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THE WHITE HOUSE

WASHINGTON

March 2, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Statement of John C. Lawn Regarding
DEA Budget, March 8, 1984

We have been provided with a copy of testimony DEA Acting Deputy Administrator John Lawn proposes to deliver on March 8 before the Subcommittee on Crime of the House Judiciary Committee. The testimony reviews the work of DEA and supports its budget request for FY 1985. Lawn stresses the new FBI/DEA relationship, the marijuana eradication program, the new organized crime drug enforcement task forces, international narcotics control initiatives, and the need for Congress to act on pending anti-narcotics legislation. I have reviewed the testimony and have no objections.

Attachment

THE WHITE HOUSE

WASHINGTON

March 2, 1984

MEMORANDUM FOR GREGORY JONES
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Statement of John C. Lawn Regarding
DEA Budget, March 8, 1984

Counsel's Office has reviewed the above-referenced testimony,
and finds no objection to it from a legal perspective.

FFF:JGR:aea 3/2/84

cc: FFFielding/JGRoberts/Subj/Chron

THE WHITE HOUSE

WASHINGTON

March 2, 1984

MEMORANDUM FOR GREGORY JONES
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

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CORRESPONDENCE TRACKING WORKSHEET

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Name of Correspondent: *Greg Jones*

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Subject: *Statement of John C. Lawn re: DEA budget, Mar 8 84*

ROUTE TO:	ACTION	DISPOSITION
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DRAFT

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DEPARTMENT OF JUSTICE.

DRUG ENFORCEMENT ADMINISTRATION

STATEMENT OF JOHN C. LAWN, ACTING DEPUTY ADMINISTRATOR
DRUG ENFORCEMENT ADMINISTRATION, BEFORE THE
SUBCOMMITTEE ON CRIME
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES

march 8, 1984

I AM PLEASED TO APPEAR AGAIN BEFORE THIS SUBCOMMITTEE TO DISCUSS THE DRUG ENFORCEMENT ADMINISTRATION (DEA) BUDGET AND HOW IT RELATES TO OUR MISSION, OUR ACCOMPLISHMENTS, AND OUR PLANS FOR FISCAL YEAR 1985.

PRESIDENT REAGAN HAS REPEATEDLY AND CLEARLY STATED HIS INTENTION TO END THE DRUG MENACE AND CRIPPLE ORGANIZED CRIME. THIS INCLUDES NOT ONLY THE TRADITIONAL SYNDICATES, SUCH AS LA COSA NOSTRA, BUT ALSO NEWER CRIMINAL ENTERPRISES, SUCH AS THE COLOMBIAN "COCAINE COWBOYS", OUTLAW MOTORCYCLE GANGS, AND SOUTHEAST ASIAN GROUPS. TOGETHER, THESE ORGANIZED SYNDICATES CONSTITUTE MAJOR CRIMINAL ENTERPRISES WITH SIGNIFICANT OVERSEAS CONNECTIONS.

THE SALE OF NARCOTICS IS THE SINGLE MOST PROFITABLE VENTURE UNDERTAKEN BY CRIMINAL ENTERPRISES. THESE PROFITS ARE USED TO FINANCE OTHER CRIMINAL ACTIVITIES, INCLUDING PORNOGRAPHY, EXTORTION, PROSTITUTION, AND THE CORRUPTION OF PUBLIC OFFICIALS. BECAUSE OF THIS, ONE OF THE MOST EFFECTIVE MEANS OF CRIPPLING ORGANIZED CRIME IS TO TAKE VIGOROUS ENFORCEMENT ACTION AGAINST DRUG TRAFFICKERS WHICH RESULTS IN THE LOSS OF THESE PROFITS.

SINCE 1973, DEA HAS BEEN THE LEAD LAW ENFORCEMENT AGENCY RESPONSIBLE FOR INVESTIGATING U.S. DRUG LAW VIOLATIONS, AND THE SOLE U.S. AGENCY AUTHORIZED TO INVESTIGATE DRUG TRAFFICKING OVERSEAS. ADDITIONALLY, DEA IS THE ONLY AGENCY WITH AUTHORITY TO REGULATE AND MONITOR THE MANUFACTURE AND DISTRIBUTION OF LEGAL DRUGS. IT ALSO HAS THE LEAD ROLE IN THE DEVELOPMENT OF NARCOTICS INTELLIGENCE.

AS THE LEAD AGENCY FOR DRUG ENFORCEMENT, DEA PLAYS A CRUCIAL ROLE IN THIS ADMINISTRATION'S CAMPAIGN AGAINST ORGANIZED CRIME AND DRUG TRAFFICKING. DURING THE PAST FISCAL YEAR, WE HAVE TAKEN TREMENDOUS STRIDES IN EFFECTING A UNIFIED, SUSTAINED ASSAULT AGAINST THE ILLICIT DRUG TRAFFIC, BOTH DOMESTICALLY AND ABROAD. WE HAVE MAINTAINED CLOSE WORKING RELATIONSHIPS WITH OTHER FEDERAL AGENCIES, INCLUDING THE FEDERAL BUREAU OF INVESTIGATION, THE U.S. CUSTOMS SERVICE, THE COAST GUARD, THE NAVY, THE AIR FORCE, THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS, AND THE INTERNAL REVENUE SERVICE, WITH NUMEROUS STATE AND LOCAL AGENCIES, AND ALSO WITH FOREIGN ENFORCEMENT ENTITIES.

THE AUGMENTATION OF OUR RESOURCES WHICH RESULTED FROM THE 1982 ASSIGNMENT OF CONCURRENT JURISDICTION TO THE FBI FOR DRUG LAW VIOLATION INVESTIGATIONS HAS PROVIDED US WITH ENHANCED FLEXIBILITY IN ATTACKING THE DRUG TRADE. FBI SUPPORT OF OUR ENFORCEMENT MISSION HAS ALREADY RESULTED IN IMPRESSIVE TEAMWORK. BY THE END OF JANUARY 1984, THE NUMBER OF COOPERATIVE DEA/FBI INVESTIGATIONS HAD INCREASED FROM 12 IN JULY OF 1981 TO 737. VALUABLE EXPERTISE IN THE AREAS OF WIRETAPS, FINANCIAL INVESTIGATIONS, ORGANIZED CRIME, AND PUBLIC CORRUPTION HAS BEEN SHARED BY BOTH AGENCIES. DEA AND FBI AGENTS HAVE BEEN CROSS TRAINED TO ENHANCE THEIR EFFECTIVENESS IN THE FIELD. ALL FBI AGENTS HAVE BEEN EXPOSED TO TRAINING IN NARCOTICS INVESTIGATIONS. OF THESE AGENTS, APPROXIMATELY 600 HAVE RECEIVED SPECIALIZED NARCOTICS TRAINING. DEA AGENTS HAVE ALSO RECEIVED TRAINING REGARDING THE FBI MISSION AND SERVICES. ADDITIONALLY, BOTH AGENCIES' INFORMATION/INTELLIGENCE DATA BASES HAVE BEEN EXPANDED, AND FORENSIC LABORATORY SUPPORT HAS INCREASED.

MUCH HAS BEEN ACCOMPLISHED AS A RESULT OF THIS HEIGHTENED EFFICIENCY, AND AS A CONSEQUENCE OF THE COOPERATION PROVIDED BY STATE, LOCAL, AND OTHER FEDERAL AGENCIES. MUCH STILL REMAINS TO BE DONE.

IN FY 1983, DEA AVERAGED APPROXIMATELY 1,000 ARRESTS AND 800 CONVICTIONS PER MONTH. THIS FIGURE INCLUDES DEA-ASSISTED STATE AND LOCAL ARRESTS AND CONVICTIONS. DOMESTIC DRUG SEIZURES WERE AS FOLLOWS: HEROIN SEIZURES INCREASED IN 1983 FROM 230.8 KILOS TO 306.4 KILOS. SEIZURES OF COCAINE INCREASED FROM 4,946.5 KILOS TO 7,569.3 KILOS. MARIJUANA SEIZURES DECREASED SLIGHTLY FROM 1,074,338.9 KILOS TO 1,044,648 KILOS. INCREASED EFFORTS WERE DIRECTED INTO THE ERADICATION OF DOMESTIC MARIJUANA. IT IS

ESTIMATED THAT CLOSE TO 4 MILLION PLANTS WERE DESTROYED IN FY 1983 BY LOCAL LAW ENFORCEMENT AGENCIES. ALSO DURING THE PAST YEAR, 234 CLANDESTINE LABORATORY SEIZURES WERE REPORTED TO DEA, OF WHICH 182 WERE THE RESULT OF DEA INVESTIGATIONS AND 52 WERE THE RESULT OF STATE AND LOCAL EFFORTS. INCLUDED IN THE SEIZURES WERE 94 METHAMPHETAMINE AND 33 PCP LABORATORIES.

IN 1983, THE DOMESTIC MARIJUANA ERADICATION/SUPPRESSION PROGRAM WAS EXPANDED FROM 25 TO 40 STATES. UNDER THIS PROGRAM, DEA ACTIVELY SUPPORTS STATE AND LOCAL JURISDICTIONS ENGAGED IN MARIJUANA ERADICATION AND SUPPRESSION EFFORTS BY CONTRIBUTING FUNDING, TRAINING, AND INVESTIGATIVE AND AERIAL SUPPORT. ONE MEASURE OF THE SUCCESS OF THIS INITIATIVE IS, THAT TO AVOID AERIAL DETECTION, THERE HAS BEEN A MARKED INCREASE IN THE NUMBER OF GREENHOUSES USED FOR CULTIVATION.

AN IMPORTANT ASPECT OF THIS PROGRAM IN 1983 WAS THE USE OF THE HERBICIDE PARAQUAT ON MARIJUANA FIELDS. PARAQUAT WAS USED TO ERADICATE MARIJUANA IN THE CHATTAHOOCHEE NATIONAL FOREST IN GEORGIA, AND IN THE DANIEL BOONE NATIONAL FOREST IN KENTUCKY. COURT CHALLENGES BY ENVIRONMENTAL GROUPS RESULTED IN A TEMPORARY RESTRAINING ORDER AGAINST THE USE OF PARAQUAT ON FEDERAL LANDS UNTIL AN ENVIRONMENTAL IMPACT STATEMENT (EIS) HAS BEEN COMPLETED. WE ARE PROCEEDING TO DEVELOP THE EIS. FOUR PUBLIC "SCOPING" MEETINGS TOOK PLACE IN JANUARY IN ATLANTA, DENVER, SPOKANE, AND WASHINGTON, D.C.. THEY PROVIDED A FORUM FOR PUBLIC INPUT ON THE SCOPE OF THE ISSUES AND ALTERNATIVES TO BE EXAMINED IN AN EIS. WE ARE DETERMINED TO CONTINUE AGGRESSIVE ERADICATION EFFORTS EVEN IF IT HAS TO BE DONE MANUALLY.

SINCE MARCH 1982, DEA HAS PARTICIPATED IN THE SOUTH FLORIDA TASK FORCE ALONG WITH CUSTOMS, BATF, INS, AND THE COAST GUARD. DEA AND CUSTOMS PARTICIPATE IN THIS PROGRAM UNDER A FLORIDA JOINT TASK GROUP WHICH CONDUCTS BOTH PRE- AND POST-DRUG SMUGGLING INVESTIGATIONS, AS WELL AS FINANCIAL INVESTIGATIONS IN THE STATE OF FLORIDA. FOR THE PERIOD 3/82 TO 9/83, THESE EFFORTS HAVE RESULTED IN 1,677 ARRESTS, 1,043 DRUG SEIZURES, AND A TOTAL OF \$22,579,340 IN ASSET SEIZURES.

TWO OTHER COOPERATIVE VENTURES AGAINST MARIJUANA AND COCAINE TRAFFICKING IN THE CARIBBEAN IN WHICH WE ARE PARTICIPATING ARE OPERATION BAT IN THE BAHAMAS, TURK/CAICOS ISLANDS, AND THE ANTILLES, AND OPERATION TRAMPA II IN THE CARIBBEAN AND THE GULF OF MEXICO.

DEA IS ALSO ACTIVELY PARTICIPATING IN PRESIDENT REAGAN'S EIGHT POINT PROGRAM TO COMBAT ORGANIZED CRIME AND DRUG TRAFFICKING, ALONG WITH THE FBI, THE IRS, THE BATF, INS, THE U.S. MARSHALS SERVICE, CUSTOMS, AND THE COAST GUARD. DEA PERSONNEL ARE ACTIVELY INVOLVED IN THE 12 ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES (OCDETF). THESE TASK FORCES ARE FOCUSED ON THOSE LEVELS OF ORGANIZED CRIME DRUG TRAFFICKING ENTERPRISES THAT DIRECT, SUPERVISE, AND FINANCE THE ILLICIT DRUG TRADE. BY THE END OF NOVEMBER 1983, 274 DEA AGENTS HAD ACTIVELY PARTICIPATED IN 317 OCDETF CASES, 773 ARRESTS HAD BEEN MADE, 180 INDIVIDUALS HAD BEEN CONVICTED, AND APPROXIMATELY \$25.8 MILLION DOLLARS IN TRAFFICKER ASSETS HAD BEEN SEIZED. BECAUSE THESE TASK FORCES ARE FOCUSED ON

THOSE LEVELS OF TRAFFICKING ORGANIZATIONS THAT ACTUALLY DIRECT AND FINANCE OPERATIONS, THEIR SUCCESSES HAVE PARALYZING, AND SOMETIMES FATAL, EFFECTS ON THESE COMPONENTS OF ORGANIZED CRIME.

ANOTHER COOPERATIVE EFFORT WITH STATE AND LOCAL LAW ENFORCEMENT PERSONNEL IS OUR STATE AND LOCAL TASK FORCE PROGRAM. THIS PROGRAM, IN CONTRAST TO THE CCDETF EFFORT, IS AIMED AT THE MID-LEVEL VIOLATOR. CURRENTLY THERE ARE OVER 20 FORMAL OPERATIONAL DEA/STATE AND LOCAL TASK FORCES IN METROPOLITAN AREAS, INCLUDING GUAM. THESE TASK FORCES HAVE AN OVERALL CONVICTION RATE OF 98% AND HAVE CONSISTENTLY RESULTED IN OVER 2,000 ARRESTS PER YEAR. ABOUT 30% OF THESE ARRESTS ARE IN CLASS I AND II CASE CATEGORIES.

IN ORDER TO STRENGTHEN STATE AND LOCAL EFFORTS AGAINST DRUG TRAFFICKING ORGANIZATIONS, DEA ALSO PROVIDES TRAINING TO STATE AND LOCAL LAW ENFORCEMENT OFFICERS. APPROXIMATELY 5,000 OFFICERS PER YEAR ARE TRAINED THROUGH THE ACADEMY AT GLYNCO, GEORGIA AND BY DEA DIVISION TRAINING OFFICERS.

ALTHOUGH OUR DOMESTIC ENFORCEMENT EFFORTS AGAINST DRUG TRAFFICKING HAVE RESULTED IN DEMONSTRABLE PROGRESS, IT IS IMPORTANT TO ALSO ADDRESS THE WORLD-WIDE NATURE OF THIS PROBLEM. CONTROLLING DRUGS WITHIN THE SOURCE COUNTRY, OR AS CLOSE TO THE SOURCE AS POSSIBLE, IS THE MOST EFFECTIVE APPROACH TO REDUCING THE VAST MAJORITY OF ILLEGAL DRUGS IN THIS COUNTRY.

DRUG CONTROL IS AN INTERNATIONAL ISSUE. SOURCE AND TRANSIT COUNTRIES THAT PREVIOUSLY DID NOT HAVE ABUSE PROBLEMS HAVE RECENTLY BEGUN TO DEVELOP SEVERE INTERNAL DRUG ADDICTION PROBLEMS.

TERRORISM, CRIME, VIOLENCE, AND ECONOMIC DISRUPTION ARE AFFECTING THE DRUG SOURCE COUNTRIES, AS THEY HAVE AFFECTED SOME OF THE COUNTRIES WHERE DRUGS ARE ABUSED.

DEA HAS LONG ENLISTED THE COOPERATION OF SOURCE AND TRANSIT COUNTRIES TO ELIMINATE ILLICIT DRUG PRODUCTION, TRAFFICKING, AND THE DIVERSION OF LICIT DRUGS INTO ILLICIT CHANNELS. WE SUPPORT NUMEROUS HOST COUNTRY EFFORTS TO INVESTIGATE DRUG TRAFFICKING ORGANIZATIONS AND TO INTERDICT DRUGS AT THE SOURCE. WE HAVE HAD SOME NOTABLE SUCCESSES, ESPECIALLY IN OUR DIVERSION CONTROL AND OUR FOREIGN COOPERATIVE INVESTIGATIONS PROGRAMS.

THE FOREIGN COOPERATIVE INVESTIGATIONS PROGRAM MOTIVATES AND ASSISTS FOREIGN COUNTRIES IN THE DEVELOPMENT OF DRUG LAW ENFORCEMENT AND ANCILLARY PROGRAMS. IN FY 1983, AS A RESULT OF THESE EFFORTS, THERE WERE 1,250 COOPERATIVE ARRESTS OF INTERNATIONAL DRUG TRAFFICKERS, SEIZURES OF 2,368 KILOS OF HEROIN AND 7,819 KILOS OF COCAINE, IMPLEMENTATION OF 30 SPECIAL FIELD INTELLIGENCE PROGRAMS, AND TRAINING OF 1,240 FOREIGN GOVERNMENT OFFICIALS IN DRUG ENFORCEMENT METHODS. AN IMPORTANT ASPECT OF THIS PROGRAM IS THE DEVELOPMENT OF SUBSTANTIVE ENFORCEMENT AND INTELLIGENCE EXCHANGES.

DEA'S SPECIAL PROGRAMS TO CONTROL DIVERSION OF LICIT CONTROLLED SUBSTANCES INTO THE ILLICIT MARKET OPERATE EFFECTIVELY AND HAVE A

POSITIVE IMPACT ON THE OVERALL DIVERSION PROBLEM. WE HAVE BEEN INSTRUMENTAL IN PERSUADING FOREIGN GOVERNMENTS TO CONTROL THE PRODUCTION AND DISTRIBUTION OF DANGEROUS PHARMACEUTICALS. BY THE END OF FY 1983, ALL KNOWN MAJOR EUROPEAN SOURCE COUNTRIES, AS WELL AS THE PEOPLES' REPUBLIC OF CHINA, HAD CEASED OR REDUCED METHAQUALONE PRODUCTION, AND HAD PLACED STRICT CONTROLS ON ITS EXPORTATION. THIS, AND THE REDUCTION OF THE METHAQUALONE IMPORT QUOTA, HAS RESULTED IN A DRAMATIC DECLINE IN THE U.S. IN INJURIES ATTRIBUTABLE TO METHAQUALONE ABUSE. THIS TREND IS EXPECTED TO CONTINUE.

DEA'S INTELLIGENCE PROGRAM PROVIDES ADEQUATE, TIMELY, AND RELIABLE INTELLIGENCE REGARDING DRUG TRAFFICKING TO THE LAW ENFORCEMENT COMMUNITY. IN FY 1983, WE ESTABLISHED A SPECIAL INTELLIGENCE UNIT TO COORDINATE INTELLIGENCE COMMUNITY INFORMATION. CURRENTLY, THE EL PASO INTELLIGENCE CENTER'S (EPIC) FACILITIES ARE BEING UPGRADED TO MORE EFFECTIVELY PROCESS AND STORE THIS INFORMATION. FORTY-EIGHT STATES NOW PARTICIPATE IN EPIC, AND IT IS NOW THE TACTICAL LINK BETWEEN THE SOUTH FLORIDA TASK FORCE, CCDETF, STATE AND LOCAL TASK FORCES, DEA, FBI, CUSTOMS, THE COAST GUARD, AND OTHER FEDERAL AGENCIES.

THIS BUDGET REQUEST FOR FY 1985 IS FOR A TOTAL OF \$334,654,000, 4,438 PERMANENT POSITIONS, AND 4,287 FULL-TIME EQUIVALENT WORKYEARS. THESE AMOUNTS INCLUDE THE TRANSFER OF ORGANIZED CRIME DRUG ENFORCEMENT (OCDE) RESOURCES AS PART OF DEA'S DIRECT APPROPRIATION (\$33,833,000, 337 POSITIONS, AND 323 FTE), NET PROGRAM CHANGES

(\$6,352,000, 22 POSITIONS, AND 72 FTE), AND NET UNCONTROLLABLE CHANGES (\$3,724,000, 5 FTE, AND -4 POSITIONS).

THIS REQUEST CONTINUES THE MOMENTUM OF THE DRIVE AGAINST ORGANIZED CRIME AND DRUG TRAFFICKING. IN SO DOING, DEA CONTINUES TO STRESS THE OCDE EFFORT, THE ELIMINATION OF PRODUCTION IN SOURCE COUNTRIES, AND PARTICIPATION IN THE ADMINISTRATION'S INTENSIFIED INTERDICTION EFFORTS. THIS BUDGET REQUEST PROVIDES FOR THE ONGOING OPERATION OF DEA PROGRAMS, AND THE RECOGNITION OF RESOURCES REQUIRED FOR NEW INITIATIVES, AS FOLLOWS:

IN SUPPORT OF THE PRESIDENT'S INITIATIVE AGAINST ORGANIZED CRIME AND DRUG TRAFFICKING, AN INCREASE OF 35 PERMANENT POSITIONS, 32 FULL-TIME EQUIVALENT WORKYEARS, AND \$2,431,000 IN FUNDING IS REQUESTED FOR THE ORGANIZED CRIME DRUG ENFORCEMENT PROGRAM TO ESTABLISH AN ADDITIONAL ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE (OCDEF) IN FLORIDA, THE VIRGIN ISLANDS, AND PUERTO RICO.

THE FOREIGN COOPERATIVE INVESTIGATION PROGRAM MOTIVATES AND ASSISTS FOREIGN COUNTRIES IN THE DEVELOPMENT OF DRUG LAW ENFORCEMENT AND ANCILLARY PROGRAMS TO REDUCE THE SUPPLY OF ILLICIT DRUGS PRODUCED, PROCESSED, AND DESTINED FOR ULTIMATE DELIVERY TO THE UNITED STATES. AN INCREASE OF \$2,775,000 IN FUNDING IS REQUESTED FOR THIS PROGRAM TO PROVIDE FOR 15 ADDITIONAL SPECIAL ENFORCEMENT OPERATIONS (SECS), AND THE ESTABLISHMENT OF 23 SPECIAL FIELD

INTELLIGENCE PROGRAMS (SFIPs).

THE DIVERSION CONTROL PROGRAM INVESTIGATES AND PREVENTS THE DIVERSION OF LEGITIMATELY PRODUCED DANGEROUS DRUGS. THROUGH THIS PROGRAM, WE HAVE BEEN ABLE TO PERSUADE FOREIGN GOVERNMENTS TO CONTROL THE PRODUCTION AND DISTRIBUTION OF DANGEROUS PHARMACEUTICALS. AN INCREASE OF 8 PERMANENT POSITIONS, 5 FULL-TIME EQUIVALENT WORKYEARS, AND \$232,000 IN FUNDING IS REQUESTED FOR THIS PROGRAM FOR THE PROCESSING OF THE INCREASED VOLUME OF DRUG REVIEWS FOR SCHEDULING.

THE INTELLIGENCE PROGRAM COLLECTS, ANALYZES, AND DISSEMINATES DRUG INFORMATION IN SUPPORT OF EFFORTS TO INTERDICT OR SUPPRESS THE ILLICIT MOVEMENT OF DRUGS. AN INCREASE OF 36 PERMANENT POSITIONS, 30 FULL-TIME EQUIVALENT WORKYEARS, AND \$1,292,000 IN FUNDING IS REQUESTED FOR THIS PROGRAM. THIS INCLUDES 23 POSITIONS, 17 FTE, AND \$714,000 TO INSURE THAT DEA HAS THE CAPABILITY TO INTERACT MORE FULLY WITH THE INTELLIGENCE COMMUNITY, AND 13 POSITIONS, 13 FTE, AND \$578,000 TO PROVIDE INTELLIGENCE SUPPORT TO THE OCDE TASK FORCES.

AN INCREASE OF 8 PERMANENT POSITIONS, 5 FULL-TIME EQUIVALENT WORKYEARS, AND \$3,270,000 IN FUNDING IS REQUESTED FOR THE SUPPORT OPERATIONS PROGRAM TO BE USED FOR ADP/TELECOMMUNICATIONS INITIATIVES TO SUPPORT OPERATIONAL PROGRAMS.

THERE CAN BE NO DOUBT THAT THIS ADMINISTRATION IS COMMITTED TO THE ELIMINATION OF DRUG TRAFFICKING AND ORGANIZED CRIME. AS THE LEAD AGENCY IN THIS EFFORT, DEA HAS A VITAL MANDATE TO BRING DRUG LAW VIOLATORS TO JUSTICE, TO IMMOBILIZE THEIR ORGANIZATIONS, AND TO SEIZE THEIR FINANCIAL PROFITS AND PROCEEDS. OUR CHALLENGE IS TO UTILIZE OUR RESOURCES EFFECTIVELY AND IN SUCH A WAY AS TO MAKE THE COSTS AND RISKS OF DRUG TRAFFICKING OUTWEIGH THE PROFITS.

CONGRESS' CONTINUED INTEREST AND CONCERN REGARDING THE DRUG ABUSE AND TRAFFICKING SITUATION IS OF GREAT ASSISTANCE IN THIS EFFORT. CURRENTLY, CONGRESS IS CONSIDERING LEGISLATION THAT WOULD REFORM STATUTES RELATING TO BAIL, SENTENCING, CRIMINAL AND CIVIL FORFEITURES, AND THE REGULATION OF CONTROLLED SUBSTANCES. THESE REFORMS PROVIDE IMPORTANT NEW TOOLS WITH WHICH TO COMBAT DRUG TRAFFICKING AND ORGANIZED CRIME. YOUR SUPPORT OF SUCH LEGISLATION CAN MAKE THE BATTLE AGAINST DRUGS AND ORGANIZED CRIME A SUCCESSFUL ONE.

THE OVERALL EMPHASIS OF DEA'S ENFORCEMENT PROGRAM IS ON THE FLEXIBILITY TO RESPOND TO CHANGING SITUATIONS AND TO BRING SPECIAL EXPERTISE TO BEAR ON A PROBLEM. WE EXPLORE MANY INNOVATIVE ENFORCEMENT TACTICS TO BRING PRESSURE ON THE DRUG TRAFFIC. MANY OF THESE INVOLVE THE MAINTENANCE OF ENHANCED WORKING RELATIONSHIPS WITH OTHER FEDERAL, STATE, AND LOCAL AGENCIES. WE SHALL CONTINUE TO

STRESS THE IMPORTANCE OF COORDINATED AND COHESIVE INTERAGENCY EFFORTS. IN THESE AUSTERE TIMES, WE HAVE ALL RECOGNIZED THE NEED FOR FURTHER ENHANCEMENT OF COOPERATIVE ENDEAVORS.

THIS CONCLUDES MY STATEMENT, MR. CHAIRMAN. I SHALL BE PLEASED TO ANSWER ANY QUESTIONS YOU OR OTHER MEMBERS OF THE SUBCOMMITTEE MIGHT HAVE.

THE WHITE HOUSE

WASHINGTON

March 28, 1984

MEMORANDUM FOR GREGORY JONES
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: JOHN G. ROBERTS *JGR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Statement Concerning Narcotics Enforcement
on April 2, 1984

Counsel's Office has reviewed the above-referenced testimony, and finds no objection to it from a legal perspective.

FG017

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Subject: *Statement concerning Narcotics Enforcement*

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DRAFT

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STATEMENT

OF

BEFORE

THE

**SUBCOMMITTEE ON COMMERCE, JUSTICE, STATE
AND JUDICIARY
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES**

CONCERNING

NARCOTICS ENFORCEMENT

ON

APRIL 2, 1984

Mr. Chairman, Members of the Committee:

It is a pleasure to appear before this distinguished Committee to discuss the Drug Enforcement Administration's role in the Federal drug effort in the area of Long Island.

By the way of introduction, I was born and raised in the upstate community of Troy, New York. I attended the public school system in Troy and graduated from Siena College in 1958, receiving a Bachelor of Science Degree in the field of Economics. Prior to college, I enlisted in the United States Marine Corps and served in combat with the First Marine Division in Korea.

In September, 1959, I was appointed an Agent and, during the last twenty four and one half years, served in various capacities with the Drug Enforcement Administration and its predecessor agencies, the Bureau of Narcotics and Dangerous Drugs and the Federal Bureau of Narcotics. I have previously been assigned to posts of duty in Buffalo, New York; Newark, New Jersey; and Washington, D.C. This is my fourth tour of duty in New York City.

In October, 1981, as a result of an internal reorganization of DEA, the regional concept was abolished and the New York Division was established as one of nineteen Divisions nationally. I was appointed to the position of Special Agent In Charge in March, 1982, have previously served as Agent In Charge of the New York District Office and Chief of the New York Drug Enforcement Task Force

under the old regional concept.

The New York Division is responsible for all DEA or DEA sponsored activities in the State of New York. Although the majority of our Special Agent personnel are housed at the Division Headquarters in Manhattan, the New York Division has subordinate Resident Offices or facilities at J.F.K. International Airport and in Albany, Rochester, and Buffalo, New York and in Melville, Long Island. Our activities, priorities, and perception of the drug problem in Long Island will be discussed here today.

As a general overview, drug trafficking trends from late 1982 to present have shown an increase in cocaine availability, abuse of dangerous drugs and marijuana abuse. Heroin traffic on Long Island, for use in that area, is generally limited to lower level violators in certain localized areas.

The majority of the cocaine that is distributed on Long Island is controlled, at its highest levels, by Colombian aliens, who are in the United States both illegally and legally, and whose primary base of operations are centered in the neighboring County of Queens, New York.

Marijuana abuse is widespread and readily available at the retail level. This trend has been reported as endemic throughout the State of New York according to the Division of Substance Abuse Services.

Dangerous Drugs, including LSD, amphetamines, meth-aqualone and drugs obtained by illegal prescriptions are also available as are look-a-like drugs.

Our office in Melville, Long Island has identified the major drug trafficking problem or priority in Long Island as cocaine, followed by heroin, dangerous drugs, and marijuana.

COCAINE

As stated above, cocaine is the number one priority of our office in Melville. During 1983 the preponderance of cases and arrests emanating from that office related to cocaine traffickers. Sixty nine percent of all arrests made by that office in 1983 were for violations of the law pertaining to possession and/or sale of cocaine.

The popularity of cocaine, as a primary drug of abuse, has risen substantially, not only in Long Island, but through out this nation. The abuse of cocaine is not limited to any group, neither ethnically nor racially, and not limited to any group by virtue of economic or social status.

While kilogram quantities of cocaine are available on Long Island, the major sources of supply are located, as stated above, in neighboring Queens County, where there is a significant population of both legal and illegal Colombian aliens. The bulk of the cocaine distributed in the United States today comes from Colombia, with

lesser amounts being smuggled into the United States from Bolivia, Peru, Argentina and other South American countries.

Kilogram prices in Long Island range from \$40,000 upwards. Ounces sell in the \$1,500 to \$2,000 range and grams sell at the retail level between \$100 and \$150 each.

Undercover negotiations involving in excess of five kilograms have indicated prices substantially lower than \$40,000 per kilo, reflecting the increased availability of cocaine.

HEROIN

Heroin is not generally available in wholesale quantities in Long Island although many members of Organized Crime reside in Long Island and continue to traffic in heroin, primarily in their old neighborhoods in New York City, where they have established distribution rings.

Heroin at the retail level ("bags") is available in certain areas in purities ranging from 2% to 5%. This heroin is generally purchased in New York City in the form of "New York Quarters" or "dime" bags and then re-sold on Long Island at a higher price. Primary sales areas are in Black and Hispanic poor housing areas. Most of the heroin in Metropolitan New York area is of Southwest Asian origin.

According to statistics furnished to the Drug Enforcement Administration there are three Methadone Treatment

Centers in Nassau County with a patient population of 950 addicts and four treatment facilities in Suffolk County with 600 patients. Both counties report that they are operating at full capacity.

In New York City, DEA has thirty two Special Agents physically located at and co-housed with a similar amount of FBI Special Agents in FBI Headquarters at 26 Federal Plaza, Manhattan. Those agents have been operating under the umbrella of the President's Organized Crime Drug Enforcement Task Force (OCDETF) program and have directed their activities primarily against major traditional Organized Crime heroin traffickers. Many of those that have already been arrested by this group have been residents of Long Island although their distribution rings and center of activities have been in the City of New York.

Therefore, the investigative activities of our Special Agent cadre who are permanently assigned to the DEA office in Melville have been augmented by Special Agents assigned to the OCDETF operating out of facilities in Manhattan.

MARIJUANA

Marijuana remains available in Long Island, however, as stated above, it is also readily available throughout the State of New York. The usual source of supply of marijuana consumed in this area is from the countries of Colombia and Jamaica. Domestically grown marijuana has not been a problem in Long Island as it has been in

the areas of California and other parts of the Southwest and Southern United States.

Prices for marijuana range from \$50 to less per ounce to \$500 per pound, depending upon availability and quality.

Although the coast line of Long Island would appear to be attractive to Mothership type operations, seizure statistics do not confirm some statements that Long Island has become a haven for large vessels offloading tons of marijuana off the coast of Long Island.

On January 7, 1983 ten Colombian crewmen were arrested and the M/V Juan XXIII was seized by the United States Coast Guard. After the crew was observed throwing bales of marijuana overboard, 3,750 pounds of marijuana was recovered from the sea.

On June 29, 1982 the Coast Guard received a distress signal that a boat was adrift approximately 200 miles out at sea. The Coast Guard secured the vessel and received permission from the Government of Venezuela to board the vessel. Upon boarding, the Coast Guard discovered 40,000 pounds of marijuana and nine Columbia crewmembers, all of whom were arrested. Six of the nine crewmembers had been previously arrested in the United States and deported for marijuana smuggling.

Other seizures have been made in Long Island, however, these seizures have been averaging about once a year, which

THE WHITE HOUSE

WASHINGTON

May 1, 1984

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN G. ROBERTS *JGR*

SUBJECT:

Statement of John C. Lawn on Bulgarian
Involvement in Narcotics Trafficking

We have been provided with a copy of testimony DEA Acting Deputy Administrator John C. Lawn proposes to deliver on May 3 before the House Foreign Affairs Committee Task Force on International Narcotics Control. The testimony details DEA's belief that the Government of Bulgaria is directly involved in narcotics trafficking through its official import/export agency, Kintex. According to the testimony, Kintex facilitates the supply of arms to insurgents throughout Europe and the Middle East (such as Turkish Kurds) in exchange for opium and heroin. The opium and heroin is then resold at a profit in the West, providing Bulgaria with much-needed Western currency.

On page 2 of his proposed testimony Lawn begins his case by citing magazine articles that appeared in Newsday, Time, and Reader's Digest. I think it is more than passing strange for a DEA official testifying before Congress to rely on media accounts, and recommend that we at least object to the prominence given the press stories in the testimony. I would hope DEA has better intelligence than what it reads in the papers. We should also make certain that the testimony has been reviewed by State and NSC. Finally, the memorandum to OMB notes several technical errors characteristic of all DEA testimony.

Attachment

THE WHITE HOUSE

WASHINGTON

May 1, 1984

MEMORANDUM FOR GREGORY JONES
LEGISLATIVE ATTORNEY
OFFICE OF MANAGEMENT AND BUDGET

FROM: FRED F. FIELDING *Orig. signed by FFF*
COUNSEL TO THE PRESIDENT

SUBJECT: Statement of John C. Lawn on Bulgarian
Involvement in Narcotics Trafficking

Counsel's Office has reviewed the above-referenced proposed testimony. I object to the prominence given media accounts on page 2 of the proposed testimony. The testimony suggests that such media accounts are a prime source of DEA intelligence, which I would hope is not the case.

Due to the sensitive subject matter of the testimony, it should be reviewed by the Department of State and the National Security Council, if it has not been already.

On page 3, line 16, should "licitly" be "illicitly?" On page 7, the abbreviation "TIR" should be explained the first time it is used, not the third.

FFF:JGR:aea 5/1/84
cc: FFFielding/JGRoberts/Subj/Chron

THE WHITE HOUSE

WASHINGTON

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Subject: Statement of John C. Lawn on Bulgarian Involvement in Narcotic Trafficking

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		<u> 1 / 1 / </u>			<u> 1 / 1 / </u>
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STATEMENT
OF
JOHN C. LAWN
ACTING DEPUTY ADMINISTRATOR
OF THE
DRUG ENFORCEMENT ADMINISTRATION

ON

BULGARIAN INVOLVEMENT IN NARCOTIC TRAFFICKING

BEFORE

THE FOREIGN AFFAIRS COMMITTEE
TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL
UNITED STATES HOUSE OF REPRESENTATIVES

MAY 3, 1984

Mr. Chairman, Members of the Task Force, I am pleased to appear before a committee of the United States Congress to give testimony on the Bulgarian Government involvement in drug trafficking. It is a subject deserving of both national and international attention.

Information accumulated by the Drug Enforcement Administration and its predecessor agencies over the past 14 years indicates that the Government of Bulgaria has established a policy of encouraging and facilitating the trafficking of narcotics through the corporate veil of Kintex. Kintex is the official import/export agency of Bulgaria, overseeing the international trade of such legitimate commodities as arms, textiles, appliances and cigarettes. ✓

Since 1970, and continuing to date, the DEA has received statements from several different sources delineating Bulgaria's involvement in illicit trafficking activities. Information about the involvement of government officials, government agencies, and the descriptions of selected arms and narcotics traffickers, have remained consistent over the years.

The reliability of this information coupled with disappointing responses from the Government of Bulgaria when confronted with these allegations led the United States, in the fall of 1981, to

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suspend working relations with the Government of Bulgaria in the area of law enforcement. ✓

Public exposure of Bulgaria's involvement in illicit activities began through press coverage in the early 1970's. In 1973, the Long Island newspaper, Newsday, published an in-depth investigative report citing Bulgaria's use of Kintex to smuggle arms and drugs. The article disclosed that arrangements were made by Kintex with selected Turkish traffickers, which allowed morphine base to move unmolested through Bulgaria in exchange for the transportation and delivery of guns and ammunition to left-wing terrorist groups in Turkey.

Recently, articles have appeared in Time magazine and Reader's Digest in which the authors make clear their belief in the existence of a complex and well-calculated Warsaw Pact conspiracy which is planned and directed to undermine Western societies.

In Nathan Adam's article "Drugs for Guns: the Bulgarian Connection" appearing in the Reader's Digest last fall, an ex-Bulgarian State Security Officer divulged a strategy purportedly formulated in Moscow and Sofia between 1967 to 1970 in which Kintex was allegedly chosen as the vehicle to 'destabilize' Western society, through, among other things, the narcotic trade.

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Although the DEA has no information by which to corroborate the existence of Warsaw Pact Meetings with destabilization directives being issued, one of our sources corroborates the fact that the formation of Kintex occurred during this time. Interestingly, at this same time the amount of available intelligence about the Bulgarian involvement in drug trafficking began to increase. Our information indicates that Kintex was formed in 1968 brought about by the merging of three commercial import/export firms. The directors of Kintex were top ranking members of the Bulgarian Intelligence Service. As a source of income, the Bulgarians, through Kintex, became active in assisting the flow of illicit arms and ammunitions throughout Europe to the Middle East. In 1970 they began to sell heroin and morphine base to European traffickers which had been seized by Bulgarian authorities.

Intelligence sources further indicated a plan by the directors of Kintex during this time to licitly import large amounts of opium into Bulgaria for conversion into morphine base and heroin through selected Turkish traffickers in Sofia.

It is noteworthy that, in December 1969, West German authorities seized 200 kilograms of morphine base at Frankfurt. Chemical analysis performed by German chemists reportedly disclosed that the morphine base was produced in Sofia, Bulgaria. This location was identified because of the presence of chemicals found in the base which were only used in the Sofia area. A Turkish national

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and two Syrians were arrested at the time of the seizure and subsequent investigation confirmed the source of supply to be a Turkish national based in Sofia.

From 1971 through 1981, the Government of Bulgaria expressed a willingness to cooperate only in the area of border enforcement. Any proposal for the expanded cooperation in the area of internal narcotics control was strongly resisted. The Government of Bulgaria continually voiced a desire for a mutual exchange of information and publically lamented the fact that there was not a greater exchange of intelligence. Yet, when the DEA passed information to the Bulgarians for follow-up action over this 10-year period, the results were not responsive. On at least 5 separate occasions, information was provided on scores of Turkish, Syrian and Jordanian traffickers based in Sofia. The Bulgarian side promised a full and prompt investigation. In these cases the Bulgarians either did not respond or only provided the DEA with on a list of recent narcotics seizures made by their Customs Service. While an ultimate goal of using drugs as a political weapon to destabilize Western societies may be inferred, a more immediate motivation for Bulgaria's encouragement and support of both narcotics and arms smuggling activities can be identified as follows:

1. An attempt by the Bulgarian Government to obtain hard Western currency which is in short supply in Bulgaria;

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2. An attempt to supply and support several dissident groups in the Middle East with Western arms and ammunition, in support of communist revolutionary aims. Payment for arms at times are made by these revolutionary groups with narcotics, which then are smuggled to Western democracies and sold at a considerable profit; and

3. Intelligence gathering requirements which the Bulgarians are able to levy on the various traffickers in both the Middle East and in Western Europe by allowing and controlling such traffic.

In virtually every report available to the DEA since 1970 about narcotics trafficking in and through Bulgaria, the state trading organization of Kintex is mentioned as a facilitator of transactions. In turn, knowledgeable sources consistently tell us that top-ranking members of Bulgarian Ministries comprise the directorate of Kintex.

Certain smugglers are permitted to conduct their activities within and through Bulgaria. In effect, Bulgarian officials, through Kintex, designate 'representatives' to operate as brokers who establish exclusive arrangements with smugglers for bartered contraband for a fee. These representatives and smugglers are non-Bulgarians, primarily composed of Turkish Nationals of Kurdish background, a majority of which are known as the 'Turkish

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Mafia'. However, selected smugglers also include Syrian, Iranian, Jordanian, Lebanese and European Nationals. Kintex has in the past denied any knowledge of or association with these representatives. Bulgarian officials, in defense of trafficking allegations, claim the presence of foreign nationals on their soil constitutes no crime. They further emphasize the fact that no Bulgarian Nationals have been implicated in large-scale drug smuggling activities either inside or outside Bulgarian Territory..

Incidental to drug-related investigations overseas, a limited amount of terrorist-related activity has been known to the DEA. In its quest for hard currency, Kintex assists the flow of illicit arms and ammunition primarily to left-wing insurgency groups in Turkey and Lebanon. Although Kintex has been known to deal with terrorist groups regardless of political affiliation, no direct association between Kintex and the PLO or 'Gray Wolves' has been established, according to our information.

On June 30, 1983, a DEA representative for Austria met with a high-level Bulgarian Customs official in Sofia. This official responded to a question on Bulgarian arms smuggling by stating that the United States was 'also' a major supplier of arms. By inference, we recognize this was an admission that Bulgaria deals in arms.

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While contraband transiting Bulgaria at times is transported via vessel to customers in Western Europe or the Middle East, most of it is carried overland by truck. As early as 1972, information available to the DEA disclosed the use of Iranian, Turkish and Bulgarian TIR trucks to smuggle illicit goods through Bulgaria. A number of Turkish patrons of Kintex are known owners of TIR trucks and the complicity of Bulgarian Customs officials in selective border enforcement is no longer secret.

The Customs Convention on the International Transport of Goods under the auspices of the United Nations serves as a cover for the TIR (Transport International Routier). This instrument provides for a customs transit system to facilitate the international transportation of goods by eliminating, to the extent possible, the necessity for customs examination of road vehicles and containers after the customs formalities at the beginning of the journey have been satisfied -- thus shipments are exempt from customs inspections until the end of the journey.

The United States, all major European countries including Bulgaria, and the Southwest Asian countries of Afghanistan, Iran, and Turkey are participants in this international agreement. It is estimated that at least 50,000 trucks per year transit Bulgaria and Yugoslavia either to or from the Middle East and Europe. Approximately half of these trucks are TIR trucks.

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Although the reporting of Bulgarian involvement in narcotics trafficking continues, the amount of heroin and morphine base transiting Bulgaria is not as great as in the past. You will remember that during the 'French Connection' era, several traffickers operating from Bulgaria were identified as the key suppliers of morphine base for laboratories in France and Italy. Bulgarian trafficking has been overshadowed in the past few years by the enormous availability of processed heroin trafficked directly from Southwest Asian countries to consumer markets in Western Europe and the United States.

In light of the increased reporting of heroin laboratory activity in Eastern Turkey, (which had remained dormant during Turkish military rule from 1980 to 1983), the trafficking activity through Bulgaria may escalate.

Our DEA office in Vienna, Austria, continues to have responsibility for the reporting and dissemination of information about narcotics-related activities in Bulgaria. The office also handles limited liaison duties with Bulgarian officials through the American Embassy in Sofia. The Drug Enforcement Administration has been instrumental in the development of demarches presented to the Government of Bulgaria by our State Department. In March of this year, the United States again formally voiced its concerns to the Bulgarian Government, citing Bulgaria's continued toleration and facilitation of the activities of known

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drug and arms smugglers through Kintex. Efforts are underway to enlist the cooperation and support of other concerned nations in the area of law enforcement and narcotic control through paralleled demarches to the Government of Bulgaria.

Thank you for the opportunity to appear before this committee. I would be glad to address any questions.

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