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THE WHITE HOUSE

WASHINGTON

February 2, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *psk*
SUBJECT: Proposed Testimony of Lowell Jensen on Labor
Department Organized Crime Inspector Generals

The Justice Department has provided a copy of testimony Lowell Jensen proposes to give tomorrow before the Senate Committee on Labor and Human Resources on the adequacy of the law enforcement powers available to the Inspector General's Office of Organized Crime within the Labor Department. Agents from that office are assigned to Justice strike forces and U.S. attorneys to assist in investigating and prosecuting organized criminal activity involving labor unions and pension funds. The testimony opposes a proposal to permit those agents to carry weapons, make arrests, and conduct searches. As is currently done, when such powers are necessary the agents can be made deputy marshalls on a case-by-case basis. The testimony also opposes giving the Labor agents independent investigatory authority, preferring to keep the FBI and Justice Department in control of investigations. Finally, the testimony urges passage of legislation to make union office immediately forfeit upon felony conviction, rather than upon exhaustion of all appeals.

This proposed testimony is consistent with prior Administration positions. I see no legal objections and no need for action on your part.

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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D. Lowell Jensen☐ MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: *Statement re: the adequacy of law enforcement powers available to the Inspector General's Office of Organized Crime and Racketeering Dept. of Labor*

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<i>CW Holland</i>		ORIGINATOR	<i>93.01.31</i>			<i>1 1</i>
<i>CW AT 18</i>		Referral Note: <i>A</i>	<i>93.01.31</i>		<i>S</i>	<i>93.02.02</i>
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DRAFT

31

Robert

STATEMENT

OF

D. LOWELL JENSEN
ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION

BEFORE

THE

COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

CONCERNING

THE ADEQUACY OF LAW ENFORCEMENT POWERS
AVAILABLE TO THE INSPECTOR GENERAL'S OFFICE OF
ORGANIZED CRIME AND RACKETEERING,
UNITED STATES DEPARTMENT OF LABOR

ON

FEBRUARY 3, 1983

I am pleased to be here today to present the views of the Department of Justice on the adequacy of law enforcement powers available to criminal investigative agents assigned to the Inspector General's Office of Organized Crime and Racketeering in the United States Department of Labor. These are agents who since 1978 have been assigned by the Labor Department to carry out that Department's participation in the organized crime program. Seventy five such Labor Department agents are currently assigned along with other criminal investigative agencies to assist the Justice Department's strike forces and United States Attorneys' offices with the investigation and prosecution of organized criminal activity related to labor unions and pension or welfare employee benefit plans. The work of these agents, whom I shall refer to as "Labor OC agents" for brevity's sake, has been clearly productive and has contributed significantly to the organized crime program. The Department holds the opinion that the law enforcement powers currently exercised by these agents are adequate to do the job which the agents are expected to perform.

As I advised the Senate Subcommittee on Labor one year ago when I testified on labor racketeering legislation proposed at that time, we believe that while there may have been problems in the past, the Labor Department is now cooperating with the organized crime program to a high degree. Although the level of their performance has varied over the past five years from strike force to strike force, we are pleased with the overall performance of the Labor OC agents insofar as they have endeavored to primarily focus

their investigative efforts on so-called "white collar crime" in labor unions, employee benefit plan affairs, and labor-management relations. The strengths which the Justice Department has sought and will continue to seek from these Labor OC agents lie primarily in their ability to deal with documentary evidence associated with these types of investigations, to understand the workings of the labor movement and its component organizations, and to develop sources of information within those organizations. A recently published list of labor racketeering prosecutions investigated by Labor OC agents since 1978 discloses that a large majority (approximately 70%) of such investigations involved the cooperation of other investigative agencies. Our figures indicate that approximately half of the open investigations in which Labor OC agents are currently engaged already involve the cooperation of other investigative agencies. We think that this experience reflects the fact that the Labor OC agents are able to obtain the assistance of the FBI and other criminal law enforcement agencies when required in particular cases.

Therefore, we think that the Justice Department's policy with respect to the authorization of Labor OC agents to act as deputy United States Marshals is a sound one. In general, we believe that the carrying of weapons by Labor OC agents should be restricted to those instances where the FBI or other criminal investigative agency, all of whose agents are regularly trained in the use of weapons, is unable to assist in situations where the personal safety of an informant is in jeopardy or where the personal safety

of an agent is endangered as the result of his investigative activities in a particular case. We think that this policy is consistent with the strike force concept that participating agencies will regularly cooperate and complement each others' efforts while maintaining their own respective areas of specialized expertise.

Since the vast majority of arrests are made in strike force labor racketeering cases only after an indictment or criminal information has been returned, arrest powers and the authority to carry weapons for the purpose of making arrests is not required for Labor OC agents. Where arrests are required, there is ample time to secure the cooperation of the United States Marshal's Service or other federal law enforcement agencies in executing court-ordered arrests. In those rare instances where searches for documentary evidence were required as part of Labor OC investigations, the Marshal's Service or other federal law enforcement agencies with weapons have also cooperated in the execution of the searches.

On February 3, 1982, before the Subcommittee on Labor I also testified against applicable portions of proposed legislation which would have conferred authority on the Department of Labor, concurrently with the FBI and other investigative agencies, to investigate all criminal violations involving employee pension and welfare benefit plans. The legislative proposal, which was opposed by the Administration, would have authorized the Labor Department

to commence investigations under Title 18 and other provisions of the United States Code outside Title 29 for which existing memoranda of understanding between the Departments of Justice and Labor require a specific assignment of investigative responsibilities to Labor Department investigators on a case-by-case basis. We prefer to make these assignments in Title 18 on a case-by-case basis.

In general, we believe that proposals to expand the Labor Department's existing criminal investigative responsibilities in terms of broader subject matter or additional investigative procedures, such as those requiring weapons, may jeopardize certain important concepts which we think have contributed significantly to the successful investigation and prosecution of organized criminal elements in the labor-management and pension-welfare fields. I am speaking here of the close coordination of covert investigations involving undercover operations or judicially authorized electronic surveillance and the strict accountability of investigators to Justice Department supervisors, particularly in multi-district investigations. At present the Federal Bureau of Investigation exercises the primary responsibility among investigative agencies with respect to covert investigations of organized crime and labor racketeering. It does so within the organizational framework of the Justice Department and subject to the direct supervision of Justice Department administrators.

Although other investigative agencies like the Labor Department Inspector General's Office of Organized Crime and Racketeering can furnish vitally important expertise in connection with the internal operation of labor unions and employee benefit plans, which flows from the other regulatory responsibilities of the Labor Department, we do not believe that the expansion of responsibility in another investigative agency which duplicates the FBI's responsibility in regard to labor racketeering is an appropriate and wise course of action. We do think that the conduct of an organized crime investigative program with the Department of Labor as an efficient and cooperative partner which complements the role played by the FBI is the proper and desirable course of action.

The FBI is already performing covert investigations with considerable success. In order to continue to conduct its organized crime program efficiently, the FBI has advised that it needs to receive information of other agencies' investigative efforts in regard to organized crime members and associates on a regular and recurring basis. We agree that such intelligence is necessary if the FBI is to be able to meaningfully influence other agencies' decisions to commence their inquiries in regard to persons and organizations who may already be the subject of sensitive covert investigation by the FBI. We are hopeful that current discussions between the Labor Department's Office of Organized Crime and Racketeering and the FBI will result in even greater cooperative efforts between the two investigative agencies.

Finally, I would like to comment on our efforts to combat labor racketeering by organized criminal elements. Recent convictions involving labor-management corruption on the waterfront and in other industries have demonstrated the continuing need for federal legislation to address the problem of the infiltration of labor unions and their affiliated organizations by organized crime. In September 1982 the reputed number three man in the Chicago syndicate was sentenced along with seven other defendants who had held office in or who had been affiliated with the Laborers International Union of North America. At sentencing four of the defendants, including the reputed organized crime leader, who then held union office were removed under the forfeiture provisions of the Racketeer Influenced Corrupt Organizations (RICO) statute. The trial court was able to accomplish that removal because the defendants' conduct, in furtherance of a scheme to obtain kickbacks in return for awarding union insurance and health services business, was sufficiently pervasive to permit prosecution as a pattern of racketeering activity under the RICO statute. In addition, the organized crime leader was also sentenced to 20 years' imprisonment.

In December, 1982 another reputed organized crime street boss in the Chicago syndicate together with the General President of the Teamsters union, a service provider to the Teamsters' Central States Welfare Fund with reputed ties to organized crime, and two employees of the Teamsters' Central States Pension Fund were

convicted after trial for conspiracy to bribe a United States Senator and other crimes in regard to a scheme involving deregulation in the trucking industry. The service provider was murdered two weeks ago. In this case, however, the government was not able to use any federal statute which would result in immediate removal from union office on conviction in the trial court. Because Section 504 of the Labor Management Reporting and Disclosure Act does not permit the removal of a convicted individual until all his appeals are exhausted, the primary federal statute governing disqualification from union office may not be invoked until many months after sentencing.

As the Attorney General testified last week before the Senate Judiciary Committee, disqualification from positions in labor unions, employer associations and employee pension or welfare benefit plans should become effective immediately upon conviction in the trial court. Similar legislation to that which the Attorney General was recommending as an additional tool in the fight against organized crime and labor racketeering was passed by the Senate last year as part of a proposed Labor Racketeering Act. It was defeated in the House. I urge this Committee to support such legislation in the 98th Congress. If this legislation had already been enacted into law, Section 504 would have immediately disqualified the individuals in both these cases from holding labor union or benefit plan office upon sentencing in the trial court.

In summary, for the reasons which I have discussed, the Department of Justice recommends against legislation which would require a change in the current allocation of investigative responsibilities among the several criminal law enforcement agencies which now participate in the organized crime program. We believe that the current allocation of investigative responsibilities strikes an appropriate balance among all the agencies charged with enforcement of the federal criminal laws dealing with labor racketeering.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 16, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Testimony of Carlton Turner Before
Subcommittee on Crime, House
Committee on the Judiciary

Richard Darman has asked for comments to be provided directly to Ed Harper by 3:30 today on the above-referenced proposed testimony. Carlton Turner is to deliver the testimony, on the coordination of drug enforcement efforts, at 9:30 tomorrow morning. The testimony reviews the five-part federal strategy for prevention of drug abuse and drug trafficking (international cooperation, law enforcement, education and prevention, detoxification and treatment, research), and indicates that discernible progress -- in the form of declining levels of drug abuse -- is being made. The testimony discusses the history of drug law enforcement, and the executive oversight roles of Turner's own office (Director of the Drug Abuse Policy Office) and the Cabinet Councils. The testimony also surveys the LECC program (coordinating federal, state, and local resources), the FBI's new role, and the new organized crime task force initiative. Turner concludes that the current system of coordination works well.

The hearings at which Turner will testify are an outgrowth of the President's veto of the "drug czar" bill. Turner's testimony effectively reviews the existing devices for coordination. I see no legal objection, and have prepared a memorandum to Harper to that effect for your signature.

THE WHITE HOUSE

WASHINGTON

February 16, 1983

MEMORANDUM FOR EDWIN L. HARPER
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING
COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of Carlton Turner Before
Subcommittee on Crime, House
Committee on the Judiciary

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

cc: Richard G. Darman

FFF:JGR:aw 2/16/83

cc: FFFielding
✓ JGRoberts
Subj.
Chron

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WHITE HOUSE STAFFING MEMORANDUMDATE: February 16 ACTION/CONCURRENCE/COMMENT DUE BY: 3:30 TODAYSUBJECT: TESTIMONY OF CARLTON TURNER BEFORE SUBCOMMITTEE ON CRIME,
HOUSE COMMITTEE ON THE JUDICIARY

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	GERGEN	☒	☐
MEESE	☐	☒	HARPER	☐	☒
BAKER	☐	☒	JENKINS	☐	☐
DEAVER	☐	☒	MURPHY	☒	☐
STOCKMAN	☒	☐	ROLLINS	☐	☐
CLARK	☒	☐	WHITTLESEY	☐	☐
DARMAN	☐ P	☒ SS	WILLIAMSON	☒	☐
DUBERSTEIN	☒	☐	VON DAMM	☐	☐
FELDSTEIN	☐	☐	BRADY/SPEAKES	☐	☐
FIELDING	☒	☐	ROGERS	☐	☐
FULLER	☒	☐	_____	☐	☐

Remarks:

Please provide any comments/edits ~~directly to Ed Harper by~~
~~_____ when in Washington, copy to my office.~~

Thank you.

Richard G. Darman
 Assistant to the President
 (x2702)

Response:

THE WHITE HOUSE

WASHINGTON

February 16, 1983

MEMORANDUM FOR RICHARD G. DARMAN

FROM: *for* EDWIN L. HARPER *by* *P. Ruck*

SUBJECT: Testimony for Carlton Turner

Attached is a copy of Carlton Turner's testimony on coordination of drug enforcement efforts before the House of Representatives Committee on the Judiciary, Subcommittee on Crime for clearance.

He is scheduled to testify tomorrow at 9:30am, I would appreciate clearance no later than 3:30pm today.

DRAFT

STATEMENT
OF
CARLTON E. TURNER
DIRECTOR
DRUG ABUSE POLICY OFFICE
OFFICE OF POLICY DEVELOPMENT

ON
THE COORDINATION OF
DRUG ENFORCEMENT EFFORTS

BEFORE THE
SUBCOMMITTEE ON CRIME
COMMITTEE ON THE JUDICIARY
UNITED STATES HOUSE OF REPRESENTATIVES

FEBRUARY 17, 1983

DRAFT

Mr. Chairman and Members of the Subcommittee on Crime, it is a pleasure to appear before you today. We share a common concern: the problem of drug abuse in America. The subject of this hearing, the coordination of drug enforcement efforts, is a key element of the overall drug abuse program. During the past decade, a great deal of attention was placed on improving coordination between drug law enforcement agencies. Both new coordinating mechanisms and major reorganizations were used. The Drug Enforcement Administration (DEA) was created in 1973 as part of one such effort.

President Reagan has added an important element to the drug abuse effort. He has emphasized increasing the overall effectiveness of drug law enforcement by bringing all available Federal, State and local statutes, expertise and resources to bear on the full spectrum of drug trafficking and related criminal activities.

The special expertise in drug interdiction provided by the U.S. Customs Service, for example, is a product of their total mission, of which drug enforcement activities are only a part. The same is true for the U.S. Coast Guard and the Federal Bureau of Investigation. Other agencies, such as the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, the Immigration and Naturalization Service, the U.S. Marshals Service, the Federal Aviation Administration, and the Department of Defense each bring important resources and capabilities to the

total effort. These Federal agencies, working together, have a synergistic effect which could not be achieved by a single drug enforcement agency, regardless of its size.

Before I discuss drug law enforcement, I would like to give you a brief summary of the overall Federal Strategy which is guiding our drug abuse policy. In addition to enforcement activities which are part of the overall supply reduction effort, we also sponsor diplomatic efforts overseas and a major domestic effort to reduce the demand for illicit drugs.

President Reagan called drug abuse "one of the gravest problems facing us." His Administration has recognized from the outset that there is no simple answer to this national problem. The President's five point plan of action, as outlined in the 1982 Federal Strategy for Prevention of Drug Abuse and Drug Trafficking, includes:

- o International Cooperation - To eliminate illicit drugs at their source;
- o Drug Law Enforcement - To stop the drugs and apprehend those responsible for transporting and distributing illicit drugs;
- o Education and Prevention - To discourage drug and alcohol use among school-aged children, and to reduce the abuse of drugs in all age groups;
- o Detoxification and Treatment - To encourage use of the least expensive and most effective treatment methods to help the individual user learn to live without drugs; and
- o Research - To support basic and applied research and to disseminate the results in a timely and meaningful form.

The President's drug program also includes full support of the Department of Defense program to achieve a military force which is free of the effects of drug and alcohol abuse.

In addition to the Federal programs which are part of the Federal budget, the President has included private sector support by individuals and organizations as an integral part of the national drug abuse program. The President has called for every segment of our society, both public and private, to take action against the particular drug problems on which they can have the greatest impact. Cabinet officials, legislators, state governors, law enforcement officers, health care professionals, businessmen, community and civic leaders, professional sports associations, teachers, students, parents, and wives have responded, as concerned citizens, to the call.

As the President's drug adviser, my job is to ensure that the activities of all the agencies are consistent with the President's established policies and his national strategy, to provide coordination between the numerous agencies involved in all aspects of the total drug abuse program, and to stimulate private sector involvement. Department and agency heads are responsible for achieving the most effective and efficient use of the resources assigned to them by statute and the President. The consensus of department heads, agency heads and many observers is that existing interagency cooperation is the best they have ever seen.

Most importantly, we are making visible progress in the fight against drug abuse. According to the National Household Survey on Drug Abuse, the annual High School Senior Survey, and several independent surveys, the number of Americans who currently use various illicit drugs dropped significantly between 1979 and

1982. Daily use of marijuana among high school seniors declined to approximately the same level as in 1975. The rapid increase in cocaine use by young Americans (aged 12-25) during the late 1970's has leveled off. Other data indicate that the number of heroin addicts in the country remains relatively constant.

We still have an unacceptably high level of drug abuse in the United States. Drug related injuries and deaths have increased, primarily because of chronic use, increasing dose, more dangerous routes of administration (especially cocaine and heroin), and the use of combinations of drugs. Nevertheless, our efforts have established a foothold and we are working to accelerate the downward trend.

On October 2, 1982, President Reagan said, "The mood toward drugs is changing in this country and the momentum is with us. We're making no excuses for drugs, hard, soft or otherwise. Drugs are bad and we're going after them." The recent survey results confirm this mood change. The public is becoming aware of the hazards of drug abuse and its profound effects on our society, economy and future. We are no longer dealing only with heroin use in urban centers. The effects of drug abuse have reached into nearly every family and every community throughout the United States. This has led both to a widespread public demand for action against all drugs of abuse and a willingness on the part of individuals and organizations throughout the private sector to get involved in doing something about their immediate drug situation.

I am convinced that we have a rare opportunity to make real progress in reducing drug abuse in the United States and we must not fail to take advantage of the opportunity.

DRUG LAW ENFORCEMENT

Drug law enforcement is a key element of the Federal Strategy as part of the supply reduction effort. Each of the six Federal Strategies which have been published since 1973 have included strong law enforcement as an essential element of the drug abuse program. However, it would be wrong to suggest that interdiction or investigations, alone, provide the ultimate answer to drug abuse. We must have a broad effort directed at all links in the chain from producer to user. Stated simply, we must take the drugs away from the user through supply reduction efforts and take the user away from the drugs through prevention, education, and treatment.

Controls on narcotics and psychotropic substances have evolved from a patchwork of laws and agreements targeted at various segments of the drug supply chain, to complex international treaties and comprehensive Federal and state legislation which address all aspects of drug supply and demand. Since 1915, when the Bureau of Internal Revenue was assigned responsibility for enforcing the Harrison Narcotic Act, drug control in the United States has evolved from a domestic narcotic revenue collection matter to a sophisticated network of supply reduction and demand reduction efforts against many different drugs throughout the country and around the world. Our organization for drug law enforcement has evolved significantly during the past two decades.

An Advisory Commission on Narcotic and Drug Abuse was established by President Kennedy in the early 1960's to provide recommendations on the nations's drug problem. In 1963, the Commission recommended that the Federal Bureau of Narcotics (FBN) be transferred to Department of Justice; and a new unit be established in the Department of Health, Education and Welfare to regulate the licit distribution of narcotic and dangerous drugs and to determine their safety.

In early 1966, the Drug Abuse Control Amendments to the Food, Drug and Cosmetics Act were passed, providing control over depressant, stimulant and hallucinogenic drugs, requiring practitioner and manufacturer registration, and giving the Food and Drug Administration (FDA) enforcement powers. FDA established the Bureau of Drug Abuse Control (BDAC). By February 1966, the Federal Bureau of Narcotics, Customs and BDAC were enforcing the drug laws in our nation.

In 1968, under Reorganization Plan No. 1, BDAC and FBN were abolished and the Bureau of Narcotics and Dangerous Drugs (BNDD) was created in the Department of Justice. U.S. Customs retained smuggling jurisdiction.

In 1969, President Nixon sent a special message to Congress which called for fundamental revision of both Federal and state legislation to control what President Nixon called "this rising sickness in our land." The resulting Comprehensive Drug Abuse Prevention and Control Act of 1970 replaced more than 50 pieces of drug legislation patched together in as many years. Title II, the Controlled Substances Act, was built on new Constitutional

grounds, resting on the authority of the Congress to regulate interstate commerce. In response to the President's call for "a more coordinated effort," a companion piece of legislation, the Uniform Controlled Substances Act, was made ready to synchronize State drug laws.

In 1972, two offices were created within the Department of Justice, the Office of Drug Abuse Law Enforcement (ODALE) to attack drug trafficking at the street level, and the Office of National Narcotics Intelligence (ONNI) to coordinate the collection, analysis and dissemination of drug intelligence.

Continuing allegations of excessive competition and lack of cooperation between Federal drug law enforcement agencies led to a major reorganization in 1973 when the Drug Enforcement Administration (DEA) was established in the Department of Justice. Reorganization Plan No. 2 of 1973 transferred all of the Bureau of Narcotics and Dangerous Drugs, the U.S. Customs agents who were primarily involved in drug investigations, ODALE and ONNI, providing approximately 2,000 agents for the newly created DEA. The consolidation of drug enforcement forces under a single command did not eliminate charges of interagency rivalry and lack of cooperation. However, much of the continuing problem involved the absence of a clear dividing line between interdiction (anti-smuggling activities) and drug trafficking investigations. It should be noted that the same systemic problem allegedly existed prior to the reorganization as an internal matter between Customs investigators and Customs inspectors.

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Significant innovations have occurred in drug law enforcement during the past two years in response to the President's call for aggressive investigation and prosecution of all criminal activities associated with drug trafficking. Emphasis has been placed on cooperation between law enforcement officials and prosecutors at all levels of government. The Administration has created Law Enforcement Coordinating Committees across the country. For the first time in its history, the Federal Bureau of Investigation (FBI) entered into the fight against drugs. An exception to the Posse Comitatus Act now permits military assistance in identifying the drug traffic. The South Florida Task Force and the 12 Drug Enforcement Task Forces which are being established around the country have brought law enforcement and prosecutorial resources together in an integrated effort against the highest levels of the drug traffic in each area. As I stated earlier, the agency heads report that current inter-agency cooperation is the best they have ever seen.

EXECUTIVE OFFICE OVERSIGHT

At this point, I would like to address the Executive Office oversight function, with particular attention on drug law enforcement coordination. To put the present organization for oversight and coordination in perspective, I will present a brief historical review of the management of the Federal drug program.

The need for Executive Office oversight of the drug abuse program was recognized as far back as 1963 when the Advisory Commission on Narcotic and Drug Abuse recommended "the President appoint a Special Assistant for Narcotic and Drug Abuse from the

White House staff to provide continuous advice and assistance in launching a coordinated attack." The Special Assistant was to have general coordinating authority and the organizational responsibility to follow through on the evaluation and implementation of the Commission's recommendations.

From the beginning of the Nixon Administration, drug abuse policy was set by people working in the Executive Office of the President. The Special Action Office for Drug Abuse Prevention (SAODAP) was established as an Executive Office agency in 1971. However, the authorization expired in 1975 and some of the staff members were transferred to the National Institute on Drug Abuse, created in the Department of Health, Education and Welfare in 1974.

In early 1973, a separate Federal Drug Management Staff was created within the Office of Management and Budget. Cabinet Committees were established to coordinate activities for International Narcotics Control and Drug Law Enforcement. In addition, a Strategy Council was authorized by the Drug Abuse Office and Treatment Act of 1973, but was never fully implemented.

The Congress authorized and provided appropriations for an Office of Drug Abuse Policy (ODAP) in 1976 and ODAP was opened in March 1977. On March 31, 1978, ODAP was abolished and recreated as part of the Domestic Policy Staff, reporting to a Special Assistant to the President for Health Issues. The stated intent of the change was to integrate drug abuse policy into the mainstream of policy development within the Executive Office.

President Reagan has assigned drug abuse responsibilities to two Cabinet Councils and established the White House Drug Abuse Policy Office to provide coordination of the drug effort. The Cabinet Councils provide an excellent forum for the President to discuss drug abuse policy matters with his Cabinet members. Working Groups on Drug Supply Reduction and on the Drug Abuse Health Issues have been established under the Cabinet Councils to assist in implementation of Federal Strategy objectives.

On June 24, 1982, President Reagan signed Executive Order 12368, formally designating the Director of the Drug Abuse Policy Office in the White House Office of Policy Development as his adviser on drug abuse policy matters, responsible for White House oversight and coordination of all drug abuse matters.

As the Director of the Drug Abuse Policy Office, I am responsible for the overall coordination of drug abuse policies and overseeing all Federal domestic and international efforts to prevent drug abuse and drug trafficking. My responsibilities also include development of the Federal Strategy, overseeing its implementation, fostering cooperation among the agencies, mediating problems and seeking support for the President's drug program.

To assist in coordinating all elements of the Federal drug abuse program, including international control, drug law enforcement and the health agencies, I have established the Oversight Working Group. The Oversight Working Group is comprised of senior officials from eleven agencies, including the Administrator, Drug Enforcement Administration; the Commissioner,

U.S. Customs Service; the Commandant, U.S. Coast Guard; the Director, Federal Bureau of Investigation; the Director, Bureau of Alcohol, Tobacco and Firearms; the Deputy Assistant Secretary of Defense for Drug and Alcohol Abuse; the Chief, Department of Justice Narcotics and Dangerous Drugs Section; the Director, National Institute on Drug Abuse; the Director, National Institute on Alcohol Abuse and Alcoholism; the Commissioner, Food and Drug Administration; and the Assistant Secretary of State for International Narcotics Matters.

The group meets with me each month and the agenda includes a monthly progress report on operations and ongoing issues. We discuss anticipated policy and management issues and identify how the members can assist each other.

I believe that the current Executive Office system for oversight and coordination of the drug abuse program is working well. This system was set up by the President and I am confident his keen interest and personal support will insure its continued success.

OTHER COORDINATION ACTIVITIES

Other mechanisms and initiatives exist which involve coordination of specific elements of the drug program. I shall briefly mention a few of these which contribute to coordination of law enforcement activities at the operational level.

The Attorney General has created Law Enforcement Coordinating Committees (LECC's) in each of the 94 Federal judicial districts -- a network covering the entire nation. The heads of Federal, State and local prosecutorial and law enforcement agencies in the

area are members and work together to focus all available resources on the most serious crimes in each district. In virtually every district, the LECC's have identified drug trafficking as the single worst problem facing all levels of law enforcement. Major investigations are coordinated from their inception in order to ensure the highest possible rate of conviction for drug traffickers, the seizure of their assets and ultimate destruction of their criminal organizations.

On January 21, 1982, the Attorney General assigned to the FBI concurrent jurisdiction with DEA to investigate drug law enforcement and assigned to the Director of the FBI general supervision over drug law enforcement efforts and policies. Since that time, the carefully planned implementation of procedural guidelines and completion of cross training are resulting in full integration of FBI resources and expertise into drug investigative activities. The Attorney General recently reported that the FBI had less than 100 significant drug investigations underway in January 1982 and one year later, in January 1983, had 1,115 significant drug investigations underway.

The South Florida Task Force was created by President Reagan on January 28, 1982, to address the special problems of drug trafficking and related crime in the South Florida area. Vice President Bush heads the Task Force which is an exemplary cooperative effort by the Drug Enforcement Administration; U.S. Customs Service; U.S. Coast Guard; Federal Aviation Administration; Federal Bureau of Investigation; Internal Revenue Service; Bureau of Alcohol, Tobacco and Firearms; U.S. Attorney's Office; U.S. military personnel; and State and local authorities.

On October 14, 1982, President Reagan announced a major new program, headed by the Attorney General, to combat drug trafficking by organized crime. Twelve joint investigative task forces have been established across the country, in addition to the South Florida Task Force. Guidelines for the Drug Enforcement Task Forces were developed jointly by the agencies involved, including the Federal Bureau of Investigation, the Drug Enforcement Administration, the U.S. Attorneys, the Internal Revenue Service, the U.S. Customs Service, and the Bureau of Alcohol, Tobacco and Firearms. The task forces will be at full strength by the end of the summer and represent an immediate infusion of resources to priority drug trafficking investigations in each core area.

SUMMARY

We have an extremely efficient system for coordination of the entire Federal drug effort. President Reagan provides strong personal leadership. An effective mechanism is in place to ensure operational coordination and to bring major difficulties promptly to the President's attention at the Cabinet Council on Legal Policy and the Cabinet Council on Human Resources. Policy oversight and coordination is provided by the Director of the Drug Abuse Policy Office. The Cabinet Council Working Groups on Drug Supply Reduction and Drug Abuse Health Issues work in close cooperation with their respective Cabinet Councils and with the Drug Abuse Policy Office.

The system works well. The spirit of cooperation and innovation is apparent at all levels, from the Executive Office

of the President and the Cabinet members to the agency heads and individual law enforcement officers and support personnel.

The President has assigned a high priority to the total drug abuse program and has provided strong personal leadership in supporting each area, including international cooperation, drug law enforcement, and drug abuse health activities. I would like to reiterate that a key element of the President's drug abuse program is to bring to bear all available Federal, State and local resources, including private sector support, in fighting drug abuse. Most importantly, we are making progress in the fight against drug abuse.

I encourage and welcome your support. Working together we can do much toward eliminating drug abuse in the United States.

- - -

THE WHITE HOUSE

WASHINGTON

February 22, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS *JGR*

SUBJECT: Proposed Testimony of Stan Morris
on Justice System Improvement Act

Stan Morris has submitted testimony he proposes to deliver on February 23 before the House Judiciary Committee Subcommittee on Crime. The testimony details the work of the Bureau of Justice Statistics (BJS) and the National Institute of Justice (NIJ), indicates Administration support for what is essentially a "mini-LEAA" program, and describes the Administration proposal to create an Office of Justice Assistance headed by a new Assistant Attorney General. The testimony is occasioned by the imminent (September 30) expiration of the programs authorized by the Justice Systems Improvement Act, including BJS and NIJ.

1. The review of the work of BJS and NIJ is generally non-controversial, except for a reference to the recent NIJ exclusionary rule study. This study found that 30% of those arrested for drug felonies in Los Angeles in 1981 were released because of perceived exclusionary rule problems. The study, referred to in President Reagan's speech on Friday before the Conservative Political Action Conference, refutes the implications of a previously much-touted GAO study on court dismissals of federal prosecutions because of the exclusionary rule. The NIJ study is being used in the Administration campaign to reform the exclusionary rule, and unsympathetic subcommittee members may view it as evidence of the "politicization" of the research and statistics agencies within DOJ.

2. Morris states that the Administration agreed, after meetings with the Subcommittee Chairman and Ranking Minority Member, and members of the Senate, "to endorse the concept of a modest, highly targetted program of assistance to state and local criminal justice operating from within a streamlined and efficient organizational structure." The proposal he details calls for proportional allocation to each state of 50/50 Federal matching funds, the Federal funding of any project to last no more than three years.

3. The reorganization proposal would establish the Office of Justice Assistance, headed by a new Assistant Attorney General. The Office would supervise BJS, NIJ, and a new Bureau of Justice Programs (BJP), each headed by a director appointed by the Attorney General. BJP would administer the new mini-LEAA program. The new Assistant Attorney General would be advised by a board appointed by the President, which would replace the current separate Presidential boards advising NIJ and BJS.

The current situation at BJS and NIJ is intolerable. Presidential appointees or prospective Presidential appointees -- the directors of NIJ and BJS -- report to the Attorney General through a career official, the Acting (for two years) Director of the Office of Justice Assistance, Research, and Statistics (OJARS). Apparently the appointment of a new OJARS director has been postponed pending the reorganization described in this testimony. I see no objection to the contemplated reorganization, but the Congress may object to having NIJ, BJS, and BJP directors appointed by the Attorney General rather than the President, since this removes the Senate's advice and consent role over what can be sensitive positions. In this regard, it may be advisable to have Morris delete the paragraph-long reference to NIJ's exclusionary rule study, since that reference highlights the political sensitivity of the area. I do not, however, feel strongly about this. I can call Morris with the suggested deletion if you agree.

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Name of Correspondent: Stanley E. Morris
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Subject: Statement before the Subcommittee on Crime, Committee on
the Judiciary concerning Reauthorization of the Justice
System Improvement Act

ROUTE TO:

ACTION

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Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>W/Halland</u>	ORIGINATOR	<u>83.02.17</u>			<u>1 1</u>
<u>LUAT18</u>	Referral Note: <u>A</u>	<u>83.02.17</u>		<u>S</u>	<u>83.02.22</u>
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STATEMENT
OF
STANLEY E. MORRIS
ASSOCIATE DEPUTY ATTORNEY GENERAL
U.S. DEPARTMENT OF JUSTICE
BEFORE THE
SUBCOMMITTEE ON CRIME
COMMITTEE ON THE JUDICIARY
U.S. HOUSE OF REPRESENTATIVES
CONCERNING
REAUTHORIZATION OF THE
JUSTICE SYSTEM IMPROVEMENT ACT

FEBRUARY 23, 1983

Mr. Chairman, I am pleased to present the views of the Department of Justice concerning the proposed reauthorization of the Justice System Improvement Act.

As you know, the current programs authorized by the JSIA, including the criminal justice research and statistics programs, will expire next September 30th. Consequently, we share the Subcommittee's sense of urgency and commitment to the enactment of reauthorizing legislation. We also share your interest in designing a new Federal effort to assist state and local criminal justice agencies in their battle against violent crime and the criminal element responsible for a major portion of the serious crimes in our Nation.

Before I discuss the Administration's proposal for the future of the JSIA agencies, the Subcommittee may be interested in a brief review of the recent and current activities of the Bureau of Justice Statistics and the National Institute of Justice.

Since its inception, the Bureau of Justice Statistics (BJS) has taken major steps toward meeting its statutory mandate. Specifically, it maintains major on-going national statistical series, supports state statistical analysis centers; informs the Administration, Congress and the public concerning issues in criminal justice; expanded its analytic function in support of

Departmental policy making; established Federal criminal and civil justice statistical series; developed national criminal justice statistical policy; completed state and local information system development efforts; and, evaluated its own and other major Department of Justice statistical programs.

BJS has become the national repository of criminal justice information, either by initiating new statistical series or by assuming responsibility for on-going data programs from other Federal agencies. Perhaps the best known BJS data program is the National Crime Survey, which provides victimization data on the extent and severity of crime in America and which is the third largest survey sponsored by the Federal Government. Other major data programs and statistical series now sponsored by BJS include the National Prisoner Statistics, National Court Statistics, the Uniform Parole and National Probation Reports, and the Expenditure and Employment series which provides information on the expenditures, manpower and total operation costs of state and local criminal justice systems. These and the other national BJS programs provide extensive coverage of all aspects of the administration of justice.

In creating the Bureau of Justice Statistics, the Congress directed that attention be given to the problems of state and local justice systems. In addition to the scope and coverage of

the national statistics, BJS meets this responsibility through cooperative agreement programs with state statistical analysis centers and uniform crime reporting agencies. The Bureau now supports a state statistical capability in over forty states which provides information services and policy recommendations on criminal justice matters to the Governors and legislatures of these jurisdictions. The Bureau also assists the operation of uniform crime reporting programs, also in over forty states, in order to facilitate the submission and improve the quality of arrest and clearance data submitted to the Federal Bureau of Investigation by local police agencies.

After over a decade of developing criminal justice data bases, the Bureau is now placing its primary emphasis on the analysis, publication, and wide dissemination of the data. The Bureau now produces topical Bulletins and Reports to provide brief, concise, and non-technical interpretations of the key data bases; such publications include Households Touched by Crime, Characteristics of the Parole Population, Sourcebook of Criminal Justice Statistics, Crime and the Elderly, and Violent Crime by Strangers. It has initiated focused analytical projects that utilize the Bureau's major data programs and statistical series to address topics of particular relevance to policy makers at all levels of government, including career criminals and recidivism, sentencing, bail reform, and plea bargaining. BJS also supports

a national criminal justice data archive to assist outside academic analysis of its data bases.

Having been at the forefront of developments related to the security, privacy, and confidentiality of criminal justice records and histories, BJS will continue to focus on issues in information policy such as the interstate exchange of criminal records, disclosure to adult courts of the juvenile justice records of violent juvenile offenders, new kinds of white collar crime appearing as computer and data communications technology advances and matures, and related fraud and abuse issues.

In perhaps its two most important efforts, the Bureau is now supporting and directing evaluations of the Uniform Crime Reports program of the Federal Bureau of Investigation and its own National Crime Survey of personal and household victimizations. Implementation of the findings and recommendations of these assessments in 1985-1986 will enhance this nation's two most important indicators of the extent and magnitude of crime behavior in American society.

The National Institute of Justice is the research arm of the Department of Justice. It conducts research, development, evaluation and dissemination activities aimed at increasing knowledge about the causes and control of crime and improving the

effectiveness of the criminal justice system. During the past year, the Institute has made fundamental changes in the way it sets its research agenda in order to better bridge the gap between theory and practice. We expect these efforts to continue under the administration's reauthorization proposal.

In the spring of 1982, the Department began a process to better sharpen and focus its research programs by convening under the auspices of the National Academy of Sciences a panel to recommend priorities for research and to suggest how research could be better managed. The report prepared by the panel was widely circulated to criminal justice practitioners.

The panel report and the practitioner responses were reviewed and the conclusion was drawn that a very wide gulf had developed that needed to be closed if research was going to fulfill its real potential to influence criminal justice policy and decisionmaking. Further meetings were held between the Board and Institute staff members at Atlanta and New Orleans. The Institute's research agenda for the next two years is now being prepared on the basis of this input.

The Institute also has undertaken several other initiatives designed to enhance the impact of research resources. In January of this year, a \$1.8 million award was made to the Police

Foundation to conduct an 18-month experiment in two cities designed to reduce the fear of crime in inner-city neighborhoods, preserve commercial vitality in these areas, and have an impact on the crime rate itself. Based in Houston and Newark, the project will involve citizens and police working together in formulating and implementing strategies to reduce the fear of crime and to test the premise that citizens can regain control of their streets and neighborhoods from the violent criminal.

Earlier, the results of the Institute's six-year study by the RAND Corporation on career criminals were released at the first Annual Repeat Offender Conference jointly sponsored by the Institute and the State of Maryland. This research corroborates earlier findings that a relatively few offenders commit a larger amount of crime. The research provides evidence of the magnitude of crime committed by a relatively few violent predators. The study goes beyond existing knowledge in identifying some of the characteristics of these offenders that police, prosecutors, judges, and parole officials may ultimately be able to use to identify them and make more informed judgements about their disposition and treatment.

The Institute has also in the past year attempted to divert some of its staff resources to short-term studies designed to illuminate the debate over implementation of policy at the

national level. A recent study was completed by the Institute on the impact of the exclusionary rule in California. It shows that a significant number of felony cases declined for prosecution were rejected because of search and seizure problems. The NIJ study indicates that effects of the exclusionary rule were concentrated on felony narcotics cases. Approximately half of the defendants released because of the exclusionary rule were rearrested an average of three times each within two years for new offenses. The study is cited in the amicus curiae brief prepared by the Department of Justice in Gates vs. Illinois.

The Institute also is taking steps to improve its dissemination efforts and to achieve greater implementation of research results at less cost. Toward this end a two-day seminar on crime prevention was recently held in Detroit. At the seminar, an Institute-sponsored study "Partnerships for Neighborhood Crime Prevention" was released. The 67-page report is based on a survey of 59 crime prevention programs across the country, some of which have prompted actual crime reduction and can be replicated in other urban neighborhoods.

Violent crime has been consistently shown to be a national problem of major proportions, both in the number of violent crimes committed annually and in the public perception of crime as a leading personal concern. The national news media have

given unusual prominence to the problem of crime, heightening public awareness of its magnitude and sustaining the public's demand for effective action by government at all levels.

The burden of dealing with the so-called "fear crimes" falls almost entirely on state and local governments, which increased their expenditures for criminal justice by 146 percent during the 1970's. State and local governments account for 87 percent of the total expenditures for criminal justice, while the Federal Government accounts for 13 percent. Consequently, in periods of runaway inflation such as we experienced in the late 1970's and the difficult economic readjustment period of the early 1980's, the disparity between needs and available resources is magnified, particularly with regard to maintenance of the capacity for effective law enforcement.

In recognition of these factors, the Administration agreed, following meetings with the Subcommittee Chairman and Ranking Minority Member and members of the Senate, to endorse the concept of a modest, highly targetted program of assistance to state and local criminal justice operating from within a streamlined and efficient organizational structure. We do not advocate a return to the past by resurrecting the former LEAA program of across the board "criminal justice improvement". Instead, we propose a new beginning which incorporates the lessons learned from the LEAA

experience and sharpens the focus of the Federal effort, so that the limited available resources can be brought to bear on a limited number of high-priority objectives. Those objectives can be summarized as violent crime, repeat offenders, and crime prevention.

As presently structured, the assistance program merited wide ranging criticism. It was too broadly targetted, providing funds for all aspects of the criminal justice system; bound in red tape generated by extensive, statutorily mandated administrative requirements; costly, because of both the complex funding formulas prescribed in the Act and the unrealistically ambitious objectives of the program; and cast in an inefficient and ambiguous administrative structure.

The state and local financial assistance portion of the Act, the old LEAA program, has been phased out. No funds for that activity had been appropriated since FY 1980. The prior history of LEAA, however, provides us with some important lessons. It shows, for example, that after the expenditure of \$8 billion over 12 years, money alone was not the answer to the problem of crime. It demonstrated that a program whose priorities were unclear and constantly shifting resulted in scattershot funding with minimal payoff. And the history indicates that overly detailed statutory and regulatory specification produces

mountains of red tape but little progress in the battle against crime.

On the positive side, we have learned that the concept of Federal seed money for carefully designed programs does work and can result in a high rate of cost assumption by state and local governments: that a small amount of Federal money can be an invaluable resource for innovation at the state and local levels.

The Administration proposal is designed to reflect an appreciation for these lessons and to embody the program concepts agreed upon last year in the discussions between members of the Subcommittee, the Senate and representatives of the Administration. Moreover, evidence of the durability of the Administration's commitment can be found in the FY 1984 budget proposal submitted to the Congress last month.

I would like to highlight the key provisions and objectives of the Administration proposal.

The proposal would establish an Office of Justice Assistance (OJA), headed by an Assistant Attorney General. Within this Office would be three separate units - the Bureau of Justice Statistics (BJS), the National Institute of Justice (NIJ), and a new Bureau of Justice Programs (BJP) - each headed by a director

appointed by the Attorney General. The directors would be responsible for the day-to-day management of their units and would have grantmaking authority, subject to the coordination and policy direction of the Assistant Attorney General. LEAA and the Office of Justice Assistance, Research, and Statistics would be abolished.

Both the National Institute of Justice and the Bureau of Justice Statistics would continue to carry out justice research and statistical programs as authorized in the current statute. The Bureau of Justice Programs would administer the new technical and financial assistance program.

Advising the Assistant Attorney General would be a Justice Assistance Advisory Board appointed by the President. This board, replacing the two separate boards advising NIJ and BJS, would consider the full range of criminal justice issues and policies, rather than the compartmentalized consideration of only research, or only statistical programs.

Under the Administration proposal, the BJP would have the responsibility to provide technical assistance, training and funds to state and local criminal justice and nonprofit organizations. This assistance would be provided through a combination of block and discretionary grant funds.

Under the block grant provision, each State would receive an allocation based on its relative population with the requirement that a proportional share of the funds be passed-through to local governments. The Federal funds would be matched 50/50 and individual projects would be limited to no more than three years of Federal assistance. The use of these funds would be limited to specific types of activities based on program models with a demonstrated track record of success.

The discretionary funds would focus on technical assistance, training and multi-jurisdictional or national programs, all related to the same objectives specified for the block grant funds. In addition, discretionary funds may be used for demonstration programs to test the effectiveness of new ideas.

The Administration proposal strips away the complex and burdensome application submission and review processes required under the current legislation. It retains only those administrative provisions necessary to exercise appropriate stewardship over public funds and to assure that the funds are being effectively used for the purposes identified in the proposal.

The proposal would also require a single, comprehensive annual

report and it would establish an emergency assistance program to aid state or local jurisdictions confronted by unique law enforcement problems.

I hope, Mr. Chairman, that you recognize in my description of the Administration proposal the many similarities it bears to H.R. 1338. When you have the opportunity to examine the text of the proposed legislation you will see that we have drawn much of the language directly from H.R. 1338 and its predecessor in the past Session of Congress. Where differences exist, we believe they can be justified in favor of the Administration proposal. More importantly, we want to work with you, Mr. Sawyer, and others who share our objective of assisting state and local law enforcement through a program targetted on those aspects of the crime problem which are of major concern to public officials and the public we serve.

I will be pleased to respond to any questions you may have.

THE WHITE HOUSE

WASHINGTON

February 22, 1983

MEMORANDUM FOR FRED F. FIELDING

FROM: JOHN G. ROBERTS

SUBJECT: Proposed Testimony of Gary Liming, Deputy
Assistant Administrator of DEA, on Organized
Crime in the Mid-Atlantic Region

The above-referenced testimony is scheduled to be delivered February 23 before the Permanent Subcommittee on Investigations of the Senate Committee on Governmental Affairs. The testimony concerns two themes: the involvement of Mid-Atlantic Mafia families and the Pagan motorcycle gang in drug trafficking. It describes the drug dealings of the New Jersey Gambino family and the links between this family and Sicilian heroin sources. The testimony also covers the growing involvement of the Philadelphia Bruno family in methamphetamine production and distribution. Finally, the testimony describes the growth, organization, and activities of the Pagan motorcycle gang, founded in Prince George's County 24 years ago, and now active throughout the Mid-Atlantic area. I see no legal objection to the testimony.

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Subject: _____ Statement on Organized Crime-Mid-Atlantic Region _____

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<u>CW Holland</u>	ORIGINATOR	<u>83.02.21</u>			<u>1 / 1</u>
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DRAFT

STATEMENT OF

GARY D. LIMING
DEPUTY ASSISTANT ADMINISTRATOR FOR INTELLIGENCE

DRUG ENFORCEMENT ADMINISTRATION
U.S. DEPARTMENT OF JUSTICE

ON

ORGANIZED CRIME - MID-ATLANTIC REGION

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
UNITED STATES SENATE

WILLIAM V. ROTH, JR., CHAIRMAN
FEBRUARY 23, 1983

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I AM PLEASED TO APPEAR BEFORE YOU TODAY. IT IS APPROPRIATE THAT DISCUSSIONS REGARDING ORGANIZED CRIME INCLUDE THE DRUG ENFORCEMENT ADMINISTRATION (DEA) SINCE DRUG TRAFFICKING IS INHERENTLY AN "ORGANIZED" CRIME, INVOLVING SOPHISTICATED GROUPS FROM A VARIETY OF ETHNIC, CULTURAL, AND GEOGRAPHIC BACKGROUNDS. AT ANY POINT IN TIME, GROUPS FROM DIVERSE BACKGROUNDS ARE ENGAGED IN ORGANIZED CRIME TO VARYING DEGREES. DEA MAINTAINS THE FLEXIBILITY TO TARGET THE MOST SIGNIFICANT INDIVIDUALS AND GROUPS, WHOEVER THEY MAY BE. IT IS THESE HIGHLY SOPHISTICATED GROUPS THAT DEA CONSIDERS TO BE ORGANIZED CRIME. DEA RECORDS INDICATE THAT, DURING FY-82, A TOTAL OF 12,183 DRUG TRAFFICKERS WERE ARRESTED OF WHICH 2,119 WERE MAJOR VIOLATORS. THIS IS A SMALL PERCENTAGE OF THE LEADING FIGURES BEHIND THE BILLIONS OF DOLLARS IN RETAIL DRUG SALES MADE IN THE UNITED STATES ANNUALLY. DRUG TRAFFICKING, AS WELL AS A MYRIAD OF OTHER CRIMES, INCLUDING PROSTITUTION, COUNTERFEITING, THEFT, ASSAULT, AND MURDER, IN WHICH ORGANIZED CRIME ENGAGES, HAS A DEVASTATING EFFECT ON OUR SOCIETY AND ECONOMY.

IN THE UNITED STATES, THERE ARE BETWEEN 25-30 COMPLEX CRIMINAL ORGANIZATIONS ASSOCIATED WITH EACH OTHER IN WHAT IS KNOWN AS THE AMERICAN MAFIA, THE MOB, THE SYNDICATE, OR LA COSA NOSTRA. THESE GROUPS OPERATE EXTENSIVE, SOPHISTICATED, POWERFUL DRUG TRAFFICKING NETWORKS AND POSE A SERIOUS THREAT TO DRUG LAW ENFORCEMENT FOR SEVERAL REASONS:

- O AS YOU ARE AWARE, TRADITIONAL ORGANIZED CRIME ORGANIZATIONS ARE USUALLY BOUND BY BLOOD AS WELL AS BY PHILOSOPHY. IN THE UNITED STATES IT FREQUENTLY DIRECTS ITS BUSINESSES IN MUCH THE SAME MANNER AS RELATIVES LEAD THE CLANS IN SICILY AND OTHER PARTS OF ITALY. OFTEN, SICILIAN AND OTHER ITALIAN ORGANIZED CRIME HEROIN SOURCES OF SUPPLY WILL ONLY DEAL WITH THOSE U.S. CUSTOMERS BOUND BY BLOOD.
- O BECAUSE OF THE EXTREMELY SECRETIVE NATURE OF THESE GROUPS, LAW ENFORCEMENT OFTEN FINDS IT DIFFICULT TO PENETRATE THEIR DRUG TRAFFICKING OPERATIONS.
- O TRADITIONAL ORGANIZED CRIME IS ALSO INVOLVED WITH A MULTITUDE OF LEGITIMATE AND ILLEGITIMATE BUSINESSES, WHICH ARE USED TO MEET THE NEEDS OF DRUG TRAFFICKING OPERATIONS. IN SOME INSTANCES, TRADITIONAL ORGANIZED CRIME CAN CONTROL THE DRUGS FROM THE TIME OF ENTRY, UNTIL THEY REACH THE STREET MARKET. OTHER DRUG ORGANIZATIONS OFTEN PAY "TRIBUTE" TO TRADITIONAL ORGANIZED CRIME FAMILIES WHICH CONTROL THE GEOGRAPHIC AREAS AND MEANS OF TRANSPORTATION THE TRAFFICKERS MUST USE TO CONDUCT THEIR ACTIVITIES. THIS NOT ONLY PROVIDES TRADITIONAL ORGANIZED CRIME WITH ADDITIONAL INCOME, BUT ALSO WITH AN INFLUENCE OVER AN IMPORTANT PORTION OF THE DRUG TRADE IN THE UNITED STATES.

DURING THE LAST SEVERAL YEARS, LAW ENFORCEMENT AGENCIES HAVE MADE SIGNIFICANT STRIDES TOWARDS THE DISRUPTION OF TRADITIONAL ORGANIZED CRIME'S INVOLVEMENT IN DRUG TRAFFICKING. FOR EXAMPLE, LAW ENFORCEMENT OFFICIALS IN THE UNITED STATES, ITALY, AND OTHER FOREIGN COUNTRIES RECENTLY JOINED FORCES TO BREAK UP AN INTRICATE CONSPIRACY WHICH INVOLVED ITALIAN ORGANIZED CRIME GROUPS IN ITALY THAT WERE SMUGGLING HEROIN INTO THE UNITED STATES TO RELATIVES AND ASSOCIATES IN AMERICAN TRADITIONAL ORGANIZED CRIME FAMILIES. WE BELIEVE THAT ONE OF THE PRIMARY RECIPIENTS OF THIS HEROIN WAS THE NEW JERSEY GAMBINO FAMILY, LED BY THE BROTHERS ROSARIO AND GIUSEPPE.

ALTHOUGH RELATED TO THE LATE CARLO GAMBINO FAMILY OF NEW YORK, THE NEW JERSEY GAMBINO DRUG OPERATIONS ARE INDEPENDENT FROM THE NEW YORK FAMILY. THERE ARE DIRECT LINES OF COMMUNICATION AND INFLUENCE BASED ON ACTUAL BLOOD TIES BETWEEN THE NEW JERSEY GAMBINOS AND OTHER TRADITIONAL ORGANIZED CRIME FAMILIES IN NEW YORK. GAMBINO FAMILY MEMBERS OWN SIGNIFICANT INTERESTS IN THE PIZZA INDUSTRY IN SOUTH JERSEY AND PARTS OF PENNSYLVANIA. THESE BUSINESSES HAVE BEEN USED FOR CONCEALING ILLEGAL SICILIAN IMMIGRANTS, FOR LAUNDERING MONEY AND FOR STORING DRUGS. THEY ARE KNOWN TO HAVE EMPLOYED ILLEGAL ALIENS AND OTHER NON-FAMILY MEMBERS WHO WERE MORE EXPERIENCED IN DRUG TRAFFICKING TO SMUGGLE HEROIN INTO AND TRANSPORT IT WITHIN THE UNITED STATES.

THE GAMBINO'S DID NOT ESTABLISH THEMSELVES IN THE LARGE URBAN AREAS AS DID THEIR OLDER RELATIVES. INSTEAD, THEY ESTABLISHED BOTH LEGITIMATE AND ILLEGITIMATE BUSINESSES IN THE SUBURBS OF NEW JERSEY. THEY ARE CURRENTLY HEADQUARTERED IN CHERRY HILL, NEW JERSEY. THIS MOVE FROM LARGE URBAN CENTERS IS ALSO EVIDENT AMONG OTHER TRADITIONAL ORGANIZED CRIME FAMILIES THROUGHOUT THE UNITED STATES.

IN MARCH 1980, GIUSEPPE AND ROSARIO GAMBINO WERE ARRESTED IN THEIR CHERRY HILL RESTAURANT AND CHARGED WITH PARTICIPATING IN AN INTERNATIONAL HEROIN SMUGGLING OPERATION AFTER POLICE IN MILAN, ITALY, CONFISCATED 41.5 KILOGRAMS OF HEROIN DESTINED FOR THE UNITED STATES. THE HEROIN HAD AN ESTIMATED STREET VALUE OF ABOUT \$60 MILLION. ONE OF THE SUSPECTS ARRESTED IN ITALY HAD OWNED AND MANAGED PIZZA SHOPS IN NEW JERSEY AND PENNSYLVANIA. YOU ARE PROBABLY AWARE THAT THE GAMBINO BROTHERS WERE RECENTLY ACQUITTED OF CHARGES RELATING TO THIS SEIZURE.

THE GAMBINO'S MAY ALSO HAVE BEEN THE INTENDED RECIPIENTS FOR ONE OR MORE OF THE SHIPMENTS OF HEROIN SEIZED FROM ALITALIA FLIGHTS FROM ITALY AT JFK INTERNATIONAL AIRPORT. THE ALITALIA CASES CONSIST OF SIX SEPARATE INCIDENTS BETWEEN DECEMBER 1977 AND OCTOBER 1980 IN WHICH APPROXIMATELY 31 KILOGRAMS OF HIGH QUALITY SOUTHWEST ASIAN HEROIN WAS SEIZED. COMPLICITY OF ALITALIA EMPLOYEES WAS FOUND IN SEVERAL CASES AND SUSPECTED IN OTHERS.

WE BELIEVE THAT GAMBINO FAMILY ASSOCIATES RESIDING IN SOUTH JERSEY CONTINUE TO BE INVOLVED IN THE INTERNATIONAL HEROIN TRAFFIC.

THE REASONS FOR THE MARCH 21, 1980, ASSASSINATION OF ANGELO BRUNO, LEADER OF THE PHILADELPHIA ORGANIZED CRIME FAMILY FOR TWO DECADES, HAVE NOT YET BEEN DETERMINED. NO ONE HAS BEEN ARRESTED FOR THAT MURDER. BRUNO ALLEGEDLY TRIED TO PREVENT HIS PEOPLE FROM DEALING DRUGS AND HIS DEATH COULD HAVE BEEN CAUSED BY INTERNAL FAMILY DIFFERENCES OVER WHETHER TO BECOME INVOLVED IN THE HEROIN, COCAINE, AND METHAMPHETAMINE TRAFFIC. THE SUBSEQUENT GANGLAND-STYLE MURDERS IN PHILADELPHIA ARE BELIEVED TO BE THE RESULT OF A CONTINUING STRUGGLE FOR CONTROL OF THE FAMILY.

IT IS NOW EVIDENT THAT THE BRUNO FACTION ADVOCATING INVOLVEMENT IN DRUGS HAS THE UPPER HAND IN THIS STRUGGLE. ALTHOUGH THERE CONTINUE TO BE STRONG INDICATIONS THAT HIGH LEVEL BRUNO FAMILY ASSOCIATES ARE INVOLVED IN HEROIN TRAFFICKING IN THE PHILADELPHIA/ SOUTH JERSEY AREA, AND THAT THEY ARE NEGOTIATING FOR COCAINE AND MARIHUANA SHIPMENTS, THEY ARE PREDOMINANTLY INVOLVED IN THE MANUFACTURE AND DISTRIBUTION OF METHAMPHETAMINE. FAMILY MEMBERS ARE ACTIVELY ENGAGED IN MANUFACTURING P2P, AS WELL AS IDENTIFYING NEW OVERSEAS SUPPLIERS FOR THIS PRECURSOR CHEMICAL THAT IS ESSENTIAL TO METHAMPHETAMINE PRODUCTION.

IN FACT IT IS IN THE AREA OF DANGEROUS DRUG TRAFFICKING THAT THESE TRADITIONAL ORGANIZED CRIME FAMILIES BECAME INVOLVED WITH ANOTHER GROUP THAT HAS RECEIVED A GREAT DEAL OF ATTENTION DURING THESE HEARINGS, THE PAGAN MOTORCYCLE CLUB.

THE PAGANS AND SEVERAL TRADITIONAL ORGANIZED CRIME FAMILIES OPERATE IN CLOSE PROXIMITY IN VARIOUS LOCATIONS IN THE MID-ATLANTIC REGION, BUT FRICTION IS AVOIDED BY THE FACT THAT THE TWO GROUPS HAVE SEPARATE TERRITORIES AND ALSO BY THEIR FEAR OF ONE ANOTHER. DURING THE 1970'S, THE TRADITIONAL ORGANIZED CRIME FAMILIES IN THE MID-ATLANTIC STATES DID NOT EXERT SUFFICIENT CONTROL AND THE PAGANS WERE CONSEQUENTLY ALLOWED TO GAIN A STRONGHOLD IN THE AREA. SINCE THAT TIME THE TWO GROUPS HAVE OCCASIONALLY COOPERATED FOR MUTUAL FINANCIAL GAIN ON VARIOUS ENDEAVORS INCLUDING THE DISTRIBUTION OF METHAMPHETAMINE. THERE IS CURRENTLY NO OPEN RIVALRY BETWEEN THE PAGANS AND TRADITIONAL ORGANIZED CRIME FIGURES, ALTHOUGH THERE IS SOMETIMES OPEN CONFRONTATION BETWEEN THE PAGANS AND OTHER OUTLAW GROUPS.

THE PAGANS ARE ONE OF THE FOUR MOST SIGNIFICANT OUTLAW MOTORCYCLE GANGS IN THE UNITED STATES. A NUMBER OF SMALLER GROUPS, SUCH AS THE BREED AND THE WARLOCKS, OPERATE IN THE MID-ATLANTIC REGION, BUT THE PAGANS ARE THE MAJOR MOTORCYCLE GANG IN THE AREA. THE ORGANIZATION ORIGINATED IN PRINCE GEORGE'S COUNTY, MARYLAND, IN 1959 AND SINCE THAT TIME IT HAS EXPANDED ALONG THE ENTIRE NORTHEAST COAST OF THE UNITED STATES. THE CENTER

OF INFLUENCE CONTINUED TO BE THE BALTIMORE-WASHINGTON, D. C., AREA UNTIL 1975 WHEN THE CLUB'S HEADQUARTERS WAS MOVED TO MARCUS HOOK, PENNSYLVANIA, FOLLOWING THE ARREST OF SEVERAL MEMBERS INVOLVED IN A MASS MURDER IN VIRGINIA. AFTER A MASSIVE LAW ENFORCEMENT EFFORT DIRECTED AGAINST THE PAGANS IN PENNSYLVANIA RESULTED IN NUMEROUS ARRESTS ON DRUG AND FIREARMS CHARGES ABOUT A YEAR LATER, THE HEADQUARTERS WAS AGAIN MOVED, THIS TIME TO ISLIP, LONG ISLAND, NEW YORK.

ALTHOUGH THERE IS SOME DISAGREEMENT AMONG LAW ENFORCEMENT OFFICIALS AS TO THE LOCATIONS OF CHAPTERS, IT IS GENERALLY AGREED THERE ARE 40 TO 45 CHAPTERS NATIONWIDE, AT LEAST 26 OF WHICH ARE IN THE FOUR STATE AREA OF NEW JERSEY, PENNSYLVANIA, DELAWARE, AND MARYLAND. SOME CITIES HAVE MORE THAN ONE CHAPTER, SUCH AS PITTSBURGH, PENNSYLVANIA, WHICH IS REPUTED TO HAVE FOUR SEPARATE CHAPTERS. IT HAS BEEN DIFFICULT, HOWEVER, TO ASSOCIATE MEMBERS WITH A SPECIFIC CHAPTER SINCE MEMBERS OF DIFFERENT CHAPTERS CONSTANTLY ASSOCIATE WITH ONE ANOTHER AND BECAUSE EXISTING CHAPTERS SOMETIMES CLOSE IN THE FACE OF LAW ENFORCEMENT SCRUTINY OR DECLINING PROFITS. NEW CHAPTERS ARE ALSO FORMED WHEN AN OPPORTUNITY FOR PROFIT IS IDENTIFIED.

THE TOTAL MEMBERSHIP OF THE "PAGAN NATION" IS UNKNOWN, BUT ESTIMATES RANGE FROM 450 TO 800 ACTIVE MEMBERS. THERE MAY BE 400 MEMBERS IN PENNSYLVANIA ALONE. APPROXIMATELY 600 MEMBERS AND ASSOCIATES HAVE BEEN IDENTIFIED NATIONALLY. UNLIKE THE HELLS ANGELS, OUTLAWS, AND BANDIDOS, THE OTHER THREE MAJOR NATIONAL

GANGS, THE PAGANS DO NOT GENERALLY HAVE FORMAL CLUBHOUSES, BUT RATHER MEET IN EACH OTHER'S HOMES OR OTHER LOCATIONS, FURTHER COMPOUNDING THE DIFFICULTY OF DETERMINING THE CHAPTER MEMBERSHIP OF AN INDIVIDUAL.

THE PAGANS ARE ORGANIZED IN THE MANNER OF 1930'S TO 1940'S TRADITIONAL ORGANIZED CRIME ORGANIZATIONS, WITH WELL-DEFINED POWER FIGURES AND STRICT RULES. THE ORGANIZATION IS HEADED BY A NATIONAL PRESIDENT AND VICE PRESIDENT. THE INDIVIDUALS OCCUPYING THESE POSITIONS ARE GENERALLY FIGUREHEADS, ALTHOUGH THEY DO PARTICIPATE IN THE ILLEGAL ACTIVITIES OF THE CLUB. THE PRESIDENT IS IN A POSITION TO SKIM PROFITS OFF THE TOP OF MOST CRIMINAL ACTIVITIES, MAKING HIS POSITION A VERY PROFITABLE ONE. THE SECOND ECHELON OF THE PAGANS IS OCCUPIED BY THE MOTHER CLUB, WHICH HAS APPROXIMATELY 20 MEMBERS. THE MOTHER CLUB, WHICH ACTS AS A GOVERNING BODY IN SETTING NATIONAL POLICY, IS UNIQUE TO THE PAGANS ALTHOUGH IT IS SIMILAR IN SOME RESPECTS TO THE NOMAD CLUB OF THE BANDIDOS AND OTHER GANGS. THE MOTHER CLUB GIVES ADVICE AND GUIDANCE TO CHAPTERS IN A SPECIFIC GEOGRAPHIC AREA, RULES ON THE ESTABLISHMENT OF NEW CHAPTERS, AND LITERALLY SERVES AS ENFORCER OF CLUB POLICY, OFTEN VIOLENTLY PUNISHING MEMBERS WHO FAIL TO FOLLOW DIRECTIONS. THE MOTHER CLUB SETS UP ILLEGAL VENTURES, SUCH AS SYNDICATES TO TRAFFIC IN DRUGS OR STOLEN VEHICLES, AND DELEGATES MOST OF THE WORK AND RISK TO THE NEXT ECHELON IN THE PAGAN HIERARCHY, THE CHAPTERS. THE MOTHER CLUB RECEIVES MUCH OF THE PROFIT FROM

THESE ACTIVITIES, KEEPING A PORTION FOR THE INDIVIDUAL MEMBERS AND PAYING A PERCENTAGE INTO THE PAGAN TREASURY AND DEFENSE/ BAIL FUND. EACH CHAPTER IS GOVERNED BY ITS OWN SET OF OFFICERS, IN ACCORDANCE WITH POLICY SET BY THE MOTHER CLUB.

THE PRIMARY MOTIVE FOR FORMING NEW CHAPTERS AND ACCEPTING NEW MEMBERS IS PROFIT. NEW MEMBERS ARE ACCEPTED ONLY ON THE RECOMMENDATION OF A CURRENT MEMBER AND PRIMARILY AS A RESULT OF THE PROSPECTIVE MEMBER'S WILLINGNESS AND ABILITY TO COMMIT ILLEGAL AND SOMETIMES VIOLENT ACTS FOR PROFIT AND TO TURN MUCH OF THAT PROFIT OVER TO THE PAGANS.

THE SIGNIFICANT PROFITS GENERATED BY DRUG TRAFFICKING MAKE IT AN ATTRACTIVE VENTURE FOR THE CLUB. PER DOLLAR OF PROFIT, THE RISKS ARE PROBABLY LESS THAN THOSE ASSOCIATED WITH OTHER CRIMES. IT IS ESTIMATED THAT OVER 50% OF THE PAGANS ARE INVOLVED IN DRUG TRAFFICKING. THEY HAVE A LARGE CONTROL OVER THE MANUFACTURE AND DISTRIBUTION OF METHAMPHETAMINE AND PCP IN THE NORTH-EAST AND HAVE DEALT IN COCAINE AND MARIHUANA AS WELL. BASED ON SEIZURES, IT IS CONSERVATIVELY ESTIMATED THAT THE STREET VALUE OF THE METHAMPHETAMINES AND PCP DISTRIBUTED BY THE PAGANS ANNUALLY IS \$15.5 MILLION. THEY MANUFACTURE SIGNIFICANT ADDITIONAL QUANTITIES WHICH ARE CONSUMED WITHIN THE CLUB, LEADING TO STILL INCREASED CRIMINAL ACTIVITY TO SUPPORT THE HABIT. PAGAN MEMBERS OPERATE NUMEROUS OTHER BUSINESSES IN THE MID-ATLANTIC

STATES, WHICH UNTIL SCRUTINIZED APPEAR TO BE LEGITIMATE. THESE INCLUDE MOTORCYCLE SHOPS, BARS AND RESTAURANTS, WHICH ARE USED AS FRONTS FOR ILLEGAL ACTIVITIES AND TO LAUNDER THE MONEY INVOLVED IN THESE ACTIVITIES.

PAGAN MOTHER CLUB MEMBERS DOMINATE THE DRUG DISTRIBUTION ACTIVITIES ALMOST ENTIRELY. THE FEAR AND GREED OF LOWER-ECHELON MEMBERS DRIVE THEM TO ASSIST IN DISTRIBUTION SCHEMES. EACH TIME THE DRUGS MOVE BETWEEN INDIVIDUALS IN THE HIERARCHY, TWO THINGS OCCUR: ONE, THE DRUGS ARE CUT WITH ADULTERANTS AND, TWO, MONEY CHANGES HANDS. BY THE TIME THE DRUGS REACH THE ULTIMATE CUSTOMER, IT IS NOT UNUSUAL FOR THEM TO HAVE BEEN DILUTED 500% AND FOR THE PRICE TO HAVE INCREASED 1000%. FREQUENTLY AT THIS STAGE THE DRUGS ARE DILUTED SO MUCH THAT THEY ARE NOT WORTH THE PRICE BEING ASKED. THE CHAPTER MEMBER, HOWEVER, FINDS A WAY TO SELL THE INFERIOR PRODUCT BECAUSE HE FEARS RETRIBUTION IF HE FAILS TO CARRY OUT HIS ASSIGNMENT. THERE IS NO SHORTAGE OF PROSPECTIVE MEMBERS WAITING TO REPLACE THOSE WHO FAIL TO PERFORM. THE ONLY CHECK ON SENIOR MEMBERS IS THEIR CONSTANT AWARENESS THAT, IF THEIR ENEMIES OUTNUMBER THEIR FRIENDS, THEY TOO COULD BE ON THE RECEIVING END OF THE VIOLENCE THAT PERMEATES THE ORGANIZATION.

THERE ARE A NUMBER OF READILY IDENTIFIABLE PROBLEMS ASSOCIATED WITH INVESTIGATIONS OF ORGANIZED CRIME. FOREMOST IS THE FACT THAT SENIOR LEVEL PERSONNEL ARE USUALLY WELL INSULATED BY

LOWER LEVEL MEMBERS WHO RISK DETECTION BY LAW ENFORCEMENT PERSONNEL. SECOND, THE CODE OF SECRECY AND THREAT OF VIOLENCE INHIBIT MEMBERS WHO MIGHT OTHERWISE SUCCUMB TO LAW ENFORCEMENT EFFORTS TO GATHER INFORMATION. MEMBERS ARE STRICTLY CONTROLLED BY THE ORGANIZATION. LASTLY, BECAUSE OF THE INCREASING COMPLEXITY OF THESE ORGANIZATIONS, MORE TIME AND EXPERTISE ARE REQUIRED TO CONDUCT INVESTIGATIONS. THIS AFFECTS NOT ONLY FEDERAL LAW ENFORCEMENT AGENCIES, BUT ALSO STATE AND LOCAL EFFORTS. BECAUSE OF THE PROMINENCE THAT THESE ORGANIZATIONS HAVE GAINED DURING THE LAST DECADE, HOWEVER, THEY HAVE BEEN TARGETED FOR ENFORCEMENT ACTION BY VARIOUS LAW ENFORCEMENT ORGANIZATIONS, INCLUDING DEA AND THE FBI. THERE ARE CURRENTLY A NUMBER OF COOPERATIVE EFFORTS UNDER WAY WHICH ARE TARGETED AT THEIR OPERATIONS IN THE MID-ATLANTIC REGION AND HOPEFULLY, THESE EFFORTS WILL HAVE A MAJOR IMPACT ON THEIR ILLICIT ACTIVITIES.

I WANT TO THANK YOU FOR INVITING DEA TO PARTICIPATE. STEPS THAT THIS SUBCOMMITTEE HAS TAKEN IN THE PAST TO EXPOSE ORGANIZED CRIME HAVE HAD A SUBSTANTIAL IMPACT ON THE LIVES OF ALL AMERICANS. WE BELIEVE THAT THESE HEARINGS WILL CONTINUE TO FOCUS ATTENTION ON A GROWING THREAT TO THE SAFETY AND SECURITY OF OUR CITIZENS, AND TO PROVIDE MORE EFFECTIVE MEANS OF DEALING WITH THIS THREAT.