COMMERCE, JUSTICE, SCIENCE, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2008

THURSDAY, APRIL 19, 2007

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD–192, Dirksen Senate Office Building, Hon. Barbara A. Mikulski (chairman) presiding.

Present: Senators Mikulski, Lautenberg, Shelby, Stevens, and Domenici.

DEPARTMENT OF JUSTICE

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

STATEMENT OF MICHAEL J. SULLIVAN, ACTING DIRECTOR

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Good morning. The Subcommittee on Commerce, Justice, Science, and Related Agencies will come to order. Today we will be taking the testimony of the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the Drug Enforcement Administration (DEA) and the United States Marshals Service.

We want to extend a warm welcome to our witnesses today and let our witnesses know how important we think their job and their mission is to this country.

When we planned this hearing a few months ago, it was to examine the budget of these very dedicated law enforcement agencies and to discuss how the Commerce, Justice, Science Subcommittee could work with them to make sure they had the tools they needed to protect our national security and keep our communities safe.

Yet, this week, a very grim and very melancholy event occurred on the campus of one of our universities. On Monday we watched in shock and horror as Virginia Tech came under fire with over 32 dead and many more injured. The terrible tragedy highlights how important it is for our Federal law enforcement agencies to be able to work together with our local law enforcement at a time of great tragedy.

What we know is that ATF was immediately on the scene sending 12 ATF experts to Virginia to secure the crime scene, and make sure that the integrity of the evidence at the crime scene was not compromised. In fact, Maryland is home to a very unique ATF fo-

rensic lab. I know the subcommittee will be interested to hear about this facility because it is where ATF identified the ballistics evidence to determine if there was a single killer or multiple killers. But at the same time we know that DEA and the Marshals Service also answered the call.

In the briefing that you've provided me before this hearing it was clear there was an outstanding effort by Federal agencies in supporting and augmenting the local community so they knew they were not alone. While they were making the best of a terrible situation, you were doing your best, which was making sure needs were met. We will be asking you today questions along these lines.

We also want to then focus on each of your very unique missions. We know that the DEA is an integral part of fighting the global war against terrorism. Terrorism, whether it's been growing poppies in Afghanistan to fund the Taliban or to what is happening in our own community with the cyber distribution of highly addictive substances or to working with State and local law enforcement to shut down and clean up toxic meth labs. We want to know more about what you're doing and what we can do to help you do it.

Also for our Marshals Service, the Marshals Service plays a unique role. Right this minute on the Senate floor we're debating court security. We ask the Marshals Service to provide court protection to both witnesses and to our judges. We also ask them to guard fugitives. We also ask them to provide unique and special protection in high profile trials where there is a drug kingpin or a terrorist. At the same time we want them to enforce the Adam Walsh Act and make sure they apprehend the sexual predators who refuse to register while making sure you catch them before they commit another repugnant act.

So we want to listen to all of you today. Our ATF, whose unique job is to enforce laws related to alcohol, tobacco, and firearms. This is not the old days of breaking up stills. There is nothing still about ATF in terms of its modern mission. They're on the scene investigating arsons, illegal trafficking of guns both internationally and nationally while providing unique forensic capability that often local communities cannot afford particularly those in rural America.

Threats have changed since your agencies were created. Technology is in demand and at the same time the very people that work in these agencies need to have even better and unique training. So the job today is to listen to what you are doing and to tell us what resources you need to be able to do it better, to make sure that we're protecting our national security and our community security.

With that I would like to then yield to my ranking member, Senator Shelby.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Thank you, Chairman Mikulski. I want to thank all of the participants for joining us to discuss the 2008 budget for the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Drug Enforcement Administration, and U.S. Marshals Service.

The total Department of Justice request for 2008 is a little over $20 billion. This is a $771 million decrease below the 2007 joint resolution funding level. The Department faces a $500 million shortfall in the 2008 budget. Just as I said last year, the budget constraints placed upon us by the war on terror and the recent hurricane seasons will once again force us to make tough decisions.

I would be remiss though if I didn't, as Senator Mikulski has already done, mention the tragedy that took place on the Virginia Tech campus Monday morning. My heartfelt thoughts go out to everyone that was affected by this horrible event.

The ATF has been one of the lead investigative agencies in this horrible disaster and it has done an outstanding job. ATF agents quickly identified ballistic evidence linking a weapon used in the first shooting to the second shooting. Acting Director Sullivan, I commend your personnel in the labs and on the ground for their quick and professional response. This somber day will be one mourned and remembered by all of us for years and years to come.

I also once again want to commend the ATF for its contributions to the quick capture and conviction of the Alabama church fire arsonist that was sentenced to prison last week, remember that horrible situation there, where they were burning churches.

The ATF's 2008 request is a little over $1 billion. The request is $29.8 million over the 2007 joint resolution total and you'll need it. The ATF as we all know is the premier agency for gun crimes, gang activity, arson, and explosive related crimes. I'm committed, as the chairman is, to ensure that you have the tools and training facilities to fulfill your explosives mission.

The National Center for Explosives Research will be a world-class addition to the Redstone Arsenal in Huntsville, Alabama, which is already home of the Federal Bureau of Investigation's (FBI) hazardous devices school.

I'm working collaboratively here to expand the Federal Government's explosive infrastructure and expertise there. This will assist in our number one priority of terrorism prevention and ensuring a safe homeland.

Redstone Arsenal should and will be the law enforcement capital of explosives research and training. We have the personnel. You have them there.

Director Sullivan, I would like to offer you congratulations again on your nomination to be the permanent Director of ATF. We believe you will sail through. We all want to help you. You bring a lot of experience as a former U.S. attorney in Massachusetts and I believe that you will serve the ATF and the Nation well in this regard.

Administrator Tandy, thank you for coming today. The Drug Enforcement Administration's budget request for 2008 is $1.8 billion, a little over a $57 million increase over the 2007 joint resolution total.

The role of the DEA has shifted from being solely focused on narcotics to include an intelligence mission and a position on the front line on the war on terror. As former chairman on the Select Committee on Intelligence, I know all too well the link between global drug trafficking and terrorism.

I understand the detrimental impact that a hiring freeze has on your ability to carry out your mission. Senator Mikulski and I will be working with you on the 2008 process to see that you, the DEA, have the manpower that you need to carry out your mission. I think it's critical.

By the same token, while we're addressing the budget shortfalls and hiring freeze, I received this disturbing letter from the Department of Justice on March 6, stating that the cost of the clandestine laboratory training facility has doubled from $8 million to $16 million.

This letter combined with the disastrous cost escalations, poor estimations, and project management of the DEA's information technology center that jumped from $7.1 million to $38 million show a disturbing and, I think, unacceptable trend that we'll have to put our hands on in this subcommittee.

I will reserve any further judgment because we don't know all the facts until we hear from the recommendations of the inspector general and the Government Accountability Office (GAO).

Meth, as the chairman has mentioned, use continues to poison our Nation, knowing no boundaries of age, gender, class or race. The majority of this drug is shipped into our country from Mexico and I want to commend the DEA and the Department of Justice in their recent success of Operation Imperial Emperor, where more than 400 individuals were arrested and $45 million in U.S. currency and 18 tons of illegal drugs were seized from a Mexican drug cartel. That's progress.

Violent Mexican drug cartels have turned our Southwest border into a battle zone where our DEA agents put their lives on the line everyday. These cartels have their own advanced telecommunications towers and encrypted radios making their communications system virtually impenetrable with our current surveillance quota.

I hope, Senator Mikulski, that we will be able to help fund with the modern technology that the DEA needs here to have the right technology in the hands of our agents so that they can fight this battle.

Director Clark, the U.S. Marshals Service budget request is $899.8 million. This is an $80 million increase over the 2007 joint resolution total. The core responsibilities of the Marshals Service include providing judicial and courthouse security, safeguarding witnesses, transporting prisoners for court proceedings, seizing forfeited property and apprehending fugitives. That's a lot.

The National Center for Missing and Exploited Children estimates that over 600,000 sex offenders in the United States, more than 100,000 of them have failed to register. With the enactment of the Adam Walsh Act, marshals are tasked with removing those unregistered offenders from our streets which is a daunting task.

Last year the U.S. Customs and Border Protection Agency received funding to hire an additional 2,000 border patrol agents. Marshals bare the primary burden of transporting illegal alien prisoners taken into custody by these border patrol agents meaning there will be fewer marshals removing unregistered sexual offenders from our neighborhoods and streets. This is a problem, I think, Madam Chairman, we've got to address.

The Presidential Threat Protection Act of 2000 authorized the permanent creation of fugitive apprehension task forces which are comprised of Federal, State, and local law enforcement authorities in designated regions. Through this act, the gulf coast regional fugitive task force, headquartered in Birmingham, Alabama, was created last May.

At approximately 8 a.m., a young female lawyer was kidnapped at gunpoint in the parking lot just a few blocks from my office in downtown Birmingham. Some of you might remember seeing video of this as it was captured on a security camera and shown on network news channels all over the Nation.

Through the efforts of the gulf coast regional fugitive task force, the kidnapper was captured and the woman returned to her family without serious bodily harm. That is good, good work. This is just one example of what you're doing and how you're doing it.

Last, the reprehensible working conditions and inadequate security resources that our marshals endure in the District of Columbia Superior Court building have recently been brought to my attention. Stale ventilation, flooding hallways, poor plumbing, malfunctioning lights that are needed to illuminate prisoner traffic areas monitored by security cameras and archaic prisoner tracking system and antiquated prisoner scanning devices are conditions that are not acceptable, that you need better funds for better equipment.

Director Clark, I understand you visited this facility last week and I look forward to hearing from your visit and what we can do, this subcommittee, to resolve this very, very serious matter and I want to thank you for the job you do and I want to thank the men and women who work at the Department of Justice for what they do everyday. Thank you.

Senator MIKULSKI. Thank you very much, Senator Shelby. The way the subcommittee is going to proceed is we're now going to turn to our witnesses and then for those who colleagues who also had opening statements, you can incorporate that in your question and we'll add some additional moment or two so there would be no penalty.

Our colleague Senator Domenici, I know, has to go to another hearing and we're going to work to accommodate him after the testimony of our three people.

Does that meet your needs, Senator Domenici?

Senator DOMENICI. I have an entire delegation in my office now in 5 minutes so I will hope that I'll be finished in time to come back. I'll try my best.

Senator MIKULSKI. Well, Senator, we'll certainly reserve the time for you and I can assure you along with Senator Shelby if you have questions for the record or if your staff would even want us to be sure we cover any ground this morning.

Senator DOMENICI. We have had a very important set of activities regarding meth in New Mexico and I wanted to follow up on them and I hope I get back in time to do that.

Senator MIKULSKI. And any way we can support you in doing that, fine.

Why don't we then turn to, excuse me, turn to our panel to present their testimony. What I'd like to suggest is Mr. Sullivan,

we start with the Bureau of Alcohol, Tobacco, Firearms and Explosives then go to Ms. Tandy and our very able Marshals Service will be the wrap up.

SUMMARY STATEMENT OF MICHAEL J. SULLIVAN

Mr. SULLIVAN. Good morning Chairman Mikulski, Ranking Member Shelby, and distinguished members of the subcommittee. I have submitted a detailed statement that I'm asking to be made part of the record so I only have a few brief remarks.

This is my second time testifying before a congressional Appropriations Committee and my first time before the Senate and I'm very pleased to be here to speak on the President's fiscal year 2008 budget request for ATF.

I want to thank you Chairwoman Mikulski and Ranking Member Shelby for your recognition of ATF. It has been my personal and professional honor to lead this agency for the past 7 months.

I'm also pleased to be sitting here with Administrator Tandy and Director Clark, two individuals I have tremendous respect for.

ATF has a long and successful history of working closely with DEA and the U.S. Marshals Service as well as our other Federal law enforcement partners including the FBI and the Bureau of Prisons. Such partnerships are vital to accomplishing our mission and serving the interests of our fellow citizens.

As the United States attorney in Massachusetts and a former local prosecutor, I came through the door at ATF with a tremendous respect for the work that our people do, day in and day out, to fight violent crime, combat gang violence, and improve the quality of life in the neighborhoods throughout our country.

I must admit however, that I was unaware of the full depth and breadth of the agency's mission, responsibilities and contributions to the safety and security of our country. I very much appreciate the subcommittee's support of our agency, in particular the interest you have taken in our mission and our programs.

Thanks to the leadership of this subcommittee and the dedication and diligence of the men and women of ATF, our efforts are producing real results that make our neighborhoods, our country, and our world safer for everyone.

Finally before we proceed, like many others, I would like to take a moment to offer my condolences to the victims, their families, and the university community at Virginia Tech. This truly was a national tragedy.

I have three college-aged children. As a parent and as a citizen of the greatest country in the world, it horrifies me that one of our Nation's top universities could serve as the setting for such a horrendous and unthinkable crime of violence. As you know and as you have pointed out, Chairwoman Mikulski, State and local law enforcement authorities in Virginia worked around the clock to investigate the matter and find answers for the victims and their families.

ATF, along with our Federal partners, FBI, DEA, and the U.S. Marshals Service, has been lending support to those State and local agencies as requested and will continue to provide any and all assistance that is asked of us.

PREPARED STATEMENT

Chairwoman Mikulski, I look forward to working with this subcommittee and with you and will be pleased to answer any questions you might have in the course of this hearing. Thank you.

Senator MIKULSKI. Thank you Mr. Sullivan.

[The statement follows:]

PREPARED STATEMENT OF MICHAEL J. SULLIVAN

Madam Chairman, Senator Shelby, and distinguished Members of the Subcommittee, I am pleased to appear before you for the first time to discuss the President's fiscal year 2008 budget request for the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). I very much appreciate the Subcommittee's support of ATF and the interest you have taken in our mission and programs. Thanks to the leadership of this Subcommittee, and the dedication and diligence of the men and women of ATF, our efforts are producing real results that make our neighborhoods and country safer.

ATF'S MISSION

As you know, ATF is a principal law enforcement agency within the Department of Justice dedicated to reducing violent crime, preventing terrorism and protecting our Nation. The men and women of ATF perform the dual responsibilities of enforcing Federal criminal laws and regulating the firearms and explosives industries. The combined efforts of special agents and industry operations investigators allow ATF to effectively identify, investigate, and recommend for prosecution violators of Federal firearms and explosives laws; additionally, their teamwork enables ATF to ensure that licensees are operating within established laws and regulations. We are committed to pursuing our mission by working both independently and through partnerships with industry and other Federal, State, local and international law enforcement agencies.

ACCOMPLISHMENTS

Over the past fiscal year, ATF has initiated criminal investigations in the following areas: 29,166 firearms cases; 4,060 arson and explosives cases; 2,023 gang-related cases; 135 alcohol and tobacco diversion cases; and 47 explosives thefts, which included 3,977 pounds of explosives, 3,627 detonators and 25,107 feet of detonator cord.

In addition, in fiscal year 2006, ATF conducted 12,148 inspections of Federal Firearms Licensees (FFL) and 6,392 inspections of Federal Explosives Licensees (FEL). We also processed: 401,792 National Firearms Act (NFA) weapons registrations; 284,443 firearms trace requests; 37,390 FFL applications and renewals; 5,524 FEL applications and renewals; and 11,001 import permit applications.

ATF also provided important training not only for our own personnel, but for our local, State, Federal and international law enforcement partners. For instance, in fiscal year 2006, we provided training for 816 members of the international law enforcement community. We provided Project Safe Neighborhoods (PSN) training for 5,816 Assistant U.S. Attorneys, State and local prosecutors, State and local police officers and sheriffs, and ATF Special Agents. We also trained:

—Over 1,100 personnel, including 500 State and local investigators and bomb squad personnel, in explosives-related courses, including post-blast investigations;
—Over 700 explosives detection canine teams on peroxide-based explosives;
—450 U.S. Marshal Court Security Officers on improvised explosive device (IED) familiarization and security; and
—402 personnel in arson-related courses.

FISCAL YEAR 2008 BUDGET REQUEST

For fiscal year 2008, ATF requests $1,013,980,000 and 5,032 positions, of which, 2,468 are agents. This request includes $995,023,000 and 4,984 positions for current services and $18,957,000 and 48 positions for program improvements.

The program improvements include $8.9 million in increased funding for the successful PSN initiative, ATF's firearms trafficking enforcement teams, and participation in the National Gang Targeting, Enforcement, and Coordination Center (GangTECC). These programmatic increases would be an important investment in the pursuit of violent offenders and the reclamation of communities from the

scourge of gangs, gun crime, and local, national and international gun trafficking organizations.

An additional $10 million is being requested for continuation of our current explosives programs which will further fulfill our responsibilities under the Safe Explosives Act. These funds will ensure that explosives industry members continue to receive their licenses in a timely manner and will allow ATF to provide appropriate oversight concerning the safe and secure storage of explosives.

PROJECT SAFE NEIGHBORHOODS AND ANTI-GANG EFFORTS

The fiscal year 2008 budget request for ATF includes six additional FTE (12 positions) and $2.2 million to enhance the Bureau's gang and firearms enforcement efforts supporting PSN nationwide. ATF will apply these resources to locations that have experienced an increase in firearms violence and will focus them on multi-defendant conspiracies and criminal organizations in an effort to take violent criminals off the street.

ATF has been the lead Federal law enforcement agency for PSN since its inception in May 2001, focusing on a wide range of firearms cases—those involving Racketeer Influenced Corrupt Organization (RICO) violations, firearms trafficking and the criminal possession of firearms by convicted felons and other prohibited persons. As the only Federal agency that focuses primarily on violent crime and the regulation of commerce in firearms and explosives, ATF exercises unique statutory authority over the "tools of the trade" that make gangs a threat to public safety.

Nearly 2,000 of ATF's special agents are exclusively dedicated to investigating violent crime and gangs. These agents work closely with State and local law enforcement to investigate the most egregious violent criminals and violent criminal organizations. This strategy is employed effectively through ATF-led Violent Crime Impact Teams (VCIT), which are currently deployed in 25 cities across the nation. During fiscal year 2007, this number will expand by 5 additional cities bringing the total number to 30. In addition, ATF participates with State and local police and other Federal agencies on 110 anti-gang task forces.

This past year ATF aggressively investigated and made significant strides in combating violent gangs. In fiscal year 2006: 2,023 gang-related cases were initiated by ATF—an increase of 157 percent from 2002, the first full year of PSN; 1,680 defendants referred by ATF in gang-related cases were convicted—an increase of 289 percent from 2002; and 779 defendants in gang-related cases were sentenced, with an average sentence of 107 months.

An outstanding example of our anti-gang efforts is Operation Mano Dura, an investigation of the MS–13 gang conducted by our Baltimore Field Division. Those indictments included charges of various RICO predicate acts, including seven homicides and numerous other shootings, beatings and other violent crimes in aid of racketeering. To date, 15 of the defendants have been convicted and 12 are awaiting trial. Nine of these defendants are eligible for the death penalty.

Another noteworthy example is the arrest and indictment of 13 members of the MS–13 street gang in January following a year-long joint investigation by ATF and the Nashville Metropolitan Police Department. During the investigation, information was developed linking Nashville-based MS–13 members and associates with seven shootings, three alleged murders, several planned murders, threats, intimidation and many other significant violent crimes, all of which occurred in 2006. The defendants were indicted on RICO charges. Several of these defendants also are eligible for death sentences.

The President has identified violent street gangs as a national problem and has instructed the Department to institute strategies to address this problem. ATF has been successful in targeting high crime areas and dedicating investigative, inspection, analytical and technological resources to reduce violent crime. Through these strategies, ATF and the Department are acting decisively to demonstrate to the American public that Federal law enforcement agencies are working strategically to investigate, reduce and prevent violent crime. The additional PSN funds we are requesting will build upon proven, successful tactics: integrating regulatory enforcement, aggressive investigation techniques and the utilization of technology to impact violent crime.

ATF also is requesting two positions, two agents, and $373,000 to dedicate to GangTECC. Established by the Attorney General, this new national anti-gang force serves as a coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies. It also provides a clearinghouse for gang-related intelligence data, assists in developing a refined understanding of the national gang problem, proposes appropriate countermeasure strategies, and supports the National Gang Intelligence Center. Currently, three ATF special agents are supporting

GangTECC. These agents are facilitating the coordination of overlapping racketeering investigations and ensuring that tactical and strategic intelligence is shared between law enforcement agencies. Moreover, an ATF agent is currently serving as the initial Deputy Director of GangTECC. GangTECC provided important assistance in the aforementioned arrests and indictments of the Nashville-based MS–13 gang members. Specifically, it facilitated communications among the various law enforcement agencies involved in the case, arranged for other Federal agents to support the investigation as needed, and arranged an urgent translation and transcription of communications that were garnered through undercover operations.

FIREARMS TRAFFICKING

Street gangs are often involved in firearms trafficking in order to supply guns to gang members and criminals in furtherance of drug trafficking and in the commission of other violent firearms-related crimes. To successfully fight violent crime, it is essential to prevent the illegal flow of firearms to criminals. ATF's firearms trafficking interdiction efforts advance this goal by identifying and arresting those persons who illegally supply firearms to gang members and prohibited persons such as felons and juveniles.

ATF is requesting 34 positions, of which all are agents, and $6.3 million to expand its domestic firearms trafficking enforcement efforts along the Southwest Border and nationwide to target efforts on certain gun trafficking corridors. With this funding, ATF will establish investigative teams that will be devoted to firearms trafficking interdiction efforts in areas of the country with the highest levels of out-of-State guns recovered in crimes.

ATF will use its analytical resources to strategically deploy these teams. To date, ATF has determined that the following routes are significant regional, national and international trafficking corridors: The Southwest Border; the I–95 corridor between Miami and Boston; Northern rural Mississippi to Chicago; Northern Indiana to Chicago; the triangle between Los Angeles, Las Vegas and Phoenix; and Birmingham to Chicago.

Several of these trafficking routes impact not only local and regional crime patterns, but also have international significance, affecting our neighbors in Canada and Mexico, as well as other Central and South American nations.

In fiscal year 2006, 1,526 ATF-referred defendants in firearms trafficking cases were convicted. This represents an increase of 166 percent from 2002, the first full year of PSN.

A noteworthy example of a firearms trafficking case is Operation Flea Collar, a complex, 2-year undercover investigation during which ATF learned that two suspected traffickers were purchasing firearms at an FFL in Alabama and then selling them at flea markets and gun shows in northern Alabama. Further investigation identified unlicensed firearms dealers at those flea markets. It also revealed a recurring scheme whereby gang members or their designees were routinely dispatched to the Alabama flea markets and gun shows to purchase firearms in bulk for use by various street gangs. Ultimately, ATF agents estimated that the various suspects had sold thousands of firearms over the last several decades. At least 12 of the trafficked firearms have been associated with homicide investigations, including one linked to the attempted murder of a Chicago police officer. Many of the trafficked firearms also have been linked to robberies, assaults, drug crimes and sex crimes throughout the United States. The firearms have been recovered in numerous States, including Alabama, California, Georgia, Illinois, Maryland, Michigan, New York, South Carolina, Tennessee, Texas and Washington, DC. Operation Flea Collar concluded with the seizure of 556 firearms and the arrest of 18 individuals on charges stemming from the illegal sale of firearms without a license and the illegal sale of firearms to convicted felons and out-of-state residents. All 18 suspects have been convicted and sentenced, and the investigation is ongoing.

Another example of a significant trafficking case involved guns and drugs moving between West Virginia and New York City. In 2004, our Wheeling Field Office opened a firearms trafficking investigation of two corrupt pawn dealers located in Fairmont, West Virginia. During the course of these investigations, special agents uncovered an interstate conspiracy to traffic crack cocaine in Fairmont and illegally traffic firearms to New York City. This investigation resulted in the Federal conviction of three individuals for conspiracy and three other persons for Federal firearms and narcotics charges.

One final noteworthy example of a firearms trafficking case involved members of the "Bloods" street gang in New Jersey arranging for students at Wilberforce University in Ohio to conduct straw purchases of firearms in Ohio and transport them to New Jersey. The gang members who received the firearms used them for an as-

sortment of violent crimes in New Jersey, including a drive-by shooting, armed robbery, crack cocaine distribution and an attempted home invasion. This 2-year investigation resulted in the conviction of 12 defendants for Federal firearms violations for trafficking 146 firearms.

ATF is attempting to balance the resources it devotes to fighting violent crime and addressing the supply of firearms to criminals. Successfully tackling the problem of firearms trafficking requires a comprehensive effort and a multifaceted approach utilizing court-authorized electronic surveillance, undercover operations, source development and cooperation with other law enforcement entities in order to be truly effective in shutting down illegal firearms markets.

OTHER PROGRAMS AND ACTIVITIES

In addition to PSN and firearms trafficking enforcement, ATF has other significant operations that are essential to carrying out our mission. Our law enforcement and regulatory responsibilities require ATF to maintain a host of efficient and effective activities, programs and facilities. I would like to take this opportunity to highlight a few important initiatives.

Firearms Enforcement and Investigation

In response to firearms trafficking and related violence on both sides of the border with Mexico, ATF has developed a Southwest Border Initiative. This initiative coordinates the resources of ATF's Dallas, Houston, Los Angeles and Phoenix Field Divisions, as well as Violent Crime Impact Teams (VCIT) in Laredo, Houston, Albuquerque and Tucson. The initiative focuses regional and cross-border violence and firearms trafficking by employing geographic targeting, partnerships, technology and training. In addition to working with local law enforcement, ATF also is collaborating closely with Immigration and Customs Enforcement (ICE) and Mexican officials. In fact, ATF meets regularly with its U.S. and Mexican law enforcement partners to discuss strategies, share intelligence, and initiate cooperative efforts to combat crime along the southwest border. One important effort we are undertaking through partnership with the Mexican government is ensuring that U.S.-sourced firearms recovered in Mexico are properly identified, documented and submitted to ATF for tracing. ATF uses the trace results to identify and investigate firearms traffickers who illegally divert firearms to drug traffickers. To this end, we will deploy across Mexico our eTrace system, an Internet-based system for submitting firearms trace requests.

In order to reduce violent crime, ATF has and will continue to develop technology to assist law enforcement at all levels. Through our National Integrated Ballistic Information Network (NIBIN), ATF deploys automated ballistics comparison equipment to participating Federal, State, and local law enforcement forensics laboratories—230 sites in total—which provides the ability to identify ballistic links between crimes that might not otherwise be connected. As of December 2006, NIBIN had nearly 1.25 million images of casings and bullets in its database with nearly 19,000 "hits." NIBIN has many success stories, including a recent one from Buffalo, New York. In this case, the ballistics evidence gathered at eleven separate shooting scenes between June 2003 and October 2006 was linked to a single .45 caliber handgun using the NIBIN ballistic imaging system at the Erie County Forensic Laboratory. On November 13, 2006, the Buffalo Police Department executed a narcotics search warrant and recovered narcotics, firearms and ammunition. A recovered firearm was processed by the Erie County Laboratory and identified as the handgun used in the eleven shootings.

Explosives and Arson

ATF's arson and explosives National Response Teams (NRT) provide expert assistance at the scenes of significant fire or explosives incidents. The NRT is comprised of veteran special agents with expertise in conducting post-blast investigations and determining the origin and cause of fires. In addition, the NRT is supported by all of ATF's arson and explosives assets, such as the Fire Research Laboratory (FRL), accelerant detection canines and audit services. In 2006, the NRT was deployed 17 times. For example, in February 2006, it was deployed to assist in the investigation of nine fires that occurred in churches in western Alabama. After a month of intense investigation, three suspects were arrested for the church fires.

ATF's technical expertise is also evidenced by our three state-of-the-art forensic laboratories and one-of-a-kind FRL. In fiscal year 2006, our National Laboratory Center in Ammendale, Maryland, added DNA analysis capability to its already impressive collection of forensic tools. The FRL, also located at our National Laboratory Center, has the capability of simulating fire scenarios approaching a quarter-acre in size, under controlled conditions, allowing for detailed analysis. It is the only

such facility in the United States dedicated to providing case support in fire investigations using forensic fire science.

The U.S. Bomb Data Center (USBDC) is the Department's comprehensive repository of data pertaining to arson and explosives incidents. The information within the USBDC is accessible to our law enforcement partners and can be analyzed to determine trends, patterns, criminal methodologies, and, in some cases, suspects. The USBDC contains more than 140,000 records. Law enforcement officials can query the characteristics of an explosive device and match it to others with similar characteristics. USBDC houses several databases, including the Bomb and Arson Tracking System (BATS), which facilitates and promotes the collection and dissemination of data among local law enforcement on arson and explosives incidents, and DFuze, which allows international law enforcement agencies to compare and exchange information on incidents within their jurisdictions. The USBDC has adopted a new "Concept of Operations" to guide it into the future. Under this plan, USBDC will become a Center of Excellence, hosting not only law enforcement officials, but also members of the intelligence community as well as representatives from academia and industry. USBDC will continue to consolidate all explosives incidents information and databases in an effort to be the "one-stop shop" for explosives incident information.

Our regulatory responsibilities include enforcement of the Safe Explosives Act of 2002, which mandates a field inspection on all original and renewal applications for explosives licensees or permitees. Because most licenses and permits expire every 3 years, ATF is mandated to perform one inspection per licensee/permit user every 3 years. Over 5 billion pounds of explosives are manufactured, imported and sold annually in the United States. ATF uses existing resources to ensure that all violations noted in such inspections are appropriately resolved. ATF also will continue to investigate all reported explosives thefts, respond to and investigate bombings and other explosives incidents, and assist local, State and other Federal agencies with explosives related issues.

Sharing Our Expertise through Partnerships and Training

We are committed to pursuing our mission by working both independently and through partnerships with industry and other Federal, State, local and international law enforcement agencies. For instance, our "Don't Lie for the Other Guy" program is a partnership with the National Shooting Sports Foundation which helps educate FFLs on how to identify and prevent straw purchases of firearms. We also have partnered with The Fertilizer Institute to launch voluntary campaigns to raise awareness of the sale, security, storage, and transportation of ammonium nitrate, the substance that was mixed with fuel oil in the Oklahoma City bombing. In addition, ATF has maintained outstanding relationships with a number of influential professional organizations including the International Association of Chiefs of Police, the International Association of Bomb Technicians and Investigators, the National Sheriffs' Association, Major Cities Chiefs Association, and the National Bomb Squad Commanders. ATF also has collaborative research partnerships with the U.S. Army Engineer Research and Development Center; Oak Ridge and Lawrence Livermore National Laboratories; the University of Missouri, Rolla; and the University of Massachusetts, Lowell. Moreover, ATF closely and regularly collaborates with the Departments of State, Defense and Homeland Security; and other components of the Department of Justice. We also work with INTERPOL and EUROPOL; and representatives of foreign governments, including the United Kingdom, Mexico, Colombia, Israel and Canada.

At ATF's Canine Training Center in Front Royal, Virginia, ATF trains explosives detection and accelerant detection canines for use by Federal, State, international and local law enforcement and public safety officials. ATF is committed to ensuring that DOJ's canines conform to applicable ATF standards. In order to keep canine capabilities able to meet current threats, ATF has initiated a program to offer advanced training in the detection of organic peroxide-based explosives to law enforcement canine teams. At the request of the National Bomb Squad Commanders Advisory Board, ATF developed National Odor Recognition Testing to verify that explosives detection canines meet a national standard. During fiscal year 2006, the project certified approximately 150 non-DOJ canine teams, and has already certified 124 canine teams in fiscal year 2007. In addition, ATF has trained more than 350 explosives detection canines in 16 countries.

With respect to training, the National Center for Explosives Training and Research (NCETR) offers numerous advanced courses related to explosives disposal and post-blast investigation techniques. NCETR provides training for State, local and international law enforcement, the U.S. Department of State and all branches of the Armed Forces. It also provides training for Army explosives units prior to their deployment in Iraq. NCETR has trained almost 6,000 bomb technicians and

investigators in explosives disposal and investigative techniques. Each year, requests for explosives-related training have increased, and present demand exceeds our capability. The fiscal year 2006 Conference Agreement (Public Law 109–108) directed ATF to plan for the construction of a permanent facility co-located with other law enforcement and Federal government entities that provide similar training and research. Subsequently, we have selected a site at Redstone Arsenal in Alabama. To date, ATF has received a letter of intent memo from Redstone Arsenal for a commitment of resources, such as ranges, classrooms, explosives storage bunkers, land to build an administration/classrooms building and housing billets. ATF also has an interagency agreement with the Army Corps of Engineers (COE) for design and planning of the NCETR. This planned permanent facility for NCETR will promote efficiency by consolidating other Department of Justice and Department of Defense explosives training and research in one location. These collective resources will provide a unique opportunity to leverage assets, knowledge and expertise in the field, providing Federal, State, local and international law enforcement explosives expertise in one location.

Alcohol and Tobacco Diversion

ATF also combats the illegal diversion of alcohol and tobacco products by criminal gangs, organized crime, and terrorist groups. The illicit sale of these commodities causes a substantial loss of excise tax revenue to both the Federal and State governments. Moreover, there have been instances in which terrorist groups are using proceeds from tobacco trafficking to finance their organizations and activities. By utilizing the Contraband Cigarette Trafficking Act, RICO, wire fraud, mail fraud, and money laundering statutes, ATF has built complex cases against individuals who have used proceeds from the illegal trafficking of cigarettes to fund organized crime and terrorism. ATF's investigations into illicit trafficking of tobacco products and enforcement of existing statutes continue to become more refined. In fiscal year 2002, 18 defendants were convicted on tobacco diversion-related charges. Every year since, there has been an increase in the number of defendants convicted of these crimes as a result of ATF's efforts. In fiscal year 2006, 108 defendants were convicted of tobacco diversion-related offenses as a result of ATF's work—that is a 600 percent increase in defendants convicted over a 5-year period. ATF will continue to fight the illicit trafficking of both alcohol and tobacco products, whether the means of illicit trafficking are more traditional in nature or contemporary such as Internet sales.

International Programs

In addition to the training NCETR provides to Army explosives units prior to their deployment to Iraq, ATF is lending its expertise to U.S. efforts in Iraq in a variety of ways. Since March 2005, ATF has deployed Special Agent Certified Explosives Specialists and Explosives Enforcement Officers to support the Iraq Combined Exploitation Cells (CEXC) within the U.S. Military Central Command. ATF explosives experts provide onsite investigative assistance in processing post-blast incidents directed at United States and allied forces and we also provide post-blast training for the Iraqi National Police. In addition, ATF employs explosives detection canine teams in Iraq and throughout the Middle East—these teams often are directly responsible for locating hidden explosives and weapons in enforcement actions conducted by host governments against terrorist groups. Moreover, ATF has special agents assigned to the Regional Crimes Liaison Office and the Major Crimes Task Force in Iraq to assist in the investigation and prosecution of war crimes and other criminal activity. ATF will establish a temporary duty presence of four ATF agents at the new U.S. Embassy in Baghdad later this year.

Finally, ATF is a managing partner in the Terrorist Explosive Device Analytical Center (TEDAC). This joint DOJ–DOD program is housed at the FBI Laboratory in Quantico, Virginia, with an ATF special agent serving as the Deputy Director. At the TEDAC, ATF and other partners analyze IEDs from Iraq and Afghanistan in an effort to identify bombers and prevent further attacks. TEDAC's evaluation of terrorist IED components to identify similarities and its collection of latent prints and DNA from those devices helps identify bombing suspects and provides vital intelligence to military and law enforcement officials.

CLOSING

Chairman Mikulski, Senator Shelby, distinguished Members of the Subcommittee, on behalf of the men and women of ATF, I thank you and your staff for your support of our crucial work. While the list of ATF programs and facilities I have noted today is far from comprehensive, it is intended to provide the Subcommittee with a sampling of the depth and breadth of our activities.

ATF is protecting the American public from the threats of violent crime and terrorism. As noted previously, we initiated over 2,000 gang-related cases in fiscal year 2006. That is an increase of over 157 percent from 2002, the first full year of PSN. We will continue to enforce the Safe Explosives Act and provide the education and regulatory oversight to an industry that manufactures, imports, and sells over 5 billion pounds of explosives every year. ATF will continue to investigate incidents involving nearly 4,000 pounds of stolen explosives, and we will continue to inspect approximately 12,000 Federal Explosives Licensees and Permitees. We also will continue to share our expertise with our partners and provide invaluable training in a number of areas, including courses on post-blast investigative techniques and courses for explosives detection canine teams.

With the backing of your Subcommittee, ATF can continue to build on these accomplishments, making our nation even more secure. The $2.2 million we have requested to expand PSN and the $6.3 million to establish firearms trafficking teams are two important investments in this cause. We look forward to working with you in pursuit of our shared goals.

BIOGRAPHICAL SKETCH OF MICHAEL J. SULLIVAN

Michael J. Sullivan was designated the Acting Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) in August 2006 by President George W. Bush. In this position, Sullivan oversees nearly 5,000 ATF employees and an annual budget of close to $1 billion. He ensures that ATF fulfills its mission of preventing terrorism, reducing violent crime, and protecting our Nation.

As United States Attorney for the District of Massachusetts since September 2001, Sullivan has worked aggressively to combat terrorism. He established a counterterrorism unit in his office; formed an Anti-Terrorism Task Force comprised of federal, state and local law enforcement to prevent future terrorist attacks; and prosecuted the so-called "shoe bomber" Richard Reid.

In addition to combating terrorism, Sullivan has focused on protecting youth and safeguarding communities from the threat of violence. As U.S. Attorney, Sullivan followed through on the President's Project Safe Neighborhoods Initiative to safeguard our communities by developing a Community Prosecution and Crime Reduction Unit to enforce the federal gun laws and develop highly targeted gun crime reduction strategies. Through his innovative efforts, Sullivan has elicited unprecedented cooperation among federal, State and local law enforcement agencies to target gun crime in Boston and across the State. From fiscal year 2000–2005, Sullivan increased federal gun prosecutions under existing laws by 114 percent in Massachusetts.

Sullivan also created a unit within his office to target computer hacking and high technology crimes, including identity theft, Internet auction and credit card fraud, economic espionage, copyright and trademark violations. Under his leadership, the U.S. Attorney's Office in the District of Massachusetts has recovered more than $3 billion for the federal government. Sullivan serves on the Attorney General's Advisory Committee and chairs the Health Care Fraud Subcommittee.

Before serving as U.S. Attorney, Sullivan was appointed District Attorney of Plymouth County by Massachusetts Governor William F. Weld in May 1995. He was elected to the position in November 1996 and again in 1998. One of Sullivan's top priorities during his tenure as District Attorney was to address the issue of unsolved homicides in the county. This initiative resulted in the resolution of a significant number of murders. In addition, he became known as a leader in the fight against child abuse, domestic violence and elder abuse.

Sullivan began his public service in 1990 when he was elected to the Massachusetts State House of Representatives, where he served for three terms. As a legislator, Sullivan was a strong proponent of criminal justice reform.

Prior to his public service, Sullivan worked at the Gillette Company for 16 years. He started as a stock clerk at the age of 18 and rose to positions in human resource management and quality operations before becoming assistant to the president. While employed at Gillette, Sullivan graduated from Boston College cum laude and Suffolk University Law School cum laude.

DRUG ENFORCEMENT ADMINISTRATION

STATEMENT OF HON. KAREN P. TANDY, ADMINISTRATOR

Senator MIKULSKI. Ms. Tandy.

Ms. TANDY. Madam Chairman and members of the subcommittee and Ranking Member Senator Shelby, it is my pleasure to discuss the President's 2008 budget request for the Drug Enforcement Administration.

I want to thank this subcommittee for its support of DEA as we lead the Nation's fight against drugs and Senator Mikulski, we are particularly grateful to you for including the $25 million in the supplemental spending bill that would lift our hiring freeze at DEA and fund our counterterrorism initiatives.

In unprecedented numbers, DEA has been toppling cartel kingpins and stripping their drug trafficking organizations, not only of massive amounts of drugs, but also their illicit revenues. By 2009, our goal is to take $3 billion each year from these international drug trafficking networks that are operating in this country.

In the last 2 years combined, we stripped drug trafficking organizations of $3.5 billion in revenue through the seizure of assets and drugs and already, just halfway through this fiscal year of 2007, we have seized an astounding $1.1 billion. This figure includes $90 million in cash and gold that DEA and our Colombian partners stripped from the North Valley cartel in January. For 60 days thereafter this was the world record for cash seizures until our Mexican partners, with whom we have been working more closely than ever over the past year, made the single largest cash seizure that the world has ever seen stripping methamphetamine chemical traffickers of $207 million in cash. That is the cash that's reflected here in this poster before the subcommittee.

Two days later DEA information resulted in another record setting seizure. This time instead of cash it was drugs, 21 tons of cocaine off of the coast of Panama that was worth more than $300 million wholesale which is the photo on the two posters to my left.

Senator MIKULSKI. So it's one that, trifocals, always there where you don't need them but is that like a container ship? Where the cargo was literally drugs?

Ms. TANDY. That is correct. It was a container ship off of Panama. The actual 21 tons of cocaine was brazenly on top of the deck of the container ship without concealment.

With these unrelated operations, DEA dealt Mexican traffickers a one, two punch. They're down more than $500 million in blood money in simply 48 hours. Other enforcement actions have impacted these traffickers as well.

In January, DEA agents took custody of 10 major drug traffickers on U.S. soil in an unprecedented extradition from Mexico. These extraditions included violent kingpins and leaders from all four of Mexico's major drug cartels and with us, as we took custody, were the United States Marshals to whom we turned these traffickers over.

Less than 2 months ago, DEA dismantled the United States infrastructure of a powerful Mexican drug cartel that Senator Shelby referenced in his opening statement. As the Senator noted, that included the arrest of more than 400 members of this organization throughout the United States, the seizure of $46 million in cash as well as 18 tons of marijuana, cocaine, meth, and heroin and thanks to Federal legislation that was passed by Congress, as well as State legislation and toughened enforcement efforts over the last 5 years,

we've slashed the number of small toxic meth labs in this country by 61 percent and super lab seizures are down in the United States, plummeting 94 percent.

All of these efforts by DEA and our partners are affecting drug organizations financially and operationally. According to recent intelligence, some trafficking organizations are now having difficulty finding transportation groups to move cocaine from Mexico to the United States. That in turn has led to a significant surcharge to the price of a kilogram of cocaine and in addition to that are some U.S. based meth traffickers that are having difficulty acquiring meth from some sources of supply in Mexico.

I believe I'm taking the hint here that I am.

Senator MIKULSKI. First of all what you've just told us is a phenomenal set of accomplishments. They're breathtaking and you go ahead and you finish your testimony, don't worry about some little huchipoo red light going off.

You've got the green light after what you're telling us to do anything you want to do here today.

Ms. TANDY. You are very generous, Senator. Thank you so much.

These DEA victories in reducing the drug supply have also contributed to the 23 percent drop in our Nation's drug use over the past 5 years because as this subcommittee well knows, if drugs are plentiful, the demand reduction education efforts will not take root and drug treatment won't succeed.

Despite these achievements though, DEA does face challenges fighting an evolving drug trade. First, we no longer just fight traditional drugs of abuse. In just 5 years the number of Americans abusing prescription drugs rose more than two-thirds, from 3.8 million abusers to 6.4 million and fueling this increase is the proliferation of illicit Internet web sites that make it possible with one simple click to purchase controlled substances. With additional funds DEA can do more of these online diversion investigations.

Second, we need to increase our enforcement along the Southwest border where approximately 85 percent of the drugs are smuggled into this country. Additional funds will allow us to step up our fight there with improvements to our aviation, surveillance, and communication systems.

A third challenge is our limited intelligence infrastructure. For example, if a multi-ton load of cocaine is seized off the African coast and DEA received classified intelligence about it, we need to pass that classified intelligence and work that information via our classified backbone which is known as our Merlin System.

The problem is that we do not have the Merlin System in computer terminals anywhere in Africa or the Middle East. These computers are in limited places in South America and Europe. The ones we do have in the United States are aging and in dire need of upgrades and without an enhancement DEA cannot readily share and investigate the kind of information that's necessary to take down the drug trafficking cartels or to fulfill our responsibilities in the intelligence community.

Finally, intercepting traffickers' communications has been DEA's most valuable weapon and traffickers now have the Internet and encrypted communications technology at their disposal. Consequently we are seeking an enhancement to expand our Internet

capabilities so that we can get a trafficker's encrypted communications in the same way as we now get the trafficker's land line and cell phone conversations through a court order.

PREPARED STATEMENT

These budget enhancements would allow DEA to fight the drug trade across our Nation, the globe and cyberspace and it will also help put the DEA back on a solid financial footing that's necessary to carry out these responsibilities and on behalf of the almost 11,000 men and women of the Drug Enforcement Administration, I thank this subcommittee for all of your support throughout the years that we have been undertaking these challenges. Thank you.

Senator MIKULSKI. Thank you very much, Miss Tandy. I think it shows how important this hearing is and Mr. Clark why don't you tell us how the marshals ride a different kind of posse but still come in to save Miss Kitty and a lot of other people in the community.

[The statement follows:]

PREPARED STATEMENT OF HON. KAREN P. TANDY

Madam Chairman and Members of the Subcommittee: Good morning, and thank you for inviting me to testify on behalf of the President's fiscal year 2008 budget request for the Drug Enforcement Administration (DEA). I have had the pleasure of working closely with some of you over the last four years. To those Members who are new to this panel, I welcome the opportunity to share the DEA story and to express my appreciation to you in advance for supporting the courageous men and women of the DEA.

I am privileged to lead a worldwide drug law enforcement organization of more than 10,000 people, including over 700 people stationed in 62 countries. DEA employs a time-tested, multi-front strategy to fight global drug traffickers that are motivated solely by the desire for profit—profits that are generated by human misery. We must battle these well-organized, highly sophisticated organizations at every juncture: from the cultivation or manufacturing stage, through the transit zones to final distribution in our nation's communities; and, finally, we must be there when they launder the proceeds of their operations.

The criminals we investigate are located throughout the world and we search them out wherever they are: in both hemispheres and increasingly in the ever-expanding realm of the Internet. We attack the economic basis of the drug trade and reduce the diversion of licit drugs. We support counterterrorism activities, assist our state and local law enforcement partners, and serve as an information resource for state and local communities to help them reduce the demand for illicit drugs.

The support that this Committee provides allows us to work toward making America's neighborhoods safe and drug-free, and for that, we at DEA are very grateful.

I would like to begin my testimony by sharing two pieces of good news with the Committee: First, teenage drug use is down; and second, DEA is hitting the world's drug traffickers harder than ever before.

TEENAGE DRUG USE IS DOWN

In 2002, the President set ambitious goals to reduce drug use: a 10 percent reduction over two years and a 25 percent reduction over five years. We have exceeded the first goal: drug use by young people is down 11 percent. And the second goal has nearly been reached: since 2001, overall illicit drug use among teens has declined by 23 percent. This data, released in December 2006 by the National Institute on Drug Abuse (NIDA) means that 840,000 fewer teenagers have been damaged by the corrosive effect of drugs.

Some specifics from the Substance Abuse and Mental Health Services Administration (SAMHSA) report include: marijuana use among teenagers has dropped by 25 percent since 2001; methamphetamine use by teenagers is down by 50 percent since 2001; ecstasy use by 8th graders decreased by 61 percent and dropped by 54 percent for 10th and 12th graders since 2001; cocaine use among high school seniors declined by 55 percent between 1986 and 2006; steroid use by teenagers decreased by

20 percent; LSD use fell by 60 percent for 8th graders, by 53 percent among 10th graders, and by 74 percent among high school seniors.

Madam Chairman and Members of the Subcommittee, DEA works 24/7 to enforce our country's federal drug laws. Aggressive enforcement not only limits supply and increases the price of drugs, it provides a deterrent effect that may contribute to the decline in drug use. We who fight very hard to keep the poisonous chemicals from reaching young people see the statistics I just cited as a very positive trend. We hope it represents a fundamental and lasting downward shift in illicit drug use among young Americans.

ENFORCEMENT SUCCESSES OVER THE LAST 12 MONTHS

I would also like to share with you some of DEA's most significant accomplishments during the past year. For example, just one month ago, our partners in Mexico, with whom we have been working over the last year on a pseudoephedrine investigation, made the single largest worldwide cash seizure—$207 million in U.S. currency. Forty-eight hours later, as a result of joint DEA and Panama law enforcement intelligence, the U.S. Coast Guard made the largest maritime seizure on record—21 metric tons of cocaine bound for Mexico. The seizure denied Mexican drug lords $300 million in drug revenue and severely disrupted their transportation network.

In the information that follows, I will highlight some individual cases and discuss the underlying strategies that led to such successful operations. An attachment to my statement provides an overview of the leading drug threats facing the United States and some additional examples of DEA's work against each of these threats.

Attacking the Economic Basis of the Drug Trade

Successes include:

—Indicting 50 leaders of a designated Colombian foreign terrorist organization on charges of importing more than $25 billion worth of cocaine into the United States. This represents more than 60 percent of the cocaine entering the country.

—Dismantling the Cali Cartel of Colombia, which is responsible for the export of multi-ton maritime shipments of cocaine to the United States. High ranking cartel members were sentenced in 2006, with resulting forfeitures of more than $300 million. During the 1990s, the cartel was one of the world's most powerful criminal organizations, estimated at one time to be responsible for up to 80 percent of the cocaine smuggled into the United States.

—Arresting more than 400 individuals nationwide, following a 20-month, DEA-led investigation into a Mexican drug syndicate and its U.S.-based distribution cells. The investigation has resulted in the seizure of approximately $45.2 million in U.S. currency, 27,229 pounds of marijuana, 9,512 pounds of cocaine, 705 pounds of methamphetamine, 227 pounds of pure methamphetamine or "ice", 11 pounds of heroin, $6.1 million in property and assets, and 100 weapons and 94 vehicles.

—Arresting a Canadian international money manager who, subsequently, was indicted for conspiracy to launder $1 billion in proceeds from narcotics trafficking and securities and bank fraud.

—Dismantling a Brazilian Consolidated Priority Organization Target (CPOT)—the world's "Most Wanted" drug trafficking and money laundering organizations that was responsible for smuggling into the United States more than 15 tons of cocaine each month from Colombia. The dismantlement resulted in 100 arrests and the seizure of 52 tons of cocaine and nearly $70 million in assets, including three islands off the coast of Panama.

—Extraditing a Colombian drug kingpin to the United States who had been indicted for importing cocaine and heroin worth an estimated $100 million.

—Dismantling a Canadian-based trafficking organization that smuggled more than $5 million worth of ecstasy from Canada into the United States.

—Arresting 26 members of a Colombian organization that laundered millions of Colombian dollars through the Black Market Peso Exchange. As part of the operation, more than $10 million in drug proceeds and $6.5 million in cocaine, heroin, and marijuana were seized.

—Arresting three Colombian traffickers who laundered $3 million in proceeds that were derived from cocaine distribution rings that operated internationally in Colombia, Mexico, and Europe.

Reducing the Diversion of Licit Drugs

Successes include:

—Immediately suspending the DEA registrations of 13 pharmacies that used their DEA registrations to fill controlled substances orders for rogue Internet pharmacies. Eight of the 13 suspensions were issued in February 2007. The pharmacies suspended were responsible for distributing more than 75 million dosage units of controlled substances in 2006, the vast majority of which was distributed based on invalid prescriptions originating with rogue Internet pharmacy websites. Ten of the pharmacies together purchased 45 million dosage units of hydrocodone, which is 64 times the amount ten average pharmacies would annually dispense.

—Overseeing the largest steroid enforcement operation in U.S. history. On December 14, 2005, Operation Gear Grinder resulted in the arrest of five individuals who were responsible for importing anabolic steroids into the United States. This international investigation targeted the eight largest anabolic steroid manufacturing companies in Mexico, including three of the world's largest that conducted their sales via the Internet. Nearly 82 percent of the steroids seized and analyzed in 2003 are of Mexican origin and the majority of this 82 percent originated from the eight companies charged in Operation Gear Grinder.

—Arresting four individuals in Miami, Florida, who have been charged with the nationwide Internet distribution of large quantities of Schedule III and Schedule IV controlled substances. Sales exceeded $200 million over a three-year period. The investigation included the seizure of $817,000 in cash, $4.2 million worth of property, two automobiles, and one marine vessel.

—Indicting 11 individuals and an Atlanta-based company on charges of mail fraud, distribution of controlled substances, and the introduction of adulterated and misbranded drugs. The defendants allegedly manufactured millions of pills—approximately 24 different drugs—that were marketed through Internet "spam" advertisements. In addition to the forfeiture of numerous properties, automobiles and bank accounts, the indictment is seeking a monetary judgment of not less than $19.8 million.

—Arresting five individuals in the Chicago, Illinois area, as part of an operation involving the illegal Internet distribution of prescription drugs and anabolic steroids. The diversion scheme included the wire transfers of thousands of dollars, and the Internet distribution of thousands of dosage units of controlled substances lacking valid prescriptions.

Working With State and Local Law Enforcement Organizations

Successes include:

—Dismantling the largest marijuana-laced candy manufacturing organization in the western United States. The five-month investigation resulted in the arrest of the organization's leader, and the seizure of more than 4,000 marijuana plants, $100,000 in U.S. currency, three firearms, and hundreds of marijuana-laced food products. The marijuana-laced products, packaged to mimic legitimate food products, included labels such as "Buddafingers," "Munchy Way," and "Pot Tarts." The items were packaged in large boxes for distribution to cannabis clubs throughout the West Coast and over the Internet.

—Working with the St. Paul, Minnesota Police Department on an operation that resulted in the arrest of 26 individuals associated with the Latin Kings street gang. The arrests, one of the largest drug takedowns in Minnesota history, were based on narcotics and firearms conspiracy violations and the possession and distribution of methamphetamine, cocaine, and marijuana.

—Working with the New York City Police Department on an operation that resulted in the arrest of 20 individuals involved in a Panama/U.S. heroin drug smuggling operation. The smuggling was carried out by dozens of "swallowers" who were paid a fee plus reimbursements for airfare and hotel expenses. Over three kilograms of heroin were seized in the New York City area, and $300,000 in wire transfer receipts was recovered.

—Working with Seattle, Washington area law enforcement agencies on an operation that targeted violent methamphetamine traffickers, resulted in the arrests of 38 individuals. The investigation netted the seizure of methamphetamine, marijuana, cocaine, crack cocaine, oxycodone, eight weapons, and 10 vehicles.

—Working with St. Louis, Missouri area law enforcement agencies on an operation that resulted in the indictment of 30 individuals on charges of distributing approximately 50 kilograms of cocaine with a street value of $1 million.

The accomplishments just listed are impressive on their own. But, they are the result of a carefully planned strategy that guides DEA operations around the world.

Attacking the Drug Syndicates.—Significantly reducing the supply of illicit drugs is attainable if we disrupt or dismantle the drug trafficking and money laundering

organizations that are primarily responsible for supplying them. At DEA, we refer to this approach as priority targeting. By using intelligence that we meticulously gather to identify the syndicates and coordinating our investigations against all levels of the drug and money supply chain, we are able to focus on the most important links in the supply chain.

We are proud of our successes. In fiscal year 2006, 85 percent (39 of 46) of the leaders of the most wanted international drug organizations (CPOTs) were indicted and 37 percent (17) were arrested. Terrorist-linked Priority Target Organization (PTO) investigations increased by 16 percent, comparing fiscal year 2005 investigations (82) to fiscal year 2006 investigations (95). Furthermore, between fiscal years 2003 and 2006, 13 drug organizations with terrorist links were disrupted and 20 were dismantled.

Attacking the Economic Basis of the Drug Trade.—As a federal prosecutor, I saw firsthand the importance and value of stripping drug traffickers of their revenue. It works. I brought that experience with me when I came to DEA and shortly thereafter developed a five-year revenue denial plan. In the first two years, DEA has denied more than $3.5 billion through the seizures of both assets and drugs. This total amount exceeds the goal for the first two years of the plan by $1 billion. The $1.6 billion denied in fiscal year 2006, includes $1.1 billion in total assets and cash seized. With regard to high-value cash seizures (those over $1 million), 63 were made in fiscal year 2006, which represents a 44 percent increase since fiscal year 2004. DEA's Money Trail Initiative, launched in 2005, is a financial crime strategy that focuses on identifying and disrupting the flow of money back to the sources of drug supply, thereby crippling the ability of criminals to operate. In 2006, Money Trail operations resulted in more than 400 arrests and the seizure of approximately 10,000 kilograms of cocaine, 60,000 kilograms of marijuana, 9 kilograms of heroin, approximately 300 pounds of methamphetamine, more than 60 dosage units of MDMA, 250 vehicles, approximately 80 weapons, $65 million U.S. currency, and $14.6 million in other assets. Our fiscal year 2006 financial investigations of PTOs increased by 28 percent over fiscal year 2005 (117 active cases in fiscal year 2005; 150 active cases in fiscal year 2006). The number of financial investigation cases in fiscal year 2006 that led to the disruption of a PTO increased by 100 percent over fiscal year 2005 (9 cases in fiscal year 2005; 18 cases in fiscal year 2006). The number of financial investigation cases in fiscal year 2006 that led to the dismantlement of a PTO increased by 138 percent over fiscal year 2005 (8 cases in fiscal year 2005; 19 cases in fiscal year 2006).

Forging International Partnerships—Mexico.—Experience has shown that strong international partnerships are vital in the drug law enforcement arena. A robust U.S./Mexico partnership, for example, is key if we are to reduce significantly the flow of drugs to the United States from Mexico, and halt the smuggling of the millions of pounds of bulk cash into Mexico that were generated from the sale of billions of dollars worth of illicit drugs in the United States. The 2007 National Drug Threat Assessment, which is prepared by the Justice's National Drug Intelligence Center, states that "The Southwest Border remains a serious area of concern for U.S. drug money laundering." Furthermore, the assessment states that "Mexican and Colombian Drug Trafficking Organizations (DTOs) together generate, remove, and launder between $8.3 billion and $24.9 billion in wholesale distribution proceeds from Mexico-produced marijuana, methamphetamine, and heroin and South American cocaine and heroin annually." Working with the Mexican and Colombian governments will help address this major problem. In May 2006, the Attorney General unveiled a strategy to combat methamphetamine that calls for joint DEA/Mexico initiatives including: establishing specialized methamphetamine enforcement teams on either side of the border; developing a list for targeting the Most Wanted chemical and drug trafficking organizations; donating refurbished DEA clandestine laboratory enforcement trucks to Mexico for specialized enforcement teams' use. Since the launch of the strategy, over 2,100 Mexican police officers have been trained to improve their methamphetamine trafficking investigative and enforcement skills.

The U.S./Mexico partnership has already begun paying dividends. In August 2006, Mexican authorities seized a large-scale clandestine methamphetamine laboratory. The seizure netted 100 kilograms of finished methamphetamine, 3,000 liters of various solvents and chemicals, and four barrels of iodine. Due to its size and production capability, the laboratory is classified as a "super lab". More recently, a DEA-trained unit of Mexican police officers discovered an operational super methamphetamine laboratory in December 2006, that, based on the amount of equipment, chemicals and resources discovered, is likely the largest laboratory to be found in Mexico to date.

With regard to major arrests, a DEA-led Organized Crime Drug Enforcement Task Force (OCDETF) investigation led to the August 2006 apprehension of the leader of a Mexican narcotics trafficking organization that, over the past decade, has flooded our country with hundreds of tons of cocaine and marijuana, as well as very large quantities of methamphetamine and heroin. The leader, Francisco Javier Arellano-Felix, and one of his lieutenants, Manuel Arturo Villarrel-Heredia, have been charged with racketeering, drug trafficking, and money laundering offenses, and if convicted will be eligible for the death penalty.

The January 2007 extradition of 15 violent Mexican criminals, including the leaders from all four of Mexico's major drug cartels, was a watershed event in the annals of U.S./Mexico relations. The extraditions mark the reversal of a long-standing Mexican government policy of not extraditing jailed citizens until the sentences handed down by Mexican courts had been served. One of the extradited kingpins commanded a drug cartel considered to be among the most brutal and powerful in the world. He directed the smuggling of between four and six tons of cocaine per month over the U.S. border. It is a drug law enforcement development of enormous significance, and we view it as major progress on more than one front.

Forging International Partnerships—Afghanistan.—Combating the world-wide threat posed by heroin production in Afghanistan is a major challenge. A flourishing narcotics trade further weakens an already fragile country, and it must be attacked aggressively. For our part, DEA and the government of Afghanistan have formed a partnership with the goal of developing and expanding the capabilities of its law enforcement community. Our five Foreign-deployed Advisory and Support Teams advise, train, and mentor their Afghan counterparts in the National Interdiction Unit of the Counter Narcotics Police—Afghanistan. This program supplements our Kabul Country Office as well as "Operation Containment", a successful DEA initiative that was launched post September 11, 2001. It emphasizes coordination and information-sharing among 18 countries. Its aim is to choke the flow of drugs, precursor chemicals, and money into and out of Afghanistan. Madam Chairman and Members of the Subcommittee, we are seeing results from taking a regional, multi-national enforcement approach to a threat with worldwide implications. Over the last two years, Operation Containment has resulted in the seizure of approximately 17 metric tons of heroin, more than 170 metric tons of marijuana, and nearly 300 opium-to-heroin conversion laboratories. Additionally, more than 900 suspects have been arrested, and of those arrests, four of the six Most Wanted Operation Containment targets are now incarcerated. Moreover, intelligence developed by DEA in conjunction with other agencies has helped to thwart rocket and Improvised Explosive Device attacks on Afghan and coalition forces in Afghanistan. The 2006 convictions and sentencing of three major Afghan traffickers are yet another important byproduct of the DEA/Afghanistan partnership.

As I conclude the discussion of international partnerships, I want to add a few words about the International Drug Enforcement Conference (IDEC). As you may know, this global forum was established in 1983, to bring together high-level drug law enforcement officials from throughout the Western Hemisphere. Its purpose is to share drug-related information and to develop a coordinated approach to law enforcement efforts against international drug organizations. As the DEA Administrator, I am the Co-President of the IDEC. In May 2006, I had the pleasure of addressing the conference's 24th gathering, which has grown to include representatives from 76 countries located in both hemispheres. Seven countries became new members in 2006: Afghanistan, Indonesia, Malaysia, New Zealand, Poland, South Africa, and the United Kingdom. The 2006 IDEC was a great opportunity to discuss our respective challenges and frustrations and to talk about how we could build on our accomplishments through even stronger multi-lateral partnerships that are beneficial to all parties.

Fighting Methamphetamine—A Drug of Special Concern.—Before I begin a discussion of our fiscal year 2008 budget request, I would like to take a minute to talk about a drug of special concern to many Members of Congress: methamphetamine.

As I mentioned in my opening comments, a 50 percent decline in methamphetamine use by teenagers since 2001, as reported by the National Institute on Drug Abuse (NIDA) in December 2006, is a dramatic and much-welcomed development. At the same time, this deadly drug remains a problem. DEA takes a comprehensive approach to fighting the drug—domestic and international enforcement and precursor chemical control, the identification and cleanup of large and small toxic laboratories, and an aggressive attack on the money flow. In fiscal year 2006, DEA spent an estimated $217 million for methamphetamine-related activities. This included approximately $196 million for methamphetamine investigations and $21 million for clean-up, safety, and training programs. DEA also provided clandestine

laboratory training to more than 1,000 state and local law enforcement officers during fiscal year 2006.

Implementing The Combat Methamphetamine Epidemic Act of 2005.—The provisions of the law aimed at the domestic and international regulation of precursor chemicals make it possible to place reasonable, common sense limitations on the availability of the products used in the manufacturing of methamphetamine. Sales at the retail level are controlled through such measures as keeping products stored in locked containers, requiring face-to-face sales and photograph identification, establishing additional record-keeping requirements for mail-order sales, and requiring producers of Scheduled Listed Chemical Products to make annual estimates of the quantities of the products needed for legitimate use. These domestic regulatory requirements, coupled with the enforcement actions being taken by states should lead to a decline in the number of domestic operational clandestine laboratories. Limiting sales at the wholesale level is another important part of the equation. Under the law, foreign distributors are required to disclose all known information to the importer on the chain of distribution of such chemicals from the manufacturer to the importer. Furthermore, the State Department is required to identify annually the five largest exporting and importing countries of Scheduled Listed Chemical Products, and DEA is given the authority to issue importation prohibition orders. Taken together, these actions are expected to help greatly on the international regulatory side. Effective methamphetamine enforcement calls for a balanced approach that addresses the drug law enforcement issues, while ensuring the availability of an adequate supply of controlled substances to meet consumers' legitimate medical needs.

DESPITE THE ACCOMPLISHMENTS, THE CHALLENGES REMAIN

Madam Chairman, DEA carefully manages the resources Congress provides to ensure we wring every penny out of every dollar you give us. And while we are proud of our many accomplishments, we never lose sight of the fact that drug abuse remains a very serious problem facing our country. The most recent data available from the federal Centers for Disease Control and Prevention sadly reveals that in 2004, 30,711 Americans died from drug abuse. This is almost 2,000 more deaths than occurred in 2003.

Compounding the loss of lives is the damage from increased crime and violence, the powerful grip of addiction, lower productivity in the workforce, child abuse and neglect, environmental danger, and the grief of lost promise. Taken together, the effect of these human tragedies eclipses even the very tragic impact of terrorism. And so, while we realize our country faces tight budget times, we are here today to ask you to give us a few more tools, a few more resources, so we can do a little more to drive illegal drugs from our shores.

FISCAL YEAR 2008 BUDGET REQUEST

For fiscal year 2008, DEA is requesting $2.4 billion ($1.8 billion under the Salary and Expenses Account, $239 million under the Diversion Control Fee Account, and $389 million for OCDETF activities and other reimbursable agreements). A total of 10,239 positions, of which 4,811 are Special Agent positions, are requested from these funding sources. This request represents an increase of $110 million over the fiscal year 2007 President's budget, and was developed with the goal of advancing DEA's enforcement strategy in the most efficient and effective manner. It was developed through a planning process of several months duration, calling upon the knowledge, talent, and skills of many DEA professionals with years of experience in drug law enforcement. Under the Salary and Expenses Account, the fiscal year 2008 request would provide funding for three initiatives. Fee Account collections would fund companion initiatives in the diversion control program.

SALARIES AND EXPENSES ACCOUNT

DEA is requesting $39.3 million to expand activities in three key areas:

Southwest Border and Methamphetamine Enforcement Initiative ($29.2 million and 8 positions)

DEA is an active participant in the Southwest Border Initiative, a cooperative effort launched in 1994 by federal law enforcement agencies to combat the threat posed by Mexico-based trafficking groups operating along the Southwest border. The Southwest Border and Methamphetamine Enforcement Initiative that DEA is proposing would complement the 1994 initiative in an area of the country recognized as the principal arrival zone for most illicit drugs smuggled into the United States, as well as the predominant staging area for the subsequent distribution of these

drugs throughout the country. With regard to methamphetamine alone, current drug and lab seizure data suggests that approximately 80 percent of the methamphetamine used in the United States originates from larger laboratories operated by Mexican-based organizations on both sides of the border. The data also suggests that the remaining approximately 20 percent consumed is produced in small toxic labs. DEA's Southwest Border and Methamphetamine Enforcement Initiative would help DEA step up the fight on both sides of the border through increases in our aviation assets, and improvements in our surveillance and communications systems and data collection and analysis capabilities.

Some specifics.—$15.4 million would be used to purchase, among other things, three helicopters, each equipped with a High Definition camera for complex aerial surveillance activities in support of our major investigations. An additional $3.4 million would fund operational expenses and equipment purchases needed for providing communications coverage of remote areas along the border. Also requested is $3.4 million and two positions to design, develop and implement an advanced digital imagery program for capturing and storing facial and other identifiable images for drug trafficking organizations investigations. To purchase advanced satellite telephone and maritime tracking devices, and sensor and audio/video surveillance equipment, which often act as a force multiplier, DEA is requesting a total of $5.1 million. The El Paso Intelligence Center (EPIC) developed Operation Gatekeeper to research, analyze, and report information on the Mexican drug trafficking organizations that control entry corridors along the border. To expand this important operation, DEA is requesting $612,000 and six positions. And to expand its information sharing capabilities, EPIC is requesting $3.4 million to develop the capacity to share digital images with its Federal, State and local law enforcement partners.

Counterterrorism and Intelligence Sharing Initiative ($7.1 million and 7 positions)

In 2006, after a 25-year hiatus, DEA's Office of National Security Intelligence (NN) was designated a member of the Intelligence Community (IC). While the designation does not grant new authorities to DEA, it does formalize the long-standing relationship between DEA and the IC and allows DEA and other IC members to work on issues of national security interest in an integrated fashion. With over 33 years of operational experience in the foreign arena and the largest U.S. law enforcement presence abroad, DEA has made and will continue to make many unique contributions, not only in drug law enforcement, but also in the interest of national security. For example, with over 5,000 confidential sources, DEA possesses substantial human intelligence capabilities. Additionally, DEA conducts 67 percent of all federal domestic law enforcement wire taps.

An Overview Of The United States Intelligence Community—2007, which was prepared by the Office of the Director of National Intelligence, states that "DEA/NN's membership in the Community helps optimize the overall U.S. government counter narcotics interdiction and security effort and furthers creative collaboration between the many organizations involved in countering the threats from narcotics trafficking, human smuggling/trafficking, immigration crimes, and global terrorism." Furthermore, based on available intelligence, there is clear evidence that drug profits are being used to facilitate acts of terrorism and violence. These acts undermine democratic governance and respect for the rule of law, as well as destabilize regional security in countries such as Afghanistan, Colombia, Mexico, Venezuela, and the tri-border area.

The DEA and the IC have a long history of collaborating for purposes of identifying and disrupting illegal drug trafficking. The Counterterrorism and Intelligence Sharing Initiative would bolster those collaborations, allow DEA to enhance its classified information technology (IT) infrastructure, provide start-up funding and positions for studying and analyzing emerging as well as established coca and opium poppy growing regions, and provide resources for DEA to continue its participation in Justice's anti-gang activities.

Some specifics.—$6 million would ensure that DEA's classified IT backbone, MERLIN, would be upgraded in every DEA office every four years. Regularly scheduled upgrades would make certain that DEA's IC component has the secure communications infrastructure that is critical to communicating classified IC requests to both domestic and foreign DEA field offices. Presently, DEA is in a precarious situation as it relates to the continued viability of MERLIN. In previous years, requests for operations and maintenance enhancement funding have been denied; with the result that much of our MERLIN equipment is five or six years old and in danger of serious failure. If we are to meet our IC commitments and exploit our intelligence capabilities against transnational threats, DEA must have an infrastructure that makes that possible. Six positions and $950,000 are requested to study regions of the world where coca and poppy are grown to determine the amount of finished cocaine and

heroin that can be produced from a given quantity of plant material. Finally, one position and $204,000 is requested so DEA may assign one Special Agent to the Department's National Gang Targeting, Enforcement, and Coordination Center, which takes part in and coordinates investigations and prosecutions, and develops enforcement and prevention strategies to combat gang violence in this country.

Online Investigations Initiative ($3 million)

Drug traffickers are increasingly turning to the Internet to widen their reach and strengthen their criminal enterprises. State-of-the-art Internet investigative technologies are an essential tool if DEA is to attack the command and control communications of organizations, particularly those that operate across jurisdictional boundaries at the regional, national, and international levels. To achieve our objectives, DEA must acquire tailored Internet intercept solutions, arrange for permanent Internet connectivity between DEA's field divisions and the major Internet Service Providers, and purchase needed hardware for computer forensics purposes. With these purchases, DEA could greatly improve the quality, effectiveness, and timeliness of our investigations of these traffickers.

Some specifics.—$1 million would be used to develop intercept solutions to counter traffickers who use Yahoo, Hotmail and other electronic mail accounts, as well as advanced Internet communications, wireless handheld devices, instant messaging services, and encrypted electronic mail. $1.5 million is requested to connect DEA field divisions to major Internet Service Providers by means of a secure, dedicated network. The total cost for these connections is $3 million, half of which is requested under the Salaries and Expenses Account and half would be covered by Diversion Control Fee Account to step up our investigations of illegal online pharmacies. Finally, DEA is requesting $520,000 to purchase computer hardware that is designed to aid forensic professionals with recovering and examining data more quickly and from numerous electronic devices.

Diversion and Control Fee Account (DCFA)

DEA's fiscal year 2008 request includes $239 million under the DCFA, a $27.1 million increase over fiscal year 2007.

Prescription drugs are diverted for abuse through doctors, pharmacies, thefts and robberies from manufacturers and distributors, and illegal Internet distributors. Throughout the United States, the non-medical use of prescription drugs continues at alarming rates. The 2005 National Survey on Drug Use and Health, released in September 2006 by SAMHSA, reports that an estimated 6.4 million Americans abuse prescription drugs, compared to 3.8 million in 2000—a 68 percent increase over five years. Furthermore, they are the second most abused type of drugs—behind only marijuana. Particularly troubling is the data showing that nearly one out of every ten high school seniors abuses dangerous painkillers. Fueling this increase is the proliferation of illicit websites that make it possible, with one simple click, to purchase controlled substances. Furthermore, buying a medicinal product through an illegal Internet pharmacy exposes individuals who make these purchases to serious health risks.

DEA is actively pursuing those who divert pharmaceutical controlled substances. On the Internet and non-Internet sides combined, DEA initiated 1,840 criminal, complaint, and regulatory pharmaceutical investigations in fiscal year 2006. 857 of those investigations targeted Schedule III–V pharmaceutical controlled substances, and 237 investigations targeted Schedule II pharmaceuticals. Between fiscal year 2004 and fiscal year 2006, DEA seized $55 million in cash, bank accounts, property, and computers in the course of its investigations, compared to $2.5 million in fiscal year 2003. While we are pleased with our progress, it is imperative that DEA enhance its enforcement work in an area that poses such an immediate public safety threat.

Some specifics of our DCFA request.—DEA is requesting $766,000 and seven positions to provide much-needed investigative support for our computer forensics teams. We estimate that online diversion cases will increase the workload of DEA attorneys assigned to these cases by 75 percent for the foreseeable future, and to prepare for this, DEA requests $495,000 and five attorney positions. DEA is requesting $337,000 and two positions (one Special Agent and one Diversion Investigator) to work with the Customs and Border Patrol in Long Beach, California to identify shipments of precursor chemicals from source countries that are destined for Mexico. Additionally, we are requesting $474,000 and one position (Foreign Diversion Investigator) to support existing DEA investigations in Panama City, Panama involving the smuggling of precursors moving through Panama. Finally, DEA has proposed that a new hybrid job series be established which contains the specialized diversion investigator requirements as well as full law enforcement authorities. The

proposal, with an associated cost of $11.5 million, is now under review by the Office of Personnel Management (OPM). Current employees who are interested and eligible may apply. Those who do not apply will continue to perform compliance functions. Through attrition, we will arrive at the appropriate number of diversion investigators to sustain the compliance function. With OPM approval of the proposal, DEA will begin the conversion in fiscal year 2007.

Program Offsets

Included in the President's budget is one funding offset proposal: the elimination of the MET program (Mobile Enforcement Teams). This offset would achieve savings of $20.6 million in fiscal year 2008.

Over the years, DEA has valued each and every opportunity to support state and local law enforcement organizations as they combat drug-related violent crimes in our nation's cities and towns. Furthermore, as many of you know from experience in your own communities, our partnerships have yielded positive, and I hope, lasting results. At the same time, greater overall results are achieved when our focus is on targeting the drug trafficking organizations whose activities have the most significant impact on the drug problem in the United States as a whole.

While DEA's field divisions will no longer deploy MET teams to local jurisdictions when we receive a deployment request, we will continue to provide law enforcement assistance to them whenever possible, including our vigorous training programs for state and local law enforcement officers. In fiscal year 2006, DEA trained more than 41,000 officers. Also, during fiscal year 2006, DEA led over 200 State and Local Task Forces, with an on board strength of 1,600 Special Agents and 2,100 Task Force Officers.

CONCLUSION

In closing, let me reiterate that DEA works very hard to manage its resources and finances wisely and efficiently. Nevertheless, as our base budget has gradually eroded over time due to pay raise absorptions, rescissions and program reductions, we have been unable to maintain adequately our infrastructure or agent and support staffing at their previous levels. This has put us at an enforcement disadvantage. We must regain our financial footing. We must have the ability to sharpen and expand the enforcement tools and techniques that have helped us establish our drug enforcement leadership role. The budget before you today sets us on the path to regain that footing.

Madam Chairman and Members of the Subcommittee let me assure you that although we are experiencing fiscal challenges, we at DEA never waver in our firm commitment to public service and public safety.

This concludes my remarks. I would now be happy to answer any questions you or the other Members of the Committee may have.

ATTACHMENT—DRUG THREATS AND ENFORCEMENT CHALLENGES—APRIL 2007

DRUG THREATS TO THE UNITED STATES

Methamphetamine

Methamphetamine is the most widely abused and most frequently clandestinely produced synthetic drug[1] in the United States. Methamphetamine appeals to people across all genders, ages, and socio-economic levels. Methamphetamine has a high rate of addiction, a low rate of sustained recovery, and is cheap to manufacture. It devastates users, their families, and local communities. According to the 2005 National Survey on Drug Use and Health (NSDUH), 512,000 persons 12 and older used methamphetamine during the past 30 days (an eighteen percent decrease from 2003) and 1.3 million have used it in the past year, virtually the same number as in 2003. The estimated number of past year methamphetamine users is nearly three and one-half times the number of estimated past year heroin users. In fiscal year 2006, DEA domestic seizures of methamphetamine totaled 2.1 metric tons. Super lab seizures in the United States were reduced by 86 percent through increased enforcement efforts, from 244 in calendar year (CY) 2001 to 35 in CY 2005. The total number of clandestine methamphetamine laboratories seized nationally also decreased, from 10,212 in CY 2003 (the highest total from 2001 to 2005) to 5,840 in CY 2005 (43 percent). Of the 2,134 clandestine methamphetamine laboratories

[1] The term "synthetic drugs" refers to controlled substances such as methamphetamine, MDMA "ecstasy" (and its analogues), GHB (and its analogues), ketamine, and other substances, which are not of primarily organic origin and are usually associated with clandestine manufacture.

seized nationally so far in CY 2006, only 17 are classified as "super labs." Seizures of methamphetamine along the Southwest Border of the United States and Mexico have increased 129 percent, from 1,170 kilograms in CY 2001 to 2,679 kilograms in CY 2005.

By effectively targeting and arresting the main suppliers of bulk precursor chemicals, DEA has successfully reduced the number of super labs[2] in the United States. As a consequence, operators of super labs have shifted their production to Mexico. Current drug and lab seizure data suggests that approximately 80 percent of the methamphetamine used in the United States originates from larger laboratories operated by Mexican-based syndicates on both sides of the border, and that approximately 20 percent of the methamphetamine consumed comes from small toxic labs (STLs) in the United States. STLs generally are unaffiliated with major drug trafficking organizations, but nevertheless present enormous environmental challenges. In recent years, the proliferation of STLs has been fueled by the ready availability of pseudoephedrine, the key ingredient in methamphetamine and by the fact that the manufacturing process is simple, inexpensive, and recipes can be found easily on the Internet. Super lab seizures in the United States declined by 86 percent through increased enforcement efforts, from 244 in calendar year (CY) 2001 to 35 in CY 2005. The total number of clandestine methamphetamine laboratories seized nationally also decreased, from 10,212 in CY 2003 (the highest total from 2001 to 2005) to 5,840 in CY 2005 (43 percent). Of the 2,134 clandestine methamphetamine laboratories seized nationally so far in CY 2006, only 17 are classified as "super labs."

The most promising means of eliminating STLs is to cut off their supply of ephedrine and pseudoephedrine. DEA has removed a number of distributors of grey market drug products (those that can be purchased at truck stops, party/liquor stores, etc.) from the marketplace. Following DEA's success with removing grey market distributors, STLs have become heavily reliant on obtaining precursor chemicals from cold and asthma drug products (usually packaged in blister packs) from traditional retail outlets, such as chain drug stores. Based on clandestine lab seizure statistics, those states restricting the availability of methamphetamine precursor chemicals, like pseudoephedrine, have seen a dramatic decrease in the number of STLs. Implementing the Combat Methamphetamine Epidemic Act of 2005 will further help reduce the number of STLs as it makes pseudoephedrine and ephedrine more difficult to obtain.

DEA Operational Highlight—August 2006.—DEA arrested 28 members of two separate cocaine trafficking organizations which were simultaneously distributing methamphetamine in Henderson and Caldwell Counties, North Carolina. The arrests concluded ten-month and 15-month Organized Crime and Drug Enforcement Task Force (OCDETF) investigations that resulted in the dismantlement of the Juan LOPEZ and the Lewis CASAS methamphetamine trafficking organizations. The two organizations were responsible for the distribution of five kilograms of methamphetamine per month in the western part of North Carolina. To date, these two OCDETF investigations have resulted in 47 arrests, including LOPEZ and CASAS, 37 repeat offenders, and the seizure of more than one kilogram of methamphetamine, approximately $50,000 U.S. currency, and six weapons.

DEA Operational Highlight—May 2006.—DEA and the FBI arrested 27 individuals, resulting in the dismantlement of two crystal methamphetamine trafficking organizations. During the past ten years, the Rafael RAMIREZ organization was responsible for the distribution of approximately 100 pounds of crystal methamphetamine on a monthly basis from Mexico to the San Francisco area. The RAMIREZ organization supplied methamphetamine to the Kasi POHAHAU organization which, during the past ten years, was responsible for the distribution of more than 50 pounds of crystal methamphetamine from San Francisco to Hawaii. This three-year OCDETF investigation has resulted in the arrest of 37 individuals, including RAMIREZ and POHAHAU, and the seizure of 42 pounds of crystal methamphetamine, 52 kilograms of cocaine, and $1.4 million in U.S. currency.

Non-medical use of prescription drugs

Non-medical use of addictive prescription drugs has been increasing throughout the United States at alarming rates. In CY 2005, an estimated 6.4 million[3] Americans age 12 and older reported past month use of prescription drugs for non-medical

[2] "Super labs" are those labs that are capable of producing at least 10 pounds of methamphetamine per cycle.

[3] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. (2006). Results from the 2005 National Survey on Drug Use and Health.

purposes compared to 3.8 million in CY 2000[4]—a 68 percent increase in 5 years. Nationally, the misuse of prescription drugs was second only to marijuana in CY 2005.

Individual users can easily acquire prescription drugs through a variety of means, generally dependent on the type of drug. DEA and other data sources reveal that OxyContin® and other Schedule II drugs are most commonly obtained illegally through "doctor shopping" or are sold illegally by registrants (e.g., doctors/pharmacists). On the other hand, Schedule III and Schedule IV drugs (e.g., anti-anxiety medications, hydrocodone, and anabolic steroids) are often purchased through the Internet. Many of these pharmacies are foreign-based and expose the purchaser to potentially counterfeit, contaminated, or adulterated products.

DEA targets its investigations on domestic Internet pharmacies using data from available data bases, such as the Automated Reporting of Completed Orders System (ARCOS), to determine which retail pharmacies are most likely involved in distribution of large quantities of controlled substances over the Internet. In fiscal year 2006, 14.7 percent of investigative work hours dedicated to open diversion cases were Internet cases. This is an increase of 27.9 percent from fiscal year 2005 when Internet cases represented 11.3 percent of the investigative work hours dedicated to open diversion cases, and an increase of 50 percent from fiscal year 2004 when 8.8 percent of case work hours were for Internet cases.

During fiscal year 2006, DEA has initiated over 218 investigations of online sales of controlled pharmaceuticals without a prescription. As a result of Internet investigations, DEA seized approximately $4.9 million in cash, bank accounts, property, and computers during fiscal year 2006.

In fiscal year 2004, DEA established a specialized section within its Special Operations Division (SOD) to coordinate multi-jurisdictional Title III investigations involving the diversion of pharmaceuticals and chemicals over the Internet. During fiscal year 2006, DEA has coordinated over 90 Internet investigations, resulting in the arrest of approximately 128 individuals and the seizure of approximately 14 million dosage units of controlled substances and approximately $52.6 million in U.S. currency.

In 2006, DEA continued to enhance the Online Investigations Project (OIP), which improves DEA's ability to systematically identify, investigate, and prosecute the owners and operators of rogue pharmacies using the Internet to divert controlled substances. During fiscal year 2006, the OIP Configuration Control Board authorized the release of 71 change request items. These improvements made significant changes to the functionality of the OIP system, which enabled Diversion Staff Coordinators assigned to Intelligence to provide effective, ongoing support of significant Internet investigations. The system has also been utilized to provide pertinent Internet data in furtherance of ongoing Internet investigations in the field, as well as to provide new tips and leads. Since the inception of the OIP Web-Check process in March 2005, Web-Checks were performed on 2,425 web sites and e-mail addresses as a result of 455 requests.

DEA Operational Highlight—January 2007.—DEA arrested four individuals, resulting in the dismantlement of the Andrew RUSSO internet pharmaceutical drug trafficking organization. The RUSSO organization used illicit internet websites to sell controlled substances directly to consumers without a physician's medical evaluation. From July to December 2005, the RUSSO organization distributed over one million tablets of alprazolam, and six million tablets of phentermine through its two internet pharmacies, United Care Pharmacy and Kwic-Fill. In addition to the arrests, this 20-month Priority Target Organization (PTO) investigation has resulted in the seizure of $2,000,415 in U.S. currency, 11 vehicles valued at $700,000, and the possible forfeiture of real estate valued at $1.5 million.

DEA Operational Highlight—December 2006.—DEA arrested seven individuals, resulting in the dismantlement of the Antonio QUINONES internet pharmaceutical drug trafficking organization. The QUINONES organization used illicit internet websites to sell controlled substances directly to consumers without a physician's medical evaluation. During the past two years, the QUINONES organization shipped more than one million dosage units of Vicodin and amphetamines per month from Miami, Florida, to locations throughout the United States. In addition to the arrests, this one-year OCDETF investigation has resulted in the seizure of $935,000 in U.S. currency, real estate valued at $4.2 million, two vehicles valued at $350,000, a watercraft valued at $650,000, and two firearms. The DEA conducted this investigation with the Internal Revenue Service and the U.S. Marshals Service.

[4] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. (2002). National Household Survey on Drug Abuse: Vol 1. Summary of National Findings.

Cocaine

Cocaine remains a major illegal drug of concern throughout the United States based upon abuse indicators, violence associated with the trade, and trafficking volume. After marijuana, cocaine continues to be the most widely used illicit drug among all age categories. The 2005 National Survey on Drug Use and Health (NSDUH) found that 2.4 million Americans used cocaine within the past 30 days and that over 5.5 million Americans used it within the past year. According to the 2004 Drug Abuse Warning Network (DAWN) report, cocaine is the most frequently reported illegal drug in hospital emergency room visits, accounting for 1 in 5 (19 percent) drug related emergency room visits in CY 2004.[5]

Although Colombia is the principal source of cocaine distributed in the United States, most of the wholesale cocaine distribution in the United States is controlled by Mexican drug trafficking organizations and criminal enterprises. Even in areas dominated by Colombian and Dominican drug trafficking organizations, such as the Northeast and Caribbean regions, the influence of Mexican drug trafficking organizations is increasing.

DEA Operational Highlight—September 2006.—Consolidated Priority Organization Targets (CPOTs) Miguel and Gilberto RODRIGUEZ-OREJUELA pled guilty in U.S. District Court for the Southern District of Florida to conspiracy to import cocaine, and agreed to plead guilty in the Southern District of New York to conspiracy to commit money laundering. Each brother was sentenced to thirty years in prison. The brothers also agreed to the entry of a $2.1 billion judgment of forfeiture, and the forfeiture of 287 properties. Twenty-eight family members have also agreed to these forfeitures. The RODRIGUEZ-OREJUELA brothers ran the Cali Cartel in Colombia, and since 1990 imported and distributed more than 200,000 kilograms of cocaine from Colombia to the United States.

DEA Operational Highlight—May 2006.—The Brazilian Federal Police arrested CPOT Pablo RAYO Montano in Sao Paulo, Brazil, and in an operation coordinated by DEA, law enforcement teams in four U.S. cities and five foreign countries arrested 52 individuals, resulting in the dismantlement of the RAYO Montano cocaine trafficking organization. RAYO Montano started in the narcotics business as a transporter in Buenaventura, Colombia approximately 20 years ago. In the last four years alone, the RAYO Montano organization has been responsible for the transportation of 15 tons of cocaine per month from South America to the United States and Europe. RAYO Montano has been linked to the notorious Norte del Valle Cartel, the Autodefensas Unidas de Colombia (AUC) paramilitary organization, the Fuerzas Armadas Revolucionarias de Colombia (FARC) terrorist organization, and corrupt high-level officials in the Colombian government. On February 22 and March 3, 2006, federal grand juries in the District of Columbia and the Southern District of Florida, respectively, indicted RAYO Montano on money laundering and cocaine trafficking charges. The indictments were the result of Operation Twin Oceans, a three-year OCDETF investigation supported by the DEA Special Operations Division. Operation Twin Oceans has resulted in 138 arrests and the seizure of 47,550 kilograms of cocaine, 700 pounds of marijuana, ten kilograms of heroin, $1.6 million in U.S. currency, and other assets with a total estimated value of $47 million, including three islands near the coast of Panama.

Heroin

The overall demand for heroin in the United States is lower than for other major drugs of abuse such as cocaine, marijuana, and methamphetamine.[6] However, one cause for concern is the recent increase in heroin usage. According to the 2005 NSDUH, 379,000 people aged 12 and older reported using heroin during the past 30 days in CY 2005; a slight decrease from 398,000 in CY 2004.[7] Heroin remains readily available in major metropolitan areas and is the third most frequently mentioned illegal drug reported to DAWN by participating emergency departments after cocaine and marijuana, accounting for 162,137 mentions in CY 2004.[8]

Most of the heroin entering the United States is produced in South America and Mexico. Although heroin production in these areas has decreased in recent years,

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[5] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. Detailed Emergency Department Tables from DAWN: 2004. April 2006.

[6] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. (2006). Results from the 2005 National Survey on Drug Use and Health.

[7] Ibid.

[8] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. Detailed Emergency Department Tables from DAWN: 2004. April 2006.

the production capacity remains sufficient to meet U.S. demand for the drug.[9] In 2004, Afghanistan produced more than 90 percent of the world's heroin supply.[10] However, Afghanistan is not currently a major heroin supplier to the United States; only about eight percent of the U.S. supply comes from that country. The majority of the heroin entering the United States is produced in Colombia and Mexico.

DEA Operational Highlight—November 2006.—DEA arrested seven individuals, resulting in the dismantlement of the Shakur MUHAMMAD heroin trafficking organization. This organization distributed fentanyl-laced heroin, brand named "Get High or Die Trying" and "Burn Out," which was directly responsible for six deaths and 27 overdoses. During the past two years, the MUHAMMAD organization distributed over three kilograms of heroin per month in the Pittsburgh, Pennsylvania area. This six-month OCDETF investigation has resulted in the arrest of nine individuals, including MUHAMMAD, and the seizure of one kilogram of heroin and two firearms.

DEA Operational Highlight—June 2006.—DEA arrested 12 individuals in Las Vegas, Nevada, Palm Springs, California, Caguas, Puerto Rico, and New York City, resulting in the dismantlement of the Javier MONROY heroin trafficking organization. Since 2004, the MONROY organization has been responsible for importing more than 200 kilograms of heroin into the United States. MONROY is a former Bogotá, Colombia police officer. The MONROY organization used couriers to smuggle heroin from several foreign countries, including Ecuador, Venezuela, Trinidad and Tobago, Colombia, Brazil, and Mexico, to New York for distribution. The organization employed more than a dozen drug couriers, many of whom made multiple drug trips and most of whom were based in the Las Vegas area. Typically, the drug couriers smuggled between three to five kilograms of heroin per trip concealed within the lining of clothes. To date, this ten-month OCDETF investigation has resulted in the arrest of 22 individuals, including MONROY, and the seizure of 28 kilograms of heroin and $220,000 in U.S. currency.

Marijuana

Marijuana continues to be a significant threat. The 2005 NSDUH found that marijuana was the most commonly used illicit drug with 14.6 million users (6.1 percent of the population 12 and older) during the past month in CY 2004—the same as in CY 2003.[11] More teens seek treatment for marijuana dependency than for all other drugs combined including alcohol, and marijuana was involved in 215,665 emergency department visits[12] in CY 2004, second only to cocaine among drug-related visits.[13]

Marijuana trafficking is prevalent across the nation, with both domestic and foreign sources of supply. The most recent supply availability estimates indicate that between 10,000 and 24,000 pure metric tons of marijuana are available in the United States,[14] and that Americans spend more than $10.4 billion every year on marijuana.[15] Since the demand for marijuana far exceeds that for any other illegal drug and the profit potential is so high, some cocaine and heroin drug trafficking organizations traffic marijuana to help finance their other drug operations.

Mexican drug trafficking organizations dominate the transportation and wholesale distribution of the majority of foreign-based marijuana available in the United States and cultivate marijuana on U.S. public lands throughout California. High grade marijuana from Canada, commonly referred to as "BC Bud," is also available in every region of the United States.

DEA Operational Highlight—December 2006.—DEA arrested two individuals, resulting in the dismantlement of the Shon SQUIRE marijuana trafficking organization. During the past 18 months, the SQUIRE organization distributed 300 pounds of marijuana per month through its store, the Local Patient Cooperative, which was granted a permit to operate as a medical dispensary by the city of Hayward, California. The store serviced 200 customers per day, purchasing marijuana at $4,000

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[9] U.S. Department of Justice, National Drug Intelligence Center. (2006). 2006 National Drug Threat Assessment.

[10] Ibid.

[11] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. (2006). Results from the 2005 National Survey on Drug Use and Health.

[12] A visit to the emergency room is referred to as an episode, and every time a drug is involved in an episode it is counted as a mention.

[13] U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. Detailed Emergency Department Tables from DAWN: 2004. April 2006.

[14] Drug Availability Steering Committee, Drug Availability Estimates in the United States, December 2002.

[15] Executive Office of the President, Office of National Drug Control Policy. What Americans Spend on Illegal Drugs 1988–1998. December 2000.

per pound and selling it at $6,500 per pound, in various products and quantities, for a gross profit of $750,000 per month. In addition to the arrests, this one-year investigation resulted in the seizure of 725 marijuana plants, $2 million in U.S. currency, five luxury vehicles and five firearms.

DEA Operational Highlight—September 2006.—DEA arrested 30 individuals, resulting in the dismantlement of the Manuel CARO marijuana trafficking organization. During the past 18 months, the CARO organization distributed 1,000 pounds of marijuana per month in Florida, New Jersey and New York. To date, this six-month OCDETF investigation has resulted in the arrest of 60 individuals, including CARO, and the seizure of 4,000 pounds of marijuana, $170,000 in U.S. currency, and a large amount of sophisticated indoor hydroponic grow equipment. Additionally, sixty residential properties are being reviewed for possible forfeiture action.

Enforcement Challenges

Transit Zones

The Southwest Border area is the principal arrival zone for most illicit drugs smuggled into the United States. From that area, the smuggled drugs are distributed throughout the country.

Most cocaine is transported from South America, particularly Colombia, through the Mexico-Central America Corridor via the Eastern Pacific transit zone (50 percent) and the Western Caribbean zone (40 percent). Most of the cocaine transiting these two areas is ultimately smuggled into the country via the Southwest Border. The remaining 10 percent of cocaine transported from South America mostly transits the Caribbean zones to Florida and the Gulf Coast.

According to the 2006 National Drug Threat Assessment, methamphetamine seizures increased from 1.12 metric tons in CY 2002, to 1.73 metric tons in CY 2003, to 1.98 metric tons in CY 2004. Most of the foreign-produced marijuana available in the United States is smuggled into the country from Mexico via the Southwest Border by Mexican drug trafficking organizations and criminal groups, as evidenced by CY 2004 seizures of 1,103 metric tons on the Southwest Border versus 9.2 metric tons on the Northern Border.

In CY 2004, seizures for Southwest Border points of entry included 22.4 metric tons of cocaine, 388 kilograms of heroin, 1,070 metric tons of marijuana, and 2.3 metric tons of methamphetamine. By comparison, seizures in the Florida/Caribbean arrival zone for the same time period included 10.5 metric tons of cocaine, 481 kilograms of heroin, 4.9 metric tons of marijuana and no methamphetamine.

DEA Operational Highlight—August 2005 through October 2005.—DEA oversaw Operation All Inclusive (OAI) 2005–1, the first initiative under the DEA-developed, multi-agency International Drug Flow Prevention Strategy. This strategy is designed to cause major disruption to the flow of drugs, money, and chemicals between source zones and the United States through the execution of joint enforcement operations that attack the main arteries and support infrastructure nodes of the drug trade. OAI 2005–1 focused on a predictive intelligence-based attack of the maritime, land, financial, and air smuggling vulnerabilities of drug trafficking organizations operating within the Mexico/Central America corridor. OAI 2005–1's success included nearly 47 metric tons of cocaine seized, which equates to 5 to 10 percent of the estimated quantity of cocaine that was transported through the transit zones to the United States during all of 2005. Additionally, during the 65-day period of the operation, total cocaine seizures in the Mexico/Central American and Caribbean Corridors increased 119 percent compared to the 65-day period preceding the operation, from 36 metric tons to 79 metric tons. At the same time, cocaine seizures by DEA domestic offices decreased 29 percent compared to the 65-day period prior to the operation, from 31,789 kilograms to 22,669 kilograms. Further, as a result of the operation, drug trafficking organizations were forced to delay or suspend their drug operations, divert their routes, change their modes of transportation, and jettison loads. Other results include 346 arrests and additional seizures of 88.56 kilograms of heroin, 26.28 metric tons of marijuana, 990,200 tablets of pseudoephedrine, $16 million in currency, and 104 weapons.

DEA Operational Highlight—March 2006 through April 2006.—Building upon some of the lessons learned from OAI 2005–1, the second initiative under the highly effective International Drug Flow Prevention Strategy, OAI 2006–1, was conducted. OAI 2006–1 was comprised of a combination of staggered and simultaneous land, air, maritime, and financial attacks involving synchronized interagency counter drug operations designed to influence illicit trafficking patterns and increase disruptions of drug trafficking organizations. Some of the successes for OAI 2006–1 include over 130 arrests and the seizure of 43.77 metric tons of cocaine; 19.65 metric tons of marijuana; 83.6 kilograms of heroin; 92.6 metric tons of precursor chemicals; and $4,079,894 U.S. currency. During the course of both OAI initiatives, DEA was able

to determine through intelligence sources that traffickers postponed or canceled their operations, modified their methods of conveyance, varied smuggling routes, and jettisoned loads as a result of enforcement efforts.

Gangs

Gangs have become an increasing and pervasive threat to our nation's security and the safety of our communities. Seventy-five percent of the United States Attorneys report that parts of their districts currently have a moderate or significant gang problem. Gangs commonly use drug trafficking as a means to finance their criminal activities. Furthermore, many have evolved from turf-oriented entities to profit-driven, organized criminal enterprises whose activities include not only retail drug distribution but also other aspects of the trade, including smuggling, transportation and wholesale distribution.

Criminal street gangs, outlaw motorcycle gangs, and prison gangs are the primary retail distributors of illegal drugs on the streets of the United States and the threat of these gangs is magnified by the high level of violence associated with their attempts to control and expand drug distribution operations. Gangs primarily transport and distribute cocaine, heroin, marijuana, and methamphetamine. Authorities throughout the country report that gangs are responsible for most of the serious violent crime in the major cities of the United States.

DEA is committed to combating the gang problem within the United States. The agency targets gang drug trafficking activity through participation in a number of anti-gang initiatives with other law enforcement components, such as Violent Crime Impact Teams, Project Safe Neighborhoods, Weed and Seed Program, Safe Streets and Safe Trails Task Forces and the Attorney General's Anti-Gang Coordination Committee. In 2006, DEA targeted violent drug gangs, such as the Hell's Angels, Latin Kings, Bloods, Gangster Disciples, and Crips. Through state and local partnerships, DEA is able to target violent drug trafficking organizations in areas where state, local, and tribal law enforcement is challenged. In fiscal year 2006, DEA initiated 31 deployments to state and local jurisdictions. Of these, nine (29 percent) were gang related. Additionally, 6 percent (117) of DEA's total active PTO investigations (2,113) were gang-involved. There was a 36 percent increase in active PTO cases involving gangs (from 86 in fiscal year 2005 to 117 in fiscal year 2006); 57 percent increase in cases initiated (from 56 in fiscal year 2005 to 88 in fiscal year 2006); 120 percent increase in PTOs disrupted (from 10 in fiscal year 2005 to 22 in fiscal year 2006); and 57 percent increase in PTOs dismantled (from 23 in fiscal year 2005 to 36 in fiscal year 2006).

DEA Operational Highlight—February 2007.—DEA arrested 47 individuals, resulting in the disruption of the Laton Spurgeon crack cocaine and heroin trafficking organization. Since August 2005, the Spurgeon organization distributed one kilogram of crack cocaine and six ounces of heroin per month at the Hamel Housing Projects, a New York City Housing Authority complex in Queens, New York. Sixteen of the defendants were charged with at least one count of selling drugs within a drug-free school zone. In addition to the arrests, this four-month PTO investigation resulted in the seizure of two firearms.

DEA Operational Highlight—May 2006.—DEA arrested 23 individuals, resulting in the dismantlement of the Winfred Lorenzo HUNT and Carlton POTTS crack cocaine trafficking organization. During the past three years, the HUNT/POTTS organization was responsible for the distribution of 8–12 kilograms of cocaine per month in Palm Beach County, Florida. HUNT has been arrested 27 times previously and charged with several violent crimes, including attempted murder. POTTS' record includes 30 prior arrests on charges such as battery on a police officer, aggravated assault, and attempted murder. Among those arrested was an employee of the Palm Beach State Attorney's Office who utilized her position to provide law enforcement information to the HUNT/POTTS organization. To date, this 15-month OCDETF investigation has resulted in the arrest of 53 individuals, including HUNT and POTTS, and the seizure of more than one kilogram of crack cocaine and two kilograms of powder cocaine, $172,000 in U.S. currency, and eight handguns.

UNITED STATES MARSHALS SERVICE

STATEMENT OF JOHN F. CLARK, DIRECTOR

Mr. CLARK. Thank you Madam Chairman, Ranking Member Shelby, and members of the subcommittee. As a career deputy U.S. marshal, I consider it a privilege and an honor to serve as the ninth Director of America's oldest law enforcement agency.

We appreciate your support of the Marshals Service and our programs and, thanks to the funding you have provided over the years together with the work of the dedicated men and women of the Marshals Service, we have made a significant impact on reducing violent crime, protecting the judiciary, and securing thousands of prisoners who are in our custody.

Our fiscal year 2008 budget request addresses the Marshals Services' highest priority needs. In total, we are requesting 140 additional positions and just over $25 million. These resources will be used to maintain the security of our judicial system, to handle the increased court and prisoner workload in the Southwest border region, and to make our streets safer for children.

Protection of the judicial process remains the primary mission of the United States Marshals Service and deputy marshals protect over 2,000 Federal judges, over 5,000 U.S. and assistant U.S. attorneys, and many Federal employees who work within our courthouses. Last year, the Marshals Service safely handled over 200 personal protection details for Federal judges and Supreme Court justices and investigated more than 1,100 judicial threats.

However, in recent times, we have seen very violent acts committed against the judiciary, some resulting in death. Just last month a suspect pled guilty to mailing an actual explosive device to the courthouse in Richmond, Virginia. It was court security officers who discovered and dealt with both the explosive device and its contents, a powdery substance labeled as anthrax.

Also last month, a Houston man began making numerous telephone calls to the chambers of a Federal judge. The man would not accept that his case had been dismissed and became angry and threatening toward the judge. After fully investigating the situation, deputy U.S. marshals and local police determined the man was a danger to himself and others. He was brought before a magistrate judge and, through psychiatric evaluation, was ordered help.

In the last 10 years, the number of reported threats has increased 553 percent. To strengthen our ability to analyze and investigate threats against the judiciary and to adequately provide judicial and courtroom security, we're requesting 16 positions and $5.3 million. The Marshals Service must maintain a secure courtroom environment especially when trials involve high profile and high threat defendants.

Right now, there are 20 high threat trials going on in courtrooms throughout the country, involving defendants such as the Aryan Brotherhood, the Russian mafia, and the MS–13 gang. Last year, the Marshals Service provided security for over 130 high threat trials. In order to continue to provide security at the increased number of high threat trials, the Marshals Service requests 17 positions and $5.1 million.

Every day, our Southwest border districts try to determine how to best use our limited number of deputy marshals to successfully protect the Federal judiciary and safely transport the detainees. The average daily prisoner population at districts along the Southwest border has increased 78 percent from fiscal year 2000 to fiscal year 2006. To address this prisoner increase, the Marshals Service

requests 53 positions and $7.5 million for our Southwest border district offices.

The Marshals Service workload has also increased due to our newest enforcement mission. Last July, the President signed into law the Adam Walsh Child Protection and Safety Act which places the Marshals Service as the lead Federal law enforcement agency responsible for investigating sex offender registration violations. There are more than 500,000 registered sex offenders in the United States and estimates indicate that there are at least 100,000 unregistered or noncompliant sex offenders.

We are requesting 54 positions and $7.8 million to more aggressively investigate violations of the Adam Walsh Act. With the requested resources, we'll also be able to partner with the National Center for Missing and Exploited Children at their national sex offender targeting center.

PREPARED STATEMENT

Madam Chairman, Senator Shelby, and members of the subcommittee, I look forward to working with your subcommittee throughout the appropriation process and on behalf of the men and women of the United States Marshals Service, I thank you for your ongoing support and I'd be happy to answer any questions you have now. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. JOHN F. CLARK

Madam Chairman, Senator Shelby, and Members of the Subcommittee, I appreciate the opportunity to appear before you today to discuss the President's fiscal year 2008 budget request for the United States Marshals Service (USMS). As a career Deputy U.S. Marshal, and the former United States Marshal for the Eastern District of Virginia, it is a very great honor to represent the Marshals Service as its Director.

I appreciate this Subcommittee's support for the Marshals Service and our programs. Thanks to the funding that you have provided over the years, and with the good work of the dedicated men and women who wear "America's Star," we are performing our missions with excellent results.

THE MISSION OF THE UNITED STATES MARSHALS SERVICE

As you know, the primary mission of the Marshals Service is the protection of the federal judicial process. The nation relies on us to provide physical security to federal judges and U.S. courthouses; to protect witnesses, jurors, and members of the public; to safely and humanely transport and detain federal prisoners; and to catch violent fugitives. Our missions are diverse, and the challenges we face are significant. Our accomplishments are many, and I welcome the opportunity to share some of those accomplishments with you today.

SUMMARY OF FISCAL YEAR 2006 ACCOMPLISHMENTS

In fiscal year 2006, the Marshals Service:

—Investigated more than 1,100 threats and inappropriate communications to the federal judiciary and others for whom the USMS has protective responsibility;
—Provided more than 230 Personal Protection Details for federal judges and prosecutors under threat, as well as security for nearly 200 federal judicial conferences around the country, all without incident;
—Completed home intrusion alarm surveys and pre-installation plans for more than 1,600 federal judges who requested an alarm system, with more than 90 percent of those installations now complete;
—Cleared more than 39,000 federal felony fugitive cases and more than 55,000 state and local fugitive cases;

—Established and began operating our sixth Regional Fugitive Task Force (RFTF), located in the Gulf Coast states of Alabama and Mississippi; since its inception in July 2006, the Gulf Coast RFTF has made more than 2,140 arrests;
—Conducted two successful Fugitive Safe Surrender operations, resulting in the surrender of more than 2,150 individuals wanted on outstanding warrants;
—Established the Sex Offender Apprehension Program and Sex Offender Investigations Branch to manage the implementation of the Adam Walsh Child Protection and Safety Act and support the Attorney General's "Project Safe Childhood" initiative;
—Completed 685 international extraditions from a record 67 foreign countries;
—Safely handled security operations for 135 high-threat trials nationwide, including the trial of convicted terrorist Zacarias Moussaoui;
—Received more than 263,000 prisoners into our custody, with a daily average prisoner population of nearly 56,000;
—Safely and securely produced an average of 3,000 prisoners every day for court appearances;
—Moved an average of 1,200 prisoners each day through the Justice Prisoner and Alien Transportation System (JPATS);
—Protected more than 17,000 witnesses and their families through the Witness Security Program;
—Hosted the first International Witness Security Symposium, with 17 countries participating;
—Assigned Special Operations Group (SOG) Deputies to Iraq to secure the Saddam Hussein trial, assist in other high-threat trials, and provide court security training;
—Deployed SOG Deputies to Kabul, Afghanistan, providing Judicial and Witness Security training for the Counter-Narcotics Police of Afghanistan, supporting the international effort to combat drug trafficking, narcoterrorism, and related crimes;
—Managed more than $1.3 billion worth of seized assets through the Asset Forfeiture Program;
—Disbursed more than $300 million worth of assets with state and local law enforcement agencies through the USMS Equitable Sharing program; and
—Received and disposed of more than 17,000 seized assets.

FISCAL YEAR 2008 BUDGET REQUEST

For fiscal year 2008, the Marshals Service requests a total of 4,486 positions, including 3,299 Deputy Marshals, and $899.875 million to fulfill its missions. Of this amount, 140 positions and $25.7 million are program enhancements to address critical needs related to judicial threat intelligence and investigations; high-threat trial security; enforcement of the Adam Walsh Child Protection and Safety Act; and handling the increased workload in our Southwest Border district offices.

JUDICIAL THREAT INTELLIGENCE AND INVESTIGATIONS

Protection of the judicial process—with a heavy emphasis on judicial security—remains the primary mission of the USMS. Regrettably, the attitude of a small segment of American citizens toward the judicial process has changed, as is evidenced by an increasing number of threats to federal judges throughout the country. As a result, the workload associated with both judicial and courthouse security has significantly increased in the last six years. This is due, in part, to the judicial families' heightened awareness of potential threats, which has resulted in an increase in reporting of such incidents to the USMS. We cannot forget what happened in March 2005, when the mother and husband of U.S. District Judge Joan Humphrey Lefkow were brutally murdered in retaliation for her rulings. The tragic loss clearly illustrates why there is a real and continuing need to monitor and enhance security for all involved in the judicial process.

Just last month, a Houston man began making numerous telephone calls to the chambers of a federal judge. The man would not accept that his case had been dismissed, and became angry and threatening towards the judge. After fully investigating the incident, Deputy U.S. Marshals and local police determined that the man was a danger to himself and others. He was brought before a magistrate judge on charges of threatening the federal judge and a thorough psychiatric evaluation was ordered.

Potential threats against judicial participants are not always obvious. Because of this, Deputy Marshals must be constantly vigilant. Threats come not only from detainees in custody, but also from litigants in civil matters, members of the general public attending trials, and individuals related to or associated with litigants or trial

participants. In the last ten years, the number of reported threats has increased 553 percent. In fiscal year 2006, the number of threat investigations undertaken by our Judicial Security Division increased 17 percent over 2005. As a result, we are making adjustments to our threat assessment capability to respond to this new reality.

To strengthen our ability to analyze and investigate threats against the judiciary and to adequately provide judicial and courtroom security, we are requesting 16 positions and $5.3 million. The requested resources will allow the Marshals Service to hire 10 additional Deputy Marshals to serve as District Threat Investigators, and five Deputy Marshals and one analyst to be assigned to the Technical Operations Group (TOG) to support judicial security. The requested funding also will allow for enhancements to our secure voice and data communications abilities.

I am steadfast in my commitment to fulfill our primary mission: protecting the federal judiciary. I am pleased to report the Marshals Service has taken aggressive steps to further protect courthouses and secure courtrooms in order to increase our threat intelligence and analysis capabilities. In 2004, we established the Office of Protective Intelligence (OPI) to facilitate the day-to-day sharing of threat intelligence information with federal, state, and local law enforcement agencies. As a result of funds provided by Congress in the fiscal year 2005 Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, we hired 10 new Deputy Marshals and three intelligence research specialists to provide 24-hours-a-day/7-days-a-week threat response capability and to analyze and investigate all threats to the federal judiciary and others we protect. We appreciate the continuing support the Subcommittee provides us in fulfilling this crucial mission.

In fiscal year 2006, the Marshals Service investigated more than 1,100 judicial threats, staffed more than 230 Personal Protection Details, and provided security for nearly 200 judicial conferences. The year ended without a single violent incident.

Deputy Marshals protect more than 2,000 federal judges, but we also protect Supreme Court Justices when they travel outside of the Washington, DC area. Highly-publicized confirmation hearings and controversial decisions have increased the visibility of these justices, and staged protests at both private and public functions have increased the demand for USMS protective details. We experienced an 80 percent increase in the number of Supreme Court Justice Protective Details in fiscal year 2006 over the previous year. The Marshals Service is in the final stages of constructing our Threat Management Center, which will function as the nerve center for threats and inappropriate communications against judicial officials and other Marshals Service protectees. In addition, during fiscal year 2007, we plan to establish the National Center for Judicial Security (NCJS). The NCJS will provide a wide range of services and support to federal, state, local, and international jurisdictions as they seek advice and assistance on questions of judicial security. The Center will initiate programs and activities directly related to threat assessment, training, information sharing, and technology review.

Outside of the courtroom, the Marshals Service has made tremendous progress in achieving the offsite security initiative funded through the fiscal year 2005 Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief. We are grateful for the support provided by Congress. Through the end of 2006, 1,616 federal judges had requested or expressed interest in having a home intrusion alarm system installed in their residence. Working in conjunction with the Administrative Office of the U.S. Courts (AOUSC), the Marshals Service has scheduled or completed Pre-Installation Plan surveys for all of those residences. Installation has been completed in over 90 percent of these locations. The ongoing cost of these systems has been funded through the enacted fiscal year 2007 Joint Resolution.

We have stepped up our training efforts. In fiscal year 2006, the Marshals Service conducted training in behavioral methodologies of investigation for 190 Deputy Marshals and Judicial Security Inspectors (JSIs) at the Federal Law Enforcement Training Center (FLETC) at Glynco, Georgia. A Judicial Protective Training Conference for 210 Deputy Marshals and JSIs also was held in Baltimore, Maryland. These training seminars were led by experts from within the Marshals Service, as well as the United States Secret Service; the United States Attorneys' Office; the Diplomatic Security Service; the Bureau of Alcohol, Tobacco, Firearms and Explosives; and the Federal Bureau of Investigation.

I am pleased to say that we are also taking a more aggressive approach to training Court Security Officers (CSOs) and exploring new screening technologies that CSOs can use in their efforts to secure federal courthouses. The CSO Orientation Curriculum has been completely updated, and training which formerly occurred on an annual basis is now being conducted quarterly at FLETC. Hands-on training is being conducted on new and current screening equipment, with added emphasis on detecting disguised weapons and explosives, and on response plans for dealing with

weapons of mass destruction. Additionally, selected judicial districts are being asked to test next generation technologies, and the data obtained from these tests will assist the Marshals Service to select and procure the best possible screening equipment to support our judicial protection mission.

HIGH-THREAT TRIAL SECURITY

The Marshals Service also has an obligation to ensure that the highest level of security is provided at U.S. courthouses during trials involving high-profile and high-threat defendants. High-threat trials generally involve international or domestic terrorists, drug kingpins, violent gang members, organized crime figures, or defendants in civil matters with a high degree of notoriety. An increasing number of these trials require enhanced security efforts to secure trial participants from internal and external threats, such as additional personnel, use of armored vehicles, and establishment of security perimeters around courthouses.

Due to the potential for additional terrorist attacks, threats from extremist groups, intense media attention, the general public's concerns, and global interest in these proceedings, high-security, high-profile events require extensive operational planning and support from specially-trained and equipped personnel. The complexity of the operations and threat levels associated with these cases require additional Deputy Marshals for all aspects of USMS work. In order to continue providing the best security for the number of high-threat trials that we must handle, the Marshals Service requests 17 positions, including 15 Deputy Marshals, and $5.1 million for cellblock security enhancements, Supreme Court Protective Details, and our nationwide security maintenance contract.

As the former U.S. Marshal in the Eastern District of Virginia, I can speak firsthand about the planning and resource requirements necessary to prepare for a high-threat trial. In fiscal year 2006, the extended legal proceedings involving terrorist Zacarias Moussaoui came to a close. The USMS provided security for this high-profile trial from 2002 to 2006. Assisted by our Special Operations Group, we were successful in producing the defendant safely and securing the judicial proceedings without incident. In May 2006, Moussaoui was sentenced to life in prison, and on May 13, 2006, the Marshals Service transported him to Florence, Colorado, to begin serving his sentence at the United States Penitentiary Florence Administrative Maximum Facility.

While Moussaoui is perhaps the most visible terrorist to be tried on U.S. soil, he will not be the last. The trial of terrorist suspect Jose Padilla in Miami, Florida, is just another case that will test the resources and resolve of the USMS. Preparations include evaluating logistical requirements such as: increasing perimeter security, setting up additional barricades, coordinating with local authorities to close street traffic, arranging armored motorcades for prisoner transport, upgrading surveillance cameras, and providing additional personnel through several rotations of specially-trained Deputy Marshals.

The increase in gang-related trials also presents many challenges for the Marshals Service. For example, in Santa Ana, California, we have been securing the largest capital murder case in U.S. history. Forty defendants affiliated with the Aryan Brotherhood have been charged with a variety of violent crimes, including conspiracy to commit murder and drug trafficking. Not only were the defendants part of this gang, but so were many of the witnesses and trial observers in the public area of the courtroom. In July 2006, the jury convicted two Aryan Brotherhood leaders on a host of racketeering and murder charges. Both leaders were sentenced to life in prison without parole. Although federal prosecutors continue to achieve record convictions, out of the 40 defendants, 14 are still pending trial and remain in our custody.

Additional gang-related trials are currently taking place in Greenbelt, Maryland, where several very significant prosecutions that involve multi-defendant, high-threat trials of members of the notorious MS–13 gang are underway. The defendants were charged with a variety of offenses, including conspiracy, RICO, murder, carjacking, kidnapping, firearms violations and weapon charges. Many of the defendants also have been charged by U.S. Immigration and Customs Enforcement (ICE) for being in the United States illegally. These defendants are more violent than our average prisoner and require extra security when transporting and producing them for trial and various hearings. One trial involving seven defendants has already been completed and the second trial is currently in progress. The trials are scheduled to continue throughout 2008, and additional arrests are expected as the investigations continue.

Aside from the potential threats within the courtrooms when high-threat trials are underway, the increase in gang-related prosecutions and the growing number

of gang members in federal detention place additional burdens on the Marshals Service. In many instances, we must not only separate co-defendants from one another, but we must also segregate prisoners within the courthouse cellblock due to their history of violence, potential violence with other detainees, or risk of escape. Support for the President's budget request in this area will assist in our ability to meet these additional responsibilities.

High-threat trials provide special challenges for the Marshals Service. However, our Deputy Marshals are hard at work every day in every judicial district handling prisoners for court appearances. Agency-wide in fiscal year 2006, our personnel produced prisoners for 642,000 court proceedings. I am proud to say that these productions were completed without any injury to a judge, witness, or prosecutor.

ADAM WALSH CHILD PROTECTION AND SAFETY ACT

I am personally honored that last July, Congress named the Marshals Service as the lead agency to investigate sex offender registration violations. This important new enforcement role, outlined in the Adam Walsh Child Protection and Safety Act, grants us the authority to protect the most innocent among us—young children. Signed into law on July 27, 2006, the Adam Walsh Act is landmark legislation that will not only change the face of our communities by making them safer for vulnerable women and children, but it will also, in many respects, change the face of the Marshals Service.

The Marshals Service has three distinct missions pursuant to the Adam Walsh Act: to assist state, local, and tribal jurisdictions in the location and apprehension of noncompliant sex-offenders; to investigate violations of non-compliance; and to assist in the identification and location of sex offenders relocated as a result of a major disaster.

To carry out these new missions, we established the Sex Offender Apprehension Program and designated a program management office (the Sex Offender Investigations Branch) to direct and coordinate the implementation of the Act within the agency. The Marshals Service also designated sex offender investigations coordinators in each district office and Regional Fugitive Task Force to establish and maintain effective contacts with sex offender registration authorities, corrections officials, and other law enforcement agencies throughout the country. Last month, we trained 52 of these coordinators at the National Center for Missing and Exploited Children (NCMEC). There are three additional courses scheduled for this fiscal year, which will bring the total number of Deputy Marshals specially trained in sex offender investigations to approximately 200. To date the Marshals Service has opened 149 cases on convicted sex offenders for violations of the Act and we are participating in the Attorney General's "Project Safe Childhood" initiative.

I am proud to say that the Marshals Service has a long-standing and mutually supportive relationship with NCMEC, which has been enhanced by the enactment of the Adam Walsh Act. One Deputy Marshal has been assigned full-time to NCMEC as a liaison to our Investigative Services Division, and this year we will be assisting NCMEC with their media campaign to encourage compliance with sex offender registration laws. In fiscal year 2008, pending the availability of resources, NCMEC and the USMS also will establish a National Sex Offender Targeting Center (NSOTC) to assist in identifying and prioritizing non-compliant sex offenders and to provide analytical support to federal, state, and local law enforcement agencies.

Full implementation and enforcement of all provisions contained within the Act will require additional resources. Therefore, the Marshals Service requests 54 positions, including 43 Deputy Marshals, and $7.8 million to begin staffing areas of the country having large numbers of non-compliant sex offenders and to staff the NSOTC in partnership with NCMEC.

It is estimated that there are nearly 600,000 registered sex offenders in the nation and as many as 100,000 non-compliant sex offenders. The requested resources will allow the Marshals Service to identify and apprehend non-compliant sex offenders—especially those who commit offenses against children—and to provide analytical support to federal, state, and local law enforcement agencies.

SOUTHWEST BORDER ENFORCEMENT

With the recent investment of resources to increase illegal immigrant apprehension along the Southwest Border, the Marshals Service is facing the daily challenge of utilizing our limited number of personnel to successfully protect and secure judicial personnel and federal detainees, and to safely transport those detainees. To alleviate this problem, the Marshals Service requests 53 positions, including 40 Deputy Marshals, and $7.5 million for Southwest Border (SWB) district offices.

The prisoner population levels along the United States' Southwest Border have been an area of particular concern to the USMS since 1994, the start of intensified immigration initiatives in that region. The addition of thousands of agents from both ICE and U.S. Customs and Border Protection (CBP), together with increased enforcement of immigration laws by federal prosecutors, has caused another significant increase in the number of illegal immigrants captured and detained along the Southwest Border, further contributing to increases in the prisoner population. The average daily prisoner population in Southwest Border districts has increased by 78 percent from 2000 to 2006 and there are no signs of this upward trend abating. For example, the Del Rio office in the Western District of Texas is now handling an average of 400 prisoners a day.

The CBP's fiscal year 2008 budget request includes funding to hire an additional 3,000 agents which, if approved by Congress, will drastically increase the Marshals Service workload. Without the resources requested in the President's budget, the USMS will have difficulty managing this increased prisoner population and the prisoner productions that will be required. When additional Border Patrol agents or border enforcement resources are added, the potential exists for creating massive criminal prosecutions in Southwest Border judicial districts. Additional Marshals Service resources, including Deputy Marshals and administrative positions to handle the resulting criminal workload, will be required to meet the growing burden.

Statistics from the Drug Enforcement Administration demonstrate that drug-trafficking and drug-related gang activity along the Southwest Border is increasing, which also affects the USMS workload. The Marshals Service is handling prisoner productions for high-profile prosecutions such as trials involving the Arrellano-Felix drug cartel and the "Mexican Mafia" in Southern California. As a result of stepped-up enforcement and greater cooperation from the Mexican government in returning these individuals for prosecution in the United States, the USMS will continue to play a large role in these proceedings.

FUGITIVE INVESTIGATIONS

The United States Marshals Service is the federal government's primary agency for conducting fugitive investigations. In fiscal year 2006, more than 39,000 federal fugitive felons were apprehended through USMS-led task forces and warrant squads. Working with authorities at the state and local levels, USMS-led fugitive task forces also arrested more than 55,000 state and local fugitives. The "force-multiplier" effect of the Marshals Service's network of six regional and 85 district-based task forces provides results that are unmatched in law enforcement. In all, more than 135,000 federal, state, and local fugitives were apprehended by the USMS and its law enforcement partners during fiscal year 2006.

The Marshals Service has responded to requests from the State Department and the Department of Justice to provide specialized fugitive investigative training to foreign law enforcement agencies. In fiscal year 2006, the USMS conducted seven training missions involving 170 foreign police officials from ten countries. These training missions included courses that ranged in content from basic prisoner handling to advanced electronic and financial surveillance techniques. Since fiscal year 1999, the USMS has trained more than 400 foreign officers from 22 countries in fugitive investigation.

The Marshals Service continues to improve strategies used to apprehend fugitives. In October 2006, we teamed with our state, local, and federal colleagues in the largest national round-up focused on violent sex offenders and gang members. Operation FALCON III (Federal and Local Cops Organized Nationally) resulted in the apprehension of more than 10,700 fugitives, including 1,629 sex offenders and 364 documented gang members. Teamwork was the key during this seven-day initiative. More than 1,060 agencies participated, with an average of 3,000 law enforcement officers working each day in Marshals Service districts primarily east of the Mississippi River. By removing some of the country's most dangerous sex offenders and gang members from the streets, Operation FALCON III made America's communities safer and contributed to the Attorney General's "Project Safe Childhood" initiative. The operation also resulted in the safe recovery of a missing child, the arrest of a convicted sex offender who was babysitting three young children at the time of his arrest, and the seizure of child pornography.

This success followed an earlier initiative, Operation FALCON II, which occurred in April 2006 in districts in the western half of the United States. More than 9,000 fugitives were arrested and more than 10,400 warrants were cleared during Operation FALCON II. Since April 2005, the three FALCON operations have resulted in the arrests of 30,110 fugitives and the clearance of 37,603 warrants. Of those arrested, 3,314 were sex offenders and 681 were gang members. These results are a

clear demonstration of what can be accomplished when law enforcement agencies pool their human resources and investigative assets to achieve a common goal.

The success of these fugitive initiatives has been recognized by the Department of Justice, which will soon announce a series of mini-FALCONs designed to focus on violent gang members in high priority cities. The first of these initiatives occurred the week of February 25, 2007, in Baltimore, Maryland. Coordinated by the USMS Capital Area Regional Fugitive Task Force, we worked with our state and local law enforcement partners to arrest 195 felons in just five days. Of this number, 24 were documented gang members and another 20 were suspected gang members. Task Force officers arrested four individuals who had been listed as among the City of Baltimore's Most Wanted fugitives.

The Marshals Service also is fully engaged in the battle against violent crime perpetrated by gang members. We have assigned a supervisory criminal investigator and a criminal analyst to the National Gang Intelligence Center, and we are a full participant in the newly-formed Gang Targeting, Enforcement and Coordination Center (GangTECC), whose primary goal is to establish national coordination, intelligence, and enforcement mechanisms to disrupt and dismantle the most significant, violent, national and regional gangs.

The Marshals Service's activities with regard to gangs are not limited to enforcement, however. I have directed our district offices to explore creative avenues to address prevention and have encouraged participation in initiatives such as the G.R.E.A.T. (Gang Resistance, Education, and Training) program, which focuses on providing life skills to students to help them avoid using delinquent behavior and violence to solve their problems.

The Marshals Service intends to expand its Fugitive Safe Surrender program in fiscal year 2007 and fiscal year 2008. Authorized under the Adam Walsh Act, Fugitive Safe Surrender is a creative, non-violent, and highly-successful, approach to fugitive apprehension. The goal of Fugitive Safe Surrender is to reduce the risk to law enforcement officers who pursue fugitives, to the neighborhoods in which they hide, and to the fugitives themselves. It encourages persons wanted for non-violent felony or misdemeanor crimes to voluntarily surrender to the law in a faith-based or other neutral setting. Partnering with state and local law enforcement, the judiciary, and the religious community, the Marshals Service has undertaken two successful Fugitive Safe Surrender operations in Cleveland, Ohio, and Phoenix, Arizona, which resulted in the surrender of more than 2,150 individuals wanted on outstanding warrants.

The next Fugitive Safe Surrender operation will take place in Indianapolis, Indiana beginning on April 25, 2007. Additional cities looking to host the program include Milwaukee, Wisconsin; Camden, New Jersey; Louisville, Kentucky; Nashville, Tennessee; Dallas, Texas; Albuquerque, New Mexico; Montgomery, Alabama; Jackson, Mississippi; Richmond, Virginia; and Washington, DC.

WITNESS SECURITY PROGRAM

One of the most critical, and least known, responsibilities of the United States Marshals Service is the administration of the federal government's Witness Security Program. This Program provides for the security, health, and safety of government witnesses and their immediate dependents whose lives are in danger as a result of their testimony against drug traffickers, organized crime members, and terrorists. After the events of September 11, 2001, the Witness Security Program has assisted in the production and relocation of witnesses testifying in terrorism-related cases nationwide and abroad.

Since the inception of the Program in 1970, more than 7,900 witnesses and over 9,700 family members have entered the program and have been protected, relocated and given new identities by the U.S. Marshals Service. The successful operation of this program is widely recognized as providing a unique and valuable tool to the government's war against major criminal conspirators and organized crime, and I appreciate the Subcommittee's continuing support for this critical mission. I am pleased to report that no program participant who has followed the security guidelines of the program has been harmed while under the active protection of the U.S. Marshals Service.

The fundamental principle of the Witness Security Program is the lifelong involvement with the witnesses and their families. As the program has evolved, the services provided to program participants continue to become more complex. For example, approximately 70 percent of new case participants are foreign-born. Relocating foreign nationals and ensuring their assimilation in a new community presents a host of difficult issues to overcome, including language and cultural barriers.

In addition to its primary mission related to the nationwide protection and relocation of witnesses, the Witness Security Program is currently involved in many other foreign initiatives in conjunction with the Department of Justice, the Department of State, and the United Nations. As the recognized experts in this field, during the last three years, personnel assigned to the Witness Security Program have assisted countries such as Austria, Bahamas, Bosnia-Herzegovina, Chile, Colombia, Guatemala, Kosovo, Mexico, Panama, Russia, Serbia, and Thailand in the establishment and training of witness security units.

In July of 2006, the U.S. Marshals Service sponsored the First International Witness Protection Symposium in Washington, DC. Participants included heads of witness security units and Senior Police Officials representing more than 17 countries across three continents. Additionally, the Marshals Service, in coordination with the Department of Justice, has posted a team of witness security specialists at the United States Embassy in Bogotá, Colombia, to facilitate and provide consultation to the Colombian witness security program.

2007 GLOBAL WAR ON TERROR SUPPLEMENTAL

I would like to thank the Subcommittee for your continued support of our law enforcement and training efforts in Iraq and Afghanistan and for the Senate's recent passage of our request in the Global War on Terror Supplemental. The funds you have approved will be used to enhance security for two terrorist trials, the Jose Padilla trial in the Southern District of Florida, and the upcoming Babar Ahmed trial in the District of Connecticut.

Last year, Congress provided $1 million directly to the Marshals Service as part of the Emergency Supplemental to fund our activities in Iraq. Other funding comes to us from the Department of State. Since 2004, we have deployed Deputy Marshals from our Special Operations Group (SOG) to provide expertise in five key areas: security for judges, security for court facilities, security for witnesses, investigations tied to the Regime Crimes Liaison Office and the Major Crimes Task Force, and police training. To date, approximately 70 of our 98 Special Operations personnel have served on deployments of at least six months to Iraq.

When enacted, the additional funding provided in the fiscal year 2007 GWOT supplemental will be used to continue our operations in Iraq, and expand the Marshals Service's role in Afghanistan, where the Department of Justice has a significant role in combating organized crime and drug cartels. Funding will be used for logistical support and equipment to deploy Deputy Marshals to Afghanistan to establish a Judicial and Witness Security Protection Unit within the Counter-Narcotics Police of Afghanistan. The Unit will enable narcotics trafficking cases to be successfully prosecuted under the Afghan Counter-Narcotics law. Until a safe environment is created, Afghan judges may continue to resist holding trials because of the threats made against their lives. Currently, our Special Operations Group has four personnel assigned to Kabul for a six-month rotation.

CONCLUSION

Madam Chairman, Senator Shelby, and Members of the Subcommittee, on behalf of the men and women of the United States Marshals Service, thank you for your ongoing support of our programs. In the last year, we have made significant progress in addressing the legitimate concerns expressed to us by Members of Congress concerning judicial security, and we have built upon our successful track record of reducing the number of violent felons in our communities. We also have achieved positive results in our less visible program areas, such as training of Deputy Marshals, criminal investigators, threat investigators, and administrative employees.

However, I know that there is still much to do. I am committed to ensuring that we are efficient stewards of the resources you have entrusted to us, and I look forward to working with you to improve our performance in areas that are critical to domestic security and to build upon the successes we have already achieved. I would be happy to answer any questions you may have at this time.

BIOGRAPHICAL SKETCH OF JOHN F. CLARK

John F. Clark was appointed Director of the United States Marshals Service on March 17, 2006.

Prior to his role as Director of the Marshals Service, Mr. Clark was appointed by President George W. Bush on November 12, 2002 to serve as the United States Marshal for the Eastern District of Virginia, which includes the Alexandria, Richmond,

and Norfolk, Virginia offices. Prior to his appointment as U.S. Marshal, he was the Acting Marshal and Chief Deputy for the Eastern District of Virginia.

Mr. Clark is a veteran of the Marshals Service, with over 20 years of experience. He began his career as a Deputy United States Marshal in the San Francisco, California office and later served in the San Jose, California; Richmond, Virginia; and Alexandria, Virginia offices. In addition to his field experience, Mr. Clark served in the Special Operations Group for seven years. During his tenure with the Marshals Service, Mr. Clark has held numerous senior management positions within the Headquarters organization, including Chief of the Internal Affairs Division and Chief of the International Fugitive Investigations Division. Prior to his employment with the Marshals Service, Mr. Clark was employed by the United States Capitol Police and the United States Border Patrol.

Mr. Clark holds a Bachelor of Science degree from Syracuse University and an Associates degree from Hudson Valley Community College. He has completed the Executive Leadership programs at the Center for Creative Leadership and the Aspen Institute. He is married and lives in Virginia.

Senator MIKULSKI. Well thank you very much, each and every one of your testimonies is much appreciated.

Ordinarily we focus on numbers and the financial aspects of your agencies, but today I think is a little bit different and one of the things about each and every one of your testimonies talks about partnership, partnership, partnership. That your agencies stand sentry at a variety of threats facing the American people.

The marshals from threats to our judges to pedophiles threatening their children on playgrounds, DEA at our borders and outside of our borders, working in world communities and of course, ATF, fighting gun crime, the trafficking of illegal guns, the trafficking of illegal bullets, and their whole effort to contribute to violent crime impact teams.

Let me go to my question because we often talk about how do we connect the dots and how do we connect the people? How do we work together to amplify Federal resources at the local level?

VIRGINIA TECH SITUATION

So I'm going to ask you if you could, tell me what you did in terms of the Virginia Tech situation. People would say what would the marshals be doing there? What about ATF, DEA? I'd like you to tell your story because I think it shows how you work and how you maximize your resources.

Mr. Sullivan, why don't we start with you and just go down the line and then I'll have an additional question or two and then we'll come back to you on the issues related to innovation and staffing.

Mr. SULLIVAN. Thank you, Madam Chairman, and I certainly don't want to understate the role of the State and local law enforcement in an event like that.

Senator MIKULSKI. No, this is where we want to talk. People don't think of you as first responders and also the augmenting and appropriate role where there is no Federalization of the situation so we understand, we acknowledge a campus police force overwhelmed by an event of staggering magnitude, a local sheriff's department, et cetera.

It's a series of circles that went out.

Mr. SULLIVAN. Thank you for the question. ATF was notified shortly after the second event occurred and we responded immediately with 12 special agents from the Roanoke field office. They did a range of things that would typically happen in an event like this, from trying to restore some order in an environment where

there was a lot of panic, a lot of fear, and a lot of chaos, partnering up with State and local partners, and identifying exactly where crime scenes were.

You can imagine an event that took place over a several hour period with victims, both victims that were killed and surviving victims, had a crime scene that was extremely large. We tried to identify where the crime scenes are, what evidence might be available at those crime scenes to help in the investigation, and participated in interviews.

So from a general perspective, we did everything that a general law enforcement response would be expected to do and then we focused in on some very specialized skills that ATF has to support State and local law enforcement in the area of gun tracing. We had identified at the scene two weapons that were believed to be used.

The questions during the early stages of the investigation was whether these two crime scenes were linked, the earlier crime scene that happened in the dormitory and the crime scene that unfolded in the classrooms. So it becomes critically important if there is a connection between the two that you can make those connections with the weapons and also the ballistics evidence.

So the early stages of the investigation were spent looking at the weapons and our ability to trace those weapons in terms of where they were purchased from, who purchased them, and when they were purchased. We also tied in the ballistics evidence, using representative samplings of the ballistics evidence that were secured during the early stages. We had an investigative lead based on evidence that was secured at the crime scene, a receipt in a backpack, that sent us to a FFL in Virginia.

Senator MIKULSKI. What is an FFL?

Mr. SULLIVAN. It's a Federal firearms licensed dealer.

Senator MIKULSKI. Ok, just wanted to be sure.

Mr. SULLIVAN. We had that investigative lead that we explored by going out and interviewing the FFL to determine whether or not there was some additional information that could be helpful. Beyond that, we had the two weapons and as it was reported in the media, the serial numbers on the weapons were obliterated, making it more difficult in the early stages to identify where those weapons were originally shipped to for the purpose of private sale.

The weapons and the ballistics evidence were sent to the laboratory in Ammendale, Maryland, for the purposes of raising the serial number, and to do test firings of the weapons to compare ballistics evidence and establish that the two scenes and the two weapons were, in fact, connected.

Senator MIKULSKI. Well, that's a stunning set of resources and I'm going to come back before our colleagues just to be clear that what ATF provided was people and expertise. They discovered there were multiple guns used in the crime. This was a human tragedy; the scene of human tragedy was also a crime scene.

Now what was the Marshals Service doing there? Why would the marshals be involved in this and what were they doing?

Mr. CLARK. Thank you, Senator.

Yes, we did have the opportunity to send several of our deputy marshals there. Six deputies from our Blue Ridge fugitive task force responded right after the shooting began and before the full

knowledge of the single shooter became apparent. They were sent to help secure the crime scene, to support the State and local investigators that were also responding, and to offer our expertise in the event that this individual had fled the scene, before they realized that he had killed himself.

We had several of our deputy marshals who responded to Virginia Tech. We also offered the assistance of our national headquarters using these additional resources to locate individuals, in case there was a second shooter on the loose. We immediately supplied some of our investigators to help. I would also note that they were very instrumental, during and shortly after the shooting ended, in helping to secure the crime scene, supporting the local officers, and getting injured victims to the hospital.

Senator MIKULSKI. Well, I'm sure they thank you for it. Ms. Tandy, tell us about DEA.

Ms. TANDY. DEA's work through all of our enforcement operations is done in conjunction with State and local law enforcement so as soon as the shootings occurred, DEA contacted the local police department as well as the State police to determine what kind of assistance they needed from us.

We were told that they specifically needed us to assist the SWAT team in providing perimeter security as well as in conducting searches of the buildings and enforcement sweeps of the various campus buildings. DEA's entire Roanoke field office responded to the campus to conduct those two responsibilities. It's actually a small office for us in the Washington division.

Senator MIKULSKI. How many were there?

Ms. TANDY. Ten agents responded and stayed throughout the course until everything was secure.

Senator MIKULSKI. Well, I wanted you to tell your story. I'm really proud of you because this was a terrible thing that happened and just imagine a small campus police force, a local community with a sheriff police force and rural communities who are never overstaffed. They had a tragedy unfolding of enormous proportion and needed outside help.

They had to protect the students. They had to deal with the crime scene. They didn't know if there were multiple killers and they had to deal with the panic that was occurring. The fact that you all work together on a day-to-day basis on other issues, whether it's meth, drugs or other areas related to violent crime. You all knew how to react in mutual response. Is that right?

So when you all came in they weren't suspicious of you. They knew you and were eager to have you.

Well, I think what this shows though is several things, number one, really the job that you do. This is one of the reasons I wanted to have this hearing. I think you're undervalued and often overlooked in the Federal budget.

I'm going to come back, others have questions that will go then to your budget because we need to support you so you can do your national mission and play such a unique role to local communities in terms of our community safety. Whether it's the brilliant forensics that's going on right in Maryland to identify the guns, the bullets and so on with their unique tracing to the staffing that pro-

vided and at the end of the day you could go back to your other jobs while this community is in the process of recovery and healing.

I do have specific budget questions but I wanted you to be able to tell your story and with that I'm going to turn to Senator Shelby.

Senator SHELBY. Thank you Senator Mikulski. Director Clark, I understand that a former marshal's daughter was wounded in the shootings in Virginia Tech last Monday and that also her efforts saved the lives of some of her classmates. I believe the marshal was Jim Carney, former marshal. Tell us that story; tell us what happened from what you know.

Mr. CLARK. It's a remarkable and a scary story. I had a chance to talk to Jim Carney, the retired deputy marshal. His daughter was among the individuals who were in the classroom, a German class, where most of the individuals, regrettably were killed.

His daughter was one of only four who survived in that particular room. She was struck in the hand and one bullet grazed her head. I'm told that she is due to be released from the hospital today so, thankfully, she is making a quick and steady recovery. She also is credited with the other three who survived by helping to block the doorway to the gunman who had returned and was intent on finishing them off. They were able to hold the door back and to stave off his attempts to get back into the classroom.

When I heard the story and I talked to Mr. Carney personally, I just could not believe the story and, of course, was glad that his daughter was going to recover. He was quite broken up by the whole event so my heart went out to him and the many victims of who were caught in that terrible event.

NATIONAL CENTER FOR EXPLOSIVES TRAINING AND RESEARCH

Senator SHELBY. Director Sullivan, the National Center for Explosives Training and Research, what's the status of this project at the moment? I believe that we had gotten $10 million and you need $40 million, is that correct?

Mr. SULLIVAN. I think we've estimated that the total cost for the project is somewhere between $40 to $45 million and the 2006 budget, thanks to your leadership, had $5 million set aside specifically to do some early stages of site selection and development. We're extremely excited. We think this is really visionary.

Senator SHELBY. What will it add to ATF's ability to work in this area?

Mr. SULLIVAN. I think when you're looking at the potential future threat of explosives, we have to do everything we can, within our ability, to protect the American public and we have to do it on multiple fronts.

Obviously, in the whole area of explosives, detection is critically important, as are research, regulation, and post blast investigation. The post blast investigation reflects failures of the regulatory piece that protects the explosives material and the detection piece. The NLETR project brings a wealth of expertise to one location that we can use for research and development and sophisticated training, not only for Federal law enforcement agencies but for all of our State and local partners. There's a huge demand for training in these areas.

Senator SHELBY. Absolutely.

Mr. SULLIVAN. Because locals recognize the vulnerabilities concerning explosives, I think once this center is up and operational, it's going to draw our resources together from all around the country, specialized resources that we can share with others that require this training. Even though this is very preliminary, we haven't even done groundbreaking at this stage of the game, we already have 11 agencies that are committed to sharing their expertise as part of this model. So it's visionary. It's something I hope will be a legacy of mine.

Senator SHELBY. Sure.

Mr. SULLIVAN. Thanks to your leadership, we would hope to have this facility fully funded at some point in time to go forward.

We have done site selection, as you know. We think the location at Redstone is the most appropriate location because of all the other expertise that's there. We have sufficient funding at this point in time to do some work at a range to allow us to use a range facility on site, to construct, not sophisticated classroom space, but a modified building where we could do some classroom training, and we have some money available to do some parking facilities but certainly we don't have sufficient funding at this point in time to do everything that you say that you'd want the site to have.

Senator SHELBY. Absolutely. This would carry you to another dimension at ATF as far as explosives, detection and everything else is concerned. Is that correct?

Mr. SULLIVAN. Absolutely. It recognizes the expertise that the ATF has developed in this area over the last number of decades, focusing on explosives detection because of the threats posed by domestic and international terrorism. The NLETR project would bring us to that next significant level in terms of continuing to develop that expertise, staying several steps ahead of those folks that have an interest in posing a threat to us and to our country and capitalizing and sharing our resources and expertise with our partners at the State, local, and Federal levels.

Senator SHELBY. And also you have synergy with the Army there and the FBI. Is that correct?

Mr. SULLIVAN. Absolutely and both have been extremely supportive with regards to the concept, the location and willingness to be part of a joint effort in the area of developing and sharing that expertise.

Senator SHELBY. Thank you. Madam Chairman.

Senator MIKULSKI. Thank you, Senator Shelby and Senator Lautenberg thank you. I was concerned that, I know that you have to get to the Holocaust Memorial service.

Senator LAUTENBERG. I did want to, Madam Chairman, if I can.

Senator MIKULSKI. Yes.

Senator LAUTENBERG. If I can take a quick couple of minutes?

Senator MIKULSKI. Yes, yes.

Senator LAUTENBERG. Is that acceptable to Senator Stevens?

Senator MIKULSKI. Yes.

VIRGINIA TECH

Senator LAUTENBERG. Thank you very much. I look at what we're witnessing here Madam Chairman and in these days of gloom and shock pervades our country. There can't be anyplace on our soil

that doesn't share a feeling of personal mourning as we look at this incredible tragedy, almost impossible to imagine. Friends, when I look at the departments that each of you is responsible for, I salute you and the people who work in those departments.

We have this acceleration of crime in all phases whether it's from drugs or guns and I look at the budget and the request for all of the Departments of Justice within Justice and we have about a 1½-percent increase. The request is $21.8 billion for 2008 and the war in Iraq costs us $3 billion a week, a week, so we've got 7 weeks of that cost devoted to all of our internal law enforcement projects that you folks are responsible for. We've cut out the COPS program essentially that's down from a level of $432 million down to nothing. Madam Chairman, you know how valuable that COPS program has been.

We have to examine the terrible events at Virginia Tech and it needs to be done perhaps in a more sober moment entirely devoting our energy at that hearing to that. What did we learn from that? We learned that mad people, insane people, deranged people can do such damage. I don't understand why we continue to require data derived from gun purchases to be destroyed in 24 hours. Why it is that we have 3 days to approve or deny a gun sale when perhaps there is more time needed.

These aren't criminals. I'm not saying that everybody that buys a gun is a criminal, heavens no. And I'm not saying that we should wipe out the ownership of guns. I'm saying that it should be responsibly done and we shouldn't be trying to hide information, for what purpose?

I wrote a law in 1996 that said that any spousal abuser should not be permitted to own a gun. It was a tough fight and Senator Mikulski, Senator Shelby know that I put that into a budget to a supplemental bill so it was must-pass legislation. Fought like the devil to find a way to get it through.

We have kept 150,000 guns out of the hands of bullies. Can you imagine anybody who can get into that kind of a rage that they want to beat up their wife or beat their kids or abuse them in any other way, if they had been able to get their hands on a gun conveniently? What might have happened?

America, wake up, wake up. We've had 11,000 deaths, homicides in a single year of measurement and what we found is that four countries, Great Britain, Germany, Japan, and Canada had 650 deaths and what I did was took a group that population is approximately ours and they had 650 deaths from handguns, weapons. We had 11,000 in the same year, 11,000. Why? Why did more than 10,000 of our citizens perish because we have these rules.

CRIME GUN TRACES

I ask you Mr. Sullivan, and I'm grateful to my colleagues for allowing me this time. I wrote to your agency last year requesting the number of crime gun traces of the five-seven pistol. We know what a terrible weapon that is, can penetrate body armor; a number of those guns were recovered in New Jersey.

The answer I received was, "ATF has determined that the requested information cannot be disclosed to you." Mr. Sullivan, do you agree with the policy of restricting gun trace information this

way and are you concerned that this policy will limit efforts to fight illegal gun trafficking.

Mr. SULLIVAN. Senator, thank you for the question, is it specifically to the information that you were requesting and limiting the information to you as a Member of Congress?

Senator LAUTENBERG. The number of crime gun traces of the five-seven pistol, weapon that's out there and can penetrate body armor.

Mr. SULLIVAN. I'm of the opinion that that information could be shared with you and with this subcommittee. I think you have a legitimate interest in learning that information.

In terms of restricting gun tracing information, from my experience as a prosecutor, a State prosecutor, and more recently as a U.S. attorney, I think gun tracing information should be considered law enforcement sensitive information and should only be shared with law enforcement agencies that have a need to know that information. That's been my approach in dealing with law enforcement sensitive information generally and it's my approach in terms of dealing specifically with gun tracing information.

Now, having said that, I don't see anything, in my understanding or interpretation of statutory language, that prohibits me from sharing the gun tracing information with law enforcement agencies that have ongoing investigations as it relates to gun trafficking, patterns within their jurisdiction or specifically as it relates to gun tracing data based on weapons that they've asked ATF to trace.

So I would hope and I'm not aware that we aren't doing this, but I would hope that ATF is sharing as much gun tracing information with law enforcement agencies that are requesting that information to enhance their ability to protect the people within their jurisdiction.

Senator LAUTENBERG. And not to be shared with the Congress of the United States?

Mr. SULLIVAN. I'm sorry?

Senator LAUTENBERG. And not to be shared with Senators or Representatives in our Government?

Mr. SULLIVAN. No, I think I said earlier, Senator, the information.

Senator LAUTENBERG. I heard what you said, Mr. Sullivan and then I heard you kind of make sure that that information continued to be restricted.

Mr. SULLIVAN. As I understand the other question you asked Senator, and I apologize because I did not.

Senator LAUTENBERG. That's alright.

Mr. SULLIVAN. Because I did not study the letter you sent. I did have the opportunity to read it and the response that was provided by ATF. I think that's more general information as opposed to specific law enforcement trace information. That type of general information, if you and this subcommittee had an interest in learning about what's happening generally with regard to types of weapons that are being traced, unless I'm told otherwise, could be shared with you and the members of this subcommittee.

[The information follows:]

TRACE DATA DISCLOSURE

As it is ATF's policy that aggregated firearms trace data may be shared with members of congressional committees with jurisdictional authority over the Bureau, a policy consistent with current law, ATF will be providing the information the Senator has requested.

Senator LAUTENBERG. Madam Chairman, forgive me and I have such respect for Mr. Sullivan, his record and law enforcement but the reason that this information is not available is because a Congressman decided that every year he would put that into a bill, to an appropriations bill and there is no earthly reason in my view that that single person should be able to restrict this information.

We want to find out everything we can about this instance, but this is only one of many, it's just the largest of them all. We start with Columbine High School and go through shocking events in our history and we've got to find out ways to stop this. Thank you very much and thank you also.

Senator MIKULSKI. Mr. Sullivan, of course our colleague is referring to the Tiahrt legislation and one suggestion is if you can take the Lautenberg letter and look at it in terms of the consequences of implementing the Tiahrt. We'll talk about the Tiahrt later.

The Senator raises questions not about, what he wants to know, about an individual case. Rather he wants to have the epidemiology of information, data.

We're now going to move on though, our two other colleagues have been waiting, Senator Stevens and then Senator Domenici. And Senator Domenici, I'll stay here as long as you need us to stay.

Senator STEVENS. Senator Domenici doesn't have a timeframe, I do.

Senator MIKULSKI. Okay.

Senator STEVENS. I do want to join in congratulating you. I think there's been a really upbeat feeling about law enforcement recently because of the successes you've had.

It's unfortunate and we all mourn the situation down in Virginia but from the point of view of what was going on, I think that your people have all been doing a much better job in really trying to get to the bottom of many of the problems we face.

METHAMPHETAMINE LABS IN ALASKA

However, I am, Ms. Tandy, a little disturbed that the statistics show there are fewer meth labs in my State, our State, Alaska, now but there's a higher level of meth in the State. I talked to some of your people in Anchorage. I found that they feel that a great deal of that is coming in now from the islands of the Pacific and people aren't using labs anymore because it's cheaper just to bring the stuff in from some enormous lab that's really not even looked at as far as the Pacific Islands are concerned. Do you have people who check places like Samoa and other places that we believe a lot of this meth is coming from? Are you attentive to the problems of the west being now inundated by imported meth?

Ms. TANDY. I share your concerns about the shift in local domestic production of methamphetamine, which has dropped through the basement, which is a great thing in terms of the environmental risks and social child services issues, to the shift to the production

of methamphetamine elsewhere outside of this country and the smuggling into this country from outside.

Most of that is being produced in Mexico and elsewhere. The production in the Pacific and the areas outside of China, Malaysia, Indonesia, the Philippines are all matters that DEA is focused on. We have the largest law enforcement presence of any U.S. law enforcement agency outside of this country. We have focused our resources on the foreign side in the very areas that you've talked about as well as in the western hemisphere and beyond.

The production of methamphetamine by foreign trafficking organizations has been fueled by the fact that the precursor chemicals for the most part come from China and are then diverted and used to fuel those labs in the areas that you've mentioned as well as in Mexico and elsewhere.

We conduct our investigations.

Senator STEVENS. I thought we were entitled to 7 minutes? The set there seems to be running awfully fast.

Senator MIKULSKI. You can take your time.

Senator STEVENS. I don't want to interrupt you, but I am limited and I do have the problem about the number of people in the State like mine.

We're one-fifth the size of the United States, have the largest cargo landing airport now in the country and we feel a lot of the meth is coming in by cargo and somehow or other getting off of those planes that come through our Anchorage airport.

I would urge you to take a look at that because I think with the decrease in the number of meth labs your people generally felt happy about it and reduce some of the effort in our State but the good news was as you say the fewer labs but the bad news is there's an overwhelming amount of meth.

Ms. Tandy it's in small villages of 20 and 40 families. It's finding its way all the way through the 240 small native villages in my State and it is the number one problem that we face. I would urge that somehow you take a look at the concept of how many agents you have left. You only have 11 agents left in the whole State now.

Ms. TANDY. I understand Senator and this has been part of DEA's problem. We are in a hiring freeze and are unable to expand our agent presence. To the contrary we are having to reduce our number of agents in order to meet our budget. The agents in Alaska, to the extent that, actually beyond Alaska, everywhere in the United States, those agents that were focused on domestic labs have shifted their focus to assisting in these investigations for the smuggling of finished meth into Alaska and elsewhere in the United States but I appreciate the point that you're making. It has been a concern to all of us.

Senator STEVENS. Well, I would hope that you would take a look at the concept of working out some cooperation with the various local people. This meth has to be getting out to these small villages through the post office. The only thing that goes into those villages is what we call bypass mail. Now somewhere someone is putting together packages that contain meth and we're subsidizing the transportation of that package into every village in the State.

I do think it's a matter of investigation and believe me those villages are primarily supported by the Federal Government. They're

native people, unemployment is about 85 percent. How they're getting this stuff is driving us nuts and those kids get on this meth and they start coming into town. They will come to the nearest town and then they'll try to find their way to Anchorage or Fairbanks and they're committing horrendous crimes. We've got drive by shootings that we've never had before. We have enormous, just enormous theft and burglary and attacks on the person and it's coming, we believe because of this just overwhelming presence of meth.

I know the rest of the country has the same problem but it's accentuated in our State. They must be giving it away in those villages in order to get them on to this habit and they come to town to steal and commit crimes to get money to continue it. So I urge you to do something about finding a way to work out a cooperative program to get to the bottom of this thing. It's taken off in the last year to the point where it is really crisis stage.

I think you probably add up all the crimes that these young people have done, committed in our State in the last year and it would equal the number of deaths that took place in Virginia. I'm serious. It's a very serious situation in Alaska and we end up with 11 agents. We end up with 15 marshals and eight ATF officers in an area one-fifth the size of the United States. They can barely take care of Anchorage alone.

I understand what you're saying and we're going to do something about that freeze. I don't like that freeze at all.

Senator MIKULSKI. Well, if I might just comment to the Senator. First of all, just know that we're sympathetic to your situation.

HIRING FREEZE

The second thing is in the supplemental, we lift the hiring freeze. Working with the administration and DEA we lifted the hiring freeze and have provided DEA with an additional $25 million. So that's just as a point of reference to you Senator, but second, we would encourage Ms. Tandy meet with the Senator's very able staff because he really raises something that's rising to a, I think, a crisis situation.

So know we're working with that and then anything that we can be doing because we don't think you should have a hiring freeze.

Ms. TANDY. Thank you.

Senator MIKULSKI. And we'll come back to that even to talk about it in a more substantial form.

Senator STEVENS. Added to that is the problem of increased illegal immigration into our State. We've never had that before, but all of a sudden now we are just inundated with illegals following this meth. I think meth is the key so I appreciate your comments.

Senator MIKULSKI. Senator, any way we work with you, we're happy to do it because I think it's also a story that's happening around the country. You bet, you bet.

Senator STEVENS. Those planes come right down to this, 70 percent of the air cargo that's coming through from the Pacific is coming through Anchorage now. It's coming into the rest of the country. This is the place to shut it off. Thank you very much.

Senator MIKULSKI. You are welcome, sir. Senator Domenici, we're glad to have you back.

Senator DOMENICI. Thank you very much, Madam Chairman. I'm delighted to be back and I don't frequent this subcommittee as you know while I serve on it for quite some time, but meth brings me running over here because New Mexico as a border State is having an absolute.

There's a rage occurring in reference to meth and New Mexico and I think most of you who are participants in anything to do with meth you know that our Congressman Pearce has a done a pretty good job at bringing that meth problem to the surface in New Mexico and it is not, there's not the same problem of marijuana.

SOUTHWEST BORDER AND METH ENFORCEMENT INITIATIVE

Marijuana may be bigger in numbers and the like and alcohol might be but this one is one of the worst we've ever seen. You know that. It's going after all kinds of people including many women and they're not young women. They're women with children whose children have been taken away because they can't maintain them and so you see women truly in terrible shape, who've had their children removed, who are living in isolated places and we just have to move with a little more resources and a little more knowledge to try to do something about it and I understand that the DEA is requesting $29 million for the Southwest border and meth enforcement initiative. Is that correct?

Ms. TANDY. Thank you Senator. It is correct and that consists of aircraft as well as technology as well as surveillance enhancements, intelligence sharing, pieces also form part of that budget request that are specifically directed to methamphetamine and the trafficking, production, and transportation of that into the United States.

Just to put into context, Senator, there have been a number of improvements along the way with this shift that has really, it's a recent shift of the production of methamphetamine outside the country and even with that we have seized two metric tons of methamphetamine just over the past year. That is an increase of 129 percent in seizures of meth along the Southwest border.

In addition to that we have a partnership now with Mexico that frankly we have not enjoyed at this level at any time previously, where we are conducting joint operations, as well as targeting meth organizations. DEA has sent to Mexico eight clan lab trucks to assist in the meth production operations against these organizations, along with some of the other enforcement operations that have already been addressed at this hearing.

Senator DOMENICI. Well, I'm very much appreciative of all of the effort that's taking place and I congratulate all of you for the extra effort that meth has added to your very strong and difficult task.

I'm also concerned about the Native Americans. I think that we're just beginning to move into those areas where our Native Americans live and finding, it should not have been a surprise, but it was to many of us that meth has entered the Native communities in abundance and it's because it is cheap and quick. If they're looking for a fix, it's quick. If they're looking for the results, it's not very quick. It's everlasting it seems like, very hard to cure, but I want to thank you for that and I know.

Mr. Sullivan, I don't know you, but I have gathered that congratulatory remarks are in order and I would feel remiss if I didn't join in saying the best of luck to you.

Madam Chairman and my good friend from Alabama, let me choose to give you an observation and a prediction. I shouldn't do this but, starting 5 years ago because of my work with the mentally ill and we have accomplished a great number of things. We're waiting now for the last bill to get passed on parity.

I've been privileged to work with some of the smartest people in the United States on what's going wrong with the mentally ill and the commission of serious crimes such as murder by those who are mentally ill and have been committed to the institutions for care and maintenance and I will predict for you that the final result of this investigation will be twofold.

The United States of America does not have enough centers for taking care of people who are mentally ill who are assigned to inpatient clinics by judges. We have a total lack of facilities across this land because when we decided to go from the places where we held the mentally ill we did have; no new facilities were built as contemplated by then President Kennedy.

Congress baulked and we built none essentially. We're living in a kind of hand to foot creation of facilities. We got policemen who house more mentally ill than do any facilities. You know that as of this morning, more of the serious mentally ill are in police stations and being assigned to police cells than anyplace else in any other facilities.

So number one the report is going to say what's wrong with America. We better build inpatient facilities on some kind of a partnership with our States so we have a place to take care of the mentally ill.

The second thing that's going to come out unequivocally is that the States have not worked together to find a simple approach to how you get people committed and how you keep them committed until they get well. Right now they get out very quickly. When they get out is that period of time that things like this happen.

We're going to have to work on it and we won't escape it. The States will be criticized heavily and this State in which it happened will be looked at very much to see what they did and didn't do, but eventually we're going to have to have a big program to build facilities in conjunction with the States and we're going to have to have some uniformity of in-house commitment where people with serious mental illnesses will stay in facilities rather than be released so quickly and so easily because we don't want to exercise jurisdiction over sick people but that's going to have to happen.

I regret this day as if it was 5 years ago when I started reviewing the best article ever written was by the New York Times where they reviewed some hundred plus cases of the type I'm telling you about and they found that's what precisely was happening that most of these murders were being done by sick people who were released too early under the most grotesque of facts.

The neighbors knew they were doing things crazy, wild, all kinds of things to their relatives and nonetheless nobody could do anything about it because they could not get the kind of cooperation between law and those who wanted to help put them away and

that's going to change within the next 1½ or 2 years in my opinion big time and we'll be in the middle of it because we can't leave it up solely to the States.

I look forward to presenting some more issues to talk about to this subcommittee as we move ahead. Thank you very much.

Senator MIKULSKI. Senator we'd welcome that. First of all we want to salute you because you have been a long time advocate for mental health services. We note with affection your special relationship you had with our lately departed colleague, Senator Wellstone, on this issue. You continue to carry the torch. You're exactly right. We need to be looking at that, the whole Congress, in a variety of our subcommittees.

The second thing is that at this time, this is not the time for finger pointing. This is the time for pin pointing what happened here and how we can make sure that it never happens again.

Each and every man and woman in this room has made a difference but you know, and they make a difference every single day in terms of protecting our country from again, community security or national security, which you know if we all worked together. You've made a difference, Senator Shelby, all of us in this room. You know when we all work together we can make change and that's why we wanted to hear you today.

We could talk so much again about your individual missions of the agency, the particular budget needs that have been raised by my colleagues and myself but know that we're on your side. We want to help you be you, and we know you have a tough job. You come in after everything goes wrong and whether it's people trying to kill our troops in Afghanistan and Mr. Sullivan, we know that you're there and in Iraq, where Ms. Tandy, fighting drugs, we know you're there. You U.S. marshals have to guard terrorists and give them the rights that they wouldn't give anybody and so we're ready to work with you.

We also have discussed among ourselves, Ms. Tandy, that there's certain elements of your testimony we think would be better addressed in a closed or classified situation. We'll notify you of that because we would like to pursue some of these issues related to the international dealing of drugs as well as what this means to our borders.

There's many questions we could ask today and they can go to everything from gun control to border control to self control, but I think we've covered our topics today unless the panel has anything else. We will recess until next week with the FBI.

Senator SHELBY. Madam Chairman.

Senator MIKULSKI. Senator Shelby.

ADDITIONAL COMMITTEE QUESTIONS

Senator SHELBY. Madam Chairman, I have a number of questions for the panel that I'd like to submit for the record and I would also, Madam Chairman, think it might be in order at the proper time sometime to have Director Sullivan in a classified hearing and that might cover some of the ground that Senator Lautenberg had raised because what you're talking about is very sensitive stuff in that area, are you not, Mr. Sullivan? Thank you, Madam Chairman.

Senator MIKULSKI. My colleague raises a new point. In terms of the Tiahrt, would that be better in a round table or would it be better if, because there are classified things to talk about.

Why don't you talk with us afterward about what is the best mechanism because what we want to do is, we want to have the right policies and we want to have those policies rightly restored?

That's why we want to lift these freezing caps and get you the people you need, you need new technologies because the bad guys have new technologies and you've got to be, we've got to help you be as fit for duty as you can.

Did you want to?

Senator DOMENICI. Yes, I just want to say I hope my observations were not construed to be pin pointing.

Senator MIKULSKI. No, please, Senator, that's what I was saying. No, you were pin pointing, you weren't finger pointing. You were saying we got to get real about providing a continuing of service for mental health.

As you know sir, my professional background is that of a social worker and also my involvement whether it's been in preventing domestic violence to worrying about our police officers, I've got a well known and beloved police officer in Maryland 3 weeks before retirement, a guy shot through the door and killed him because he didn't take his meds.

So, I mean, no, no, your points were well taken. They were right on the mark and we think that not only this subcommittee but the entire Senate.

Senator DOMENICI. Oh, yes.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO MICHAEL J. SULLIVAN

QUESTIONS SUBMITTED BY SENATOR BARBARA A. MIKULSKI

TIAHRT AMENDMENT

Question. Since 2004, the CJS Bill has included language known as the Tiahrt Amendment, which restricts the sharing of ATF gun trace information. The President's budget continues this language with a modification.

Please explain the Tiahrt language.

Answer. Since 2003, ATF's annual appropriation has contained a nondisclosure provision applicable to firearms trace data which is referred to as the "Tiahrt Amendment." This language prohibits ATF from expending funds to disclose any of the contents of the Firearms Tracing System (FTS) or any required Gun Control Act (GCA) information to anyone other than a law enforcement agency or a prosecutor solely in connection with and for use in a bona fide criminal investigation or prosecution, and then only such information pertaining to their geographic jurisdiction.

As originally drafted, the Tiahrt Amendment codified ATF's longstanding policy to provide access to firearms trace results to the law enforcement agency that has jurisdiction over the trace request while safeguarding those results from third parties. This policy, which is supported by law enforcement organizations such as the Fraternal Order of Police, recognizes ATF's interest in deciding how to utilize and whether to disseminate its sensitive law enforcement information, since premature and indiscriminate disclosure of firearms trace results could compromise criminal investigations and potentially jeopardize the safety of witnesses, informants, and law enforcement personnel. Moreover, once law enforcement agencies receive trace data from ATF, they remain free to share their firearms trace data with other law enforcement entities, since such sharing is consistent with this policy.

Question. How does the President's budget request modify the language?

Answer. The revised language first clarifies and confirms that firearms trace data may be shared with tribal and foreign law enforcement agencies. This corrects an unintentional drafting error and is wholly consistent with ATF's law enforcement mission and the express purpose of the Gun Control Act.

The revised language also clarifies and confirms that firearms trace data may be shared with Federal agencies for national security purposes. In the Department's view, Congress never intended to prohibit intelligence or security agencies from requesting firearms traces in the course of anti-terrorist or homeland security investigations. Sharing of information pursuant to such requests is wholly consistent with the Department of Justice mission.

The revised language also removes the "geographic jurisdiction" limitation. The current appropriations restriction allows ATF to share information "as it pertains to the geographic jurisdiction of the law enforcement agency requesting the information." This requirement was removed to make clear that state and local law enforcement agencies that receive trace information may lawfully disclose that information to other law enforcement agencies within their investigative discretion. Despite the removal of the "geographic jurisdiction" limitation in the President's fiscal year 2008 budget language, ATF will continue its longstanding policy of disclosing firearms trace results only to the law enforcement agency that requested ATF to trace the firearm. This policy prevents any indiscriminate disclosure of trace information that could jeopardize pending investigations and the safety of witnesses, informants, and law enforcement personnel.

Finally, the revised language requires that law enforcement agencies or personnel "certify" that the trace information is being sought in connection with a bona fide criminal investigation or prosecution. The Department of Justice's position is that this requirement to "certify" does not impose any new responsibilities on law enforcement. Under the Gun Control Act, ATF can only require that federal firearms licensees respond to ATF with records for determining the disposition of firearms (i.e. "trace information") when ATF's request is connected to a legitimate law enforcement investigation. As a result, there has always been a requirement that local law enforcement trace requests to ATF also be connected to a legitimate law enforcement investigation. The current trace request form, which requires the requesting agency to enter an NCIC crime code, is already a form of certification that satisfies the requirement in the fiscal year 2008 budget request. If a law enforcement officer presently falsifies information on the trace data request form, he could be subject to prosecution under 18 U.S.C. 1001 in the same manner as others who violate the statute by lying on a federal form. That is true independent of the appropriations language.

Question. As I understand the President's proposal—it is very detailed permanent authorizing language including—is that correct?

Answer. The proposal does contain "language of futurity" which applies to the fiscal year in question and thereafter. Such language of futurity has also appeared in previous iterations of the Tiahrt Amendment.

Question. Is the Administration working with the authorizing committees on this language?

Answer. The Department of Justice is not currently, but would be pleased to work with the authorizing committees on this language.

FEDERAL FIREARMS LICENSEES

Question. What are the tools available to put corrupt gun dealers out of business?

Answer. Under 18 U.S.C. 923(e), ATF has the authority to revoke a Federal firearms license if a dealer commits a willful violation of the Gun Control Act of 1968 (GCA). ATF conducts FFL inspections to verify that FFLs are complying with the provisions of the GCA and its implementing regulations, and to detect and prevent the diversion of firearms from legal to illegal commerce. ATF also investigates any substantive information regarding illegal activity by a Federal firearms licensee (FFL), and may recommend criminal prosecution for willful violations of the GCA.

Question. Isn't suing them an effective way of shutting them down?

Answer. Suing an FFL is not an option available to ATF nor do we think it would be an effective tool for overseeing and regulating the firearms industry. ATF meets its statutory and regulatory obligations through criminal investigation of FFLs that commit illegal acts and through its regulatory inspection program. Therefore, an FFL that is not meeting its statutory and regulatory obligations could be "shut down" through criminal investigation and subsequent prosecution and through an administrative remedy, such as license revocation.

Question. What is ATF doing to put these gun dealers who sell illegal guns out of business?

Answer. ATF is committed to enforcing the Federal firearms laws as enacted by Congress. As allowed under the GCA, ATF revokes Federal firearms licenses for willful violations of the Act. Over the past several years, there has been an increase in license revocations, partially due to additional training for field managers, improved guidelines for conducting inspections, and better utilization of information to identify which licensees should be inspected. ATF typically revokes licenses where the FFL has willfully and repeatedly failed to account for firearms or to ensure buyer eligibility. In addition to these administrative actions, under certain circumstances, ATF may investigate firearms dealers for criminal violations of the GCA.

ATF works on a daily basis to assist FFLs in their compliance obligations. The vast majority of inspections in which licensees are cited for violations do not result in revocation. In fact, the inspection process usually results in greater compliance and fewer violations during subsequent inspections. Overall, ATF revokes only a small percentage of FFLs where violations are found. In 2006, ATF revoked 115 licenses out of 7,000 inspected (1.4 percent) and a licensee population of approximately 108,000. The Department is currently developing a legislative proposal, the Violent Crime and Anti-terrorism bill, which proposes graduated sanctions for use against FFLs that are in violation of certain GCA provisions, but which do not rise to the level of license revocation. ATF believes that this will also promote greater FFL accountability and compliance.

A review of the most current data in our case management systems indicates that the following number of criminal charges were brought against FFLs since fiscal year 2000:

	Number
Fiscal year:	
2000	14
2001	17
2002	20
2003	33
2004	42
2005	31
2006	32

Citations: 18 U.S.C. 1001; 18 U.S.C. (2); 18 U.S.C. 47; 18 U.S.C. 111; 18 U.S.C. 371; 18 U.S.C. 844(h)(1); 18 U.S.C. 844(i); 18 U.S.C. 922(a)(1)(A); 18 U.S.C. 922(a)(2); 18 U.S.C. 922(a)(5); 18 U.S.C. 922(a)(6); 18 U.S.C. 922(b)(2); 18 U.S.C. 922(b)(3); 18 U.S.C. 922(d)(1); 18 U.S.C. 922(d)(3); 18 U.S.C. 922(d)(5)(B); 18 U.S.C. 922(d)(9); 18 U.S.C. 922(g)(1); 18 U.S.C. 922(g)(3); 18 U.S.C. 922(g)(8); 18 U.S.C. 922(j); 18 U.S.C. 922(k); 18 U.S.C. 922(l); 18 U.S.C. 922(m); 18 U.S.C. 922(o); 18 U.S.C. 922(s); 18 U.S.C. 922(v)(1); 18 U.S.C. 922(w)(1); 18 U.S.C. 924 (a)(1)(A); 18 U.S.C. 924(c); 18 U.S.C. 1341; 18 U.S.C. 1343; 18 U.S.C. 1503; 18 U.S.C. 1956(a)(1); 21 U.S.C. 841(a)(1); 26 U.S.C. 5861(d); 26 U.S.C. 5861(e); 26 U.S.C. 5861(f); 26 U.S.C. 5861(g); 26 U.S.C. 7206;

Question. Does ATF have all the resources it needs to go after these corrupt gun dealers?

Answer. After the implementation of the Safe Explosives Act in 2002, ATF increased its total number of field IOIs from 420 to 650 (fiscal year 2004–2005), and currently ATF has 594 IOIs on board. The Safe Explosives Act requires that ATF inspect each explosives industry member at least once every three years. This requirement places a significant demand on ATF's inspection force and it requires ATF to use flexibility in adjusting the total number of inspector hours dedicated to the firearms industry. ATF regularly reviews its programs and results to reduce inefficiency and increase effectiveness. This process includes the evaluation of all of our inspection procedures. In this way, ineffective procedures can be identified, and ATF's inspection efficiency is maximized.

Recall inspections of FFLs have shown a resulting increase in compliance for those licensees who have previously been inspected. The increased compliance has resulted in fewer violations and license revocations. Fiscal year 2006 recall inspections resulted in an increased compliance rate of 91 percent for inventory discrepancies and an increased compliance rate for 64 percent for total violations.

Question. What are the statistics on the number of rogue dealers selling illegal guns to criminals?

Answer. A review of current data in our case management systems indicates that in fiscal year 2006, 32 gun dealers had criminal charges brought against them for violating Federal gun laws. In addition, 115 licensees had their FFL revoked

through the regulatory inspection process. It is important to note that the revocation of a FFL is not indicative of criminal activity. The graduated sanctions for FFLs proposed in the Department's draft "Crime bill" will help address this issue and revocations will continue to be reserved for the worst licensee violations. Below is a chart that shows the number of revocations for the past several years.

Year	FFLs Revoked National Totals
2004	54
2005	104
2006	115

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

FUNDING SHORTFALL

Question. Your fiscal year 2008 budget requests were developed long before passage of the Joint Resolution.

Can each of you tell this Committee if the 2008 budget request will meet your current operating needs? If not, can you tell the Committee if the Department has begun to engage in any cost savings to mitigate any negative impacts from 2007 to 2008?

Answer. ATF supports the fiscal year 2008 President's budget request that is currently pending approval with Congress. The President's request was the result of an extensive deliberative process and strongly supports ATF's and the Department of Justice's mission to reduce violence and protect our citizens.

Question. Do you expect to submit a budget amendment to ensure that your critical law enforcement operations are not negatively affected by any funding shortfall in your 2008 request?

Answer. No.

GANGS AND GUN TRAFFICKING

Question. Mr. Sullivan, in 2006 the ATF referred more gang related defendants for prosecution than any other Federal law enforcement agency.

Can you tell us more about ATF's success in going after gangs?

Answer. ATF has approximately 2,000 special agents dedicated exclusively to investigating violent crime and gangs. In fiscal year 2006, ATF initiated 2,023 gang related cases. This represents an increase of 157 percent from 2002. Additionally in fiscal year 2006, 1,680 defendants in gang related cases initiated by ATF were convicted, an increase of 289 percent from fiscal year 2002. In total, ATF has referred more than 10,000 gang members for prosecution between fiscal year 2003 and fiscal year 2006.

ATF has long been involved in investigations of groups such as the Mara Salvatrucha (MS–13), organized criminal Asian gangs, violent white supremacists, and outlaw motorcycle organizations such as the Hell's Angels and the Banditos. For example, an ATF-Baltimore investigation led to Racketeer Influenced and Corrupt Organization Act (RICO) charges in a MS–13 gang case against 23 subjects who have been arrested and indicted. The April 2006 indictment charged numerous RICO predicate acts including seven homicides and numerous shootings, beatings, and other violent crimes in aid of racketeering. ATF coordinates efforts of Federal, State and local law enforcement working through the Regional Anti-Gang Enforcement Task Force to combat violent Latino gangs in Maryland's Prince George and Montgomery Counties. Twenty-three MS–13 gang members have been charged in a 36 count federal indictment including numerous shootings and other assaults, kidnapping, seven homicides, kidnapping, witness intimidation and other violent crimes.

In January 2007, 13 members of the MS–13 street gang were arrested and indicted following a year-long joint investigation conducted by ATF and the Nashville Metropolitan Police Department. During the investigation, information was developed linking Nashville-based MS–13 members and associates with seven shootings, three alleged murders, several planned murders, threats and intimidation, and other violent crimes that occurred in 2006. The defendants were indicted on racketeering conspiracy charges. If convicted, the defendants face a maximum penalty of life in prison on the RICO conspiracy charges.

Question. What type of operational intelligence does ATF use to go after these criminals?

Answer. ATF partners with other Federal law enforcement agencies and State and local law enforcement to investigate the most egregious violent criminals and violent criminal organizations. ATF special agents work with local police to try and identify the "worst of the worst" gang members and target these violent offenders first—using undercover operations, surveillance, wiretaps, and the controlled purchase of drugs, guns, explosives, and other contraband to identify and attack the gang's hierarchy. For example, in Chicago, ATF has used Title III wire taps in numerous gang investigations and recently completed a RICO case against the Aurora Insane Deuce gang. This case has been described by personnel at the U.S. Attorneys Office in Chicago as the template for future RICO gang investigations.

ATF is also an active participant in the National Gang Targeting, Enforcement and Coordination Center (GangTECC), which is a DOJ-led task force with a mission to disrupt and dismantle the most violent gangs in the United States in the interest of national security, border protection, and public safety. Three ATF special agents, including one who is serving as the first Deputy Director, are supporting GangTECC activities. GangTECC serves as a central coordinating center for multi-jurisdictional gang investigations involving Federal law enforcement agencies.

ATF's 23 Field Intelligence Groups (FIGs) provide intelligence services and support to ATF field offices throughout the United States. These Field Intelligence Groups are comprised of Special Agents, Intelligence Research Specialists, and Investigative Analysts who provide specialized support by producing crucial tactical and strategic intelligence products and other analytical services. FIGs provide investigative leads using gun trace data, multiple firearms sales, and firearms theft reports. Field Intelligence Groups also compare and share Tactical Intelligence collected in support of investigations with OSII IRS and National Gang Intelligence Center staff to help build on Strategic Intelligence that benefits gang investigations across the United States. They also serve as the conduit of information between field personnel assigned to the local Joint Terrorism Task Force (JTTF) and ATF.

NATIONAL CENTER FOR EXPLOSIVES TRAINING AND RESEARCH—REDSTONE

Question. ATF now has $10 million of the more than $40 million necessary to build a permanent site for the National Center for Explosives Training and Research NCETR (pronounced N-seed-R).

Can you tell us the status of this project?

Answer. ATF has been working closely with the Redstone Department of Public Works and the Army Corp of Engineers on this project. An Exhibit 300 (Capital Asset Plan and Business Case Summary) for the NCETR project has been completed and submitted via the electronic Capital Planning and Investment Control (e-CPIC) system. ATF is finalizing the design for the National Center for Explosives Training and Research (NCETR) with the Army Corps of Engineers and is anticipating a final product in early July. Additionally, ATF is awaiting an environmental assessment to be completed by Redstone Arsenal. Once the environmental assessment is complete, ATF will begin construction of an explosives range on the south end of the base, as plans for the range have been completed. Upon completion, ATF will begin explosives training courses at Redstone.

Question. Once completed what will this training center provide to the ATF that does not exist today?

Answer. ATF is tasked with being the lead Federal agency on explosives incidents and has developed expertise and fostered a strong reputation on such matters. The demands placed upon ATF for Federal, State, local, international and military training and research are many. NCETR will ensure that we meet those demands.

NCETR will provide a physical infrastructure for the experts in the explosives field to conduct advanced research, exploit intelligence related to explosives and improvised explosives devices, and train in the most advanced techniques to deter and prevent the criminal misuse of explosives. The number and types of classrooms and the range space at NCETR will allow ATF to substantially increase its training capacity. For instance, at our current facility we are generally limited to detonating explosives of 50 pounds or less. However, the future facility at Redstone will allow us to detonate a 500 pound explosive, which is equivalent to a vehicle bomb. This would give us the ability to train for real world applications. In addition, NCETR will provide a location to leverage our partnerships on a full time basis for training and research opportunities.

Furthermore, this facility will provide the explosives community in law enforcement and DOD something that does not exist today. Current Federal resources primarily address render safe capabilities and only cover approximately 20 percent of the explosives field. NCETR will provide the venue and capacity to impact the other 80 percent of the explosives field, including advanced training, research, intelligence

and investigations. ATF is uniquely positioned, as a result of its broad explosives related expertise, to manage and deliver comprehensive and progressive training programs with offerings of introductory, advanced, and specialized fire and explosives training programs to a diverse audience of domestic, military and international students. These students comprise a broad spectrum of learners, from first responders to prosecutors. The NCETR facility will be the first of its kind in size and scope related to explosives training.

Question. Do you believe this center will add to ATF's operational expertise?

Answer. Yes. As stated above, this facility will provide ATF with the opportunity to advance our explosives expertise through research partnerships, and share the results of that research with our law enforcement and military partners.

NCETR, through collaboration, will further our understanding of explosives scenes to train crime scene personnel to identify, collect and process evidence necessary for a conviction of a suspected terrorist or other crime suspect. The ATF United States Bomb Data Center (USBDC), a nationwide and international database at the forefront of data collection and dissemination, also will be located at Huntsville. Finally, through our regulatory authorities, ATF will share its expertise with State and local entities to ensure consistency in reporting and gathering data.

EXPLOSIVES

Question. Director Sullivan your agency's fiscal year 2008 budget request includes $10 million to support ATF's arson and explosives programs.

Answer. The $10 million in the fiscal year 2008 President's budget for the Explosives User Fee Offset is an increase that targets ATF's highest priorities which include Explosives Enforcement Activity, Explosive Industry Operations, Canine Enforcement Activity and Safe Explosives Act implementation.

Question. Can you tell us more about ATF's role in enforcing Federal laws as they relate to destructive devices, explosives and arson and how this request will assist your agency in its critical mission requirements?

Answer. ATF is the primary Federal agency responsible for administering and enforcing the regulatory and criminal provisions of the Federal laws pertaining to explosives, bombs and other destructive devices, and arson. ATF's mission includes deterring and investigating violations relating to destructive devices, explosives and arson. ATF is in a unique position to not only investigate arson and explosives related crimes and regulate commerce in explosives but also to provide intelligence and training to other law enforcement partners on these critical matters.

Since 1978, ATF has investigated more than 28,000 incidents involving explosives. Since 1978, ATF has investigated 79,161 arson and explosives incidents. In fiscal year 2006, ATF initiated 4,060 arson and explosives investigations, of which 2,222 were explosives cases. These cases involved the investigation of over 13,000 bombings and 15,000 incidents involving recovered explosives, including homemade explosives and improvised explosives devices. ATF initiated over 3,500 investigations concerning thefts of explosives and explosives materials and has conducted thousands of regulatory inspections of licensed explosives dealers and manufactures. ATF personnel have also been involved in virtually every bombing incident in the United States including the 1993 World Trade Center Bombing; the UNABOMB investigation; the Oklahoma City Alfred P. Murrah Federal Building bombing; and the Centennial Park Bombing.

Our Fire Research Laboratory (FRL) provides state-of-the-art forensic fire science expertise to aid fire investigations. The FRL has the capability of simulating fire scenarios approaching a quarter-acre in size, to scale, under controlled conditions, which allows for detailed analysis. It is the only such facility in the United States dedicated to providing case support in fire investigations using forensic fire science.

All arson and explosives incident databases within the Department of Justice have been consolidated by ATF into the Bomb Arson Tracking System (BATS) which now has over 42,000 records from over 700 agencies and is accessible to Federal, State and local law enforcement agencies. In addition to its use as an incident database, BATS serves as a case management system by arson and explosives incident investigators at all levels of government.

This budget request will ensure that the most advanced training opportunities will continue to be offered to all military and law enforcement agencies in the United States. Currently, several Federal entities, including the Hazardous Devices School (HDS) operated by the United States Army on behalf of the FBI, offer explosives related courses. However, these training facilities offer curricula that are narrowly focused along specific occupational requirements. For example, the HDS trains bomb technicians exclusively on basic electronics and how to render safe an explosive device. The NCETR training model will compliment these existing facili-

ties through the delivery of training programs not available elsewhere and through applied research projects that will enhance the programs offered at other existing facilities.

ATF provides specialized resources to train and assist other Federal, State, local and foreign law enforcement agencies in fire and explosives investigation, as well as explosives disposal. These training programs address all aspects of fire and explosives investigations including statutory and regulatory requirements, first responders, bomb technicians, post-blast reconstruction and investigation, forensic analysis, improvised explosives mixtures, IED electronics, explosives disposal, chemistry, and courtroom techniques.

ATF has also partnered with DOD's Joint IED Defeat Organization to produce the Military Post Blast Investigation course provided to military EOD personnel preparing for deployment to combat. Currently, DOD funds ATF's detailee stationed at JIEDDO in Fort Irwin, California. DOD provides housing and per diem and finances all travel expenses related to JIEDDO training. ATF currently has one Special Agent Certified Explosives Specialist (SACES) on a not to exceed 1 year detail to Fort Irwin. Subsequent to the 1 year assignment, ATF will either PCS or detail another SACES to Fort Irwin. It is anticipated that DOD JIEDDO will fund any PCS costs, per the DOD/ATF MOU.

ATF inspects the explosives industry to ensure compliance with storage, safety and security related requirements of federal law. ATF's relationship with the explosives industry also provides unique investigatory and technology resources to the Agency. ATF investigators are ideally positioned to thwart criminal activity at every level from the theft or illegal purchase of explosives to the interdiction and neutralization of these explosives.

With this budget request, ATF will continue to utilize its expertise to help the explosives industry comply with federal law, prevent the unlawful acquisition of explosives, and promote industry and law enforcement partnerships to reduce public safety risks. ATF will also continue to draw upon its expertise in fire and explosives investigations to assist other Federal, State, local and foreign law enforcement agencies with training and investigations.

Question. ATF trains canines to not only detect explosives but also to assist in the detection of accelerants used to start fires. Can you tell us more about the arson and explosives canine program?

Answer. ATF trains accelerant detection canines for State and local fire departments, police departments, and State fire marshal's offices. Currently, there are 85 active accelerant detection teams in the United States. These canine teams are utilized in fire investigations to help identify potential points of origin started by ignitable liquids. Each year in the United States, deaths, injuries, and millions of dollars of property damage are caused by intentionally set fires. ATF-certified accelerant canines are an essential tool in detecting minute traces of substances which have been used to start fires. Accelerant detection canines also serve as a critical part of ATF's National Response Teams. These highly-trained canines serve side by side with trained fire investigators and forensic chemists to help solve some of the nation's costliest and deadliest arsons.

ATF's canine programs produce extremely reliable, mobile, accurate, and durable explosives and accelerant detection tools, capable of assisting law enforcement and fire investigators with the escalating threat faced by communities worldwide. ATF has trained 519 explosives detection canines and 113 accelerant detection canines.

In 1997, ATF began training explosives detection canine teams for State, local, and other Federal agencies. As of April 30, 2007, there are 120 active ATF-certified explosives detection canine teams working throughout the United States. Thirty-four of these teams include ATF special agent canine handlers, and 86 are explosives detection canine teams for other federal, State, and local agencies. ATF also trains and provides explosives detection canines for foreign countries, in conjunction with the U.S. Department of State, Office of Anti-Terrorism Assistance, to protect U.S. citizens and interests abroad. To date, ATF has trained 339 explosives detection canines for the following 17 countries: Israel, Italy, Argentina, Cyprus, Greece, Chili, Egypt, Jordan, Malaysia, Australia, The Czech Republic, Poland, South Africa, Thailand, Bahrain, Qatar, and Mexico.

QUESTIONS SUBMITTED TO KAREN P. TANDY

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

DEA STATE AND LOCAL ASSISTANCE

Question. The Justice Department's Edward Byrne Memorial State and Local Law Enforcement Assistance Formula Grant Program ("Byrne grants") helps state and local governments address the law enforcement needs in their own communities. Historically, a large share of this grant funding has targeted investigating and prosecuting major drug dealers, as well as fostering multi-state operations to support national efforts to reduce drug crimes.

Since fiscal year 2002, funding for justice assistance programs in the Justice Department has fallen dramatically from $2.2 billion to $800 million—a cut of more than 63 percent. While reductions in crime and drug use rates over the past 10 years have been significant, they have leveled off in the past several years and, in some instances, have even begun to creep higher. The majority of the reductions occurred when state and local law enforcement assistance accounts were funded at high levels.

State and local law enforcement have always been the lynchpins of community safety. Are you concerned that reducing federal involvement in Byrne assistance grants to state and local entities will lead to less effective law enforcement?

Answer. Despite the reduction, we will continue to work side-by-side with State and local law enforcement through our domestic offices and task forces. We will also continue to share intelligence with and provide training to our State and local partners.

There are two narcotics task forces in the State of Vermont—the Vermont State Police Task Force and the DEA Task Force. The Vermont State Police Task Force is made up of three squads—Southern, Northeast, and Northwest. It is staffed as follows:

—2 State Trooper positions funded by the State of Vermont;
—6 State Trooper positions funded by the federal Meth Grant;
—3 State Trooper positions funded by the Byrne Grant;
—4 local Police positions funded by the Byrne Grant;
—2 local Police positions funded by the federal Meth Grant; and
—3 local Police positions funded by the State of Vermont.

The DEA Task Force is located in the Northwest part of Vermont. It includes two HIDTA positions and is staffed as follows:

—6 DEA Special Agents;
—1 Burlington Police Detective;
—1 State Trooper (included in the above 20 positions);
—1 Essex County Sheriff's Deputy;
—1 Lamoille County Sheriff's Deputy; and
—1 Border Patrol Agent.

Although more difficult, DEA will seek to maintain the necessary coverage throughout the State and service the needs of the communities as drug cases expand. In a state such as Vermont, DEA relies heavily on State and local counterparts for assistance, therefore a reduction in the Byrne Grant positions will likely impact State and local participation. However, DEA has a strong partnership with State and local law enforcement and these relationships will work to service the communities of Vermont with or without the positions. State and local law enforcement organizations have always demonstrated a commitment to working with DEA, and this will not change.

DEA will continue work with its task force and the remaining Vermont State Police Task Force positions. Currently, the Southern Vermont State Police Task Force conducts narcotic investigations in the Southern part of the state. The work of this task force has been extremely helpful to DEA because drug trafficking organizations come from Massachusetts or New York, conduct business in Southern Vermont, and then return to their originating states. Once these individuals have been identified, the U.S. Attorney's office becomes involved, along with DEA, and the investigation continues back into the source States resulting in the indictments of these individuals and groups impacting Vermont.

The Northeast Vermont State Police Task Force conducts investigations along the I–91 corridor and they also coordinate with the U.S. Attorney's office and with DEA on apprehending the cross state and cross Canadian border drug traffickers. The Northwest State Police Task Force conducts investigations within the same immediate area as the DEA Task Force. When investigations overlap the two task forces

are adept at coordinating, however they seldom cross paths, demonstrating the amount of work to be done in the area.

Question. In Vermont, state and local entities have long collaborated with the national government in fighting drugs. How can state and local anti-drug entities partner with DEA to curb drug trafficking when your fiscal year 2008 budget request reduces federal assistance to states in this area?

Answer. Despite the elimination of the MET program in fiscal year 2008, DEA will continue to work side-by-side with our State and local law enforcement partners by sharing intelligence, providing training, and participating in task forces. DEA assists State and local law enforcement in many ways, for example:

—DEA's EPIC Open Connectivity Project provides web-based access to approximately 1,800 Federal, State, and local partners on an annual basis. Users can query and access law enforcement data maintained by EPIC.

—In fiscal year 2006, DEA shared $274 million in State and local proceeds with State and local law enforcement, a 25 percent increase over the $219 million shared in fiscal year 2005, including a 40 percent increase in the funds shared with Sheriffs. This level of sharing is expected to continue.

—In fiscal year 2006, DEA trained over 41,000 S&L officers, including over 1,000 in meth lab clean up and training.

—By the end of 2008, DEA plans to complete a clandestine laboratory training facility to better train more State and local officers.

DEA will also continue to support State and local law enforcement through our domestic offices and task forces. DEA leads over 200 State and local task forces, including over 1,600 DEA Special Agents and over 2,100 State and local task force officers, all of whom are dedicated full time to address drug trafficking, including trafficking in our local communities.

PRESCRIPTION DRUG ABUSE

Question. In December 2006, the University of Michigan released a national survey, called "Monitoring the Future"—the largest and most in-depth survey of youth drug use in the nation measuring drug, alcohol and cigarette use and related attitudes among teenagers. The study revealed, among other things, that there was a thirty percent increase in the use of the prescription drug OxyContin® last year. I understand that in April of 2001 the DEA implemented a comprehensive National Action Plan to reduce the diversion and abuse of OxyContin®.

How many DEA investigations and arrests have led to successful prosecutions in OxyContin® cases since 2001?

From April 2001, when the OxyContin® National Action Plan was implemented, to the end of fiscal year 2006, DEA initiated 970 OxyContin® (both brand name and generic) investigations and made 912 OxyContin-related arrests. Though DEA databases do not comprehensively track prosecutions, the majority of DEA arrests result in successful prosecutions. The following are two examples:

—On July 10, 2006, Thomas Merrill, MD was sentenced in the Northern District of Florida in Pensacola, to life imprisonment on six counts of over-prescribing OxyContin® and other controlled pharmaceuticals resulting in the deaths of five individuals. He was also sentenced to concurrent twenty, ten, and five year terms of imprisonment on an additional 92 counts including wire fraud and defrauding health care benefits programs.

—On September 1, 2004, Fred J. Williams, MD was sentenced in the Northern District of Florida to life imprisonment following conviction on 94 counts of drug offenses arising out of his illegal dispensing of OxyContin®. Williams was writing prescriptions for known drug abusers using several variations of a patient's name in an apparent attempt to avoid attracting attention at local pharmacies. Williams wrote over 600 prescriptions to 150 people, none of whom were identified as patients. At the time of sentencing, the judge admonished Dr. Williams for wreaking havoc on the community and destroying lives.

Question. In 2002, the Justice Department Inspector General found that despite the widespread problem of controlled pharmaceutical diversion and abuse, "the DEA had been slow to commit resources to address this problem." In a July 2006 follow up review, the Inspector General found that "from fiscal year 2002 to fiscal year 2005, the DEA increased the percentage of time that diversion investigators spent investigating Internet diversion from 3 percent to 11 percent."

What percentage of time has DEA diversion investigators spent investigating Internet diversion from fiscal year 2005 to the present?

Answer. Since the 2002 OIG report, DEA has worked diligently to address the growing problem of pharmaceutical drug abuse in the United States. DEA attempts to leverage all of its resources to address this serious problem. In addition to having

Diversion Investigators conduct Internet and other types of diversion cases, Special Agents, Intelligence Analysts, and Task Force Officers routinely work on these types of investigations. DEA also prides itself in working shoulder-to-shoulder with our state and local counterparts on all investigations including diversion investigations.

In fiscal year 2005, 11.4 percent of Diversion Investigator (DI) work hours were spent on Internet cases. During the first half of fiscal year 2007, 16.8 percent of DI work hours were spent on Internet cases, an increase of 47 percent over fiscal year 2005.

In addition to investigative work, DEA has devoted significant resources to targeting efforts using ARCOS and SearchPoint, taking administrative action, such as Immediate Suspensions and Show Cause Orders, on pharmaceutical wholesalers and distributors found to be supplying Internet pharmacies. Further, DEA is also working closely with legitimate Internet-related businesses, such as credit card companies, express parcel carriers, and Internet Service Providers, to solicit their cooperation in shutting down illegal Internet pharmacies.

Question. In its 2006 report, the Inspector General examined several investigative tools that are part of DEA's overall operational strategy, including the Online Investigations Project (OIP), telephone and online hotlines, undercover equipment, and training in conducting Internet diversion investigations. The Inspector General found that although the OIP has become a valuable investigative tool, "it cannot automatically identify web sites with the highest volume of suspect pharmaceutical sales as originally intended."

Are you concerned that, contrary to the original intent of OIP, DEA may not possess the resources or capacity to identify rogue online pharmacies with the highest volume of suspect sales?

Answer. Although the OIP has not provided DEA the originally intended capabilities to proactively search the Internet and identify major violators, it is used daily to provide background information on suspect websites. In addition, DEA analysts and diversion investigators have demonstrated a limited capability to produce more detailed link analyses of groups of related websites.

DEA has recognized and acted upon the continuing requirement to proactively and efficiently search the Internet and identify illicit online pharmacies that are selling the greatest amounts of controlled pharmaceuticals. To this end, DEA in March of this year initiated a contract with an Internet search and analysis company to provide this capability. Although the identity of this company cannot be included in this response for reasons of investigative confidentiality, the company has over the past two years developed an excellent reputation providing Internet search and analysis services to leading credit card companies, Internet companies, and major banks for the purpose of enforcing company due diligence responsibilities in the field of Internet pharmaceutical sales, as well as several other areas of illegal commerce over the Internet. In particular, the company has been the leading provider of Internet search and analysis services to a coalition of financial companies working closely with the National Center for Missing and Exploited Children to identify and refer for law enforcement investigation Internet purveyors of child pornography—a more difficult Internet investigative challenge but also one that shares significant common traits with illicit Internet sales of controlled pharmaceuticals.

This contract for Internet search and analysis services includes a four-month initial performance period with options for an additional eight months as well as a subsequent year. The contractor recently provided DEA an initial list of six prospective website targets along with an initial list of affiliated websites. These targets have already been evaluated by our Special Operations Division and forwarded to several DEA Field Divisions. Significantly, this contract requires, and the contractor has expressed confidence in its ability to deliver, identification of the leading Internet controlled pharmaceutical trafficking networks. This includes all associated payment websites, affiliate or portal websites, registration, web hosting, and server identifications, as well as key financial links including payment processors and merchant banks that provide website operators access to major credit card networks. If successful, this contract by March of 2008 will have conclusively identified and mapped out the Internet "footprint" of the largest Internet controlled pharmaceutical trafficking organizations and DEA will have initiated investigations against those same organizations.

Question. Do you believe that a DEA or a nongovernmental organization should regularly search the Internet to identify these websites and other locations that offer to sell controlled substances without a prescription?

It is vital that the DEA and relevant private sector companies work together to proactively search the Internet to identify websites that are illegally selling controlled pharmaceuticals. Because the Internet is constantly changing, the search for

illicit websites is inherently complex and must be undertaken on a proactive basis, not reactive.

Question. Since 2002, the DEA has established telephone and online hotlines for reporting suspicious Internet pharmacies. The Inspector General's 2006 report found that "these hotlines have yielded few leads that resulted in diversion investigations." Equally troubling, the Inspector General found that while the DEA has started to provide undercover equipment to its diversion groups, "as of May 2006 most diversion groups still did not have this equipment."

Are you concerned that DEA lacks the resources to ensure that its intelligence, technological, and investigative tools operate effectively?

Answer. DEA is working hard to integrate and optimize its intelligence, technology, and investigative resources for Internet pharmaceutical investigations. The technological and analytical challenges posed by Internet pharmaceutical investigations are many and complex, and have required DEA to reach out to the private sector for Internet expertise for search, analysis, and training support. Moreover, much of the available intelligence for identifying and targeting violators resides in the private sector among key industry groups whose services are used by online traffickers of controlled pharmaceuticals. This has placed a premium on fostering effective working relationships with leading Internet, financial, and parcel delivery companies. In this time of constrained budgets, both manpower and funding limitations directly impact Internet investigations, which require unusually large commitments of these resources.

DEA has provided all field divisions with undercover credit card accounts in order to make online purchases of controlled pharmaceuticals for use as evidence in Internet investigations. DEA has also deployed undercover Internet workstations to all domestic field divisions.

Question. What percentage of diversion investigators receive specialized training that can prove useful for conducting Internet investigations?

Answer. As of March 1, 2007, 369 of the 520 (71 percent) on-board Diversion Investigators have completed Internet training conducted by DEA's Special Operations Division (SOD). Additional training classes have been scheduled during the remainder of fiscal year 2007. DEA is also developing an Advanced Internet Investigations course that is scheduled to begin in August of 2007. DEA has also added two Financial Techniques courses into the fiscal year 2007 training schedule that is designed to provide employees with the skills and knowledge to enhance their investigative skills to conduct financial investigations. DEA will also provide Diversion Investigators with courses on Complex Conspiracy Investigations.

Question. I am concerned that curbing Internet prescription drug abuse may take collaboration between law enforcement and private sector companies (i.e., credit card companies, payment systems, Internet Service Providers, common carriers, etc.)

What current methods of collaboration with private sector entities does DEA use to combat rogue online pharmacies?

Answer. For the past two years, DEA has actively developed relationships with leading financial, Internet, and express parcel delivery companies whose services are used by Internet controlled pharmaceutical trafficking organizations. The purpose of this outreach has been threefold: (1) to raise awareness of the growing problem of pharmaceutical diversion via the Internet; (2) to elicit voluntary efforts to restrict legitimate business services from being used by illicit Internet controlled pharmaceutical traffickers; and (3) to identify potential sources of data maintained by businesses that may aid in targeting enforcement efforts against the largest illicit Internet drug trafficking organizations.

These relationships provide an opportunity for government and the private sector to reach a better understanding of relevant federal laws and explore areas of cooperation and voluntary industry action to curb the expanding illicit sale of controlled pharmaceuticals over the Internet. The level of cooperation enjoyed by DEA with the various industries involved with Internet pharmacies is excellent. They understand the gravity of the problem and have been extremely cooperative with DEA's inquiries. These relationships are maturing even further around a systematic industry-based Internet search and analysis effort that will incorporate selected data inputs from key Internet, financial, and parcel carrier companies to proactively identify and target the largest Internet controlled pharmaceutical trafficking organizations. A coalition of leading financial companies is spearheading this effort.

Question. Information sharing between private sector entities and the DEA may be critical to preventing online prescription drug abuse. While the number of occasions may be limited, the willingness for private sector entities to share information with DEA about locations to sell pharmaceuticals illegally and to act upon them may be diminished by the threat of law suits.

Do you think that the private sector can play an important role in assisting DEA reduce online drug abuse?

Answer. Yes. Private sector involvement is critical for two reasons. First, the private sector—most especially the Internet, financial, and express parcel delivery companies whose services are used by Internet traffickers of controlled pharmaceuticals—must establish rigorous business practices to preclude this illicit use of their services and then rigorously enforce those standards through internal fraud prevention efforts. Second, these same companies, which all rely intensively upon the Internet for their business, possess invaluable data needed to proactively identify, target, and investigate violators.

Question. Do you support immunity from civil or criminal action for private sector entities that mistakenly identify websites in good faith? And do you support immunity from civil or criminal actions for private sector entities that refuse to do business with any organization mistakenly identified in good faith as offering to illegally sell a controlled substance?

Answer. Yes, DEA would support legislation that furthers the ability of private sector companies to deny services to other companies involved in suspect activities, while minimizing liability for any mistaken actions made in good faith. It is vital that relevant Internet, financial, and parcel delivery companies aggressively police their own operations in this area of illegal commerce. This support from the private sector strengthens DEA's overall enforcement strategy. Private sector entities are acutely aware of their legal liability for denying services to suspect websites whose operators have not been legally convicted. For example, MasterCard has in the past two years denied services to several hundred suspect pharmaceutical website operators working through the merchant banks that issued the credit card retail accounts. FedEx suspended truck deliveries of suspect packages containing pharmaceuticals within portions of eastern Kentucky when it became apparent that illicit Internet sales of controlled pharmaceuticals had reached epidemic proportions in that part of the state. In general, businesses have the legal authority to suspend their services to clients that violate internal business practices codified in their contracts with clients.

COCAINE

Question. The U.S. Sentencing Commission has expressed concerns about the amount of low-level drug offenders being dealt with excessively, particularly in the area of crack cocaine. In May 2002, the Commission found that in fiscal year 2000, 73 percent of all federal crack convictions were brought against low-level offenders, and only 6.1 percent of all federal crack convictions were brought against high-level dealers in crack cocaine cases.

For powder cocaine, a similar disparity exists. The Commission's May 2002 report found that only 6.7 percent of powder cocaine cases were brought against high level offenders, while 68 percent of powder cocaine cases were brought against the lowest-level offenders.

Are you concerned that the federal crack powder laws target "small fish" instead of drug kingpins of organized drug cartels?

Answer. Federal statutes do not target "small fish" instead of large scale traffickers and organized cartels. Federal statutes carry strong penalties for trafficking in meaningful amounts of cocaine powder and cocaine base. Individuals who are first time offenders and are not leaders or managers of a drug organization are eligible for more lenient treatment pursuant to the "safety valve" provisions of 18 U.S.C. 3553(f). Individuals who deal in large amounts of cocaine powder or cocaine base are subject to appropriately long sentences. An individual who deals in at least five kilograms or more of cocaine powder is subject to a mandatory minimum sentence of ten years, as is an individual who deals in at least 50 grams of cocaine base (crack). In addition, leaders and organizers of drug organizations are subject to the severe penalties of 21 U.S.C. 848, the Continuing Criminal Enterprise Statute, which carries penalties of from 20 years to life imprisonment.

Question. Does the DEA focus its drug interdiction efforts on high-level traffickers? Please explain.

Answer. DEA is committed to bringing those organizations involved in the illicit growing, manufacturing, diversion, laundering of proceeds, or distribution of controlled substances to the criminal and civil justice system of the United States, or any other competent jurisdiction. The DEA focuses a significant amount of its resources on attacking Priority Target Organizations (PTOs), which are major drug supply and money laundering organizations operating at the international, national, regional, and local levels having a significant impact upon drug availability.

In addition, DEA works closely with key drug enforcement programs such as the Organized Crime Drug Enforcement Task Force (OCDETF) program to accomplish its mission. The OCDETF member agencies identified international command and control organizations representing the most significant international drug trafficking organizations threatening the United States. These targets are referred to as Consolidated Priority Organization Targets (CPOTs). Efforts to disrupt and dismantle CPOT and PTO organizations are primarily accomplished through multi-agency investigations mostly directed by DEA. In fiscal year 2006, DEA participated in approximately 90 percent of all OCDETF cases, and had the lead or co-lead in approximately 80 percent of OCDETF investigations.

DEA also participates in enforcement-related programs such as specialized training for state and local law enforcement designed to improve their abilities to enforce state drug laws and target and dismantle street lead drug trafficking organizations and demand reduction programs designed to educate citizens concerning the dangers of drugs and emerging drug trends. These programs are aimed at reducing the availability of and demand for illicit controlled substances.

Question. At the November 14, 2006 hearing before the Sentencing Commission, DEA Deputy Assistant Administrator for the Office of Diversion Control, Joseph T. Rannazzisi, testified that cocaine enters the United States in the form of powder cocaine, and powder cocaine is converted into crack cocaine once the powder cocaine reaches the street level. According to Mr. Rannazzisi, crack cocaine is usually trafficked at the street level.

I understand that the DEA believes it is targeting street level crack or powder dealers to work up the chain to higher level dealers. What are the largest amounts of crack cocaine that the DEA has confiscated during a single drug arrest in the last five years?

Answer. DEA's database does not distinguish between "crack" cocaine and cocaine base because "crack" is a form of cocaine base. However, DEA does target street level drug dealers with the goal of working up the chain to the higher level trafficking organizations. DEA focuses on attacking the organizations which are the major drug supply and money laundering organizations operating at the international, national, regional, and local levels having a significant impact upon drug availability.

For example, in May of 2006, the Seattle Field Division completed an eight-month investigation focused on decreasing the growing problem of "open-air" drug markets in the East and West precincts of Seattle. Over the course of this deployment, many individuals were arrested for selling small quantities of drugs to undercover officers. The Seattle Filed Division's Special Agent in Charge, Rodney Benson, stated that "those street-level cases have resulted in a significant number of major, long-term investigations that we're working on right now," which focus primarily on those individuals high-up on the drug distribution food chain. This investigation resulted in the disruption of two drug trafficking organizations; 311 arrests; and the seizure of approximately .41 pounds of powder cocaine, 3.46 pounds of crack cocaine, .02 pounds of methamphetamine, 3.56 pounds of heroin, .21 pounds of marijuana, .46 pounds of steroids, .14 pounds of ecstasy, and .21 pounds of miscellaneous prescription pills, and over $150,000 in assets.

Question. What are the largest amounts of powder cocaine that the DEA has confiscated during a single drug arrest in the last five years?

Answer. The largest amount of powder cocaine that DEA has seized during the last five years was on November 5, 2004 in Key West, Florida for 11.9 metric tons of cocaine. DEA's database does not tell us if this occurred during a single drug arrest though, so potentially there could have been multiple arrests in this case that resulted in this amount of seized cocaine.

Even larger seizures have been made by agencies that work with DEA. On March 17, 2007, the U.S. Coast Guard, acting on information provided by DEA and Panamanian law enforcement, seized approximately 22 metric tons of cocaine aboard a Panamanian flagged motor vessel off the coast of Panama. This record-breaking seizure was the result of actionable intelligence provided by Panamanian law enforcement officials and close collaboration through DEA's multi-agency cocaine interdiction program, Operation Panama Express.

Previously, the largest cocaine seizures by the Coast Guard were: 13.6 metric tons from the stateless-vessel Lina Maria, on Sept. 17, 2004; and 11.9 metric tons from the Cambodian-flagged vessel Svesda Maru on May 1, 2001.

Question. Crack is the only drug for which the first offense of simple possession can trigger a federal mandatory minimum sentence. Under 21 U.S.C. § 844, possession of 5 grams of crack will trigger a 5 year mandatory minimum sentence.

Would reforming § 844 allow the DEA's anti-drug efforts more effective by focusing its resources on preventing drug trafficking by drug cartels instead of wasting precious time and resources on low-level street dealers?

Answer. As stated in the answer to the question above, DEA already focuses its resources "on preventing drug trafficking by drug cartels." Increasing the amount of crack that will trigger a five-year mandatory minimum sentence would not augment DEA's ability to dismantle drug cartels. The value of mandatory minimum sentences such as the five-year mandatory minimum for crack cocaine is that they facilitate DEA's ability to gain cooperation. A recent example is an important investigation of a DEA Atlanta Division crack cocaine trafficking organization that was built upon purchasing just a few ounces of crack cocaine from several mid-level members of the organization. Some of the original cooperating sources were working to lessen their sentences for selling user amounts of crack cocaine and other drugs. The investigation resulted in the arrest of more than 15 violators and the seizure of cash, securities and property in excess of one million dollars. The leader of the organization entered a plea of guilty and received 20 years in jail. The guilty plea was obtained due to the high minimum mandatory sentences that his subordinates were facing for the sales of ounce quantities of crack cocaine; they were motivated to cooperate and potentially testify against their boss.

Please note that while DEA believes that mandatory minimum sentences are a valuable tool in gaining cooperation and incapacitating dangerous drug traffickers and organizations, we do not agree that Federal law enforcement officers or prosecutors are devoting any measurable amount of resources to investigating or prosecuting cases of possession under 21 U.S.C. § 844. The fiscal year 2005 statistics from the United States Sentencing Commission show that only 0.8 percent of powder cocaine cases were for simple possession, and only 1.1 percent of crack cases involved a simple possession charge. The percentages of actual drug trafficking charges in 2005 for powder and crack cocaine were 98.4 and 95.3, respectively.

INTERNATIONAL DRUG ISSUES

Question. Last year, the United Nations Office on Drugs and Crime ("UNODC") reported that there has been a surge in opium cultivation in Afghanistan that is fueling the insurgency in that country. According to the report, opium production in Afghanistan has increased 59 percent over last year, and in the southern region where Taliban insurgents have intensified their attacks on Afghan government and U.S. forces, opium cultivation has increased by 162 percent.

What steps is the DEA taking to address the growing opium trade in Afghanistan?

Answer. DEA is working to help the Government of Afghanistan establish the drug enforcement institutions and capabilities they must have to enforce the rule of law. This means successfully identifying, disrupting, and dismantling major drug trafficking organizations that fuel and profit from the narco-economy.

Out of the six major Drug Trafficking Organizations (DTO) heads targeted by Operation Containment, four have been arrested to include Haji Bashir Noorzai and Haji Baz Mohammad who are being prosecuted in the United States. The operation has also led to significant seizures of narcotics and precursor chemicals and the dismantlement and disruption of organizations involved in the Southwest Asian drug trade.

The four other major DTO heads targeted by Operation Containment are Shabaz Khan, who was arrested in the United Arab Emirates and is currently on trial, Urifi Cetinkaya, who is serving a prison sentence in Turkey, Cumhur Yakut, who has been indicted, and Haji Juma Khan, who has not yet been indicted.

In October 2005, Haji Baz Mohammad—Drug Kingpin and CPOT—was extradited to the United States. This marked the first-ever extradition between the United States and Afghanistan.

DEA's Foreign-deployed Advisory Support Teams (FAST) advise, train, and mentor their Afghan counterparts in the National Interdiction Unit (NIU) of the Counter Narcotics Police—Afghanistan (CNP–A), and directly augment the Kabul Country Office in conducting bilateral investigations to identify, target, and dismantle transnational drug trafficking operations in the region. The five FAST each consist of a Group Supervisor, four Special Agents, and one Intelligence Research Specialist.

DEA has trained the NIU's 126 law enforcement officers in the conduct of drug enforcement operations.

Question. Does DEA have the resources to be effective in curbing the Afghan opium trade? If yes, how are those resources being allocated and utilized? If not, where are increased resources needed?

Answer. DEA's base funding for FAST program is $8.3 million, which is sufficient to fund continuing deployments to Afghanistan and refresh equipment.

The following support for DEA's operations in Afghanistan is provided by DOD:

—DOD is providing basing support at Bagram Air Base for DEA FAST members and facilities for the FAST teams remaining in the Continental United States (CONUS) at the Marine Corps Base at Quantico, Virginia; a hangar and fuel to support the DEA King Air 350 twin-engine turboprop aircraft currently in Afghanistan; two DEA King Air maintenance personnel in Kabul; and facilities to protect, house, feed, and operate at the National Interdiction Unit (NIU) site in Kabul, Afghanistan.

—DOD is providing transportation support for the NIU, which is the Afghan counterpart to DEA and the Afghan unit with whom the FAST conducts counternarcotics operations. The NIU received its basic training from DOD and currently has more than 100 personnel. DOD provides transportation for DEA FAST personnel and supporting equipment from CONUS to Afghanistan and back.

—DOD is acquiring thirteen (13) MI–17 helicopters for the Afghan Ministry of Interior to support the Counter Narcotics Police—Afghanistan (CNP–A), NIU, and DEA Special Agents.

—DOD is providing operational and logistical support and assistance through the U.S. Central Command (CENTCOM) and elements of the North Atlantic Treaty Organization (NATO) International Security Assistance Force (ISAF).

—DOD is providing investigational support by providing Ring Flights to DEA Special Agents. Since February 2005, DOD has provided 26 Ring Flights to DEA. These ring flights allow us to gather counter-narcotics intelligence, interview confidential sources and other sources of information in the outlying provinces, meet Afghan law enforcement counterparts to plan and coordinate investigations, meet local and provincial Afghan officials, and travel to Forward Operating Bases (FOBs) to meet Afghan counterparts and U.S. Military personnel.

—DOD is constructing significant infrastructure for the NIU, including facilities to protect, house, feed, train, and operate. Facilities are also under construction for the Counter-narcotics Judicial Center, which will provide a secure location to detain and prosecute narcotics traffickers. DOD also provided weapons, night vision devices, and other equipment to the NIU.

—DOD provides DEA FAST training at military installations in the United States prior to deployment.

—DOD has provided communications equipment for FAST command and control in Afghanistan. Additional communications equipment is being provided to the NIU.

—DOD has been actively working with the DEA, Department of State, U.S. Embassy Kabul, and Afghan Ministry of Interior officials to fund the expansion of the CNP–A.

—DOD has provided 4.5 million rounds ammunition for FAST and the NIU.

—DOD has provided contract medical, communications, logistical, and intelligence support to DEA and the NIU on a daily basis.

DEA could not maintain its presence in Afghanistan without the support it receives from DOD. Unfortunately, DEA operations have been severely limited due to lack of air mobility and security.

As a new and non-standard aircraft acquisition program, the MI–17 Helicopter Program has suffered setbacks and benefited from product improvements as they have been fielded. As a result the program is behind its estimated operational target of CY 2005. As of May 2007, none of the 6 MI–17 helicopters have flown law enforcement operations with CNP–A/NIU officers or DEA Special Agents.

Three Afghan pilots' classes have graduated from DOD training provided at Fort Bliss, Texas however aircraft delays have made it impossible for the Afghan pilots to keep their flight skills current. They are currently being checked by instructor pilots, prior to being qualified to fly pilots in command. Until that time, all crews will be mixed U.S./Afghan crews.

Finding permanent space for DEA's Afghanistan based King Air 350 and a second King Air, currently being modified for aerial surveillance, has proven to be a challenge. DEA and DOD are currently working to secure permanent space at the Bagram Airfield. If unsuccessful, the removal of the King Airs would significantly undermine DEA enforcement efforts.

Question. I am concerned whether the price and availability of cocaine has changed significantly as a result of DEA's international eradication efforts. Our country has given $5.4 billion in aid to support Plan Colombia. Yet, if you compare the price and availability of cocaine now to the price and availability of cocaine in 2001—at the start of Plan Colombia—there has been no significant change in either

the availability or the price of cocaine on America's streets. In fact, according to "Connecting the Dots: ONDCP's (Reluctant) Update on Cocaine Price and Purity," an April 2007 report by the Drug Policy Program of the Washington Office on Latin America, preliminary U.S. government data indicates that cocaine's price per pure gram on U.S. streets fell in 2006, while its purity increased.

These latest estimates, continuing a 25-year trend, suggest that cocaine supplies are stable or even increasing. Congress was told that Plan Colombia would cut cocaine production by half, but it obviously has failed to do that. Do you believe it is now time for DEA to rethink its international eradication strategy?

Answer. DEA does not have an international eradication strategy for Colombia. The U.S. Department of State's Narcotics Affairs Section (NAS) is responsible for the aerial eradication program in Colombia. The mission of DEA's Bogotá Country Office and Cartegena Resident Office is to conduct bilateral investigations and enforcement operations to reduce the drug supply by targeting, disrupting or dismantling the most wanted international drug trafficking organizations impacting the United States. Thus, DEA's operations in Colombia are concerned with interdiction rather than eradication.

Question. President Uribe has extradited about 400 people indicted for drug crimes in the United States, which I commend. However, none of them are top paramilitary leaders nor, with a couple of exceptions, are any of them FARC leaders. As you indicated at the last budget hearing in April 2006, it is one matter to indict someone and another to extradite and convict them.

Do you support the suspension of extradition of paramilitary leaders who have been responsible for the shipment of tons of cocaine to the United States?

Answer. If Autodefensas Unidades de Colombia (AUC) members currently involved in the peace process continue to traffic drugs and/or commit other crimes, DEA and the Department of State believe they should be extradited. Although suspension of extraditions is not consistent with the U.S. government's goal of bringing violent, transnational criminals to justice, such a peace plan would further our interests of attaining political stability throughout the region and strengthening the democratic institutions of Colombia. The Government of Colombia has indicated to DEA that if an AUC member is indicted in the United States for drug trafficking since the time they surrendered to the Justice and Peace process, then that member is subject to extradition.

Although the Uribe Administration continues to support extradition requests by the United States for paramilitary AUC members, there is a concern that it may be difficult for the Administration to follow through with the extradition of some key AUC leaders, particularly those who are critical to the peace and demobilization process. While engaged in the peace and demobilization process, the Colombian Government has suspended their extradition warrants. DEA anticipates that if these individuals comply with the Justice and Peace Law, they will receive a sentence of between 5–8 years and the extradition warrants will continue to be suspended. Under Colombian Law 975, known as the Justice and Peace Law, the demobilized members of the AUC who have committed massacres, drug trafficking, and other crimes are eligible for reduced sentences if they comply with the requirements of confessing to their crimes and making restitution to their victims. However, the Uribe administration has assured the U.S. Embassy that if there is evidence that an individual is continuing to engage in drug trafficking and other illegal activities after the July 25, 2005 signing date, they will be removed from the process and their extradition warrant will again become active.

Question. Has the DEA or the State Department told the Colombian Government that the United States agrees with these suspensions? Has the DEA or State Department told the Colombian Government that the United States disagrees?

Answer. Please see DEA's response to question above.

Question. What are the total numbers of FARC indictees that have been actually extradited?

Answer. Since the amendment to the Colombian Constitution on December 17, 1997, the Colombian Government has extradited 539 fugitives to the United States. Of that number, 7 were FARC members and 8 were AUC members.

Of the 50 FARC indictments unsealed on March 22, 2006, three have been captured and are awaiting extradition. To date, none have been extradited.

METHAMPHETAMINE

Question. According to a November 2006 report by the U.S. National Drug Intelligence Center, cartel labs in Mexico and California now produce about 80 percent of the methamphetamine in the United States.

What steps has DEA taken to decrease the amount of methamphetamine produced in Mexico?

Answer. DEA is working hard with the Government of Mexico to target the criminal organizations involved in the diversion of precursor chemicals and the producing and trafficking of methamphetamine. Mexico has imposed import quotas tied to estimates of national needs. The Mexican Government limited pseudoephedrine, ephedrine, and combination product importation permits to 70 tons during 2006; this is a reduction of 53 percent from the 2005 level of imports (150 tons). This quota has made it more difficult for traffickers to obtain precursor chemicals. Prices have increased and traffickers have been forced to resort to traditional diversion methods, including smuggling and the use of third countries to procure their chemicals. In addition, intelligence indicates that traffickers have also turned to alternate production methods for methamphetamine and the apparent use of substitute chemicals as the traditional precursors are becoming more difficult to obtain. Mexico has discussed revising their quota downward even further in 2007.

In May 2006, at the National Methamphetamine and Chemicals Initiative (NMCI) Strategy Conference in Dallas, Attorney General Gonzales announced important new anti-methamphetamine domestic initiatives, as well as new partnerships between the United States and Mexico in fighting methamphetamine trafficking. These initiatives will improve enforcement and information sharing, increase law enforcement training, and increase public awareness both domestically and internationally. Since this announcement, methamphetamine enforcement teams have been formed on both sides of the border and DEA, with the assistance of the U.S. Department of State, has donated eight refurbished clan lab trucks to Mexico.

Additionally, DEA and the Department of State, Bureau of International Narcotics and Law Enforcement Affairs trained over 2,000 Mexican officials in fiscal year 2006 on a variety of investigative, enforcement, and regulatory methods related to methamphetamine trafficking and manufacturing. This training included instruction on clandestine laboratory investigations, precursor chemical investigation, and drug identification. As a result of this training, Mexican law enforcement officials have had significant success in identifying labs.

In fiscal year 2006, DEA also trained over 41,000 State and local law enforcement officers, including over 1,000 in how to conduct investigations and dismantle seized methamphetamine labs. By the end of 2008, DEA also plans to complete a clandestine laboratory training facility to better train more state and local officers.

DEA has expanded the role of its Clan Lab Enforcement Teams to target Mexican methamphetamine trafficking organizations. These teams use their lab expertise to trace chemicals, finished methamphetamine, and drug proceeds to drug trafficking organizations in the United States and Mexico. These teams also work to identify and dismantle U.S.-based methamphetamine transportation and distribution cells.

DEA has also developed an intelligence collection program, Operation White Fang, to assist in the identification and targeting of organizations responsible for producing and trafficking methamphetamine across the entire Southwest Border. The operation focuses particularly on the groups responsible for the drug related violence facilitated by the major Mexican cartels operating along the U.S./Mexico border. In the fiscal year 2008 President's budget, DEA requests $325,000 for this operation.

Question. Recent reports show an increase in drug gang activity in the area of methamphetamine and over-the-counter medicines. I am concerned that this may be leading to an increase in violence in some communities.

Has DEA taken any steps to address this situation?

Answer. Recently, DEA has seen an increase in cases involving violent organized gangs, such as MS–13 and La Familia. Many of these gangs are typically, poly-drug and poly-criminal opportunists. Some of them are involved in trafficking various quantities of methamphetamine and precursor chemicals in states such as California. Historically, domestic motorcycle gangs, such as the Hell's Angels, have been the primary gangs involved in the manufacturing and trafficking of methamphetamine. As part of its mission, DEA targets violent gangs involved in drug trafficking activity, such as the Hell's Angels, Latin Kings, Bloods, Crips, Mexican Mafia, and Gangster Disciples.

To handle this problem DEA participates in a number of anti-gang initiatives with other law enforcement components, including the National Gang Intelligence Center, ATF's Violent Crime Impact Teams (VCIT) and Project Safe Neighborhoods, FBI's Safe Streets and Safe Trails Task Forces, DOJ's Weed and Seed Program, and

the Attorney General's Anti-Gang Coordination Committee[1] (GangTECC) which oversees all of the above listed programs.

Question. According to a March 25, 2007, article in the USA Today, "reports of candy-flavored methamphetamine are emerging around the nation stirring concern among police and abuse prevention experts that drug dealers are marketing the drug to younger people." The article reports that among the new flavors are strawberry, known as "strawberry quick," chocolate, cola, and other sodas. And, the article reports, that a DEA agent reported a red meth that has been marketed as a powdered form of energy drink.

Given these recent reports, how widespread has flavored crystal meth products become?

Answer. With the continual stream of negative press regarding methamphetamine, drug traffickers are trying to lure new customers by making meth seem less dangerous. Since the early 1980s there have been regional occurrences of different colors and better tasting methamphetamine. "Strawberry Quick" and other flavors are just the latest of the trends in the marketing of methamphetamine. According to intelligence, the flavored crystals are available in California, Nevada, Washington, Idaho, Texas, New Mexico, Missouri and Minnesota. Normally, methamphetamine is white or brownish and bitter-tasting. Strawberry Quick may be popular among new users who snort methamphetamine because the flavoring can cut down the taste. Traffickers are savvy marketers, and they continue to create new ways to market their drug of choice, especially to young people.

Question. According to the National Survey on Drug Use and Health by the Substance Abuse and Mental Health Services Administration, the number of people 12 and older who used meth for the first time in the previous year decreased from 318,000 people in 2004 to 192,000 people in 2005.

Are you concerned that drug traffickers are trying to lure in new customers, particularly young people, by making meth seem less dangerous? If so, what steps is DEA taking to address this issue?

Answer. While the primary function of DEA is to enforce the nation's federal drug laws, we understand that law enforcement alone cannot solve America's drug problems. DEA works with the youth concerning the abuse and awareness of drugs including the serious hazards of methamphetamine. Through DEA's Demand Reduction program, DEA shares drug law enforcement expertise and intelligence on the nature and extent of the national, regional and local drug threat and on emerging drug enforcement priorities. In conjunction with its prevention partners, DEA engages in aggressive public messaging campaigns to illustrate the consequences of drug use, particularly for non-users who suffer collateral damage as a result of the illegal drug trade. For example, in August of 2005, DEA launched a new website for teens, justthinktwice.com. Since its inception the justthinktwice.com website has averaged over 200,000 hits per month. This website provides teens with straightforward information on the consequences of drugs to users and non-users and gives teens the tools they need to make sound decisions about drugs. Included in the site is information on methamphetamine, prescription drugs, drugged driving, drug endangered children, marijuana, drug legalization, and the federal penalties for drug trafficking and manufacturing. Justthinktwice.com also dispels many of the myths that teens have about drugs by giving them the facts about drug legalization, "medical" marijuana, and other topics.

Question. Last year, the Combat Methamphetamine Epidemic Act became law as Title VII of the USA PATRIOT Improvement and Reauthorization Act of 2005 (Public Law 109–177), and which was designed to retail over-the-counter sales of certain precursors that are common ingredients in cold medicines. Under this law, consumers purchasing cold medicines containing ephedrine, pseudoephedrine and phenylpropanolamine must show identification and sign a log book at pharmacies. DEA, along with state and local law enforcement entities, are responsible for monitoring these log books in order to identify if any one person has purchased more than 9 grams within a month's time.

Do you believe the log book is working as hoped to support investigations?

Answer. As a result of state and CMEA legislation, which was implemented in September 2006, the downward trend in seizures of clandestine laboratories is unmistakable. In 2005 there were a total of 12,619 reported incidents involving clan labs. Calendar year 2006 saw a decrease of 43 percent, or a total of 7,180 incidents. Through April 25, 2007, only 720 incidents involving clan labs have been reported.

[1] In the fiscal year 2008 President's budget, DEA is requesting 1 Special Agent position in support of Gang TECC.

Year	All Incidents	Labs Only	Super Labs	California Super Labs
2005	12,619	5,879	34	28
2006	7,180	3,346	13	10
2007	720	361	1	1

Question. Could federal enforcement efforts be more effective if the log book was electronic?

Answer. Logbooks in and of themselves serve are an effective enforcement tool because they deter illegal purchases of products containing ephedrine, pseudoephedrine, and phenylpropanolamine. Persons who might be considering the purchase of these products for diversion to the illicit production of methamphetamine are deterred by the requirement to provide personal information (name and address) and their signature. Logbooks could be more effective as an enforcement tool if the data was collected electronically. If the data was collected electronically, aggregation of the data across retail locations and between states would be easier and potentially more effective.

Question. What enforcement resources has DEA dedicated to this area?

Answer. Investigative authority to enforce CMEA rests with a general workforce of approximately 500 Diversion Investigators and 5,000 Special Agents agency-wide. DEA also leads over 200 state and local task forces with over 2,100 state and local task force officers. DEA will investigate violations of not only the CMEA, but any violation of the Controlled Substance Act as necessary.

Question. The Combat Meth Act required DEA to establish production quotas and import quotas for ephedrine, pseudoephedrine, and phenylpropanolamine. This effort was done in order to prevent the illicit use of these three chemicals in the clandestine manufacture of methamphetamine.

Do you believe the system for establishing import quotas is working smoothly?

Answer. Although the quota regulations for the CMEA have not yet been fully implemented, DEA's 30+ years experience establishing quota for other pharmaceutical will ensure smooth administration of the import quota applications.

Question. Can you give us your assurance that the quotas established are adequate for medical use?

Answer. DEA's experience with the schedule I and II controlled substances quotas provides a solid foundation for the application and implementation of quotas to the list I chemicals: pseudoephedrine, ephedrine and phenylpropanolamine as outlined in the CMEA. DEA's diligent oversight of the quota applications and process will ensure an uninterruptible supply of medicine is available in the United States once this law is fully implemented.

In accordance with 21 U.S.C. 826, DEA is required to establish limits on the production of Schedules I and II controlled substances. The total quantity for each basic class of controlled substance in Schedules I and II is required to be determined on an annual basis. The quotas for controlled substances are established each calendar year to provide sufficient material for the estimated legitimate medical, scientific, research and industrial needs of the United States, for lawful export requirements and for the establishment and maintenance of reserve stocks. In addition, quotas are intended to limit the availability of legitimately manufactured controlled substances which can be diverted into the illegitimate market.

There are three types of quotas that are established pursuant to 21 CFR Part 1303: Aggregate production quotas, manufacturing quotas and procurement quotas. Procurement quotas are issued to DEA registered manufacturers who purchase Schedule I or Schedule II material and use that material to formulate finished dosage forms i.e. legitimate medicine. Manufacturing quotas are issued to DEA registered bulk manufacturers. A manufacturing quota is the amount of substance a company may produce in a calendar year. Aggregate production quotas (APQ) reflect the maximum amount of each controlled substance in Schedule I and II which may be produced in a given calendar year. The APQ is historically established once and revised mid-year, but the administrator has the authority to adjust individual APQ at any time. Similarly, the DEA establishes manufacturer's individual manufacturing and procurement quotas after careful consideration of the registrant's application, legitimate needs and prior year's year end inventory.

The DEA utilizes two types of information when establishing quotas: evidence of legitimate need and evidence of diversion abuse and illicit trafficking. The evidence of legitimate need is provided primarily by industry and the Food and Drug Administration (FDA) and actual pharmaceutical sales trend data supplied by an independent unbiased source. Companies submit yearly applications and data to DEA that includes actual sales, exports, actual production, customers, product develop-

ment (FDA requirements), batch size, losses, retains and inventories of their controlled substances.

DEA must take into consideration the total net disposal (sales and national trends), inventories, projected demands and other factors affecting medical, scientific, research and industrial needs in the United States and lawful export requirements before adjustment are made to individual procurement and manufacturing quotas. Due to changing needs of industry, a registrant may request an increase in their established quotas at any time. There has never been an occasion in which this process has led to a disruption in a patient's access to necessary medications.

Specifically regarding the three substances controlled under the CMEA, the DEA developed proposed estimates of the medical need of the United States for ephedrine, pseudoephedrine and phenylpropanolamine. The methodology used was developed with the assistance of an independent contractor that utilized three parallel data sets.

In establishing the 2007 estimates, DEA also considered exports, known industrial uses of these substances, and inventory requirements. The establishment of quotas is published as a Notice of Proposed Rulemaking in the Federal Register with an opportunity for public comment.

In addition, FDA and the Pharmaceutical Industry are working to develop new and reformulated products to insure that there has been no interruption of the supply of OTC products containing a nasal decongestant, because drug companies have reformulated some of their OTC products by replacing pseudoephedrine with phenylephrine, a nasal decongestant. FDA has determined that products which contain phenylephrine are safe and effective and have effects similar to pseudoephedrine.

DRUG USE

Question. At the last April 5, 2006, budget hearing, I asked you whether the price and availability of cocaine has changed significantly as a result of DEA's efforts. In response, you stated that there have been "statistically significant" changes in certain areas, and "It's measurable."

Since 2001, have the arrests and cocaine seizures by DEA had a sustained impact on the availability of cocaine?

Answer. DEA's large-scale Drug Flow Attack enforcement operations have had a major impact on the domestic drug markets. From the first quarter of 2007 through the second quarter of 2007, the average price per pure gram of all domestic cocaine purchases increased 24 percent. DEA's Operation All Inclusive, the centerpiece of DEA's Drug Flow Attack Strategy, has caused major disruption in the flow of cocaine, money, and chemicals between source zone areas and the U.S. Operation All Inclusive 2007 resulted in the seizure of 115 metric tons of cocaine which is 12 to 28 percent of the estimated quantity of cocaine transported through the transit zones to the United States during 2006. Also, in comparing the three month periods before and after Operation All Inclusive 2005, the average price per pure gram of cocaine increased 43 percent.

Furthermore, DEA in conjunction with ONDCP, commissioned a 16-month study by the CNA Corporation (CNAC) to determine the impact of law enforcement activities on cocaine availability in Atlanta, Chicago, and Dallas for the period 1999 through 2003.[2] The study, which was completed in April, 2006, sought to (1) to develop a model to identify and quantify the relationship between law enforcement activities (primarily DEA) and cocaine availability, and (2) to determine whether a common model was appropriate for all three cities. The study concluded that it is the cumulative or sustained impact of law enforcement activities that seem to best explain price and purity changes.

The study confirmed that DEA's priority targeting system did have some temporary impact on availability as observed by price and purity proxy measures in the selected cities. A sustained increase in arrests, arrests per case, and cocaine seizures are each associated with a statistically significant increase in cocaine price and decrease in cocaine purity. However, if increased levels of these law enforcement measures are not maintained, price and purity will return to their previous levels. Moreover, while prices were not higher in 2003 than in 1999, CNAC inferred that the prices would have been lower and the drug problem worse in the absence of law enforcement activities.

[2] *Impact of Law Enforcement Activities on Cocaine Availability: Atlanta, Chicago, and Dallas*, The CNA Corporation for ONDCP and DEA with Department of Health and Human Services, IPR 11781, April 2006.

CNAC researchers concluded further that it is impossible to create a single model to assess availability at the national level, or even between the selected cities. Not only are there simply no accurate measures of the quantity of cocaine available locally, regionally, or nationally, but there are too many variables that can have a significant effect on availability.

Selected key findings

Arrests, arrests per case, and cocaine seizures have an impact on price and purity, and, by inference, on cocaine availability, although the impact may not materialize for several months. In addition to the quantity of arrests, the concentration of arrests (i.e., targeting specific organizations) in a specific case had an impact on price and purity. Ten arrests in 1 case, rather than 1 arrest in 10 cases, caused bigger disruption or dismantlement than arrests spread across several cases.

The CNAC study concluded that it is the cumulative or sustained impact of law enforcement activities that seem to best explain price and purity changes: "Another way to think about this is that price and purity were at about the same level in 2003 as in 1999. All of the law enforcement activities in those five years did not drive price to a new permanent high or purity to a new permanent low. What we observed were often substantial, but temporary, price and purity changes following short-lived increases in arrests or cocaine seizures. For example, prices were relatively high and purity relatively low in Chicago and Atlanta in 2000 following a substantial increase in the number of arrests in those cities." In Chicago, for example, a sustained 20-percent increase in arrests was associated with an 8 percent ($13.00) increase in the price per pure gram for powder cocaine and a 4 percent ($6.00) per gram increase for crack cocaine. To the degree that powder prices are more indicative of the wholesale market and crack the retail market, DEA arrests impacted the wholesale market more than the retail market.

Question. At that same hearing, I asked you whether you agreed, that in Washington, D.C., the prices of crack cocaine have not increased and the availability of cocaine is about the same as it was three years ago. In response, you stated that you would get back to me. A year later, we still have not received a response.

Does the evidence show that the price and availability of cocaine in Washington, D.C. has changed significantly as a result of DEA's efforts?

Answer. The following is a brief overview of the cocaine pricing and availability situation in Washington, D.C.

Cocaine Prices

DEA's Washington Division reports that cocaine prices in Washington, D.C. have remained stable over the past six years, as have cocaine availability and abuse patterns. Cocaine price data for the period January through March 2006 indicate that cocaine hydrochloride sold for $1,100 per ounce in the Washington, D.C. metropolitan area compared to a price range of $900–$1,250 in 2001. Kilogram and gram powder cocaine prices and crack cocaine prices were not reported for 2006.

Prices are derived from undercover buys, Confidential Source (CS) information, and defendant information. Price data is not a completely accurate indicator of supply and demand. Much of this information is anecdotal, and prices cannot be validated through any scientific methodology. The greater the quantity, the more anecdotal the information, since DEA does not often purchase kilogram quantities.

The following chart provides the latest data available on cocaine prices for Washington, D.C. The national price range is provided for comparison.

WASHINGTON, D.C. COCAINE PRICE RANGES 2001–2006

[National Price Range Provided for Comparison]

Quantity	2001	2002	2003	2004	2005	2006
Powder Cocaine (cocaine HCl):						
Kilo—DC	16,500–35,000	17,500–35,000	17,000–35,000	24,000–25,000	23,000–27,000	19,000–26,000
Kilo—National	13,000–35,000	10,000–35,000	10,000–35,000	10,000–35,000	7,000–34,000	9,000–52,000
Ounce—DC	900–1,250	600–2,000	825–1,300	900–1,100	650–1,250	1,100
Ounce—National	400–1,600	400–3,500	375–1,800	350–1,800	300–1,600	300–2,000
Gram—DC	50–100	30–80	50–100	100	([1])	([1])
Gram—National	20–200	24–150	25–100	9–200	20–200	13–350
Crack Cocaine (cocaine base):						
Kilo—DC	28,000–34,000	30,000	28,000–34,000	28,000–34,000	28,000–34,000	([1])
Kilo—National	13,000–50,000	13,000–35,000	7,500–35,000	8,000–38,000	14,000–34,000	13,000–32,000
Ounce—DC	900–1,300	900–1,750	1,000–1,300	1,000–1,200	550–1,250	900–1,200
Ounce National	300–2,800	325–2,800	325–2,000	325–2,000	325–2,000	210–3,800
Gram—DC	80–100	80–100	80–100	([1])	([1])	([1])
Gram—National	10–200	10–130	10–130	18–200	20–200	12–200

[1] N/R.

Source: Quarterly Trends in Traffick Report—DEA Washington Division.

Changes in the Washington, D.C. Cocaine Market

The main change in cocaine trafficking in the metropolitan area pertains to cocaine sources of supply. Over the past several years, cocaine smuggling from North Carolina and from the Southwest Border (especially Texas and Arizona) has increased. This mainly impacts Southern Virginia, but still affects Northern Virginia and Washington, D.C. Drug trafficking organizations in New York City, however, still appear to be the principal cocaine suppliers for Washington, D.C.

Cocaine Availability

The Washington, D.C. Metropolitan Police Department (MPD) indicates that cocaine availability has remained stable over the past several years. The MPD also reports that drug-related violence remains static, with the exception of homicides, which have decreased over the past five years.

Cocaine Hydrochloride (HCl).—Kilogram quantities of cocaine HCl continue to arrive in the DEA Washington Division area of responsibility (Washington, D.C., Maryland, Virginia, and West Virginia). Powder cocaine sold on the mid- to retail level remains widely available. The quantities of cocaine HCl available in any given area greatly depend on abuse patterns, the level of distribution at which a particular dealer conducts business, and the prevalence of cocaine abuse in that area. Cocaine HCl most commonly is found in gram and ounce quantities for resale in suburban and rural areas, but in larger quantities (i.e., quantities appropriate for redistribution after conversion to crack) in urban areas of the Division.

Crack Cocaine.—Crack cocaine is available throughout the Washington Division are of responsibility in quantities ranging from rocks up to one kilogram. Most of the crack cocaine distributed within the Division is brought in as cocaine HCl and subsequently converted to crack. Generally, significant quantities of crack cocaine are not stockpiled and are manufactured according to demand.

Question. Two months ago, Administrative Law Judge Mary Bittner ruled that University of Massachusetts Professor Dr. Lyle Craker could grow marijuana for medical research purposes. Judge Bittner found a "minimal risk" that the marijuana would be diverted to the black market. And she found that the government's current use of one medical marijuana research facility insufficient to meet the needs of legitimate medical researchers. DEA must now review Judge Bittner's ruling granting Dr. Craker approval to cultivate medical marijuana.

What procedures will DEA follow in reviewing Judge Bittner's ruling? Will DEA solicit the input of governmental and non-governmental organizations in this process?

Answer. DEA has never denied a registration to a person seeking to conduct clinical research with marijuana whose research protocol has been deemed meritorious by the Department of Health and Human Services. By law, DEA must—prior to granting a registration to conduct such research—seek the input of the Department of Health and Human Services (DHHS) as to the scientific merit of the proposed research. If DHHS finds the proposed research to be scientifically meritorious and the researcher to be competent, DEA must assess whether the research will have in place sufficient safeguards against diversion. Provided the diversion controls are sufficient and the proposed research is otherwise in conformity with the Controlled Substances Act, DEA will grant the research registration. Under the Administrative Procedure Act and the Controlled Substances Act, the Administrative Law Judge issues recommendations rather than final decisions. Ultimately, the Deputy Administrator of DEA makes the final determination.

The University of Massachusetts case has been submitted to the Deputy Administrator for a final determination. While the case remains pending before the agency, it would inappropriate for DEA to comment on it.

Question. In May of 2006, DEA arrested five Mexican nationals during a raid at a heroin lab in Toluca, Mexico. The lab was suspected of being the principal source of fentanyl pushed into the U.S. drug supply of heroin and cocaine, causing deaths in eight states. U.S. Drug Czar John Walters estimated that there could be 1 million doses of the tainted drug on the streets.

Are you concerned that drug traffickers have substantially poisoned the U.S. drug supply?

Answer. DEA is deeply concerned over the illicit distribution of fentanyl, which has caused an unprecedented outbreak of fentanyl-related overdoses. Between April 2005 and February 2007, at least 972 confirmed fentanyl-related deaths, and an additional 162 suspected fentanyl-related deaths have occurred primarily in Delaware, Illinois, Maryland, Michigan, Missouri, New Jersey, and Pennsylvania. A total of 903 confirmed fentanyl-related deaths occurred during 2006.

DEA has responded by hosting a coordination meeting of federal, State, and local law enforcement officials in Chicago in June of 2006 to address this recent fentanyl

outbreak. Several DEA Field Divisions, including DEA's Mexico City office, the Department of Justice, and the Office of National Drug Control Policy (ONDCP), state chemists, and public health and treatment officials attended this event. DEA has assisted the interagency response to the fentanyl threat by participating in numerous teleconferences with SAMSHA (Substance Abuse and Mental Services Health Administration), CDC (Centers for Disease Control) and other agencies regarding fentanyl-related deaths.

Question. Is there any indication that traffickers may be building more labs? And do you believe Congress needs to tighten controls on the precursors used to make fentanyl?

Answer. Because of recent clandestine laboratory activity and the serious threat illicitly produced fentanyl poses to the public safety, DEA will regulate or control the chemical precursors used in the illicit manufacture of fentanyl. These precursors are 4-anilino-N-phenethyl-4-piperidine (ANPP), (CAS# 21409–26–7) and N-phenethyl-4-piperidone (NPP), (CAS# 39742–60–4). Both of these precursors are required to produce fentanyl. NPP produces ANPP which is not commercially available and is the direct precursor to fentanyl.

DEA has controlled the intermediary precursor, N-phenethyl-4-piperidone (NPP) as a List I chemical under the Controlled Substances Act (CSA) through an Interim Rulemaking, effective April 23, 2007. The new rule subjects handlers of NPP to the chemical regulatory provisions of the CSA. The designation of NPP as a List I chemical subjects NPP handlers to all of the regulatory controls and administrative, civil, and criminal sanctions applicable to the manufacture, distribution, importing, and exporting of a List I chemical. Persons potentially handling NPP, including regulated chemical mixtures containing NPP, are required to comply with the List I chemical regulations including registration, records and reports, import/export, security, and administrative inspection.

DEA is also moving to control the precursor chemical, 4-anilino-N-phenethyl-4-piperidine (ANPP) as a schedule II controlled substance, because it is an immediate precursor in the production of fentanyl and warrants the stricter DEA controls applicable to schedule II drugs. DEA is in the process of preparing a Federal Register Notice to propose this control. As a schedule II controlled substance, ANPP will be subject to the same registration, recordkeeping, security and import/export controls as fentanyl.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

METHAMPHETAMINE

Question. Administrator Tandy, methamphetamine use has become a severe and very worrisome problem in Alabama. While the number of labs seized in Alabama has decreased significantly the problems related to this drug continue to worsen.

Can you tell the Committee how methamphetamine distribution has changed?

Answer. Methamphetamine is unique from other common drugs of abuse in that it is a synthetic drug, and its precursor chemicals have historically been easy to obtain and inexpensive to purchase. These factors contributed to methamphetamine's rapid sweep across our nation. However, State legislation, the Federal Combat Methamphetamine Epidemic Act, and law enforcement efforts have all contributed to a significant decline in methamphetamine labs inside the United States. The number of methamphetamine laboratory incidents reported in the United States has decreased from 17,857 in 2004 to 7,385 in 2006, a 59 percent decrease.[3] The number of "super labs" seized in the United States dropped from 144 in 2002 to 20 in 2006, a decrease of 86 percent.

Current drug and lab seizure data suggests that roughly 80 percent of the methamphetamine used in the United States now comes from larger laboratories run by Mexico-based trafficking organizations operating on both sides of the border. The proliferation of methamphetamine across the United States, and its spread to states such as Texas, Georgia, and Alabama, has required our offices, in concert with their State and local counterparts, to gear the majority of their methamphetamine enforcement efforts towards the targeting of poly-drug trafficking organizations, rather than small lab operators. These drug trafficking organizations have distribution networks throughout the United States, as well as access to drug transportation routes to smuggle the methamphetamine from Mexico into the United States.

Question. How are you attacking this problem?

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[3] Methamphetamine laboratory incident data is current as of August 28, 2007.

Answer. DEA is working hard with the Government of Mexico to target the criminal organizations involved in the diversion of precursor chemicals and the producing and trafficking of methamphetamine. Relations between Mexican authorities and DEA are at an all time high in terms of chemical control. Mexico has imposed import quotas tied to estimates of legitimate national needs. The Mexican Government limited pseudoephedrine, ephedrine, and combination product importation permits to 70 tons during 2006; this is a reduction of 53 percent from the 2005 level of imports (150 tons). Mexico has discussed revising their quota downward even further in 2007.

In May 2006, at the National Methamphetamine and Chemicals Initiative (NMCI) Strategy Conference in Dallas, Attorney General Gonzales announced important new anti-methamphetamine domestic initiatives, as well as new partnerships between the United States and Mexico in fighting methamphetamine trafficking. These initiatives will improve enforcement and information sharing, increase law enforcement training, and increase public awareness both domestically and internationally. Since this announcement, methamphetamine enforcement teams have been formed on both sides of the border and DEA has donated eight refurbished clan lab trucks to Mexico.

Additionally, DEA and the Department of State, Bureau of International Narcotics and Law Enforcement Affairs trained over 2,000 Mexican officials in fiscal year 2006 on a variety of investigative, enforcement, and regulatory methods related to methamphetamine trafficking and manufacturing. This training included instruction on clandestine laboratory investigations, precursor chemical investigation, and drug identification. As a result of this training, Mexican law enforcement officials have had significant success in identifying labs.

In fiscal year 2006, DEA also trained over 41,000 State and local law enforcement officers, including over 1,000 in how to conduct investigations and dismantle seized methamphetamine labs. By the end of 2008, DEA also plans to complete a clandestine laboratory training facility in Quantico, Virginia to better train more State and local officers.

DEA has expanded the role of its Clan Lab Enforcement Teams to target Mexican methamphetamine trafficking organizations. These teams use their lab expertise to trace chemicals, finished methamphetamine, and drug proceeds to drug trafficking organizations in the United States and Mexico. These teams also work to identify and dismantle U.S.-based methamphetamine transportation and distribution cells.

DEA has also developed an intelligence collection program, Operation White Fang, to assist in the identification and targeting of organizations responsible for producing and trafficking methamphetamine across the entire Southwest Border. The operation focuses particularly on the groups responsible for the drug related violence facilitated by the major Mexican cartels operating along the U.S./Mexico border. In the fiscal year 2008 President's budget, DEA requests $325,000 to expand this operation.

Question. How has the DEA adjusted its enforcement activities to meet this threat?

Answer. In addition to the efforts mentioned above, DEA has used a multi-tiered approach over the last several years to enhance its attack on the diversion of bulk quantities of key precursors needed to manufacture methamphetamine, ephedrine, and pseudoephedrine. On the bi-lateral front, through our offices based in the United States and overseas, we are making headway by actively targeting, through joint investigations and initiatives, the diversion of precursor chemicals and the organizations involved in this activity. On the multi-lateral front, we are working with relevant international organizations and engaging both source and transit countries through international forums to target the diversion of these substances and to promote and promulgate good practices to prevent their diversion in the future.

In March 2006, the United States successfully sponsored a resolution at the United Nations Commission on Narcotic Drugs (CND) that requests countries to provide and share voluntary information relating to their annual requirements for key methamphetamine precursors and urges countries to provide information to the International Narcotics Control Board (INCB) on shipments of these precursors in both bulk and tablet forms. This data will serve to allow the international community to observe where potential areas for diversion of these precursor chemicals are occurring. At present, some 80 nations have provided estimates of their annual licit requirements for bulk ephedrine and pseudoephedrine to the INCB who in turn will publish this information on a yearly basis in their annual precursor report. Importantly, the resolution also requests that countries permit the INCB to share information regarding suspicious shipments with law enforcement authorities, so that appropriate measures can be taken in order to prevent or interdict those shipments of concern.

During a meeting of the CND in March 2007, the United States joined the European Union (EU) in co-sponsoring an EU-drafted resolution which contained many useful and potentially important provisions regarding methamphetamine precursor control. Among other things, the resolution requests member states to voluntarily recognize the heightened threat of diversion of ephedra and phenylacetic acid, to exercise increased vigilance regarding their movement, to apply available monitoring measures regarding the trafficking of non-controlled derivatives and substitute chemicals, and to develop further national guidelines and training programs in consultation with industry with respect to precursor chemical control.

While theses resolutions on precursor chemical control are important steps, they are voluntary measures which will take several years to be fully implemented and, as such, we do not see them as the sole solution to our obtaining information regarding diversion of these precursors from licit trade. We do see the CND resolutions as important steps in the sharing of information to which, heretofore, we were not privy.

Question. Would you explain the toxic and environmental challenges that DEA agents face when they find these labs?

Answer. Clandestine drug laboratories are a unique law enforcement challenge to DEA agents, our State and local law enforcement counterparts, and any peripheral support personnel providing assistance to the investigation and dismantlement of a lab. Methamphetamine's addictive characteristics produce devastating effects on all of its victims. These victims are not limited to those who choose to use this poison, but include others who become part of what could be considered the drug's "collateral damage". Those who suffer the "second-hand" effects of meth include the victims of methamphetamine-related crimes, innocent children whose homes have been turned into toxic clandestine lab sites, law enforcement officers who work with the hazardous materials found at lab sites, and the environment from the approximately five pounds of toxic waste produced for every pound of methamphetamine cooked.

Poisons and other highly toxic materials are often used in the illicit manufacturing of methamphetamine. The potentially hazardous elements that agents face when addressing a clandestine lab may include corrosive chemicals in combination with flammable chemicals. The corrosives may be both acidic and caustic in nature and in liquid, solid, or gas form. Aside from the volatilization of acids and solvents due to the introduction of heat, other more lethal compounds may be created at various stages in the clandestine production process. Chemical reactions between these ingredients may also generate reaction by-products that present a significant toxic danger. Additionally, the fire and explosion hazards in clandestine lab environments are considerable as a result of the solvents used in the chemical processing and extraction of the methamphetamine.

During clandestine laboratory investigations, aside from evidence collection, DEA and law enforcement in general only dismantle and remove the chemicals, glassware, and apparatus. Law enforcement conducts only gross contaminant remediation and virtually no site decontamination. Currently, no national standards for remediation and decontamination exist. However, the U.S. House of Representatives recently passed legislation to change this. The legislation charges the Environmental Protection Agency with the development of guidelines to assist State and local authorities in cleaning up former methamphetamine lab sites.

FINANCIAL INVESTIGATIONS

Question. Administrator Tandy, when we met earlier this year we discussed the fact that Americans spend up to $65 billion annually on illegal drugs. DEA is making a renewed effort to go after the cash profits in the drug business. You stressed in our meeting that DEA is looking at the drug trade as a business and attacking the flow of drug proceeds with financial and money laundering initiatives.

Can you tell the Committee more about what you are doing in these financial investigations?

Answer. DEA has set a five-year plan that by fiscal year 2009 we will be taking $3 billion per year away from all drug trafficking organizations (DTOs). The cumulative targets over five years total $10 billion. In just the first two years we have denied traffickers $3.5 billion in revenue. We count not only the money and property seized, but also the value of the drugs seized—that is the amount of funds invested in the drugs by the owner computed at production cost levels, which are very conservative.

To accomplish these goals, DEA makes use of its authority to conduct undercover operations, known as Attorney General Exempted Operations (AGEO), which employ sensitive activities delineated by the Department of Justice (DOJ). In order for DEA to participate in these undercover money laundering investigations, the oper-

ation must undergo review by the Sensitive Activities Review Committee (SARC) and be approved by both the DEA Administrator and by a Deputy Assistant Attorney General of DOJ's Criminal Division.

There are two possible types of SARC approved operations. The first is a Shelf Account operation. This operation enjoys the authority to establish undercover corporations and to open related undercover bank accounts to assist in ongoing narcotics investigations. A DEA office may then conduct transactions with a cap of $1.5 million.

The second type of SARC approved operation is a Full Exemption. This type of operation allows for the establishment of an undercover corporation and bank account, but also affords the operation the use of any commissions collected to offset reasonable undercover expenses and to enter into an undercover lease of property. These types of investigations allow DEA Special Agents, acting in an undercover capacity the ability to infiltrate drug organizations through the use of financial transactions.

Both types of operations are approved for a period of six months, each must call DEA's Office of Financial Operations (FO) in advance of any undercover pickup for a FO transaction number for tracking purposes and to assure FO that they have received prior approval from the DEA Country Attaché (CA) from any affected foreign office. The individual CA approval will also include documentation of the U.S. Ambassador and host counterpart's prior approval as well. All three approvals must be secured before any enforcement activity takes place in the foreign country, to include the wire transferring of funds which have been laundered, thus insuring compliance with DEA's Memorandums of Understanding with the Department of State as well as the host government counterparts. Each of the operations must also submit monthly statistical reports and undergo onsite inspections every six months.

A Fully Exempted operation will have a cap of $10 million, which may be increased upon a written request with an appropriate justification to the SARC committee. Each Fully Exempted operation must also be target specific, precluding DEA from operating open ended umbrella operations. Before extensions are granted for Fully Exempted operations, a review of the operation's arrests, seizures, and Title IIIs (lawful communications intercepts) conducted during the current reporting period are taken into consideration.

Question. How do drug cartels get their cash profits out of this country and how is the DEA dealing with this threat?

Answer. According to current estimates from the National Drug Intelligence Center, between $13 billion and $47 billion per year in drug trafficking profits leave the United States, mostly in the form of bulk currency, bound for international sources of supply. The smuggling of large sums of cash across our borders is the primary method used to expatriate drug proceeds from the United States. To target this flow of cash, DEA has initiated the following national financial initiatives:

The Bulk Currency Initiative, a Special Enforcement Operation, coordinates all U.S. highway interdiction money seizures to develop the evidence needed to identify, disrupt, and dismantle large-scale narcotic trafficking organizations. When DEA is notified of a cash seizure by a State or local municipality, agents respond to the scene, assist with debriefing the defendants, and coordinate potential controlled deliveries of currency. Special Agents also assist in follow-up investigations, seizure and forfeiture of currency, and provide guidance on federal prosecution. DEA's El Paso Intelligence Center (EPIC) conducts research and analyzes evidence and intelligence relating to PTOs and other types of investigations.

The Bulk Currency Initiative is aimed at assisting in the development of new investigations pertaining to seizures of large amounts of United States currency, as well as linking these seizures to ongoing drug investigations. This initiative endeavors to bring together all of the information and intelligence from existing interdiction programs through cooperative and collaborative sharing of information between federal, State, and local initiatives, and includes currency seizures made on United States highways through the highly successful Operation Pipeline program, and currency seizures made at various United States commercial airports through Operation Jetway. Additionally, DEA relies on its extensive foreign operations apparatus to identify instances where bulk United States currency is introduced into a foreign country's local economy.

The Bulk Currency Initiative attempts to coordinate investigations that will be initiated in the field and assist in obtaining evidence and intelligence that may be shared among the various DEA field divisions. The DEA has found that the transportation of large amounts of United States currency from within the United States to various border locations continues to be one of the primary methods utilized by large scale trafficking organizations to launder narcotics proceeds. After arrival at any of the numerous border crossing points throughout the United States, this bulk

currency is easily transported into a foreign country where it can be placed into the financial system with less risk of detection or reporting to law enforcement authorities, and eventually be utilized for a variety of illegal purposes. This movement of bulk cash presents an opportunity for law enforcement entities to disrupt an important facet of the narcotic trafficking process.

The Concealment Trap Initiative, a Special Enforcement Operation program, targets those vital service providers who build concealed trap compartments in conveyances and residences for DTOs. The initiative has a two-fold objective. The first is to identify, prosecute, and/or gain the cooperation of the trap builders to identify the DTOs for whom they have previously built concealed traps. The second is, through the use of these cooperators and/or DEA Special Agents who have already been specially trained in the art of building concealment traps, to offer to build traps or provide trapped out vehicles (within the legal framework). These traps will have installed tracking devices to enable law enforcement to monitor the movement of these vehicles. These trapped vehicles will act as pointers to identify stash houses or locations where drugs and money are picked up and dropped off. Once these locations are identified, surveillance, controlled deliveries, communications intercepts, and other investigative techniques will enable the investigators to identify and seize millions in additional drug proceeds. Interdiction stops of vehicles using independent probable cause, with no reference to DEA's current investigation, will also be performed whenever possible. The vehicle with a concealed compartment will also be used to track bulk currency shipments back to the source of the drugs.

Operation Highwire, a Special Enforcement Operation program, funds undercover sting operations targeting money remitters and others who offer money laundering services. Operation Highwire focuses on individuals involved in laundering drug proceeds through money remitter companies or individuals providing remitter-like services. DEA is targeting the finances of drug trafficking organizations operating along the Southwest Border, in the transit zone, and in source countries. DEA is also expanding financial investigations beyond the Western Hemisphere. Through its presence in Afghanistan, Dubai, and the surrounding region, DEA is targeting the flow of drug revenue suspected of financing terrorist activities. For example, DEA is developing intelligence on Afghanistan-based Hawaladars.

The Hawala system is the principal method through which money is moved from, to, and throughout Afghanistan. Hawala is an established and accepted facet of the licit Afghan financial services industry. Legitimate Hawala brokers exist in Afghanistan and throughout the Islamic world. Afghan legislation requires hawalas to register with and be regulated by the Government of Afghanistan. The underground system thrives particularly due to the dearth of a legitimate banking industry in country. Approximately eleven banks have opened in Afghanistan since the fall of the Taliban. To date, these banks enjoy only a small portion of business typically reserved for banks. In zero sum fashion, Hawaladars often replace existing banks as providers of financial services. The principal service provided by Hawaladars is the transfer of money from one place to another. That traditional service does not preclude others, such as: currency exchange, check cashing, safeguarding of monies (i.e. acceptance of deposits), and other services. Moreover, it is believed that a significant percentage of Hawaladars also work in the import/export field.

By working closely with our host nation counterparts, such as the Counter Narcotics Police-Afghanistan, DEA enjoys the access it needs to learn how traditional systems like Hawala operate. This knowledge, combined with DEA's institutional expertise in international drug investigations and drug intelligence will allow DEA to demonstrate that the Hawala system is not invulnerable. DEA's initial objective is to identify illicit money remitters operating in Afghanistan, and the Hawaladars with whom they work worldwide.

Specific attention will be paid to identifying linkages to the United States. Acquisition of Hawaladar identifying information such as telephone/cell phone contact information, names, and possibly addresses will be the first step towards homing in on those involved with drug money laundering and with the provision of financial services to terrorists. Hawala transaction data is obtained through various means. Some is obtained through arrests and/or the execution of search warrants by DEA's foreign counterparts, who share the data with us. Communication intercept operations also yield hawala transaction data. Hawaladars in the United Arab Emirates are required by the government to file suspicious activity reports and to make their books available for inspection. Afghan authorities are implementing similar measures. Frequently, legitimate hawaladars form guild-like organizations, generally referred to as Hawala Unions, which set and enforce business standards and guarantee customers' rights. The Afghan government has established liaison relationships with a number of these unions in furtherance of developing market watch intelligence. Upon identification of a hawaladar participating in illicit activity, oper-

ational personnel will pass communications and other identifying information to the DEA's Special Operations Division and OCDETF's Fusion Center for exploitation. Between DEA, FBI, and other U.S. government database checks, and SOD communications exploitation, those Hawaladars determined to be involved with narcotics trafficking and/or terrorism will become potential targets of investigation.

The Money Trail Initiative (MTI) is a Special Operations Division (SOD) supported multi-jurisdictional, multi-agency, Organized Crime Drug Enforcement Task Force (OCDETF) initiative targeting various DTOs that attempt to avoid law enforcement detection by smuggling multi-million dollar amounts of U.S. currency within and out of the United States to further their criminal enterprises. The MTI includes attempts to identify new bulk currency smuggling techniques and has already demonstrated a tangible impact from several operations. To date, $126,098,915 in cash and $22,667,016 in assets have been seized. A total of 14,719 kilograms of cocaine, 161,447 pounds of marijuana, 538 kilograms of methamphetamine, 300 pounds of ice, and 35 kilograms of heroin have been taken off the streets under this initiative. The MTI involves the coordination of national bulk currency wire tap investigations and employs a "Follow-The-Money" strategy that enables domestic and Mexico-based DEA offices to utilize a more systematic and proactive approach to respond to techniques and trends in bulk currency operations. Through a coordinated operation, agents track the movement of currency forward to intended recipients and backward from the couriers to identify the breadth and scope of the DTOs that generate money. The MTI allows investigators to identify the money and drug transportation coordinators, couriers, and facilitators that are often shared between multiple DTOs.

DEA Financial Investigative Teams focus on the flow of drug proceeds and how they can be identified and seized. While DEA will lead these efforts, they will involve cooperation with our federal, State, local, and foreign counterparts.

The National Trucking Initiative, a Special Enforcement Operation program, is aimed at assisting in the development of relationships between DEA and the United States trucking industry. This will allow DEA access to the industry's assets and intelligence, which will assist DEA in disrupting the method for transporting drug proceeds via rogue trucking companies or transportation groups, in collaboration with several major truck lines.

The License Plate Reader (LPR) Initiative combines the DEA, HIDTA, and U.S. Customs and Border Protection (CBP) database capabilities with new technology to identify, interdict, and/or develop intelligence on conveyances being utilized to transport drugs and bulk cash. DEA has implemented capabilities to exploit data collected from the LPR in Texas where the DEA Houston Division Office is currently operating LPRs in Falfurrias and Laredo. Use of the data from LPRs will be expanded nationally as funding becomes available. DEA exploits data collected from the LPR devices to tip-off DEA and other law enforcement agencies to suspect vehicles moving both to and from the Mexico border and identify conveyances being utilized to transport drugs and bulk currency. This is accomplished using the El Paso Intelligence Center as the recipient of all tactical requests. In addition, DEA has set an internal requirement to determine what strategic value and uses are being gained from the program to assure the program is best utilized. Once the proper network is funded, LPR data will be funneled to the OCDETF Fusion Center where it will be used for a comprehensive analytical research project.

In the Fiscal Year 2007 Global War on Terror Supplemental, DEA requested and received $3,000,000 in non-personnel funding for Financial Investigations to support a proactive attack on the financial infrastructure of drug trafficking organizations operating in Afghanistan and within the region to help prevent Afghanistan from becoming a narco-terrorist state. This funding will support two initiatives: the first is an operation to develop a precise understanding of the Hawala system, and the second is to establish an ongoing, coordinated, regional Financial Investigation Training Program. The training program is being done in conjunction with the Department of State, the Department of Defense, and on a country by country basis with pertinent Operation Containment allies.

Question. Under the Bank Secrecy Act, the Departments of Treasury and Homeland Security administer a number of enforcement activities and regulatory restrictions on money remitters. How are you collaborating with these Departments to jointly stop the flow of money?

Answer. Money remitters are classified as Money Service Businesses (MSB) under the Bank Secrecy Act (BSA). As a MSB, money remitters fall under the Currency Transaction Report (CTR) filing requirements of the BSA. IRS is designated as the regulatory monitoring authority for MSBs for BSA regulatory compliance. Additionally, IRS-Criminal Investigation (CI) has sole jurisdiction over the enforcement of the CTR reporting requirements. Since both domestic and international drug traf-

ficking organizations exploit the vulnerabilities of the money remitting industry, DEA works very closely with the IRS on both case specific and industry-wide programs relating to money remitters. DEA also works with DHS/Immigration and Customs Enforcement (ICE) on case specific matters involving money remitters when the facts of the case involve the cross border transmission of drug money. For example, a DEA group is assigned to the ICE-led El Dorado Money Laundering Task Force in New York.

In addition to the flow of money through MSBs, it is likely that each year $8.3 billion to $24.2 billion in Mexican and Colombian wholesale drug proceeds generated in the United States are moved into Mexico via bulk cash smuggling by vehicles.[4] To combat this illicit drug money transiting the Southwest Border (SWB) into Mexico, DEA field divisions along the border are actively working with Customs and Border Protection (CBP), ICE, and IRS–CI on proactive investigations and money flow initiatives:

—DEA, ICE, and IRS–CI all participate in the Texas Department of Public Safety (DPS) Post Seizure Analysis Team in Austin, Texas.

—DEA, ICE, and the Arizona DPS are working together on a large multi-jurisdictional investigation targeting the DTOs utilizing concealed traps to transport money throughout the United States and into Mexico.

—DEA is working very closely with the Treasury Office of Foreign Assets Control (OFAC) through real-time access to sensitive case related intelligence to assist OFAC in its Kingpin and Tier II designation of Mexican drug traffickers and their associated entities.

—ICE and CBP are working with DEA's Houston Field Division on investigations into Mexican drug trafficking organizations responsible for sending thousands of kilograms of cocaine and methamphetamine into the United States, and tens of millions of drug dollars back to Mexico.

—ICE is working with the DEA Phoenix Field Division and Arizona DPS on initiatives aimed at interdicting the flow of bulk cash across the SWB. For example, the Arizona Money Trap Initiative was designed by the Phoenix Field Division to form a partnership with the various federal, State, and local law enforcement entities in Arizona. This partnership attacks as many facets as possible of the transportation and smuggling of bulk currency across the State. At the core of the initiative is the concept that information from various cash seizures will be shared, and acted upon by the member entities in a coordinated manner The initiative has several ongoing cases.

—EPIC, through its new National Seizure System (NSS), will act as a central repository for bulk cash interdiction intelligence information. ICE has tentatively agreed to place its bulk cash information in the NSS.

—ICE and IRS–CI are participating agencies at the DEA Special Operations Division (SOD). SOD coordinates DEA's largest and most sensitive investigations on drug money flow across the SWB. As participants at SOD, both ICE and IRS–CI have access to the SOD databases for deconfliction and coordination of their money flow investigations with DEA's.

—DEA and CBP are working on a number of initiatives aimed at fusing intelligence to identify and interdict money flowing across the SWB by and on behalf of DEA targets of investigation. DEA and CBP Headquarters are working with the Fusion Center to test the LPR program by combining indices from each organization. DEA and CBP are also working in Texas on the Divisional use of the LPR system. Additionally, DEA and CBP are working at the Headquarters level in the trial stages of using CBP international parcels data to target and interdict bulk currency and other contraband being shipped via parcels out of the United States.

—IRS–CI is assisting the DEA Las Vegas District Office in the follow-up investigation of the recent seizure of $207 million in Mexico City from a supplier of precursor chemicals used in the production of methamphetamine.

INTERNET

Question. Drug traffickers, like virtually every other industry, legal or illegal, use the internet to conduct business.

What is the DEA doing to attack this problem?

Answer. The Internet is the fastest growing source of diverted controlled pharmaceuticals. DEA is working hard to attack this problem on many fronts:

[4] U.S. Department of Justice National Drug Intelligence Center (2006). Prepaid Stored Value Cards: A Potential Alternative to Traditional Money Laundering Methods. Assessment, Product No. 2006–R0803–001, 9 pages.

—DEA has provided all field divisions with undercover credit card accounts in order to make online purchases of controlled pharmaceuticals for use as evidence in Internet investigations.

—From October 2002 through December 2006, a total of 3,924 individuals (3,327 federal participants and 597 State and local participants) have completed DEA's online investigations training program. This training is provided to DEA Special Agents, Diversion Investigators, and Intelligence Analysts, as well as State and Local Task Force Officers.

—DEA's Online Investigations Project is used to provide Whois (registration information relative to domain names) and trace route information on suspect websites that might be illegally distributing controlled substances and link them to other associated websites.

—In order to identify and shut down Internet pharmacies violating the Controlled Substances Act, DEA's Diversion Control Program is using all regulatory tools possible, including Administrative Inspection Warrants, registration suspensions, and criminal/civil charges.

—DEA is using the Automated Reports and Consolidated Order System (ARCOS) to identify high volume purchasers of narcotic controlled substances and to determine which retail pharmacies and practitioners are most likely involved in the illicit distribution of controlled substances over the Internet.

—In August 2005, DEA began its Distributor Initiative Program. Since that time DEA has been meeting with representatives of the pharmaceutical industry to educate them on the issue of illegal diversion via the Internet. Through this program DEA has sought the cooperation of the distributors of controlled pharmaceuticals to increase their due diligence in order to prevent further diversion of controlled substances. As a result of this program, 24 distributors working out of 129 distribution outlets have voluntarily stopped selling or voluntarily restricted sales of controlled substances to hundreds of domestic pharmacies that were attempting to make suspicious orders from the distributors. Each distribution outlet is registered with DEA and each can loose its registration independently of the other outlets.

—DEA has worked with Internet search engines such as Google, AOL, and Yahoo to create links to DEA's Diversion Website. These links are designed to appear when consumers attempt to buy controlled substances online without the requisite medical exams and prescriptions. In 2005 and 2006, these links appeared more than 72.9 million times.

—DEA has initiated over 218 investigations of online sales of controlled substances without a prescription through the end of fiscal year 2006. DEA initiated an additional 11 investigations during the first quarter of fiscal year 2007.

—As a result of Internet investigations, DEA seized approximately $30 million in cash, bank accounts, property, and computers during fiscal year 2006. In fiscal year 2005, Internet investigations resulted in $34.5 million in seizures, a 190 percent increase over fiscal year 2004 ($11.9 million). Internet investigations have resulted in the seizure of $13 million during the first quarter of fiscal year 2007.

—DEA has developed a close working relationship with Internet Service Providers (ISPs), Voice over Internet Protocol (VoIP) providers, and email providers from around the world to include Microsoft, Vonage, Google, Time Warner, and AT&T. These providers have supplied DEA with a secure method to deliver data from the provider to DEA field agents for an immediate enforcement response.

—DEA routinely meets with other members of the law enforcement community from around the world. DEA has built an extensive cooperative relationship with other federal agencies to include FBI, Secret Service, ICE, and the U.S. Marshals Service. With the cooperation of these federal counterparts, DEA is able to leverage unparalleled engineering expertise for the design and implementation of technical solutions that ensure law enforcement's ability to lawfully intercept emerging technologies.

—DEA implemented a Technology Working Group (TWG) to address technical issues associated with Internet intercepts. The TWG routinely meets with members of the Internet industry and becomes educated on new technologies that could affect DEA, either positively or negatively. The TWG gathers and reviews reports from our field offices that discuss technologies and the obstacles associated with these technologies. The TWG follows up with the respective field agents to become more familiar with the technologies and how they effect DEA's operations. If the collected intelligence needs to be disseminated to additional sections within DEA or the law enforcement community, the TWG is responsible for ensuring that data is disseminated appropriately.

—In 2005, DEA hosted interagency meetings with executive level representatives from over two-dozen corporations in three key industry groups (Internet, express parcel delivery, and financial) used by Internet pharmaceutical traffickers. Since those meetings, DEA has developed progressively closer working relationships with the leading corporations in each industry sector and has coordinated interagency outreach to these same corporations. These industry relationships are intended to: (1) promote information sharing within the private sector and with DEA to proactively identify and target major Internet controlled pharmaceutical traffickers; and (2) identify and share best practices across industry groups to more effectively deny the use of business services by Internet controlled pharmaceutical traffickers.

Question. Given the large number of new encrypted communication devices entering the market, how does DEA stay up with this evolving technology?

Answer. The use of encrypted communications by drug trafficking organizations is becoming more prevalent. To counter this, DEA is an active participant in a number of technology working groups and routinely meets with law enforcement and intelligence agencies from around the world to discuss intercept solutions for emerging encryption devices. DEA also employs a highly specialized staff of engineers that test, develop, and evaluate solutions to defeat or minimize the impact of encrypted communications in use by criminal organizations.

DEA's Office of Investigative Technology, is responsible for the design, development, and implementation of technical solutions for the lawful intercept of Internet-facilitated communications utilized by drug trafficking organizations. However, the complexity and costs of a single data network intercept is often overwhelming for law enforcement. Furthermore, traditional technologies available to law enforcement for data network intercepts are vulnerable to organizations that utilize multiple access points for data communications or encrypt their communications using high level encryption protocols.

In the fiscal year 2008 President's budget, DEA requests $1,000,000 to improve and expand its Internet investigative technologies to combat the evolving methods used by drug trafficking organizations. This funding will be used to develop and purchase intercept solutions for emerging Internet technologies, including data intercept solutions that can be placed on a targeted computer to covertly capture all communications authorized by a Title III court order. Since the intercept solution actually resides on a subject's computer, mobility of a target that accesses the Internet through multiple service providers can be overcome. Also, encrypted communications can be intercepted as the software is able to capture communications in their unencrypted state, rather than when they are in transit and secure.

Ongoing investigations limit DEA's ability to provide specific details on the methods and use of this encrypted communication technology. However, this enhancement will provide DEA with the technical capacity to address certain types of communications that cannot be intercepted through conventional methods. The challenge facing DEA on these ongoing investigations is that the drug trafficking organizations increasingly communicate by means of encryption among their associates regarding transportation, distribution routes, and money laundering activities. To make it more difficult, some of these encrypted email service providers and peer-to-peer communication networks are foreign based companies not subject to our laws. Therefore, the inability of domestic law enforcement to exploit these encrypted communications has allowed the criminal organizations to operate with impunity and prohibit the intercept from realizing its full investigative potential.

There are several ongoing investigations that have been adversely impacted by the use of encryption by the targeted organizations. For example, drug trafficking and money laundering organizations have directed members of their organization to use encrypted email service providers and peer-to-peer communication networks to facilitate, organize, and conduct criminal acts. Drug traffickers have also learned to converse over the Internet and on their cell phones using one or more encrypted methods. These methods range from sending and receiving calls, sending instant messages, and viewing information over an encrypted email service and/or peer to peer communication network. Additionally, the drug trafficker or money launderer has the ability to use a cell phone or computer device with minimal knowledge, identity, and cost.

Question. In your testimony, Administrator Tandy, you identify a problem with online pharmacies. What are the challenges these online drug stores present to the DEA?

Answer. The illicit trafficking of controlled pharmaceuticals has been facilitated by the wide use of the Internet and the anonymity it provides. The existence of readily available drugs on the Internet is a great concern because of the potential for abuse and the potential safety issues that revolve around what is largely an un-

regulated process. A July 2006 Department of Justice, Office of the Inspector General report states, "The increase in the diversion of controlled pharmaceuticals has coincided with the emergence of the Internet as a significant source for diverted pharmaceuticals. Hundreds of Internet pharmacies have been established through which large amounts of pharmaceuticals can be easily purchased with a credit card and without a prescription."[5] Much of the problem revolves around third-party businesses operating websites that facilitate a doctor's ability to write, and a pharmacy to fill, numerous prescriptions without a face-to-face visit.

DEA investigations indicate the Internet is the fastest growing and one of the largest sources of diverted controlled substances. The volume of controlled substances being diverted by a single rogue pharmacy dispensing via the Internet poses a major threat. For example, in fiscal year 2006, DEA identified 34 known or suspected rogue pharmacies dispensing controlled substances via the Internet. Cumulatively, these pharmacies dispensed 98,566,711 dosage units of hydrocodone-based products in 2006. It would take 1,118 legitimate pharmacies to dispense the same amount of hydrocodone-based products as these 34 rogue Internet pharmacies did in 2006.[6]

Online investigations also require more resources than traditional diversion investigations because a large amount of data is retrieved and processed during online investigations. For example, Internet online pharmacy cases require a cadre of highly skilled engineers to develop customized intercept solutions. On average, a major online investigation conducted by DEA costs $1.5 million (including salaries and operational costs) and requires 27,800 work hours (based on five recent major online investigations). In comparison, a typical diversion investigation costs $220,000 and requires 3,800 work hours. However, online investigations may not require the same amount of resources as large non-diversion cases with extensive Title III investigations. For example, the recent Operation Three Hour Tour cost $2.4 million and required 48,000 work hours.

One lawful intercept or Title III can reveal hundreds to thousands of users. Operation CyberRX was one of DEA's largest Internet intercepts and intercepted over 6,500 individuals purchasing pharmaceuticals illegally. The volume of data collected during this investigation required the deployment of additional resources. As a result, the Fort Worth Resident Office has seized over $19 million in cash and assets and 19 individuals were arrested.

Finally, online pharmacies that operate outside of the United States and its territories pose legal and technical issues for DEA. Internet Service Providers (ISPs) operating within the United States are generally responsive to lawful orders issued by U.S. courts. However, DEA's regulatory authority and Administrative Subpoena authority does not extend to the foreign-based ISPs, companies, or pharmacies. Furthermore, DEA is unable to measure the exact number of rogue "pharmacies" operating outside the United States. A Google search may reveal thousands upon thousands of "sites" that offer controlled pharmaceuticals however many of these sites are transient and illusive, taking advantage of the anonymity afforded by the Internet. Experience has also shown that many of these are referral sites and are not ones that would ultimately fill an order. It is usually difficult, if not impossible, to trace where international sites are physically located. Some investigations have revealed that the web site may be located in one country, while the "pharmacy" is located in another, and the money is received in yet a third country. Often times the international "pharmacy" is not a pharmacy at all and the products that are shipped may be diluted or counterfeit substances.

Question. Are there additional legal authorities you need to assist you in this war?

Answer. The Administration is looking at a wide range of potential legislative measures. DEA wants to stop the illegitimate online pharmacies while ensuring that legitimate pharmacies and doctors are able to effectively use the Internet.

Since the advent of the Internet law enforcement has encountered numerous obstacles and challenges. The "Technological Revolution" has opened new and evolving legal hurtles never before faced by any previous generation. Though designed for the benefit of society, the Internet has allowed criminals the ability to continue their activities while maneuvering through cyberspace under the cloak of anonymity. Traditional crimes such as child pornography, identity thefts, drug diversion, and fraud are able to flourish in cyberspace. Daily, law enforcement, attorneys, legislators, and the courts are all faced with new issued brought about by the Internet. Yesterday's laws are often inappropriate, outdated, or inadequate to deal with crimes that

[5] *Follow-Up Review of the Drug Enforcement Administration's Efforts to Control the Diversion of Controlled Pharmaceuticals*. DOJ, Office of the Inspector General, July 2006.

[6] Source: ARCOS data. In 2006, the average U.S. pharmacy dispensed 88,178 dosage units of hydrocodone.

evolve so quickly. Compounding the problem is the fact that often there are parallel issues involving the use of the Internet for legitimate and well intended purposes. It is therefore vital that when laws are drafted to deal with matters as important as the diversion of controlled substances that they will withstand the test of time. The Drug Enforcement Administration is always willing to provide Congress with whatever technical assistance it can for legislators to determine what laws they deem appropriate and necessary.

SURVEILLANCE

Question. The drug cartels are spending millions to overcome your surveillance, even conducting counter surveillance activities on the DEA.

What are the cartels doing to make surveillance more difficult?

Answer. DEA has gathered intelligence that traffickers both in the United States and outside the United States have become more technologically advanced in an effort to divert law enforcement. Devices that are used everyday as a secure means of communication pose a threat to law enforcement and its capability to conduct lawful intercepts. These devices provide a secure means of viewing and sending data over a handheld device (such as a Blackberry) via a foreign based company server. This is further accomplished utilizing proprietary company software that has the ability to encrypt the data, sent over a U.S. based cellular provider's network to a recipient's communication device that contains the proprietary software needed to decrypt the data. Should U.S. law enforcement intercept this encrypted data anywhere between the sender and the recipient, we would not be able to decrypt the communications due to its high level encryption algorithms.

Drug cells operating around the world are aware of the complexity in conducting intercepts, whether it is on a telephone or a computer. The availability of wireless "hotspots" and cybercafés adds to the complexity of conducting intercepts because a target is able to utilize a laptop computer or an Internet enabled device to access the Internet where he/she can use email, oversee financial assets, and make Voice over Internet Protocol (VoIP) calls using multiple Internet Service Providers (ISPs). Law enforcement does not have the ability to deploy mobile intercept equipment from ISP to ISP due to the complexity of these intercepts. However, if intelligence is able to determine a pattern on a subject's use of the Internet, we can then begin to target the provider in hopes of deploying an intercept.

The use of VoIP services is becoming more common mainly because of the low cost of these services. Although DEA is able to intercept VoIP communications and routinely does so, providers are beginning to offer features such as encryption and peer-to-peer communications for added security. One of the most recognizable vendors in this area is Skype Communications. Skype is free software that is downloaded off of the Internet which allows for encrypted VoIP and instant messaging communications between customers that have also downloaded Skype's software. The communications only require Internet connectivity to facilitate the communications. The communications are not delivered through a traditional ISP server but rather each Skype user allows for the facilitation of communications over a peer-to-peer network. The data delivery of these communications takes an unpredictable route making it almost impossible to intercept. Furthermore, if the data was intercepted it would be in an encrypted format that would be almost impossible to crack. DEA has also observed several additional email providers that market their encrypted email features for little or no charge.

Traffickers transiting the high seas on commercial maritime vehicles and the Caribbean on go-fast boats also make surveillance difficult by communicating by satellite telephones. While DEA has used satellite telephone intercepts and maritime tracking devices to successfully locate and seize vessels laden with drugs, satellite telephone intercepts are extremely costly. For example, there are instances where satellite telephone companies are not CALEA compliant and DEA must engineer an intercept solution to glean investigative information.

In the fiscal year 2008 President's budget, DEA requests $3,100,000 for improved satellite telephone and maritime tracking resources, as well as additional linguist funding and data collection capabilities.

In fiscal year 2008, DEA also requests $2,000,000 for tracking, sensor, and audio/video surveillance equipment. Surveillance equipment is particularly crucial in areas such as the Southwest Border (SWB) because it is a major point of entry with few realistic controls. Cartels are also building sophisticated encrypted radio networks along the SWB for command and control. Surveillance equipment, such as remote cameras, tracking devices, and alarms, are one of the only ways to cover such an expansive area. DEA field divisions along the SWB employ a variety of sophisticated audio and video surveillance equipment including mobile surveillance plat-

forms, digital equipment with Internet connectivity, mobile x-ray equipment, microwave automated repeater systems, and scanners for monitoring radio frequencies. Much of this equipment is a "force multiplier" because agents do not need to be physically present to monitor the surveillance, which enables them to be more productively used elsewhere.

In regards to counter surveillance, it has become more commonplace for drug traffickers and drug trafficking organizations to use sophisticated countermeasures to detect electronic surveillance signals. The most frequently used countermeasure devices are radio frequency (RF) detectors, frequency counters, and scanners.

A radio frequency detector identifies devices which transmit RF signals within the operating parameters of the detector. RF transmitters used by law enforcement agencies for surveillance purposes convey audio, video, and data from one location to another. RF detectors are commonly used by legitimate industry technicians to locate frequencies, identify unwanted signals, and interference which contribute to degradation of RF signals. These devices are also used for more nefarious purposes by criminals for the purpose of identifying electronic surveillance by law enforcement. RF detectors, from basic inexpensive types to expensive sophisticated models, are widely available through Internet vendors as well as stores commonly referred to as "spy shops."

A frequency counter is a device that determines the frequency emitting from a transmitter. The are two basic types of frequency counters, one that will determine the exact frequency of analog transmissions, and one that will determine the exact frequency of either analog or digital transmissions. A scanner is used to identify radio emissions in a given area.

RF detectors, frequency counters, and scanners are used in concert to complete an effective, electronic "sweep" of an area for RF signals. Criminal organizations are known to retain highly paid private detective firms or other vendors specializing in providing electronic "sweeps" of homes, offices, vehicles, or other conveyances and locations to identify electronic surveillance devices.

Question. What is DEA doing to overcome these obstacles?

Answer. DEA employs a cadre of Engineers and Telecommunications Specialist to develop, test, and implement technical intercept/surveillance solutions. The equipment that is utilized to develop these solutions is very complex and very costly. The skill set these employees possess is very unique and requires a great deal of training in order to evolve as quickly as technology dictates.

DEA has also developed minimization software for data intercepts that enables law enforcement to view or listen to intercepted communications just as a target would view or listen to it. The software that is utilized during Internet intercepts is constantly being updated to conform to the Internet's constantly changing protocols. DEA provides this software to other federal agencies, as well as State and local law enforcement agencies.

The ISPs that DEA routinely works with also advise DEA of new technologies prior to their release to the general public. This enables DEA to proactively develop solutions which will allow DEA to have intercept solutions in place should an investigation require them. This provides minimal turnaround time and allows the data to be expedited to the field.

Finally, DEA continues to work with industry, the field, and other federal, State and local agencies to research, develop, and employ both active and passive surveillance countermeasures.

MET PROGRAM

Question. Administrator Tandy, the Mobile Enforcement Team (MET) program has proven to be very successful in assisting State and local law enforcement agencies in addressing their communities' drug threats. The Budget proposed to eliminate the MET program.

How will DEA respond to requests for assistance from State and local law enforcement without the MET program?

Answer. MET is not the only DEA program that benefits State and local law enforcement. In addition to the MET program, DEA leads over 200 State and local task forces, including over 1,600 DEA Special Agents and over 2,100 State and local task force officers, all of whom are dedicated full time to address drug trafficking, including trafficking in our local communities.

Despite the elimination of the MET program, DEA will continue to work side-by-side with our State and local law enforcement partners by sharing intelligence and providing training to them. DEA assists State and local law enforcement in many ways, for example:

—DEA's EPIC Open Connectivity Project provides web-based access to approximately 1,800 Federal, State, and local partners on an annual basis. Users can query and access law enforcement data maintained by EPIC.
—In fiscal year 2006, DEA shared $274 million in State and local proceeds with State and local law enforcement, a 25 percent increase over the $219 million shared in fiscal year 2005, including a 40 percent increase in the funds shared with Sheriffs. This level of sharing is expected to continue.
—In fiscal year 2006, DEA trained over 41,000 S&L officers, including over 1,000 in meth lab clean up and training.
—By the end of 2008, DEA plans to complete a clandestine laboratory training facility to better train more State and local officers.

UNITED STATES/MEXICO COLLABORATION

Question. Administrator Tandy, State and local law enforcement officers are the "end-users" that deal with the drugs and violence proliferated by Mexican drug trafficking organizations. Historically, the government of Mexico has not been a strong ally in addressing this threat.

What is your assessment on America's current working relationship with the Mexican government on combating drug trafficking organizations?

Answer. Under the Calderon Administration, our relationship with Mexico has experienced unprecedented levels of cooperation and solidarity in combating drug trafficking organizations. Specifically, DEA is working hard with the Government of Mexico to target the criminal organizations involved in the diversion of precursor chemicals and the producing and trafficking of methamphetamine. Relations between Mexican authorities and DEA are at an all time high in terms of chemical control. Mexico has imposed import quotas tied to estimates of national needs. The Mexican Government limited pseudoephedrine, ephedrine, and combination product importation permits to 70 tons during 2006; this is a reduction of 53 percent from the 2005 level of imports (150 tons). This quota has made it more difficult for traffickers to obtain precursor chemicals. Prices have increased and traffickers have been forced to resort to traditional diversion methods, including smuggling and the use of third countries to procure their chemicals. In addition, intelligence indicates that traffickers have also turned to alternate production methods for methamphetamine and the apparent use of substitute chemicals as the traditional precursors are becoming more difficult to obtain. Mexico has discussed revising their quota downward even further in 2007.

In May 2006, at the National Methamphetamine and Chemicals Initiative (NMCI) Strategy Conference in Dallas, Attorney General Gonzales announced important new anti-methamphetamine domestic initiatives, as well as new partnerships between the United States and Mexico in fighting methamphetamine trafficking. These initiatives will improve enforcement and information sharing, increase law enforcement training, and increase public awareness both domestically and internationally. Since this announcement, methamphetamine enforcement teams have been formed on both sides of the border and DEA has donated 8 refurbished clan lab trucks to Mexico. Additionally, DEA and DOS/INL trained over 2,000 Mexican officials in 2006 on a variety of investigative, enforcement, and regulatory methods related to methamphetamine trafficking and manufacturing. This training included instruction on clandestine laboratory investigations, precursor chemical investigation, and drug identification.

DEA has also expanded the role of its Clan Lab Enforcement Teams to target Mexican methamphetamine trafficking organizations. These teams are using their lab expertise to trace chemicals, finished methamphetamine, and drug proceeds to drug trafficking organizations in the United States and Mexico. These teams are also working to identify and dismantle U.S.-based methamphetamine transportation and distribution cells.

The United States also enjoys an excellent extradition relationship with Mexico, which has served both countries well in the administration of justice. In 2006, for the fifth consecutive year, Mexican authorities extradited a record number of fugitives to the United States. In 2006, there were 60 extraditions from Mexico to the United States. Twenty-six of these extraditions were for drug charges, including 24 Mexican nationals. In 2005, Mexico extradited 41 fugitives to the United States—up from 34 in 2004.

The new administration of President Calderon has taken a strong, proactive stance against drug traffickers and the associated violence. On January 19, 2007, Mexico extradited 15 offenders to the United States, a significant number of which have U.S. narcotics trafficking and related charges. Notably, the leader of the Gulf Cartel, Osiel Cardenas-Guillen, two high-level members of the Tijuana Cartel, two

mid-level members of the Juarez Cartel, and three high-level and two mid-level members of the Federation were extradited.

DEA works closely with its Sensitive Investigative Unit (SIU) in Mexico. As of December 31, 2006, the Mexican SIU consists of nearly 300 Federal Investigations Agency, Federal Preventive Police, and SIEDO (federal prosecutors). Furthermore, during 2006, under DEA direction, 2,161 agents of the AFI and the Policia Federal Preventiva and other Mexican personnel were trained by DEA and State Department funded contractors on clandestine laboratories, officer/first responder safety, and chemical identification. DEA also provided training to both Mexican prosecutors and law enforcement as part of a month-long course at the DEA Training Academy in Quantico, Virginia.

The Bilateral Intercept Program is an unparalleled initiative between DEA and the Government of Mexico which has developed a comprehensive wire intercept program by utilizing the SOD methodology of simultaneously targeting international drug trafficking organizations throughout the United States and Mexico. Early successes have indicated cooperation between DEA and Government of Mexico will only continue to expand coordinated law enforcement efforts.

Operations All Inclusive 2005–1 and 2006–1 is another example of DEA and Government of Mexico cooperation. These operations ran from August 5, 2005 through October 8, 2005, and March 4, 2006 through April 26, 2006, respectively, and targeted South American source regions, Eastern Pacific and Western Caribbean vectors of the Mexico/Central America transit zones, and the Mexico and Central America land mass, by attacking the drug trade's main arteries and support infrastructure with innovative, multi-faceted, and intelligence-driven operations. Both operations exploited the maritime, overland, commercial air, and private air smuggling vulnerabilities in the movement of drugs, money, and chemicals. DEA and other federal, State, and host nation law enforcement and military agencies supported both operational and intelligence aspects of these operations.

Operation All Inclusive 2005–1 seizure highlights in Mexico include 21.05 metric tons of marijuana, 108 kilograms of cocaine, 35.2 kilograms of heroin, and nearly 1 million tablets of pseudoephedrine. Of particular importance were two currency seizures at the Mexico City Airport totaling $8.7 million. One seizure totaling $7.8 million, which was eventually linked to members of the Mexican "Federation," is the largest currency seizure to date at the Mexico City International Airport. During this operation, over 46 metric tons of cocaine were interdicted and seized before they could reach Mexico, where the drugs are normally broken down into smaller quantities for transshipment north and to make them more difficult to interdict. Additionally, 3.5 metric tons of cocaine seized from the fishing vessel *Vega* in the Eastern Pacific Ocean on August 15, 2005, was linked to Colombian PTO Herman Vasquez-Sanchez and an alleged Mexico City-based recipient who were identified through wire intercepts. Operation All Inclusive 2006–1 highlights included the arrest of three pilots and the seizure of a DC–9 and Dassault Falcon Jet aircraft and 5.6 tons of cocaine at the Ciudad de Carmen Airport, Campeche, Mexico. Also, nearly 17 metric tons of marijuana and 10.4 kilograms of heroin were seized. Thirty-eight metric tons of cocaine were interdicted and seized before they could reach Mexico.

Question. What does the future hold for increasing DEA-Mexican cooperation?

Answer. In addition to enforcement assistance and the development of new enforcement strategies, DEA will continue to offer training to the Government of Mexico. In fiscal year 2006, under DEA direction, over 2,000 agents of the AFI and the Policia Federal Preventiva and other Mexican personnel were trained by DEA and State Department funded contractors on clandestine laboratories, officer/first responder safety, and chemical identification.

DEA will also continue to work with the Government of Mexico to obtain the extradition of high value targets such as occurred on January 19, 2007; when Osiel Cardenas Guillen, a CPOT and the leader of the notorious Gulf Cartel which is headquartered in Matamoros, Mexico; who was responsible for much of the "narco-violence" on the Southwest Border was turned over to the DEA by the Government of Mexico to face drug charges in U.S. Federal Court.

DEA will also continue working with the Government of Mexico on future iterations of Operation All Inclusive. Recognizing that the United States cannot control its borders by merely enforcing the immediate border, DEA's International Drug Flow Attack Strategy incorporates a "defense in depth" component by attacking the source and transit zone. This model has successfully been applied internationally in two deployments and is in the beginning stages of a third operation (Operation All Inclusive 2007–1). A fourth iteration focuses on the Southwest Border and is called Operation Doble Via. Operation Doble Via is a combination of staggered and simultaneous U.S./Mexico enforcement operations combined with intelligence driven en-

forcement operations designed to influence illicit trafficking patterns and increase disruptions to violent DTOs.

Operation All Inclusive was developed to attack an entire region in hopes of not simply displacing cartels but eliminating them. Operation All Inclusive causes major disruption to the flow of drugs, money, and chemicals between the source zones and the United States. To effectively combat drug trafficking in Central America, Mexico, and the transit zone, the United States must maintain a sustained, multi-agency approach. The DEA focuses on improving the region's counter drug capabilities through developing personal liaisons with host nation law enforcement authorities, institution building with host nation governments, and by attacking the command and control structures of major drug trafficking organizations.

MARIJUANA

Question. Administrator Tandy, marijuana abuse is one the most significant drug challenges currently faced by law enforcement agencies. The majority of domestically cultivated marijuana is being grown on public lands in our national parks and forests. These marijuana plots are being aggressively defended by armed Mexican drug cartels, making our national treasures unsafe for public use.

Do you agree with this assessment?

Answer. The Department of Agriculture, Forest Service (USDA, FS) and agencies of the Department of the Interior (DOI) continue to detect significant increases in marijuana cultivation on federal public lands nationwide. These findings correspond to reports of expanded domestic cannabis cultivation and marijuana production. Domestic cannabis eradication data for 2005 shows the highest level of cannabis eradication ever recorded. In 2005, 4.2 million plants were seized compared to 3.7 million in 2003, the next highest level in the years 2000–2005.[7]

The cultivation of marijuana on public lands is dominated by loosely organized, poly-drug Mexican drug trafficking organizations (DTOs) employing illegal Mexican aliens for the production and distribution of marijuana and methamphetamine nationwide. The violence and environmental risks associated with this cultivation is growing, therefore DEA is striving to halt the spread of marijuana cultivation in the United States by focusing various federal, State, and local law enforcement efforts towards identifying and dismantling the DTOs directing and controlling this activity.

Question. What is DEA's strategy to address this growing threat?

Answer. To address this threat, DEA has initiated a public land working group comprised of affected federal land management agencies. DEA is examining how best to leverage the available resources of our federal partners through better sharing of intelligence and targeting of these DTOs. Critical to this strategy will be the collection and sharing of intelligence concerning the communications devices and techniques used by those growing marijuana on our public lands. Federal land management agencies have confirmed their commitment to sharing intelligence with DEA. With the intelligence gathered, DEA will identify and attack the Mexican organizations that direct and control the cultivation and distribution.

Marijuana cultivation on public lands presents a number of enforcement challenges, including the need for air support and large numbers of law enforcement personnel to safely and successfully accomplish eradication missions. DEA has the mechanisms in place through the Special Operation Division, the Fusion Center, and the El Paso Intelligence Center to add value to intelligence from marijuana enforcement operations on public lands and to coordinate and expand investigations beyond simple plant eradication to attacking the controlling DTOs. DEA has offered this established strategy and available resources to the FS and DOI, as well as additional training and access to intelligence information.

DEA is also working with the Park Service and Forest Service to cross-designate selected Park Service and Forest Service law enforcement officers to work on specific cases with DEA, or to serve on DEA task forces. Unilateral Title 21 investigations by the DOI or the Forest Service would lack the coordination necessary to ensure the safety of law enforcement personnel, and would not permit de-confliction with other domestic and foreign investigations.

In addition to enforcement efforts, DEA's Domestic Cannabis Eradication/Suppression Program (DCE–SP) works with our participating State and local partners to target marijuana wherever it is produced throughout the United States and its territories, on both public and private lands. The DCE/SP is an enforcement activity which provides funding, operational support, and training to participating State and

[7] *National Drug Threat Assessment 2007*. National Drug Intelligence Center, U.S. Department of Justice, October 2006.

local agencies. The program strives to halt the spread of marijuana cultivation throughout the United States and is responsible for the investigation and eradication of both indoor and outdoor cultivation of the illicit crop.

QUESTION SUBMITTED BY SENATOR PETE V. DOMENICI

DEA NM RESOURCES

Question. I believe that the DEA plays a critical role in law enforcement activities in New Mexico. State and local law enforcement agencies reap vast benefits while working alongside these federal agents. I am concerned that the smaller communities in my home state may not be able to take advantage of these federal partnerships. This is especially problematic because community population is neither a variable nor a predictor of drug use.

Can you please explain what type of interaction DEA agents have with smaller communities and what we might be able to do to ensure that all our communities benefit by working with federal law enforcement agents?

Answer. As with all federal agencies, the DEA concentrates the bulk of its offices and agents in the highest population areas in an attempt to maximize our efforts and effectiveness. DEA has limited manpower and resources, as do all other law enforcement agencies throughout the United States. DEA has found that the most effective method to increase productivity, improve our responsiveness to State and local agencies, and ensure that all communities benefit from a federal law enforcement presence is through the employment of multi-agency task forces. The task force concept provides several advantages to all participating agencies: DEA is able to draw on the expertise of State of local law enforcement; DEA can share resources with State and local officers, thereby increasing the investigative possibilities available to all; State and local officers can be deputized as federal drug agents, thus extending their jurisdiction; State and local participating agencies can receive an equitable share of forfeited drug proceeds; and DEA can pay overtime and investigative expenses for the State and local agencies.

In New Mexico, DEA has two offices located in Albuquerque and Las Cruces. The Albuquerque District Offices (DO) is staffed with 33 Special Agents (including four supervisory Special Agents). The Las Cruces Resident Office (RO) is staffed with 17 Special Agents (including three supervisory Special Agents). The Albuquerque DO and the Las Cruces RO each support two federally funded multi-agency task forces. The addition of ten task force officers in Albuquerque and nine task force officers in Las Cruces provides DEA with a more than 35 percent increase in agent strength, which is subsequently leveraged to cover a vast area of responsibility. The addition of task force officers also prompts parent agencies to regularly interact with DEA. This representation of local community concerns also often promotes the presentation of cases for extended federal investigation and prosecution.

Additionally, the State of New Mexico is currently divided into seven Bureau of Justice Assistance regions. Throughout New Mexico, State and local law enforcement agencies are provided with federal funds to organize and implement multi-agency task forces within each respective region. Again, the task forces permit State and local law enforcement agencies—within a specific geographic area—to pool resources and information that consequently maximize effort and effectiveness. DEA Special Agents are designated by management to interact with each regional task force. This practice encourages smaller and more isolated local agencies to interact more meaningfully with DEA.

Task forces, by their very nature, are designed to facilitate the exchange of information at the federal, State and local levels. This information exchange allows for the development, coordination, and prosecution of targeted members and their criminal organizations. In order to avoid duplicative efforts, agents and task force officers routinely rely on the free exchange of information between our State and local counterparts, coupled with DEA information systems, such as NADDIS, to identify potential conflicts between competing jurisdictions. Moreover, current DEA policy mandates that communication devices suspected to be used by targets in DEA investigations be checked against DARTS prior to any enforcement operation.

The task force concept has proven to be very successful. In fiscal year 2006, the New Mexico DEA offices conducted investigations from Raton to Las Cruces and Gallup to Portales, as well as in nearly every modestly populated area within proximity. The two DEA offices in New Mexico initiated 468 cases, effected 659 arrests, and seized over 70,000 pounds of marijuana, 1,898 pounds of cocaine, 159 pounds of methamphetamine, 16 pounds of heroin, and over 4.5 million in drug trafficker currency and assets.

QUESTION SUBMITTED BY SENATOR TED STEVENS

METHAMPHETAMINE

Question. What is DEA doing about methamphetamine in Alaska?

Answer. DEA's Anchorage District Office (DO) prioritizes its assets by targeting the highest level drug trafficking organizations (DTOs) which can be identified in the state of Alaska. Recognizing the devastation caused by methamphetamine, the Anchorage DO puts forth considerable effort to combat the methamphetamine problem through a coordinated strategy that includes a comprehensive interdiction effort, conducting complex investigations into organizations responsible for trafficking drugs into Alaska, targeting clandestine methamphetamine laboratories, conducting methamphetamine training and certification to State and local counterparts, funding and coordinating all hazardous waste clean-ups of clandestine methamphetamine laboratories, as well as keeping up a strong demand reduction program that educates youth, bush villages, and civic groups.

The Anchorage DO is part of the Seattle Field Division (FD). Historically, Anchorage was a Resident Office (RO) with one GS–14 supervisor and 6 Special Agents (SA), for a total of 7 SA positions. However, in March 2002, DEA upgraded the Anchorage RO to a DO through the addition of a second GS–14 supervisor and a GS–15 Assistant Special Agent in Charge (ASAC), for a total of 9 SA positions. Additionally, in September 1999, DEA opened a Post of Duty in Fairbanks, Alaska. This office has two Special Agent positions.

Prior to the March 2002 upgrade, the Anchorage office operated a Drug Task Force with 5 Task Force Officers (TFOs). The Anchorage DO now has 7 TFOs. Furthermore, at any given time 10–15 additional State and local officers are deputized (on a case specific basis) to assist in major investigations. As of May 2007, 12 State and local officers are deputized. The Anchorage DO is co-located with the Anchorage Police Department (APD) Metro Narcotics Unit and the Alaska State Troopers (AST) Major Offenders Unit (MOU).

DEA intelligence indicates that, in accordance with national trends, most of the methamphetamine found in communities throughout Alaska originates from the Southwest Border of the United States. DTOs following trafficking routes through cities such as Las Vegas, NV, Tucson, AZ, and Seattle, WA, where the meth is repackaged and distributed through parcel service to Anchorage. Methamphetamine wholesale prices in Seattle range from $3,000 to $4,000 per pound compared to wholesale prices of $18,000 to $20,000 per pound in Anchorage, making Alaska a lucrative destination.

The Anchorage DO Airport Interdiction Task Force (AITF) covers the entire State and is supervised and staffed by DEA Special Agents, as well as AST Investigators, Airport Police Officers, and National Guard Counterdrug Support Program personnel. It prioritizes resources to stop drugs as they come into the state of Alaska through interdiction at all parcel sorting facilities (FedEx, UPS, U.S. Postal Service, etc.), the Port of Anchorage, and the Anchorage International Airport. The AIFT has supported several operations in Southeastern Alaska to include a joint operation with the Southeastern Alaska-Narcotics Enforcement Team and the U.S. Postal Service targeting the parcel shipping facilities in Juneau and Ketchikan. Additionally, the AITF targets outgoing flights to the bush in an attempt to interdict drugs before they arrive in the villages. The Anchorage DO coordinates these efforts very closely with State and local counterparts including the AST and the U.S. Postal Service.

In late 2006, the AITF initiated Operation Dip Net in order to better coordinate the interdiction efforts of law enforcement agencies, and to target those facilities/routes of smuggling that result in the seizure of significant contraband. The identified trends allow management to better direct law enforcement efforts by physically placing interdiction officers in the prevailing illicit drug supply route. Since the inception of Operation Dip Net, 14 pounds of methamphetamine, over 32 kilograms of cocaine, a half pound of crack cocaine, nearly 10,000 Ecstasy tablets, and a bottle of liquid LSD have been seized in Alaska. Additionally, approximately $310,000 in U.S. currency has been seized, 20 defendants have been arrested, and 23 firearms recovered or seized as a direct result of the interdiction efforts. Operation Dip Net has also put "look outs" on particular locations with cargo companies.

Due to its highly lucrative nature, methamphetamine can make its way into distribution cells that distribute retail amounts to local gangs who further distribute to the user population. To date, there is no evidence of methamphetamine making its way into Samoan gang distribution cells from sources originating in Samoa. The Anchorage DO did seize and subsequently conducted a controlled delivery of four

ounces of methamphetamine to an individual of Samoan decent, however the methamphetamine had been sent to Alaska from Las Vegas.

QUESTIONS SUBMITTED TO JOHN F. CLARK

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

GULF COAST TASK FORCE

Question. Director Clark, for fiscal year 2006, the United States Marshals Service (USMS) was authorized by Congress to establish a Regional Fugitive Task Force in Alabama and Mississippi. Just last week, this Task Force arrested Gerald Campbell who was previously convicted and sentenced to life in prison for murdering his wife but escaped in 1978 from the Alabama Department of Corrections. The Gulf Coast Task Force tracked Campbell down and arrested him after 23 years on the run.

Mr. Director what is the status of this task force, and can you tell us about some of the other good work they have accomplished?

Answer. The Gulf Coast Regional Fugitive Task Force (GCRFTF) began operations on July 1, 2006. It is the sixth RFTF within the USMS. The GCRFTF expects to be fully operational by the end of fiscal year 2007. There are five office locations in Alabama: Birmingham, Huntsville, Montgomery, Mobile, and in the future, Dothan. The Birmingham office serves as task force headquarters and includes a training center similar to other RFTFs. There are three office locations in Mississippi: Oxford, Jackson, and Gulfport.

Supporting the GCRFTF are USMS Technical Operations Group (TOG) facilities and personnel in Birmingham, Montgomery, and Jackson. There are 32 USMS positions authorized and all of these positions have been filled. In addition, 100 investigators from 30 law enforcement agencies are working in conjunction with the GCRFTF.

Since its inception, the GCRFTF has made a tremendous impact on the region. Below are the statistics from July 2006 to April 2007:

	Number
Felony Fugitives Arrested	1,700
Warrants Cleared	2,246
Arrested Individuals Wanted for Homicide	100
Arrested Individuals Wanted for Sex Offenses	471
Arrested Individuals Who Were Not in Compliance with Sex Offender Registry Requirements	187
Firearms Seized	84

In addition to arresting Gerald Raye Campbell, a convicted murderer who was wanted for escape from the Alabama Department of Corrections after 23 years on the run, the GCRFTF has made several significant arrests. Below are two additional notable arrests during the month of April 2007:

On April 4, 2007, Jerone Bussey was arrested in Athens, Alabama, by members of the GCRFTF and officers from the Athens Police Department (APD). Authorities in Indianapolis, Indiana, wanted Bussey for murder after he allegedly shot and killed two people with an AK–47 assault rifle. One of Bussey's alleged victims was seven and one-half months pregnant at the time of the shooting. USMS investigators in the Southern District of Indiana developed information indicating that Bussey fled to the Athens area. The GCRFTF responded by identifying Bussey's probable location in Athens, and established surveillance. The GCRFTF, with assistance from marked APD units, conducted a felony stop on Bussey's vehicle and took him into custody without incident.

On April 11, 2007, Kent Steward, a registered sex offender, was arrested in Ozark, Alabama, by members of the GCRFTF and officers from the Ozark Police Department. Authorities in Ozark wanted Stewart for kidnapping and rape of a minor after he allegedly abducted and sexually assaulted a ten year old girl. After authorities identified Stewart as a suspect, GCRFTF established covert surveillance outside his probable location. When investigators later observed a male subject matching Stewart's description, they moved in and safely took Stewart into custody. Stewart has a previous conviction for rape. If convicted, Stewart faces life imprisonment with no possibility of parole.

Question. The Alabama Mississippi Task Force is the 6th such force created by the USMS. Does the agency have a plan to expand this concept into other regions of the country?

Answer. USMS Regional Fugitive Task Forces (RFTFs) consisting of "Federal, State and local law enforcement authorities in designated regions of the United States" were established by the Presidential Threat Protection Act of 2000 (Public Law 106–554) to locate and apprehend fugitives. RFTFs supplement the 85 district-managed, multi-agency task forces already operating throughout the country. To date, six RFTFs are in operation and USMS is exploring areas of the country where RFTFs would have the greatest impact based on the warrant workload, but there are no immediate plans for additional RFTFs. The city in parenthesis indicates where the task force headquarters office is located:

—Capital Area Region (Washington, DC)—in operation.
—Great Lakes Region (Chicago, IL)—in operation.
—Gulf Coast Region (Birmingham, AL)—in operation.
—New York/New Jersey Region (New York, NY)—in operation.
—Pacific Southwest Region (Los Angeles, CA)—in operation.
—Southeast Region (Atlanta, GA)—in operation.

Question. What types of fugitives do these task forces investigate?

Answer. RFTFs target the "worst of the worst" fugitives who have a history of violence. They include murderers, gang members, drug traffickers, and violent sex offenders. The USMS approach in assisting state and local agencies with their fugitive warrants has been twofold. First, the USMS reviews all fugitive warrants to determine their ability to be executed. During the review process, many warrants are determined to be unserviceable because of the age of the warrant, witnesses have disappeared, police officers or agents have retired, evidence is missing, or the prosecuting attorney dismisses the warrant upon review. Second, the USMS prioritizes based on the severity of the charge. Once a warrant is pursued by an RFTF, all resources are brought to bear to locate and apprehend the fugitive.

ADAM WALSH

Question. The National Center for Missing and Exploited Children (NCMEC) estimates that there are approximately 600,000 sex offenders in the United States that are required to register. As many as 100,000 are not in compliance with their registry requirements.

How does the passage of the Adam Walsh Act affect the USMS?

Answer. The Adam Walsh Child Protection and Safety Act of 2006 directs the Attorney General to use the resources of federal law enforcement, including the United States Marshals Service (USMS), to assist jurisdictions in locating and apprehending sex offenders who violate registration requirements. It further provides that sex offenders who violate registration requirements are deemed to be fugitives for purposes of the Marshals Service's fugitive investigation functions, and it provides federal penalties for sex offenders who violate registration requirements under circumstances supporting federal jurisdiction (such as interstate travel). See § 142 of the Adam Walsh Act and 18 U.S.C. 2250. The reforms of the Sex Offender Registration and Notification Act—i.e., title I of the Adam Walsh Act—generally strengthen the minimum national standards for the sex offender registration and notification programs of the states and other covered jurisdictions, and the national database and website system which make sex offender information obtained under the individual jurisdictions' programs more widely available to law enforcement and the public. See generally 72 FR 30209 to 30234 (May 30, 2007) (proposed National Guidelines for Sex Offender Registration and Notification issued by the Attorney General). The Adam Walsh Act reforms increase the capacity of responsible officials at all levels of government to track sex offenders effectively following their release into the community through enhanced registration standards and requirements, and the USMS serves as the lead federal law enforcement agency in investigating violations of these requirements and helping to locate and apprehend non-compliant sex offenders.

Question. How long would it take the Service to fully enforce this law, and what kind of resources would be required?

Answer. It will take several years to fully enforce this law because the existing network of sex offender registries must first be improved and the Sex Offender Registration and Notification Act (SORNA) must be implemented by all jurisdictions. Most, but not all, states have some form of registry already in place, however, these registries are not well integrated with each other or with the National Sex Offender Registry. In the interim, the USMS has begun a two-part approach: enforcement and compliance.

With regard to enforcement, the USMS has established the Sex Offender Investigations Unit at headquarters. A full-time liaison has been stationed at the National Center for Missing and Exploited Children (NCMEC). The USMS is working

with NCMEC to develop and establish the "National Sex Offender Targeting Center" which will:

—Identify and prioritize targets by using analytical tools;
—Aid the USMS and other agencies with investigative leads;
—Provide a valuable data source for state and local agencies;
—Operate a national tip line and web site;
—Provide analytical support to law enforcement;
—Serve as a national point of contact for sex offender registration issues; and
—Provide a source to share other criminal leads.

Designated Sex Offender Investigations Coordinators have been identified in all 94 USMS district offices and within the Regional Fugitive Task Forces. The first 50 coordinators have already been trained and an additional 150 personnel will be trained by the end of fiscal year 2007. The USMS is currently establishing contacts with state, local, tribal, and territorial sex offender registries. At the same time, the USMS is coordinating efforts with the Department of Homeland Security's "Operation Predator" to ensure that illegal alien sex offenders are referred to the Bureau of Immigration and Customs Enforcement for removal.

With regard to compliance, the USMS is planning a media campaign to educate sex offenders about their registration requirements and the enhanced penalties for non-compliance, in an effort to encourage them to register or update their registrations.

Question. How many additional positions are being created in the USMS to help you track down non-compliant sex offenders?

Answer. The USMS has designated three positions from existing resources to establish the Sex Offender Investigations Unit at headquarters, which includes the full-time liaison at NCMEC. Until additional resources are provided, the USMS will rely on the six existing Regional Fugitive Task Forces and 85 district-managed task forces to aggressively pursue unregistered sex offenders and offenders against children. The USMS is committed to enforcing the Adam Walsh Act in addition to pursuing fugitives wanted for violent federal and state crimes.

The fiscal year 2008 President's budget includes a request for 54 positions (including 43 Deputy Marshals), 27 FTE, and $7,845,000 to begin deploying Deputy Marshals to areas of the country that have large numbers of non-compliant sex offenders.

MARSHALS D.C. SUPERIOR COURT

Question. This Committee is concerned about the health, safety and security of the U.S. Marshal Service employees at the D.C. Superior Court. The cellblock and workspace there are below any acceptable standards and are in desperate need of renovation.

Are you working with the D.C. Courts to fix the U.S. Marshals Service occupied space at the D.C. Superior Court?

Answer. Yes, the Marshals Service is working with the D.C. Courts Executive Office on a memorandum of agreement (MOA) to delineate the responsibilities for repairing and maintaining the space provided to the USMS in the Moultrie Courthouse. The space provided to the USMS by the D.C. Courts belongs to the D.C. Government. The MOA between the USMS and the D.C. Courts will identify responsibilities much in the same way that tenant/landlord agreements are established.

Question. Does the $10 million that the Senate provided in the fiscal year 2007 supplemental appropriations bill help begin to alleviate the Superior Court situation?

Answer. The $10 million would provide a short-term remedial solution until the Executive Office of the D.C. Courts obligates the resources to make long-term renovation to improve the cellblock physical infrastructure and USMS office space. Health, safety, and security improvements in the cellblock and prisoner receiving areas would have a positive multi-agency impact as this environment is utilized by the USMS, Metropolitan Police Department, Department of Corrections, and numerous law enforcement officers who transfer prisoners to and from USMS custody.

Question. Do you give this subcommittee your commitment to ensure that the USMS employees at Superior Court are taken care of?

Answer. Yes, the Marshals Service will take the necessary steps to ensure the health, safety and security of USMS employees at Superior Court. The majority of administrative personnel, warrant squad, writ squad, and prisoner coordination section have been relocated to another building because adequate space was not available in the Moultrie Courthouse. Remaining USMS personnel who manage court support and cellblock operations continue to work out of the Moultrie Courthouse and the USMS continues to request additional space from the Executive Office of

the D.C. Courts to ensure that USMS court operations has adequate and safe office space. Until additional space is obtained, the USMS will ensure that personal protective equipment and gear are supplied so that USMS personnel can operate safely.

Question. Does this workspace meet any Federal standard for health, safety or security?

Answer. The Marshals Service surveyed the Moultrie Courthouse and it does not meet GSA, OSHA (Occupational Safety and Health Administration), and USMS standards for security, safety and health. The USMS identified the following as problem areas: vehicle prisoner loading—sallyport, main detention area—cellblock, main detention area-fixtures and construction, detention area-processing room, main cellblock-interview rooms (prisoner) side, detention facilities, prisoner circulation from cellblock to court floors, courtroom holding facilities and circulation, support and special purpose space. The USMS is committed to working with the Executive Office of the D.C. Courts to ensure that all security, safety, or health issues are addressed in a manner that is mutually beneficial.

HOMELAND BUILD UP

Question. The Department of Homeland Security (DHS) is in the process of hiring up to 2,000 new border agents.

How does this escalation in DHS personnel correspond to the Marshals' responsibilities to produce prisoners for trial and provide courtroom protection?

Answer. As DHS increases the number of border patrol agents along the Southwest Border and in other areas of the country, arrests will increase which will in turn increase the number of detainees in USMS custody. The USMS average daily prisoner population continues to increase, particularly in the five districts that comprise the Southwest Border:

	Fiscal year—		
	2004	2005	2006
Ave Daily Prisoner Population—Total	49,400	53,000	56,000
Ave Daily Prisoner Population—SWB Only	16,600	17,500	18,700

For example, the Del Rio suboffice in the Western District of Texas has an average daily prisoner population of over 2,600. In comparison, the District of Maryland has just over 450 per day. The three judicial districts in Alabama combine for just over 600 per day.

Question. How does this hiring at DHS affect the USMS budget?

Answer. As DHS increases its hiring, the impact on the USMS budget is felt approximately 18 months later. It takes about 18 months for DHS to recruit, train, and fill its new positions. Once on board, new border patrol agents begin making arrests which drives up USMS workload.

Question. How will this affect court operations?

Answer. The immediate impact to court operations is that the USMS must produce prisoners before magistrate judges for all criminal court proceedings. Even if these defendants do not reach trial, the USMS is required to produce them for all attorney interviews, medical trips, and court-related appearances. This is an enormous strain on USMS resources because Deputy Marshals must ensure the safety of all judges, attorneys, witnesses, and the public at all court hearings.

GANGS

Question. The increase in gang-related trials around the nation creates security concerns, not only for members of the judiciary, but also for witnesses and trial observers. Recent examples include the MS–13 trials in the D.C. area and the Aryan Brotherhood trials in California.

How is the Marshals Service tracking violent gangs?

Answer. The USMS uses the combined resources of its six Regional Fugitive Task Forces and 85 district-managed task forces to investigate and apprehend violent fugitives which include violent gang members. Investigative information gleaned from these fugitive cases is maintained in an automated fashion and is accessible by USMS judicial security inspectors who are responsible for the operational planning of high-threat trials. Many of these trials involve violent gangs, including prison gangs. This information is also used to separate detainees within the cellblock and on any JPATS air transportation movements to ensure the safety of Deputy Marshals and other prisoners.

Question. What more could you do if you had additional resources?

Answer. The 2008 President's budget includes a request for 17 additional positions, including 15 Deputy U.S. Marshals, and $5.1 million for high threat trial security. This request will provide surge capacity that can be deployed to high threat trials throughout the country. If fulfilled, USMS will have the flexibility to deploy additional personnel or security resources for trials related to gangs, terrorism, or any other purpose requiring additional security.

FORMER MARSHAL'S DAUGHTER HEROIC EFFORTS IN CAMPUS SHOOTING

Question. Director Clark, I understand that a former Marshal's daughter was wounded in the shootings on the Virginia Tech campus Monday morning. Her heroic efforts saved the lives of her classmates.

Would you tell us about Jim Carney and his daughter Katie's story?

Answer. On April 16, 2007, Katelyn Carney, the daughter of retired Deputy U.S. Marshal Jim Carney, was shot in the left hand and a second bullet grazed her head during the shooting rampage at Virginia Tech University. Ms. Carney and three other students blocked the doorway to their classroom to prevent the gunman from returning. Ms. Carney is expected to make a full recovery.

SUBCOMMITTEE RECESS

Senator MIKULSKI. Yes. This subcommittee stands in recess until next Thursday, April 26, at which time we will take the Federal Bureau of Investigation. It will be followed the following week by the EEOC and then we will come back to the Justice Department.

[Whereupon, at 11:29 a.m., Thursday, April 19, the subcommittee was recessed, to reconvene subject to the call of the Chair.]