

REMARKS OF THE ATTORNEY GENERAL
CEREMONY TO ANNOUNCE PRESIDENT REAGAN'S PROGRAM
TO COMBAT DRUG TRAFFICKING AND ORGANIZED CRIME
DEPARTMENT OF JUSTICE
WASHINGTON, D. C.
OCTOBER 14, 1982

Man originally formed governments to protect himself against invaders from without and predators from within. America itself has always demonstrated the resolve and ability to protect itself against threats from without. In recent decades, however, American government has not succeeded in protecting its citizens against predators from within. In recent years, this Nation has been plagued by an outbreak of crime unparalleled in our history and unequalled in any other free society.

The perniciousness of crime in America has been fostered of late by two interrelated developments. Crime has become increasingly organized and sophisticated. And organized crime has become especially lucrative because of the enormous market for illicit drugs. Drugs and organized crime have combined to wreak havoc on our communities and our lives. The combination of drug trafficking and organized crime represents the most serious crime problem facing this country today. Directly or indirectly, it threatens each person and institution in this country. It threatens the fabric of society -- and the gown of public integrity.

As you may know, I have directed every U.S. Attorney to set up a Law Enforcement Coordinating Committee to assess the differing crime problems in each district throughout the Nation -- and to bring to bear a coordinated federal, state, and local effort against the kinds of crime that are of greatest concern in different areas. Despite local variations, every Law Enforcement Coordinating Committee -- except one -- has identified drugs as the chief crime problem in its region.

In 1980, illicit retail drug sales were estimated to total more than \$79 billion, an increase of about 50 percent from 1977. To give you a little perspective, in 1980 illicit drug sales were about equal to the combined profits of America's 500 largest industrial corporations. It is, however, organized crime that reaps the overwhelming bulk of these profits and more, because drugs are just one of the businesses of

organized crime. And no taxes were paid on these enormous sums.

On a human level, the drug problem caused by organized crime is even more staggering. Drugs victimize not only addicts, but also those whom addicts assault, rob, and burglarize to obtain the large sums of money they need to feed their drug habit. There is no doubt that drug trafficking spawns an unbelievable amount of related crime. One recent study demonstrated that over an eleven year period some 243 addicts committed about one half million crimes -- an average of 2000 crimes each or a crime every other day -- just to support their habits. In fact, half of all jail and prison inmates regularly used drugs before committing their offenses. According to a very recent Rand study, addicted offenders in my homestate, for example, committed nearly nine times as many property crimes each year than did non-addicted offenders.

The drug trafficking that creates these other crimes is itself organized crime. Large-scale drug dealers must organize their operations. They obtain the illicit substances, or the rights to the substances, overseas. In many cases, they make payoffs to foreign officials so that their "foreign operations divisions" runs smoothly. They arrange for the processing of the drugs overseas -- the making of poppy into heroin, the making of coca into cocaine -- and they develop operations to smuggle the product into this country. Within our borders, the drug dealers have set up elaborate enterprises for cutting the pure imported drugs and distributing them over wide geographical areas.

And the organization does not stop there. Drug money is laundered through legitimate businesses set up as "fronts" for drug dealers. The profits are then plowed back into the drug business, just like a legitimate major enterprise. Increasingly, some of the profits are actually invested in legitimate businesses, including real estate in Florida, restaurants in California, and other businesses across the Nation.

The popular notion that the syndicate -- or traditional organized crime -- stays out of drugs is simply not true. Many of the syndicate's families have developed elaborate drug trafficking networks. Virtually every one of them is involved in drug trafficking in one way or another.

But the problem of organized crime today is by no means limited to its traditional form. In the past two decades, we have witnessed the emergence of new organized criminal enterprises dealing in drugs and the other rackets traditionally controlled by the syndicate. These emerging groups have entered the drug business, often in competition with traditional organized crime. There are three distinct categories of emerging or non-traditional organized crime: 1) outlaw motorcycle gangs, 2) prison gangs, and 3) other organized crime groups.

Over the past decade, some 800 outlaw motorcycle gangs have developed around the country and in foreign countries. There are, however, four principal gangs that together nearly cover the country: the Hells Angels, the Outlaws, the Pagans, and the Bandidos. These gangs are as highly structured as traditional organized crime families. They have accumulated substantial wealth through a wide range of organized criminal activities, but their primary source of revenue is drug trafficking.

The second non-traditional organized criminal group is the prison gangs, which were first established as a result of associations developed in the California State Prison system over the past twenty years. Today, they operate both inside and outside prison. They remain predominately a West Coast phenomenon, but there is evidence that they are spreading. Gangs of former inmates, like the motorcycle gangs, have a "Big Four" -- La Nuestra Familia, the Mexican Mafia, the Aryan Brotherhood, and the Black Guerilla Family.

There are also other emerging groups. There are Southeast Asian groups, the violent Colombian groups known as the Cocaine Cowboys, and other drug cartels.

All of these criminal organizations deal in drugs and use violence. They are secretive, self-perpetuating criminal societies involved in drugs and every other sort of criminal activity. Money is their common objective, and violence is their primary tactic. They control large-scale drug trafficking today, and they are the groups that must be broken if we are to control the drug problem in the future.

The massive involvement of organized crime in drug trafficking is, however, only part of the problem. Organized groups of criminals assault and murder each other -- and innocent bystanders -- in the violent and lucrative world of drug trafficking. For example, in

1981, about 25 percent of all homicides in Dade County, Florida resulted from the use of machine guns. Many of the victims were innocent people killed when drug gangs carried out assassinations in public places, such as crowded shopping center parking lots. Organized crime also engages in pornography, gambling, prostitution, extortion, loansharking, fraud, and weapons trafficking.

And last, we see public officials at all levels being corrupted by drug money. We have reports of rural sheriffs and police officers accepting payments of \$50,000 or more just to "look the other way" while traffickers make a single landing at a makeshift airport. The dollar amounts involved are so great that bribery threatens the very foundations of law and law enforcement.

During the last twenty months we have recognized the full dimensions of the threat posed by organized crime and its involvement in drug trafficking. We have, however, been operating at a considerable disadvantage -- during the preceding four years, the number of FBI and DEA agents actually declined by more than 900 -- about a ten percent cut in our manpower.

We crafted and implemented a series of initiatives to use our limited resources better in the fight against drug trafficking and organized crime.

We have reorganized the Drug Enforcement Administration. And for the first time, the FBI has been brought into the fight against the number one crime problem to complement the excellent work of the DEA. Thereby, we gained not only the FBI's resources, but also its twenty years of experience in fighting organized crime. In the last year, the FBI has begun more than 800 drug investigations -- including 200 joint investigations with the DEA.

Indeed, the FBI under Judge Webster has scored dramatic successes against organized crime. Working with the Justice Department's Organized Crime Strike Forces, the Bureau has helped to indict and convict numerous high-level members of syndicate families -- including the top structure of organized crime families in some cities.

The Attorney General's Task Force on Violent Crime did a speedy but thorough job of assessing the crime problem and came up with 64 different recommendations to improve our federal effort. We have already implemented seventy-five percent of those

recommendations. Indeed, the Law Enforcement Coordinating Committees that are now pulling together federal, state, and local law enforcement efforts and resources -- and have highlighted the urgency of the drug problem -- were created as a result of Task Force Recommendations.

By achieving the amendment of the posse comitatus law, we have been able to utilize the military's resources -- and its tracking and intelligence capabilities -- in the fight against drug traffickers. Through amendments to the Tax Reform Act, more crucial information is more readily available to law enforcement -- and more tax cases are possible against drug dealers and organized crime.

All of the efforts described today have achieved notable successes -- showing what resolve and coordination can accomplish even with limited resources. Nevertheless, the magnitude of the drug problem and the involvement of organized crime have dwarfed even those efforts. Many months ago, this Administration realized that a new effort was needed -- an effort that incorporates new resources and builds upon the lessons we have learned, including a recognition of the role of organized crime.

I have heard it said that no government can ultimately eliminate the illegal activities that provide the revenue and support for organized crime. That is only true as far as it goes. Government cannot stop every form of illicit activity, but it can break apart and ultimately destroy tightly knit networks of racketeers and drug traffickers who live off organized criminal activities. And this Administration intends to do exactly that.

The President, working with all the affected agencies of the federal government, has put together a new initiative that we believe can directly challenge both organized crime and drug trafficking in America. We began with a simple theme enunciated by the President himself last year. As the President told the International Association of Chiefs of Police:

"The existence of syndicates of highly organized criminals and public officials who peddle their sacred trust are blots on American history. I can assure you, no administration has ever been more anxious to work toward wiping away these blots."