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INTELLIGENCE/INVESTIGATIONS
Friday, November 13, 1987

8/14
6/20

Indian Treaty Rm. 2 p.m.

BRIEFING BOOK
for
INTELLIGENCE COMMITTEE STRATEGY PRESENTATION
and
INVESTIGATIONS COMMITTEE STRATEGY PRESENTATION
NATIONAL DRUG POLICY BOARD
November 13, 1987

Prepared by
NDPB Staff

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Intelligence Committee Membership

Central Intelligence Agency
Coast Guard
Customs Service
Defense Intelligence Agency
Department of Defense
Department of State
Department of the Treasury
Drug Enforcement Administration
Federal Bureau of Investigation
Immigration & Naturalization Service
National Institute on Drug Abuse
National Narcotics Border Interdiction System
National Security Council
Office of Management and Budget

Investigations Committee Membership

Coast Guard
Customs Service
Department of Justice
Department of the Treasury
Drug Enforcement Administration
Internal Revenue Service
Federal Bureau of Investigation
Department of State
U.S. Forest Service
Bureau of Alcohol, Tobacco, and Firearms
U.S. Marshals Service
Immigration and Naturalization Service

FACT SHEET
AGENDA
NATIONAL DRUG POLICY BOARD
FRIDAY, NOVEMBER 13, 1987
2:00 P.M. - 4:00 P.M.
ROOSEVELT ROOM, THE WHITE HOUSE

I. Introductory Remarks (Chairman Meese)

II. INTELLIGENCE Committee Strategy Presentation
(Mr. John C. Lawn)

The Intelligence Committee is chaired by Mr. John C. Lawn, Administrator, Drug Enforcement Administration and vice-chaired by Mr. Floyd Clarke, Assistant Director, Federal Bureau of Investigation. Membership includes representatives from the Departments of Defense, State and the Treasury, OMB, CIA, Customs Service, Coast Guard, FBI, INS, NIDA, DIA, NSC and NNBS. A Lawyers Working Group has also been formed to address the legal issues associated with the handling of classified information.

NSD 221

III. INVESTIGATIONS Committee Strategy Presentation
(Mr. John C. Lawn)

The Investigations Committee is chaired by Mr. John C. Lawn, Administrator of the Drug Enforcement Administration and vice-chaired by Mr. Floyd Clarke, Assistant Director, Federal Bureau of Investigation. Membership includes: FBI, IRS, DEA, Customs Service, Coast Guard, ATF, USMS, Forestry Service, INS, and the Departments of State and Justice.

IV. New Business

NDPB Staff Strategy Outline

THE NATIONAL INTELLIGENCE STRATEGY

The Intelligence Strategy is a six-point program designed to expand and improve the collection, analysis, and dissemination of the intelligence information which forms a thread linking the supply and demand reduction efforts.

The Intelligence Strategy is intended to improve the support to the programs and functions of the other strategies. The strategy calls for better coordination in order to avoid the duplication of effort and the waste of resources. It also calls for an expanded analysis of the relationship between the intelligence and drug law enforcement communities. Implementation of the strategy will be accomplished through the programs and initiatives of the participating agencies.

Based on resource data reported to date, the Intelligence program is estimated to cost \$40.9 million in 1988. The 1989 OMB budget identifies \$49.7 which represents a net change of \$8.8 million over the FY 88 figure. No additional enhancements above the 1989 OMB request have been identified. This does not include Intelligence Community resource data which is classified.

The strategy document is classified SECRET and is not included in this briefing book.

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EXECUTIVE SUMMARY

Drug Intelligence Strategy and Implementation Plan

National Drug Intelligence Committee

Policy

The National Drug Intelligence Committee (NDIC) was formed following the May 1987 National Drug Policy Board Directive which designates the Drug Enforcement Administration (DEA) to be the lead agency for drug intelligence. Chaired by the Administrator of DEA, the NDIC established a Working Group to prepare a Drug Intelligence Strategy and Implementation Plan that was requested by the Attorney General as Chairman of the National Drug Policy Board. The strategy and implementation plan that follows uses the Policy Board's National and International Drug Law Enforcement Strategy as its basic guiding document.

To be most effective, law enforcement and other drug control programs must be directed at those drug threats that are both substantial and vulnerable. Expanded and improved intelligence collection, analysis, and dissemination is essential to effective program design. Since good intelligence is a prerequisite to the effective deployment of drug control resources, it is the first among priorities and must be developed to support each of the major drug abuse functions--international programs, licit drug control, investigation and prosecution, interdiction, prevention, rehabilitation, and treatment. This diversity of programs and functions, and the complex intelligence structures supporting

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them, requires better coordination to avoid duplication of effort and the waste of resources. Under the National Drug Policy Board, the National Drug Intelligence Committee is responsible for ensuring proper implementation of the following policy:

Examine and improve all aspects of the intelligence programs and processes currently supporting drug supply and drug demand reduction strategies.

In order to improve the evaluation and planning associated with the programs and projects enumerated in this Drug Intelligence Strategy and Implementation Plan, the NDIC intends to expand the National Strategy guidance into more definitive concepts of interaction between the Drug Intelligence and National Foreign Intelligence Communities. This will provide for the comprehensive examination of intelligence support to drug law enforcement as a mandatory precursor to most improvements.

Representing the classic intelligence cycle, the following six strategies circumscribe the totality of our Federal drug intelligence programs.

Strategy

- Strategy 1: Determine the drug intelligence needs of all entities engaged in drug supply and drug demand reduction, to enable them to better achieve their assigned responsibilities.
- Strategy 2: Formulate and issue drug information collection requirements and responsibilities, both foreign and domestic.
- Strategy 3: Continue and improve field collection efforts, and ensure the unimpeded flow of information to intelligence processors and consumers.

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Strategy 4: Maintain and integrate systems for communication, storage, retrieval, and sharing of intelligence information. *① FBI support ② Epic voice secure systems*

Strategy 5: Continue and improve drug and drug-related intelligence analysis and estimation for tactical, operational, and strategic purposes. *FBI = 40% increase*

Strategy 6: Ensure the timely and appropriate dissemination of useful drug intelligence products. *EPIC → C³ rapid disse*

Programs and Recommendations *Success Depends Agency willingness to put in resources. + 123 new posts*

All of the agencies contributing to the fight against drug abuse and drug trafficking have developed programs and action items to carry out these six strategies. Collectively they represent implementation of the National Drug Intelligence Strategy. In addition, many initiatives are in various stages of planning. The National Drug Intelligence Committee, to enhance drug intelligence support to our supply reduction and demand reduction efforts, recommends the following:

- (1) Establish an interagency group to identify and coordinate annual drug intelligence needs, and to coordinate the tasking of requirements and responsibilities. This includes identifying, by March 1988, new drug information sources or collection capabilities for consideration by the NDIC.
- (2) By April, 1988, each agency should review its field collection system and identify potential enhancements. *what is available what can be done.*
- (3) Beginning June, 1988, and periodically thereafter, the EPIC Advisory Board will report to the NDIC on such matters as: computer enhancements to EPIC functions; relationships between EPIC and C³I centers; productivity and utility of EPIC functions; etc.
- (4) By January, 1988, the FBI and DEA will refine procedures for receiving, handling, storing and disseminating classified intelligence information for investigative and prosecutorial use. *inf. system: ① Voice relay - EPIC ? 4 guy field office ② FBI computer enhancement*
- (5) The NDIC should review dissemination procedures for both law enforcement and National Intelligence to assure that drug intelligence is being provided to the right agencies on a timely basis.

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Many of these recommendations, if implemented, will address more than one of the six strategies and simultaneously improve tactical, operational, and strategic intelligence products. Correlatively these improvements will support our drug control functions ranging from rehabilitation and education through investigation and interdiction to international programs.

Resources

As indicated in the NDEPB's National and International Drug Law Enforcement Strategy, "the El Paso Intelligence Center will be enhanced to improve its tactical intelligence support to interdiction." The new building will be ready for occupancy in fiscal year 1989. All participating agencies should anticipate making increased personnel commitments to EPIC in the coming year whether or not they have requested such increases in their FY-89 OMB budget submissions.

The Intelligence Community Staff, in conjunction with the NIO for Narcotics as a member of the EPIC Advisory Board, will evaluate the potential use of Intelligence Community resources to enhance EPIC's capabilities in meeting its mission.

Other improvements to the drug intelligence process that are detailed in this strategy and implementation plan have been budgeted by the individual agencies.

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Significant Issues
The National Intelligence Strategy

1. The Use of Classified Information in Investigations and Prosecutions

Discussion

- o Are there obstacles raised by the use of classified information which should be addressed through legislative proposals?
- o Does the overclassification of information significantly impede investigations?

2. A Proactive Role for Intelligence

Discussion

- o Should the role of intelligence be passive in following the direction of the other strategies or should it provide more direction?

3. Intelligence Products as a Measure of Success

Discussion

- o Intelligence products which estimate the availability and value of drugs are often used as the measure of effectiveness of the Anti-Drug Effort.
- o Are those estimates sufficiently accurate for the policy and planning purposes for which they are intended and for the measure of effectiveness for which they are used?

RESOURCE OVERVIEW

1. The Intelligence Committee has identified net increases over the 1988 budget amounting to 84 FTE and \$8.8 million.
2. Principal focus of the increased funding is targetted for EPIC, and is included within the DEA 1989 OMB budget. A detailed summary follows:

EPIC ENHANCEMENT
(dollars in thousands)

<u>o Special Operations:</u>	<u>pos</u>	<u>FTE</u>	<u>\$ (in millions)</u>
<ul style="list-style-type: none"> - Enhance EPIC's ability to support special operations, both EPIC-managed intelligence probes, and headquarters based special enforcement operations, such as the intelligence support provided via South American overflights as part of Operation Snowcap, and other multi-agency programs..... 	20	14	\$3.7
<ul style="list-style-type: none"> -- includes \$1.5 million to upgrade APOLLO with software (Operational Decision Support System) to provide mapping display of environment 			
<u>o Intelligence:</u>			
<ul style="list-style-type: none"> - Enhance EPIC's efforts on Mexican border interdiction and domestic movement of drugs after they reach the U.S..... 	22	17	1.4
<u>o Maritime Support:</u>			
<ul style="list-style-type: none"> - EPIC requires additional agents to operate the maritime watch, analysts and support personnel to maintain and exploit the rapidly growing data bases..... 	8	6	.8
<u>o Administrative Support:</u>			
<ul style="list-style-type: none"> - Provide the administrative infrastructure required to support the Center. Funds provided would also secure contractor data entry support and in-house contract administration to respond to the increasing level of activity, and the concomitant growth in the amount of documentary intelligence generated..... 	14	10	1.4
Total.....	64	47	7.3

Intelligence Resource Summary (based on data submitted to date)
(dollars in thousands)

Agency	1988			1989			Change		
	Pos	PTE	\$	Pos	PTE	\$	Pos	PTE	\$
Customs ¹	142	83	\$2657	149	89	\$2777	+7	+6	+\$120
DEA	362	352	24,129	448	416	33,585	+86	+64	+9456 ²
FBI	85	85	5617	117	104	7152	+32	+19	+1535
INS	17	13	900	17	13	900	---	---	---
NIDA	31	14	4358	18	8	1848	-13	-6	-2510
Coast Guard	57	57	2570	58	58	2589	+1	+1	+19
State ³	2	2	695	2	2	845	---	---	+150
DOD ⁴	NA	NA	NA	NA	NA	NA	NA	NA	NA
Intelligence Community ⁵	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	696	606	40,926	809	690	49,696	+113	+84	+8770

¹ Several programs exclude salary costs. Intelligence portion of C³I cannot be separated. The total C³I budget is provided within the Interdiction submission (1988 - \$12.9 million; 1989 - \$7.3 million)

² The majority of this increase will enhance EPIC into a tactical All Source Intelligence Center.

³ Represents funds used for aerial surveys in drug production countries, and salary costs for two full-time analysts devoted to analysis on narcotics.

⁴ No resources provided.

⁵ Resources classified.



THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

MANAGEMENT
AND PERSONNEL

21 OCT 1987

Honorable John Lawn
Administrator
Drug Enforcement Administration
1405 Eye Street, N.W.
Washington, D.C. 20537

Dear Mr. Lawn:

This is in response to the Chairman, Law Enforcement Coordinating Group request for comments on the draft Intelligence Strategy dated October 14, 1987.

A comprehensive examination of the totality of intelligence support to drug law enforcement is a mandatory precursor to developing solutions. I continue to maintain the need for a systematic approach to understand and define the appropriate connections and interactions between the Intelligence Community and the Drug Law Enforcement Community. A systematic analysis would be necessary to determine what (1) is required, (2) is being done, (3) could be done, and finally, (4) what should be the implementation plan/strategy. The proposed report from the NDIC to the NDPB does not set forth any analytic procedure to support the list of agency-by-agency actions provided, and clearer definition of the concepts of operations and support generated by a community, systematic approach is essential.

I recognize the deadline for submission of the draft Strategy does not allow for the completion of the process described above; however, a clear statement of what is required (other than a list of projects/initiatives), and a plan and schedule to accomplish this by the joint efforts of the intelligence and drug law enforcement communities is a necessary first step in the NDIC's subsequent effort.

Sincerely,

Stephen G. Olmstead
Lieutenant General, USMC
Deputy Assistant Secretary
Drug Policy and Enforcement/
Director, DoD Task Force on
Drug Enforcement

cc: Executive Director, NDPB

Staff Strategy Outline

The Investigations Strategy is a three-part approach aimed at:

1. Immobilizing trafficking organizations by arresting the most significant members
2. Reducing the availability of illegal drugs
3. Seizing and forfeiting drug-related assets

The strategy will be realized through a series of programs and objectives that:

- o emphasize multi-agency investigations
- o target and prioritize the highest level violators
- o expand the roles of state and local agencies
- o monitor the distribution of precursor and essential chemicals
- o increase initiatives against clandestine laboratories
- o support the eradication of illicit crops
- o lead to the maximum application of seizure and forfeiture statutes

The cost of the FY88 Investigations program is estimated to be \$923.6 million. The 1989 OMB budget identifies \$1137.8 million which represents a net change of \$214.2 million over the FY 88 figure. The Department of Treasury has identified additional enhancements of \$2.2 million over the 1989 OMB submission in support of FLETC. With this exception, the Investigations Committee strategy requires no resource enhancements beyond those already requested in the participating agencies' budget submissions for FY89.

Drug Investigations Committee Strategy Executive Summary

Introduction

As the result of a National Drug Policy Directive on May 22, 1987, lead agencies were designated for each component of the national anti-drug program: education, prevention, treatment, and rehabilitation in the demand reduction area, and intelligence, investigations, prosecutions, international programs, and interdiction in the supply reduction area. The Drug Enforcement Administration (DEA) was thus directed by the National Drug Policy Board to chair the Policy Board Committee on Drug Investigations, with the Federal Bureau of Investigation (FBI) as the vice-chair of the committee. Other Investigations Committee Members include the United States Marshals Service (USMS), the Immigration and Naturalization Service (INS), the Internal Revenue Service (IRS), the United States Customs Service (Customs), the Bureau of Alcohol, Tobacco and Firearms (ATF), the United States Forest Service (USFS), and the Department of State (State).

In response to the August 5, 1987 request of the Policy Board Chairman, the Investigations Committee has prepared a strategy which is, in essence, an outgrowth of drug law enforcement investigation methods that have proved effective over time and over the varied membership of the Committee. Therefore, this overall strategy is built on both the individual and collective experience of the Committee's entire membership. Additionally, this strategy is reflective of the fact that the scope and complexity of the drug problem have necessitated the sustained and coordinated involvement of many Federal, state, local and international law enforcement agencies. Within this context, the Investigations Committee strategy has been prepared from the perspective of the lead agency, whose primary responsibility it is to ensure that the effort applied by each contributor is in full harmony with that of all other committee members.

Rather than changing the fundamental role of any individual agency, this strategy emphasizes the highly sophisticated division of labor that has been developed to ensure coverage of all aspects of drug investigations. This division of labor begins with the uniformed patrol officer in the United States, ends with his counterpart in source countries, and

spans a progressive continuum between the two. Included in this division of labor are such components as (a) precinct level narcotics officers, (b) city-wide narcotics units, (c) State and local task forces, (d) Federal, State and local task forces, (e) individual DEA and FBI investigations, (f) joint DEA/FBI investigations, (g) joint inter-agency financial task forces, (h) OCDETF investigations, (i) large smuggling investigations and (j) international cooperative investigations and operations. Thus, the strategy of the Investigations Committee has been designed to emphasize the coordination necessary to ensure the smooth functioning of the division of labor on which it has come to depend. It is, in that sense, an assignment of tasks for each "laborer" unit of the Committee.

One of the most important characteristics of the strategy is that, for the first time, the coordinated efforts of the agencies involved in drug investigations have been expressed in terms of shared programs that identify the allocation of resources required for maintenance of these efforts. The programmatic review which this arrangement allows greatly facilitates not only preparations of future strategies but also allows the insertion of new initiatives.

Strategy Overview

The Drug Investigations Committee strategy is a four pronged attack on the illicit drug supply and is based on immobilizations of Major Drug Organizations by:

- arresting the highest level leaders
- seizing their drugs
- seizing their assets

Because of inordinate measures taken by trafficking organizations to maintain secrecy and avoid becoming the target of an investigation, their successful immobilization requires a variety of worldwide law enforcement approaches, the first and foremost of which is an extensive cooperative effort by all investigative agencies. Accordingly, the investigation strategies have been prepared to emphasize the multiagency and multilateral approaches of which they consist. These strategies highlight the fact that drug investigations have

become extremely complex in terms of interagency relationships, and how the integrated efforts of many agencies can achieve greater, more comprehensive results than could be accomplished by any one agency alone.

Strategy 1 - Immobilize Drug Trafficking Organizations by Arresting the Highest Level Leaders, Organizers and Operators. This strategy directs resources at the very highest major trafficking organizations. This focus of resources will complement the Prosecutions Committee strategy of increasingly directing prosecutive resources at top echelon organizations. Although individual agencies have developed a variety of initiatives to target specific problem areas involved in drug investigations, the intended and result of all these has been the immobilization of drug trafficking organizations and the arrest of the highest level drug traffickers. Therefore, this strategy addresses programs designed to ensure that all drug investigations within each agency remain focused on the highest level enterprises, organizations, and traffickers. Beyond the most immediate and tangible issue of the effective use Federal resources, this strategy fulfills the Congressional intent of statutory authority granted under CCE, RICO, the newly enacted money laundering statutes and mandatory minimum sentencing provisions. The nature and scope of drug investigations are dependent on various support systems and services. Therefore, this strategy also addresses measures designed to enhance the efficiency and effectiveness of such investigations.

Strategy 2 - Reduce the Supply of Illicit Drugs. Despite efforts to prevent their entry into the United States, illicit drug products remain available. Strategy 3 addresses all investigations that are conducted to seize these substances wherever they are available and in whatever form.

Strategy 3 - Seize the Assets of Traffickers and their Organizations. Since Federal agencies now enforce a variety of laws to attack drug traffickers financially, this strategy reflects the crucial role played by agencies in stripping traffickers and trafficking organizations of their profits and assets. It should be emphasized that this strategy has become an integral part of all drug investigations. The goal of our financial investigative strategy is to establish a sustained capability to identify, target, seize, and recover monetary assets of traffickers when and wherever possible. Pursuit of this goal through the investigation of known criminal organizations is one approach. Additionally, targeting the money flow and following the money to the upper echelons of the enterprise will maximize the potential for interagency success.

Programmatic Overview

The programs delineated for each individual strategy are demonstrative of the investigative efforts expended by all affected law enforcement agencies. Such programs have been identified in a manner that integrates the individual commitments of each Investigations Committee member. One advantage of this arrangement is that it affords the lead agency a mechanism for ensuring that certain aspects of drug investigations are not duplicated and that all program areas are focused on the overall policy of the committee. An additional advantage of this programmatic approach is that it provides each agency a means of viewing its role within the perspective of the total investigation effort applied to each strategy. Furthermore, a programmatic view of resource allocations forms the basis of determining, when necessary, the cost effectiveness of various approaches.

Strategy 1, Program 1 - OCDETF

The Organized Crime Drug Enforcement Task Force is the major cooperative Federal drug law enforcement program for investigations. Although this program does not necessarily entail the largest portion of any agency's resources, it is, of the numerous investigative approaches used, the best equipped to respond to and disrupt high-level organized trafficking groups. Therefore, it is logical that the highest targeted organizations and their members be attacked through the multiagency approach offered by the OCDETF Program.

Strategy 1, Program 2 - Investigations Targeting

Member agencies have developed a variety of approaches to drug investigations. Their respective targeting mechanisms involve developing priorities and allocating resources to focus on individual drugs or geographic areas, specific organizations, or specialized techniques directed at a particular link in the drug trafficking chain. Additionally, major trafficking groups are frequently identified as operating in certain high population areas of the country. Resource allocation prioritization to these areas is an essential element of the strategy.

Strategy 1, Program 3 - State and Local Investigations

State and local governments have to become more active as drug investigation partners with the Federal government.

Strategy 2, Program 1 - Cocaine Suppression Program

The overall objective of this program is to destabilize cocaine trafficking operations as close to the source as possible, but also in the ports and border areas of the U.S.

Strategy 2, Program 2 - Heroin Suppression Program

The overall objective of this program is, in the same manner as Program 1, under this strategy, to destabilize heroin trafficking operations as close to the source as possible, but also in the ports and border areas of the U.S.

Strategy 2, Program 3 - Cannabis Detection and Eradication

Cannabis is the most widely used illicit drug in the United States. This program describes investigative efforts applied to its detection and eradication.

Strategy 2, Program 4 - Domestic Clandestine Laboratory Program

Most of the illicit dangerous drugs abused in the United States are produced in clandestine laboratories. The clandestine laboratory program is therefore focused on this source of illicit drugs.

Strategy 2, Program 5 - Seizure of Essential Chemicals

Chemicals and precursors used in the illicit production of drugs are either diverted from legitimate production and distribution networks or are produced illicitly. This program addresses measures for seizing such chemicals.

Strategy 2, Program 6 - Diversion

Registrants who divert large quantities of controlled substances are a major source of illicit drugs. Seizure of these drugs domestically and at the ports and borders is essential.

Strategy 3, Program 1 - Financial Investigations

Investigations of the financial transactions of drug trafficking organizations play a crucial role in the overall drug enforcement strategy. This program emphasizes the value of such investigations as an integral part of all drug investigations.

Strategy 3, Program 2 - Asset Removal

Asset seizure and forfeiture laws give the government authority to seize the funds, conveyances, property and other assets that were derived from illegal drug activities. This program addresses investigative efforts toward the identification of illicit assets controlled or owned by drug traffickers.

Strategy 3, Program 3 - Establish an Integrated Interagency Financial Investigations Strategy

Recent changes in Title 31 and Title 18 USC allow a much broader attack on the assets of drug traffickers than has been possible before. Care must be taken to ensure equal effort is directed at targeting the money flow process and the organizations involved in any aspect of the narcotics enterprise. The recently signed Memorandum of Understanding on Money Laundering has shown great promise as a means for ensuring effective coordination of high value undercover infiltration operations. This strategy and targeting approach will become an integral part of all drug investigations.

Resources Overview

Because of the complex nature of drug investigations, resources actually expended for one aspect may be inseparable from those of another. For example, the conducting of drug-related financial investigations is an integral part of drug investigations themselves. Consequently, certain limitations on the explicit statement of resources are identified. A Federal Drug Resource Summary is attached for each contributing agency as well as the overall summary for the entire Drug Investigations Strategy.

In a manner similar to the conducting of drug investigations, the theme that emerges from the allocation of resources is one of cooperation. This cooperation of all agencies must extend beyond the boundaries of the Investigations Committee if all aspects of the drug problem are to be adequately funded. For example, unless adequate prison space is provided for those successfully prosecuted as a result of drug investigations, the resources for the investigations strategy will have been expended in vain.

Conclusion

The strategy of the Drug Investigations Committee is no less and no more than the culmination of the experience of the committee's members. It is deliberately designed to build on that cumulative experience. Rather than being a mere restatement of the past, however, this strategy is expressed in a manner that allows an accountable, programmatic review of its content.

Perhaps the most striking thing that has emerged from the preparation of this strategy is the key role played by interagency cooperation. Such continued cooperation is vital not only to future investigative efforts but also to all aspects of the drug problem.

Significant Issues

One objective of the Investigations Strategy is to target the highest level violators.(page 5)

Discussion:

- o Has DEA's G-DEP system been accepted by the member agencies as the model for classifying and targeting drug violators?
- o If not, is there a standard being developed for use "across the board" or will each agency continue to evaluate targets by their own standards?

Another objective is to " establish minimum standards or threshold levels for initiating cases or accepting referral cases for Federal investigation."(page 5)

Discussion:

- o Will these minimum standards vary from one judicial district to another?
- o Under what circumstances will exceptions to the minimum standards be recognized?
- o Who will determine what the minimum standards are?

Proposed Legislation

The Anti-Drug Abuse Act (P.L. 99-570; October 27, 1986) called upon the Attorney General to conduct a study of the need for legislation, regulation, or alternative methods to control the diversion of legitimate precursor and essential chemicals into the illicit production of drugs of abuse and report his findings to Congress within 90 days.

The Attorney General, through the Drug Enforcement Administration, has completed the required study. After careful review of the level of abuse of illicitly manufactured drugs, the relationship between the diversion of precursor and essential chemicals to the availability of these illicit drugs, past efforts to curtail the diversion of these precursors and essential chemicals and other factors, the Attorney General finds that additional legislative authority is necessary to impact on this problem.

As part of this report to Congress, the Attorney General includes the proposed "Chemical Diversion and Trafficking Act of 1987." This proposed legislation is similar to the precursor and essential chemical legislation included in the "Drug Free America Act of 1986" which was referred to the Congress by the President in the last session.

This act would create recordkeeping and reporting requirements for the distribution, receipt, sale, importation or exportation of selected precursor and essential chemicals used to make illegal drugs and proposes penalties for trafficking in these chemicals and for failure to maintain required records.

The proposed legislation strikes a balance between the need for enhancement of the law enforcement effort to curtail the diversion of precursors and essential chemicals and the need to provide for uninterrupted use of these chemicals in legitimate activities.

Recommended Legislative Changes

To encourage and promote the passage of new and revised laws and regulations in support of financial and money laundering investigation and prosecution, the Customs Service recommends legislative changes in the following areas:

- A. Allow disclosure of IRS Form 8300 (Report of \$10,000 Received in Trade or Business).
 - (i) Transfer 26 U.S.C. 6050 to Title 31.
 - (ii) Amend Non-Disclosure Statute.
- B. Remove some restrictions on the use of Federal Reserve data.
- C. Amend 18 U.S.C. 1956 (Money Laundering Statute).
 - (i) Include customs violations, such as fraud and copyright violations as predicate offenses.
 - (ii) Define "gross proceeds" to mean receipts not just profits.
 - (iii) Include a minimum mandatory sentence.
- D. Require a record for cash purchases of real estate.
- E. Add CTR exemption list to financial data base.
- F. Strengthen licensing process for Currency Exchanges.
- G. Require more Bank Secrecy Act compliance examinations.
- H. Grant Customs Foreign Bank Account Report (FBAR) investigative jurisdiction.
- I. Require DOB on CTRs.
- J. Strengthen 18 U.S.C. 981 forfeiture through "facilitation" clause.
- K. Strengthen FAA flight plan rules on mid-flight changes.
- L. Ease state and local law enforcement overtime burden on joint operations.
- M. Require social security numbers on CMIR's.

RESOURCE OVERVIEW

1. The Investigations Committee has identified net changes over the 1988 Budget amounting to 1028 FTE workyears, and \$214.2 million. This represents an increase of 10.3% in FTE's and 23.2% in funding over the 1988 estimate.
 - The Department of Treasury has identified an increase of 40 FTE and \$2.2 million for support of FLETC. No other new enhancements have been requested above the 1989 OMB submission.
2. Of the total increase, DEA, USMS, and the FBI represent 45.7%, 29.0% and 16.6%, respectively.
3. A percentage comparison of the relationship of each strategy to the total OMB budget follows:

<u>Strategy</u>	(in millions)	
	<u>1988 (%)</u>	<u>1989 (%)</u>
1. Arrest the highest level drug traffickers	\$621.2 (67.3%)	\$736.8 (64.7%)
2. Reduce the supply of illicit drugs	104.8 (11.3%)	132.7 (11.7%)
3. Seize the assets of traffickers and their organizations	197.6 (21.4%)	268.3 (23.6%)
Total	923.6 (100%)	1137.8 (100%)

INVESTIGATIONS Resource Summary By Strategy
(dollars in thousands)

Strategy	1988			Change			1989 OMB Request			New Enhancements			Revised Request to NDPB		
	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$
1. Arrest the highest level drug traffickers	8603	8238	621,155	874	782	115,652	9477	9020	736,807	...	...	...	9477	9020	736,807
2. Reduce the supply of illicit drugs	749	746	104,825	68	62	27,847	817	808	132,672	...	...	...	817	808	132,672
3. Seize the assets of traffickers and their organizations	1089	1019	197,595	214	184	70,728	1303	1203	268,323	72	40	2240	1375	1243	270,563
Total	10,441	10,003	923,575	1156	1028	214,227	11,597	11,031	1,137,802	72	40	2240	11,669	11,071	1,140,042

INVESTIGATIONS Resource Summary By Agency
(dollars in thousands)

By Agency:	1988			Change			1989 OMB Request			New Enhancements			1989 Request to NDPB		
	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$
<u>DEA:</u>															
Strategy 1	4552	4503	390,853	217	169	69,959	4769	4672	460,812	...	...	...	4769	4672	460,812
Strategy 2	742	702	99,798	68	57	27,847	810	759	127,645	...	...	...	810	759	127,645
Total	5294	5205	490,651	285	226	97,806	5579	5431	588,457	...	...	...	5579	5431	588,457
<u>FBI:</u>															
Strategy 1	1521	1521	104,038	649	386	35,598	2170	1907	139,636	...	...	...	2170	1907	139,636
<u>U.S. Customs Service:</u>															
Strategy 1	240	226	14,200	...	...	...	240	226	14,200	...	...	...	240	226	14,200
Strategy 3	912	831	49,610	170	153	8746	1082	984	58,356	...	...	...	1082	984	58,356
Total	1152	1057	63,810	170	153	8746	1322	1210	72,556	...	...	...	1322	1210	72,556
<u>INS:</u>															
Strategy 1	200	394	24,552	...	214	9760	200	608	34,312	...	...	...	200	608	34,312
Strategy 3	...	11	669	...	9	587	...	20	1,256	...	...	...	...	20	1,256
Total	200	405	25,221	...	223	10,347	200	628	35,568	...	...	...	200	628	35,568
<u>USDA (includes Forest Service)</u>															
Strategy 1	500	28	1,975	...	5	-40	500	33	1,935	...	...	...	500	33	1,935
Strategy 2	7	44	5,027	...	5	...	7	49	5,027	...	...	...	7	49	5,027
Total	507	72	7002	...	10	-40	507	82	6,962	...	...	...	507	82	6,962

INVESTIGATIONS Resource Summary By Agency
(dollars in thousands)

By Agency:	1988			Change			1989 OMB Request			New Enhancements			1989 Request to NDPB		
	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$	Pos	FTE	\$
<u>IRS:</u>															
Strategy 1	1230	1230	59,500	---	---	---	1230	1230	59,500	---	---	---	1230	1230	59,500
<u>ATF:</u>															
Strategy 1	127	120	9,419	-2	-2	-367	125	118	9,052	---	---	---	125	118	9,052
<u>FLETC-Treasury:*</u>															
Strategy 3	---	---	---	---	---	---	---	---	---	72	40	2240	72	40	2,240
<u>U.S.M.S.</u>															
Strategy 1	233	216	16,618	10	10	742	243	226	17,360	...	...	...	243	226	17,360
Strategy 3	177	177	147,316	44	22	61,395	221	199	208,711	...	...	...	221	199	208,711
Total	410	393	163,934	54	32	62,137	464	425	226,071	...	...	...	464	425	226,071
<u>Grand Total:</u>															
Strategy 1	8603	8238	621,155	874	782	115,652	9477	9020	736,807	...	...	...	9477	9020	736,807
Strategy 2	749	746	104,825	68	62	27,847	817	808	132,672	...	...	...	817	808	132,672
Strategy 3	1089	1019	197,595	214	184	70,728	1303	1203	268,323	72	40	2240	1375	1243	270,563
Total	10,441	10,003	923,575	1156	1028	214,227	11,597	11,031	1,137,802	72	40	2240	11,669	11,071	1,140,042

* 72 pos., 40 FTE's, and \$2,869,000 has been identified as a new requirement for FY 1988. This is not included in the 1988 column.



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

October 30, 1987

Honorable John C. Lawn
Chairman
Drug Investigations Committee
Drug Enforcement Administration
Room 1110
1405 I Street, N.W.
Washington, D.C.

Dear Jack:

Our meeting on October 15, 1987, regarding the Investigations Committee Strategy (ICS) for the National Drug Policy Board (NDPB), was most productive. I realize that the demands of revising the preliminary draft prior to the dry run on October 16, 1987 left little time for incorporating all of the FBI's suggestions. With few exceptions, the FBI's components were included verbatim from our sample provided to you and your staff.

As I mentioned during the meeting, it is imperative that the ICS and the National Narcotics Prosecution Strategy (NNPS) are as closely aligned as possible. Although some philosophical differences continue to exist between the FBI's and DEA's investigative approach and target identification methods, the differentiation is more perceptual than factual. Incorporation of the following suggestions will more clearly align the ICS with the NNPS and minimize any perception of divergence between the FBI and DEA in drug enforcement.

EXECUTIVE SUMMARY

Strategy Overview: In the Strategy Overview on page 2 of the Executive Summary of the ICS, the four-pronged attack on the illicit drug supply should be reordered:

Immobilization of major Drug Trafficking Organizations by:

- arresting the highest level leaders
- seizing their drugs
- seizing their assets

Honorable John C. Lawn

Strategy 1: A revision of the third and fourth sentences on page 3, under Strategy 1, would more accurately describe the FBI's investigative approach while maintaining the agency neutral tone of the summary.

Sentence 3 should be revised to read: "Although individual agencies..., the intended end result of all these has been the immobilization of drug trafficking organizations and the arrest of the highest level traffickers."

Sentence 4 should be revised to read: "Therefore,... remain focused on the highest level enterprises, organizations and traffickers."

I wish to congratulate you and your staff for the dedication and professionalism reflected in the most recent draft and reaffirm our continuing support in the ICS development.

Sincerely,

Floyd I. Clarke
Assistant Director
Criminal Investigative Division

① - Mr. David Pickens
Executive Director
National Drug Policy Board
Room 6649
Department of Justice
Washington, D.C.



NATIONAL DRUG POLICY BOARD
Washington, D.C. 20530

October 22, 1987

TO: John C. Lawn, Chairman
Drug Investigations Committee

FROM: Ann B. Wroblewski, Chairman *abw*
International Standing Committee

SUBJECT: Latest Draft of Drug Investigations Committee
Strategy

I appreciate your having taken some of our recommendations into account in revising the first draft of the Drug Investigations Committee Strategy. The latest draft, however, still omits some key points which I had previously noted with regard to Lead Agency responsibilities. Those portions of the strategy which specifically refer to international activities, already included in the International Standing Committee Strategy/Implementation Plan, should either be deleted or explicitly cross-referenced to the ISC strategy and the Department of State's Lead Agency status. This is particularly true in Strategy 2 where our eradication programs are concerned.

I would appreciate your making the attached changes as soon as possible so that the Policy Board can go forward with a set of strong, complementary strategies.

Attachment:

Recommended Changes.

cc: Mr. Dave Pickens ✓

BUREAU OF INTERNATIONAL NARCOTICS MATTERS

Recommended changes to the October 16, 1987, Drug
Investigations Committee Draft Strategy

- Page 11: Under STRATEGY 2/PROGRAM 1/OBJECTIVE 3. Either delete or change to read: "(3) Working through the Department of State, support established aerial programs in source countries and encourage countries that have successfully used such programs to share their experience with other countries. (See International Standing Committee Strategy/Implementation Plan, pages 1-44)."
- Page 12: Under STRATEGY 2/PROGRAM 2/OBJECTIVES (1) THROUGH (4). Preface each objective with the statement: "In cooperation with the Department of State,...." At the end of each paragraph add: "(See International Standing Committee Strategy/Implementation Plan, pages 45-62)."
- Page 14: Under STRATEGY 2/PROGRAM 3/OBJECTIVE (7). Change to read: "(7) In cooperation with the Department of State, identify and work with...." At end of paragraph add: "(See International Standing Committee Strategy/Implementation Plan, pages 63-69)."
- Page 17: UNDER STRATEGY 2/PROGRAM 5/OBJECTIVES (4) and (5). Preface each paragraph with: "In cooperation with the Department of State,..." At the end of each paragraph add: "(See International Standing Committee Strategy/Implementation Plan, pages 3-27)."



DEPARTMENT OF THE TREASURY

U.S. CUSTOMS SERVICE

WASHINGTON, D.C. 20229

OCT - 1 1987

ENF 1-03 E:EO:SD:C ART

cc: Coy
KT
STAFF


The Honorable
Stephen S. Trott
Chairman
Law Enforcement Coordinating Group
National Drug Policy Board
Department of Justice
Washington, D.C. 20530

Dear Mr. Trott:

The preliminary draft strategy of the Drug Investigations Committee fails to adequately address the other member agency functions of border interdiction investigations and financial enforcement programs. The Financial Enforcement Committee is forwarding a redraft of Strategy 4 (Financial Investigations) under separate cover.

In addition to the redraft of Strategy 4, by the Financial Enforcement Committee, the U.S. Customs Service recommends the enclosed changes, deletions and revisions to Strategies 1 through 3. If you have any questions regarding these recommendations, please call the Director, Smuggling Investigations Division, U.S. Customs Service, at 566-8005.

Sincerely,


fr: Wm. Rosenblatt
Assistant Commissioner
Office of Enforcement

Enclosure

cc: John C. Lawn
Chairman
Drug Investigations Committee

Strategy 1 Delete "DEA and the FBI"

Replace with "The Drug Policy Board Agencies" will identify, investigate and immobilize ...

Replace Strategy (1) Program (1) Objective (3) with :

Promote coordination of OCDETF investigative efforts through changes in OCDETF guidelines to require more effective utilization of all agencies investigative expertises.

Strategy (1) Program (2) Objective (1)

Delete "Review and analyze the intelligence base"

Replace with "Exchange drug related information from the intelligence data bases..."

Strategy (1) Program (2) Objective (3)

Delete " major trafficking groups"

Replace with "major drug trafficking and/or money laundering groups."

Strategy (1) Program (2) Objective (7)

Delete "posed by major drug organizations."

Replace with "inherent in investigations of major drug/money laundering organizations."

Strategy (1) Program (2) Objective (8)

Replace Objective (8) with:

Develop joint operational plans to enhance border and coastal interdiction investigations through the expanded use of programmatic cross designation.

Strategy (1) Program (2) Objective (11)

Delete "in major financial markets"

Strategy (1) Program (3) Objective (2)

After RICO add: and money laundering prosecutions.

Strategy (1) Program (4) Program statement

add at the end: "and their proceeds"

Strategy (2) add: and drug related money launderers.

Strategy (2) Program (1) Objective (5)

Replace beginning of paragraph with "In conjunction with the Prosecution, Intelligence and Interdiction Committees, develop a standard for ..."

Strategy (2) Program (1)

Add Objective (16): Continue Customs role in OCDEF of investigating high level drug smugglers through the Customs drug interdiction mission.

Strategy (2) Program (2) Objective (4)

Replace beginning of paragraph with "In conjunction with the Prosecution, Intelligence and Interdiction Committees, develop a model for classifying and targeting drug violators.

Strategy (2) Program (2)

Insert an Objective after Objective (9) (renumber objectives)

Develop procedures that facilitate the timely notification to U.S. Customs of tactical intelligence regarding the international movement of drugs and drug related funds.

Strategy (2) Program (3) Objective (3)

Replace Objective (3) with "Provide continued support to federal, state and local law enforcement mid-level task force investigations of domestic drug traffickers and international drug smugglers."

Strategy (3) Add Program (7)

Integrate the strategies of the Interdiction Committee to more effectively reduce the domestic supply of drugs.

List of Participating Agencies

- | | | |
|-----|--|---------|
| 1. | Action | |
| 2. | Agency for International Development | AID |
| 3. | Agriculture, Department of | AG |
| | - Agricultural Research Service | AGRS |
| | - U.S. Forest Service | USFS |
| 4. | Alliance | |
| 5. | Central Intelligence Agency | CIA |
| 6. | Commerce, Department of | COMM |
| 7. | Department of Defense | DOD |
| | - Defense Intelligence Agency | DIA |
| | - Direct Operating Costs | DOC |
| | - Drug Task Force | DOD/DTF |
| | - Health Affairs | DOD/HA |
| | - Joint Chiefs of Staff | JCS |
| | - National Security Agency | NSA |
| | - Other Appropriations | OA |
| 8. | Drug Abuse Policy Office | DAPO |
| 9. | Education, Department of | ED |
| 10. | Energy, Department of | DOE |
| 11. | Health and Human Services, Department of | HHS |
| | - Alcohol, Drug Abuse and Mental Health Administration | ADAMHA |
| | - Natl Inst. on Alcohol Abuse & Alcoholism | NIAAA |
| | - Natl Institute on Drug Abuse | NIDA |
| | - Natl Institute of Mental Health | NIMH |
| | - Office of Substance Abuse Prevention | OSAP |
| | - Administration for Children, Youth & Families | AGYF |
| | - Administration for Native Americans | ANA |
| | - Family Support Administration | FSAD |
| | - Food and Drug Administration | FDA |
| | - Health Resources and Services Admin. | HRSA |
| | - Indian Health Services | IHS |
| | - Bureau of Health Care Delivery & Asst | BHCDA |
| | - Bureau of Resources Development | BRD |
| | - Social Security Administration | SSA |

12.	Housing and Urban Development, Department of	HUD
13.	Information Agency, United States	USIA
14.	Interior, Department of	INT
	- Bureau of Indian Affairs	BIA
	- Bureau of Land Management	BLM
	- Fish and Wildlife Service	FWS
	- National Park Service	NPS
15.	Justice, Department of	DOJ
	- Bureau of Prisons	BOP
	- Criminal Division	CRM
	- Drug Enforcement Administration	DEA
	- Federal Bureau of Investigation	FBI
	- Immigration & Naturalization Service	INS
	- Office of Justice Programs	OJP
	- Bureau of Justice Assistance	BJA
	- Bureau of Justice Statistics	BJS
	- National Institute of Justice	NIJ
	- Office of Justice Programs	OJP
	- Office of Juvenile & Delinquency Prevention	OJJDP
	- Support of Prisons	SUSP
	- Tax Division	TAX
	- United States Attorneys	USA
	- United States Marshal Service	USMS
16.	Labor, Department of	LABOR
17.	Mine Safety and Health Administration	
18.	National Narcotics Border Interdiction System	NNBIS
19.	National Security Council	NSC
20.	Nuclear Regulatory Commission	NRC
21.	Occupational Safety and Health Administration	
22.	Office of Personnel Management	OPM
23.	Organized Crime Drug Enforcement Task Force	OCDETF
24.	State, Department of	STATE
	- International Narcotics Matters	INM
25.	Transportation, Department of	DOT
	- Federal Aviation Administration	FAA
	- Federal Railroad Administration	FRA

- Maritime Administration	MARAD
- National Highway Traffic & Safety	NHTSA
- United States Coast Guard	USCG
26. Treasury, Department of the	Treas
- Bureau of Alcohol, Tobacco and Firearms	ATF
- Internal Revenue Service	IRS
- Payments to Puerto Rico	PPR
- United States Customs Service	USCS
- United States Secret Service	USSS
27. Veterans Administration	VA
28. White House Conference	WHC