

Drug Enforcement Administration

Briefing Book

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Part I

An Analysis of DEA's Mission

Programs and Effectiveness

I. DEA's Mission:

DEA's mission is to control the accessibility of narcotics and dangerous drugs to current and potential drug abusers in the U. S. If DEA is successful, abusers of these drugs will find it expensive and inconvenient to consume the drugs. As a result, fewer people will experiment with the drugs; fewer among those who experiment with the drugs will advance to chronic, intensive levels of use; and more of those who do advance to serious levels of use will seek treatment and abandon their use. The social implications of these effects are that fewer people die of drug overdoses; fewer people disable themselves from leading productive lives; fewer families crumble before the bitterness and suspicion that attends drug abuse; and fewer children begin experiments which can kill them suddenly in dramatic accidents or slowly in a process of deterioration and decay.

This simple description of DEA's mission masks the scope, complexity and subtlety of DEA's responsibilities. An accurate view of DEA's mission requires that one keep several additional points in mind.

First, DEA is responsible for controlling the supply of a very large set of specific substances. The major classes of drugs include those listed in Table I-1. More than 10,000 specific products are included within the major drug classes.

Second, since many of these substances benefit rather than harm consumers, DEA must guarantee that those who have a legitimate medical use for the drugs find the drugs inexpensive and conveniently available.¹ In effect, DEA must preserve a legitimate medical sector. Within that sector, drugs should be inexpensive and conveniently available. Outside that sector (defined in terms of physician's prescriptions for specific₂ substances), drugs should be expensive and inconvenient to obtain.

Third, at any given level of use, these substances differ in terms of their likely impact on the behavior and condition of illicit users. Some drugs will have large, chronic effects; others will produce dramatic, but infrequent acute events; and others will be relatively harmless. The implication of this observation is that DEA must be concerned about the relative levels of price and

TABLE I-1

MAJOR CLASSES OF DRUGS

- I. HEROIN
- II. METHADONE
- III. OTHER NARCOTICS
 - A. Codeine
 - B. Percodan
 - C. Codeine Preparations
 - D. Other
- IV. COCAINE
- V. OTHER STIMULANTS
 - A. Amphetamine
 - B. Speed
 - C. Amitriptyline
 - D. Other
- VI. SEDATIVES
 - A. Barbiturates
 - B. Non-Barbiturate Sedatives
 - 1. Methaqualone
 - 2. Flurazepam
 - 3. Other
- VII. TRANQUILIZERS
 - A. Diazepam
 - B. Chlordiazepoxide
 - C. Others
- VIII. HALLUCINOGENS
 - A. LSD
 - B. PCP
 - C. Mescaline
 - D. Other
- IX. MARIHUANA/HASH
- X. ALCOHOL IN COMBINATION
- XI. OTHER
 - A. None-Narcotic Analgesics
 - 1. Aspirin
 - 2. Darvon
 - 3. Other Non-Narcotic Analgesics
 - B. Drug Unknown
 - C. Antibiotics (TC 21-28)
 - D. Cold Preparations
 - C. Other

availability as well as the absolute levels of price and availability. Drugs that are likely to produce serious individual and social consequences should be more expensive and less available than drugs which are relatively harmless. This is true not only because scarce resources require DEA to establish priorities in targeting specific drugs, but also because it is desirable to deflect people who want to abuse drugs to the relatively less hazardous drugs.

Fourth, the substances differ in terms of their capacity to produce physiological or psychological dependence. The idea of dependence has two strong implications. First, it implies that experimental users of drugs subject themselves to different probabilities of ending up in chronic, intensive patterns of use. Second, it implies that there are different distributions of use patterns among the using populations of different drugs. High dependence drugs subject new users to a high probability of ending up in intensive use patterns, and produce a distribution of use patterns that is skewed to the chronic, intensive patterns of use. Low dependence drugs produce the opposite situation. These differences turn out to be important in choosing a desired level of price and accessibility of a drug. While the importance of the differences in choosing a price is somewhat subtle, it is worth taking some time to understand the problem.

In general, supply reduction strategies are crude strategies: they tend to affect all consumers of a particular substance. This crudeness creates an obvious problem if both good and bad consumption occurs simultaneously. One cannot increase the legitimate and beneficial consumption without also increasing the illicit and damaging consumption. However, even if one manages to separate the legitimate demand from the illicit demand and finds instruments to work separately on each component, one still faces a problem with the crudeness of the supply reduction strategy.

The reason is that among illicit users there are three different groups for whom we have different price objectives: 1) potential users whom we would like to discourage from all experimentation; 2) casual users who use drugs occasionally without harm (and perhaps with some benefit) whom we would like not to bother; and 3) chronic, intensive users whom we would like to nudge toward treatment without making their lives dangerous to themselves or us. It is apparent that one level of price and availability in the illicit

market will not satisfy all objectives at once. If the price is high, we may deter new use, but will also stigmatize casual users and will drive chronic users to serious health hazard, or criminal activity. If the price is low, we help the casual and chronic users, but lose the deterrent value. Ideally, one would like to have three different prices in the illicit market: a very high price to experimental users; a relatively low price to casual, self-medicating users; and a moderately high price to chronic, intensive users.

In practice, it is impossible to create such complicated price discrimination: It is worth noting that in an illicit market, one can achieve some degree of price discrimination between new users and old users. This is true for two reasons. First, dealers charge higher prices to new consumers because they are nervous about dealing with strangers. Second, new consumers are cut off from information about dealers because dealers are reluctant to advertise. Indeed, they go to some pain to conceal their activity. Thus, in illicit markets new users tend to find drugs less available and more expensive than old users. The price one must pay to secure this discrimination is expensive enforcement activity directed at retail dealers. Moreover, the degree of discrimination one can achieve is very limited. One tends to end up with prices that are fairly close together. Thus, in establishing drug control objectives, one must decide whether he would like the average level of price and availability to be high or low and whether he should invest in expensive efforts to create price discrimination between new and old users.

A key issue in deciding whether to set a high or low average price, and whether to invest in street level enforcement to get price discrimination is a drug's dependence producing capability. To see why this is true, consider what a high dependence liability implies for the analysis of the desired level of price.

- 1) A high dependence liability implies that a large fraction of the experimental users will end up in chronic, intensive use patterns. This implies that a great deal is gained by discouraging experimental use. This argues for a very high price to new users for dependence producing drugs.

- 2) A high dependence liability implies that relatively few current users will be in casual use patterns, and that many will be in chronic, intensive patterns. Since we need not be concerned about many casual, self-medicating users, and since we would like to nudge the chronic users toward treatment, we can stand for a fairly high price for current users. This implies that it is worth pushing the price to new users to a high level even if there is no discrimination.
- 3) Since, however, the chronic, intensive users will be severely affected by the price of the drug, it is important not to let the price to current users go too high. Consequently, it is worth investing in efforts to create discrimination between new and old users.

In short, for drugs whose dependence potential is high, it is worth pushing the price high and investing in efforts to discriminate between new and old users for whatever benefit that implies. For drugs whose dependence producing potential is low, the opposite opposite arguments and conclusions apply.

Given these observations about DEA's mission, it is apparent that one cannot simply describe DEA's mission in terms of reducing the supply of narcotics and dangerous drugs. One must worry about preserving a legitimate medical sector, adjusting the relative prices of the drugs according to their potential danger and reckoning the costs and benefits of creating discrimination between new and old users in the illicit sector. A simple way to take all these different factors into account is to describe DEA's objectives in terms of a matrix of intended effective prices³ described in Table I-2. At any given time, this matrix of intended effective prices should be adjusted to reflect our current knowledge about the value of a drug in legitimate medical use, its impact on the behavior and condition of illicit users (at any given level of consumption), and its dependence producing capability (which determines the distribution of levels of consumption among the consumers).

Table I-2

Matrix of Intended Effective Prices for
Different Drugs to Different Consumers

Drug	Illicit Market		Legitimate Market
	New Users	Old Users	
Heroin	Very High	Moderate - High	N/A
Cocaine	Moderate - High	Moderate - High	N/A
Barbiturates	Moderate - High	Moderate - High	Low
Amphetamines	Moderate	Moderate	Low - Moderate
Hallucinogers	Moderate	Moderate	N/A
Marihuana	Moderate	Moderate	N/A
Minor Tranquilizers	Moderate	Moderate	Low

II. DEA's Basic Programs:

To achieve the matrix of effective prices presented in Table I-2, DEA must control the sources of narcotics and Dangerous Drugs. Potential sources include foreign illicit production, and diversion from domestic legitimate production. Table II-1, indicates the likely sources of the major classes of drugs. In addition, most foreign sources depend on smuggling networks to get the drugs into the U. S., and all sources depend on extensive domestic illicit distribution systems.

To control the volume of drugs flowing to illicit consumers DEA has basically three different programs: an enforcement program directed at domestic and foreign traffickers; a general foreign suppression program; and a domestic regulatory program. In addition, there are three basic support programs: an intelligence program, a scientific program, and a training program. The resources devoted to these different programs in FY 75 and FY 76 are identified in Tables II-2 through II-4. The basic objectives and activities of these programs are identified below.

A. Domestic and Foreign Enforcement Programs:

I. Overall Objectives:

The overall objective of DEA's enforcement program is to minimize the through-put capability of illicit drug distribution systems. In effect, DEA seeks to slow the rate at which drugs flow to illicit markets.

DEA achieves this objective by making cases against illicit distributors. Cases against illicit distributors have both direct and indirect effects.

The direct effects are the immobilization of dealers who would otherwise have continued to move drugs to the street, and the removal of drugs which would otherwise have reached the street. In effect, pieces of the pipeline and inventories of material are simply eliminated.

The indirect effects are the responses of dealers who remain on the street to the persistent threat of arrest and imprisonment. One indirect effect is that, on the margin, some potential new entrants to the illicit drug distribution system are discouraged from entering the business. This effect is important because it slows the rate at which

Table II-1

Likely Source of Drugs

Drug Types	Foreign		Domestic	
	Illicit Production	Diversion from Legit.	Illicit Production	Diversion from Legit.
Heroin	xx	xx	--	--
Cocaine	xxx	--	--	--
Barbiturates	--	x	--	xx
Amphetamines	xx	x	x	xx
Marihuana	xx	--	x	--
Hallucinogens	--	--	xx	--
Tranquilizers	--	x	--	x

Table II-2a

Management by Objectives by Budget Activity

FY 1975 - FY 1976

(1-21-75)

<u>Criminal Enforcement</u>	<u>Compliance</u>	<u>State and Local</u>	<u>Intelligence</u>	<u>Research and Development</u>
<p>Domestic enforcement - to reduce illicit distribution of controlled substances through the DEA enforcement program.</p> <p>Foreign cooperative enforcement program - to reduce the foreign production, distribution, and supply of illicit substances through a DEA/foreign cooperative enforcement program.</p> <p>Technical support - to reduce illicit drug distribution through a technical support program of drug enforcement operations. (Also included in S & L.)</p>	<p>DEA regulatory program - to reduce the level of diversion through the inspection of legitimate drug handlers.</p> <p>Diversion investigative unit - to reduce the diversion of licit drugs at the retail/practitioner level through Diversion Investigative Units.</p>	<p>DEA task force program - to reduce illicit drug distribution by curtailing lower level wholesale traffic through the DEA Task Force Program.</p> <p>State and local police training program - to reduce illicit drug distribution by upgrading the quality of state and local enforcement activities through a state and local police training program.</p> <p>Technical support - to reduce illicit drug distribution through a technical support program of drug enforcement operations. (Also included in Criminal Enforcement.)</p> <p>Joint DEA/NIDA prevention effort -- to reduce the demand for controlled drugs through drug abuse prevention by the development of a coordinated prevention effort.</p>	<p>Domestic intelligence program - to improve the quality of DEA enforcement through an intelligence program.</p> <p>Foreign intelligence program - to increase the understanding of the nature of foreign trafficking patterns, as they affect the U.S. through a foreign intelligence program.</p>	<p>Drug control program - to secure legal restrictions for substances being abused, or with an abuse liability.</p> <p>Advanced technology - to reduce illicit drug distribution by providing technical support through advanced technology.</p>

Table II-2b

DRUG ENFORCEMENT ADMINISTRATION
 FY-1975 Crosswalk Matrix of Program Objectives
 (dollars in thousands)

	Criminal Enforcement		Law Enforcement Compliance and Regulation		State & Local Assistance		Intelligence		Research and Development		Executive Direction		Total	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
1. Drug Control.....	...	...	...	...	...	...	...	...	23	1,667	...	...	23	1,667
2. DEA Regulatory.....	...	...	429	10,859	...	...	...	...	...	...	2	54	431	10,913
3. Diversion Investigative.....	...	...	8	242	...	...	...	...	...	...	...	1	8	243
4. Domestic Enforcement.....	2,347	79,446	...	...	...	...	...	...	...	...	10	293	2,357	79,739
5. DEA Task Force.....	...	...	...	...	325	9,006	...	...	...	...	1	41	326	9,047
6. Customs/INS Cooperative Program.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
7. DEA Foreign Enforcement.....	416	13,809	...	...	...	...	...	...	...	...	2	52	418	13,861
8. Domestic Intelligence.....	...	...	...	...	...	...	247	7,523	...	...	1	31	248	7,554
9. Foreign Intelligence.....	...	...	...	...	...	...	106	2,200	...	...	...	13	106	2,213
10. State and Local Police Training.....	...	...	...	...	15	579	...	...	...	...	...	2	15	581
11. Foreign Police Training.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
12. Technical Support.....	161	4,972	...	...	43	968	...	...	...	...	1	26	205	5,966
13. Advanced Technology.....	...	...	...	...	...	...	...	...	30	2,708	...	7	30	2,715
14. Joint/DEA NIDA Preventive effort.....	...	...	...	...	19	1,222	...	...	...	...	...	2	19	1,224
	<u>2,924</u>	<u>98,227</u>	<u>437</u>	<u>11,101</u>	<u>402</u>	<u>11,775</u>	<u>353</u>	<u>9,723</u>	<u>53</u>	<u>4,375</u>	<u>17</u>	<u>522</u>	<u>4,186</u>	<u>135,723</u>

TABLE II-3

DRUG ENFORCEMENT ADMINISTRATION
 FY-1976 Crosswalk Mat Program Objectives
 (dollars in thousands)

Program Objectives	Criminal Enforcement		Law Enforcement Compliance and Regulation		State & Local Assistance		Intelligence		Research and Development		Executive Direction		Total Amount	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount		
1. Drug Control.....	...	\$ ...	...	\$ ...	...	\$ ...	...	\$ ...	23	\$ 1,682	...	\$...	23	\$ 1,682
2. DEA Regulatory.....	...	...	431	11,183	...	...	...	...	...	...	2	56	433	11,239
3. Diversion Investigative.....	...	...	8	249	...	...	...	...	...	...	...	1	8	250
4. Domestic Enforcement.....	2,361	87,316	...	...	...	...	...	...	...	...	10	302	2,371	87,618
5. DEA Task Force.....	...	...	...	...	327	9,757	...	...	...	...	1	41	328	9,798
6. Customs/INS Cooperative Program.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
7. DEA Foreign Enforcement.....	427	17,385	...	...	...	...	...	...	...	...	2	54	429	17,439
8. Domestic Intelligence.....	...	...	...	...	...	...	272	8,578	...	...	1	31	273	8,609
9. Foreign Intelligence.....	...	...	...	...	...	...	114	3,551	...	...	...	13	114	3,564
10. State and Local Police Training.....	...	...	...	...	15	593	...	...	...	...	...	2	15	595
11. Foreign Police Training.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
12. Technical Support.....	176	4,992	...	...	43	1,001	...	...	...	...	1	26	220	6,019
13. Advanced Technology.....	...	...	...	...	...	...	...	...	30	2,726	...	7	30	2,733
14. Joint DEA/NIDA Preventive Effort.....	...	...	...	...	19	1,237	...	...	...	...	...	2	19	1,239
Total.....	2,964	109,693	439	11,432	404	12,588	386	12,129	53	4,408	17	535	4,263	150,785

Table II-4

DRUG ENFORCEMENT ADMINISTRATION
 FY 1975 - FY 1976 Management - by Objectives Crosswalk
 (dollars in thousands)

Program Objectives	1975 Appropriation Available		Adjustments to Base (Uncontrollable and Non-Recurring)		1976 Program Increases		FY 1976 Estimates	
	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount	Perm. Pos.	Amount
1. Drug Control.....	23	\$ 1,667	...	\$ 15	...	\$...	23	\$ 1,682
2. DEA Regulatory.....	431	10,913	2	326	...	...	433	11,239
3. Diversion Investigative...	8	243	...	7	...	...	8	250
4. Domestic Enforcement.....	2,357	79,739	14	3,236	...	4,643	2,371	87,618
5. DEA Task Force.....	326	9,047	2	751	...	...	328	9,798
6. Customs/INS Cooperative Program.....	...	...	...	...	...	...	...	...
7. DEA Foreign Enforcement...	418	13,861	3	3,154	...	424	429	17,439
8. Domestic Intelligence.....	248	7,554	2	232	23	823	273	8,609
9. Foreign Intelligence.....	106	2,213	...	1,051	8	300	114	3,564
10. State and Local Police Training.....	15	581	...	14	...	...	15	595
11. Foreign Police Training...	...	...	...	...	...	...	...	...
12. Technical Support.....	205	5,966	1	-443	14	496	220	6,019
13. Advanced Technology.....	30	2,715	...	18	...	...	30	2,733
14. Joint DEA/NIDA Preventive Effort.....	19	1,224	...	15	...	...	19	1,239
Total.....	4,186	135,723	24	8,376	53	6,686	4,263	150,785

the illicit distribution system can expend. A second indirect effect is that everyone who is currently in the business must charge high prices to compensate themselves for the risk of arrest and imprisonment. This effect is important because high prices may discourage the consumption of drugs -- particularly among experimental users. A third and very important indirect effect is that dealers who remain in business become very careful in dealing drugs. They keep their markets small, they carefully screen customers, they use elaborate "drop" tactics to avoid being caught with drugs, etc. This increased caution makes them less aggressive in expanding their markets and less efficient in moving drugs to the street. In effect, the pieces of the pipeline that remain in operation are seriously constricted.

It is also worth noting that the ultimate effect of enforcement activities in this area is simply to determine an equilibrium size for the distribution system that remains despite continuing enforcement efforts. This has several important implications. First, it implies that you cannot completely eliminate illicit distribution systems without intolerable costs or intolerable infringements of civil liberties. The more enforcement that is brought, the smaller is the residual market. But, there is no level of likely expenditure that will eliminate illicit distribution systems.

Second, it implies that you must keep spending resources of enforcement to keep the illicit distribution systems at a particular size. The distribution systems have natural dynamic elements of their own. If we relax our efforts to blunt those dynamic elements, the systems will get large.

Third, it implies that exogenous changes in the world can either help or hinder enforcement efforts to control the equilibrium size of the systems. If opium is suddenly plentiful, if smuggling gets easier due to increased volume of traffic that can conceal illicit drugs, if consumer tastes suddenly change, the equilibrium size of the distribution system will change independent of a continuing investment in enforcement.

2. Domestic versus Foreign Operation's

In seeking to minimize the through-put capability of the distribution systems, two important allocation decisions are made. One decision, appropriately made at a fairly low level of the organization, is which of a given set of leads to investigate.⁴ The second decision, made at a headquarters level, is how to allocate agents throughout the world.

In making this decision about the geographic allocation of men, one must consider two different factors: the characteristics and vulnerability of the distribution systems that are operating in a

particular area; and the policies and procedures of local government units that will help or hinder DEA efforts to investigate and immobilize illicit traffickers. If one puts DEA agents into areas where there are many important traffickers and where other government agencies are supportive, the DEA agents will be very productive. If the same agents were placed in areas where there are few traffickers or where local government units were inhospitable, their productivity would be significantly less. It is also worth noting that the decision about the geographic allocation of men has an effect not only on productivity, but on the particular drugs that we attack. In some areas, one is more likely to get heroin than cocaine. In others, one is most likely to get marihuana. Thus, both productivity and drug targets are at stake in allocating men geographically.

The distinction between overseas and domestic is a relatively crude distinction for making these geographic calculations. It would be much better to talk in terms of particular offices. Still, this crude distinction is significant in two different ways. First, the actual costs of supporting an agent in the field differ significantly between overseas and domestic posts. Due to shared administrative support, travel expenses, and language training, overseas agents cost 2-3 times what domestic agents cost. Second, in overseas operations, coordination with other government units becomes very decisive. Not only must DEA coordinate with host government police forces, they must also coordinate with additional U. S. agencies such as the State Department. Thus, both the costs and coordination problems are greater in overseas operations than in domestic operations. In order to justify these added costs, the agents overseas must be much more effective in reducing aggregate supplies of drugs.

Our experience so far has been that DEA agents stationed overseas are much more effective. In terms of their direct impact, they seize more drugs and make more class I and II violators than agents in the U. S. Moreover, it seems that their indirect effect is both larger and more durable because they strike at pieces of the distribution system that are both significant in moving drugs at a rapid pace, and relatively difficult to replace (e. g., chemists, laboratories, heads of smuggling organizations, corrupt officials, etc.) Table II-5 presents some rough data showing the differential productivity of overseas and domestic agents. Thus, we can conclude that the distribution systems operating abroad are such that agents can effectively investigate and immobilize them.

In recent years, DEA has shifted agents to exploit this differential productivity. Table II-6 shows changes over time in the number and

Table II-5

Differential Productivity and Targeting of

Overseas and Domestic Agents

(F.Y. 74)

	Arrest Productivity		Targeting on Drugs	
	Total Arrests/Agent	Class I and II Arrests/Agent	% Heroin/Cocaine	% Marihuana/Hashish
Overseas	4.3	0.79	71%	26%
Domestic	4.2	0.58	60%	23%

Table II-6

Overseas Agents as a Proportion of

All DEA Agents *

	FY 72	FY 73	FY 74	FY 75 **
Total DEA Agents	1368	1310	1918	2242
DEA Agents Assigned Overseas	95	113	150	221
% DEA Agents Assigned Overseas	6.9%	8.6%	7.8%	9.9%

* Figures are on-board figures

** Planned

Table II-7

Overseas Offices By F. Y.

Offices Opened In F. Y. 72	Offices Opened In F. Y. 73	Offices Opened In F. Y. 74	Offices Opened In F. Y. 75*	Offices Opened In F. Y. 76*
<p>Mexico City Guadalajara Hermosillo Monterrey</p>	<p>La Paz, Bolivia Santiago, Chile Montevideo, Uruguay</p>	<p>Mazatlan, Mexico San Jose, Costa Rica Kingston, Jamaica</p>	<p>Merida, Mexico Vera Cruz, Mexico Acapulco, Mexico Guatemala City, Guatemala</p>	<p>Hamilton, Bermuda Nassau, Bahamas Santo Domingo, Dom. Republic Martinique, F. W. I. Port-au-Price, Haiti</p>
<p>Panama City, Panama Caracas, Venezuela Asuncion, Paraguay Buenos Aires, Argentina Lima, Peru Quito, Ecuador Bogota, Columbia Brazilia, Brazil</p>	<p>Seoul, Korea Ottawa, Canada</p>	<p>Guayaquil, Ecuador Karachi, Pakistan Songkhla, Thailand Hamburg, Germany Vienna, Austria Genoa, Italy The Hague, Netherlands</p>	<p>Rio de Janeiro, Brazil Sao Paulo, Brazil Cali, Colombia Curacao, Nether- land Antilles Adana, Turkey Bombay, India Calcutta, India</p>	<p>Barranquilla, Colombia Amman, Turkey</p>
<p>Ankara, Turkey Istanbul, Turkey Izmir, Turkey Beirut, Lebanon Kabul, Afghanistan Tehran, Iran Islamabad, Pakistan New Delhi, India</p>			<p>Jakarta, Indonesia Taipei, Taiwan Rabat, Morocco Copenhagen, Denmark Tel Aviv, Israel</p>	

* Planned

Overseas Offices By F. Y.

Offices Opened In F. Y. 72	Offices Opened In F. Y. 73	Offices Opened In F. Y. 74	Offices Opened In F. Y. 75*	Offices Opened In F. Y. 76*
Bangkok, Thailand Chiang Mai, Thailand Vientiane, Laos Kuala Lumpur, Malaysia Singapore Tokyo, Japan Hong Kong Manila, P. I. Okinawa London, England Paris, France Marseilles, France Madrid, Spain Barcelona, Spain Rabat, Morocco Bonn, Germany Frankfurt, Germany Munich, Germany Milan, Italy Rome, Italy Brussels, Belgium				

Table II-3

(3)

Oversens Offices By F. Y.

Offices Opened In F. Y. 72	Offices Opened In F. Y. 73	Offices Opened In F. Y. 74	Offices Opened In F. Y. 75*	Offices Opened In F. Y. 76*
Montreal, Canada Toronto, Canada Vancouver, Canada Saigon, Vietnam				

* Planned

proportion of DEA agents assigned to overseas posts. Table II-7 indicates the offices opened overseas by year. Throughout this period, the overseas agents have consistently been more productive than domestic agents.

Two factors place an upper limit on the number and proportion of agents overseas. Currently, the most important constraining factor is the hospitality of foreign governments and embassies towards DEA agents. This factor stops shifts of agents overseas long before we run out of attractive overseas targets. However, even if this factor was not present, eventually we would stop shifting people from domestic posts due to the second factor - the value of domestic DEA agents.

Domestic agents are valuable to DEA for at least three reasons. First, there are significant traffickers who do operate within U. S. borders. It is as important to investigate and immobilize these traffickers as many traffickers overseas. Second, it is valuable to attack second and third echelon dealers for at least three reasons: 1) such investigations are relatively inexpensive; 2) they provide significant indirect effects by forcing everyone at the wholesale levels of distribution to act cautiously and inefficiently; and 3) the domestic DEA agents are valuable in mobilizing local police units and exploiting their leads in the context of a national jurisdiction and intelligence system. At some stage losing these benefits of domestic DEA agents is more costly than the net gains of transferring these agents overseas. At that stage, we would stop shifting agents overseas. Our hunch is that we are not at that point yet.

3. The Task Force Program and State and Local Cooperation:

DEA's domestic enforcement program relies heavily on cooperation with State and Local Units. Such cooperation is essential for three different reasons.

First, State and local police can add significant numbers to the size of the total effort against illicit drug distribution systems. If state and local police devote only 2% of their resources to drug investigations, they quadruple the attack that DEA can mount by itself. If they devote 5% of their resources the total attack is increased by a factor of 10.

Second, operating on their own, State and local police have an important effect on illicit distribution systems. Much of the State and local effort is directed against retail distributors. This has the effect of disrupting predictable retail market places that would otherwise develop and

making dealers careful about with whom they deal. The lack of stable markets and the wariness of retail dealers implies that new or experimental users of drugs will experience unusually difficulty in trying to "score". Since this group can be easily discouraged from seeking to buy drugs, state and local efforts can have an important prevention benefit. Thus, by affecting the incentives and behavior of retail sellers, State and local police increase the total prevention impact of narcotics enforcement directed only at reducing aggregate supplies.

Third, an important complementary relationship exists between State and local enforcement and Federal enforcement. In the course of their enforcement activities, State and local police turn up defendants. These defendants represent potential leads to additional defendants. In the limited context of local intelligence systems and local jurisdictions, these leads have a certain value. In the less restricted context of DEA's intelligence system and worldwide jurisdiction, these leads have a different value. Being able to fully exploit leads developed by State and local police adds a benefit to the total enforcement effort.

It is worth noting that the leads developed by State and local police are important, not only because they can be more fully developed in conjunction with DEA, but also because they provide a constant check and up-dating of DEA's intelligence system. A major weakness of any enforcement intelligence system is that it is always uncertain how much of the real universe of the drug distribution system an intelligence system includes. The only way to check this is to occasionally probe beyond your own intelligence system to see what you find. The cases made by State and local police serve this probing function.

An additional complementary relationship is that State and local police can support those DEA investigations which require large amounts of manpower, rapid mobility, or rapid communication. Their organization and equipment lend themselves to large tactical operations.

Given this important role for State and local units, it is obvious DEA has a very strong, long-run interest in:

- a. Using federal manpower to leverage State and local efforts against illicit drug distribution systems.
- b. Improving the quality of State and local efforts.
- c. Guaranteeing adequate coordination between DEA and State and local units.

DEA engages in a variety of activities which contribute to these objectives. Among the important activities are:

- a. Training programs for State and local police.
- b. Joint intelligence operations (e. g., New York and California).
- c. Special intelligence projects to map illicit distribution systems in a given state at a particular point in time (e. g., the Ohio Study) and;
- d. Representation on policy boards of MEG units.

A keystone in the program for effectively coordinating with State and local police is the Task Force Program. The Task Force Program provides important leverage; serves as a training ground, both for DEA and State and local police; and keeps persistent pressure on street level dealers. Consequently, its continuation is critical to an effective national strategy.

There is one additional point worth making about DEA's objectives and plans for State and local coordination. A major objective of the DEA Task Force Program is to deflect state and local government units from making large numbers of retail marihuana arrests. That this is currently a major national problem is indicated by the fact that in 1972, 51% of all state and local arrests are for marihuana offenses. That the problem will increase in the future is indicated by the fact that marihuana arrests are increasing at more than 30% per year in 38 of the 50 states.

Moreover, it is important to notice that this dramatic increase in marihuana enforcement activity is not associated with increases in heroin enforcement activity. In 18 of the 50 states, heroin cases decreased while marihuana cases increased. Moreover, in 12 additional states, marihuana arrests increased by more than twice the rate of heroin arrests.

State and local narcotics effort threatens to swamp local criminal justice systems and needlessly stigmatize many casual uses of marihuana. If this effort could be harnessed to DEA's intelligence and incentive systems, it might be deflected from these volume marihuana arrests

B. DEA's Foreign Suppression Program

DEA has responsibilities and objectives overseas that go significantly beyond making cases against traffickers. In addition to making cases overseas, DEA must design eradication programs, train foreign narcotic agents, build intelligence capabilities for foreign police agencies, offer technical expertise in the formulation of foreign action plans submitted to the U.S. Department of State, and generally support the U.S. Mission in the country. To achieve such a complex mission, DEA must recruit agents with broad perspective, significant diplomatic skills, and sophisticated language capability. However, since the sources of the most important drugs are overseas, there are enormous dividends to training and recruiting such people.

C. DEA's Regulatory Program

DEA's regulatory program includes two basic activities: a program to schedule drugs according to their abuse potential; and a program to investigate licensed producers and distributors of drugs to determine whether they are in compliance with the provisions of the CSA.

1. The Drug Scheduling Program

Over the next five to ten years, drug abuse patterns in the United States will change often. New drugs will come onto the market and will be abused. Old drugs will be discovered to have new abuse potential. New fads in drug use will appear and disappear.

DEA has the responsibility to respond to these changing patterns by scheduling and rescheduling drugs. And, DEA's response must be finely tuned. If DEA responds too slowly to an emerging epidemic, the epidemic may have run its course before efforts to control the supply take effect. Left in the wake of the epidemic will be a number of acute and chronic consequences of drug abuse. If DEA responds with too heavy controls, then a potentially valuable drug may fail to reach people who could be helped by it, and many essentially innocent users of a drug may be stigmatized by arrests. If DEA's response does not focus on the sources that fuel epidemics, then the epidemic will continue despite DEA's response.

The purpose of the drug control objective is to increase the speed, precision, and flexibility of DEA's response to emergent epidemics. This

requires DEA to improve its capabilities to:

- a. Sense an epidemic at an early stage;
- b. Document that an epidemic exists;
- c. Move quickly on scheduling decisions if necessary; and
- d. Precisely target enforcement responses with respect to geographic areas and sources of diversion.

There are two important things to understand about this program. First, much of the information that is necessary to notice epidemics and guide a DEA response is currently available within DEA. The problem is simply to pull it together. Second, most of the responses which DEA will be called on to make are local responses. Preliminary analyses of DAWN data indicates that epidemics are primarily local phenomenon. Moreover, since many of the important scheduling decisions for the next few years have already been made, there is no appropriate national response. This implies that quick, local changes in the allocation of enforcement efforts will usually be the right response.

2. Compliance Investigations

In general, drugs can be diverted from legitimate sources in four different ways: they can be stolen; they can be illicitly sold; they can be fraudulently purchased; or they can be lost. The Controlled Substances Act attempts to close off these sources of diversion by requiring manufacturers and distributors to be licensed, to invest in expensive security systems, and to keep records of their transactions. DEA enforces these provisions by investigating individual firms to determine whether they are in compliance with the provisions of the CSA.

One's view of the importance of this program depends on one's view of:

- a. The magnitude of the dangerous drug problem;
and
- b. The share of that problem that results from
diversion from legitimate sources rather than
illicit production or smuggling

DEA's position on these issues is the following.

The abuse of dangerous drugs is a serious problem in the United States. Prevalence data from the Marihuana Commission, SAODAP, and special surveys indicate that large minorities of the population use barbiturates, amphetamines, tranquilizers, etc. It is true, of course, that many of those who use these drugs are not in trouble with the drugs. It is also true that many who are in trouble are under medical supervision and receiving the drugs legitimately. However, even when one has been ruthless in denying responsibility for different segments of the using population, one is left with a large absolute number of people for whom we must take responsibility. Indeed, the number of chronic, intensive users of amphetamines or barbiturates appears to be 2-3 times the number of heroin users in similar conditions. Thus, the problem of intensive, chronic, illegitimate use of dangerous drugs is currently very serious.

The future state of the dangerous drug problem is likely to be even worse. There is a growing body of evidence which indicates that casual exposure to several different drugs at an early age dramatically increases the probability of chronic, intensive use of many drugs at a later age. There currently exists in the United States a large population of people aged 15-25 who have been exposed to a large number of drugs at an early age. Consequently, we should not in the future expect to see the same distribution of use patterns among users of dangerous drugs that we now observe. We should expect to see larger fractions of the using population concentrated at the chronic, intensive use end of the spectrum and smaller fractions of the occasional, light use end. Thus, the future dangerous drug problem is likely to be very large not only because of a large population of current users, but also because a larger fraction of these users are likely to end up in chronic intensive use patterns.

In seeking to deal with this problem, DEA has two options: they can seek to stop domestic illicit production and smuggling of these drugs through criminal investigative procedures, or they can seek to stop diversion from legitimate production through regulatory investigation procedures. Clearly, the choice of which instrument to use should be guided by an analyses of the major sources of the different dangerous drugs. Table II-8 presents estimates of the share of the market for different dangerous drugs that comes from various sources. These estimates are based on an analysis of samples submitted to DEA laboratories and should be treated as only rough estimates.

What Table II-8 indicates is that the potential impact of a regulatory (compliance) program is very large in the area of barbiturates, and reasonably large in the area of amphetamines. If diversion as a result of thefts, fraudulent purchases, and illicit sales could be stopped, the barbiturate problem could be significantly improved, and the amphetamine problem moderately improved.

DEA's regulatory program is about to change in order to exploit its full potential. Immediately following the passage of the Controlled Substances Act (CSA) the DEA compliance program began a program of visiting every licensed manufacturer and wholesale distributor of controlled drugs. The purpose of these visits was as much to instruct the firms about their specific responsibilities under the CSA and seize them with the urgency of voluntary compliance with the provisions as to punish offenders. By the end of FY 75 this program will have visited each firm at least once. This implies that by the end of FY 75, two things will have occurred. First, we will have secured all the benefits we are likely to obtain simply by instruction, direction, and threatening. Second, ignorance of the specific requirements of the CSA will no longer be a defense in court proceedings. As a result, the regulatory program will enter Phase II of its development.

Phase II will be marked by the following changes: First, a sharper focussing and concentration of compliance investigations on firms which represent the greatest potential for diversion of drugs that are currently being abused. This will be accomplished by collating information about the size of the firm, its record of previous violations, reports of thefts, evidence of the firm's products in street markets from seizure data, and complaints about the firm in a single file. From these files, regional

Table II-8
Estimated Sources of Dangerous Drugs

Source	Amphetamines	Methamphetamines	Barbiturates	Hallucinogens
I. Domestic Sources				
A. Illicit Production	~ 5%	40%	-85%	~ 100%
B. Illicit Formulation	~ 5%	10%		
C. Illicit Diversion	30-40%	~ 10%		
1. Manufacturer	N/A	N/A	N/A	
2. Wholesale	N/A	N/A	N/A	
3. Retail	N/A	N/A	N/A	
4. Sub-Retail	N/A	N/A	N/A	
II. Foreign Sources				
A. Illicit Production	~ 50%	~ 40%	~ 15%	
1. U.S. Production				
2. Foreign Precursors				
B. Illicit Formulation				
1. U.S. Bulk				
2. Foreign Bulk				
C. Illicit Diversion				
1. U.S. Source				
2. Foreign Source				

management will select the firms who are most likely to be sources of diversion.

Second, more frequent and tougher sanctions applied for violations. Since manufacturers and distributors must now be considered aware of their responsibilities, and since it is possible for large amounts of diversion (whether deliberate or unwilling) to be hidden behind poor record keeping or small percentage shortages in large volume firms, DEA will be less tolerant of these violations than they have been in the past. Moreover, since the compliance investigators and their supervisors are gaining experience in conducting regulatory investigation, the cases they can develop against firms are likely to be more prosecutable.

D. The Intelligence Program

1. Program Description

Basically, there are two different intelligence missions. Strategic intelligence monitors the environment in which DEA must operate. It identifies sources of drugs. It estimates the sizes of distribution systems. And it may describe some important structural features of the distribution systems (e.g., whether it is tightly or loosely structured; whether it deals in several different drugs or only one; whether it is geographically mobile or fixed; etc.). In addition, Strategic intelligence should assess other features of an environment which will affect DEA's ability to operate (e.g., the sentencing policies of courts; the attitudes of foreign governments to DEA presence; the capabilities of local police; etc.). All these judgments and observations are made in general terms. The purpose of such a mission is to inform the decision about where to position DEA agents, and what the impact of particular DEA programs has been. Strategic intelligence never contributes directly to specific cases. Rather, it indicates general areas where good cases can be made, and show the overall impact of having made a certain set of cases.

Tactical intelligence contributes directly to making cases. There are two different tactical intelligence modes. In the prospective mode, tactical intelligence contributes to the development of cases initiated and being developed by enforcement. It contributes by facilitating file research and by seeing relationships among cases that would not be noticed by an agent looking at a more limited data base. The basic idea is that a

man who looks at files that are being created simultaneously by different enforcement groups in different regions, who has a fairly sophisticated idea of what "related" means, and who has a substantial knowledge of the history of particular distribution systems will be able to see how a case could be developed differently than a man without easy access to this material. Thus, the existence of significant tactical intelligence expertise is essential to the full development of cases. Without it, no cases can be fully developed.

In the retrospective mode, tactical intelligence essentially creates an alternative set of leads to the leads being developed directly by agents. The leads are in the form of potential conspiracy cases uncovered in retrospective searches of the DEA files. This set of leads is available to be exploited by enforcement if they seem better than the leads which agents have developed on their own.

Overall, then, tactical intelligence should have an impact on the set of cases being developed by enforcement both by occasionally altering the development of enforcement initiated cases, and by offering a set of leads that would otherwise not be available to enforcement.

It is important to keep in mind that both strategic and tactical missions are performed at Headquarters; and that both are performed in regional offices. There is not a division between strategic intelligence which is performed at Headquarters and tactical intelligence which is done in the regions. Since a Regional Director makes decisions about opening new district offices or cooperating with state and local police units, it is important for him to have local strategic intelligence as well as local tactical intelligence. Similarly, since many drug distribution systems transcend DEA regional boundaries, and since cases follow distribution systems, there is a need for national and international tactical intelligence as well as national and international strategic intelligence. In effect, no matter how large the geographic area that is encompassed by an administration unit, there is need for both strategic and tactical intelligence.

It is also important to keep in mind that intelligence that is collected and analyzed within DEA is potentially valuable to agencies outside DEA. Since 1972, DEA has participated with IRS in identifying high level narcotics traffickers who were beyond the reach of DEA investigation, but vulnerable to IRS investigation. Over the period, 1972-1974, 1,959 targets have been identified; 1,094 IRS investigations have been completed;

425 prosecutions have been recommended; 167 have been indicted, and 113 have been convicted. In addition, DEA participates in joint intelligence programs with state and local police forces in several states (e.g., New York, California). As regional intelligence units within DEA become operative, these joint intelligence activities should become more common.

Of course, there is a security risk implicit in widespread dissemination of intelligence information. This risk becomes greater as the intelligence becomes more specific and more timely. Consequently, the better the intelligence program gets, the greater the risk of widespread dissemination. On the other hand, if the information is not disseminated, then the sources of information tend to dry up, and valuable enforcement opportunities are lost. DEA is locked on the horns of this dilemma as all previous Federal narcotic enforcement agencies have been. However, our current policy is to encourage greater dissemination as an experimental program. If the security costs of dissemination are greater than the collection and enforcement benefits, then we will retreat to less dissemination. However, if, as we expect, the benefits will be greater than the costs, then we will continue our advance toward greater dissemination.

2. Developments in FY 1976

FY 76 is a critical year for all intelligence programs within DEA. By the end of that year, the key building blocks of an intelligence program must be in place. If not, the current opportunity created by the creation of a personnel system for intelligence analysts and the high priority given to Intelligence by the Administrator will be lost. The key building blocks include the following:

a. The Complete Staffing of Regional Intelligence Units

The Regional Intelligence Units are critical to DEA's intelligence program for two different reasons. First, the regional intelligence units have an important tactical mission to perform. Along with increased PE/PI money and improved decision at the Group Supervisor/ARD level, the regional intelligence programs are a necessary element of DEA's overall thrust to secure the fuller development of cases.

Second, these regional intelligence units are vitally important as collectors of information - both for strategic and tactical purposes. They will be in a unique position to tap our most important sources of information. They can debrief our own agents, debrief informants, and develop independent sources of information on court policies, prosecutorial policies, and the capabilities of local police.

Thus, roughly 50% of the important tactical intelligence missions and 70% of our collection requirements depend on successful regional intelligence units. The important steps in making these regional intelligence units work effectively are:

- 1) The development of a personnel system for intelligence analysts (e.g., effective programs for recruiting, training, and evaluating intelligence analysts; a career ladder that motivates excellent performance and maintains high morale, etc).
- 2) The clear articulation of the mission of Regional Intelligence Units.
- 3) The creation of appropriate filing systems and structural relations within the Regional Offices; and
- 4) Persistent monitoring of these units.

b. El Paso Intelligence Center

The El Paso Intelligence Center is designed primarily as a tactical intelligence program in support of an inter-regional enforcement effort against sources of supply in Mexico and smuggling organizations on the Southwest Border. It will improve the collection of tactical information by establishing routine access to TECS, flight plans filed with the FAA, and other intelligence sources operating in Mexico. It will also aide the analysis of the data through the use of network analysis and trafficker's profiles.

This program is vital to DEA for several reasons. First, Mexico and the Southwest Border are major sources of heroin, amphetamines and barbiturates. Second, our current border operation is hampered by the inadequate development of cases and some problems of coordination among regional offices. Third, air smugglers remain effectively out of reach. We expect the El Paso Intelligence Center to contribute to the enforcement effort of the Southwest Border by: 1) permitting the full development of cases initiated on the border; 2) improving coordination among the regions; 3) increasing our stock of information about air smugglers.

c. Foreign Intelligence Programs

The most important mission of the foreign intelligence programs is to improve the collection of strategic and tactical intelligence about foreign distribution systems. Improved collection will be accomplished partly by debriefing our own agents; partly by a greater use of information collected by other U.S. agencies operating abroad; and partly by the creation of additional intelligence sources (e.g., Narcotics Intelligence Officers).

The improved collection of information about international sources is important to DEA for both tactical and strategic purposes. As the foreign collection programs build up, DEA should be able to make more cases that cross national boundaries. Moreover, intelligence gathered from foreign sources can contribute to decisions about the domestic allocation of DEA agents.

Two specific international areas have been chosen for prototype development. A program in Mexico is primarily a tactical program. It will collect additional information by debriefing Mexican officials. Its objective is to identify major traffickers and sources of drugs in Mexico. The Thai program is primarily a strategic program. By developing new sources in several key areas of the Golden Triangle, we will be able to make a thorough reconnaissance of this potential source of drugs.

d. Drug Master

This is a major program to facilitate the analysis of existing data. Current filing systems in DEA are not well suited to intelligence work. The basic data unit is a case file. To obtain information about individuals and places mentioned in the file, one must read each piece of paper in the file. Moreover, we suspect that many important relations go unremarked in our cross indexing system. This project is necessary to lay the foundations of an intelligence oriented data base which can facilitate an analysis of records created by agents making cases. The project may also propose some changes in the procedures for collecting information.

e. Dedicated Mini-Computer for Keeping Track of Informants

Informants are a vital resource in developing cases. Currently, there is no way for the organization as a whole to keep track of informants over time and review their capabilities. This is a problem because it means that there is no systematic way for an agent who wants to make a case against a man in Miami to discover that there was an informant in New York City who once dealt with this man. This project would inventory our existing informants in terms of what kinds of people or particular individuals they might be able to "give up," would establish procedures for routinely collecting this information and would establish a computer system for storing and retrieving the information. In short, the project would allow us to more fully exploit one of our most valuable resources.

3. Output Measures of Intelligence Programs

The success of these programs can be measured partly by counting the discrete products of intelligence units (e.g., the number of profiles developed; the number of network analyses completed; etc). However, the important test of improved intelligence operations is changes in the kinds of cases which DEA makes. As tactical intelligence programs both in Headquarters and the regions get better, one would expect to see the following changes in the kinds of cases made in DEA.

1. Higher class defendants
2. More defendants/case
3. More conspiracy charges filed
4. More cases that crossed office boundaries, regional boundaries, and national boundaries; etc.

In effect, the major indications of an intelligence program that is working effectively on its own and is coordinated successfully with enforcement, is the expanded development of individual cases.

E. The Scientific Program:

DEA's scientific program consists of three basic units: a laboratory program, a research program, and a field technical unit program.

1. The Laboratory Program

The laboratory program has three key functions within DEA. First, the labs determine whether purchased and seized evidence are controlled substances or not. Such analyses are important at two different stages of an investigation. At an early stage of the investigation, this information is valuable because it guides an agent's negotiations with a dealer. At a later stage, this evidence is important in making bail decisions and in supporting prosecutions.

Second, the labs play a major role in DEA's strategic intelligence programs. DEA has developed a technique for establishing "signatures" of various drugs. These signatures, when combined with intelligence information, can indicate the general sources of such drugs as heroin, barbiturates, amphetamines and methamphetamines. The laboratories also record characteristics of purchases of evidence (price, quantity, etc) which indicate the price and availability of specific drugs.

Third, the laboratories have a role in DEA's tactical intelligence programs. Occasionally, the labs will document relationships among cases that were not previously known to be related on the basis of similarities in production, dilution, or packaging. Such discoveries result in cases being developed more extensively than they otherwise would be.

2. The Research Program

DEA has a research budget of about \$3.7 million. This money supports the following program objectives:

- a. Develop technical equipment which will help agents make cases
 - 1) Technical equipment to facilitate covert surveillance
 - 2) Technical equipment to facilitate and conceal internal DEA tactical communications
 - 3) Technical devices to document events for evidence purposes
 - 4) Technical devices to enhance the safety of agents
 - 5) Technical equipment to detect narcotics
- b. Gather and analyze information about the external environment in which DEA operates
 - 1) Monitor levels of drug abuse in the population
 - 2) Gauge the abuse potential of drugs
 - 3) Identify and document sources of drugs
 - 4) Identify external factors influencing productivity and effectiveness of DEA agents

- 5) Determine the "Effective Prices" of drugs to different consuming groups
- c. Experiment with new operational concepts to determine their effectiveness in achieving DEA's mission

There are two key problems for DEA in managing this research budget. The first problem is to create sophisticated and aggressive consumers of soft research products in the operating programs of the agency (e.g., evaluations, systems analyses, etc.). The second problem is to guarantee that the costs of procuring and maintaining proposed equipment are considered in the decision to begin research on a specific technical device. These problems must be solved to guarantee that the potential benefits of the research program are internalized within DEA's operating programs.

3. Regional Technical Units

This is a new program created to guarantee the effective maintenance and use of technical equipment in DEA investigations. The stimulus for the program was a study which discovered that the major reasons that technical equipment was not used effectively by DEA agents were:

- 1) that the equipment usually failed as a result of poor maintenance; and
- 2) that the agents did not fully understand the potential uses of the equipment.

The Tech groups were created to guarantee effective maintenance and provide good advice. The Tech groups will also provide an additional advantage: from their records of the use of investigative equipment, and from their close observations of enforcement operations, they will be better able to gauge where technological devices will be most valuable. Consequently, they will be able to provide useful inputs to the overall research plan.

F. The Training Program

The core of DEA's Training Program is the Basic Agent School for new DEA agents. This program guarantees that a man will be prepared to assume the responsibilities of wearing a badge and gun before he gets them.

However, the Training Program also makes a substantial contribution to DEA's efforts to leverage the resources of foreign, state, and local enforcement units. DEA has a large foreign training program which increases the skills of foreign agents and facilitates cooperation between DEA agents and the foreign police organizations. DEA also has a large state and local training program which achieves the same objectives of increasing skills and facilitating coordination. These programs are critical to DEA's overall enforcement strategy.

The Training program is now being hard pressed to develop curriculum and training programs for specialities other than basic police work. They must train compliance investigators, intelligence analysts, and DEA agents destined for overseas posts as well as domestic agents. The development of these specialities depends on effective training. Supplying such specialty training is a key problem for the current training program.

III. Indicators of DEA's Effectiveness

Three basic measures are available for evaluating the effectiveness of DEA's operations. In choosing among the measures one must trade-off between measures that describe socially significant effects, but leave uncertain the contribution of a particular organization's activity to those effects; and measures that describe the particular activity of the organization, but leave uncertain the ultimate impact of that activity. In addition, both ultimate measures of social consequences and proximate measures of organizational activity can differ in terms of their precision and accuracy. We are gaining precision and accuracy for each of the major indicators.

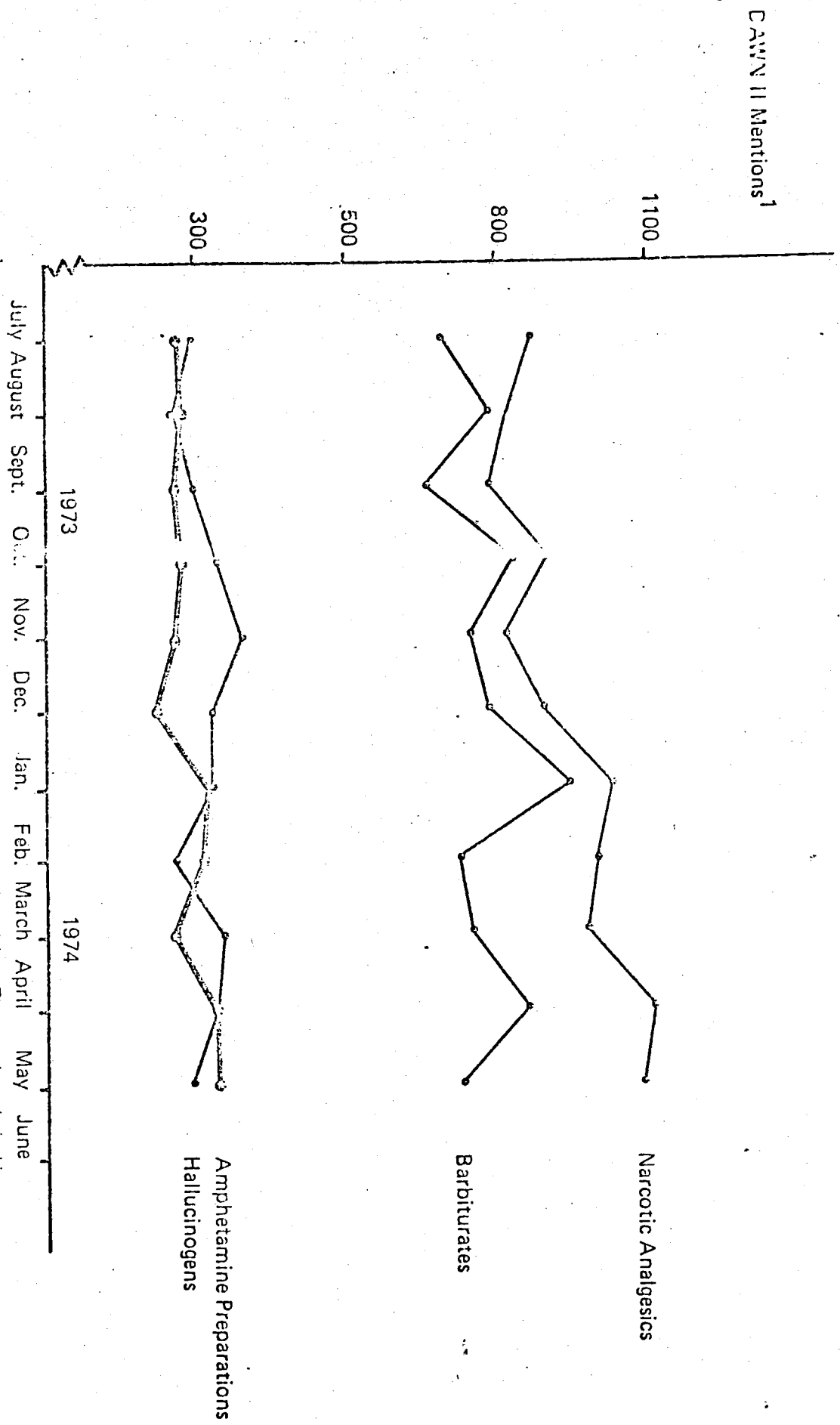
A. The Prevalence of Drug Use

At the extreme of measuring social consequences, one can evaluate the effectiveness of DEA's operations simply by observing the incidence and prevalence of drug abuse. Table III-1 shows the total number of "mentions" for selected classes of drugs in DAWN II. Essentially, these numbers represent the total number of people (exclusive of suicides) who appeared in hospital emergency rooms with some evidence of these drugs in them. As such, the numbers provide a rough barometer for gauging levels of use in the population.

Based on these numbers, one would guess:

- 1) That the use of narcotic analgesics was increasing throughout the period of Nov., 1973 to the present;
- 2) That the use of barbiturates increased during July 1973 to January 1974, but declined thereafter;
- 3) That the use of hallucinogens increased during July to November 1973, but decreased slightly thereafter;
and
- 4) That the use of amphetamines increased slightly from January to May 1974

Table III-1
 Total "Mentions" in DAWN II by Selected Drug Category Over Time¹



¹Data includes all observations of a particular drug in hospital inpatient rooms excluding suicides. The reporting units in this system have been stable since July, 1973. An analysis to determine any geographic bias in the DAWN system indicates no strong geographic bias. The DAWN system is now fairly reliable for showing trends of increases or decreases in use of a particular drug over time. It is not yet possible to show DAWN in relation to the relative magnitude of the abuse problem associated with each drug category.

There are several problems with using these numbers for a general evaluation of DEA's performance. First, there is some uncertainty about whether emergency room visits reliably reflect levels of abuse in the population. Second, even if the DAWN System accurately indicates levels of abuse, it does not necessarily measure the aggregate individual and social consequences of drug use. Third, there are many factors other than DEA's impact on supply conditions which influences levels of abuse. For all these reasons, it is uncertain whether DEA has affected the level of abuse in the population.

B. Price of Illicit Drugs

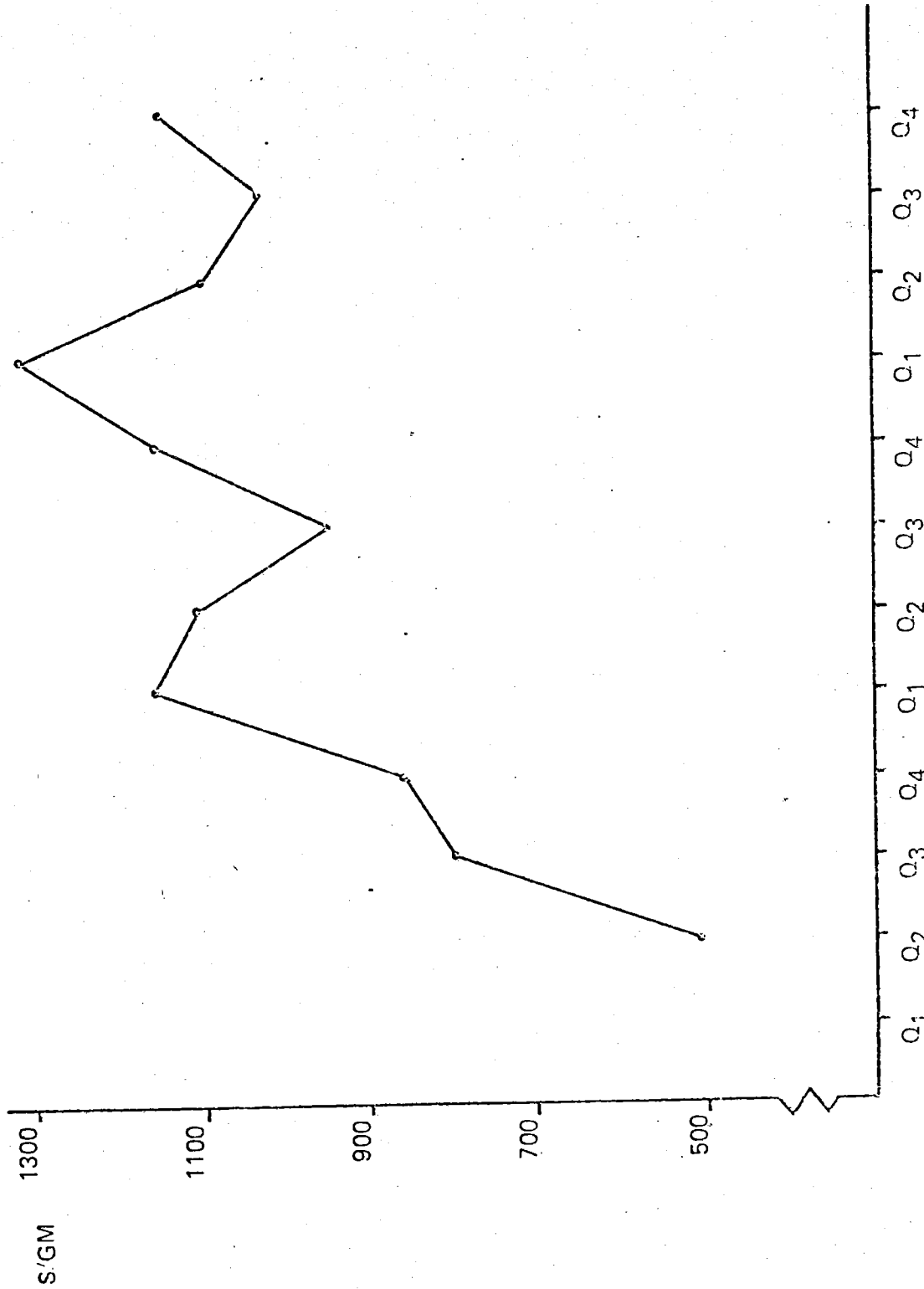
An intermediate measure of DEA's effectiveness that remains fairly close to the desired ultimate social effects but shows more clearly the particular contribution of DEA is the price of drugs as recorded in DEA purchases. Tables III-2 (a) thru III-2(c) presents data on prices of illicit drugs. It is apparent from these tables that the prices of all illicit drugs have been rising since FY 72. If one assumes that rising prices reduce the incidence of drug abuse, then these rising prices can be taken as measure of effectiveness.

However, the rising prices could be a result of factors other than diminished supply capabilities. One major factor affecting price is demand.

If possible, we would like to exclude the effect of changes in demand on the prices and therefore isolate the trends in supply alone. A crude way to do this is simply to look for differences in the movements of price and demand. If demand is increasing while price decreasing, then one can conclude that the supply has been increasing significantly. If demand is decreasing, while price has been increasing, then one can conclude that the supply was decreased significantly. If price and demand are moving in the same direction, then strong inferences about supply are more difficult. Table III-3 presents price data super-imposed on demand data and identifies periods in which supply was increasing, supply was decreasing, and supply was uncertain. This crudely isolates supply changes.

T III-2 (a)

U Retail Price of Heroin



F.Y. 72

F.Y. 73

F.Y. 74

Table III-2(b)
Wholesale Price of Cocaine

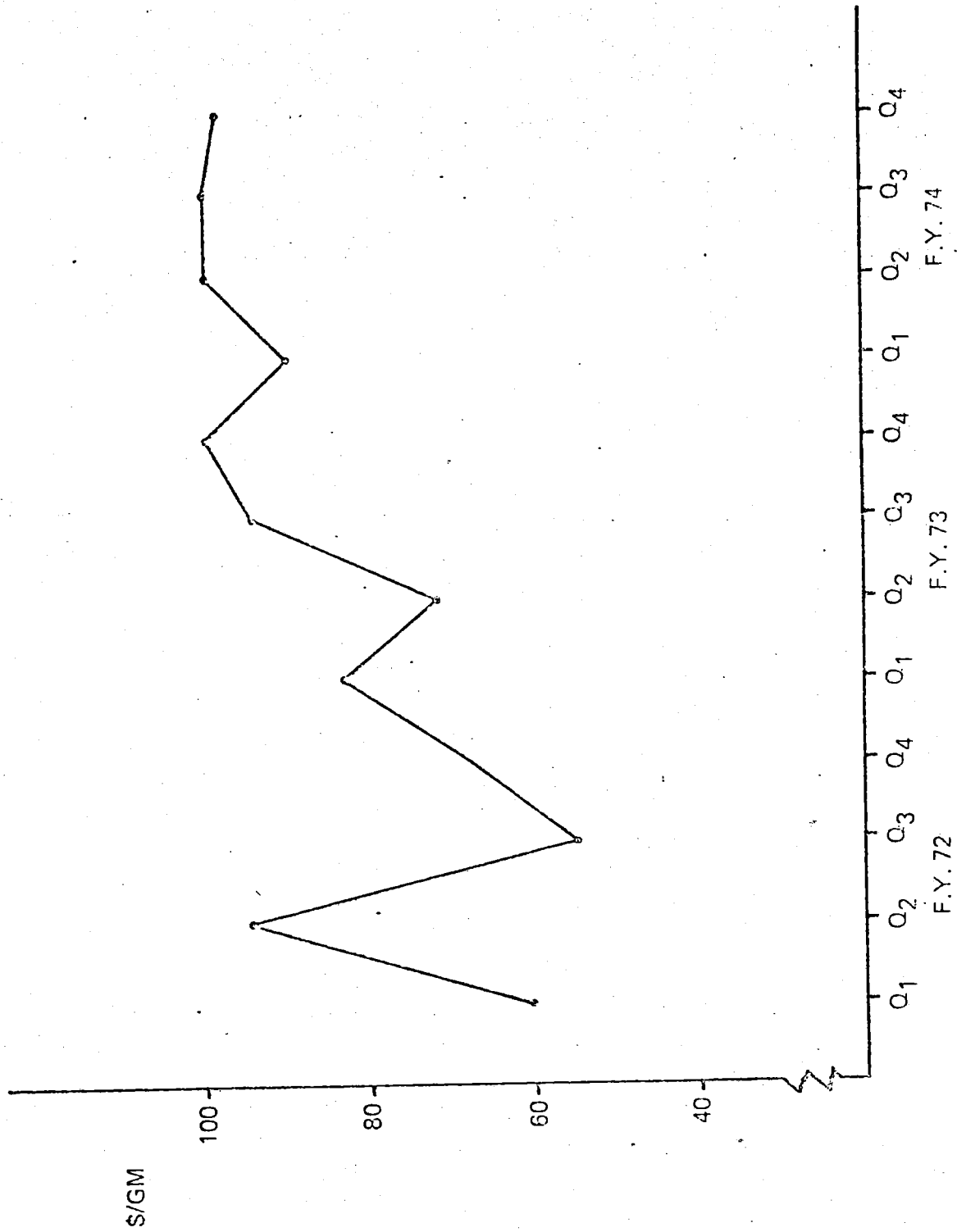


Table III-2(c)
Retail Price of Barbiturates

S/1000 d.u.

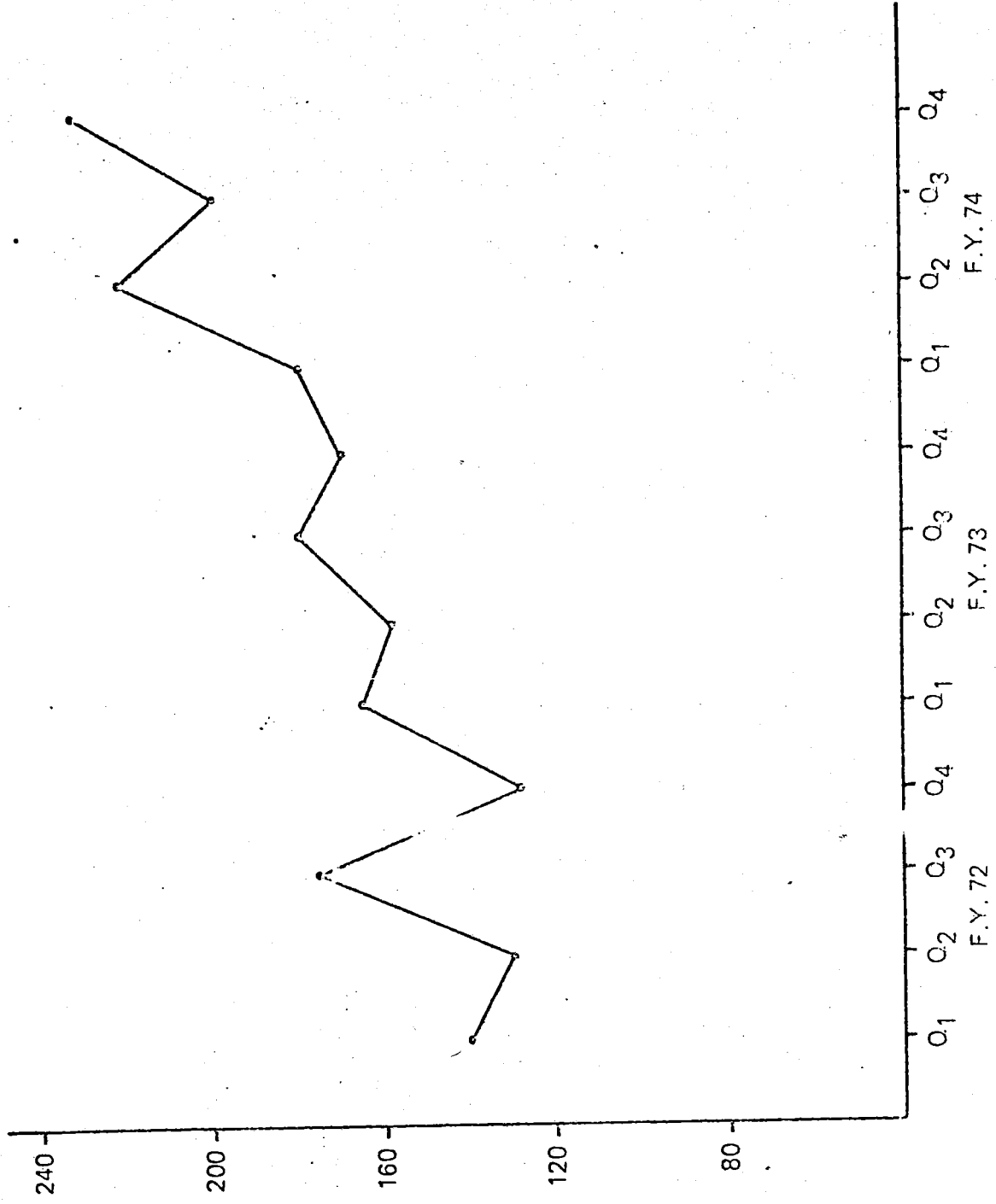
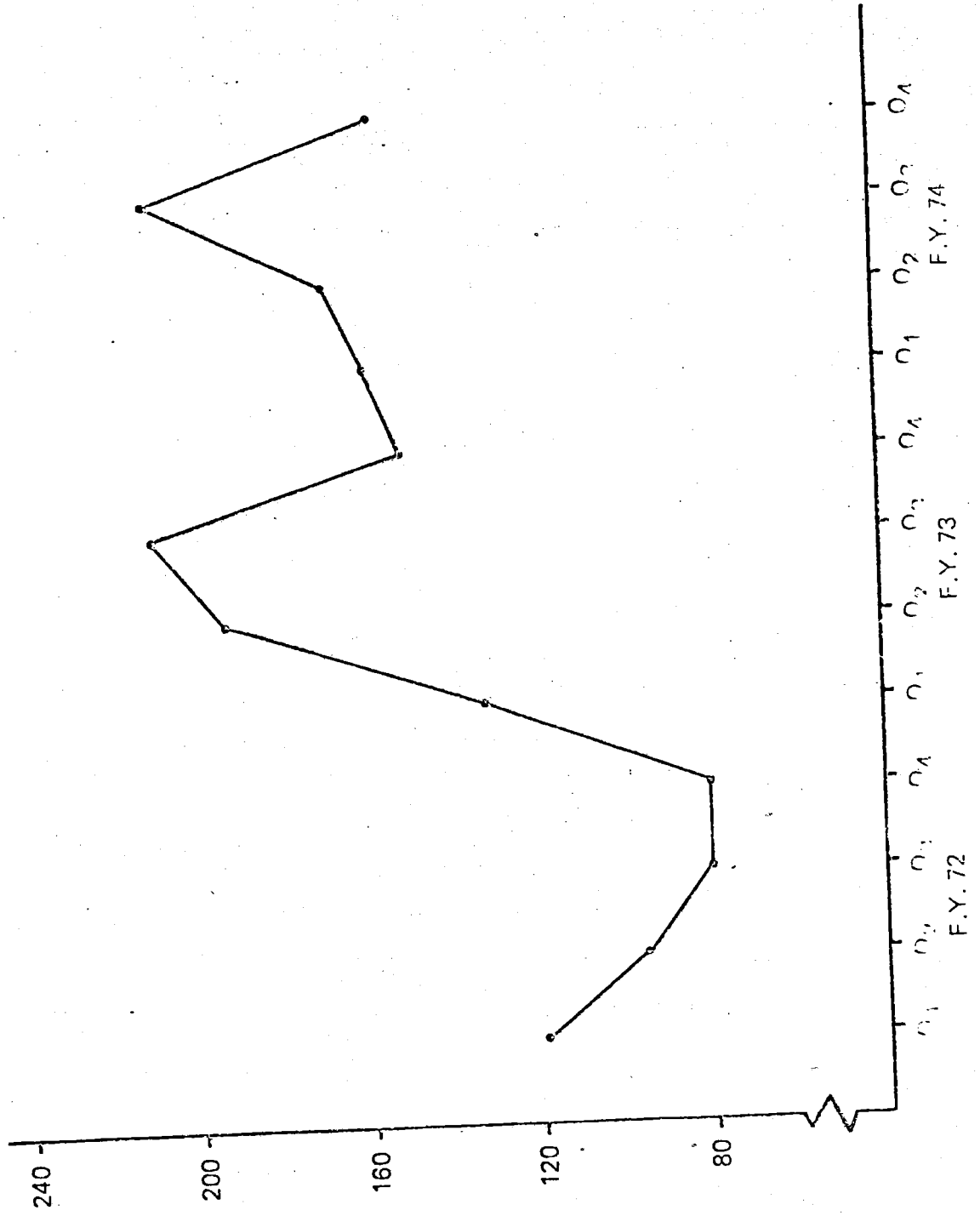


Figure III-2 (d)
U.S. Retail Price of Illicit Amphetamines

\$/1000 d.u.



T III-2 (e)
U.S. Retail Price of L.S.D.

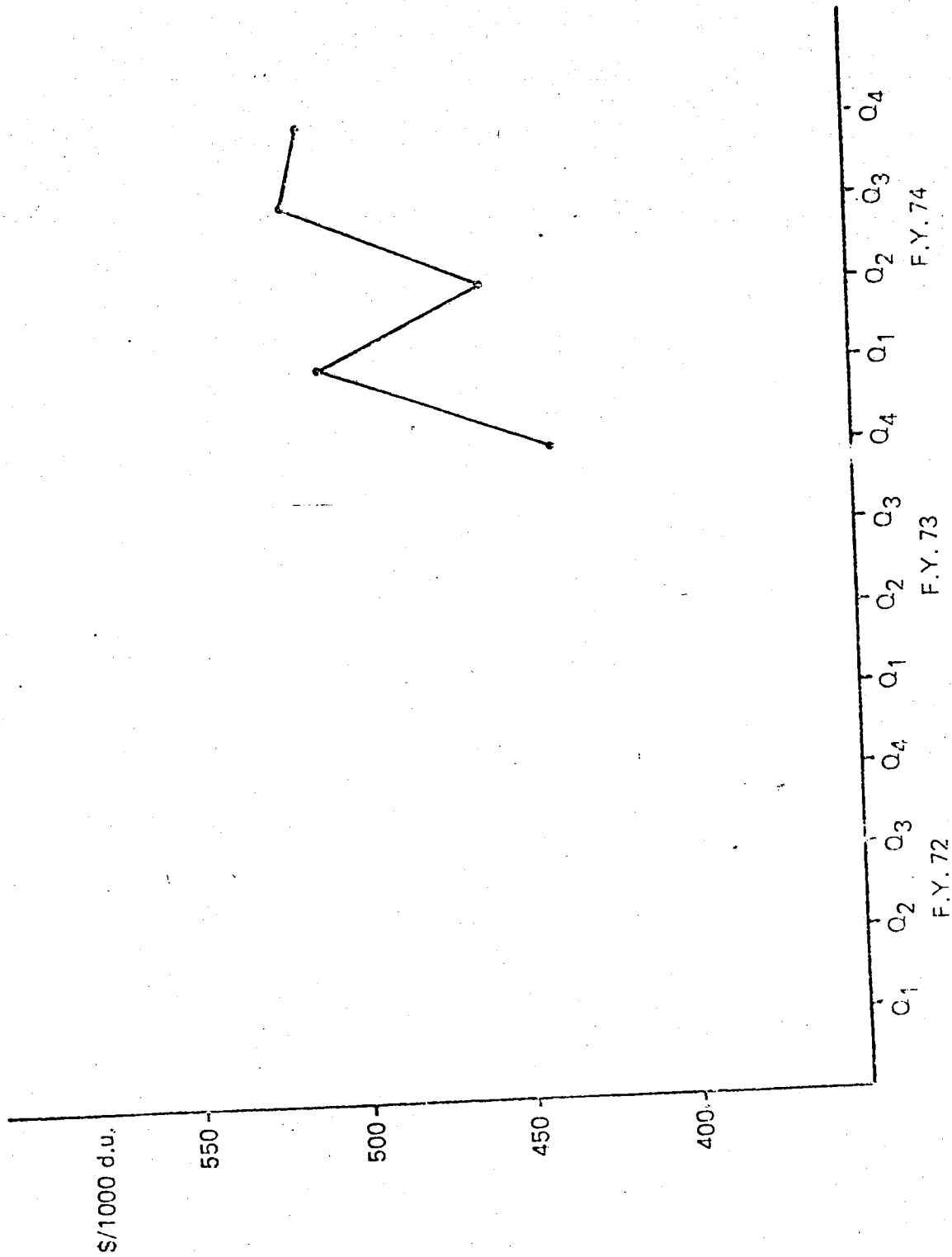


Table III-3
Hypothesized Supply Trends Based
On Observed Price Trends and Observed
Demand Trends

		F. Y. 74			
		Q 1	Q 2	Q 3	Q 4
I. Heroin:	(Observed) Price Trend: (Observed) Demand Trend (Hypothesized) Supply Trend	Increase Decrease Decrease	Decrease Increase INCREASE	Decrease Increase INCREASE	Increase Increase ?
II. Barbiturates:	(Observed) Price Trend: (Observed) Demand Trend (Hypothesized) Supply Trend	Increase None Decrease	Increase Increase ?	Decrease Decrease ?	Increase None Decrease
III. Amphetamines:	(Observed) Price Trend: (Observed) Demand Trend (Hypothesized) Supply Trend	Increase None Decrease	Increase None Decrease	Increase Increase ?	Decrease Increase INCREASE
IV. Hallucinogens:	(Observed) Price Trend: (Observed) Demand Trend (Hypothesized) Supply Trend	Increase None Decrease	Decrease Increase INCREASE	Increase Decrease Decrease	None Increase INCREASE

**Table III-4
Trends in Wholesale Drug Prices*
(Stimulants)**

	Pkg. Size	'70	'71	'72	'73	'74	Percent Change
Amphetamines			**				
Dexedrinde Tab 5	100	1.0	1.0	1.0	1.0	1.0	0
" "		1.0	1.0	1.0	1.0	1.0	0
Dextroamphetamine 5		1.0	1.0	.75	1.67	1.0	0
Methamphetamine							
Desoxyn Tab 5	100	1.0	1.05	1.31	1.32	1.46	46
" "	1000	1.0	-	1.34	1.40	1.50	50
Methamphetamine 5	1000	1.0	1.0	1.0	1.0	1.0	0
" " 10	1000	1.0	1.0	1.0	1.0	1.0	0
Amphetamines (Illicit)	\$/1000 d. u.	NA	NA	93	171	179	92

*Indexed to price in 1970

**Indicates Year of Control

Source: Red Book Prices based on capsules or tablets

Table III-4(b)

TRENDS IN WHOLESALE DRUG PRICES:* Depressants

Drug:Brand:Dosage(mg)	Pkg. Size	1970	1971	1972	1973	1974	% Change
<u>Methaqualone</u>							
-Parest 200	100	--	1.0	1.0	1.0	1.08	+ 8%
-Parest 400	100	--	--	1.01	1.0	1.08	+ 6%
-Quaalude 300	100	1.0	1.0	1.0	1.0	1.04	+ 4%
-Somnafac 200	100	.95	.95	1.0	1.0	1.0	+ 5%
-Somnafac Fourte	100	1.02	1.02	1.02	1.0	1.0	- 2%
<u>Amobarbital</u>							
-Amytal 100	100	.79	.79	1.0	1.0	1.0	+27%
-Amytal Sodium 200	100	.79	.79	1.0	1.0	1.0	+26%
-Amobarb Sodium 200	100	1.0	1.0	1.0	1.0	1.0	0
<u>Pentobarbital</u>							
-Nambutal Sod. 100	100	1.0	1.0	1.0	1.0	1.11	+11%
-Nambutal Sod. 100	1000	1.0	1.0	1.0	1.0	1.11	+11%
-Pentobarb Sod. 100	100	.60	1.0	1.0	1.0	1.0	+67%
-Pentobarb Sod. 100	1000	1.0	1.0	1.0	1.0	1.0	0
-Pentobarb Sod. 100	1000	.70	1.0	1.0	1.0	1.0	+42%
<u>Secobarbital</u>							
-Seconal Sod. 100	100	1.0	1.0	1.0	1.0	1.0	0
-Secobarb Sod. 100	100	1.0	1.0	1.0	1.0	1.0	0
-Secobarb Sod. 100	100						-15%
<u>BARBITURATES(Illicit)</u>	1000 d. u.	N/A	N/A	144	168	202	+40%

Notes:

* Indexed relative to year of control

* indicates year of control

Source: Redbook. Prices based on caps or tabs

In reviewing Table III-3 one should keep in mind that the supply is affected by factors other than DEA's activity. Many exogenous changes in the world will have the effect of increasing or decreasing supply independent of DEA's activity.

Thus, the price and supply measures move a step backwards from measuring ultimate social effects and a step closer to isolating the impact of DEA's operations. However, due to uncertainty about the impact of increasing prices on individual and social consequences, and due to uncertainty about DEA's impact on supply and the impact of supply on prices, DEA's overall impact remains elusive.

There are two additional points worth making about supply and price data.

One point is that probably one of the most important components of the "price" of drugs to illicit consumers is the amount of time it takes to "score." While such costs are negligible for legitimate commodities, they loom very large for illegal commodities. Moreover, consumers are likely to be much more sensitive to inconvenience than dollar costs. We do not now systematically collect data on access times, and whether one needed an introduction or not. But we could do so by looking at the experience of DEA undercover agents in retail level cases. While these are rare and probably biased, they could provide some indication about the difficulty in scoring.

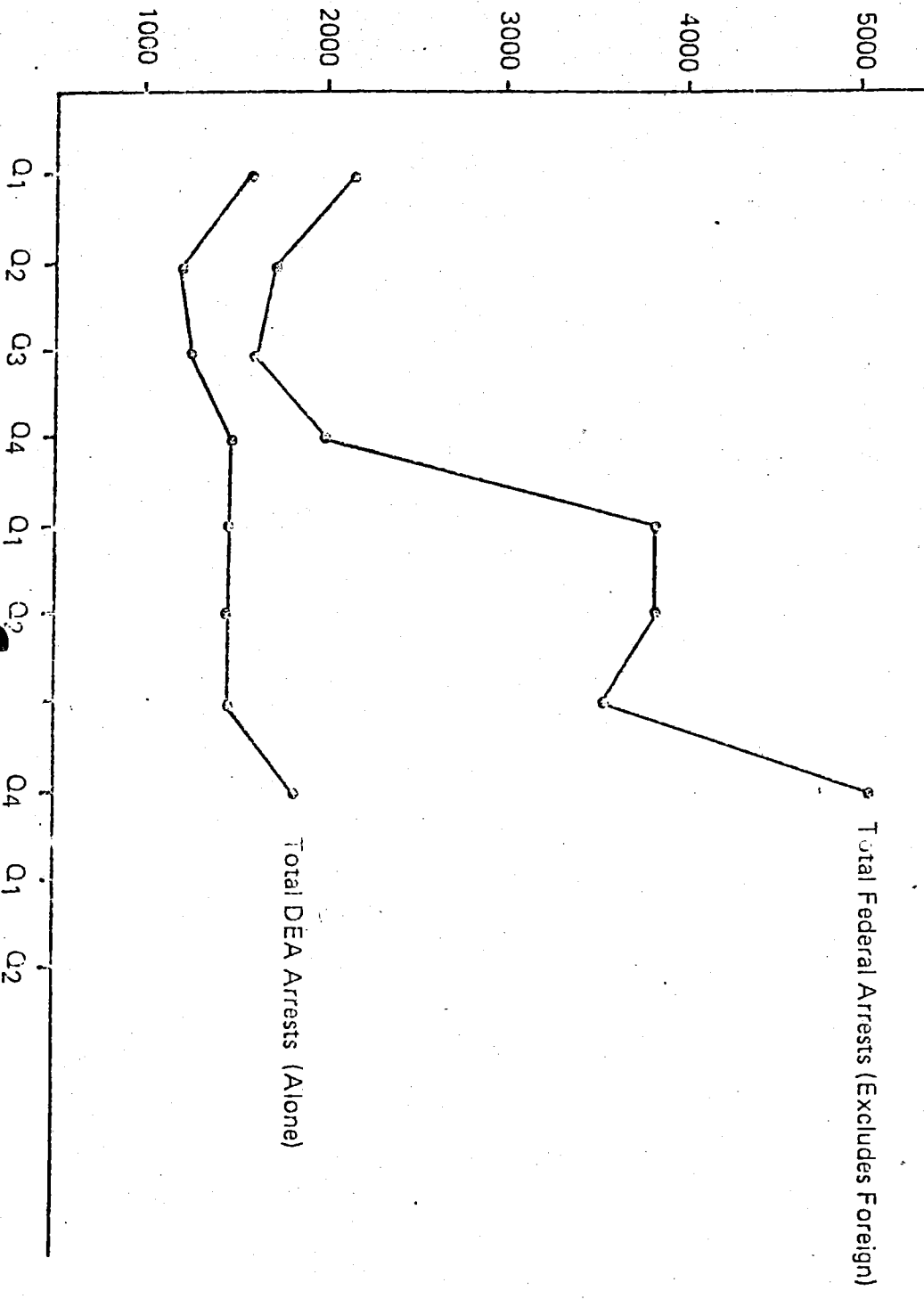
A second point is that while DEA wishes the price of drugs in the illicit market to increase, it wants drugs in the legal market to remain inexpensive and conveniently available. In effect, DEA wants to create price discrimination between legitimate and illegitimate users. Table III-4 presents data on prices in the two markets. It indicates that price increases in illicit markets are won at a relatively small cost of increases in the price of drugs in licit markets.

C. Arrests; G-DEP Classifications; Conviction Rates

At the extreme of simply measuring organizational activity and leaving essentially uncertain the ultimate social impact of DEA's activity, one can simply count arrests. Table III-5 indicates the

Table III-5

Total Federal Arrests and Dependant DEA Arrests Over Time



F.Y. 1973

F.Y. 1974

F.Y. 1975

total number of arrests in which DEA participated, and the total number of arrests which DEA initiated and developed completely independently. Table III-6 indicates the number of arrests/agent for the same period.

One can gain additional insight about DEA's activity by looking at indicators of the "quality" of the arrests as well as the total number. Two different things are implied by quality. One is the importance of the defendant in illicit trafficking networks. To monitor the quality of cases in this sense, DEA has established the G-DEP classification system. A description of this system is attached. Table III-7 shows the number and proportion of DEA arrests distributed among G-DEP classification over time. Examination of the table indicates a shift in the direction of higher class defendants over time.

The second meaning of the "quality" of a case is the strength of the evidence against a defendant. A crude measure of this dimension of quality is the conviction rate for cases presented to the courts. Unfortunately, conviction rates are somewhat ambiguous indicators of quality. The reason is that some DEA cases are dismissed because the defendant cooperates with DEA. Consequently, included in the number of dismissed cases are both cases that are strong enough to motivate defendants to cooperate with DEA, and cases that are too weak to support a prosecution. If one excludes all dismissals from his calculation of conviction rates, it is biased favorably to DEA since it does not count the DEA cases that were dismissed because of poor quality. If one includes dismissals, then the calculated conviction is biased against DEA because the dismissals include some strong cases. Table III-8 presents conviction rates excluding dismissals and conviction rates including dismissals. The proportion of DEA cases that are strong enough to sustain a conviction probably lies somewhere between these two lines.

Out of this arrest data, a fairly coherent picture of DEA's development emerges. In FY73 and FY74, DEA became increasingly involved in leveraging the resources of other enforcement agencies. This is illustrated by the dramatic increase in total federal arrests, and the rather modest increase in the total number of DEA arrests. Moreover, within DEA's own cases, the quality, with respect to the importance of the violators, has improved significantly. Both the

Table III-6

Federal Arrests Per DEA Agent By Half Fiscal Years(F.Y. 73; F.Y. 74)

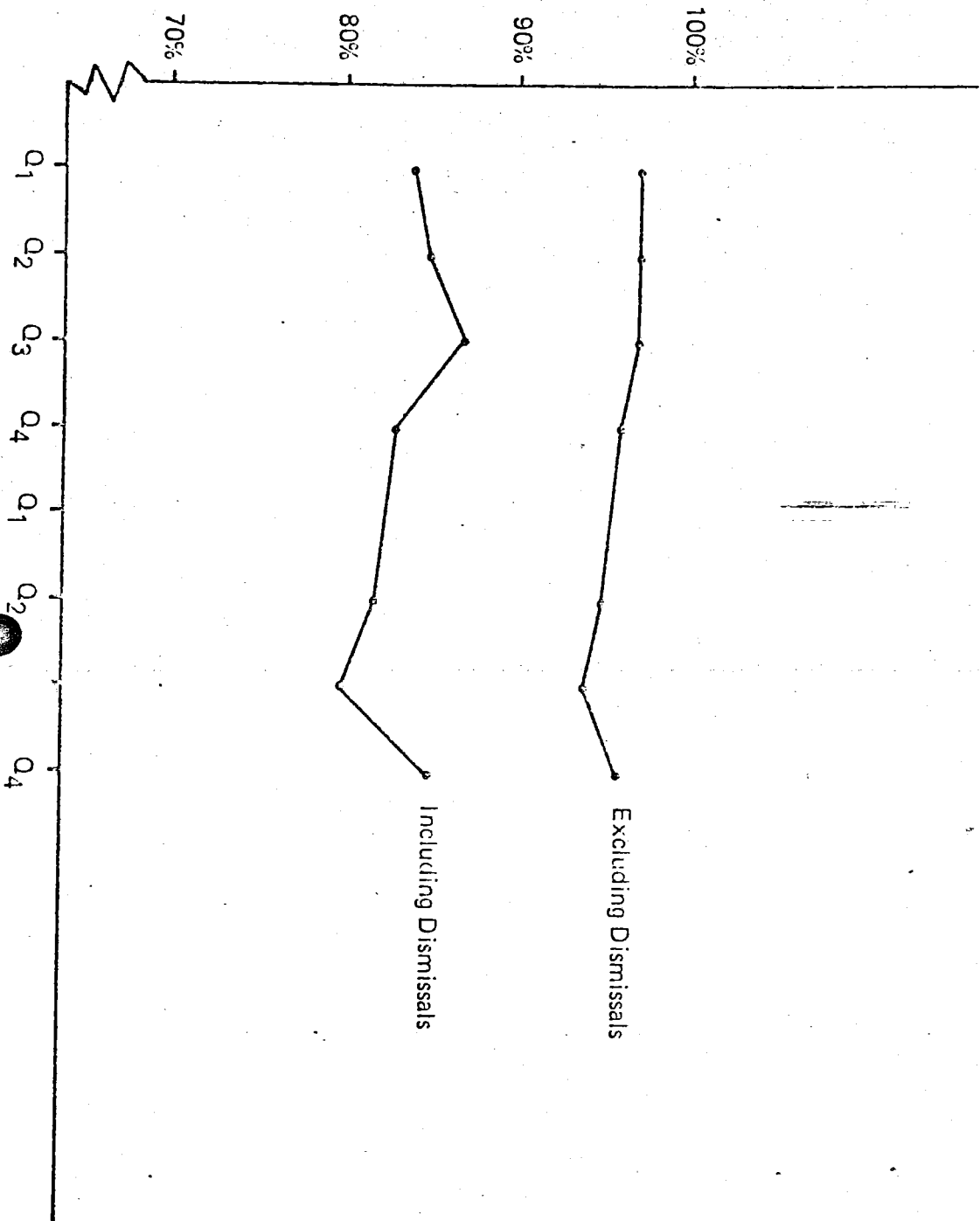
	FY 73		FY 74	
	July-Dec	Jan-June	July- Dec	Jan-July
All Federal Arrests (Excludes Task Force Arrests)	3925	3647	7789	8660
DEA Agents on Board (Domestic Regions: Ex- cludes Task Forces)	997	1002	1442	1430
Total Federal Arrests/DEA Agent	3.9	3.6	5.4	6.1
DEA Independent Arrests	2823	2769	2929	3338
DEA Arrests/DEA Agents	2.8	2.8	2.0	2.3

Table III-7

DEA Arrests by G-DEP Classification
Over Time

	FY 72		FY 73		FY 74	
	No.	%	No.	%	No.	%
Class I	NA	NA	111	2.0	276	4.5
Class II	NA	NA	342	6.3	550	9.0
Class III	NA	NA	3,086	56.6	3,889	63.8
Class IV	NA	NA	1,913	35.1	1,384	22.7
Total	4,579		5,452	100.0	6,099	100.0
Avg. Class of Defendants	NA		3.24		3.03	

Percentage of Disposed DEA Cases that are Convictions



F. Y. 73

F. Y. 74

increased leverage and the enhanced quality of DEA's own investigations have been achieved while maintaining standards of evidence that will sustain convictions in 85-95% of the cases. This trend towards higher quality DEA cases, increased leverage, and strong evidence will continue.

Footnotes

1. Some substances have no legitimate medical use in the U.S. Examples of such substances include heroin, hallucinogens and marihuana. Because these drugs have no legitimate medical use and do have some abuse potential, they are placed in Schedule I of the Controlled Substances Act.
2. In effect, DEA must create and sustain price discrimination between legitimate users (those with prescriptions) and illegitimate users (those without prescriptions). It is obvious that maintaining two different prices in different markets is extremely difficult. As long as a price differential exists, there will be incentives for those who can buy in the inexpensive market to sell in the expensive market. As supplies move into the expensive market, the price will fall - thereby reducing the price differential. Thus, in order to create this price discrimination, DEA must succeed in walling off the legitimate market from the illicit market.
3. We will define the "effective price" of a drug as an index of all the factors which determine the total cost to the consumer of using a drug. It is apparent that this includes more than the dollar cost of the drug. It includes the amount of time it takes to purchase the drug, both the expected level and variability in the purity of the drug, the chance that the consumer will be defrauded, the chance that the consumer will be arrested, etc. For illicit goods, these components of effective price beyond dollar cost loom very large in a consumer's calculations.
4. This decision is usually made by DEA's first line supervisor - called a Group Supervisor. It is appropriate that the decision be made at this level for two reasons. First, speed is often very important in making the decisions about which leads to exploit. One cannot constantly refer this decision to a higher level. Second, the information that is relevant to making the decision cannot easily be passed upward. Typically, one must

decide whether to believe the allegations of an informant. In gauging an informant's credibility, detailed local knowledge and long experience with the informant are critical. Such information cannot be easily communicated. The fact that these decisions are appropriately made at a low level has two strong implications for DEA's operations. First, it is absolutely essential that our first line supervisors be of exceptional quality. Second, it is difficult for Headquarters units to precisely determine the results of DEA's activity. Headquarters can make decisions which tend to push the output of the organization in one direction or another. But it cannot narrowly determine what the organization will produce.

5. See the program to enhance the quality of DEA cases described in Part II, Section IIc.

Part II

DEA's Management Program for

FY-75 and FY-76

I. Introduction

DEA's management program for F.Y. 75 and F.Y. 76 includes substantive programs, reorganizations of several basic Headquarters functions, efforts to improve coordination with other federal agencies, and a very small legislative program. Initiatives in each of these areas will be discussed. A summary of key issues which require actions by the Attorney General will be presented.

In reviewing this program it is important to keep three different things in mind. First, both the size and complexity of DEA's mission have grown enormously since 1968. The agency has grown from 500 people in the early 60's to 4,000 people now. The mission has increased in scope from a street level "buy and bust" enforcement effort, to an international enforcement program directed at high level traffickers supported by a large intelligence and research program. In addition, the agency has absorbed a very large regulatory responsibility.

Second, the organization has gone through many reorganizations. It started with the Federal Bureau of Narcotics (FBN) in the Treasury. In 1968, FBN was merged with the Bureau of Drug Abuse Control (BDAC) from HEW and transferred to the Department of Justice. In 1970-1971 three new offices with narcotics jurisdiction were created: The Office of National Narcotics Intelligence (ONNI); The Office of Drug Abuse Law Enforcement (ODALE); and a Science and Technology group in the White House (OST). Moreover, throughout this period the Bureau of Customs retained the responsibility for narcotics interdiction at the borders. In 1972, BNDD, ODALE, ONNI, OST and 500 agents from Customs were merged to create DEA. There was virtually no detailed planning of this reorganization. The predictable result of this reorganization was a chaotic and unwieldy headquarters structure. There were too many high grade personnel to be accommodated by the existing structure. Special offices proliferated. Each office head clung to some small program to justify his existence. The small programs created enormous burdens on the field and confused policy direction. To preserve field operations from the demands of the unwieldy Headquarters units, DEA decentralized many Headquarters functions. At the same time, DEA went to work on cleaning up the organizational structure at Headquarters. The Office of Science and Technology, the Office of Training, and the Office of Inspection and Internal Security have all been subjected to analysis and reorganized. This process of reorganization is still continuing.

Third, the external environment in which DEA operates has changed significantly. We use to face a heroin problem concentrated in the East Coast supplied by tightly structured French-Turkish organizations. While these organizations were hard to break into, when one succeeded in immobilizing them, one knocked out a large piece of the market. Now, DEA faces a geographically dispersed heroin problem supplied by three different source areas through smaller and less tightly structured distribution units. This difference requires us to change our enforcement strategy and tactics, and to reallocate our forces geographically. In addition, we face a growing dangerous drug problem.

Thus, we must tackle a problem that is growing in size and complexity with an organizational structure that is not yet well designed, and with personnel who have not yet internalized the new complexity of DEA's operations. This is the context of our efforts.

II. Substantive Programs

A. The Expected Environment in FY 75 and FY 76

In FY 75 and FY 76, DEA's ability to control the supply of narcotics and dangerous drugs will be seriously threatened. Turkey's decision to resume opium cultivation threatens a 10-30% increase in the domestic supply of heroin. This is sufficient to support experimentation by more than 50,000 new users. In addition, despite aggressive action by DEA and impressive initiatives by the Government of Mexico, Mexico may continue as a large producer and exporter of heroin, barbiturates, amphetamines, and marihuana. This is sufficient to sustain continued high levels of abuse in California and the Southwest. Finally, the fact that a generation of adolescents has been exposed to a variety of drugs implies that there will be a strong latent demand for barbiturates, amphetamines, and hallucinogens which will induce illicit production, smuggling, and diversion of these substances. Thus, changes in the external environment will conspire to make DEA's job more difficult in the future than it is now.

B. DEA Priority Programs

Given this environment, DEA's priority programs are the following:

1. Response to Mexico and Turkey

First, DEA must respond to specific threats represented by increased drug production in Mexico and resumed opium cultivation in Turkey. To deal with the threat of Mexico we will expand our presence in Mexico and help to design and support eradication, intelligence, enforcement, and training programs mounted by the Mexican Government. In addition, we will improve our enforcement efforts on the Southwest Border by developing an inter-regional intelligence center at El Paso, by securing improved operational agreements with Customs and INS with respect to custody of prisoners and evidence, and by beefing up our program to combat air smugglers in the area.

To deal with the threat of Turkey, we will contribute to diplomatic initiatives by offering technical advice about what steps are required

to secure opium fields against diversion and by documenting the extent of diversion through a combination of cases made throughout the world and the chemical analysis of heroin samples to determine their origin. In addition, we will cope with whatever diversion occurs after diplomacy has obtained all the concessions possible by expanding the scope of enforcement support activities in Turkey, by back-filling positions in expected recipient cities, and by seeking effective cooperation with local units in expected recipient areas.

2. Improved Quality of Cases

Second, DEA must improve the "quality" of the cases made. By quality, two different things are implied. First, the cases should be fully developed to include more defendants, higher level defendants, and to cross office and regional boundaries when that is appropriate. Second, the quality of the evidence presented to the prosecutor must be beyond doubt. It must be well documented and corroborated whenever possible. Close adherence to constitutional rights must be continued in spirit as well as in law. The overall program to achieve this "quality" includes the following actions: the development of regional intelligence/conspiracy units which should contribute to a fuller development of cases; an increase in the amount of PE/PI coupled with improved management of these funds at the Group Supervisor/ARD level of the organization; experimentation with regional technical units that will be responsible for maintaining technical equipment which can document events in a case and advising agents on the effective use of this equipment; and perhaps some technological breakthroughs in the areas of secure, reliable, and extensive communications and electronic aids to covert surveillance.

3. Leverage the Resources of Other Governmental Units

Third, DEA must use its own resources to leverage the resources of other enforcement units. By leverage, two different things are implied: 1) DEA should encourage other police departments to devote additional resources to narcotics enforcement; and 2) DEA should exploit whatever complementary aspects exist between DEA's activities and those of other enforcement

units (e.g., sharing intelligence; sharing informants; using the large manpower resources of patrol units to support DEA investigations; etc). To secure the benefits of this leverage DEA intends to: 1) increase its foreign program in areas where drugs destined for the United States are either grown, processed or transshipped and where host governments are cooperative; 2) expand its Task Force program by including additional cities and by increasing the ratio of local police to DEA agents; and 3) implement operating agreements with INS and Customs that conserve DEA's manpower in border areas. In addition, DEA will continue to train foreign, state, and local narcotic officers and will experiment with increased efforts by Regional Intelligence Units in collecting information from and disseminating information to state and local units. Such programs should increase the overall impact of the entire international and U.S. enforcement efforts.

4. Improved Strategies Against Dangerous Drugs

Fourth, DEA must increase the effectiveness of its program to reduce the availability of dangerous drugs (e.g., barbiturates, amphetamines, methamphetamines, and hallucinogens). To achieve this objective, DEA will mount a four pronged attack. First, we will strike at illicit producers and smugglers of dangerous drugs through a criminal investigation program based on an expanded and routinized precursor lead program and a more aggressive effort to recruit and debrief dangerous drug informants. Second, we will shut off diversion from licensed manufacturers and wholesale distributors by more effective targeting of compliance investigations; by holding companies to more stringent standards; and by using quotas more effectively to reduce available supplies of dangerous drugs. Third, we will experiment with DIU's and other programs to control diversion at the retail level. Fourth, we will seek to shorten the amount of time that elapses between the appearances of new drug abuse epidemics and scheduling decision. These steps, taken together, will both stem the current flow of dangerous drugs and lay the foundation for responding to any future changes in the sources of dangerous drugs.

5. Strengthen DEA's Intelligence Program

Fifth, DEA must hone its Headquarters intelligence functions. Essentially, there are four such functions. First, there is the

responsibility for creating, maintaining, and enlarging the intelligence data base available to DEA. Critical to the success of this function are expanded intelligence capabilities in foreign countries; reliable responses from the Regional Intelligence Units to the collection requirements specified in the manual transmittal establishing RIU; and more regular and comprehensive debriefings of informants, our own agents, and other enforcement units. Second, there is the responsibility for organizing this data base so that it is easily accessible and flexible in use. Third, there is the responsibility to analyze this data base to produce strategic intelligence reports for the Administrator. Fourth, there is the responsibility to analyze this data base for inter-regional tactical intelligence purposes: (i. e., to retrospectively or prospectively discover relationships among cases being developed independently by different regional offices of DEA). We will see the results of improved intelligence at Headquarters in such areas as increased confidence in allocating DEA agents among geographic areas, an increased number of cases which cross regional boundaries, an increase in the volume of requests for intelligence coming from the field, and an increase in the volume of intelligence disseminated to other enforcement agencies.

III. Reorganization Proposals

There are three far major areas requiring reorganization within DEA. In order of importance they are:

A. Reorganizing the Office of Enforcement and Intelligence at Headquarters to guarantee that we achieve the following organizational objectives:

1. Effective coordination between tactical intelligence analysts at Headquarters and enforcement coordinators;
2. Effective design of DEA's general foreign suppression program and adequate advocacy of these views at the State Department; and
3. Significant investment in the management systems required to create a strong intelligence profession within DEA (e.g., personnel systems to recruit, train and evaluate analysts; information systems to support intelligence analyses; professional standards governing the production of materials; etc).

B. Reorganizing DEA's Regulatory Program to achieve the following objectives:

1. A single location of authority and responsibility for this program;
2. A single budget allocation for this program;
3. The creation of an effective personnel system and career development program for compliance investigators (1810's);
4. More effective targeting of compliance investigators on specific drugs and specific firms;
5. Tougher sanctions for smaller errors on the part of firms;
6. Quicker, and more consistent scheduling responses to new drugs with a potential for abuse and emergent drug abuse problems for old drugs.

C. Reorganizing DEA's Office of Inspection to achieve the following objectives:

1. To permit monitoring of the status of cases within the Office of Inspection;
2. To establish a priority system for investigating different kinds of allegations;
3. To focus the attention of the Office of Inspection on major integrity problems;
4. To create a mechanism for broad, profound evaluations of regional performance which is consistent with the philosophy of decentralizing every day management decisions and maintaining strict Headquarters control over major policy issues.

D. Creating a Planning and Evaluation capability of a high level of the organization to guarantee:

1. That major policy decisions are identified and resolved on the basis of all the relevant, available information;
2. That the competing interests of major organizational units are taken into account in major policy decisions;
3. That resources are effectively shifted to meet changing policy objectives; and
4. That incentives exist throughout the organization for program managers achieve policy objectives.

In addition to these major reorganizational efforts, DEA will also make several small organizational changes. We will create an Office of Federal Programs to assist in coordinating programs with other organizations (primarily LEAA). We are also reorganizing the Office of Personnel to provide improved long run personnel policy planning.

IV. Substantive Programs Requiring Coordination with other Federal Agencies

DEA has three major programs which require coordination with other units of the Federal Government. In each area, DEA has a specific set of objectives. These programs are described below.

A. Coordination with Customs and INS on Narcotics Cases at the Borders

There are a number of issues involving cooperation between the Immigration and Naturalization Service, the Drug Enforcement Administration, and the U. S. Customs Service which remain unresolved. The need to address these affirmatively has now become even more pressing in view of the report issued on December 18, 1974, by the House Committee on Government Operations and concurred in by the Office of Management and Budget. The outstanding issues include the following.

1. Customs Patrol/Border Patrol Coordination --
Procedures for effective coordination and cooperation must be established between the INS Border Patrol and the Customs Patrol.
2. Coordination of Patrols and DEA on Drug Cases --
The size of the two patrols and the tactics they employ have an impact on the drug enforcement activities of DEA.
3. EPIC -- The development by the DOJ agencies of the EI Paso Intelligence Center (EPIC) is moving along smoothly, however Customs continues to withhold its commitment to the program. The Center will be much less effective without Customs participation than with it.
4. Air Support Program -- There are a number of areas of potential conflict between DEA and the U. S. Customs Service involving the use of aircraft for enforcement support.

5. INS/Cutsoms Role at Ports-of-entry -- Three areas appear to require decision within the Department of Justice and discussion with Treasury:

INS Realigned Program Priorities for FY 1975

“Young” Amendment -- Conference Report

“Port Test”

6. INTERPOL -- Responsibility for the “lead” U. S. role in INTERPOL matters is now vested in Treasury by virtue of a delegation of authority from the Attorney General. Justice may wish to consider withdrawing delegation of that function from Treasury (or at least threaten to do so).if it seems that tactic would dispose Treasury to offer concessions on certain objectives sought by the Department of Justice.
7. Designation of Justice Enforcement Officers as Customs Officers -- DEA is interested in developing procedures to permit the cross designation of additional DEA agents as Customs Agents (Excepted). The number of cross designated DEA Agents has decreased since the original agreement due to retirement, transfers to other agencies, and changes in posts of duty. INS is interested in maintaining the designation of its officers as Customs officers.
8. Opening and Closing of Ports -- Proper notice and coordination must take place between Customs and INS when ports-of-entry are opened, closed or moved.
9. Customs’ “Secret” Plan to Undo Reorganization Plan No. 2 of 1973 -- According to reliable sources, Customs allegedly plans to launch a legislative initiative in early 1975 to attempt to undo the major thrusts of Reorganization Plan No. 2 of 1973 and to regain for itself a major and pre-eminent role in drug enforcement along the South-west border both at the land border ports-of-entry and between the ports.

DEA’s position on these issues are included in an attachement.

B. Coordination with SAODAP/NIDA/FDA to Improve our Joint Ability to Regulate Legitimate Drug Industries

Based on correspondence and meetings, the Administrator of DEA, the Director of the Special Action Office, and the Commissioner of FDA have agreed to work on a program which includes the following objectives:

1. Evaluating the impact of our current regulatory program;
2. Identifying and implementing policies which would reduce the intravenous use of drugs;
3. Identifying and implementing policies which would reduce the over-prescribing of dangerous drugs by physicians;
4. Establishing a joint policy for setting manufacturing quotas for drugs; and
5. Identifying and resolving snags in the current scheduling process.

An interagency staff level committee has been tasked with analyzing these problems and making recommendations to Mr. Bartels, Dr. DuPont, and Dr. Schmidt.

C. Coordination between DEA and LEAA on Policies toward State and Local Narcotics Enforcement Efforts

DEA has a strong interest in maintaining close cooperation with State and local narcotics enforcement units. We have instituted many programs which tend to encourage cooperation (e. g. , State and local training programs, joint intelligence programs, task forces, etc.). LEAA is in a position to both support and frustrate DEA's efforts to guarantee close cooperation. LEAA can support DEA's operations by

funding these cooperative programs. LEAA can frustrate DEA's efforts simply by providing large amounts of money and equipment indiscriminately to State and local narcotics units. In the past, one of the major reasons for State and local units to cooperate with DEA is that they had superior resources and equipment -- in addition to a national jurisdiction and a national intelligence system. Their operations were assisted by these resources. Now, with lavish LEAA funding, these units do not need DEA's help. Since they do not care particularly about the national implications of cases they make, their incentives to cooperate diminish. DEA and LEAA should probably try to establish a joint policy in this area to make sure that they are not working at cross purposes. There are two specific issues that are imminent: the task force program, and a program to include State and local laboratories in DEA's laboratory reporting system.

1. The Task Force Program

a. Program Description

The DEA Task Force Program is designed to reduce illicit drug distribution by curtailing local wholesale trafficking through the combined resources of Federal, State, and local enforcement. DEA provides funding for its Agents' salaries and operating expenses while LEAA provides funding for the operating expenses and, in some instances, salaries of state and local participants. In FY-75, there were 42 state and local task forces. In FY-75, DEA provided \$9,047,000 to support 326 Special Agents involved in the Task Force Program. LEAA provided \$9.1 million to support 457 police officers. In FY-76, we anticipate that DEA will provide \$9,798,000 to support 328 Special Agents. We anticipate requesting \$10,100,000 of LEAA funding to support approximately 500 police officers in FY-76. Through an in depth evaluation, we have identified our most effective task forces and intend to expand and fund 34 task forces in FY-76.

b. Operating Problems

From DEA's point of view, there are three major operating problems: how to maintain successful Task Forces through FY-75 with LEAA's current commitment of \$9.1 million; how to keep successful task forces in the program in FY-76 when the program shifts from 100 percent funding out of Institute Funds to 90/10 funding from the discretionary grant program; and how much money will be available from LEAA in FY-76. We expect to be able to resolve the first two issues at the staff level. The last issue will probably be resolved at the Department level. The Office of Management and Finance is conducting an evaluation of the program. This should have some bearing on the total LEAA commitment for FY-76.

2. A Program to Include State and Local Labs in DEA's Laboratory Reporting System

DEA has submitted to LEAA a proposal to upgrade State and local narcotic labs, and to include them in DEA's reporting system. This program is important for two reasons:

- a. Most local laboratories do not quantify the amount of controlled substances that are purchased or seized. This leaves the door open for quantities of drugs to be misplaced or stolen. Thus, quantifying drug evidence can be an important method for controlling corruption of narcotics agents.
- b. State and local units make many retail purchases of drugs. Such purchases provide information that is extremely valuable in gauging the availability and sources of drugs. If information describing these drugs and the transactions were entered into DEA's information systems, our strategic intelligence capabilities would be significantly increased.

DEA's program proposal was submitted following a conference with State and local laboratory directives. They endorsed the plan enthusiastically. We have not yet had a response from LEAA.

V. DEA's Legislative Program

DEA is interested in three pieces of legislation. The bills are listed below in order of priority.

A. HR 1530 -- Enabling Legislation for the Ratification of the Psychotropic Convention

This bill was introduced to the House Committee on Interstate and Foreign Commerce on January 11, 1975. Its purpose is to amend our drug control laws to make them consistent with the provisions of the Psychotropic Convention. If passed, the Senate would ratify the Psychotropic Convention.

This bill is important to DEA because it is difficult for DEA and the State Department to press for effective implementation of the Psychotropic Convention in foreign countries when it has not yet been implemented in the United States. It is DEA's view that effective implementation of the Psychotropic Convention would increase foreign capabilities to control legitimate drug industries and reduce the illicit smuggling of these drugs to the United States.

The bill has failed to pass for two reasons. Opponents argued that the bill would impose additional reporting requirements on M.D.'s and would invade the confidentiality of the doctor/patient relationship. This objection is countered by including a provision in the legislation which stipulates that nothing in the convention should be interpreted as imposing reporting requirements beyond those contained in the CSA. Opponents have also argued that U.S. discretion in scheduling drugs would be jeopardized by the provision which requires the U.S. to schedule drugs consistently with the recommendations of an international commission. The specific problem here is that HEW was concerned that they would not have sufficient authority in the scheduling decision. This argument has been countered by assertions that our scheduling decisions will most often be consistent with the international commission and by giving the Secretary of HEW the right to present the U.S. views on scheduling to the international commission.

B. Controlled Substances Trafficking Act

This bill is currently being revised by the Criminal Division of the Department of Justice. It calls for minimum mandatory sentences for trafficking offenses, and for "no bail" decisions (preventive detention) for some trafficking offenses.

DEA is interested in mandatory minimums for two reasons. First, they may increase the deterrence to drug trafficking. Second, they are likely to increase both the number and quality of the defendant-informants available to DEA.

DEA is interested in "no bail" provisions to guarantee the immobilization of arrested traffickers (see attached report) and to decrease the number of fugitives.

C. HR 17299 (93rd Congress) Drug Safety, Consumer Information and Medical Records Act of 1974

This is a large bill imposing additional regulations on the legitimate drug industry. Many sections are heavy handed efforts to reduce over-prescribing by physicians, misprescribing by physicians, and misuse by consumers. We have not yet formulated a clear position on these sections.

However, Section 502 is of particular interest to DEA. It requires identifying logos to be placed on individual drug dosage units. This identification would provide very useful intelligence information about particular sources of diversion of legitimate drugs. Opponents have argued that the costs of such labeling would be excessive. A good technology may now be available for doing this.

VI. Major Issues for the Attorney General

The major issues for the Attorney General to consider or act on include the following:

1. Sponsoring negotiations among DEA, INS, and Customs to guarantee a coordinated narcotics enforcement strategy at the borders;
2. Taking a major role in organizing and coordinating all foreign narcotics programs; and
3. Considering whether any change in the existing marihuana policy is appropriate.

What DEA has at stake in each of these issues and current efforts in the area are identified below.

A. DEA/INS/Customs Coordination

A detailed analysis of this issue is included as attachment _____. The analysis was prepared under the direction of Deputy Attorney General Silberman in preparation for a series of meetings including DAG Silberman, Mr. Bartels, General Chapman, Under Secretary Schmults, and Commissioner Acree. These meetings will commence February 12.

DEA has a great deal at stake in the successful conclusion of these negotiations. Indeed, the success of DEA's efforts on the Southwest border depend critically on these negotiations. A successful operation on the Southwest border is essential to DEA for several reasons. First, Mexican heroin continues to be a major problem throughout the country, and particularly important on the Southwest border. We must be able to slow the growth of this supply capacity. Second, DEA has shifted many resources to this area. If our agents on the border are chewed up in responding to unimportant marihuana cases, then DEA will have lost not only on the border, but also in the areas that lost agents to the border.

B. A Major Role for the Attorney General in International Narcotics Control

International narcotics control efforts are essential to the success of DEA's mission. It is also the component of DEA's program over which DEA has the least direct control. DEA must rely heavily on the

cooperation of foreign governments, and heavily on the cooperation of the State Department. The basic mechanism to achieve this coordination is the Cabinet Committee on International Control. In recent years, this structure has tended to be a less powerful mechanism, and has tended to be dominated increasingly by the State Department. Corresponding to this change, negotiations with foreign governments over drug control objectives have tended to become series of threats and bribes by the U.S. A given country's obligations under treaties have tended to be lost in this bargaining.

It is DEA's view that the key to effective international narcotics control is international law. There now exists treaties which obligate foreign countries to take specific narcotics control actions. It is these treaty obligations which should serve to organize and justify DEA's overseas programs as well as the State Department's. In this context, it seems appropriate to us that the Attorney General of the U.S. play a major role in international control efforts. We would urge him to assume this responsibility on the basis of his legal expertise and general interest in the international legal order.

One specific action which is both imminent and consistent with this general idea is the passage of the enabling legislation for the psychotropic convention. (See the legislative program). Active support of this legislation would establish the Attorney General's interest in this area.

C. Marihuana Policy

The number of arrests for personal possession of marihuana has increased dramatically in recent years. In 1974, over 400,000 people were arrested for marihuana offenses. This creates a very significant problem for an already overloaded criminal justice system. In addition, it may stigmatize many people who were not extremely culpable. Finally, from DEA's point of view, these mass marihuana arrests erode public support for the narcotics control mission, and dilute the impact of narcotics enforcement activity.

DEA's policy toward marihuana is the following: First, we continue to regard marihuana as a drug that can have serious, adverse consequences for individuals - particularly if freely available to young people. Second, because we regard marihuana use as less dangerous than the

use of other drugs, we devote less of our enforcement efforts towards marihuana. Third, in order to maximize the impact our enforcement efforts have on the availability of the drug and minimize the stigmatization of non-culpable people, we concentrate enforcement efforts on high level distributors. This position is consistent both with our international treaty obligations, and with our sense of domestic drug abuse priorities. Thus, DEA's policies do not contribute to the major marihuana problem.

The issue for the Attorney General is not whether he should direct DEA to modify its marihuana policy, but rather whether he should use his position as Attorney General to seek to influence the enforcement policies of state and local government units. It is DEA's position that this possibility should be analyzed by a combined Justice Department and DEA policy group. Such a group was formed briefly, but disbanded when it became apparent that it was expensive to gather information on the issues. The issue is probably important enough for the department to commit resources to study it.

Part II: Footnotes

1. A key to the effectiveness of our efforts on the Southwest border is the resolution of outstanding policy issues with Customs and INS. See Section V.
2. "PE/PI" is shorthand for "Purchase Evidence/ Purchase Information". These funds are vital to DEA's operations since they depend significantly on informants and undercover purchases.