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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 28, 1988

MEMORANDUM FOR JOSEPH R. WRIGHT, JR.

FROM: In PAUL SCHOTT STEVENS *PS*SUBJECT: Comments and Recommendation for Presidential
Action on the Anti-Drug Abuse Act (H.R. 5210)

The NSC Staff has reviewed the Anti-Drug Abuse Act (H.R. 5210) and recommends that the President sign the bill into law. We are, however, concerned about some provisions in Title IV of the Act pertaining to international narcotics control. Specifically, subtitles C, D, and E of Title IV contain provisions that earmark and restrict use of foreign assistance funds and add Presidential reporting requirements. These provisions amount to Congressional micromanagement of the U.S. anti-drug effort overseas and infringe upon the Executive Branch's conduct of foreign policy.

In the aggregate, however, the Act will advance our counter-narcotics objectives. We recommend, therefore, that the President sign H.R. 5210.

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THE GENERAL COUNSEL OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

November 7, 1988

Honorable Joseph R. Wright, Jr.
Acting Director
Office of Management and Budget
Washington, D.C. 20503

Re: H.R. 5210, the "Anti-Drug
Abuse Act of 1988"

This is in response to your request for our views on the enrolled enactment of H.R. 5210, the "Anti-Drug Abuse Act of 1988." Although the Department has serious concerns about certain provisions of the bill, as set forth below, we believe this legislation, as a whole, is an important step in eradicating the criminal use of drugs in our society. Enclosed is a detailed section-by-section summary of the provisions of the bill which affect HUD programs.

The Department defers to other agencies affected by the bill as to the merits of the provisions which affect their programs and operations.

TITLE V - USER ACCOUNTABILITY

SUBTITLE C - PREVENTING DRUG ABUSE IN PUBLIC HOUSING

Chapter 1 - Regulatory and Enforcement Provisions.

Subtitle C is designed to address the serious problem of criminal drug activity in public housing. Chapter 1 would (1) require public housing leases to contain a provision for termination of tenancy for criminal activity, including drug-related criminal activity, on or near public housing; (2) make addressing the problems of drug trafficking and manufacturing of controlled substances in public housing eligible activities under the Bureau of Justice Assistance Block Grant program; and (3) make leasehold interests in property subject to forfeiture for certain criminal drug activities under the Controlled Substances Act. This chapter would also require a study and report on the extent to which security activities in public housing are funded under the Performance Funding System and a report on the impact of the public housing lease and grievance regulations on the ability of the PHAs to take action against tenants engaging in criminal drug activity.

We are particularly glad to see that the problems of drug trafficking and the manufacturing of controlled substances in public housing will be added to the list of eligible activities which can be addressed under the Bureau of Justice Assistance Block Grant program. We also have no objection to the provision which makes a lease subject to forfeiture for certain criminal drug activities under the Controlled Substances Act.

We do not favor the termination of tenancy provision since it could be interpreted to restrict the right of PHAs to terminate tenancy to criminal activities which occur on or near public housing property. This would be a very significant narrowing of the grounds for termination of tenancy in public housing for criminal activities. The public housing lease and grievance regulation recently published by HUD (August 30, 1988) permits a public housing lease to provide that illegal use, sale, or distribution of narcotics "on or off" the premises is grounds for termination of tenancy. The phrase "on or off" the premises is intended to include all criminal drug activities, not just those on or near the public housing project. This provision could, therefore, weaken the authority of a local public housing agency under the lease and grievance regulation to take strong action against a tenant for off-site criminal drug activity by household members. However, these concerns do not warrant a recommendation that the President withhold approval of the bill.

Chapter 2 - Public Housing Drug Elimination Pilot Program.

The bill would establish a Public Housing Drug Elimination Pilot program designed to permit HUD to make grants to public and Indian housing agencies for use in eliminating drug-related crime in public housing. Eligible activities would include (1) employment of security personnel and investigators by PHAs; (2) reimbursement of police for additional security and protective services in public housing; (3) physical improvements to enhance security; (4) training and equipping voluntary public housing tenant patrols acting in cooperation with police; (5) innovative anti-drug programs; and (6) funding nonprofit resident management corporations and tenant councils for the development of security and drug abuse prevention programs. This bill would authorize \$8,200,000 for fiscal year 1989 and such sums as necessary for fiscal year 1990.

While we strongly support most of the eligible activities to be funded by this grant program, we do not favor providing grants to PHAs for employment of their own security and investigative personnel. The employment of private security personnel by PHAs will only help foster and reemphasize the impression that public housing is a separate community with problems distinct from the local community at large. The use of private security personnel could also diminish the attention local police pay to the drug problem in public housing even though local police should have the responsibility to ensure a lawful and drug-free environment. In this regard, we strongly support providing grants to local law enforcement agencies for additional security and protective services in public housing, and providing them directly to the local police rather than through PHAs since reimbursement will be very difficult to administer effectively. However, considering these provisions in the context of the entire bill, their inclusion does not justify a recommendation that the President withhold approval.

Chapter 3 - Drug-Free Public Housing.

Chapter 3 would require HUD to (1) establish, in the Office of Public Housing, a clearinghouse of information regarding drug abuse in public housing; and (2) establish a regional training program on drug abuse for public housing officials. We strongly support both these provisions and note that, because of our serious concern over the issue of drug abuse, we have already established a clearinghouse on drug abuse in the Office of Policy Development and Research, and would have preferred that the activity remain there. We have already sponsored, in conjunction with the major public housing interest group, highly effective regional workshops which train public housing officials in combating drug abuse.

SUBTITLE D - DRUG-FREE WORKPLACE ACT OF 1988

Subtitle D would, in general, require all Federal grantees and most Federal contractors to maintain, and certify that they maintain, a drug-free workplace in order to remain eligible for payments and benefits under Federal contracts and grants. Failure to meet certain requirements would subject the grantee or contractor to suspension of payments, termination of the grant or contract, and/or debarment for a period not to exceed five years. This section would also permit the head of an agency to waive termination, suspension, and/or debarment if (1) with respect to a contract, such action would severely disrupt the operation of the agency to the detriment of the Federal government or the general public; or (2) with respect to a grant, such action would not be in the public interest. The head of an agency would not be able to delegate this waiver authority.

While we support the thrust of this section, many issues need to be resolved during implementation including the question of the appropriate amount of agency oversight. Imposition of sanctions would be extremely difficult in the case of a PHA because termination or delay of Federal payments may have a negative effect on the tenants.

SUBTITLE G - DENIAL OF FEDERAL BENEFITS TO DRUG TRAFFICKERS AND POSSESSOR

Subtitle G would provide for the denial of Federal benefits, in certain circumstances, for individuals convicted of drug trafficking and possession offenses. We support this provision. The Federal benefits subject to this section are grants, contracts, loans, professional licenses, and commercial licenses provided by an agency or appropriated funds of the United States. The term "Federal benefit" would not include any retirement, welfare, social security, health, disability, veterans, public housing, or other similar benefits, or any other benefit for which payments or services are required for eligibility. Therefore, subtitle G would not apply to various HUD programs, including our assisted housing and FHA programs.

CONCLUSION

The overall importance of this bill in our nation's war against drugs is apparent. Accordingly, the Department of Housing and Urban Development respectfully recommends that the President give his approval to the enrolled enactment.

Sincerely yours,

J. Michael Dorsey

Enclosure

SUMMARY OF H.R. 5210, THE "ANTI-DRUG ABUSE ACT OF 1988"**(HUD Provisions)****TITLE V - USER ACCOUNTABILITY****SUBTITLE C - PREVENTING DRUG ABUSE IN PUBLIC HOUSING****Chapter 1 - Regulatory and Enforcement Provisions**

1. Sec. 5101, Termination of Tenancy in Public Housing. Requires that public housing leases contain a provision which would prohibit tenants, members of the tenant's household, guests or other persons under the tenant's control from engaging in criminal activity, including drug-related criminal activity, on or near public housing, and provides that such criminal activity shall be cause for termination of tenancy.

2. Sec. 5102, Study of Public Housing Security Activities. Requires HUD to conduct a study of the extent to which security activities in public housing are funded under the Performance Funding System (PFS). Requires the study to include an analysis of (a) the extent PFS currently takes into account, and should take into account, costs associated with security; (b) the extent to which PHAs have had to shift funds from other eligible activities to security activities; and (c) an estimate of the per unit additional cost necessary to enable all PHAs to provide adequate security. Requires HUD to submit a report to Congress on the study within 6 months of enactment.

3. Sec. 5103, Report on Impact of Public Housing Lease and Grievance Regulation on Ability of PHAs to Take Action Against Tenants Engaging in Drug Crimes. Requires HUD to submit a report, within 12 months of the effective date of the Act, on the impact of the public housing lease and grievance regulation on the ability of PHAs to evict or take other action against tenants engaged in criminal activity, especially drug-related criminal activity.

4. Sec. 5104, Eligible Activities under Bureau of Justice Assistance Block Grant Program. Makes addressing the problems of drug trafficking and the manufacture of controlled substances in public housing eligible activities under the Bureau of Justice Assistance Block Grant program.

5. Sec. 5105, Inclusion of Leasehold Interests in Property Subject to Forfeiture under Controlled Substances Act. Makes a leasehold interest an interest in real property subject to forfeiture to the United States when that leasehold is used, in any manner or part, to commit, or facilitate the commission of a violation of the Controlled Substances Act punishable by more than one year's imprisonment.

Chapter 2 - Public Housing Drug Elimination Pilot Program.

1. Sec. 5121, Short Title. The "Public Housing Drug Elimination Act of 1988."

2. Sec. 5122, Congressional Findings. Makes congressional findings that (a) the Federal government has a duty to provide public housing that is decent, safe, and free from illegal drugs; (b) public housing projects in many areas suffer from rampant drug-related crime; (c) drug dealers are increasingly imposing a reign of terror on public housing tenants; (d) the increase in drug-related crime leads not only to murder, muggings, and other violence against tenants, but also to a deterioration of the physical environment that requires substantial government expenditures; and (e) local law enforcement authorities often lack resources to deal with the drug problem in public housing.

3. Sec. 5123, Authority to Make Grants. Authorizes HUD to make grants to public and Indian housing agencies for use in eliminating drug-related crime in public housing.

4. Sec. 5124, Eligible Activities. Permits PHAs to use grants under this chapter for (a) employment of security personnel; (b) reimbursement of local law enforcement agency for additional security and protective services in public housing; (c) physical improvements in public housing designed to enhance security; (d) employment of investigators; (e) training and equipment for use by voluntary public housing tenant patrols acting in cooperation with local law enforcement officials; (f) innovative programs designed to reduce the use of drugs in and around public housing; and (g) funding nonprofit resident management corporations and tenant councils for the development of security and drug abuse prevention programs involving site residents.

5. Sec. 5125, Applications. Requires PHAs to apply to HUD for grants in accordance with HUD requirements. Requires the application to include a plan for addressing drug-related crime on the public housing premises. Requires HUD to approve applications based upon (a) the extent of the crime problem in the project; (b) the quality of the PHA plan to address crime in the public housing projects; (c) the capability of the PHA to carry out the plan; and (d) the extent to which the local government and community support the anti-drug activities of the PHA.

6. Sec. 5126, Definitions. Defines "controlled substances" in accordance with section 102 of the Controlled Substances Act. Defines "drug-related crime" as the illegal manufacture; sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, a controlled substance.

7. Sec. 5127, Implementation. Requires HUD to issue regulations to implement this chapter within 180 days of enactment.

8. Sec. 5128, Report to Congress. Requires HUD, in consultation with the Director of National Drug Control Policy, to submit a report to Congress before June 30, 1990 setting forth its activities under this chapter and recommendations to make the program more effective.

9. Sec. 5129, Authorization of Appropriations. Authorizes \$8,200,000 for fiscal year 1989 and such sums as may be necessary for fiscal year 1990.

Chapter 3 - Drug-Free Public Housing.

1. Sec. 5141, Short Title. The "Drug-Free Public Housing Act of 1988."
2. Sec. 5142, Statement of Purpose. Reaffirms the principle that decent affordable shelter is a basic necessity, and the general welfare of the Nation and the health and living standards of its people require better coordination and training in drug prevention programs among the public officials and agencies responsible for administering public housing.
3. Sec. 5143, Clearinghouse on Drug Abuse in Public Housing. Requires HUD to establish, in the Office of Public Housing, a clearinghouse to receive, collect, process, and assemble information regarding drug abuse in public housing. Requires the clearinghouse to (a) respond to public inquiries requesting assistance in investigating, studying, and working on the problem of drug abuse; and (b) receive, collect, process, assemble, and provide information on programs, authorities, institutions, and agencies that may assist the public making inquiries.
4. Sec. 5144, Regional Training Program on Drug Abuse in Public Housing. Requires HUD to establish a regional training program on drug abuse for public housing officials. Requires the program to be conducted within 12 months of enactment by a national training unit established by HUD.
5. Sec. 5145, Definitions. Defines "controlled substance" in accordance with section 102 of the Controlled Substances Act.
6. Sec. 5146, Regulations. Requires HUD, within 6 months of enactment, to issue any regulations necessary to carry out this chapter.

SUBTITLE D - DRUG-FREE WORKPLACE ACT OF 1988

1. Sec. 5151, Short Title. The "Drug-Free Workplace Act of 1988."
2. Sec. 5152, Drug-Free Workplace Requirements for Federal Contractors.
 - (a) Drug-Free Workplace Requirement.
 1. Requirements For Persons Other Than Individuals. Requires that no person, other than an individual, be considered a responsible source for purposes of being awarded a Federal contract for the procurement of any property or services with a value equal to or greater than \$25,000 unless such person has certified to the contracting agency that it will provide a drug-free workplace by (A) publishing a statement that criminal drug activity is prohibited in the workplace and specifying the actions that will be taken against employees for violations; (B) establishing a drug-free awareness program; (C) making it a requirement that employees engaged in the performance of a government contract be given a copy of the statement required in item (A); (D) notifying the employee in the statement that, as a condition of employment on the Federal contract, the employee will abide by the terms of the statement and notify the employer of any criminal drug conviction for a violation occurring in the workplace within 5 days of the conviction; (E) notifying the contracting agency, within 10 days of receiving notice from

the employee or otherwise, of a conviction; (F) imposing a sanction on, or requiring satisfactory rehabilitation by, any employee convicted; and (G) making a good faith effort to continue to maintain a drug-free workplace.

(2) Requirement For Individuals. Prohibits Federal agencies from entering into a contract with an individual unless the contract includes a certification that the individual will not engage in criminal drug activity in the performance of the contract.

(b) Suspension, Termination, or Debarment of the Contractor.

(1) Grounds For Suspension, Termination, or Debarment. Requires that each Federal contract be subject to suspension of payments and/or termination, and that the contractor be subject to suspension or debarment if the agency determines that (A) the contractor or individual has made a false certification; (B) the contractor violates the certification by failing to carry out the requirements of this section; or (C) such a number of employees of the contractor have been convicted of criminal drug violations for violations occurring in the workplace as to indicate that the contractor has failed to make a good faith effort to provide a drug-free workplace.

(2) Conduct of Suspension, Termination or Debarment Proceedings. Upon a written determination by a contracting officer that cause for suspension of payments, termination, or suspension or debarment exists, requires that an appropriate action be initiated by the contracting officer in accordance with the Federal Acquisition Regulations (FAR) and agency procedures. Requires revision of FAR for the inclusion of appropriate rules for conducting suspension and debarment proceedings.

(3) Effect of Debarment. Requires, upon issuance of any final decision of debarment, that a contractor or individual be ineligible for the award of any Federal contract and for participation in any future Federal procurement for a period not to exceed five years.

3. Sec. 5153, Drug-Free Workplace Requirements for Federal Grant Recipients.

(a) Drug-Free Workplace Requirement.

(1) Persons Other Than Individuals. Prohibits any person, other than an individual, from receiving a Federal grant unless such person has certified to the granting agency that it will provide a drug-free workplace by (A) publishing a statement that criminal drug activity is prohibited in the workplace and specifying the actions that will be taken against employees for violations; (B) establishing a drug-free awareness program; (C) making it a requirement that employees engaged in the performance of a government grant be given a copy of the statement required in item (A); (D) notifying the employee in the statement that, as a condition of employment on the grant, the employee will abide by the terms of the statement and notify the employer of any criminal drug conviction for a violation occurring in the workplace within 5 days of the conviction; (E) notifying the granting agency, within 10 days of receiving notice, from the employee or otherwise, of a conviction; (F) imposing a sanction on, or requiring satisfactory drug rehabilitation by,

any employee convicted; and (G) making a good faith effort to continue to maintain a drug-free workplace.

(2) Individuals. Prohibits a Federal agency from making a grant to any individual unless such individual certifies that the individual will not engage in criminal drug activity in conducting any activity with such grant.

(b) Suspension, Termination, or Debarment of the Grantee.

(1) Grounds For Suspension, Termination, or Debarment. Requires that each Federal grant awarded be subject to suspension of payments under the grant and/or termination of the grant, and the grantee be subject to suspension or debarment if the agency determines in writing that (A) the grantee has made a false certification; (B) the grantee violates the certification by failing to carry out the requirements of this section; or (C) such a number of employees of such grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the grantee has failed to make a good faith effort to provide a drug-free workplace.

(2) Conduct of Suspension, Termination or Debarment Proceedings. Requires a suspension of payments, termination, or suspension or debarment proceeding be conducted in accordance with applicable law, including applicable Executive orders and regulations.

(3) Effect of Debarment. Requires, upon issuance of any final decision requiring debarment of a grantee, that the grantee be ineligible for the award of any Federal grant and for participation in any future Federal grant for a period not to exceed 5 years.

4. Sec. 5154, Employee Sanctions and Remedies. Requires a grantee or contractor, within 30 days of receiving notice from an employee of a drug conviction for a violation occurring in the workplace, to (a) take appropriate personnel action against the employee up to and including termination; or (b) require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program.

5. Sec. 5155, Waiver.

(a) In General. Permits a termination, suspension of payments, or suspension or debarment to be waived by the head of an agency if (1) with respect to a contract, such action would severely disrupt the operation of the agency to the detriment of the Federal government or the general public; or (2) with respect to a grant, such action would not be in the public interest.

(b) Exclusive Authority. Provides that the waiver authority of the head of an agency is non-delegable.

6. Sec. 5156, Regulations. Requires, within 90 days of enactment, that government-wide regulations for this subtitle be issued under the Office of Federal Procurement Policy Act.

7. Sec. 5157, Definitions. Defines various terms including "drug-free workplace" and "employees." "Drug-free workplace" means a site for the performance of work done in connection with a specific grant or contract of an entity at which employees of the entity are prohibited from engaging in criminal drug activity. "Employee" means the employee of a grantee or contractor directly engaged in the performance of work pursuant to a grant or contract.

8. Sec. 5158, Construction of Subtitle. Prohibits this subtitle from being construed to require law enforcement agencies to comply with the provisions of this subtitle if the head of the agency determines it would be inappropriate in connection with its undercover operations.

9. Sec. 5159, Repeal of Limitation on Use of Funds. Repeals section 628(b) of the Treasury appropriations Act, which established a different drug-free workplace requirement for grants and contracts.

10. Sec. 5160, Effective Date. Makes sections 5152 and 5153 effective 120 days after the date of enactment.

**SUBTITLE G - DENIAL OF FEDERAL BENEFITS TO
DRUG TRAFFICKERS AND POSSESSORS**

Sec. 5301, Denial of Federal Benefits to Drug Traffickers and Possessors.

(a) Drug Traffickers. Requires any individual convicted of any Federal or State offense consisting of the distribution of controlled substances to be ineligible for Federal benefits (1) at the court's discretion for up to 5-years for a first conviction; (2) at the court's discretion for up to 10-years for a second conviction; and (3) permanently upon a third or subsequent conviction. Does not cut off benefits relating to long-term drug treatment programs for addiction in certain cases.

(b) Drug Possessors. Requires any individual convicted of possession of a controlled substance for the first time, at the discretion of the court, to (a) be ineligible for Federal benefits for up to one year; (b) successfully complete a drug treatment program, including periodic drug testing; (c) perform appropriate community service; or (d) any combination of items (a), (b), or (c). For a second or subsequent conviction, permits the court to make the person ineligible for Federal benefits for up to 5 years after the conviction. Permits the court to require the individual to complete the conditions noted in items (b) and (c) above as a requirement for the reinstatement of Federal benefits. Penalties would be waived in the case of addiction for a person who agrees to a long-term treatment program or who is considered rehabilitated.

(c) Suspension of Period of Ineligibility. Suspends the period of ineligibility for Federal benefits if the individual (1) completes a drug rehabilitation program after becoming ineligible; (2) has otherwise been rehabilitated; or (3) has made a good faith effort to gain admission to a rehabilitation program.

(d) Definitions. Defines the term "Federal benefit" as the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency or appropriated funds of the United States. The term would not include any retirement, welfare, social security, health, disability, veterans benefits, public housing, or other similar benefits, or any other benefit for which payments or services are required for eligibility. Defines the term "veterans benefits" as all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran.

(e) Inapplicability of this Section to Government Witnesses. The ineligibility provisions would not apply to individuals who cooperate or testify for the Government in criminal cases or who are in a Government witness protection program.

(f) Indian Provision. Requires that this section not be construed to affect any obligation of the United States to any Indian or Indian tribe under any treaty, statute, Executive order, or trust responsibility. The sanctions of this section would otherwise apply to individual Indians.

(g) Presidential Report. Requires, on or before May 1, 1989, a report from the President (1) delineating the role of State courts in implementing this section; (2) describing how Federal agencies will implement and enforce this section; (3) detailing how Federal and State agencies, courts, and law enforcement agencies will exchange and share data necessary to implement and enforce the withholding of Federal benefits; and (4) recommending modifications to improve this section. Requires Congress by September 1, 1989, to consider the report and enact appropriate legislative changes.

(h) Effective Date. Requires that this section take effect for convictions occurring after September 1, 1989.



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

NOV 1 1988

Honorable Joseph R. Wright, Jr.
Acting Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Wright:

This is in response to your request for the views of the Department of Education on H.R. 5210, the omnibus "Anti-Drug Abuse Act of 1988." The bill would comprehensively amend the statutory basis for our Nation's war against drugs, including the establishment within the Executive Office of the President of an Office of National Drug Control Policy, and would affect virtually every Federal Department or agency currently engaged in the struggle to reduce the supply of, and demand for, illegal drugs. I will limit my remarks to the provisions of the bill that relate directly to the programs and activities of the Department of Education and defer to the appropriate Departments and agencies with respect to other provisions of the bill. Based on my analysis of those provisions that are of particular interest to the Department, I recommend that the President approve the bill, although not all those provisions are well-conceived.

To summarize briefly, the major provisions of interest to the Department of Education are contained in title III and title V of the bill, devoted to drug abuse education and prevention and user accountability, respectively. Title III would amend part F of title IV of the Elementary and Secondary Education Act of 1965, which authorizes the Secretary's Fund for Innovation in Education, to include discretionary Secretarial authority for the development of educational materials that are suitable for young children in alcohol abuse education programs and for the award of grants to support training programs designed to enhance the ability of educators to address the special problems of children who have an alcoholic parent.

Title III would also make a substantial number of amendments to the Drug-Free Schools and Communities Act of 1986, including: increasing the authorization for Fiscal Year 1989 from \$250 million to \$350 million; authorizing a modest 2.5 percent set-aside for administrative costs of State programs carried out by Governors; authorizing intrastate drug and alcohol abuse education and prevention centers; broadening the class of persons who may be deemed "high risk youth" and also broadening the program options for States in meeting the needs of such youth; tightening State application requirements for funds reserved for

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use by Governors; ensuring that the Department and States disseminate, and local educational agencies develop and implement, accurate and up-to-date model antidrug curriculum materials; authorizing drug and alcohol abuse education and prevention programs for school dropouts; substantially strengthening State reporting requirements on the use of funds under the Drug-Free Schools and Communities Act and on programs that have been demonstrated to be effective; authorizing a new discretionary grant program for the training of teachers and other educational personnel concerning drug and alcohol abuse education and prevention; requiring the Department, in consultation with the Department of Health and Human Services, to develop and disseminate age-appropriate drug abuse education and prevention curricula and materials for use in early childhood development programs and to carry out an independent evaluation of programs under the Drug-Free Schools and Communities Act; and requiring the Secretary to develop model criteria and forms for the collection of data, to assist State and local program administrators. Title X of the bill contains a supplemental appropriation of \$108 million for programs under the Drug-Free Schools and Communities Act, of which \$7 million would be reserved for the new teacher training program authorized by title III of the bill and \$500,000 would be available to the Department for salaries and expenses.

Title V of the bill, devoted to user accountability, would authorize a National Commission on Drug-Free Schools to develop recommendations for identifying drug-free schools and model programs and to prepare a report to the President and Congress that considers a variety of strategies, punitive and remedial, for making our schools drug-free. Title V would also replace the so-called "Walker amendment" provisions of Pub. L. 100-440 pertaining to the maintenance of drug-free workplaces by Federal grantees and contractors with more detailed and focused requirements. Finally, title V would, in general, give courts the discretion to deny Federal benefits, including Pell grants and Stafford loans, to individuals who are convicted of certain Federal or State drug offenses.

This is an uneven assortment of changes to current law. Some provisions I oppose outright. For example, there is no need for new, separate funding authorities for teacher training or the development of early childhood drug abuse education materials; current law is adequate for these specific needs and, in fact, provides considerable resources for teacher training activities. Similarly, I question the need for the National Commission on Drug-Free Schools, given the sustained and successful efforts by this Department to disseminate and explain what are already known to be effective means of fostering drug-free academic

environments. I am relieved that the bill appropriates no funds for the National Commission. Other provisions of the bill are well-intentioned but pose administrative and logistical problems that must be surmounted. I support the provisions of the bill relating to the maintenance of drug-free workplaces by recipients of the Department's funds and the denial of the Department's benefits to those convicted of drug violations, but believe their effectiveness can be tested only in the crucible of experience. I would note, moreover, that the drug-free workplace provisions appear not only to resolve a number of ambiguities in the "Walker amendment" but also to focus more appropriately on certain of the Department's recipients. Finally, there are numerous provisions of the bill, including several sought by the Department, that I support outright. I number among these the authorization of administrative costs for Governors; the broadened range of program options for high-risk youth; and the strengthened State application and State reporting requirements. Individually and collectively these latter amendments would improve the effectiveness of programs under the Drug-Free Schools and Communities Act.

As it pertains to the Department, H.R. 5210 is far from a perfect bill. However, it is a serious effort to wage a more effective war on drug and alcohol abuse that, in my opinion, will assist the Department toward that end more than it will hinder it. On balance, I recommend that the President approve H.R. 5210.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lauro F. Cavazos", with a long horizontal flourish extending to the right.

Lauro F. Cavazos



DEPARTMENT OF THE TREASURY
WASHINGTON

November 2, 1988

GENERAL COUNSEL

Acting Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Assistant Director for Legislative Reference

Dear Sir:

This responds to your request for the views of this Department on enrolled bill HR. 5210, "A bill to prevent the manufacturing, distribution, and use of illegal drugs, and for other purposes."

While we support the President approving the enrolled bill, we believe that implementation of section 4702 should be clarified. Accordingly, language approved by the Secretary of the Treasury for inclusion in the President's signing statement is enclosed.

Section 4702 requires the U.S. to close its banking system to nations that fail to adopt U.S. currency reporting requirements, a requirement that is viewed by our allies as an affront to their sovereignty. The enclosed language is intended to reassure them that section 4702 would be invoked sparingly, and only in a manner consistent with their legitimate concerns. Including this language in the signing statement would demonstrate U.S. concern about this issue at the highest level.

Secretary of Transportation Burnley has requested that the President include in his signing statement language signaling the Administration's concern that the "innocent owner" provisions of the drug bill have removed any requirements of affirmative action by owners of conveyances to ensure that the conveyances are not used for illicit purposes. We disagree with this interpretation of the provisions, and oppose the inclusion of any such language in the signing statement. We, along with the Department of Justice, have taken the position that the "innocent owner" provisions do not modify or weaken existing case law which requires a conveyance owner to take affirmative action to prevent the illegal use of the conveyance in order to avoid liability for forfeiture. If the President were to include language contrary to this position in the signing statement, the Government would lose its ability to argue that the statutory language of the "innocent owner" provisions in the drug bill maintains the requirements that have been established by case law.

Sincerely,

Mark Sullivan III

Enclosure

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o Sanctions on Foreign Banking

In signing this bill, I express strong reservations to Section 4702 which would require the Secretary of the Treasury to negotiate currency reporting agreements with foreign governments under threat of sanctions. We share the goal of strengthening our international money laundering efforts through cooperation with foreign governments. However, meaningful cooperation cannot be rooted in coercion or meaningless finger-pointing. The most effective way to achieve a united international front against drug trafficking and money laundering is to continue to promote cooperation with foreign governments, not to invite confrontation. I do not believe it would be in the national interest to impose sanctions except in the most egregious cases, where a foreign government has created an environment conducive to drug money laundering and is not cooperating in international drug investigations and prosecutions.



United States Department of State

Washington, D.C. 20520

November 8, 1988

Dear Mr. Wright:

At your request we are hereby transmitting a proposed signing statement on H.R. 5210, the Anti-Drug Abuse Act of 1988, for the President's consideration. This letter and the attachments are a substitute for my letter to you on this subject of October 28, 1988.

With best wishes,

Sincerely,

A handwritten signature in blue ink that reads "J. Edward Fox".

J. Edward Fox
Assistant Secretary
Legislative Affairs

The Honorable
Joseph R. Wright, Jr.,
Acting Director,
Office of Management and Budget.

The Anti-Drug Abuse Act of 1988, which I am signing today, also has significant implications for international drug control policy.

As noted elsewhere, this legislation creates a National Drug Control Policy Office. While individual agencies engaged in drug prevention and control will continue their unique operating authorities, this Office will guide and coordinate policy development under my successor. I am particularly mindful of the potential implications such an office has for the conduct of foreign policy and intelligence matters, and urge the next Congress to be flexible in considering any new recommendations that may be forthcoming as the new Administration attempts to implement this and other provisions. Similarly, I urge the next Congress to review this Act and other legislation with the objective of confirming and preserving the President's functions in the conduct of foreign policy and as the chief executive officer of the Government.

Several provisions of this Act represent Congressional restrictions on the authority to conduct international negotiations, a function reserved exclusively to the President under Article II of the Constitution. Consequently, these shall be treated as advisory only and as constituting non-binding expressions of Congressional recommendations and views on these issues.

While Congress continues, in my opinion, to offer far too many amendments, in the form of guidance, sanctions, earmarks and other restrictions, affecting the conduct of all foreign policy, including narcotics control, this new law does contain a needed amendment, Sec. 4601, which declares that the Secretary of State shall be responsible for coordinating all assistance provided by the United States to support international efforts to combat illicit narcotics production and trafficking. This provision should help improve coordination among our agencies working abroad and be a boost to more effective programming.

I welcome the language on asset sharing with foreign governments, which establishes the need to predicate such sharing on international agreements with narcotics-certified countries, a principle which I believe should be extended to other asset sharing authority created by this Act.



U.S. Department of
Transportation

General Counsel

400 Seventh St., S.W.
Washington, D.C. 20590

OCT 28 1988

The Honorable Joseph R. Wright, Jr.
Acting Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Wright:

This is in response to your request for the views of the Department of Transportation on H.R. 5210, an enrolled bill entitled the "Anti-Drug Abuse Act of 1988."

This omnibus legislation contains many provisions affecting the anti-drug policies and programs of the Department of Transportation, including expanded statutory authority and new authorizations of appropriations. For the Coast Guard, the bill authorizes \$280 million for fiscal year 1989, of which \$116 million is appropriated, authorizes an automatic appropriation out of the Customs Forfeiture Fund for seizure-related expenses and includes three maritime drug law enhancement provisions recommended by the Department to the National Drug Policy Board.

The enrolled bill contains provisions requiring the Federal Aviation Administration to tighten up existing procedures for registering non-commercial aircraft and revoking airman's certificates, adds civil and criminal penalties and sets up Customs Service procedures for inspecting commercial aircraft for drugs. The Department has no objection to these provisions.

Highway Safety is addressed by another incentive grant program designed to combat drunk driving, a pilot program for the random drug testing of first-time drivers, a National Academy of Sciences study of blood alcohol concentration issues, and a DOT report on Federal-State exchange of arrest data for drugged and drunk driving offenses. Additionally, the enrolled bill authorizes \$21 million over three years for a pilot program to train police officers in drug recognition techniques, a program the Department is already funding at a much lower level, and extends state laws on drunk and drugged driving to certain Federal areas within states, while making entering these Federal areas "implied consent" to a chemical test of blood, breath or urine, which the Department supports.

The enrolled bill also includes the text of H.R. 5321, legislation dealing with truck safety, which repeals the commercial-zone exemption, and requires studies on hours of service, brake systems and speed-control devices, rulemakings on the costs and benefits

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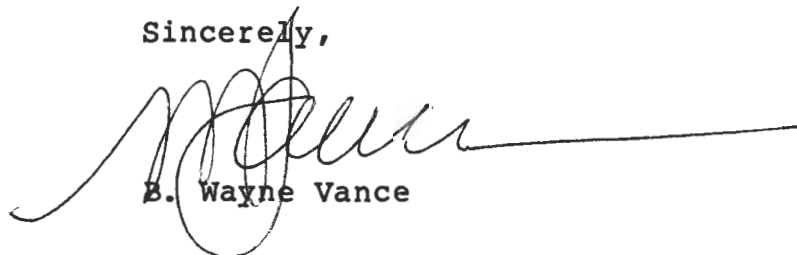
of onboard computers and use of emergency flares, and issuance of minimum standards concerning biometric identification and for brake inspectors. Although the Department did not support the legislation when introduced and continues to believe that many of its provisions are unnecessary, the Department would not recommend against signature of the enrolled bill because of its inclusion.

Additionally, the enrolled bill contains a Department-supported expansion of the common carrier offense against operation of a common carrier while impaired by alcohol or drugs to include operation of a railroad locomotive. Finally, the bill contains language requiring that Federal contract and grant recipients have drug-free workplaces and a provision denying Federal benefits, such as commercial licenses, to convicted drug traffickers and users. The Department supports the denial of commercial licenses to drug users and traffickers and the drug-free workplace requirements for Federal contractors and grantees.

The Department would like to call to the President's attention certain provisions that could hamper our drug interdiction efforts. Despite strong Departmental opposition, the enrolled bill contains so-called "innocent owner" provisions prohibiting the United States Coast Guard from requiring affirmative actions on the part of vessel owners. Although the final text in the bill is less objectionable than originally proposed by some Members, it still represents a retreat from the successful zero tolerance program. This change in the law should be highlighted with a statement in the signing statement that the Administration will seek corrective action in the next Congress. I have attached Secretary Burnley's communication with the White House on this issue for use in preparing the signing statement.

On balance, the Department believes that the "Anti-Drug Abuse Act of 1988" contains many good provisions and recommends that the President sign the enrolled bill.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. Wayne Vance", with a long horizontal flourish extending to the right.

B. Wayne Vance

Enclosure



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

October 26, 1988

The Honorable Kenneth M. Duberstein
Chief of Staff
The White House
Washington, D.C. 20500

Dear Ken:

I believe that this Administration can be proud of its efforts to fight the menace of drugs which afflicts our nation. I know one such effort is the drug bill recently passed by Congress with the Administration's assistance. However, as I am sure you are aware, we did not receive all the weapons necessary and appropriate to wage this struggle. In fact, we were even stripped of some weapons which had proven to be of great assistance. I write this letter with the express purpose of drawing attention to that fact.

It is my firmly held belief that the Congressionally mandated changes in this Administration's zero tolerance policy, at and around our nation's borders, could greatly hamper our drug interdiction efforts. Further, I believe these actions, in the form of so-called "innocent owner" provisions, should be highlighted in the President's signing message for the drug bill.

The Congress, by prohibiting the United States Coast Guard from requiring affirmative actions on the part of vessel owners (and placing identical constraints on the U.S. Customs Service), has made it easier for those who wish to engage in the pernicious business of drug smuggling to obtain the conveyances needed to execute this activity. By lowering the cost of "doing business" to these criminals, I fear we will see increased use of leased conveyances, whether they be sailboats, fishing boats, planes or trucks. We have, in effect, neglected to enlist the owner of these conveyances in our war on drugs, instead giving them permission to be bystanders while the rest of the nation fights on. I believe this Administration has a duty to decry this action and a responsibility to pronounce our right to seek corrective action should my fears be borne out.

Thus, I want to strongly urge the President to include in his signing statement appropriate language signaling his concern on this point. Otherwise, I fear the Administration will unfairly be blamed when the American people realize that zero tolerance has been emasculated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim', is written above the printed name.

Jim Burnley

cc: The Honorable Nancy Risque



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

NOV 4 1988

Honorable Joseph R. Wright, Jr.
Acting Director
Office of Management and Budget
Washington, D.C. 20530

Dear Mr. Wright:

In compliance with your request, I have reviewed a facsimile of the enrolled bill H.R. 5210, the Anti-Drug Abuse Act of 1988, as printed in the Congressional Record for October 21, 1988. The Department of Justice (DOJ) strongly recommends Executive approval of the bill.

The passage of H.R. 5210 represents a considerable achievement for the Department and the other member agencies of the National Drug Policy Board who worked in conjunction with an exceptionally large number of Congressional committees and working groups to help craft this legislation. The scope and magnitude of the bill reflect the significant bipartisan effort that went into its development. While less than perfect, this bill includes a wide range of key demand-side tools and supply-side weapons with which to combat the scourge of drug abuse in our country.

The Department was particularly pleased that the final bill provides constitutionally sound procedures extending a federal death penalty to murder during the course of a Continuing Criminal Enterprise, drug trafficking or importation offense and to drug related killings of federal, state or local law enforcement officers engaged in, or on account of, their official duties (Sections 7000-7002).

A large number of other enhanced penalties and long sought key technical law enforcement provisions were addressed in Titles IV, VI, and VII, including important provisions on money laundering, asset forfeiture, essential and precursor chemical diversion, international drug trafficking, and offenses involving juveniles.

Section 6480 of the bill will permit civil penalties of up to \$10,000 to be assessed for simple possession of controlled substances, and still retain all criminal sanctions for such offenses. This additional sanction fills a gap in present law, and provides a potential civil fine twice as high as the maximum first offense possession penalty currently available. In concert with the "user accountability" provisions of Sections 5001-5301, which provide for a loss of certain federal benefits up to 5 years for repeat "users" and lifetime for repeat "dealers," the provisions send an unmistakable message making it clear that such conduct will no longer be tolerated; and that all offenders can expect to be penalized, including the use of sanctions to hit them where it really hurts -- in the pocketbook.

Section 7603, in effect, overturns McNally v. United States, 107 S.Ct. 2875 (1987), returning to federal prosecutors a key tool for pursuing public corruption. Unfortunately, significant enhancements to anti-corruption law contained in the Senate version, which increased penalties and addressed narcotics-related corruption and election fraud, were stripped from the bill in the final compromise.

The bill does include a number of features strongly opposed by the Administration, most notably the so-called "drug czar" and "innocent owner" provisions in Titles I and VI, respectively, as well as a host of reporting requirements. An unsatisfactory compromise, the "Coordination of National Drug Policy," or "drug czar," section (Title I) imposes layers of new bureaucracy and regulatory procedures which doubtlessly will slow progress and otherwise be counterproductive to focusing federal drug efforts effectively. At best, the bill language may provide enough flexibility for this section to be workable.

Similarly objectionable are the "innocent owner" provisions governing forfeitures of conveyances. These provisions are not only unnecessarily cumbersome and difficult to implement, but they essentially overturn hundreds of years of Admiralty law and afford large loopholes to drug traffickers.

Significant provisions sought by the Department were, unfortunately, deleted from the final compromise bill. The House provision extending the decision of Leon v. United States, 468 U.S. 897 (1984), which would have provided exceptions to the "exclusionary rule" for good faith warrantless searches, was dropped when the Senate refused to recede to the House language.

A federal debt collection provision sought by the Department would have enhanced the remedies available to the United States and established uniform procedures in all federal judicial districts for the collection of debts owed to the United States.

It was expected that this provision would account for \$17 million in additional revenue this fiscal year alone. The section was defeated because some members claimed that the garnishment provisions were "too harsh" and that hearings were needed on the subject.

Significant additions to existing law, criminalizing additional aspects of child pornography and adding new provisions dealing with interstate receipt or possession for sale of obscene material (Sections 7511-7526), were made by the bill. These provisions captured most of the recommendations of the Meese Commission on Pornography and were among the most fiercely contested in the bill. The major provisions of this Administration-supported legislation were preserved in the final bill through the untiring efforts of Senators Strom Thurmond and Orrin Hatch and Congressmen Bill McCollum, Dan Lungren and Chris Smith.

The funding portion of the bill, Title X, provides \$330.4 million in badly needed supplemental appropriations for the Department. Also included are some \$90 million for Office of Justice Programs which the Department did not request. In terms of resources for prisons and priority drug enforcement programs originally requested by the President that will not be funded, the Department's shortfall for FY 1989 is now about \$190 million.

The \$30 million to be transferred by the bill from the Asset Forfeiture Fund to U.S. Attorneys will be used to establish 640 additional field positions (320 prosecutors and 320 support). It is imperative, however, that funds for these positions also be budgeted in out years.

Assuming full annualization of the Justice Department enforcement-related funding provisions in the President's 1990 budget, this bill will help address the most serious obstacle to the success of Departmental drug initiatives, inadequate resources. To do otherwise would be viewed as a retreat from our enforcement commitment.

Implementation of the Organized Crime and Drug Enforcement Task Forces' expense and budget provision (Section 1055) will require the active assistance of OMB.

On balance, the Anti-Drug Abuse Act of 1988, as enrolled, can be counted as a major success for the Administration, the National Drug Policy Board, and the Department of Justice.

- 4 -

We have attached proposed language in the event the President issues a signing statement regarding the Bill.

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Boyd', with a long horizontal flourish extending to the left.

Thomas M. Boyd
Assistant Attorney General

Enclosures

**DRAFT PRESIDENTIAL SIGNING STATEMENT ON
H.R. 5210 - ANTI-DRUG ABUSE ACT OF 1988**

Today I sign H.R. 5210, the Anti-Drug Abuse Act of 1988. The passage of H.R. 5210 represents a considerable achievement for the Department of Justice and the other member agencies of the National Drug Policy Board who worked in conjunction with an exceptionally large number of Congressional committees and working groups to help craft this legislation. The scope and magnitude of the bill reflect the significant bipartisan effort that went into its development.

While less than perfect, this bill contains virtually all of the provisions that I recommended that the Congress adopt, including a wide range of key supply-side tools and demand-side weapons with which to combat the scourge of drug abuse in our country.

I am particularly pleased that the bill provides constitutionally sound procedures extending a federal death penalty to murder during the course of a Continuing Criminal Enterprise, drug trafficking or importation offense and to drug related killings of federal, state or local law enforcement officers engaged in, or on account of, their official duties (Sections 7000-7002).

A large number of other enhanced penalties, and long sought key technical law enforcement provisions, were included in Titles IV, VI, and VII, including important provisions on money laundering, asset forfeiture, essential and precursor chemical diversion, international drug trafficking, and offenses involving juveniles.

Section 6480 will permit civil penalties of up to \$10,000 to be assessed for simple possession of controlled substances, and still retains all criminal sanctions for such offenses. This additional sanction fills a gap in present law, and provides a potential civil fine twice as high as the maximum first offense possession penalty currently available. This section, and the "user accountability" provisions of Title V, which provide for the loss of certain federal benefits up to 5 years for repeat "users" and lifetime for repeat "dealers", send an unmistakable message, making it clear that such conduct will no longer be tolerated. These provisions hit offenders who otherwise not be penalized and ensure that our precious tax dollars no longer subsidize benefits for those who continue to abuse drugs.

Section 7603, in effect, overturns McNally v. United States, 107 S.Ct. 2875 (1987), returning to federal prosecutors an essential tool for pursuing public corruption and preserving good, honest government. Unfortunately, significant enhancements to anti-corruption law that would have increased penalties and specifically addressed narcotics-related corruption and election fraud, which were contained in the Senate version, were stripped from the final bill by House members.

Significant additions to existing law, criminalizing additional aspects of child pornography and adding new provisions dealing with interstate receipt or possession for sale of obscene material (Sections 7511-7526), also were made by the bill. These provisions captured most of the recommendations of the Meese Commission on Pornography and were among the most fiercely contested of any in the bill. The major provisions of this Administration-supported legislation were preserved in the final bill through the untiring efforts of Senators Strom Thurmond and Orrin Hatch and Representatives Bill McCollum, Dan Lungren and Chris Smith.

The funding portion of the bill, Title X, provides \$330.4 million in badly needed supplemental appropriations for the Department. Also included are some \$90 million for Office of Justice Programs which the Department did not request. In terms of resources for prisons and priority drug enforcement programs which I originally requested that will not be funded, the Department of Justice's shortfall for FY 1989 is now about \$190 million.

The \$30 million to be transferred by the bill from the Asset Forfeiture Fund to U.S. Attorneys will be used to establish 640 additional field positions (320 prosecutors and 320 support). Full annualization of this and other key enforcement-related funding provisions of this bill in the 1990 budget will help address the most serious obstacle to the success of supply-side drug initiatives, inadequate resources. To do otherwise would be a retreat from our national commitment to a Drug Free America.

The bill does include, however, a number of features I strongly opposed, most notably the so-called "drug czar" and "innocent owner" provisions in Titles I and VI, respectively, as well as a host of reporting requirements. An unsatisfactory compromise, the "Coordination of National Drug Policy," or "drug czar," section (Title I) imposes layers of new bureaucracy and regulatory procedures which doubtlessly will slow progress and otherwise be counterproductive to focusing federal drug efforts effectively. At best, the bill language may provide enough flexibility for this section to be workable.

Similarly objectionable are the "innocent owner" provisions governing forfeitures of conveyances. These provisions are not only unnecessarily cumbersome and difficult to implement, but they essentially overturn hundreds of years of Admiralty law and afford large loopholes to drug traffickers.

I also regret that other key provisions sought by the Administration were deleted from the final compromise language. The House provision extending the decision of Leon v. United States, 468 U.S.897 (1984), which would have provided exceptions to the "exclusionary rule" for good faith warrantless searches, was dropped when the Senate refused to recede to the House language.

A federal debt collection provision sought by the Administration would have enhanced the remedies available to the United States and established uniform procedures in all federal judicial districts for the collection of debts, including criminal fines for narcotics offenses, owed to the United States. It was expected that this provision would account for \$17 million in additional revenue this fiscal year alone. This section was cut from the bill because some members felt the garnishment provisions were "too harsh" and that House hearings were needed on the subject. I completely disagree with this position, and wonder how it could be justified in light of \$17 million in revenue already owed to the United States that will be lost this year as a result.

Despite its shortcomings, on balance, the drug bill as enacted is a major success for this Administration and the American people as a whole. I will look to the 101st Congress and the next Administration to build upon this foundation and to enact those key initiatives omitted from this bill.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 18, 1988

ANTI-DRUG ABUSE ACT OF 1988

FACT SHEET

President Reagan today signed into law the Anti-Drug Abuse Act of 1988 to "give a new sword and shield to those whose daily business . . . is to eliminate from America's streets and towns the scourge of illicit drugs."

The new law moves the nation closer to the goal of a drug-free America. It establishes methods to reduce demand by providing strong civil penalties for illegal drug use, and provides resources to state and local governments to reduce waiting lists for drug abuse treatment. The law strengthens the attack on suppliers by authorizing the death penalty and creating new tools to stop money laundering.

The President praised First Lady Nancy Reagan as "the co-captain in our crusade for a drug-free America" and for leading the fight to rid our society of drugs and banishing "any lingering tolerance of the false image that drugs are somehow 'cool' or 'hip'."

"In every corner of our society," the President said, "people are fighting the purveyors of this evil and are just saying no. And the numbers are encouraging . . . Cocaine use by our nation's high school seniors dropped by one-third last year. . . . This bill helps us close rank on those who continue to provide drugs," the President said.

The law and its tough penalties reflect the changing attitude away from permissiveness about illegal drug use and toward intolerance and individual responsibility. As President and Mrs. Reagan led the effort to raise America's awareness about illicit drugs and stressed the deadly dangers drug use poses for individuals, families, schools, communities and the nation, America demanded a policy of zero tolerance for illicit drug use.

THE NEW LAW

Focus on the User

- o The Act includes landmark provisions to make drug users accountable for their use of illegal drugs by denying them certain Federal benefits, including Federally guaranteed loans. Benefits which are necessary to protect life and safety, such as Social Security and veterans benefits, are not affected.
- o The Act requires that Federal contractors and grantees maintain drug-free workplaces. Several provisions are designed to make public housing projects drug-free, including provisions to terminate leases of public housing tenants for illegal drug use.
- o The new law authorizes civil penalties of up to \$10,000 where a person is found guilty of possessing small amounts of illegal drugs.

--MORE--

- o This law authorizes funding of \$1.5 billion for rehabilitation, treatment and prevention programs for FY 1989. Also included in the law is nearly half a billion dollars for drug education programs.

Criminal Justice and Law Enforcement

- o The new law responds to the President's call to apply the death penalty to those convicted in Federal courts of drug-related killings.
 - The bill would allow the death penalty for any person engaged in or working in furtherance of an ongoing criminal enterprise, or for any person engaged in a drug-related felony offense, and who intentionally kills or counsels, commands or causes the intentional killing of an individual.
 - The death penalty may also be imposed for the murder of a law enforcement officer.
- o Money laundering statutes are strengthened by:
 - Allowing the use of "sting" operations in connection with money laundering transactions.
 - Prohibiting financial institutions from issuing a cashier's check or similar instrument for over \$3,000 to a person without adequate identification.
 - Providing the Treasury Department with broad authority to investigate domestic currency transactions.
 - Increasing the undercover investigative authority of the Internal Revenue Service.
- o The new law establishes a comprehensive system to track chemicals used in the manufacture of illicit drugs. Records of sales must be maintained for Justice Department review.

Additional Interdiction Funding

- o The law appropriates \$116 million in additional funding for the Coast Guard and \$15.5 million for the Customs Service in FY 1989 to help stop drugs at the nation's borders. A demonstration air carrier inspection program will be established for at least three high-risk U.S. international airports.

Office of National Drug Control Policy

- o The Act establishes the Office of National Drug Control Policy in the Executive Office of the President to be headed by a Cabinet-level director. The first appointment to the position will be made by the new Administration.

Provisions on Child Pornography

- o The law strengthens efforts against child pornography and obscenity.
 - The law prohibits the "buying and selling" of children for the production of child pornography and establishes detailed record keeping requirements for the producers of sexually explicit material.
 - The law expands jurisdiction and increases penalties for sales of obscene material that move across state lines.
 - The law also prohibits the transmission of obscene material on cable television.

THE REAGAN ADMINISTRATION AND A DRUG-FREE AMERICA

The new law supports Reagan Administration efforts to lead the nation toward a drug-free society by using prevention, intervention and treatment to reduce demand; and drug law enforcement and international efforts to reduce supply.

REDUCING DEMAND

- o The President and First Lady Nancy Reagan, the Vice President and the Cabinet have worked together to raise America's awareness of illegal drug use through the most extensive, best funded and most effectively coordinated anti-drug effort in the nation's history. Mrs. Reagan helped establish thousands of "Just Say No" Clubs to provide drug education and activities for young people that help them reject drugs.

Education

- o Across the country, community leaders and parents are assisting in drug awareness efforts, expressing their determination to stop illegal drug use by young people. The Federal Government has supported these efforts by distributing prevention materials; establishing regional training centers for school and community representatives; and providing technical and financial assistance for colleges, schools and communities.
- o The Administration launched a major effort to protect and strengthen the family unit as a first line of defense against illicit drug use. Federal agencies provide information that helps parents show their children the dangers of drug abuse.
- o As a result, more and more American people are turning against illegal drugs. Young people, who led the way toward drug use 20 years ago, are now leading the way out.
 - A Gordon Black survey of students on 130 college campuses this year found that two-thirds of those interviewed said trying cocaine even once was risky, up from 56 percent in 1987.
 - Almost nine out of 10 said trying crack even once was risky. Seventy-six percent said they "greatly fear" addiction to cocaine or crack, up from 68 percent a year earlier.
 - A University of Michigan survey of high school seniors last year found 97 percent disapproved of the regular use of cocaine and 87 percent disapproved of even trying the drug. Daily marijuana use is down dramatically from the level of one-in-nine users in 1979 to only one in 30 in 1987.

Military Drug Use Declines

- o Drug use continues to decline in the military. A 1988 survey shows the incidence of illicit drug use has dropped since 1980, from 27 percent in 1980 to 4.8 percent in 1988.

Drug Testing

- o Federal agencies are implementing President Reagan's Executive Order 12564 which establishes programs to educate employees, identify drug users and provide treatment and counseling. The Department of Health and Human Services issued technical guidelines for drug testing, opening the way for each agency to implement testing programs. The Department of Transportation just this week announced a series of new regulations requiring drug testing for safety and security positions in the transportation industry.

White House Conference

- o In June 1988, the White House Conference for a Drug Free America issued more than 100 recommendations to prevent drug abuse.

Drug Free America Week

- o A National Drug Free America Week was held October 24 to October 30, 1988. Communities nationwide hosted town meetings, and organized community coalitions, conferences, rallies and fundraising activities that support community drug prevention.

REDUCING SUPPLY

The Reagan Administration has been working vigorously to reduce the supply of illicit drugs. The Administration has pressed home the attack on the supply of drugs, on the spoils of the drug trade and on the drug criminals themselves.

- o Drugs. In the first ten months of FY 1988, Federal agents seized huge amounts of illicit drugs.

Major Drug Seizures October 1987 through July 1988

Cocaine	167,700 pounds
Marijuana	1.37 million pounds
Heroin	1,850 pounds

- o Assets. In FY 1988, the Drug Enforcement Administration (DEA) seized \$650 million in assets. The Federal Bureau of Investigation (FBI) seized \$54 million in the first nine months of FY 1988. Customs seized \$522 million in assets in the first 10 months of FY 1988. Despite a 55 percent reduction in maritime law enforcement patrols due to Congressional budget cuts, the Coast Guard seized 216 vessels for narcotics violations during FY 1988.
- o Clandestine Labs. In FY 1988, DEA seized 804 clandestine labs.
- o Arrests. DEA made 15,975 arrests in the first 10 months of FY 1988. The FBI made 1,913 arrests in the first 11 months of FY 1988.
- o Convictions. Colombian cocaine kingpin Carlos Lehder Rivas was sentenced in July to life in prison without parole, plus 135 years, for importing 3.3 tons of cocaine into the U.S. from the Bahamas. The DEA won 5,798 convictions in the first half of FY 1988. The FBI won 1,913 felony convictions in the first 11 months of FY 1988.

The Weapons of the Drug War

- o The number of Federal drug investigators has almost doubled from 3,151 in FY 1981 to 6,230 in FY 1988. This includes FBI agents who were not enlisted in the crusade against drugs before this Administration took office.
- o The Department of Defense (DOD) provides air surveillance and ships to detect drug smugglers. In FY 1987, DOD flew 16,288 aerial surveillance flight hours, provided 2,512 ship-days and loaned enforcement agencies equipment valued at \$300 million.
- o In 1983, the President asked Vice President Bush to establish the National Narcotics Border Interdiction System (NNBIS) to bring cooperation and coordination to Federal, state and local law enforcement agencies fighting illegal drugs. Under the Vice President's leadership, NNBIS has expanded the role of DOD and intelligence agencies in interdiction and promoted international anti-drug efforts.
- o In 1987, 23 nations joined the U.S. in eradicating illegal drug production, up from only two countries in 1981.

TOTAL SPENDING

- o Funding for Federal anti-drug activities has increased to almost five times what it was in 1981.

Federal Funding
(budget authority by fiscal year in billions of dollars)

	1981	1988	1989
Enforcement	\$0.8	\$2.6	\$3.5
Prevention/Treatment	0.3	1.0	1.6
Total Federal Spending	\$1.1	\$3.6	\$5.1

Note: Figures for 1989 reflect the total funding available including funds provided by the Anti-Drug Abuse Act of 1988.

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THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 18, 1988

REMARKS BY THE PRESIDENT
AT SIGNING CEREMONY FOR
THE ANTI-DRUG ABUSE ACT OF 1988

The East Room

2:35 P.M. EST

THE PRESIDENT: (Applause.) Thank you all very much. Please be seated. Members of the Congress, distinguished guests, and ladies and gentlemen, welcome to the White House. This is a very special occasion for everyone here, especially Nancy.

For eight years she's led the fight to not only rid our society of drugs, but banish any lingering tolerance of the false image that drugs are somehow "cool" or "hip." As a nation we now acknowledge what Nancy has been saying over the past several years: that drugs give a false high. They feel good only long enough to weave a web of addiction. And once trapped, the user is drawn into an existence from which nothing good could come.

As many of you know firsthand, Nancy is the co-captain in our crusade for a drug-free America. She has had help -- all across this country, millions of decent Americans have stood up and joined her. In every corner of our society, people are fighting the purveyors of this evil and are just saying no.

And the numbers are encouraging. One in particular gives us great hope: Cocaine use by our nation's high school seniors dropped by one-third last year -- from 6.2 percent in 1986 to 4.3 percent in 1987. And that's the lowest level in a decade. And the total number of users has leveled off.

This bill helps us close rank on those who continue to provide drugs. Arrests, convictions, and prison sentences of sellers and abusers are rising to record levels.

Several months ago here at the White House, we honored those heroes who gave their lives in this battle. Heroes like DEA Special Agent Enrique Camarena Salazar and a young rookie cop from New York named Eddie Byrne. With us today are Matthew and Ann Byrne who join us as we give their son's comrades the valuable tools they need to carry forth the fight for which young Eddie so valiantly gave his life. We salute Eddie Byrne, we salute his family for their determination that his death will not have been in vain. (Applause.)

This bill is the product of a bipartisan effort. And I'm obliged to note that several provisions of the bill purporting to require international negotiations must be construed and applied consistent with my constitutional authority to conduct such negotiations. I'm also very concerned that the congressionally mandated changes in our zero tolerance policy at and around our nation's borders could greatly hamper our drug interdiction effort.

In addition, important language was dropped from the final version, most notably the easing of the exclusionary rule and random drug testing. Fortunately, the Department of Transportation has been able to proceed with proposals for random drug testing where drug abuse endangers the public safety.

While the language that was dropped would have provided effective methods to enhance drug enforcement, the final product

MORE

nevertheless strikes a balance between tough law enforcement and protection of victims' rights with the constitutional guarantees of the rights of criminals.

The provision providing the death penalty for narcotics kingpins and drug-related murderers, along with tough new provisions dealing with everything from money laundering to international interdiction and state and local drug enforcement are just the weapons Eddie and Enrique's comrades in arms need to fight an effective war.

This bill also addresses the demand side of drug abuse, authorizing \$1.5 billion for expanded drug treatment and prevention programs and nearly half a billion dollars for drug education programs.

Also included in the bill are harsh new laws to deter the greedy and heartless who sell or distribute obscene material or child pornography. With fines up to \$100,000 and prison terms of 20 years, we hope to put these people out of business for good.

Tragically, this legislation comes too late for Dixie Gallery, who is also with us today. Her daughter, Linda, was kidnapped, drugged, repeatedly raped, and then brutally murdered. Who could do such evil things? Three men working for a pornographer.

The pornographer was making a movie and, in his words, told those three to "use a blond." Well, simply because she happened to be in the wrong place at the wrong time, she was killed. Well, Linda is now in the Lord's hands -- just try to tell her mother that pornogrpahy is a victimless crime.

Our battles aren't fought by any single person, nor can they be won by a single bill. But with the measures we have taken over the past eight years and the significant additions made today, we are one step closer to an America free of the degrading and dehumanizing effect of obscene material and child pornography and an America that is drug-free.

Eight years ago we set a course, we stuck to it, and the path we blazed is marked by the success of our accomplishments. Our ultimate destination -- a drug-free America. And now in the eleventh hour of this presidency, we give a new sword and shield to those whose daily business it is to eliminate from America's streets and towns the scourge of illicit drugs.

Before I sign the bill I want to take a moment to thank a very special person. A moment ago I referred to her as the co-captain. Because of her personal commitment at a time when many others simply chose to ignore the world's drug abuse problems, we were able to begin turning the tide. Her campaign to raise our nation's and the world's consciousness about illegal drug use has won her the respect and admiration of people the world over.

Nancy, for your tireless efforts on behalf of all of us and the love you've shown the children in your "Just Say No" program, I thank you and personally dedicate this bill to you.

And with great pleasure, I will now sign the Anti-drug Abuse Act of 1988. (Applause.)

END

2:43 P.M. EST