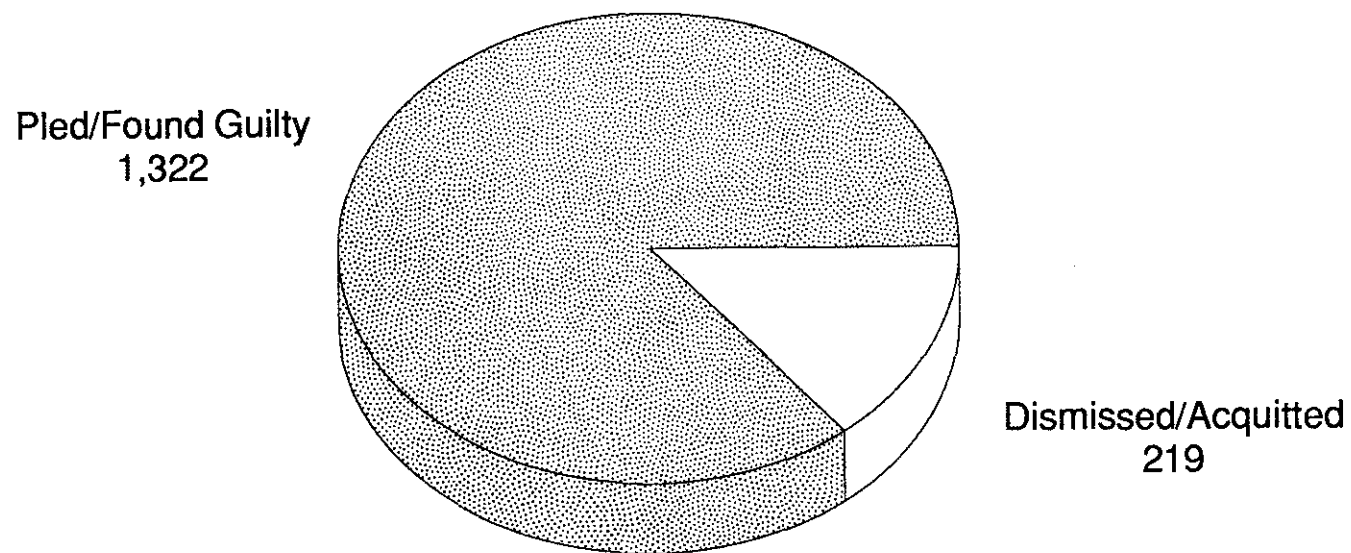
# Exhibit 3-12d. - FY 1983 through FY 1988 Offenses Charged



**Exhibit 3-13a. - FY 1988  
Dispositions by Defendant in  
Cases Adjudicated**

Disposition	Number of Defendants													Percentage of Adjudicated Defendants N=1,541	
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Pled/Found Guilty	29	156	206	27	199	86	155	4	79	50	76	174	81	1322	85.8%
Dismissed/Acquitted on All Charges	4	39	16	3	30	9	12	1	14	14	13	43	21	219	14.2%
Disposition Information not Available	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

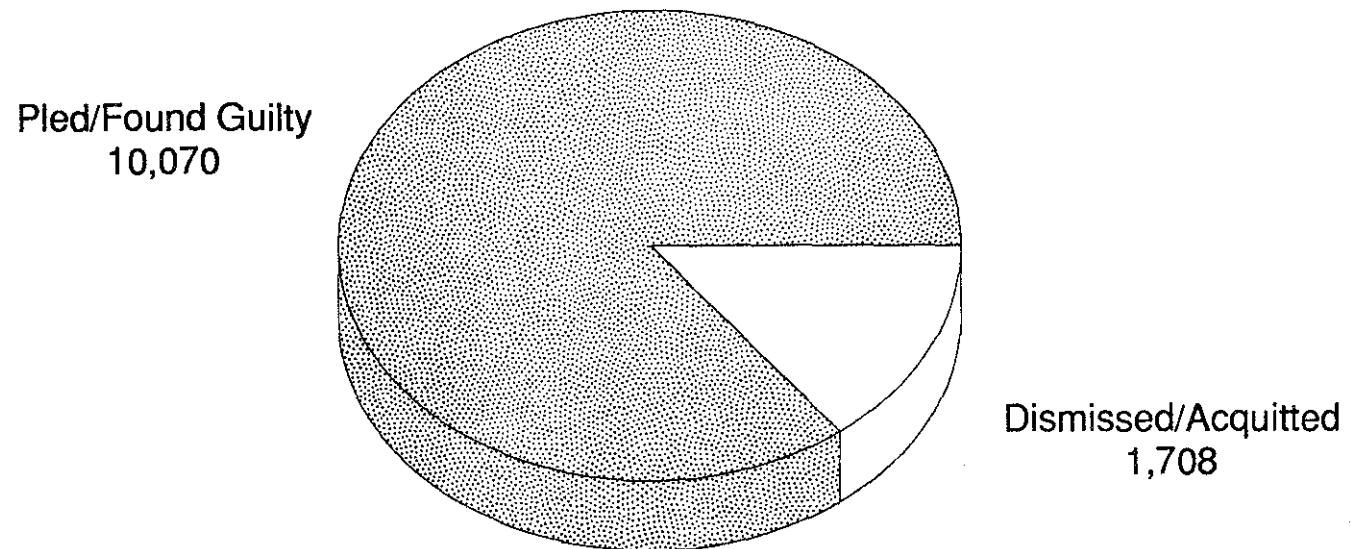
### Exhibit 3-13b. - FY 1988 Dispositions by Defendant



**Exhibit 3-13c. - FY 1983 through FY 1988  
Dispositions by Defendant in  
Cases Adjudicated**

Disposition	Number of Defendants														Percentage of Adjudicated Defendants N=11,788
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Pled/Found Guilty	301	914	1200	211	1370	594	957	454	516	948	691	1299	615	10070	85.4%
Dismissed/Acquitted on All Charges	72	190	166	34	208	113	132	50	61	201	82	242	157	1708	14.5%
Disposition Information not Available	0	0	5	0	0	0	1	0	1	1	0	0	2	10	

# Exhibit 3-13d. - FY 1983 through FY 1988 Dispositions by Defendant\*



\*Disposition information is not available for 10 defendants.

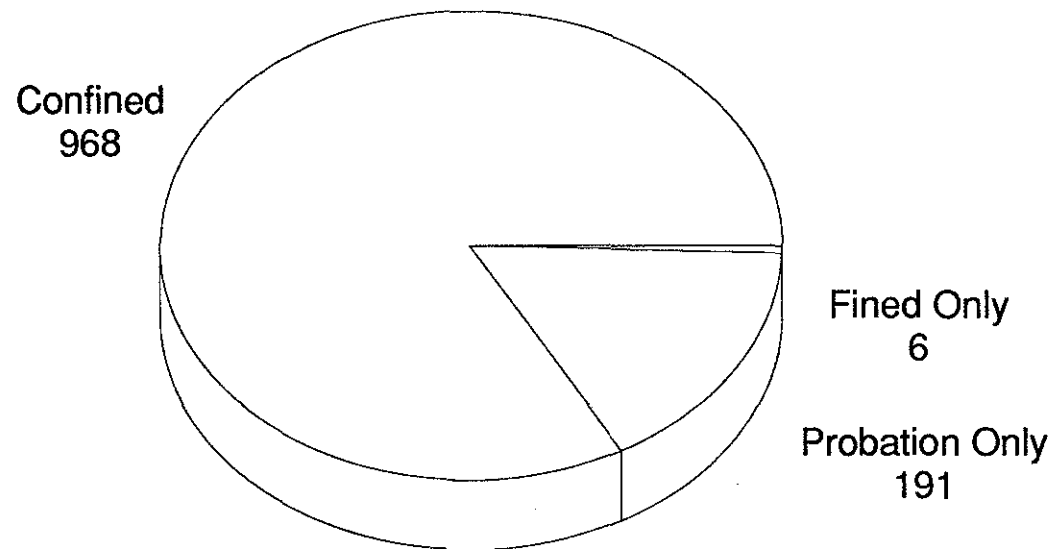
**Exhibit 3-14a. - FY 1988  
Sentences Imposed on Defendants  
Convicted**

	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=1,165
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Confined	17	125	138	23	153	69	128	3	56	31	46	135	44	968	83.1%
Probation Only	6	26	32	4	25	11	23	0	22	7	3	16	16	191	16.4%
Fined Only	0	0	1	0	1	1	1	0	1	0	0	1	0	6	0.5%
Convicted but No Sentencing Data*	6	5	35	0	20	5	3	1	0	12	27	22	21	157	

\* Includes deferred sentences and/or "no sentence rendered yet."

Note: The total number of defendants convicted is 1,322; no sentencing data was available for 157 defendants.

# Exhibit 3-14b. - FY 1988 All OCDETF Convictions\*



\*157 defendants have been convicted but not yet sentenced.

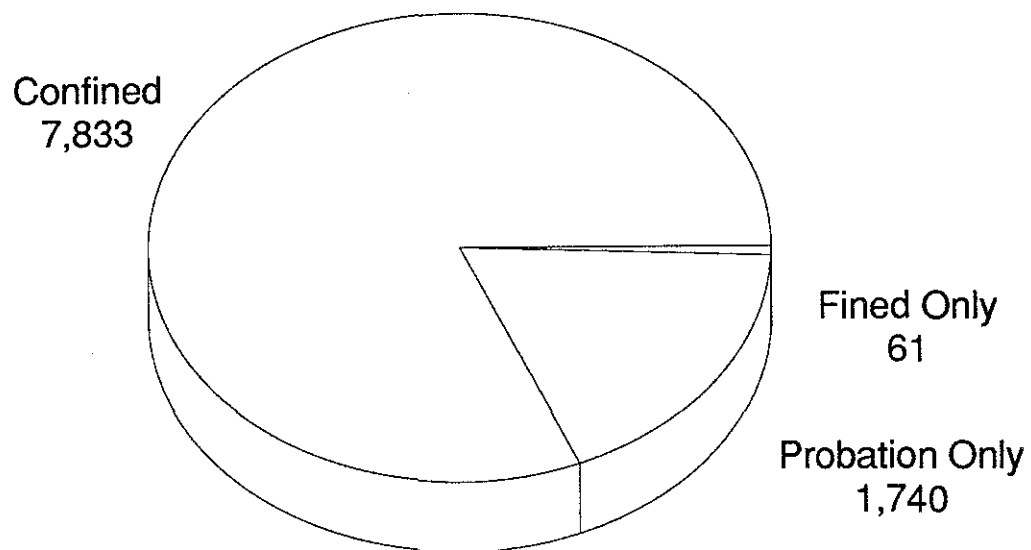
**Exhibit 3-14c. - FY 1983 through FY 1988  
Sentences Imposed on Defendants  
Convicted**

	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=9,634
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Confined	258	764	901	174	1120	457	777	376	399	617	555	1081	354	7833	81.3%
Probation Only	29	121	245	29	220	121	161	69	114	211	92	162	166	1740	18.1%
Fined Only	2	1	7	0	4	1	8	5	2	13	7	9	2	61	0.6%
Convicted but No Sentencing Data*	12	28	47	8	26	15	11	4	1	107	37	47	93	436	

\*Includes deferred sentences and/or "no sentence rendered yet."

Note: The total number of defendants convicted is 10,070; no sentencing data was available for 436 defendants.

# Exhibit 3-14d. - FY 1983 through FY 1988 All OCDETF Convictions\*



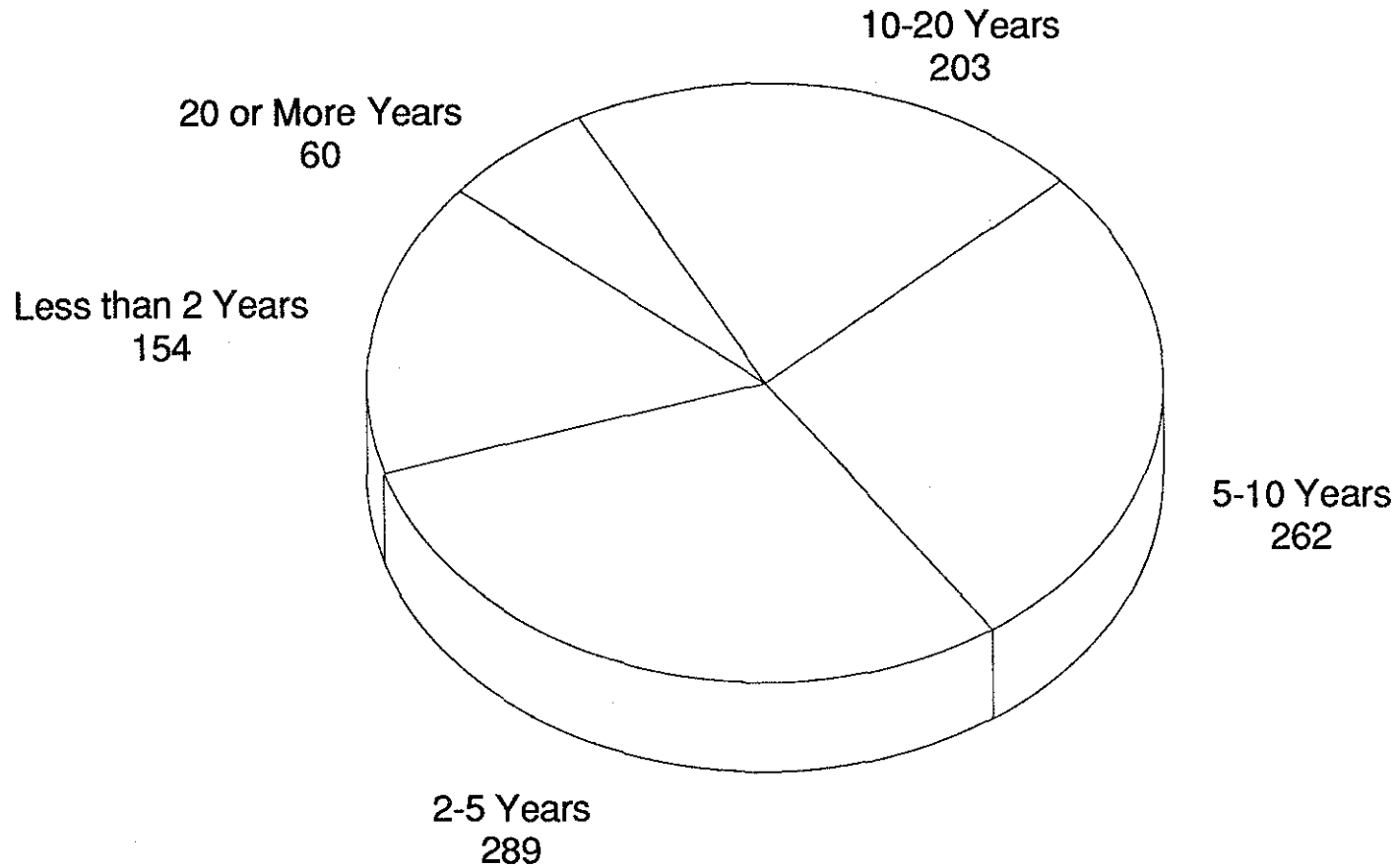
\*436 defendants have been convicted but not yet sentenced.

**Exhibit 3-15a. - FY 1988  
Net Prison Terms Imposed\* on  
Defendants Sentenced to Confinement**

Term	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=968
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
1 Month to 1 Year, 11 Months	2	12	28	7	24	14	23	0	10	2	11	14	7	154	15.9%
2 Years to 4 Years, 11 Months	8	23	47	3	34	39	36	1	19	13	16	31	19	289	29.9%
5 Years to 9 Years, 11 Months	5	44	30	4	48	8	31	0	15	8	13	39	17	262	27.1%
10 Years to 14 Years, 11 Months	1	18	18	6	25	4	15	2	5	3	3	33	1	134	13.8%
15 Years to 19 Years, 11 Months	0	15	5	1	10	4	14	0	5	3	3	9	0	69	7.1%
20 Years to 24 Years, 11 Months	1	8	2	1	4	0	1	0	0	0	0	3	0	20	2.1%
25 Years to 44 Years, 11 Months	0	4	6	1	7	0	5	0	0	1	0	4	0	28	2.9%
45 Years or More	0	1	2	0	1	0	3	0	2	1	0	2	0	12	1.2%

\* The total of all consecutive sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).

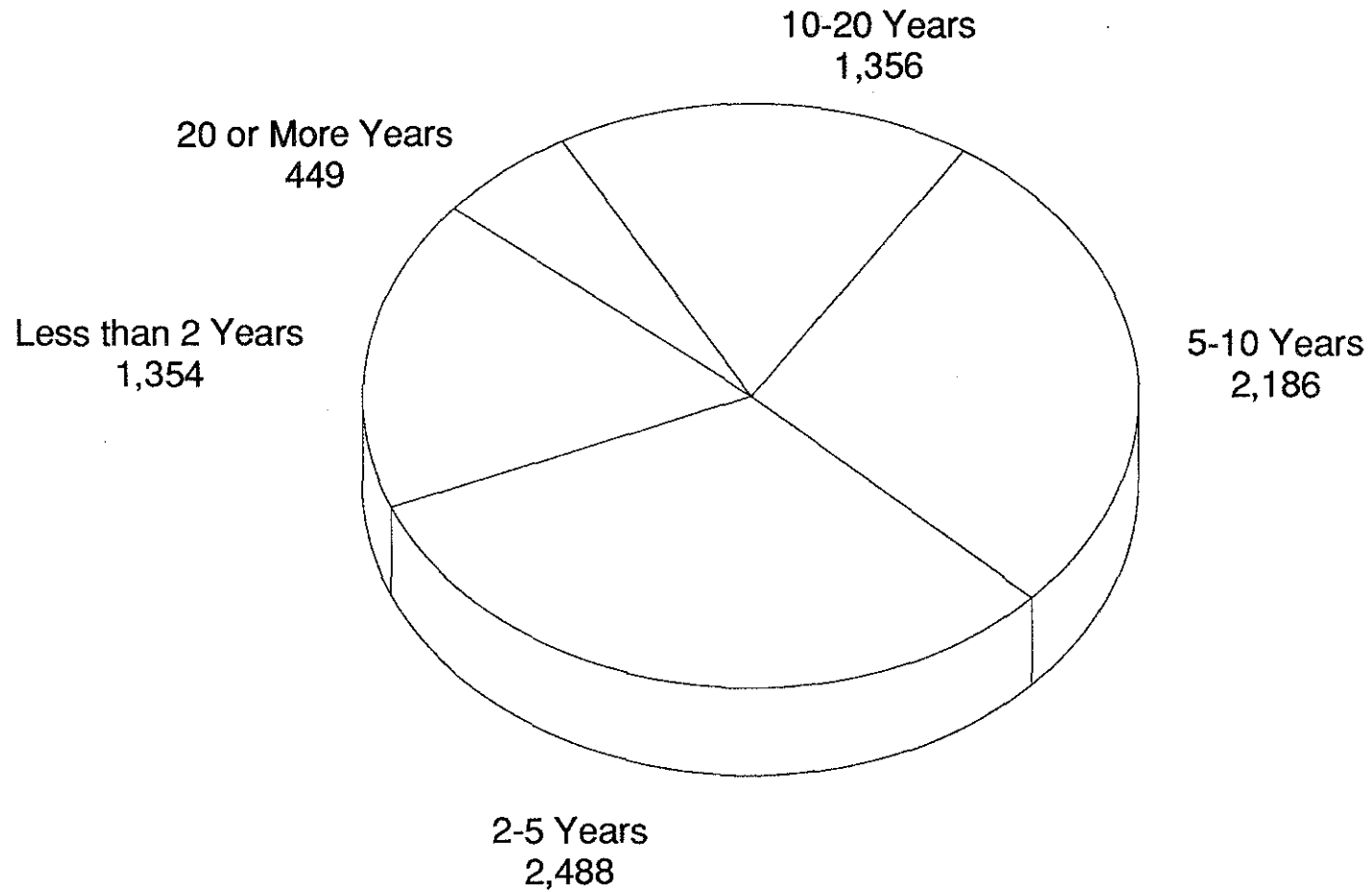
**Exhibit 3-15b. - FY 1988**  
**Net Prison Terms Imposed on Defendants**  
**Sentenced to Confinement**



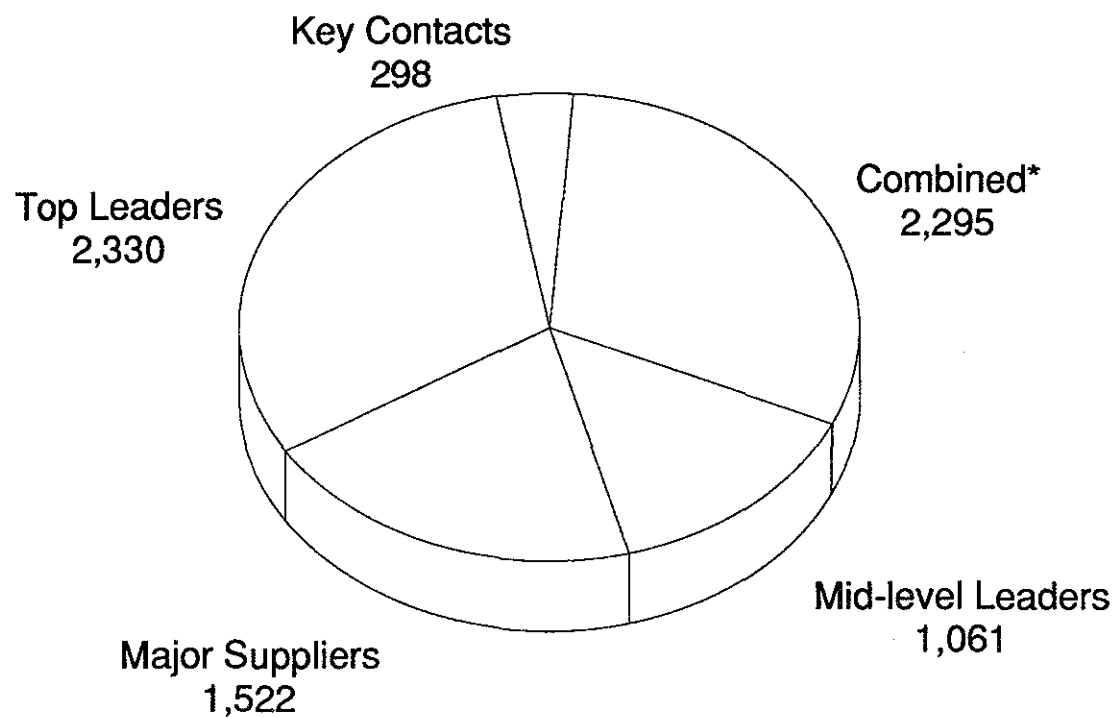
**Exhibit 3-15c. - FY 1983 through FY 1988  
Net Prison Terms Imposed\* on  
Defendants Sentenced to Confinement**

Term	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=7,833
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
1 Month to 1 Year, 11 Months	25	99	193	34	217	97	134	61	77	97	108	108	104	1354	17.3%
2 Years to 4 Years, 11 Months	84	196	286	45	308	186	259	156	127	232	203	286	120	2488	31.8%
5 Years to 9 Years, 11 Months	88	243	233	48	328	108	195	91	107	159	141	361	84	2186	27.9%
10 Years to 14 Years, 11 Months	26	105	97	28	142	39	94	38	48	62	43	163	25	910	11.6%
15 Years to 19 Years, 11 Months	15	58	42	12	63	19	41	12	25	31	34	84	10	446	5.7%
20 Years to 24 Years, 11 Months	13	32	22	3	17	4	24	7	7	13	13	30	4	189	2.4%
25 Years to 44 Years, 11 Months	6	24	21	3	37	3	24	10	6	16	9	36	5	200	2.6%
45 Years or More	1	7	7	1	8	1	6	1	2	7	4	13	2	60	0.8%
* The total of all consecutive sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).															

Exhibit 3-15d. - FY 1983 through FY 1988  
Net Prison Terms Imposed on Defendants  
Sentenced to Confinement

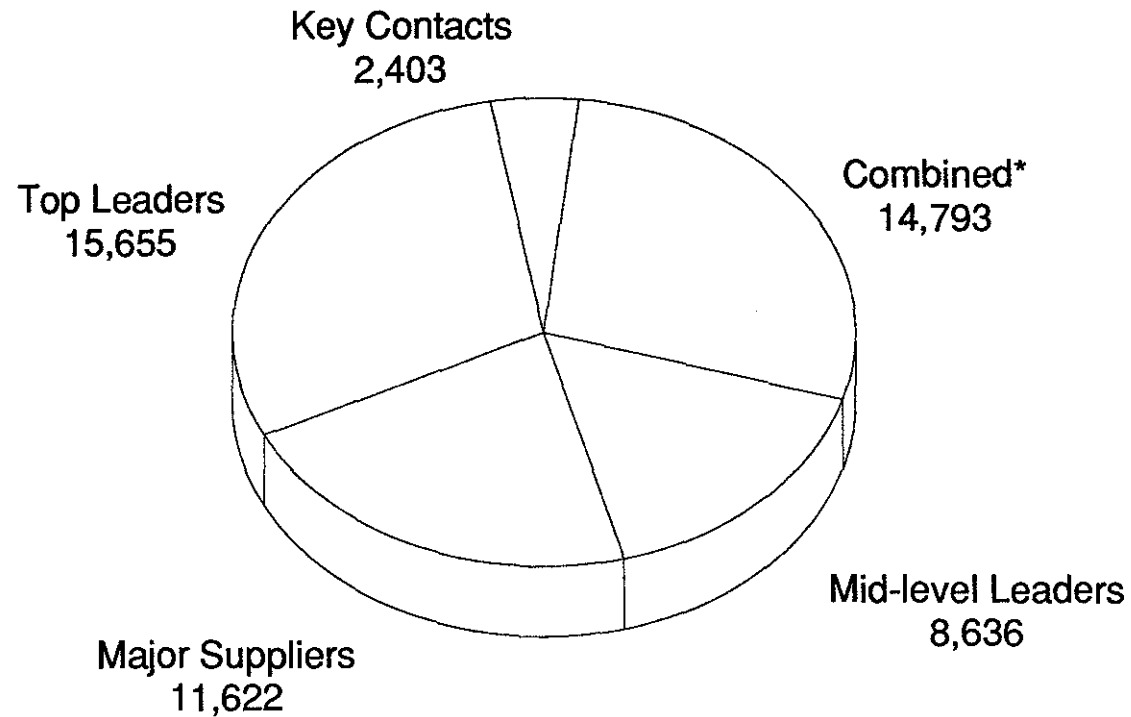


**Exhibit 3-16a. - FY 1988**  
**Total Number of Years of Imprisonment**  
**by Criminal Role**



\*Other 1,805; Corrupt Officials 24;  
Smugglers 116; Financiers 123;  
Money Launderers 190; Enforcers 37.

**Exhibit 3-16b. - FY 1983 through FY 1988  
Total Number of Years of Imprisonment  
by Criminal Role**



\*Other 11,477; Corrupt Officials 213;  
Smugglers 1,249; Financiers 436;  
Money Launderers 737; Enforcers 681.

Exhibit 3-17a. - FY 1988  
OCDETF Convictions

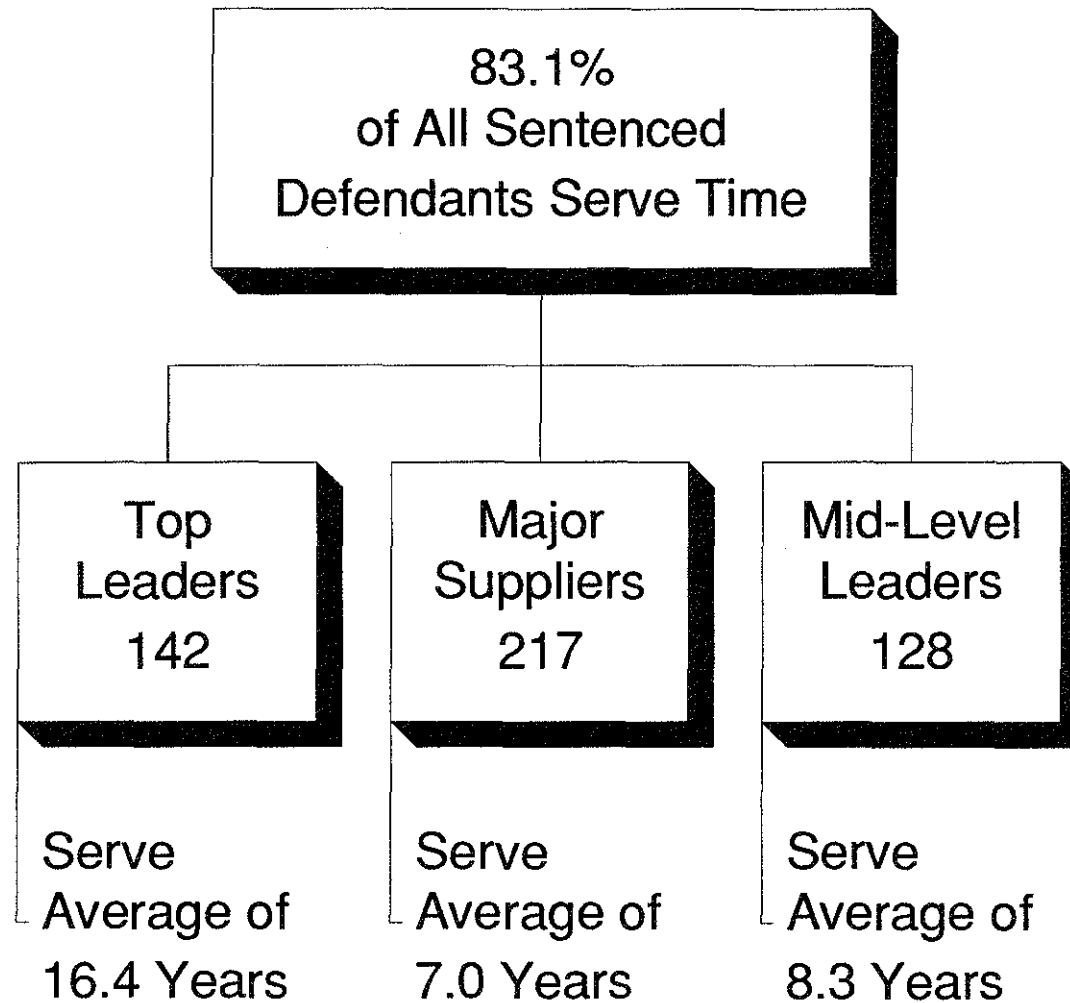


Exhibit 3-17b. - FY 1983 through FY 1988  
OCDETF Convictions

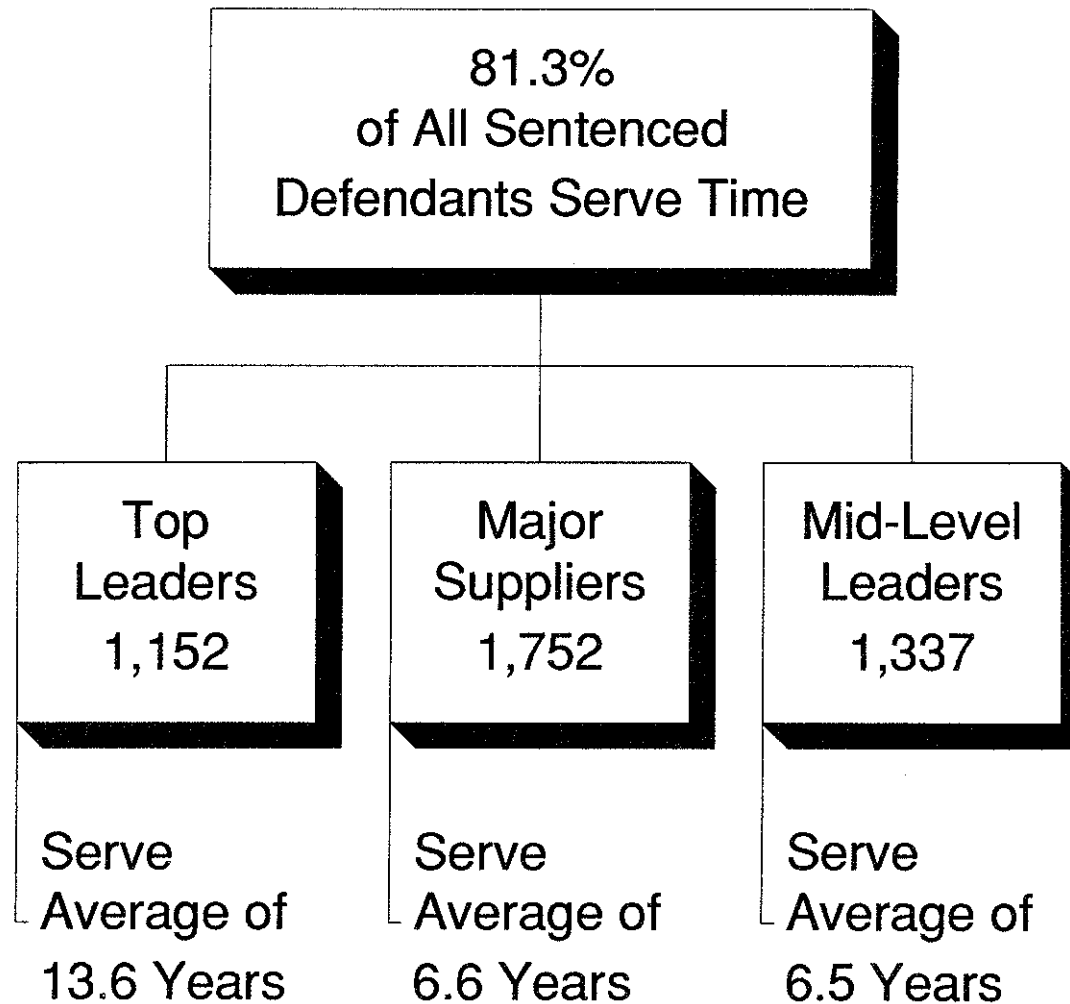
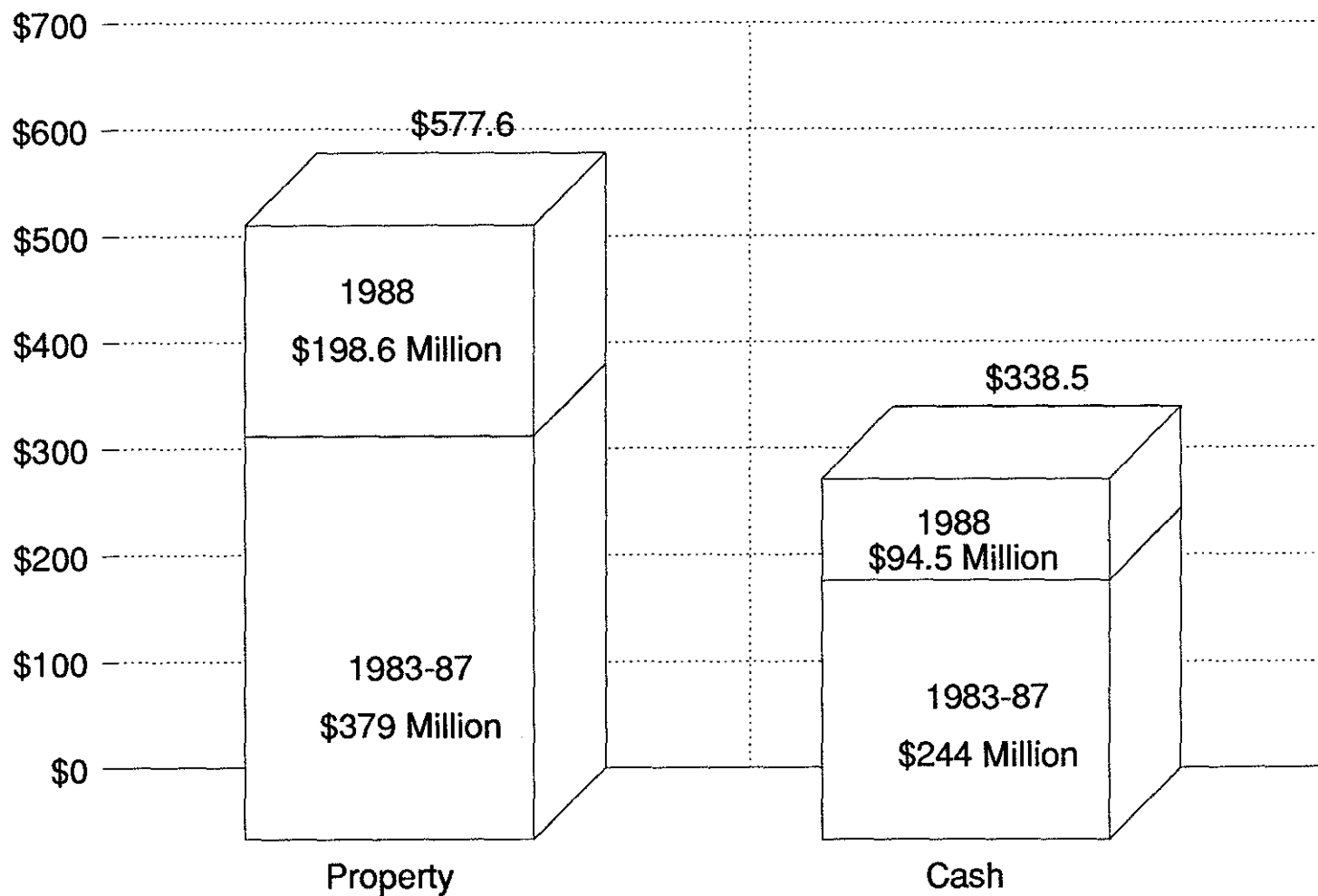


Exhibit 3-18 - FY 1983 through FY 1988  
Non-Drug Assets Seized



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## IV.

# Legislative Initiatives

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The Comprehensive Crime Control Act of 1984 and the Anti-Drug Abuse Act of 1986 strengthened both the investigative and the prosecutorial arms of the Task Force Program as outlined in earlier OCDETF reports. In 1988, additional legislation was passed that provides Task Force personnel with more effective means of combatting drug abuse both nationally and internationally.

### **The Anti-Drug Abuse Act of 1988**

The Anti-Drug Abuse Act of 1988 was signed into law on November 21, 1988, as Public Law 100-690. The legislation was designed to complement earlier statutes and to provide for an omnibus Federal, State, and local effort to combat illicit substance abuse. It calls for the creation of a Cabinet-level position to centralize and streamline Federal activities with respect to both drug supply (eradication, interdiction, and law enforcement) and drug demand (prevention, education, and treatment). It expands Federal support to ensure a long-term commitment of resources and personnel for substance abuse education, for treatment and rehabilitation efforts, and for strengthening and improving the enforcement of narcotics statutes.

### **Summary of Drug-Related Provisions**

The following provisions of Public Law 100-690 will be of great assistance in Federal drug law enforcement as well as in demand reduction:

#### ***Title I, Coordination of National Drug Policy***

This title establishes in the Executive Office of the President the Office of National Drug Control Policy, headed by a Director with two Deputy Directors—one for demand reduction, the second for supply reduction. A Bureau of State and Local Affairs

is also established. The Director is required to prepare a national drug-control strategy and to make recommendations to the President on changes in the organization, management, and budgets of Federal departments and agencies engaged in drug enforcement. The strategy will be submitted to Congress on an annual basis. The Director is further charged with developing a yearly, consolidated drug-control budget with the advice of the appropriate Federal agencies. The Director is also charged with certifying as to the adequacy of each agency's budget request with regard to implementation of the drug-control strategy. "Veto" authority over reprogramming of more than \$5 million is granted.

***The Anti-Drug Abuse Act of 1988  
... calls for the creation of a  
Cabinet-level position to central-  
ize and streamline Federal activi-  
ties with respect to both drug  
supply ... and drug demand***

The Director and the Attorney General are required to report to Congress by November 21, 1989, on possible organizational changes within the Department of Justice that would promote better criminal and civil law enforcement.

Finally, Title I requires the Attorney General, beginning in FY 1990, to submit a consolidated appropriations request for all expenses relating to the Organized Crime Drug Enforcement Task Force Program by all participating Federal agencies.

#### ***Title II, Treatment and Prevention Programs***

This title authorizes funds for a variety of programs and studies on drug and alcohol abuse

treatment. It also provides penalties and fines for persons convicted of trafficking in anabolic steroids for human consumption and requires a General Accounting Office (GAO) study on the use of anabolic steroids and human growth hormones. A final section requires the establishment of a Federal Task Force on Illegal Drug Laboratories to formulate and implement a plan for the cleanup and disposal of hazardous waste produced by illicit drug laboratories as well as authorizes an Attorney General Grant Program to enable such cleanup to be undertaken by State and local governments.

### ***Title III, Drug Abuse Education and Prevention***

This title authorizes funds for education and prevention programs to reduce participation in youth gangs, assist runaway and homeless youth, and establish community programs for young adults.

### ***Title IV, the International Narcotics Control Act of 1988***

This title authorizes funds for international narcotics control programs, including the training of foreign law enforcement personnel, and for military assistance for anti-narcotics efforts. It also requires the Secretary of State to develop a multinational plan to reduce the international cocaine trade and directs the Ambassador to the Organization of American States to begin diplomatic initiatives on the formation of a multinational force to conduct operations against international drug trafficking. It urges the Treasury Secretary to negotiate with his foreign counterparts to establish an international currency control agency that would encourage the adoption of uniform cash transaction and money laundering statutes as well as maintain and make

available to U.S. law enforcement officials data concerning large U.S. currency transactions.

### ***Title V, User Accountability***

This title terminates the tenancy of public housing tenants who engage in criminal drug activity on or near public housing. Termination would also be effectuated by similar activity by members of the tenants' households or the tenants' guests. This section also calls for all Federal contractors or grant recipients to certify that they provide a drug-free workplace by informing employees that the use of illegal drugs will result in sanctions against them. It also gives courts, at their discretion, the ability to deny a wide range of Federal benefits to individuals convicted of drug-related offenses.

### ***Title VI, the Anti-Drug Abuse Amendments of 1988***

This title requires individuals engaged in regulated transactions of certain precursor chemicals used in the manufacturing of controlled substances to maintain records of transactions and to make them available to the Attorney General upon request. It also requires the development of "innocent owner" regulations to ensure that no conveyance used in drug-related violations would be forfeited if it can be established that the violation occurred without the knowledge or consent of the owner.

### ***Title VII, Death Penalty and Other Criminal Law Enforcement***

This title allows the imposition of the death penalty for persons convicted of engaging in, or working in furtherance of, a drug-related felony that results in the death of an individual.

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## V.

# Conclusion

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This Annual Report of the Organized Crime Drug Enforcement Task Force Program concentrates on two specific aspects of the war on drugs. The first focus is on the current availability and patterns of abuse of those substances that constitute the drug traffickers' illicit pharmacy, followed by a description of the evolving and emerging trafficking organizations themselves. This section identifies elements which illustrate the fluidity of the organizations and describes the ways in which they reshape themselves and their alliances with other manufacturing, trafficking, and money laundering groups.

The second focus of this Annual Report is on the accomplishments of the 13 Organized Crime Drug Enforcement Task Forces. By presenting both the statistics for FY 1988 and the cumulative statistics for the activities of the Task Forces from inception in October 1982 through FY 1988, it becomes obvious that the OCDETF Program is living up to the promise its designers envisioned. Thus, while avoiding the creation of a new bureaucracy, Federal investigative and prosecutorial agencies have been able to join with each other and their State and local counterparts to implement a program that has become the principal force in the war on the top leadership of the drug trafficking organizations.

Having stated this, it is understandable that skeptics might decry the OCDETF effort--citing the relentless parade of drug-related violence that has become a numbing staple of daily newspaper and television reports. Responding to the skeptics is best done by citing the cumulative statistics of the OCDETF Program and by asking: what would the news reports be were it not for the successes of the Task Forces over the last six years?

These successes were not the product of chance nor did they result from conducting business as usual. Rather, they are attributable to the effectiveness of the flexible OCDETF structure hammered out in late 1982 and early 1983. The Task Forces have fostered an environment in which inter-agency

rivalries give way to the development of creative responses to common problems.

Not specifically emphasized in the body of this Annual Report, but nonetheless worthy of mention in any summary of the achievements of the OCDETF Program, is the extent to which the individuals participating in the Task Forces--be they Federal, State, or local, investigative or prosecutorial--have subordinated agency chauvinism to the goal of dismantling drug trafficking organizations.

***Visits to the Task Force offices  
have uncovered example after  
example of men and women  
working together in ways many  
thought not possible prior to their  
involvement in the OCDETF  
Program.***

Visits to the Task Force offices have uncovered example after example of men and women working together in ways many thought not possible prior to their involvement in the OCDETF Program. This is especially gratifying to those responsible for the implementation of the Program who saw that one measure of success would be the ability of those assigned to Task Force cases to respond creatively, quickly, and aggressively to the changing nature of organized criminal enterprises. This unique ability to tailor responses to meet new challenges is illustrated by the following examples:

- o Among the most violent and rapidly expanding drug trafficking groups are the Jamaican posses. In 1987, it became apparent that four of these--the Shower, Waterbase, Spangler, and

Montego Bay posses--had become prime actors in the importation and distribution of cocaine and marijuana in the Cleveland, Ohio, area. The Great Lakes Task Force responded in 1988 by creating the Caribbean Task Force for the Northern District of Ohio. The Task Force is co-housed in the offices of the United States Attorney and consists of 15 full-time and nine part-time agents and attorneys. The Task Force is complemented by the Special Weapons and Tactics (SWAT) Team of the Cleveland Police Department. Twelve Federal, State, and local agencies are currently actively participating in the program.

- o The increased involvement of Los Angeles street gangs in drug trafficking and firearms violations triggered the development of a dedicated unit within the Los Angeles-Nevada Task Force to combat the gangs' influence. Under the direction of the United States Attorney's office, the Los Angeles Gang Task Force combines the intelligence and operational skills of Federal, State, and local law enforcement agencies and is viewed as a model for street gang investigations and prosecutors throughout the country.
- o Jointly developed and shared intelligence is essential to the Task Force Program goal. Innovative FBI and DEA leaders recognized this and developed a creative response in the form of the FBI/DEA Intelligence Unit in Miami. The Florida-Caribbean Task Force has relied heavily on the products of this intelligence unit. This joint

intelligence unit concept is being replicated in other Task Forces.

- o One important feature of the OCDETF model has been the provision of a special fund from which to reimburse State and local law enforcement agencies for overtime and travel expenses incurred in conjunction with Task Force cases. In response to the growing narcotics problem in its region, the Gulf Coast Task Force has, over the years, expanded the scope of its funding of State and local participation. To better coordinate and control this expanding effort, the OCDETF coordinators established a Financial Committee in FY 1988 that meets weekly. At each meeting the 60 or more State and local agreements are examined and issues of fund expenditure and obligation are discussed. Coordinators are now better able to keep up to date on cases from across the region, to spot problems or needs, and to facilitate the provision of resources as warranted.

The innovative OCDETF approach has produced impressive results in FY 1988. Four hundred and forty-eight cases were initiated; 2,967 defendants were charged in Task Force indictments; and, of the 1,541 defendants whose cases were adjudicated, 1,322 were convicted.

One final point worthy of additional emphasis is the FY 1988 record of cash and other non-drug asset seizures in OCDETF cases. These seizures were valued at \$293.1 million for the year. With the recent addition of asset seizure and forfeiture units within many U.S. Attorneys' offices, these figures should increase, assuring that the major illicit drug organization leaders will be paying for the investigations and trials that lead to their imprisonment.

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# Appendix

## A

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### Organized Crime Drug Enforcement Task Force Executive Review Board

Associate Attorney General  
Chairman

Deputy Associate Attorney General  
Executive Director

Assistant Attorney General  
Tax Division

Assistant Commissioner (Enforcement)  
United States Customs Service

Director  
Bureau of Alcohol, Tobacco and Firearms

Director  
United States Marshals Service

Administrator  
Drug Enforcement Administration

Assistant Attorney General  
Justice Management Division

Director  
Immigration and Naturalization Service

Representative of the  
United States Attorneys

Assistant Attorney General  
Criminal Division

Director  
Executive Office for United States Attorneys

Commandant  
United States Coast Guard

Assistant Secretary  
(Enforcement and Operations)  
Department of the Treasury

Assistant Commissioner  
(Criminal Investigation)  
Internal Revenue Service

Director  
Federal Bureau of Investigation

Chairman  
Attorney General's Advisory Committee

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# Appendix

## B

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### Organized Crime Drug Enforcement Task Force Washington Agency Representatives Group

Deputy Associate Attorney General  
Chairman

Director, OCDETF Administrative Staff  
Vice-Chairman

#### DEPARTMENT OF JUSTICE

AUSA Coordinator:

Assistant U.S. Attorney

Criminal Division:

Chief  
Narcotics and Dangerous  
Drugs Section

Drug Enforcement Administration :

Deputy Assistant Administrator  
for Operations

Deputy Assistant Administrator  
Office of Investigative Support

Chief  
Task Force Section

Staff Coordinator  
Task Force Section

Executive Office for  
United States Attorneys:

Deputy Director

Deputy Director, OCDETF  
Administrative Staff

Management Analyst  
Administrative Staff

Federal Bureau of Investigation:

Deputy Assistant Director  
Criminal Investigative Division

Section Chief  
Drug Section  
Criminal Investigative Division

Assistant Section Chief  
Narcotics/Organized Crime  
Investigations Sub-Section

Supervisory Special Agent  
Drug Intelligence and  
Analysis Unit

Immigration and Naturalization  
Service:

Assistant Commissioner  
Investigations

Deputy Assistant Commissioner  
Investigations

Senior Special Agent  
Project Manager  
Investigations Division

Senior Special Agent  
Investigations Division

Justice Management Division:

Director, Security Staff

Assistant Director  
Physical Security Group

United States Marshals Service:

Associate Director for  
Operations

Chief,  
Enforcement Operation Division

DEPARTMENT OF TRANSPORTATION

United States Coast Guard:

Chief, Law Enforcement  
Programs Branch

## DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco  
and Firearms:

Special Agent in Charge  
Special Programs Branch  
Office of Law Enforcement

Program Manager, OCDETF  
Office of Enforcement

Internal Revenue Service:

Director  
Office of Enforcement  
(Criminal Investigation)

Assistant Director  
Office of Enforcement  
(Criminal Investigation)

Branch Chief  
Enforcement Operations

Senior Analyst  
Office of Enforcement

Office of the Assistant  
Secretary for Enforcement:

Senior Enforcement Adviser for  
Enforcement and Operations

United States Customs Service:

Director  
Smuggling Investigations Division

Senior Special Agent,  
OCDETF Coordinator  
Smuggling Investigations Division





Report on the

ORGANIZED CRIME  
DRUG ENFORCEMENT  
TASK FORCE PROGRAM

1989-1990



Report on the

ORGANIZED CRIME  
DRUG ENFORCEMENT  
TASK FORCE PROGRAM

1989-1990



## Office of the Attorney General

Washington, D.C. 20530

May 8, 1991

The Honorable George Bush  
President of the United States  
Washington, D.C. 20500

Dear Mr. President:

Team work by the investigative and prosecutorial personnel of the Federal government, joined by law enforcement officers and prosecutors from over 1,200 State and local governments, has proven to be an extremely successful tool in fighting the drug trafficking cartels and criminal organizations which infect our citizenry and wreak violence in our neighborhoods.

In 1982, the President formed, and the Congress funded, the Organized Crime Drug Enforcement Task Forces which have compiled a striking success story during the past eight years. The Departments of Justice, Transportation, and Treasury present the following Biannual Report on our progress, accomplishments, and ongoing initiatives. This report notes, for example, that the Task Forces have initiated 3,486 investigations of major criminal drug trafficking organizations and have convicted 16,658 individuals who were members of these organizations. Of those convicted, 13,759 were sentenced to prison. The average prison term was 7.5 years. In 1989 and 1990 alone, 1,098 investigations were initiated and 2,973 indictments were returned.

The 1990 Annual Report of the Department of Justice Asset Forfeiture Program cited the overall accomplishments in asset seizure and forfeiture. The Organized Crime Drug Enforcement Task Force Program is a major player in achieving the accomplishments stated in that report. In 1989 and 1990, the Task Forces have been responsible for the seizure of \$450.5 million in cash and \$555 million in property. The total for the eight year period was \$789 million and over one billion dollars respectively.

The Office of National Drug Control Policy has recognized the Organized Crime Drug Enforcement Task Force Program's success and has cited this Program as the vehicle and model for future efforts in combatting major drug trafficking organizations. The unique expertise brought together by the eleven participating agencies from the Departments of Justice, Treasury, and Transportation and their state and local colleagues has continued to make the Task Force Program the "Flagship" of this nation's war on drugs.

Report on the

# Organized Crime Drug Enforcement Task Force Program

1989-1990

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IN MEMORIAM

**William French Smith**  
*Seventy-fourth Attorney General  
of the  
United States of America*

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# I.

## Introduction and Background

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### Introduction

In 1982, the Organized Crime Drug Enforcement Task Force (OCDETF) Program was initiated to mount a comprehensive attack against organized crime and drug traffickers. In its first eight years of operation, the OCDETF Program has been an effective and powerful force in the fight against criminal organizations which prey upon our society through the importation, manufacture, and distribution of illicit drugs.

The OCDETF Program has attacked organized drug trafficking from the top, instituting in-depth investigations leading to prosecution of the highest-level drug traffickers. Successful prosecution of high-level targets has disabled major drug trafficking organizations by removing the key individuals who provided those organizations with leadership, capital, and expertise.

The Program's nine Federal agencies, acting in concert with numerous State and local agencies, have achieved unprecedented levels of cooperation and coordination. The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigation; and its success in fostering efficient collaboration of law enforcement agencies from all jurisdictions have demonstrated the efficacy of OCDETF's operational model.

With its solid record of well-implemented investigation and successful prosecution of high-level drug traffickers, OCDETF has become the model for a comprehensive national effort directed at multi-state and multi-national drug enterprises. The OCDETF Program has shown that drug-related crime can be attacked at its roots and that organizations that live on and by the drug trade can be permanently disabled.

### Background

#### Origins Of The OCDETF Program

The OCDETF Program began in response to an increasingly serious problem. For 20 years prior to the Program's creation, Federal agencies and task forces experimented with a variety of approaches to combating drug trafficking. It became increasingly apparent that the attack on drug-related crime should not be confined by city lines, State boundaries, or international borders. Those involved in the fight against drug-related crime became aware that the "drug trafficking problem" involved a web of organized crime groups, whose top leaders were often insulated from the day-to-day activities of their organizations.

Earlier programs often lacked the resources to orchestrate a comprehensive attack on organized drug trafficking groups. Although these programs had their successes, their approaches were insufficiently comprehensive. By 1982, many Federal and State drug enforcement officials had concluded that no single agency could cope with the problem. They had also concluded that full-scale teamwork, involving coordination among law enforcement agencies was needed to implement a comprehensive strategy for dealing with the crisis.

Experience gained from the earlier programs also indicated that it was not enough to detail individual drug agents and attorneys from throughout the government to a centralized unit. A strategy was needed to build and reinforce the coordination of the efforts of existing agencies in the field. Other types of experience and expertise were also needed, including the ability to deal successfully with financial investigations, firearms violations, alien control, and seizure and forfeiture issues.

In this environment, the Attorney General,

upon the advice of the heads of all Federal criminal justice agencies, recommended to the President that a multi-agency task force, using the full resources of Federal, State, and local governments, be authorized to deal with the problem of drug trafficking in the United States. On October 14, 1982, the President announced an eight-point program to attack drug trafficking and organized crime. In December of 1982, concurring with the President, Congress authorized the funds for the Organized Crime Drug Enforcement Task Force Program.

Within 30 days of the President's announcement, *The Organized Crime Drug Enforcement Task Force Program Guidelines (Guidelines)* for the OCDETF Program were drafted, stating the Program's operating principles and delineating its organization. The original participating Federal agencies included: the Bureau of Alcohol, Tobacco and Firearms (BATF), the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), the U.S. Attorneys' offices, the U.S. Coast Guard, the U.S. Customs Service, and the U.S. Marshals Service. Another Justice Department agency, the Immigration and Naturalization Service (INS), subsequently joined the Program. The heads of these agencies, along with senior officials of the Departments of Justice and Treasury, formed the OCDETF Working Group (now known as the Executive Review Board).

Below the Working Group level was the Washington Agency Representatives Group, comprised of program managers and chief operating officers from the participating agencies. An administrative staff (the OCDETF Executive Office) housed in the Department of Justice was designated to provide support to the individual Task Forces, to compile Task Force data for the Attorney General and the U.S. Attorneys, and to prepare annual reports to the President and Congress.

At the field level, each of the 12 original Task Force regions--a 13th was added for the Florida and the Caribbean Basin in 1984--was structured so as to encompass a number of Federal judicial districts, with a major "Core City" designated as regional headquarters. For Task Force operations, the U.S. Attorney in each Core City was designated to be accountable to the Associate Attorney General (now to the Deputy Attorney General) and to be responsible for establishing a Task Force Advisory Committee, for establishing a Task Force Coordinating

Group, and for selecting an Assistant U.S. Attorney (AUSA) Task Force Coordinator. Additionally, each Federal enforcement agency was required to name a full-time Agency Task Force Coordinator.

## Purposes and Principles

The organizers of the OCDETF Program had learned from the experiences of their predecessors. It was not enough to have different agencies with different jurisdictions coming together for limited purposes, only to move back to their respective corners when they had achieved some short-term objective. In particular, law enforcement officials had learned that, for attacks on major drug organizations to succeed, a program must make ongoing use of the varied expertise of different law enforcement agencies.

As stated in its *Guidelines*, the goal of the Organized Crime Drug Enforcement Task Force Program is "... to identify, investigate, and prosecute members of high-level drug trafficking enterprises, and to destroy the operations of those organizations..." Pursuant to this, Task Force organizers settled on five principles to guide the Program.

**First, the Program was to be national, indeed international, in scope.** Localized enforcement programs, even when they were regional, were not equipped to cope with the pervasiveness of the drug problem, the mobility of traffickers, or the magnitude of their organizations. A national problem demanded an effort that could operate across jurisdictional, State, and national boundaries.

**The second guiding principle was that members would arrive at decisions by consensus.** For all its drawbacks, this was the only way that disparate agencies--with their own methods of operation, unique missions, and institutional histories--could work together, efficiently, on a long-term basis.

**Third, the Task Force Program would avoid creating a new bureaucracy.** Task Forces would not become "super agencies." Instead, a small administrative staff based in Washington and the staff of the participating agencies would support the Task Forces.

**The fourth guiding principle was that while the Program would be international in scope, operationally it would be decentralized, permitting the greatest flexibility in dealing with problems peculiar to the regions.**

Finally, the Task Force Program was to have the quickest possible start-up. True, the entire Program would focus on the longer term. But, given the magnitude of the drug trafficking problem, the Program had to move rapidly into an effective operational posture.

The primary objective was, as stated in the *Guidelines*:

*To target, investigate, and prosecute individuals who organize, direct, finance, or are otherwise engaged in high-level illegal drug trafficking enterprises, including large scale money laundering organizations...*

The operational thrust of this approach was fourfold. First, in-depth investigations would allow identification and collection of evidence of the illegal activities of major traffickers and financiers;

thus, striking at the core of the drug organizations themselves.

Secondly, the approach emphasized drawing on all the expertise and diverse investigative techniques brought to the Program by the various Task Force members.

The third element of the approach required OCDETF to work fully and effectively with State and local drug enforcement agencies.

Finally, the Program was to place emphasis on financial investigations. This emphasis was to serve the related purposes of proving or reinforcing drug charges and, when successful, of leading to the forfeiture of drug dealers' assets. In addition, this approach would provide jurors with a better perspective on the size of a drug organization's operations by focusing on the number of dollars involved rather than on the amount of drugs seized.

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## II.

# Program Management and Administration

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Nineteen eighty-nine and 1990 were years of evaluation and refinement for the Task Force Program. Major initiatives were undertaken in the administration of the Program for the purpose of producing a more efficient and streamlined operation of the Task Forces, both at the headquarters level and in the field. These initiatives, the creation of a consolidated budget process and the conduct of an intensive management study, enabled the Program to progress steadily along the road which has led to the acknowledgement of the Organized Crime Drug Enforcement Task Forces as the Administration's premier effort in the "War on Drugs."

### The Consolidated Budget

#### Background

In 1983 and 1984, the OCDETF Program operated under a single appropriation that reimbursed agencies for their involvement and contribution to the Program. Beginning in FY 1985 and continuing through FY 1989, participating agencies from the Departments of Justice, Treasury, and Transportation sought and received OCDETF resources as a part of their regular annual appropriation. The Anti-Drug Abuse Act of 1988 required a combined budget submission for the OCDETF resources beginning in 1990, a return to the reimbursement process used in the early years of the Program.

#### The Anti-Drug Abuse Act

The passage of the Anti-Drug Abuse Act of 1988 (*SECTION 1055, Public Law 100-690, 102 STATUTE 4191*) established the requirement for the

management of a consolidated budget for the OCDETF appropriation.

The Anti-Drug Abuse Act of 1988 provided that:

*Beginning in fiscal year 1990, the Attorney General in his budget shall submit a separate appropriations request for expenses relating to all Federal agencies participating in the Organized Crime Drug Enforcement Appropriation Account for the Attorney General to make reimbursements to the involved agencies as necessary.*

The Act states that this consolidated budget, with the appropriations and reimbursements procedure described above, shall:

- (1) provide for the flexibility of the Task Forces which is vital to success;*
- (2) permit Federal law enforcement resources to be shifted in response to changing patterns of organized criminal drug activities;*
- (3) permit the Attorney General to reallocate resources among the organizational components of the Task Forces and between regions without undue delay; and*
- (4) ensure that the Task Forces function as a unit, without the competition for resources among the participating agencies that would undermine the overall effort.*

## **The Budget Process**

By November 1988, participating agency resource decisions on the FY 1990 budget had been made and transmitted to the Office of Management and Budget. The Justice Management Division (JMD) Budget Staff took the OCDETF portions of the participating agencies' budgets and consolidated these elements to produce a combined appropriation request.

Thereafter, the assignment of the responsibility to prepare a consolidated OCDETF budget request for 1991 and subsequent years was officially charged to the OCDETF Executive Office. As a result of this requirement, the Executive Office is required to provide the requisite administrative support for the allocation and control of OCDETF financial resources.

Under the consolidated appropriation approach, resources are made available to participating agencies through reimbursement agreements. Agreements are entered into between the Deputy Attorney General, as the allottee of the Organized Crime Drug Enforcement appropriation, and the heads of the OCDETF participating agencies. They reflect the overall resource level for each agency, as contained in the reports issued by the Appropriations Committees.

Each agency is required to submit an operating plan, detailing planned obligations by month and by standard object classification, using the amount contained in the reimbursement agreement as the total resource availability. These plans are reviewed and analyzed by the Executive Office.

The Executive Office receives monthly data on obligations from each agency, broken down by object classification. This data is monitored throughout the year and the status of the overall appropriation as well as the status of each agency's conformance to its approved operating plan is reported to the Director of the Executive Office and the Office of the Deputy Attorney General.

Each of the agencies participating in the program employs different geographic boundaries (regions, field offices, etc.) by which resource data is recorded. It has been determined that the most meaningful breakdown of resources for program management is by the established Task Force structure. Accordingly, all data will be collected from each agency at the Task Force level.

When fully implemented, the budget execution

process will prove to be an invaluable tool for OCDETF Program managers. They will know how much has been obligated for investigations and prosecutions, and will also know how much each participating agency has obligated for these purposes, and in which Task Force locations.

The implementation of a comprehensive program-wide budget review system incorporates an expanded role for the Executive Review Board and the regional Task Forces that results in the following:

- The Executive Review Board's ability to carry out its responsibilities in connection with resource allocation decisions for Task Force operations nationwide is strengthened;
- Substantive cross-organizational resource issues and concerns are addressed appropriately. This executive-level assessment of participating agencies requests contributes to a much stronger budget presentation to the Justice Management Division Budget Staff, the Attorney General, the Office of Management and Budget, the Office of National Drug Control Policy, and to Congress; and
- The Deputy Attorney General, as Manager of the OCDETF appropriation, is provided with the requisite resource background information and supporting data to assist the Attorney General in providing strong central oversight of the OCDETF Program.

## **Management Study**

### **Background**

The OCDETF Program's synchronization of multiple investigations against common target organizations; its effective use of attorneys at the early stages of investigations; its use of financial investigations to reach otherwise invulnerable targets; and its unprecedented success in fostering collaboration among law enforcement agencies from all jurisdictions has demonstrated the efficacy of OCDETF's operational model.

In the few years since its creation, OCDETF has established itself as the "Flag Ship" of the Federal drug enforcement effort. *The National Drug Control Strategy*, submitted to Congress on September 5, 1989, by President Bush, recognized the success of the OCDETF model. It reported that,

*...OCDETF is able to direct thorough, imaginative, and wide-ranging assaults on the movements and activities of drug dealers. Through its 13 regional Task Forces, the OCDETF program also provides one of the crucial links between Federal and State authorities, enhancing the exchange of information and enforcement strategies. These programs should serve as a model of interagency coordination and be a priority for future expansion in Federal drug enforcement.*

Prior studies had documented that OCDETF results surpassed those of non-OCDETF narcotics investigations and prosecutions. A 1985 report, *A Caseload Study of The Organized Crime Drug Enforcement Task Force Program*, found that:

*The outcomes of Task Force cases are demonstrably superior to those of other Federal cases, and other Federal drug cases. The rate of dismissal and acquittal are lower; guilty pleas and trial convictions are higher; sentences are longer; seizures and forfeitures are more substantial.*

The Caseload Study further found that,

*The high rate of convictions in Task Force trials (90.3%) is a statement of the quality of investigations and prosecutions. Similarly, the Task Force rate of acquittals is just half that found in other Federal criminal cases.*

General Accounting Office (GAO) reports in 1986 and 1987 generally confirmed the validity of the OCDETF Program's claimed statistical success.

After six years, it had become apparent that the most promising strategy for combating major illicit drug traffickers was that of the OCDETF Program. From its inception late in 1982 through the end of FY 1988, over 10,000 individual defendants were

found, or pled, guilty to at least one charge. More than 80 percent of those were handed prison sentences, with many imprisoned for life.

OCDETF was designed to avoid many of the pitfalls of other attempts at coordination among Federal law enforcement agencies. One aspect of this design was a decentralized operational structure with each of the 13 Task Forces granted considerable latitude to develop independently. The 13 Task Forces had, in fact, taken advantage of the flexibility of the OCDETF *Guidelines* with a resultant 13 different Task Force models.

Although the OCDETF Program, as a whole, had produced extremely impressive outcomes, it was not possible to attribute this success to any particular programmatic model. Furthermore, the level of success within OCDETF had not been equal in all of the Task Forces. In light of this, the Attorney General, with the support and concurrence of the Executive Review Board, commissioned a study to identify those practices which were associated with the highest levels of Task Force successes and those which were impediments to maximum accomplishment.

## Methodology

The study was conducted by Aurora Associates, Inc. between November 1988 and April 1989. The study analyzed cumulative outcome and resource data for the period FY 1983 through FY 1988. The Task Force practices examined were those that were reported and observed in December 1988 and January 1989.

OCDETF output data was analyzed to determine which were the most successful Core City districts. The differences among districts were significant.

Site visits to the Task Force Core Cities were conducted to examine the relative use of over 200 practices to see whether any of these appeared differentially in the five Core Cities having the best overall results in contrast to those having the lowest output rankings.

## Findings

In its introduction to the report the authors stated:

*It is important to remember that we are*

*examining a highly successful but, naturally imperfect program. As one would be foolish to trade a car for a horse and buggy upon hearing of the need for a tune-up, oil change, new tires, and a speedometer cable; so too, would one be mistaken to review the results of this study as a call for a change in the basic principles of the OCDETF Program. In fact, the results of this study validate the efficacy of this model. It is also important to keep in mind that the very nature of this type of comparative analysis will put some Task Forces at the top and, of necessity, some at the bottom. One should not conclude that those at the bottom are failures. Some "fine tuning," an increase in management capacity and more stringent compliance enforcement are all that are required to maximize the effectiveness of the program and assure its continued vitality.*

The findings of the Management Study include, in brief summary:

- A distinct difference between those Core Cities which ranked highest in their combined output measures and those which ranked lowest was the extent to which they experienced a significant adverse impact on Task Force case development due to a shortage of attorneys. This shortage is exacerbated by the forces of economics. In many areas the salary scale and limits are insufficient to attract new talent or to retain experienced personnel.
- Those Task Forces which mandated the physical co-location (the sharing of common office space) of coordinators, and therefore achieved greater interpersonal coordination, ranked higher than those who worked in non-co-located areas.
- Task Forces which required that its coordinators be full-time dedicated to the Task Force Program were ranked higher than those which allowed the coordinators to assume non-Task Force duties.
- The Core Cities that comprised the top output group accepted noticeably fewer inappropriate cases than the Core Cities in the lower output group.
- The top-ranked Core Cities resolved conflicts over case selection and case management at a lower level than did those receiving a lower ranking. Conflict resolution that occurred at the coordination group level, for example, was found to be more common among the top grouping. Conflict resolution that escalated to the level of the United States Attorney and the Special Agent in Charge was more frequent in the lower grouping.
- The practice of withholding cases (that is cases that met OCDETF criteria, but which were not submitted to the Coordination Group for consideration) correlates with membership in the lowest output ranks.

**The study concluded that, generally, the top five districts follow the letter of, and certainly the spirit of, the Task Force Program Guidelines more closely than do the bottom five core cities.** This conformance to the *Guidelines* had the intended effect of increasing coordination and cooperation in the top five Core Cities. This resulted in an enhanced capacity to resolve conflicts over such issues as case selection, Title 21 jurisdiction, cross-designation, and the withholding of cases.

### **Further Developments**

As a result of the Management Study, a number of activities were undertaken to address the findings:

- Each of the heads of the OCDETF components were provided an in-depth briefing and were apprised of agency specific findings that related to them.
- Each Core City was visited by members of the interview teams. The United States Attorney and the Coordination Group were advised of the Study's find-

ings as it reflected on their Task Force.

- The Attorney General charged the Executive Review Board to act upon the findings and incorporate them in a revision of the OCDETF *Guidelines*.

### Summary

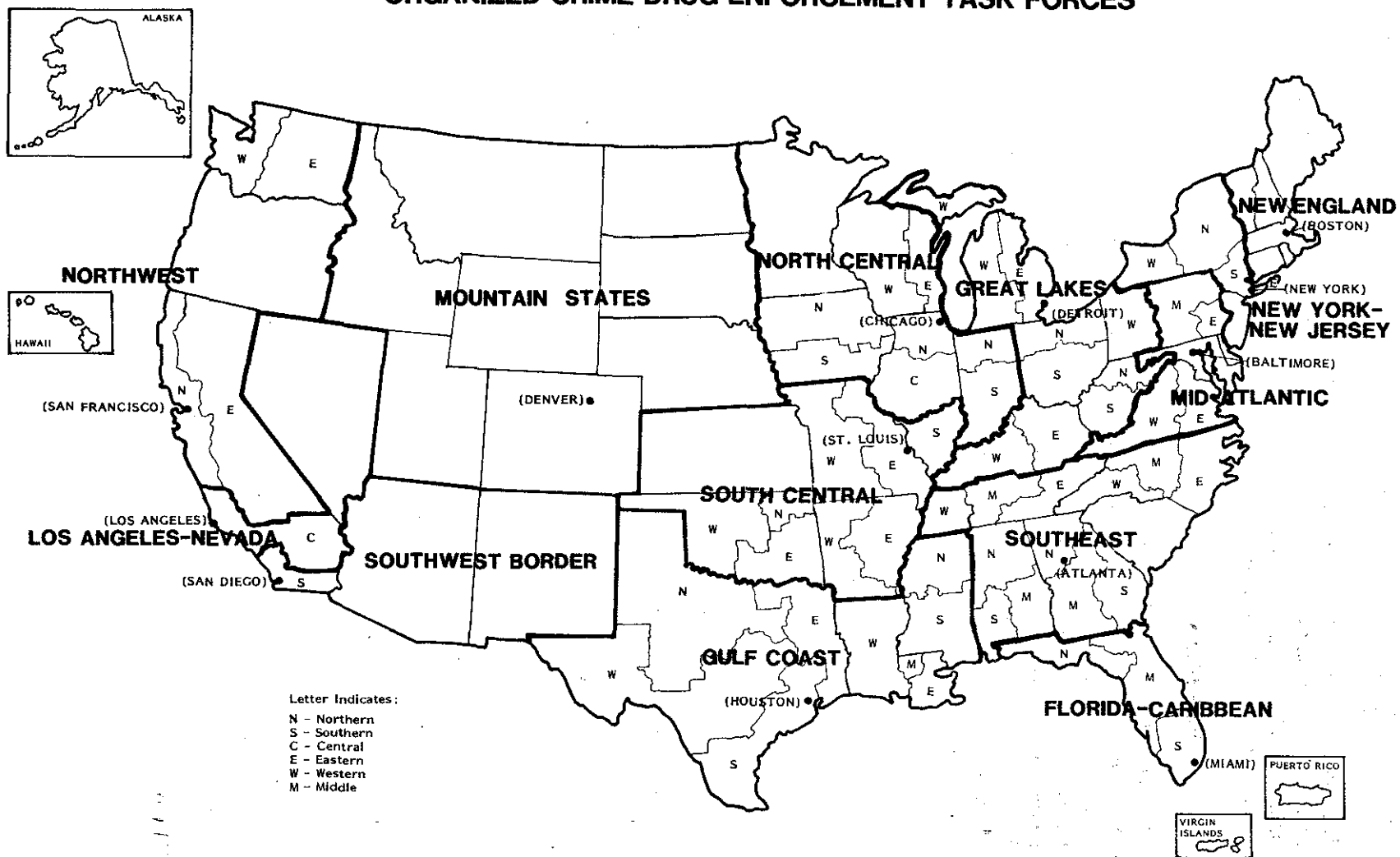
The Organized Crime Drug Enforcement Task Force Program has reached an enviable level of maturity and productivity in eight years. It has become the model for comprehensive efforts to deal with major drug trafficking and drug-related criminal activities. By overcoming past fears of working together, Federal, State, and local law enforcement and prosecution agencies have proven that their

combined efforts can permanently disable or destroy major drug crime organizations at their roots. The fruits of these efforts are documented in the next chapter of this report, Task Force Results. It is by these results that the OCDETF Program's success can be measured.

The successes of 1989 and 1990 are a prediction of even greater positive results for the new decade. The OCDETF Program has proven that skill, dedication, and the willingness to respond to the dynamics of a changing world are powerful tools in the fight against criminal drug activity.

In 1991 and beyond, all of the 2,900 Federal men and women and the hundreds of State and local officers working in the Task Forces will continue to dedicate themselves to working together to meet and help eliminate the scourge of drugs in this country.

## ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES



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# III.

## Task Force Results

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### Introduction

Some results of the OCDETF Program's efforts are revealed through data collected at three key points in the course of case maturation.

At case initiation, Task Force coordinators review agency-submitted, partially-developed investigations to compare them with OCDETF guidelines criteria and determine their suitability. If the decision is made to accept a case, projections are made concerning which investigative and prosecutorial methods will be pursued and what resources can be allocated for these purposes. Unique to the process of case initiation is the introduction of the Coordination Group with its multi-agency resources and the inclusion of prosecutorial expertise. Data collected at this point identify trends in case selection and reveal something about the early investigative effort. The influence of the Coordination Group is now imprinted on the Task Forces' workload. Exhibits 1 through 3 provide these data.

When indictments and informations are returned, another set of data is collected. At this point, the pooled investigative efforts of the agencies have begun to bear fruit. Certain of these data arrays re-use the categories which projected Task Force needs, but they now capture occurrences: investigative methods used compared with those whose use was planned; actual agency participation in contrast to projected participation. More significant are the quantified indicators of investigative productivity: numbers of indictments or informations returned and numbers of defendants indicted. To these are added such potentially useful information as how many indictments were associated with each investigative method, with various types of criminal activities, with each of several drugs, with each participating agency, etc. Exhibits 4 through 8 report these data.

At disposition and sentencing, a final set of data is collected that includes numbers of defendants convicted and not convicted, numbers who plead guilty or were found guilty, the kinds and duration of sentences handed down, and non-drug assets seized. These are the final quantitative measures of the OCDETF Program's impact on criminal enterprises. They reflect the combined effectiveness of its investigative and prosecutorial commitments. Exhibits 9 through 12 present these findings.

OCDETF's 13 regional Task Forces are identified in the exhibits as follows:

- FC - Florida-Caribbean
- GC - Gulf Coast
- GL - Great Lakes
- LA - Los Angeles-Nevada
- MA - Mid-Atlantic
- MS - Mountain States
- NC - North Central
- NE - New England
- NW - Northwest
- NY - New York-New Jersey
- SC - South Central
- SE - Southeast
- SW - Southwest Border

### Case Investigation/Initiation Data

The first data assembly milestone in the OCDETF Program Case Management Reporting System occurs when a Task Force case is formally initiated. Exhibits 1 through 3 report on what was known about the targets of investigation at the time of initiation as well as on the investigative approach. By September 30, 1990, 3,486 investigations had been initiated, 498 in FY 1989 and 600 in FY 1990.

### **Drugs Involved in Investigations (Exhibits 1a through 1d)**

Over 80 percent (2,817) of the 3,486 investigations (Exhibit 1c) were expected to involve cocaine, 42.8 percent marijuana, 24.9 percent heroin, 10.1 percent methamphetamine, 4.6 percent hashish, 3.2 percent methaqualone, and 2.4 percent PCP. Exhibit 1a reports a continued shift toward cocaine investigations, still followed in order by marijuana and heroin. Methaqualone, with only six cases in two years, has almost disappeared from investigation initiation reports.

### **Types of Criminal Activities Involved in Investigations (Exhibits 2a through 2d)**

The percentage of identified money laundering cases continued to increase in FY 1989 and FY 1990 over previous years as did importation, street, and distribution cases. The Task Forces have initiated 3,275 investigations against drug distributors, far more than for any other category of criminal activity.

### **Agency Participation in Investigations (Exhibits 3a through 3d)**

An OCDETF case is, by definition, a multi-agency case. Initial agency resource allocations may shift as an investigation progresses.

The most striking recent development in initiation figures was the planned involvement of local investigators in most cases, 56.6 percent, and of State investigators in more than 37 percent.

The Program's history of agency resource assignments (Exhibit 3c) projected DEA involvement in 84.5 percent (2,944) of all Task Force investigations; IRS involvement in 68.6 percent (2,390); FBI in 53 percent (1,849); Customs in 45.4 percent (1,581); BATF in 36.4 percent (1,269); and INS, only in the Task Forces since FY 1988, in 13.8 percent (481). The U.S. Attorneys and the U.S. Marshals Service are assumed to be involved in all OCDETF case investigations.

### **Indictments and Informations Data**

The second data assembly milestone in the Task Force Case Management Reporting System

occurs when indictments are returned. While the first three sets of exhibits report on intelligence analyses, investigation planning, tailoring of the investigative team, and commitment of resources, Exhibits 4 through 7 reflect actual results in these same areas. Exhibit 8 provides factual information on the actual offenses charged.

By September 30, 1990, 3,486 OCDETF investigations had produced 8,534 indictments and informations resulting in 28,713 defendants indicted on one or more charges. A full share, 2,973, of those indictments were handed down in FY 1989 and FY 1990.

### **Drugs Charged in Indictments (Exhibits 4a through 4d)**

Cocaine, the drug of choice of the decade, was mentioned in 69.4 percent of indictments in FY 1989 and FY 1990. Marijuana was named in 19.6 percent, although relatively few investigations involved marijuana as the only drug. The 2,063 mentions of cocaine brought the Task Forces' eight-year total to 5,163 indictments based in part or in whole on cocaine transactions (Exhibit 4c), far more than any other category. Heroin charges, after dropping sharply in FY 1988 prosecutions, started to rise again in FY 1989 and FY 1990.

### **Types of Criminal Activities Charged (Exhibits 5a through 5d)**

In FY 1989 and FY 1990, drug distribution was by far the predominant charge. Distribution was charged in 2,514 of the 2,973 indictments. This charge has always far surpassed all others; its trend is still significantly upward. Data presented in Exhibit 5, coupled with other data discussed in this report, may indicate some change in the Task Forces' conceptualization of their mission. Exhibits 1a through 1d predicted, and Exhibits 4a through 4d reported, an increasingly large number of cocaine cases. Exhibits 5a through 5d report a third successive year in which drug distribution as a charged offense has significantly exceeded the prior year's total. The urgency of eradicating crack cocaine and the shootings and murders that have been identified with its sale are at least part of the explanation for this shift in investigative and prosecutorial emphasis.

## **Investigative Techniques Used (Exhibits 6a through 6d)**

As planned in the Program *Guidelines* written in 1982, Task Force investigators make heavy use of undercover techniques and sting operations. In addition, OCDETF prosecutors have employed investigative grand juries and immunity offers in 61.6 and 32.2 percent of cases, respectively, over the life of the Program. Pen registers, financial investigations, and Title III or other surveillances are also frequently used.

Clearly, OCDETF makes extensive use of a wide variety of investigative methods, some of which require considerable sophistication and persistence to exploit properly. It is also apparent that it is typical to employ several investigative methods during the course of any particular investigation. All of these methods are currently in use in each Task Force region. (Security considerations compel us to omit regional breakdown of Exhibits 6a through 6d.)

## **Agency Participation (Exhibits 7a through 7d)**

The extensive involvement of State and local investigators predicted in investigation initiation data was validated in reports submitted at the time of indictments. Except for the Drug Enforcement Administration itself, no group was more often involved in OCDETF cases than local investigators, who participated in 61.5 percent of the cases indicted in FY 1989 and FY 1990. The same period also saw a significant increase in BATF involvement evincing the OCDETF response to the increasingly violent nature of the drug trade.

## **Offenses Charged (Exhibits 8a through 8d)**

These tables and charts confirm the obvious: the preponderance of Task Force defendants are charged under Title 21. The disaggregated Title 21 statistics of importation, communication, distribution, conspiracy, CCE, and manufacture are of greater interest. Title 21 conspiracy and distribution charges are of a much greater magnitude than any others.

Use of a communication facility and importation--both under Title 21--and Title 18: ITAR (Inter-

state Transportation in Aid of Racketeering) are other charges often brought. Although all but overwhelmed numerically, the charges under Titles 18, 26, and 31 have each brought down hundreds of drug-connected defendants, some of whom have received the highest penalties. In FY 1990 OCDETF began recording indictments under the money laundering provisions of Title 18.

## **Dispositions and Sentencing Data**

These data offer the best available quantitative measure of OCDETF Program outcomes. Cases against 5,377 defendants were adjudicated in FY 1989 and FY 1990, bringing the cumulative OCDETF total to 19,302. More than 86 percent were convicted and, of that number, 84 percent went to jail.

The details are available in Exhibits 9 through 12, along with information on the magnitude of non-drug assets seized.

## **Dispositions (Exhibits 9a through 9d)**

The Task Force conviction rate stands at 88.3 percent for FY 1989 and FY 1990 and 86.3 percent cumulatively. More than 16,000 violators have been successfully prosecuted by OCDETF.

## **Sentences (Exhibits 10a through 10d)**

The great majority of those convicted in OCDETF cases go to prison: 89.6 percent, or 4,182 individuals, in FY 1989 and FY 1990. Cumulatively, from FY 1983 through FY 1990, 13,759 convicted defendants were sentenced to confinement (84.4 percent).

## **Prison Terms (Exhibits 11a through 11d)**

Task Force prison term data reveal regional differences. Changed public threat perception, along with increases in mandatory Federal drug offense sentencing, continued to be the major generators of a general increase in the length of sentences. The percentage of sentences of 10 years or more increased in FY 1989 and FY 1990 by 8.4

percent over the FY 1983 through FY 1988 aggregated percentage.

### **Non-Drug Seizures (Exhibit 12)**

Drug trafficking organizations, like other businesses, can be disrupted by the removal of the financial resources needed to support their operations as well as by the removal of leadership and expertise. Through September 30, 1990, the OCDETF Program had seized a total of \$1.1 billion in property and \$789 million in cash.

The most recent fiscal years show a major increase in this form of impact. The more than \$1 billion in cash and property seized in 1989 and 1990 was \$89 million more than the total for all previous years combined. It is also interesting to note that FY 1989 and FY 1990 seizures far exceeded those years' entire OCDETF budgets.

### **A Word of Caution**

The data contained in virtually all of the following tables have been disaggregated by Task

Force region. This form of display invites comparison among regions. Particular care needs to be taken not to make unsuitable inferences from such information.

There are many variables that will affect the apparent productivity of a regional Task Force and that have nothing whatever to do with the Task Force's internal efficiency. Sheer volume of drugs and the size of the drug-using population in a geographic area come readily to mind. Other variables, such as proximity to borders, or the willingness of the courts to take cases having over 20 defendants, or the relative costs of operating in a certain city, are further examples.

Unless such variables can be identified, their relevance assessed, and their impact statistically controlled for, cross-regional comparisons should be held in abeyance. In the absence of such knowledge, it is methodologically naive to attribute regional differences to any preconceived cause.

Also note that FY 1989 and FY 1990 represented only the second and third years of OCDETF participation by the Immigration and Naturalization Service and that the Florida-Caribbean Task Force did not come into being until FY 1984.

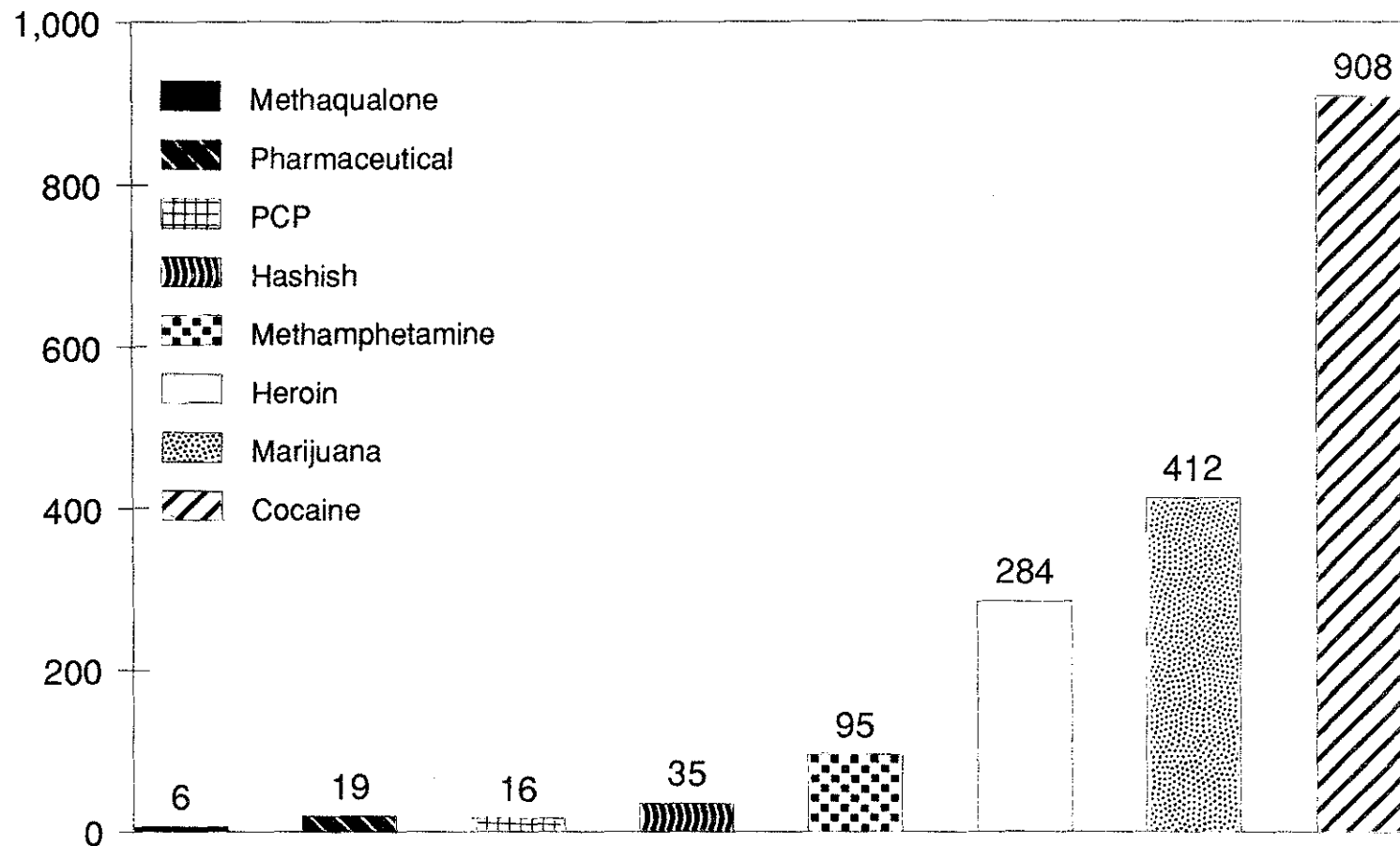


**Exhibit 1a - FY 1989 and 1990  
Drugs Involved in  
Investigations Initiated**

Drug	Number of Investigations Involving Drugs														Percentage of Investi- gations N=1098*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	108	74	84	37	69	57	66	55	44	91	63	99	61	908	82.7%
Marijuana	58	47	31	10	16	28	34	15	24	15	27	52	55	412	37.5%
Methaqualone	3	1	0	0	0	0	0	0	0	1	0	1	0	6	0.5%
Heroin	17	24	17	20	31	11	29	14	16	55	15	18	17	284	25.9%
Hashish	8	1	1	1	1	1	0	4	4	5	2	5	2	35	3.2%
Other	6	10	5	5	6	2	1	2	3	8	3	3	0	54	4.9%
Unspecified	2	1	1	0	2	2	0	2	0	0	0	1	6	17	1.5%
PCP	0	1	0	4	3	0	0	0	3	0	3	0	2	16	1.5%
Methamphetamine	4	10	4	5	4	15	3	2	11	6	8	10	13	95	8.7%
Pharmaceutical	5	0	2	0	2	0	2	0	0	0	1	4	3	19	1.7%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mentions for each drug. More than one drug is involved in many investigations.

## Exhibit 1b. - FY 1989 and FY 1990 Drugs Involved in Investigations



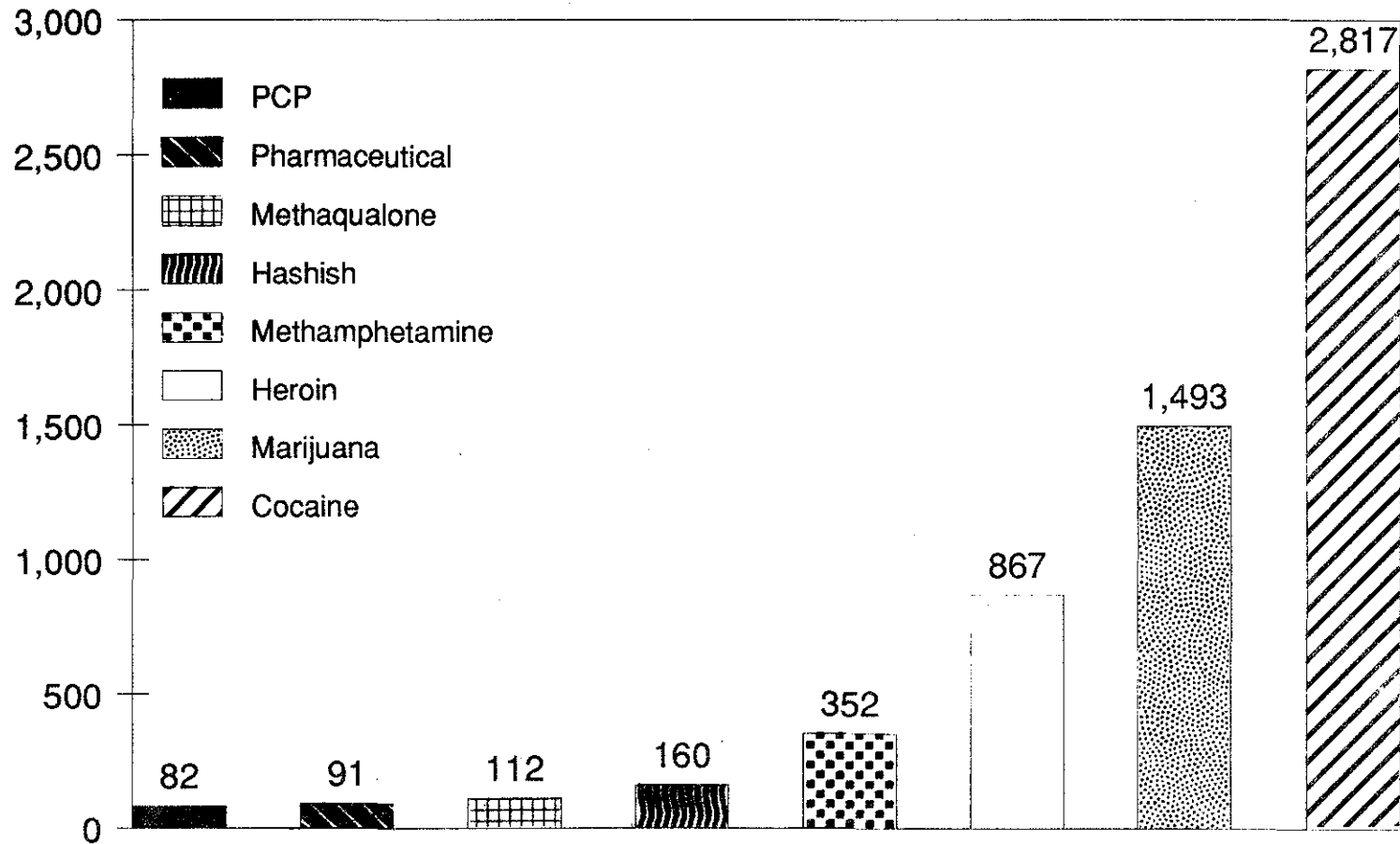
More than one drug is involved in many investigations. Investigations involving Other Drugs = 54; Unspecified = 17.

**Exhibit 1c. - FY 1983 through FY 1990  
Drugs Involved in  
Investigations Initiated**

Drug	Number of Investigations Involving Drugs														Percentage of Investi- gations N=3,486*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	283	248	271	144	237	169	206	184	160	294	184	279	158	2817	80.8%
Marijuana	201	183	139	43	74	96	119	84	88	49	99	186	132	1493	42.8%
Methaqualone	17	11	23	5	5	0	8	2	2	5	9	22	3	112	3.2%
Heroin	41	72	72	55	96	34	73	48	57	191	41	38	49	867	24.9%
Hashish	19	11	19	7	8	6	9	19	20	17	8	11	6	160	4.6%
Other	17	20	17	9	17	5	13	9	10	14	10	13	7	161	4.6%
Unspecified	5	4	2	3	5	4	1	3	2	4	3	4	7	47	1.3%
PCP	1	8	11	11	18	0	6	1	5	1	14	3	3	82	2.4%
Methamphetamine	6	45	21	22	42	41	20	4	42	22	32	24	31	352	10.1%
Pharmaceutical	6	8	18	1	12	4	10	4	2	1	11	9	5	91	2.6%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency of mentions for each drug. More than one drug is involved in many investigations.

## Exhibit 1d. - FY 1983 through FY 1990 Drugs Involved in Investigations



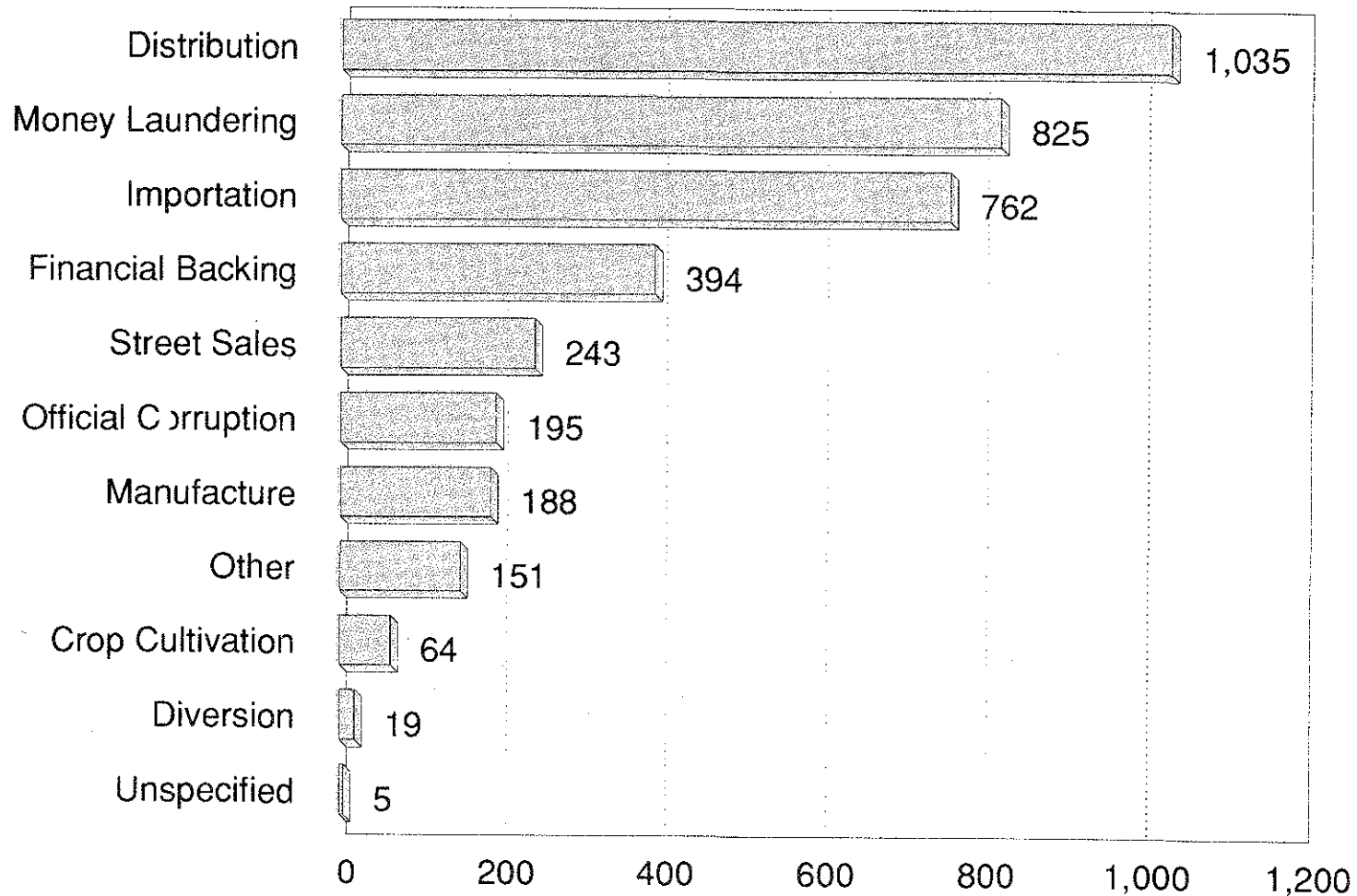
More than one drug is involved in many investigations. Investigations involving Other Drugs = 161; Unspecified = 47.

**Exhibit 2a. - FY 1989 and FY 1990  
Type of Criminal Activities Involved in  
Investigations Initiated**

Activity	Number of Investigations Involving Activity														Percentage of Investi- gations N=1098*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Financial Backing	52	38	34	14	21	24	26	19	27	33	20	53	33	394	36.9%
Importation	124	73	55	43	50	41	41	28	49	82	31	68	77	762	69.4%
Money Laundering	92	75	55	32	59	48	58	47	52	90	55	91	71	825	75.1%
Other	16	15	11	3	14	8	9	12	9	18	11	20	5	151	13.8%
Street Sales	12	19	26	11	33	16	23	14	8	22	22	24	13	243	22.1%
Distribution	106	88	87	44	78	73	66	59	59	113	69	116	77	1035	94.3%
Official Corruption	35	22	19	6	13	6	18	8	8	6	9	19	26	195	17.8%
Crop Cultivation	9	4	8	2	2	2	5	2	6	3	7	8	6	64	5.8%
Diversion	3	0	4	0	2	1	0	0	1	2	0	3	3	19	1.7%
Manufacture	21	22	13	13	13	11	7	7	14	21	12	12	22	118	17.1%
Unspecified	1	0	0	0	0	0	0	2	0	0	0	0	2	5	0.5%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in many investigations.

## Exhibit 2b. - FY 1989 and FY 1990 Type of Criminal Activities Involved



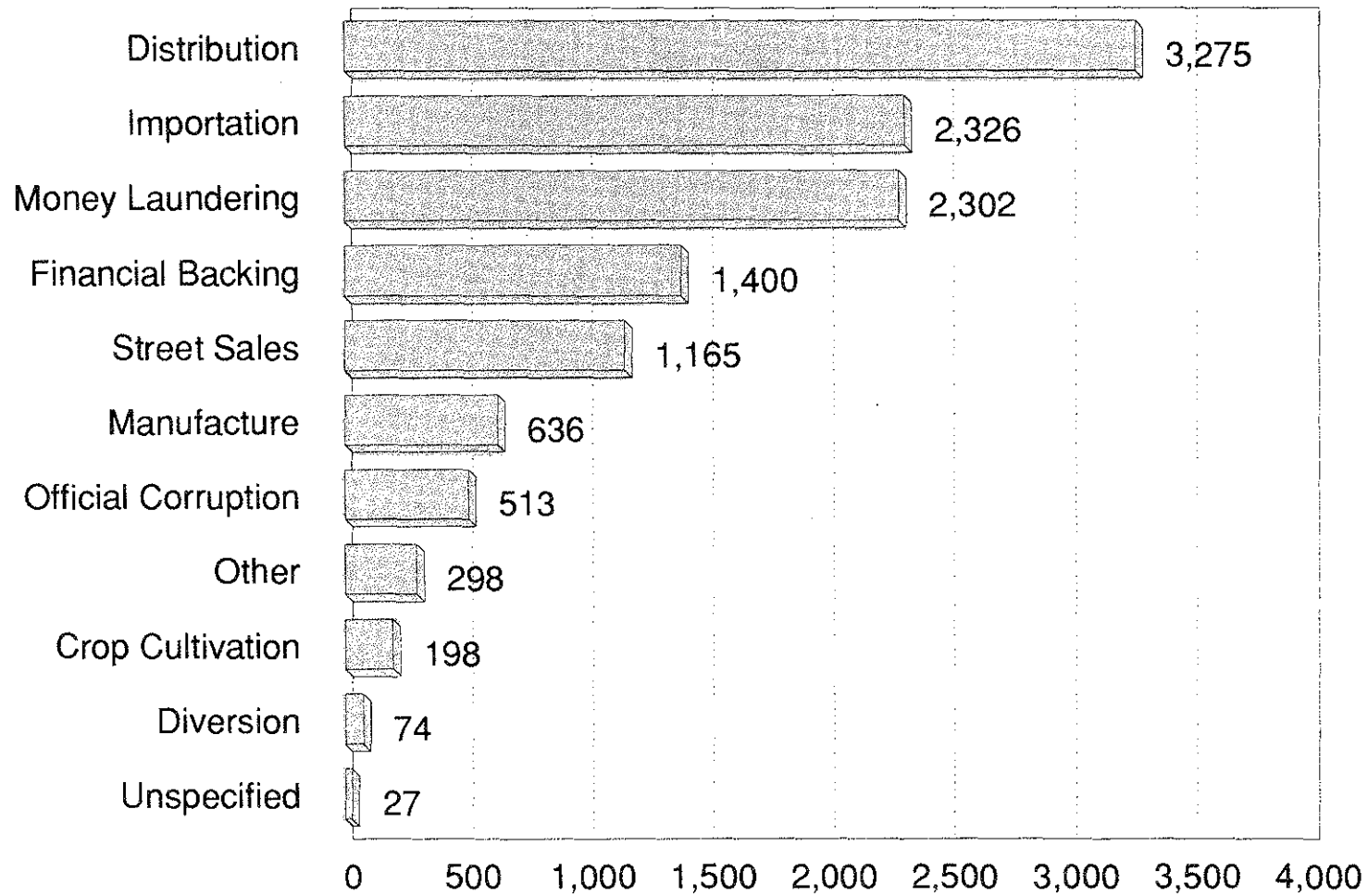
**Exhibit 2c. - FY 1983 through FY 1990  
Type of Criminal Activities Involved in  
Investigations Initiated**

Activity	Number of Investigations Involving Activity														Percentage of Investi- gations N=3,486*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Financial Backing	147	143	123	75	113	58	87	100	111	128	73	156	86	1400	40.2%
Importation	308	233	161	133	174	122	131	138	146	288	104	208	180	2326	66.7%
Money Laundering	239	218	170	138	186	121	163	138	155	244	138	224	168	2302	66.0%
Other	34	34	20	10	24	13	11	22	17	28	31	38	16	298	8.5%
Street Sales	64	109	129	43	132	67	116	86	51	109	101	112	46	1165	33.4%
Distribution	298	286	284	165	289	211	227	208	217	371	207	323	189	3275	93.9%
Official Corruption	82	64	45	18	34	16	34	29	20	37	19	64	51	513	14.7%
Crop Cultivation	18	18	27	5	2	13	14	7	16	5	23	25	25	198	5.7%
Diversion	5	3	13	1	10	3	5	4	2	3	9	10	6	74	2.1%
Manufacture	60	69	45	46	77	35	39	13	54	66	45	35	52	636	18.2%
Unspecified	3	1	1	1	2	0	1	4	2	6	1	3	2	27	0.8%

\* The number of investigations initiated by the Task Forces. The percentages show the frequency for each category of illicit activity under investigation. More than one activity is involved in many investigations.

## Exhibit 2d. - FY 1983 through FY 1990

### Type of Criminal Activities Involved



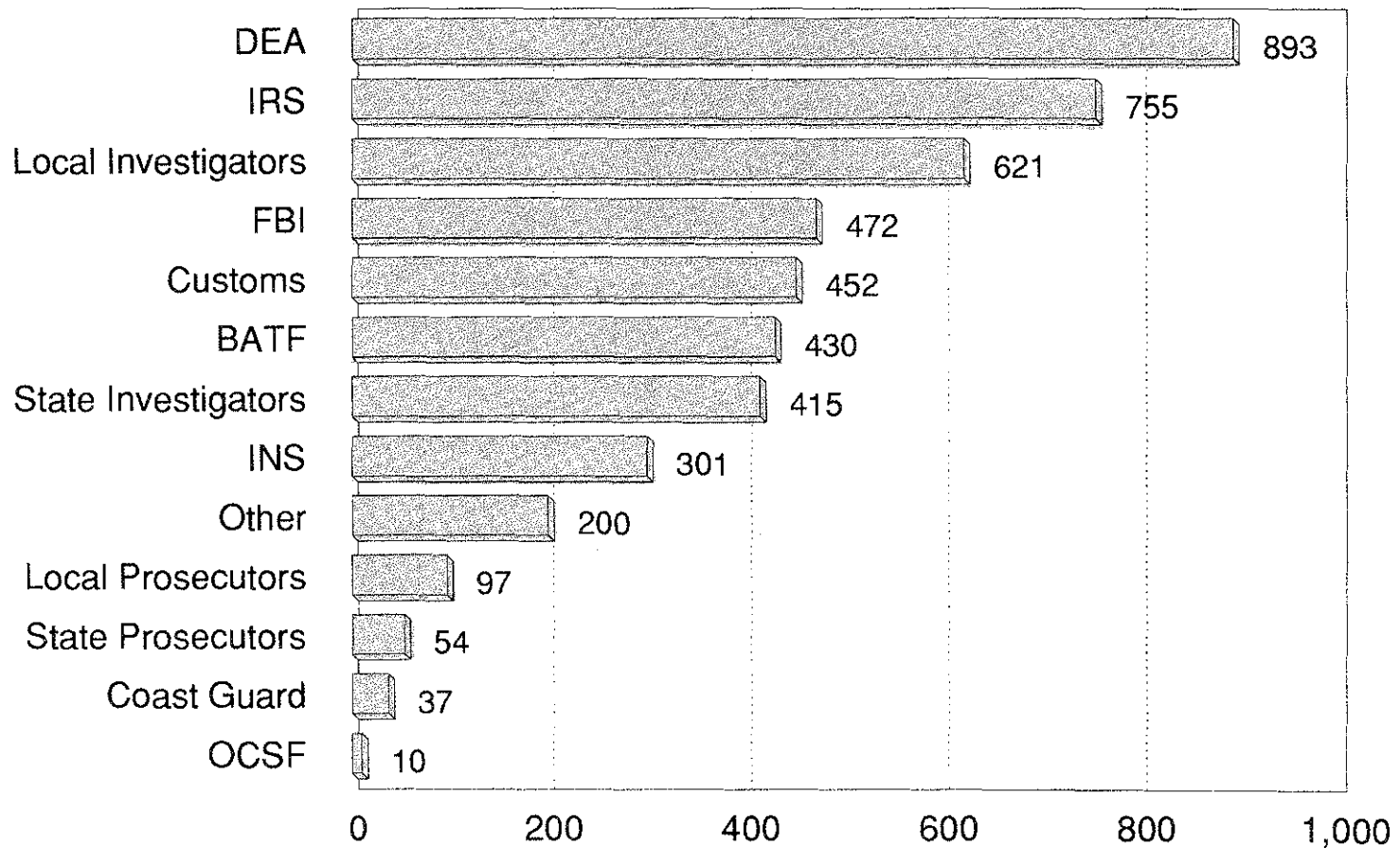
**Exhibit 3a. - FY 1989 and FY 1990  
Agency Participation in  
Investigations Initiated**

Agency	Number of Investigations*													Total	Percentage of Investigations N=1098**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW		
Local Investigators	56	50	49	34	61	55	34	34	42	65	46	71	24	621	56.6%
DEA	97	82	58	29	60	48	57	60	52	107	66	99	78	893	81.3%
FBI	46	40	46	26	27	38	29	40	28	38	38	50	26	472	43.0%
IRS	65	71	62	24	49	55	58	34	42	94	60	76	65	755	68.8%
State Investigators	26	40	32	6	28	27	27	40	27	44	23	72	23	415	37.8%
Customs	50	57	21	17	31	21	14	30	42	68	21	36	44	452	41.2%
Other	31	10	11	6	16	16	16	12	7	26	10	20	19	200	18.2%
Local Prosecutors	8	4	3	5	13	6	3	2	10	18	9	8	8	97	8.8%
BATF	33	47	29	14	43	19	28	23	24	45	36	58	31	430	39.2%
Organized Crime Strike Force (OCSF)	0	1	0	0	0	1	1	0	1	3	2	0	1	10	0.9%
State Prosecutors	8	1	0	1	9	5	3	6	2	8	4	6	1	54	4.9%
Coast Guard	7	1	2	1	4	0	1	2	5	6	0	2	6	37	3.4%
INS	12	41	10	13	32	32	13	27	27	27	9	20	38	301	27.4%

\* The number of investigations in which this agency expected to participate at the time the investigations were initiated. U.S. Marshals Service and U.S. Attorneys were expected to participate in all cases.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in all cases.

## Exhibit 3b. - FY 1989 and FY 1990 Agency Participation\*



\*U.S. Marshals Service and  
U.S. Attorneys were expected to  
participate in all cases.

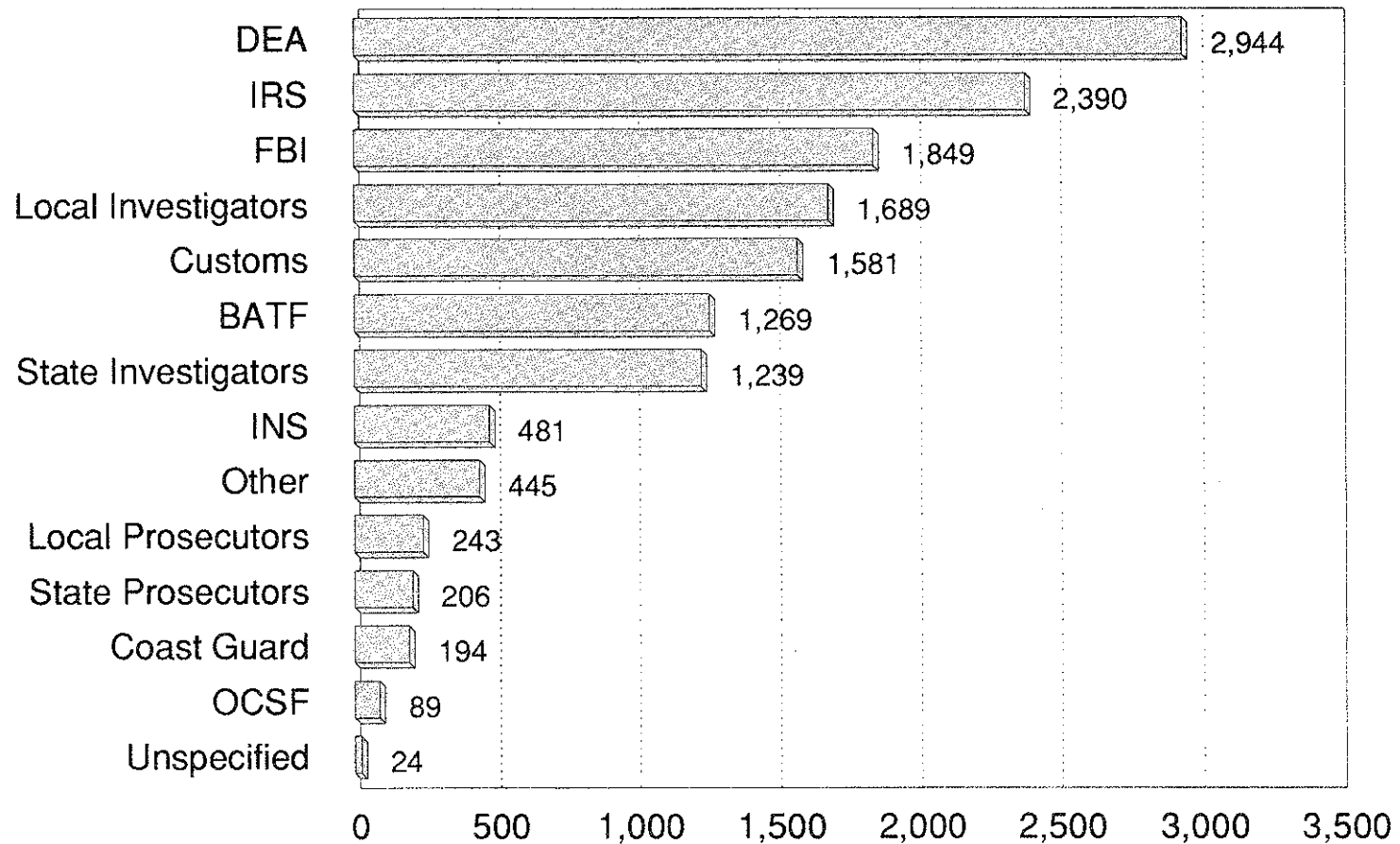
**Exhibit 3c. - FY 1983 through FY 1990  
Agency Participation in  
Investigations Initiated**

Agency	Number of Investigations*													Total	Percentage of Investigations N=3486**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW		
Local Investigators	144	155	140	87	150	137	106	113	116	172	130	169	70	1689	48.5%
DEA	272	282	198	142	252	166	197	211	199	351	192	296	186	2944	84.5%
FBI	116	190	194	85	143	138	129	124	132	174	133	198	93	1849	53.0%
IRS	183	239	217	125	197	157	184	130	153	244	172	234	155	2390	68.6%
State Investigators	75	140	92	28	88	93	85	109	73	100	77	221	58	1239	35.5%
Customs	157	191	69	103	136	57	80	69	139	225	61	161	133	1581	45.4%
Other	56	31	25	22	42	21	46	26	15	71	26	37	27	445	12.8%
Local Prosecutors	15	19	11	14	35	19	12	14	13	47	20	13	11	243	7.0%
BATF	118	153	81	50	114	63	70	65	86	161	93	148	67	1269	36.4%
Organized Crime Strike Force (OCSF)	7	11	3	5	16	6	4	12	4	13	4	3	1	89	2.6%
State Prosecutors	18	20	8	7	19	17	8	29	5	28	15	25	7	206	5.9%
Coast Guard	17	22	21	7	12	4	6	23	17	15	12	16	22	194	5.6%
INS	18	64	22	24	55	41	26	47	42	45	16	29	52	481	13.8%
Unspecified	0	0	1	2	5	1	2	1	0	5	0	3	4	24	0.7%

\* The number of investigations in which this agency expected to participate at the time the investigations were initiated. U.S. Marshals Service and U.S. Attorneys were expected to participate in all cases.

\*\* The number of investigations initiated by the Task Forces. The percentages show the frequency of anticipated involvement for each type of agency. More than one agency is involved in all cases.

### Exhibit 3d. - FY 1983 through FY 1990 Agency Participation\*



\*U.S. Marshals Service and  
U.S. Attorneys were expected to  
participate in all cases.

**Exhibit 4a. - FY 1989 and FY 1990  
Drugs Charged in Indictments and Informations Returned**

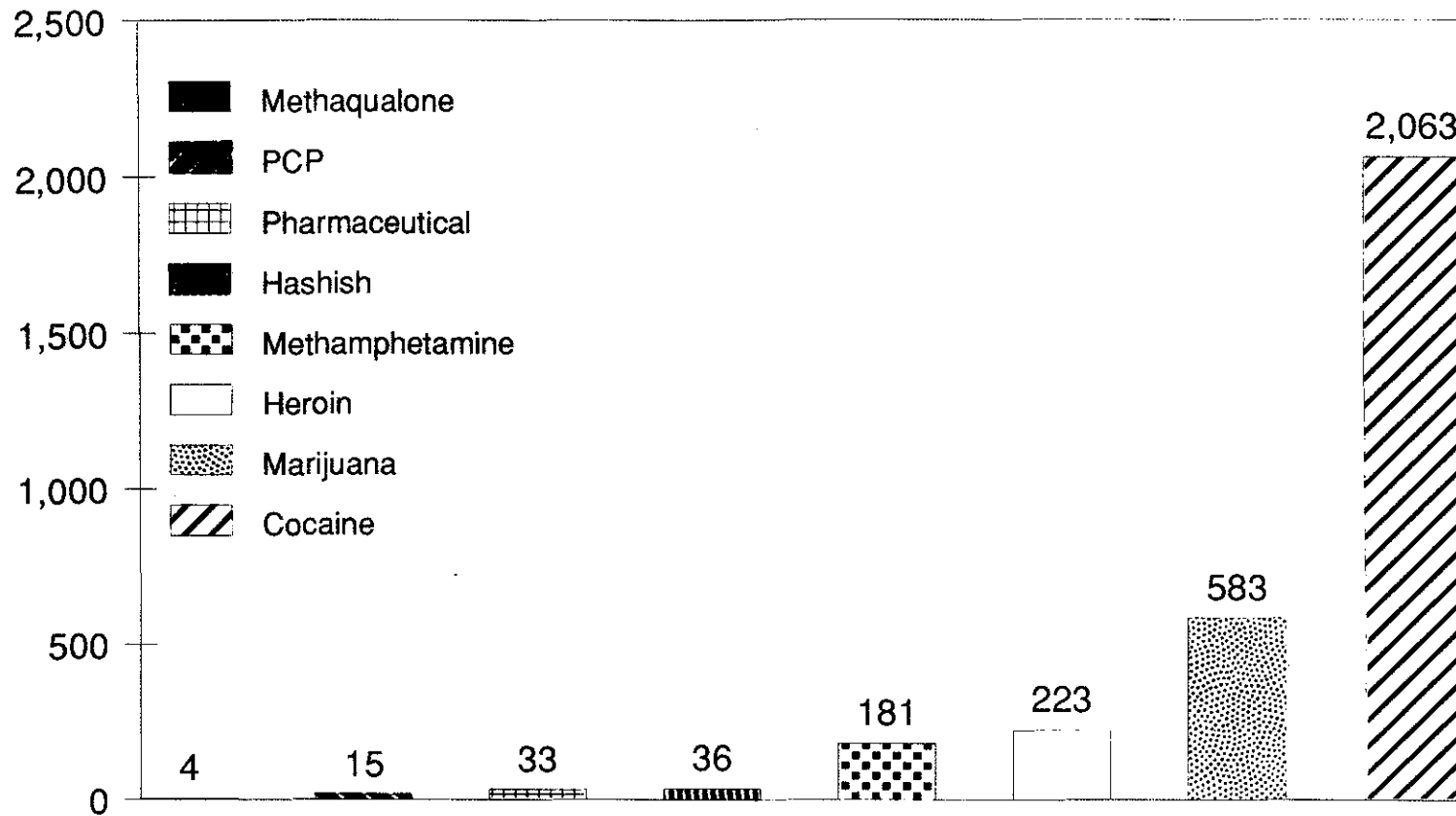
Drug	Number of Indictments and Informations*														Percentage N=2,973**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	132	101	360	105	183	166	231	77	74	113	109	361	51	2063	69.4%
Marijuana	60	45	45	5	12	50	82	17	24	9	26	151	57	583	19.6%
Methaqualone	1	0	1	0	0	1	0	0	1	0	0	0	0	4	0.1%
No Drugs Charged/ Unspecified***	23	29	33	4	19	27	36	8	27	5	5	43	13	272	9.1%
Other	3	12	43	2	8	17	0	5	2	4	1	13	12	122	4.1%
Heroin	9	12	17	5	24	8	33	14	35	37	9	14	6	223	7.5%
Hashish	12	0	2	0	1	2	5	0	6	1	1	5	1	36	1.2%
PCP	0	1	3	5	3	0	1	0	0	0	0	2	0	15	0.5%
Methamphetamine	0	4	3	1	4	38	39	1	30	3	10	12	36	181	6.1%
Pharmaceutical	6	1	9	0	1	4	2	3	0	0	0	2	5	33	1.1%

\* The number of indictments and informations in which this drug was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

\*\*\* Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

## Exhibit 4b. - FY 1989 and FY 1990 Drugs Charged in Indictments and Informations



More than one drug is involved in many indictments. Indictments involving Other Drugs = 122; No Drugs/Unspecified = 272

**Exhibit 4c. - FY 1983 through FY 1990  
Drugs Charged in Indictments and Informations Returned**

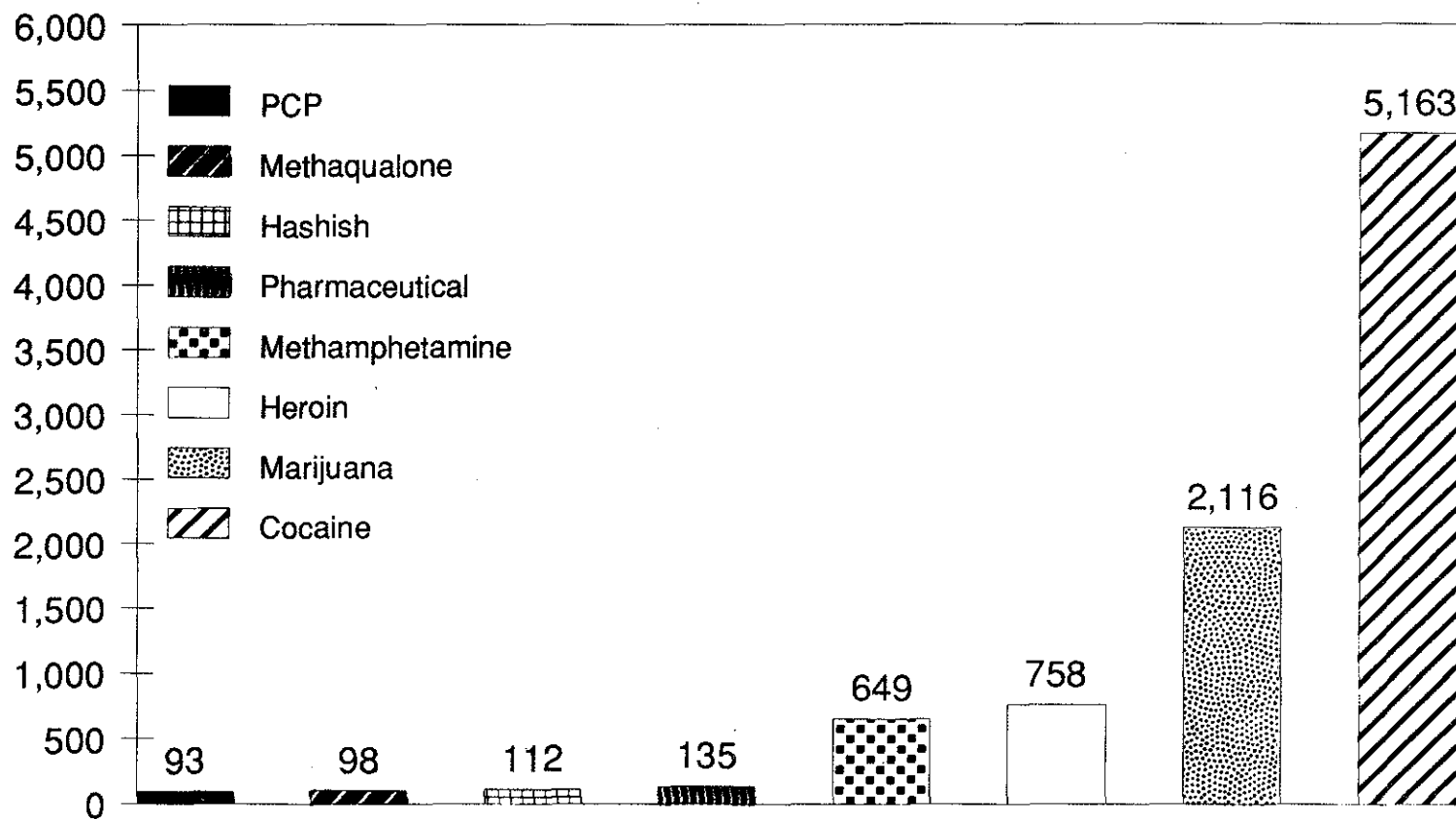
Drug	Number of Indictments and Informations*														Percentage N=8,534**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Cocaine	315	304	821	190	484	347	561	222	239	297	390	807	186	5163	60.5%
Marijuana	186	167	200	14	212	122	258	68	126	73	107	410	173	2116	24.8%
Methaqualone	3	7	16	1	7	1	9	8	4	6	6	25	5	98	1.1%
No Drugs Charged/ Unspecified***	103	115	131	10	104	52	114	30	57	33	47	161	60	1017	11.9%
Other	19	20	80	3	43	34	23	2	7	16	15	31	13	306	3.6%
Heroin	23	57	57	15	154	44	76	35	57	148	25	43	24	758	8.9%
Hashish	20	1	10	2	10	4	10	9	9	9	5	20	3	112	1.3%
PCP	2	7	10	8	47	0	2	0	2	2	8	3	2	93	1.1%
Methamphetamine	1	63	52	7	122	86	73	3	81	22	49	23	67	649	7.6%
Pharmaceutical	7	2	34	16	14	7	17	6	0	5	9	13	5	135	1.6%

\* The number of indictments and informations in which this drug was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of mentions for each drug. More than one drug is charged in many indictments and informations.

\*\*\*Includes indictments and informations which do not allege any drug offenses, primarily those involving money laundering and financial offenses.

# Exhibit 4d. - FY 1983 through FY 1990 Drugs Charged in Indictments and Informations



More than one drug is involved in many indictments. Indictments involving Other Drugs = 306; No Drugs/Unspecified = 1017

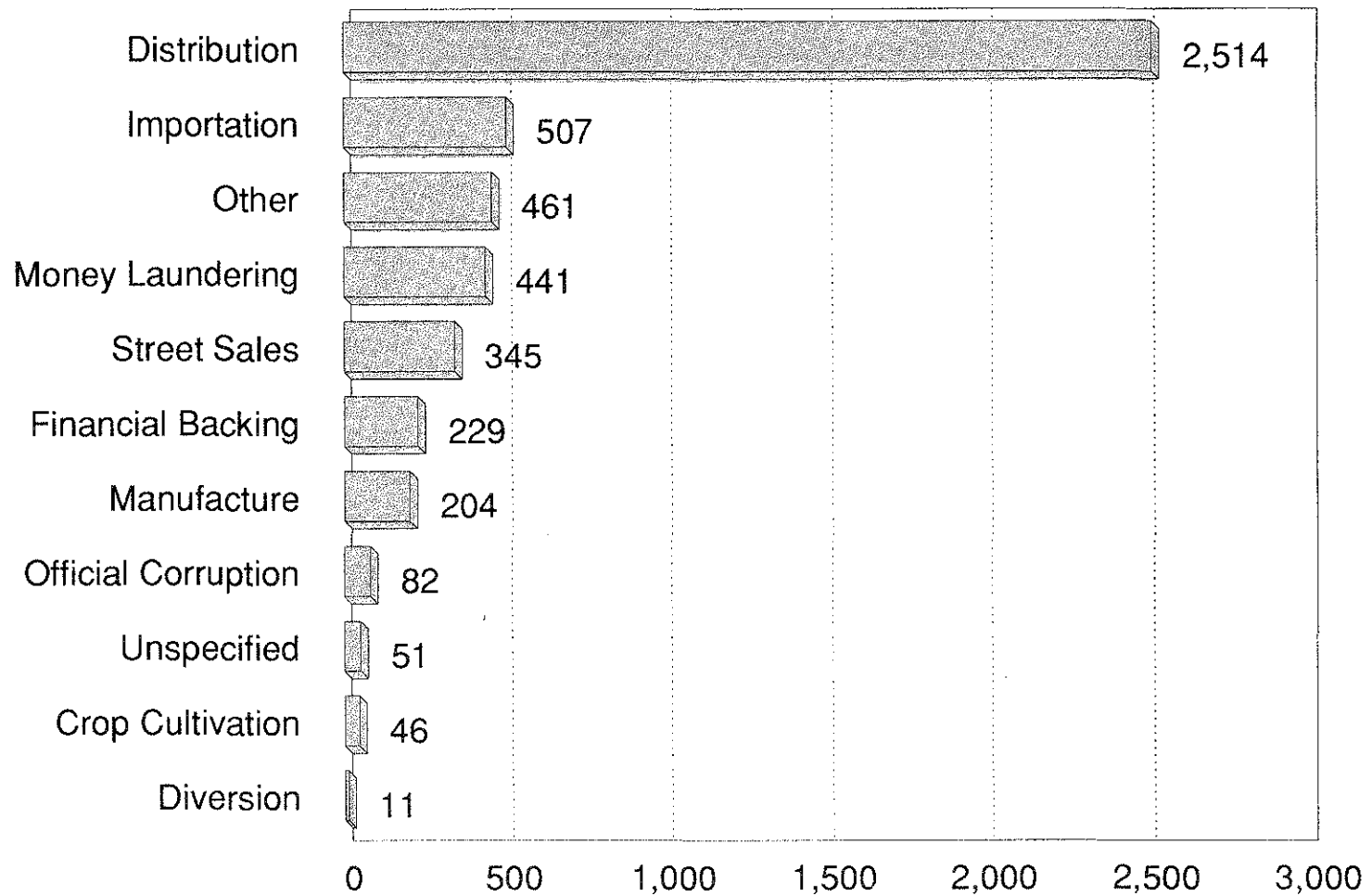
**Exhibit 5a - FY 1989 and FY 1990  
Type of Criminal Activities Charged in  
Indictments and Informations Returned**

Activity	Number of Indictments and Informations*														Percentage N=2973**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Distribution	145	128	385	105	206	215	320	92	132	138	115	408	125	2514	84.6%
Financial Backing	21	6	2	1	5	5	55	8	14	47	6	41	18	229	7.7%
Importation	110	26	7	5	14	27	62	15	23	70	12	79	57	507	17.1%
Money Laundering	54	34	10	11	22	39	58	13	32	68	21	52	27	441	14.8%
Other	41	42	47	18	16	47	50	3	34	34	21	83	25	461	15.5%
Official Corruption	8	16	1	1	1	2	13	3	1	5	0	29	2	82	2.8%
Unspecified	1	7	12	0	2	5	4	8	3	0	0	6	3	51	1.7%
Street Sales	5	25	106	14	5	27	65	13	10	9	32	29	5	345	11.6%
Crop Cultivation	1	1	1	0	0	6	14	5	1	1	3	8	5	46	1.5%
Diversions	0	0	3	0	0	0	0	1	0	0	0	1	6	11	0.4%
Manufacture	15	11	2	5	8	31	18	2	15	13	7	40	37	204	6.9%

\* The number of indictments and informations in which this activity was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in many cases.

Exhibit 5b. - FY 1989 and FY 1990  
Type of Criminal Activities Charged



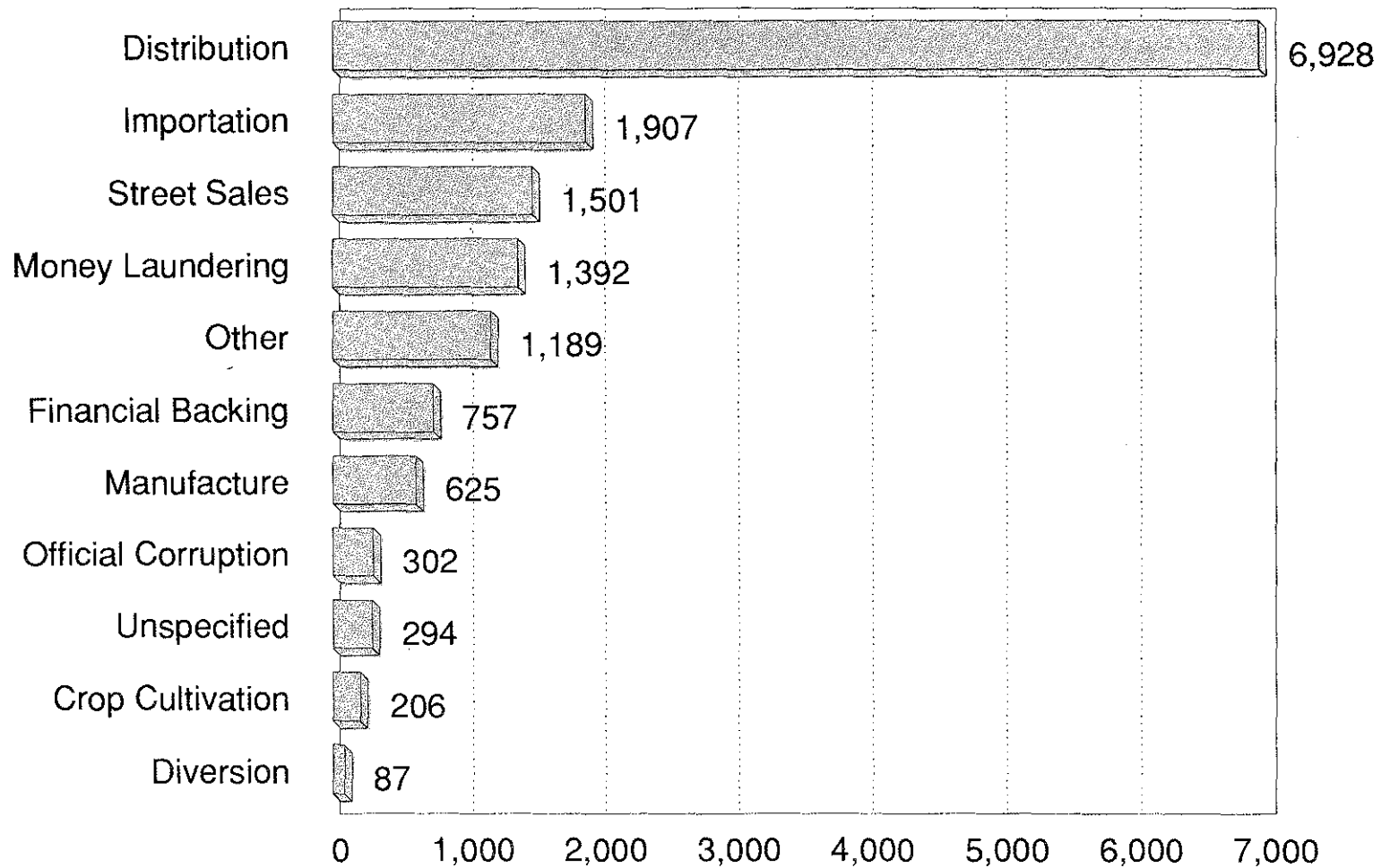
**Exhibit 5c. - FY 1983 through FY 1990  
Type of Criminal Activities Charged in  
Indictments and Informations Returned**

Activity	Number of Indictments and Informations*													Total	Percentage N=8,534**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW		
Distribution	381	470	1026	197	806	472	758	278	397	388	449	997	309	6928	81.2%
Financial Backing	77	46	26	13	67	31	94	30	68	87	64	93	61	757	8.9%
Importation	282	138	75	40	188	92	140	65	131	168	96	304	188	1907	22.3%
Money Laundering	184	86	47	46	136	81	163	40	100	125	93	167	124	1392	16.3%
Other	93	129	125	25	112	65	110	20	79	96	70	194	71	1189	13.9%
Official Corruption	38	45	21	5	18	12	27	15	3	13	5	60	40	302	3.5%
Unspecified	7	33	38	1	41	20	29	21	11	11	24	46	12	294	3.4%
Street Sales	51	103	251	29	166	135	251	71	57	78	135	135	39	1501	17.6%
Crop Cultivation	4	4	33	3	5	20	26	7	8	4	40	26	26	206	2.4%
Diversion	2	0	11	14	6	1	13	2	0	0	28	3	7	87	1.0%
Manufacture	39	61	27	19	57	76	41	5	57	31	69	72	71	625	7.3%

\* The number of indictments and informations in which this activity was charged.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency for each category of illicit activity charged. More than one activity is charged in many cases.

Exhibit 5d - FY 1983 through FY 1990  
Type of Criminal Activities Charged



**Exhibit 6a. - FY 1989 and FY 1990  
Investigative Techniques Used\* for  
Indictments and Informations Returned**

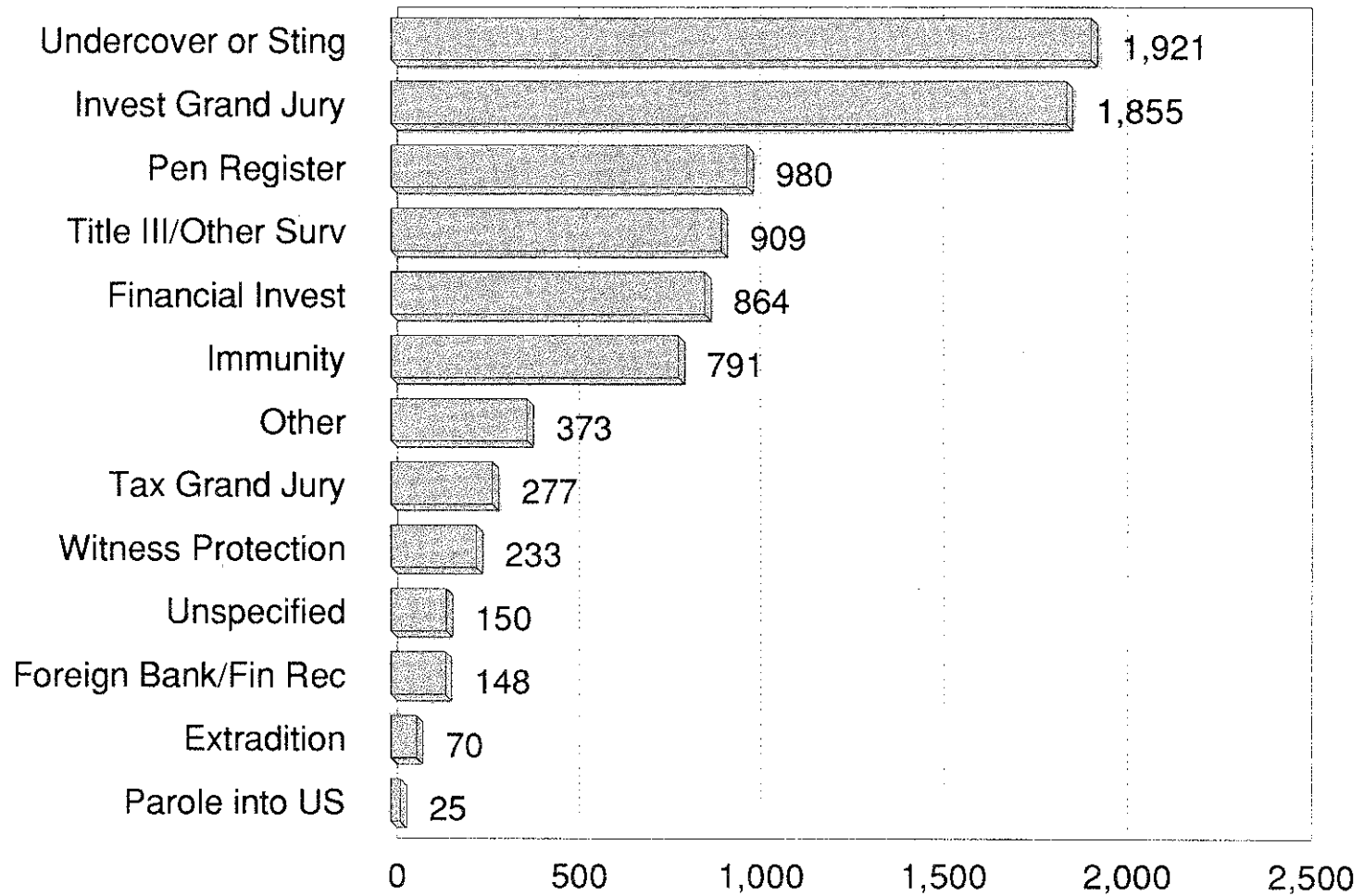
<b>Technique</b>	<b>Number of Indictments and Informations**</b>	<b>Percentage N=2,973***</b>
Financial Investigation	864	29.1%
Immunity	791	26.6%
Investigative Grand Jury	1855	62.4%
Other	373	12.5%
Tax Grand Jury	277	9.3%
Witness Protection	233	7.8%
Title III or Other Surveillance	909	30.6%
Unspecified	150	5.0%
Foreign Bank/Financial Records	148	5.0%
Undercover or Sting	1921	64.6%
Extradition	70	2.4%
Pen Register	980	33.0%
Parole into U.S.	25	0.8%

\* The major investigative techniques used during investigation and prosecution. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of indictments and informations for which this technique was used.

\*\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency with which each technique was used. More than one technique is involved in many cases.

## Exhibit 6b - FY 1989 and FY 1990 Investigative Techniques Used



**Exhibit 6c. - FY 1983 through FY 1990  
Investigative Techniques Used\* for  
Indictments and Informations Returned**

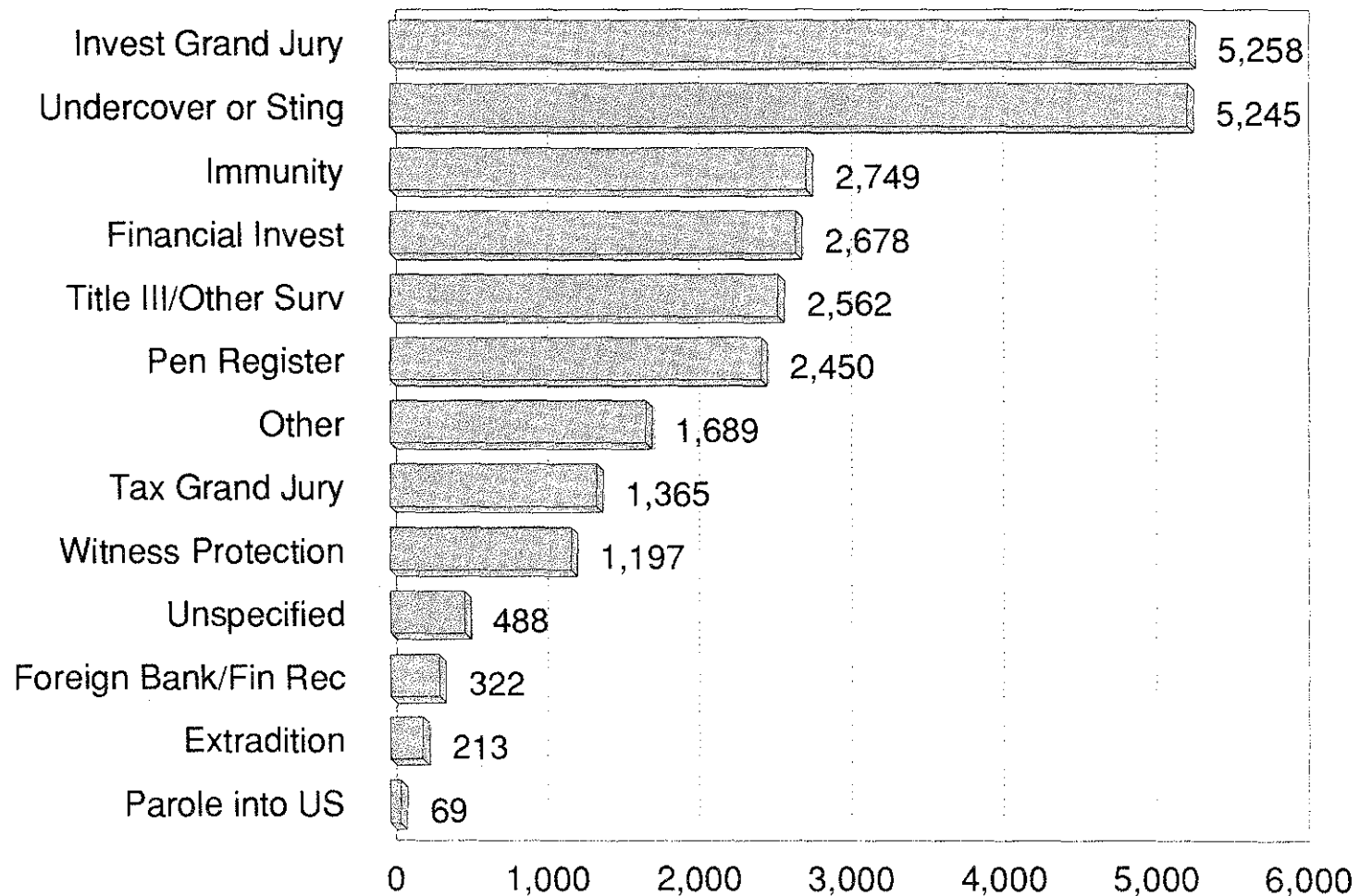
<b>Technique</b>	<b>Number of Indictments and Informations**</b>	<b>Percentage N=8,534***</b>
Financial Investigation	2678	31.4%
Immunity	2749	32.2%
Investigative Grand Jury	5258	61.6%
Other	1689	19.8%
Tax Grand Jury	1365	16.0%
Witness Protection	1197	14.0%
Title III or Other Surveillance	2562	30.0%
Unspecified	488	5.7%
Foreign Bank/Financial Records	322	3.8%
Undercover or Sting	5245	61.5%
Extradition	213	2.5%
Pen Register	2450	28.7%
Parole into U.S.	69	0.8%

\* The major investigative techniques used during investigation and prosecution. No regional breakdown is indicated for reasons of investigative sensitivity.

\*\* The number of indictments and informations for which this technique was used.

\*\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency with which each technique was used. More than one technique is involved in many cases.

## Exhibit 6d - FY 1983 through FY 1990 Investigative Techniques Used



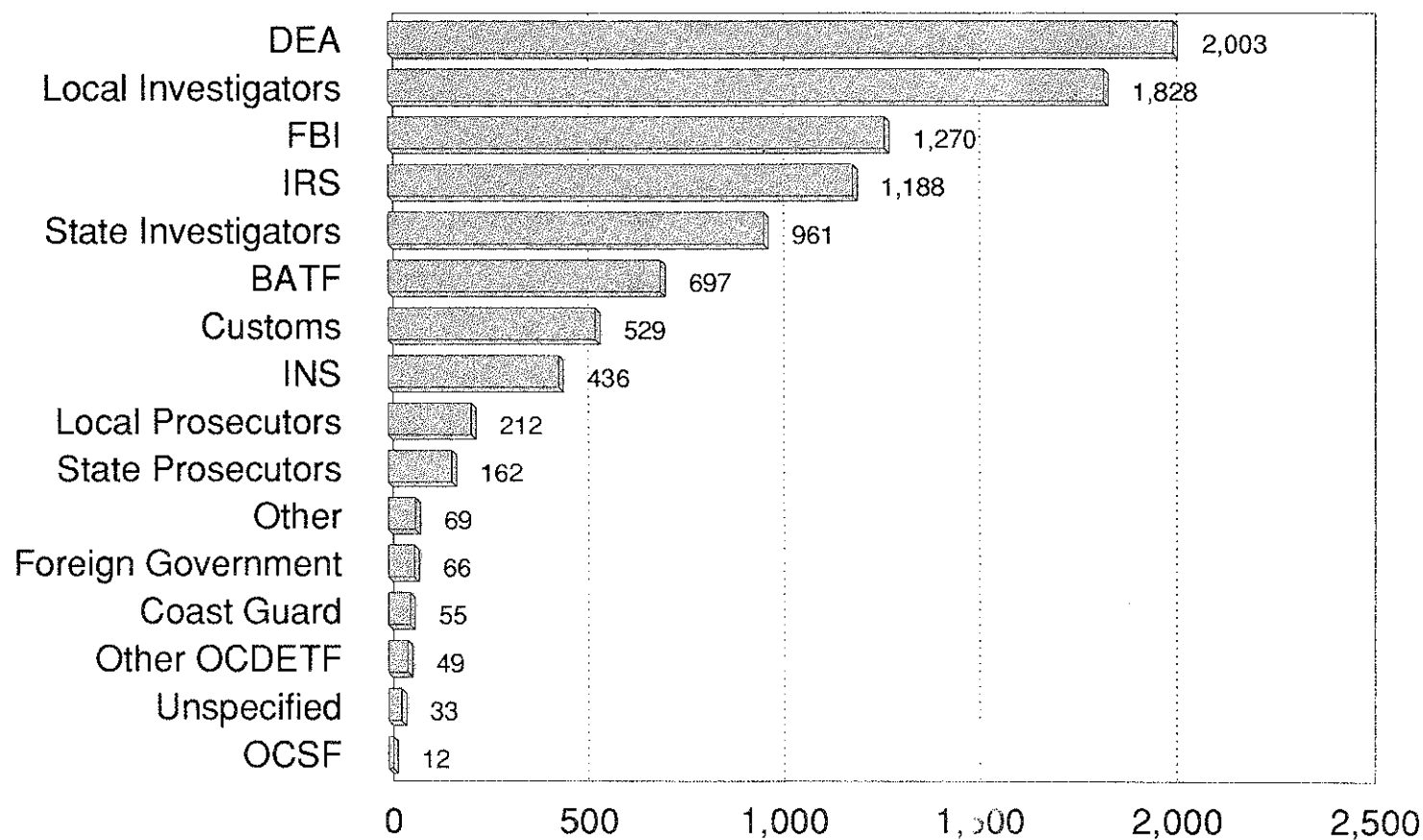
**Exhibit 7a. - FY 1989 and FY 1990  
Agency Participation in  
Investigations Resulting in Charges**

Agency	Number of Indictments and Informations*														Percentage N=2,973**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	91	112	322	80	181	151	204	58	105	80	87	309	48	1828	61.5%
FBI	83	70	200	33	38	135	233	25	84	37	52	261	19	1270	42.7%
IRS	59	107	153	22	152	112	158	27	75	90	40	147	46	1188	40.0%
Customs	44	39	12	8	97	13	36	8	53	68	7	80	64	529	17.8%
DEA	111	117	223	82	184	163	242	99	145	132	79	307	119	2003	67.4%
Local Prosecutors	2	10	11	43	37	21	18	2	10	23	4	22	9	212	7.2%
State Investigators	33	51	119	12	127	99	108	37	105	63	29	150	28	961	32.3%
State Prosecutors	12	1	3	2	71	7	1	24	16	15	1	2	7	162	5.4%
Other OCDETF	5	6	3	0	1	3	15	3	4	0	1	8	0	49	1.6%
Foreign Government	25	2	0	2	0	0	16	0	8	2	0	6	5	66	2.2%
Organized Crime Strike Force (OCSF)	2	0	1	0	6	0	2	0	0	0	0	1	0	12	0.4%
Unspecified	4	2	1	0	1	3	1	0	2	0	3	5	11	33	1.1%
BATF	25	49	49	29	134	51	47	18	32	36	45	147	35	697	23.4%
Coast Guard	8	3	3	3	7	1	0	1	13	8	0	1	7	55	1.8%
INS	39	29	13	5	98	42	24	45	51	32	6	29	23	436	14.7%
Other	2	3	5	0	8	4	6	1	7	3	3	26	1	69	2.3%

\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of participation for each agency. More than one agency is involved in all cases.

# Exhibit 7b. - FY 1989 and 1990 Agency Participation\* in Investigations Resulting in Charges



\*U.S. Marshals Service and  
U.S. Attorneys participate in all cases.

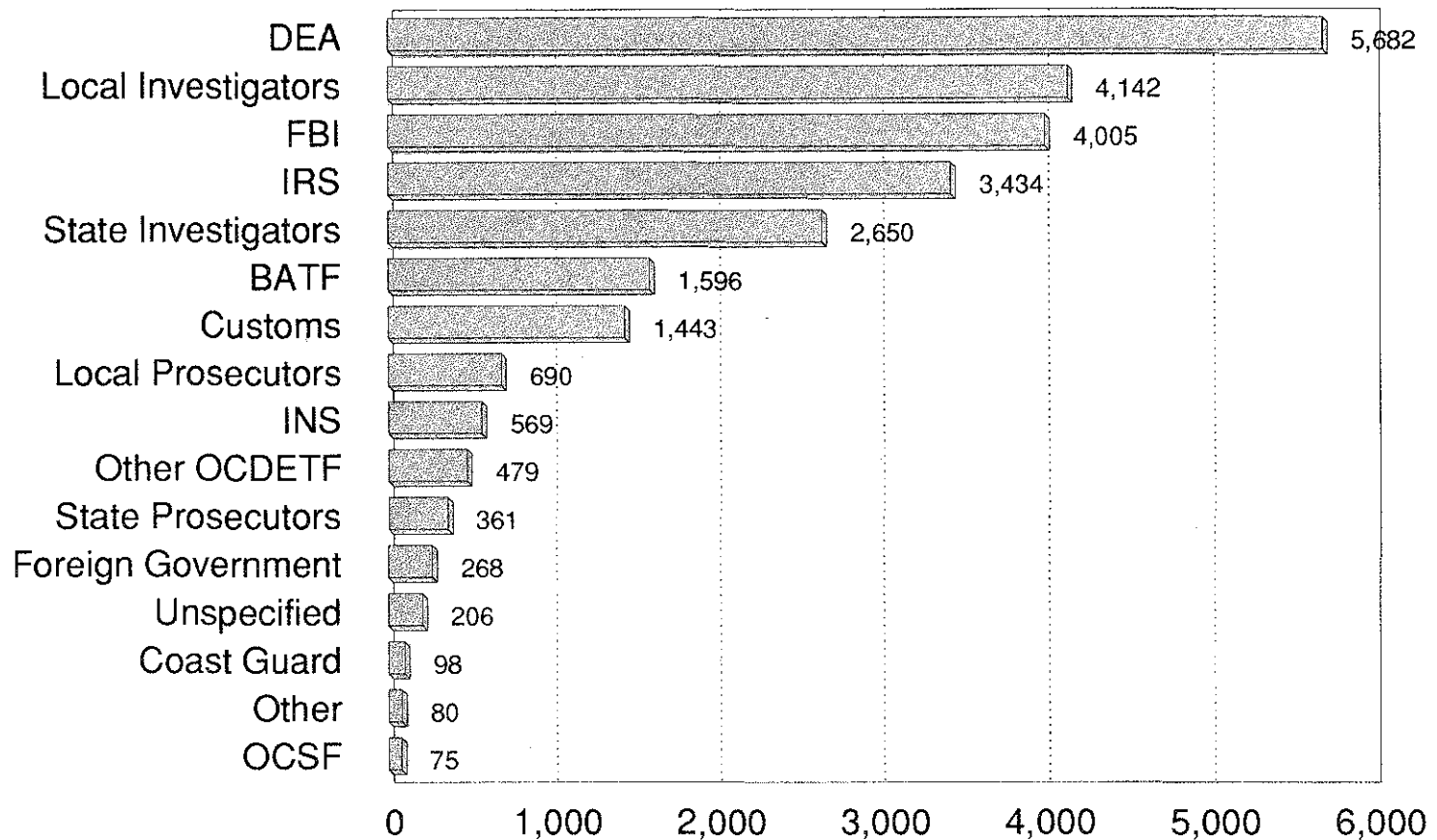
**Exhibit 7c. - FY 1983 through FY 1990  
Agency Participation in  
Investigations Resulting in Charges**

Agency	Number of Indictments and Informations*														Percentage N=8,534**
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Local Investigators	221	243	609	108	562	312	448	181	229	169	321	638	101	4142	48.5%
FBI	160	286	544	62	387	284	564	104	276	168	312	736	122	4005	46.9%
IRS	170	255	576	81	446	206	420	100	196	183	197	414	190	3434	40.2%
Customs	166	124	54	33	209	32	104	19	133	114	10	239	206	1443	16.9%
DEA	357	480	422	172	647	363	681	296	363	399	384	797	321	5682	66.6%
Local Prosecutors	7	35	32	50	159	82	65	8	24	82	59	60	27	690	8.1%
State Investigators	78	171	462	56	357	208	301	86	159	125	176	421	50	2650	31.1%
State Prosecutors	21	6	10	17	112	14	18	35	29	43	8	33	15	361	4.2%
Other OCDEF	24	41	28	15	63	21	50	13	24	41	15	88	56	479	5.6%
Foreign Government	50	20	6	16	13	2	32	12	29	38	13	18	19	268	3.1%
Organized Crime															
Strike Force (OCSF)	4	10	3	0	25	4	5	5	8	8	1	2	0	75	0.9%
Unspecified	9	9	33	1	45	25	5	1	10	3	9	36	20	206	2.4%
BATF	118	137	100	45	287	68	97	43	79	50	154	317	101	1596	18.7%
Coast Guard	11	4	4	3	16	1	1	6	20	10	0	3	19	98	1.1%
INS	40	39	18	7	107	65	55	57	63	33	8	48	29	569	6.7%
Other	3	5	5	1	10	6	7	1	7	3	3	28	1	80	0.9%

\* The number of indictments and informations in which this agency participated in either the investigation or prosecution. U.S. Marshals Service and U.S. Attorneys are assumed to be involved in all cases.

\*\* The number of indictments and informations returned in Task Force cases. The percentages show the frequency of participation for each agency. More than one agency is involved in all cases.

# Exhibit 7d. - FY 1983 through FY 1990 Agency Participation\* in Investigations Resulting in Charges



\*U.S. Marshals Service and  
U.S. Attorneys participate in all cases.

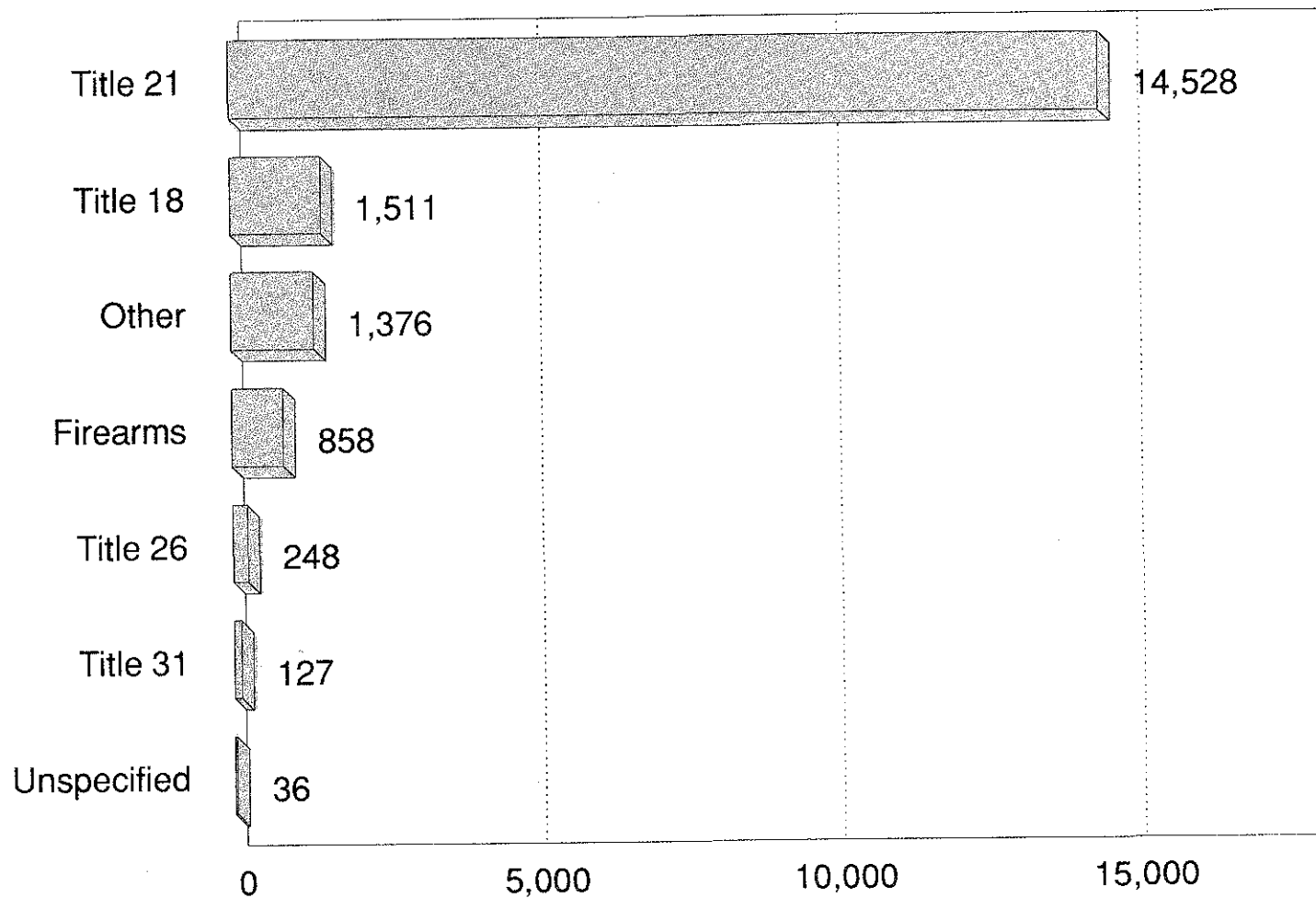
**Exhibit 8a - FY 1989 and FY 1990  
Offenses Charged  
Defendants Charged**

Offense	Number of Defendants Charged														Percentage N=9,064*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Title 18: RICO	21	34	24	0	29	26	70	13	4	38	7	9	0	275	3.0%
Title 21: Importation	337	49	9	7	7	17	4	11	27	50	7	66	53	644	7.1%
Title 21: Use of Communication Facility	31	116	164	19	107	112	209	45	71	96	20	125	55	1170	12.9%
Title 18: ITAR	50	60	86	10	62	55	61	14	8	10	20	104	49	589	6.5%
Title 21: Distribution	449	387	733	260	540	481	423	237	242	289	173	748	343	5305	58.5%
Other	134	75	158	31	202	117	145	59	22	144	78	143	68	1376	15.2%
Title 21: Conspiracy	678	562	697	190	701	424	731	263	227	584	331	1027	491	6906	76.2%
Title 26: Tax Violations	22	24	42	8	25	16	36	17	14	7	11	19	7	248	2.7%
Title 21: CCE	36	26	18	6	47	26	10	14	8	25	11	27	14	268	3.0%
Title 18: Tax Conspiracy	25	1	29	8	5	1	27	11	8	2	2	3	7	129	1.4%
Title 18: Non-tax Conspiracy	74	20	27	10	15	12	12	5	11	38	9	13	28	274	3.0%
Title 18: Money Laundering**	41	27	21	20	28	32	9	1	3	8	21	33	0	244	2.7%
Title 31: Currency Violations	31	6	15	8	3	5	15	2	8	12	3	8	11	127	1.4%
Title 18, 26: Firearms	30	72	121	32	77	70	60	23	51	66	65	137	54	858	9.5%
Title 21: Manufacture	10	12	0	10	8	33	7	0	23	0	0	36	96	235	2.6%
Unspecified	5	0	1	0	0	6	1	13	0	3	6	1	0	36	0.4%

\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency with which each offense is charged. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

\*\* Collection of statistics for this category began in FY 1990.

## Exhibit 8b.- FY 1989 and FY 1990 Offenses Charged



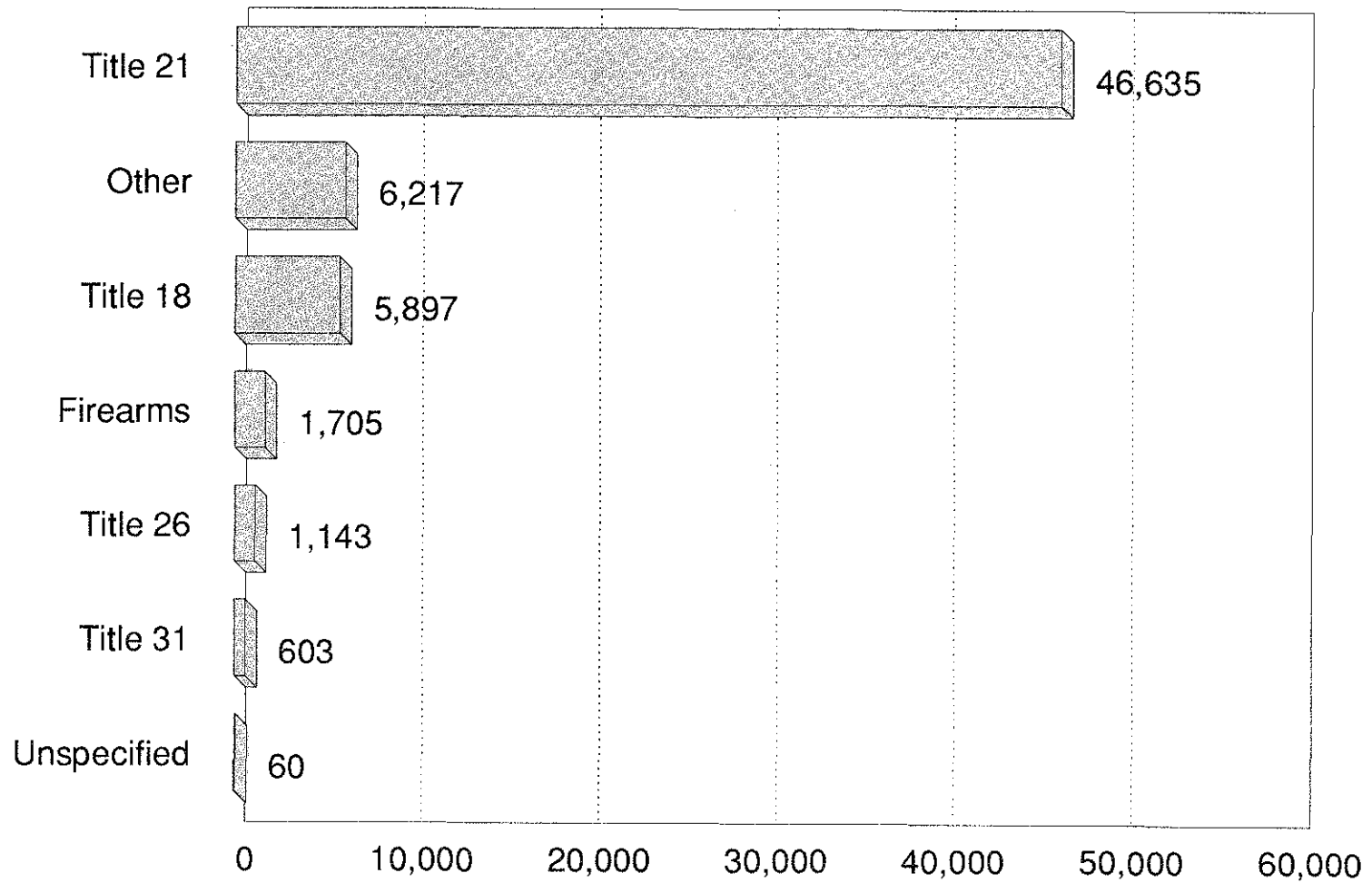
**Exhibit 8c. - FY 1983 through FY 1990**  
**Offenses Charged**  
**Defendants Charged**

Offense	Number of Defendants Charged														Percentage N=28,713*
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Title 18: RICO	238	136	208	7	133	34	183	54	9	164	26	113	52	1357	4.7%
Title 21:															
Importation	952	601	120	27	163	81	100	117	179	211	37	551	259	3398	11.8%
Title 21: Use of															
Communication Facility	115	285	434	64	348	373	626	124	249	315	195	404	270	3802	13.2%
Title 18: ITAR	164	340	338	54	296	165	280	47	150	80	112	446	217	2689	9.4%
Title 21:															
Distribution	1251	1506	1905	514	1699	1150	1361	807	918	1005	573	2141	895	15725	54.8%
Other	460	617	628	205	726	465	560	187	259	670	283	603	554	6217	21.7%
Title 21:															
Conspiracy	1892	1991	2124	564	2277	1207	2058	1043	1088	2014	1113	2839	1621	21831	76.0%
Title 26:															
Tax Violations	69	100	202	19	148	58	134	57	54	47	80	121	54	1143	4.0%
Title 21: CCE	122	101	129	22	146	52	99	44	74	98	78	134	65	1164	4.1%
Title 18:															
Tax Conspiracy	59	33	149	57	27	16	68	37	39	10	38	51	66	650	2.3%
Title 18: Non-tax															
Conspiracy	219	88	97	41	56	16	29	8	37	71	17	74	201	954	3.3%
Title 18:															
Money Laundering**	41	27	21	23	28	32	9	1	3	8	21	33	0	247	0.9%
Title 31: Currency															
Violations	104	32	39	48	45	14	40	3	37	59	7	65	110	603	2.1%
Title 18, 26:															
Firearms	93	145	190	48	167	111	83	58	121	109	143	271	166	1705	5.9%
Title 21:															
Manufacture	53	84	36	26	50	42	21	3	142	13	27	71	147	715	2.5%
Unspecified	5	0	3	0	0	9	5	13	1	8	7	3	6	60	0.2%

\* The number of defendants charged in Task Force indictments and informations. The percentages show the frequency with which each offense is charged. Many defendants were charged with more than one offense. Some defendants were charged in more than one indictment or information.

\*\* Collection of statistics for this category began in FY 1990.

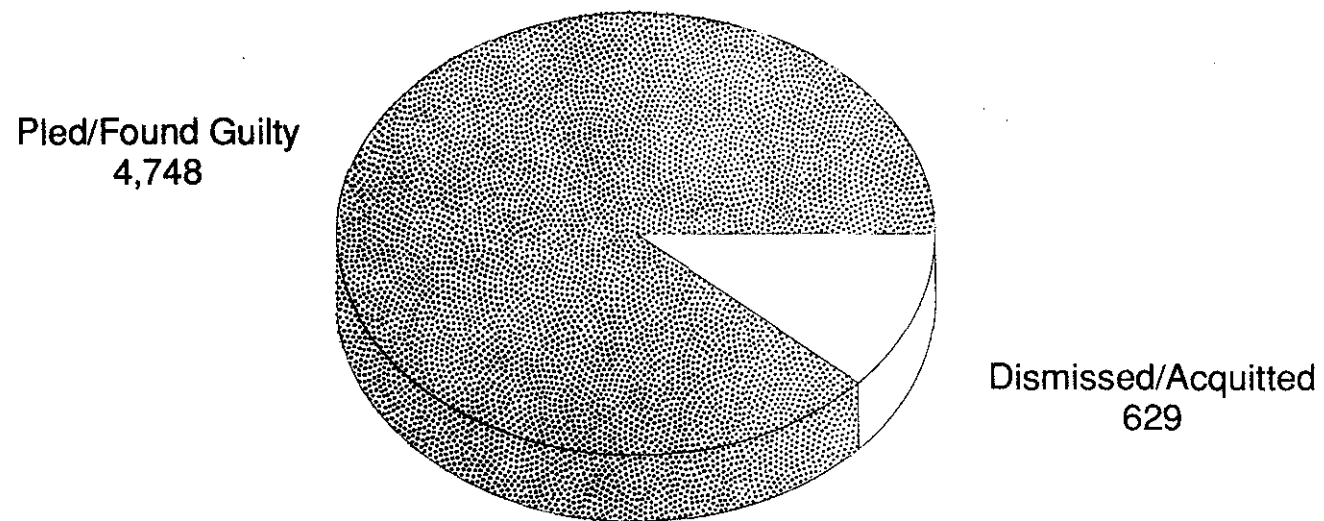
# Exhibit 8d.- FY 1983 through FY 1990 Offenses Charged



**Exhibit 9a. - FY 1989 and FY1990  
Dispositions by Defendant in  
Cases Adjudicated**

[illegible]

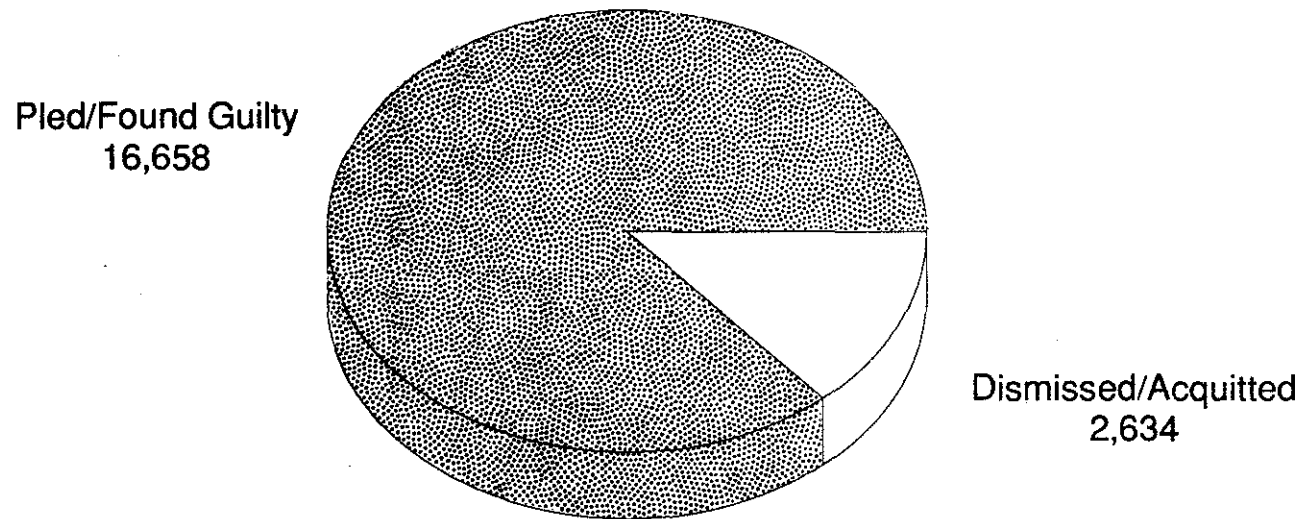
Exhibit 9b. - FY 1989 and FY 1990  
Dispositions by Defendant



**Exhibit 9c. - FY 1983 through FY 1990  
Dispositions by Defendant in  
Cases Adjudicated**

Disposition	Number of Defendants													Total	Percentage of Adjudicated Defendants N=19,302
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW		
Pled/Found Guilty	1160	1410	1832	396	1910	1036	1736	640	812	1482	1113	1999	1132	16658	86.3%
Dismissed/Acquitted on All Charges	135	338	240	37	306	161	207	77	112	216	148	392	265	2634	13.6%
Disposition Information not Available	0	0	5	0	0	0	1	0	1	1	0	0	2	10	0.1%

Exhibit 9d. - FY 1983 through FY 1990  
Dispositions by Defendant\*



\*Disposition information is not  
available for 10 defendants.

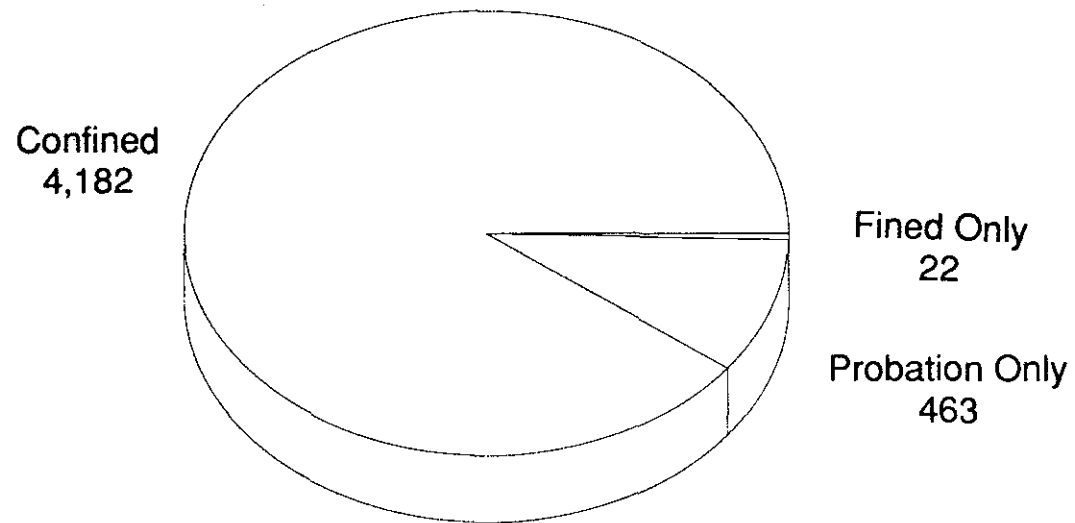
**Exhibit 10a. - FY 1989 and FY 1990  
Sentences Imposed on Defendants  
Convicted**

	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=4,667
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Confined	474	385	360	107	370	314	595	106	153	211	258	480	369	4182	89.6%
Probation Only	36	41	40	10	30	46	70	6	38	21	31	27	67	463	9.9%
Fined Only	0	5	1	0	2	1	3	2	1	0	3	1	3	22	0.5%
Convicted but No Sentencing Data*	9	7	4	3	4	7	10	0	1	15	7	7	7	81	

\* Includes deferred sentences and/or "no sentence rendered yet."

Note: The total number of defendants convicted is 4,748; no sentencing data was available for 81 defendants.

Exhibit 10b. - FY 1983 through FY 1990  
All OCDETF Convictions\*



\*81 defendants have been convicted but not yet sentenced.

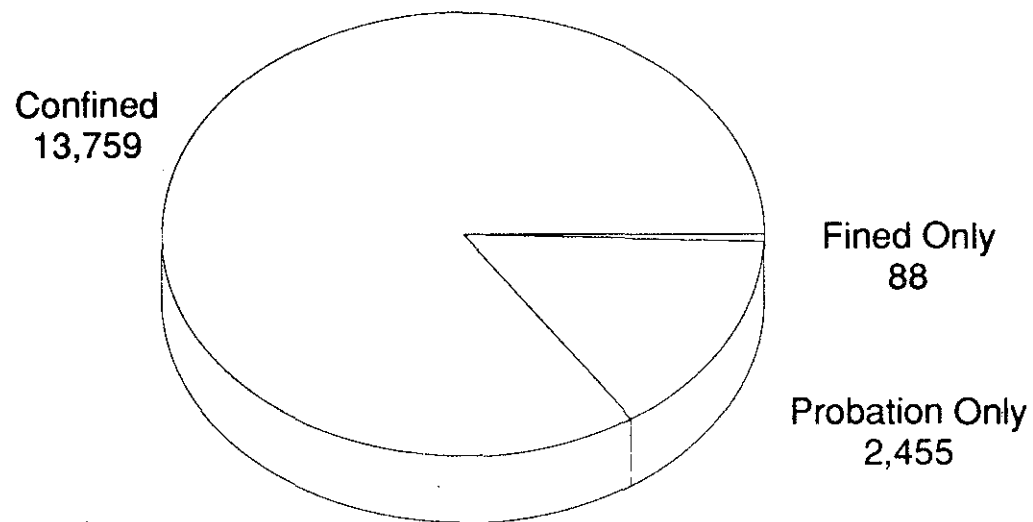
**Exhibit 10c - FY 1983 through FY 1990  
Sentences Imposed on Defendants  
Convicted**

	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=16,302
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
Confined	1042	1209	1469	333	1623	830	1465	547	627	1076	943	1740	855	13759	84.4%
Probation Only	99	171	300	51	264	178	235	80	178	293	131	213	262	2455	15.1%
Fined Only	2	6	8	1	5	2	11	7	3	19	12	7	5	88	0.5%
Convicted but No Sentencing Data*	17	24	55	11	18	26	25	6	4	94	27	39	10	356	

\*Includes deferred sentences and/or "no sentence rendered yet."

Note: The total number of defendants convicted is 16,658; no sentencing data was available for 356 defendants.

Exhibit 10d. - FY 1983 through FY 1990  
All OCDETF Convictions\*



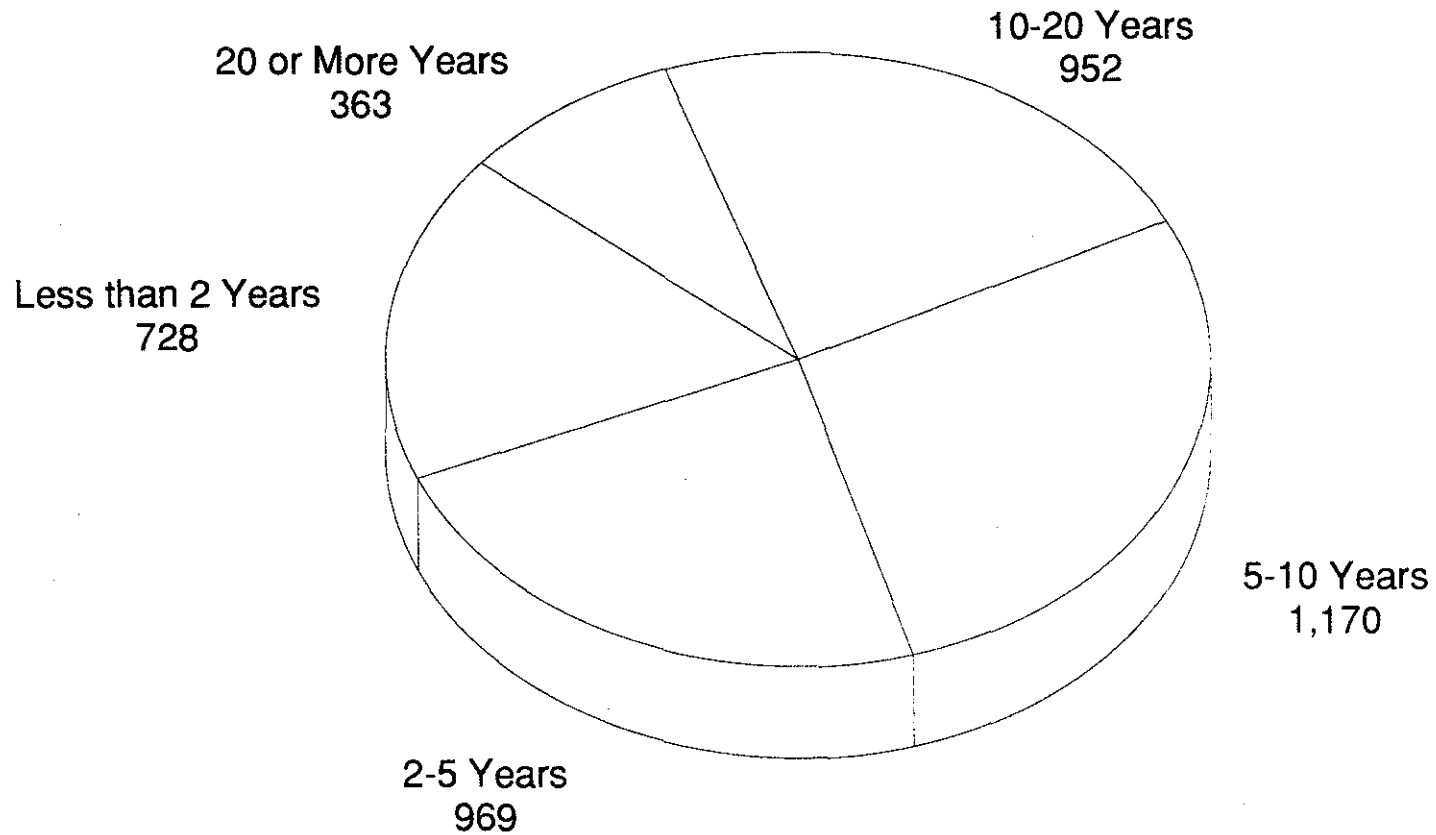
\*356 defendants have been convicted but not yet sentenced.

**Exhibit 11a - FY 1989 and FY 1990  
Net Prison Terms Imposed\* on  
Defendants Sentenced to Confinement**

Term	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=4182
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
1 Month to 1 Year, 11 Months	41	77	102	13	44	80	106	17	21	24	40	84	79	728	17.4%
2 Years to 4 Years, 11 Months	117	110	93	11	69	93	157	29	36	34	43	112	65	969	23.2%
5 Years to 9 Years, 11 Months	131	93	104	25	114	72	155	41	47	59	71	129	129	1170	28.0%
10 Years to 14 Years, 11 Months	84	54	35	33	75	46	91	13	30	50	44	77	53	685	16.4%
15 Years to 19 Years, 11 Months	45	23	12	12	26	13	35	2	7	17	14	40	21	267	6.4%
20 Years to 24 Years, 11 Months	24	10	6	9	12	4	20	2	7	14	16	20	6	150	3.6%
25 Years to 44 Years, 11 Months	18	12	8	4	19	6	27	1	4	9	23	12	10	153	3.7%
45 Years or More	14	6	0	0	11	0	4	1	1	4	7	6	6	60	1.4%

\* The total of all consecutive sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).

Exhibit 11b. - FY 1989 and FY 1990  
Net Prison Terms Imposed on Defendants  
Sentenced to Confinement

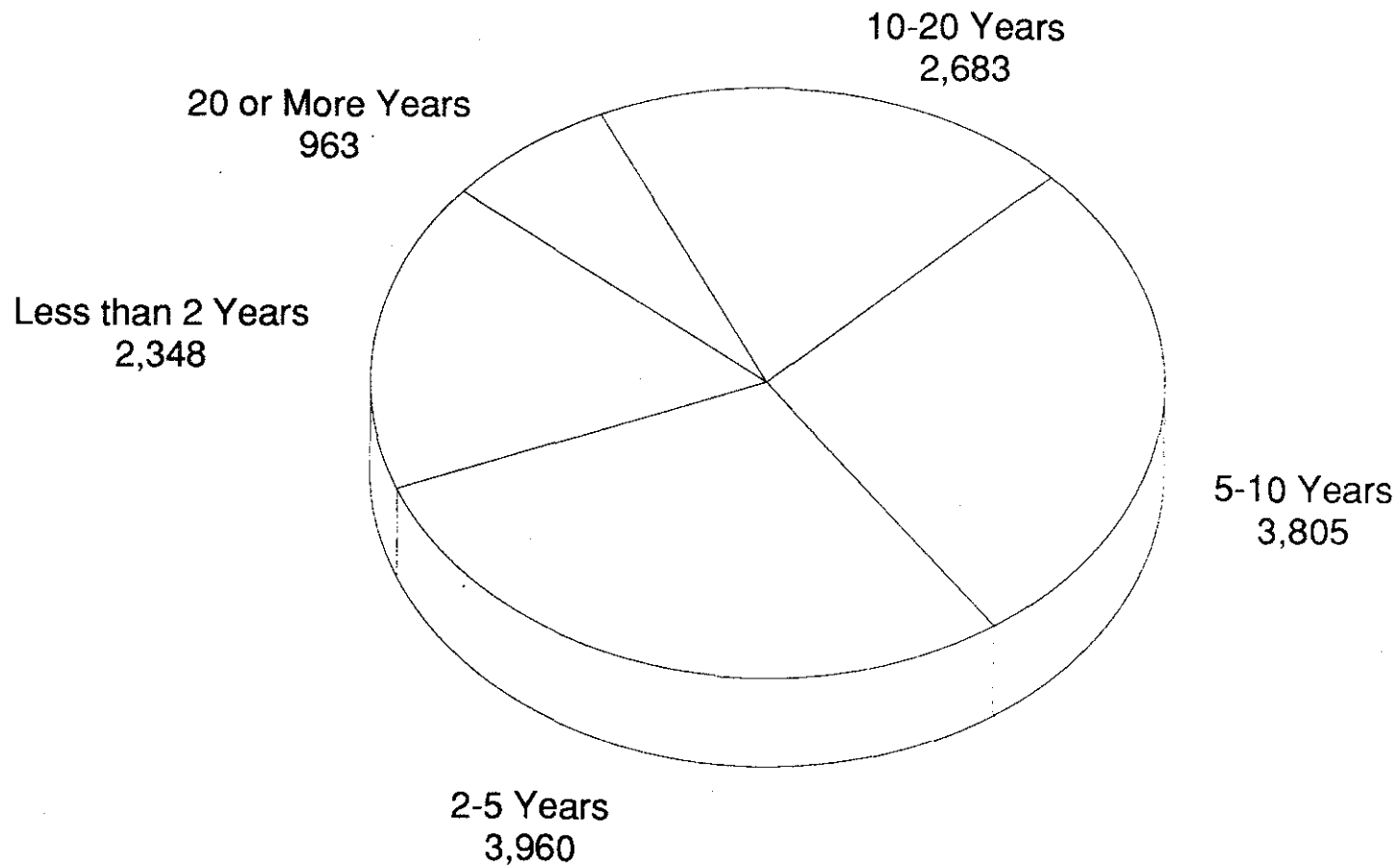


**Exhibit 11c. - FY 1983 through FY 1990  
Net Prison Terms Imposed\* on  
Defendants Sentenced to Confinement**

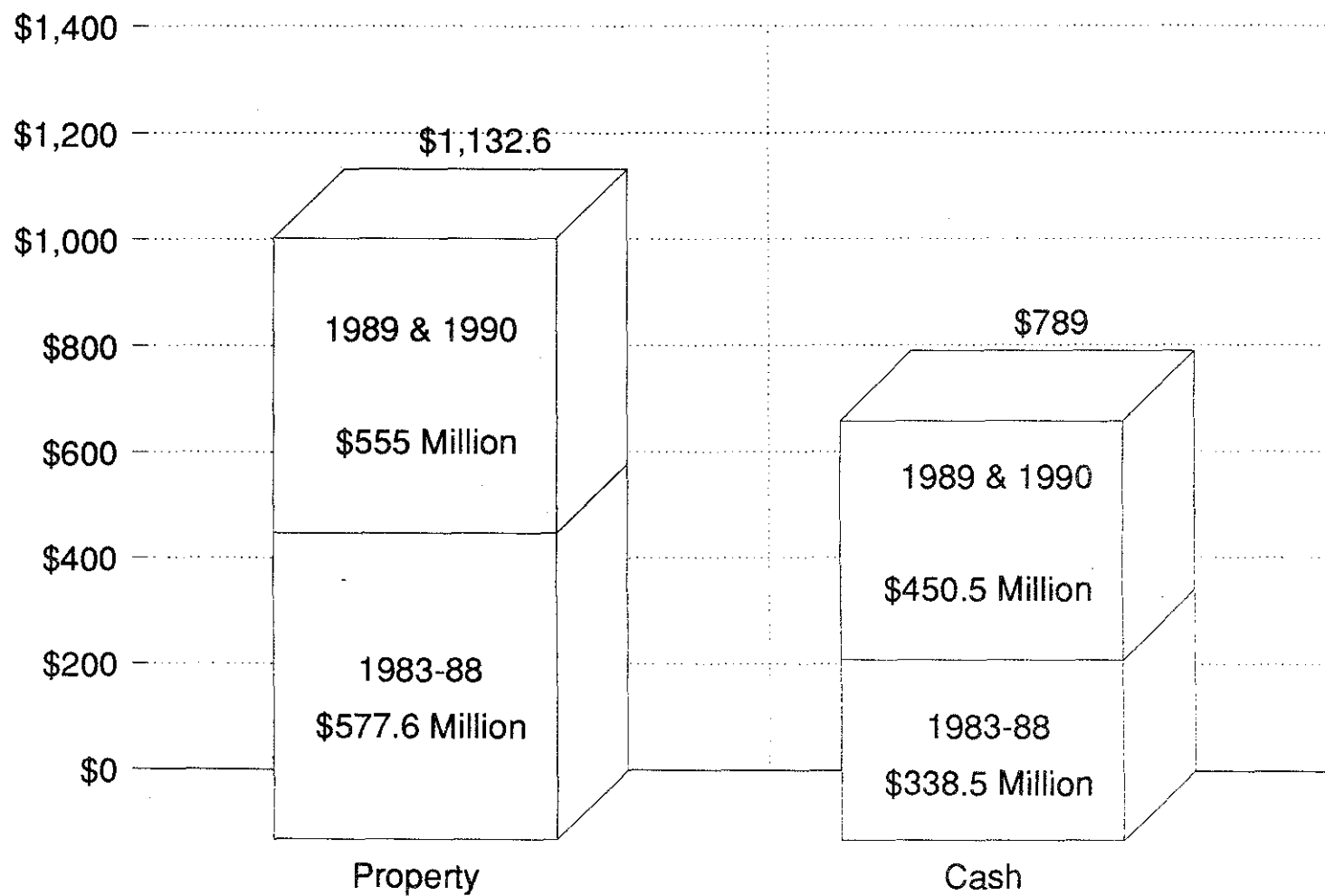
Term	Number of Defendants Sentenced														Percentage of Sentenced Defendants N=13,759
	FC	GC	GL	LA	MA	MS	NC	NE	NW	NY	SC	SE	SW	Total	
1 Month to 1 Year, 11 Months	91	182	357	50	284	190	262	88	107	140	166	211	220	2348	17.1%
2 Years to 4 Years, 11 Months	283	323	451	64	408	306	438	211	192	333	276	440	235	3960	28.8%
5 Years to 9 Years, 11 Months	293	347	374	95	477	191	378	147	169	294	249	552	239	3805	27.7%
10 Years to 14 Years, 11 Months	169	171	148	73	238	86	196	61	96	146	106	270	93	1853	13.5%
15 Years to 19 Years, 11 Months	90	86	67	26	101	37	80	18	34	65	61	131	34	830	6.0%
20 Years to 24 Years, 11 Months	55	45	31	13	34	9	48	9	14	38	31	58	11	396	2.9%
25 Years to 44 Years, 11 Months	37	40	32	8	61	10	51	11	12	42	41	57	15	417	3.0%
45 Years or More	24	15	9	4	20	1	12	2	3	18	13	21	8	150	1.1%

\* The total of all consecutive sentences imposed for the defendant (does not include any concurrent or suspended sentences imposed).

Exhibit 11d. - FY 1983 through FY 1990  
Net Prison Terms Imposed on Defendants  
Sentenced to Confinement



## Exhibit 12 - FY 1983 through FY 1990 Non-Drug Assets Seized



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# Appendix

## A

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### Organized Crime Drug Enforcement Task Force Executive Review Board

Deputy Attorney General  
Chairman

Associate Deputy Attorney General  
Executive Director

Assistant Attorney General  
Tax Division

Assistant Attorney General  
Criminal Division

Assistant Commissioner (Enforcement)  
United States Customs Service

Director  
Executive Office for United States Attorneys

Director  
Bureau of Alcohol, Tobacco and Firearms

Commandant  
United States Coast Guard

Director  
United States Marshals Service

Assistant Secretary  
(Enforcement and Operations)  
Department of the Treasury

Administrator  
Drug Enforcement Administration

Assistant Attorney General  
Justice Management Division

Assistant Commissioner  
(Criminal Investigation)  
Internal Revenue Service

Director  
Immigration and Naturalization Service

Director  
Federal Bureau of Investigation

Representatives of the  
United States Attorneys

Chairman  
Attorney General's Advisory Committee

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# Appendix

## B

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### Organized Crime Drug Enforcement Task Force Washington Agency Representatives Group

Associate Deputy Attorney General  
Chairman

Director, OCDETF Executive Office  
Vice-Chairman

#### DEPARTMENT OF JUSTICE

AUSA Coordinator:	Assistant U.S. Attorney
Criminal Division:	Chief Narcotics and Dangerous Drugs Section
Drug Enforcement Administration :	Deputy Assistant Administrator for Operations  Deputy Assistant Administrator Office of Investigative Support  Chief Task Force Section
Executive Office for United States Attorneys:	Deputy Director  Deputy Director, OCDETF Executive Office
Federal Bureau of Investigation:	Deputy Assistant Director Criminal Investigative Division  Section Chief Drug Section Criminal Investigative Division  Supervisory Special Agent Drug Intelligence and Analysis Unit

Immigration and Naturalization  
Service:

Assistant Commissioner  
Investigations

Deputy Assistant Commissioner  
Investigations

Senior Special Agent  
Project Manager  
Investigations Division

Senior Special Agent  
Investigations Division

Justice Management Division:

Director, Security Staff

Assistant Director  
Physical Security Group

United States Marshals Service:

Associate Director for  
Operations

Chief,  
Enforcement Operation Division

#### DEPARTMENT OF TRANSPORTATION

United States Coast Guard:

Chief, Law Enforcement  
Programs Branch

#### DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco  
and Firearms:

Deputy Associate Director for Enforcement

Special Agent in Charge  
Special Programs Branch  
Office of Law Enforcement

Program Manager, OCDETF  
Office of Enforcement

Internal Revenue Service:

Director  
Office of Enforcement  
(Criminal Investigation)

Assistant Director  
Office of Enforcement  
(Criminal Investigation)

Senior Analyst  
Office of Enforcement

Office of the Assistant  
Secretary for Enforcement:

United States Customs Service:

Senior Enforcement Adviser for  
Enforcement and Operations

Director  
Smuggling Investigations Division

Senior Special Agent,  
OCDETF Coordinator  
Smuggling Investigations Division