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U.S. Department of Justice

# Drug Enforcement Administration

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FY 2012  
Performance Budget  
Congressional Submission





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## **I. Overview for the Drug Enforcement Administration (DEA)**

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### **Introduction**

DEA enforces the provisions of the Controlled Substances Act (CSA) as they pertain to the control of illicit drugs, controlled substance pharmaceuticals, and listed chemicals. With more than 10,000 onboard employees dedicated to this single mission, DEA is the world's leading drug enforcement agency. In order to provide the critical resources necessary for DEA's Special Agents, Intelligence Analysts, Diversion Investigators, and other personnel to continue their honorable and courageous efforts to reduce the availability of illicit drugs and precursor chemicals in America, DEA's FY 2012 budget request totals \$2,364,104,000; 9,655 Full-Time Equivalents (FTE); and 9,809 positions (including 4,350 Special Agents).<sup>1</sup> In addition, DEA's FY 2012 budget includes a cancellation of unobligated balances totaling \$30,000,000.

Electronic copies of the Department of Justice's Congressional Budget Justifications and Capital Asset Plan and Business Case exhibits can be viewed or downloaded from the Internet using the Internet address: <http://www.justice.gov/02organizations/bpp.htm>.

Every day, DEA wages a battle that involves disrupting and dismantling significant drug trafficking and money laundering organizations, attacking the economic basis of the drug trade, and contributing to counterterrorism activities. The work is dangerous, time-consuming, and multifaceted. Drug traffickers can be ruthless, as demonstrated by the shocking displays of drug-related violence in Mexico and Afghanistan. DEA investigations are also becoming increasingly complex and frequently require more sophisticated investigative techniques such as electronic surveillance. Furthermore, the crimes transcend standard drug trafficking – they are directly tied to issues of national and border security.

Despite these challenges, DEA has made great strides against the scourge of drug trafficking and is proud of its many recent accomplishments. *Project Deliverance*, a DEA-led operation that targeted the transportation infrastructure of Mexican drug trafficking organizations in the United States, is just one example of successful enforcement operations concluded within the past year. *Project Deliverance* culminated on June 9, 2010 with the arrest of 429 individuals in 16 states. This 22-month operation resulted in a total of 2,266 arrests, including a Consolidated Priority Organization Target (CPOT), and the seizures of \$154 million and 74.1 tons of drugs. More than 300 federal, state, local and foreign law enforcement agencies contributed investigative and prosecutorial resources to this operation. The collaborative efforts inflicted a debilitating blow to the network of shadow facilitators and transportation cells controlled by the major Mexican drug cartels

While this enforcement success and the many others from the past year are encouraging, drug abuse remains a very serious problem in the U.S. Results from the 2009 National Survey on Drug Use and Health (NSDUH) indicate that an estimated 3.1 million persons aged 12 or older used an illicit drug for the first time within the past 12 months. This averages to about 8,500

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<sup>1</sup> This includes DEA's Salaries and Expenses, Diversion Control Fee, and Construction Accounts, but it does not include an anticipated \$486,390,000; 1,310 FTE; and 1,310 positions (including 968 Special Agents) from reimbursement accounts.

initiates per day.<sup>2</sup> The grip of drug addiction is powerful and with it can come tragic consequences, including increased crime and violence, lower productivity in the workforce, child abuse and neglect, and environmental impacts. The Office of National Drug Control Policy (ONDCP) paints a bleak picture: “More than 7.6 million Americans have a diagnosable drug abuse disorder; drug overdoses approach car crashes as a leading cause of accidental death; drug abuse contributes to more than one in eight new human immunodeficiency virus (HIV) infections; and substance abuse results in significant healthcare costs every year.”<sup>3</sup>

To rid this country of the devastation associated with drug abuse, DEA’s FY 2012 request supports base resources and focuses on high priority programs. This request was built using the same principles that are the foundation of DEA’s Zero Based Budget (ZBB) process. Due to the cumulative effect of absorbing more than \$200 million in rescissions, pay raises, and other mandatory reductions between FY 2003 and FY 2007, DEA implemented the ZBB process in FY 2007 and a hiring freeze that lasted from August 2006 until December 2007. DEA began the ZBB process as a way to allocate funding to program offices based on a review of current program requirements and agency priorities, rather than prior year allocations. The goal was to provide sufficient base resources to support program costs for the full year while at the same time identifying program inefficiencies and improvements.

Even though DEA has emerged from the hiring freeze, DEA’s resources remain stretched. DEA has continued the ZBB process and now relies on it as an annual review of its base resources. Therefore, the FY 2012 request represents an extension of the ZBB process and includes only high priority base adjustments and program changes. In FY 2012, DEA’s President’s Budget includes the following program changes:

### **Electronic Surveillance Capabilities**

For FY 2012, the Department is proposing an Electronic Surveillance Capabilities initiative, which will address the need for custom intercept solutions and upgraded infrastructure equipment. The proposal includes the initial capital expenditures and first year costs necessary for the Domestic Communications Assistance Center. Within the total Department initiative, \$1,519,000 for 8 positions, including 6 agents, is proposed for DEA.

### **EPIC Construction**

For FY 2012, \$10,000,000 is requested in no-year construction funding to address increased space demands at the El Paso intelligence Center (EPIC). This funding will allow DEA to expand the existing facility with modular buildings.

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<sup>2</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

<sup>3</sup> “2010 National Drug Control Strategy”. Office of National Drug Control Policy.

## **National Security Directive**

DEA requests \$900,000 to establish an effective counterintelligence program as directed by the Director of National Intelligence (DNI).

## **Diversion Control Program**

DEA requests 124 positions, including 50 Special Agents, 50 Diversion Investigators, and 9 Intelligence Analysts, and \$30,885,000 to support regulatory and enforcement activities of the Diversion Control Program. This request includes \$9,393,000 in non-personnel funding for rent, task force officer overtime, administrative support, and training for Tactical Diversion Squads (TDS). These resources will support DEA's efforts to fulfill both the regulatory control and enforcement aspects of the Diversion Control Program.

## **Administrative Efficiencies**

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on areas in which savings can be achieved, including printing, publications, travel, conferences, supplies, and general equipment. For DEA, these administrative efficiencies will result in an offset of \$1,537,000. This reduction to administrative items will demonstrate that the Department plans to institute substantive efficiencies without unduly taxing either the people or the missions of DOJ.

## **Extend Tech Refresh**

As desktops and laptops are used primarily for basic office automation applications (e.g., spreadsheets and word processing), replacing this inventory at a slower rate is expected to have minimal impact on Department operations. In FY 2012, the Department is proposing to extend the refresh rate of all desktops and laptops by one year, resulting in an offset of \$1,416,000 for the DEA.

## **Mobile Enforcement Teams**

To better support DEA's mission and fund higher priority initiatives, DEA proposes eliminating the \$39,100,000 Mobile Enforcement Team (MET) program in FY 2012. This offset will reassign the 145 positions associated with MET to fill vacancies within DEA, including the 112 Special Agent positions included in the FY 2011 and FY 2012 Diversion Control Fee Account (DCFA) budget requests.

## **Reduce Physical Footprint**

In FY 2012, the Department is proposing the consolidation of some sub-regional office locations, which will allow components to better utilize existing workspace, as well as enhance information sharing and the ability of regional offices to deconflict efforts and reduce duplicative work. Components will realize savings from the consolidation of facilities and services, including maintenance, shipping, and parking. For DEA, up to 7 sub-regional offices will be consolidated, resulting in an offset of \$395,000. To minimize the impact on components' operational capability, this offset applies only to GSA rent; staffing reductions are not proposed

## Foreign Operations

To support the Department's goal of achieving cost savings, funding for DEA's foreign operations is reduced by \$4,300,000; approximately one percent of DEA's overseas funding level. This offset is focused on operational funding and will not impact federal positions.

### Task Force Consolidation

The Department proposes to reduce its task force footprint by consolidating task forces operating within the same geographic area or by eliminating low performing task forces. No federal positions are offset in this proposal. DEA will reassign the positions associated with the decommissioned task force to existing task forces or to other high priority areas. The Department is committed to pursuing operational efficiency while ensuring that its components retain their investigative capabilities; therefore, applicable savings associated with this offset are generated by reducing the marginal operational and overhead costs associated with operating a task force. For DEA, the offset totals \$292,000 to be realized by eliminating or consolidating 25 to 31 of the lowest performing task forces.

### Cancellation of Prior Year Unobligated Balances

The FY 2012 President's Budget proposes the cancellation of \$30,000,000 in prior year unobligated balances from DEA's Salaries and Expenses Account.

### FY 2012 Program Changes By Strategic Goal

Strategic Goal	Item	Dollars	Pos	Agent	FTE
2.4	Electronic Surveillance Capabilities	\$1,519,000	8	6	4
2.4	EPIC Construction	\$10,000,000	0	0	0
1.2	National Security Directive	\$900,000	0	0	0
2.4	Diversion Control Program	\$30,885,000	124	50	62
2.4	Administrative Efficiencies	-\$1,537,000	0	0	0
2.4	Extend Tech Refresh	-\$1,416,000	0	0	0
2.4	Mobile Enforcement Teams	-\$39,117,000	-145	-128	-145
2.4	Reduce Physical Footprint	-\$395,000	0	0	0
2.4	Foreign Operations	-\$4,300,000	0	0	0
2.4	Task Force Consolidation	-\$292,000	0	0	0
2.4	Cancellation of Unobligated Balances	[-\$30,000,000]	0	0	0
<b>Total Change from FY 2011 CR</b>		<b>-\$3,753,000</b>	<b>-13</b>	<b>-72</b>	<b>-79</b>

## Mission

*DEA's mission is to enforce the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the U.S., or any other competent jurisdiction, those organizations and principal members of organizations involved in the growing, manufacturing, or distribution of controlled substances appearing in or destined for illicit traffic in the U.S., including organizations that use drug trafficking proceeds to finance terror; and to recommend and support programs aimed at reducing the availability of and demand for illicit controlled substances on the domestic and international markets.*

## Strategic Goals

DEA operates under a combination of national strategies to reduce the availability of illicit drugs in America. Specifically, DEA's FY 2012 request supports the following strategic goals:

- **“Prevent Terrorism and Promote the Nation’s Security; Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents”**- DOJ FY 2007-2012 Strategic Plan, *Stewards of the American Dream*, Strategic Goal 1; Strategic Objective 1.2.
- **“Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People; Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs”**- DOJ FY 2007-2012 Strategic Plan, *Stewards of the American Dream*, Strategic Goal 2; Strategic Objective 2.4.
- **“Strengthen Efforts to Prevent Drug Use in Our Communities”**- 2010 National Drug Control Strategy, Chapter 1.
- **“Seek Early Intervention Opportunities in Health Care”**- 2010 National Drug Control Strategy, Chapter 2.
- **“Disrupt Domestic Drug Trafficking and Production”**- 2010 National Drug Control Strategy, Chapter 5.
- **“Strengthen International Partnerships”**- 2010 National Drug Control Strategy, Chapter 6.
- **“Substantially reduce the flow of illicit drugs, drug proceeds, and associated instruments of violence across the Southwest border”**- 2009 National Southwest Border Counternarcotics Strategy, Strategic Objectives 1-6.
- **“Improve Information Systems for Analysis, Assessment, and Local Management”**- 2010 National Drug Control Strategy, Chapter 7.
- **“Stem the Flow of Illicit Bulk Cash Out of the United States”** - National Money Laundering Strategy, Goal 3.
- **“Support Global Anti-Money Laundering Capacity Building and Enforcement Efforts”**- National Money Laundering Strategy, Goal 8.

Under DOJ's FY 2007-2012 Strategic Plan, *Stewards of the American Dream*, DEA supports two long-term outcome goals: DOJ's reduction in the supply of drugs available for consumption in the U.S. and the number of drug trafficking organizations linked to Consolidated Priority Organization Targets (CPOTs) disrupted or dismantled. After multiple attempts by the ONDCP

Drug Availability Steering Committee to develop a reliable methodology for estimating the availability of the four major drug types (cocaine, heroin, marijuana, and methamphetamine) in the U.S., DOJ's Associate Deputy Attorney General has concluded that, for the foreseeable future, there are no reliable national estimates of drug availability in the United States. As a result, a Performance Measures Working Group was established in 2010 to develop a replacement for the drug availability long-term outcome goal. Although the Working Group considered a version of the monetary value of currency, property, and drugs seized (drug trafficker revenue denied), they felt the measure required more analysis to determine if all contributing components had adequate systems in place to collect the required data. Accordingly, the Working Group recommended that DOJ's drug enforcement functions feed only one long-term outcome goal: the number of drug trafficking organizations linked to CPOTs disrupted or dismantled.

CPOTs represent the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the Nation's illicit drug supply. DEA's current long-term outcome goal is to dismantle 1,260 and disrupt 810 CPOT-linked drug trafficking organizations by FY 2012. Already, DEA's coordinated enforcement and intelligence efforts with federal, State, local, and international partners are resulting in the largest and most dangerous drug trafficking organizations being put out of commission. In FY 2009, DEA disrupted or dismantled 2,362 domestic and foreign priority targets, of which 364 were linked to CPOT organizations. In FY 2010, DEA disrupted or dismantled 2,683 domestic and foreign priority targets, of which 502 were linked to CPOT organizations. Furthermore, in FY 2010, 40 of the 63 CPOTs identified on the FY 2010 CPOT list (63 percent) had been indicted. In addition, 20 of the 63 individuals associated with the FY 2010 CPOT list had been arrested.

In addition to the goals cited above, DEA has its own long-term objective to maximize the monetary value of currency, property, and drugs seized (Drug Trafficker Revenue Denied). DEA is not only making it more difficult for traffickers to operate by taking their money away, but DEA is following the money trail back to the command and control of the most significant drug trafficking organizations impacting the United States. Drug Trafficker Revenue Denied reflects the outcome of activities scored to DEA's International, Domestic, and State and Local Decision Units. In FY 2005, DEA established a five-year plan with annual milestones through FY 2009 to meet the challenge of crippling drug cartels so that they are unable to reconstitute their operations with new leadership. DEA planned to continue increasing its asset and drug seizures until it achieved an annual goal of \$3 billion in revenue denied to drug trafficking organizations through new domestic and international seizure strategies. This target was achieved and exceeded in FY 2009 with \$3.4 billion in revenue denied to drug trafficking organizations. In FY 2010, DEA denied drug traffickers \$2.99 billion in revenue, just short of its annual target of \$3.0 billion. In FY 2011 and 2012, DEA once again hopes to exceed its annual goal of \$3.0 billion.

## **Strategies and Accomplishments**

This section addresses DEA's enforcement strategies and demonstrates some of our numerous accomplishments.

## **International Partnerships**

Because of the international nature of drug trafficking, experience has shown that strong partnerships with foreign counterparts are vital in the drug law enforcement arena. Furthermore, DEA is not authorized to operate unilaterally overseas, so cooperation with foreign law enforcement agencies is essential to the DEA mission. To build and nurture these relationships, DEA has 82 offices in 62 countries and more than 700 onboard employees stationed overseas. DEA's cooperative efforts with foreign nations help them to develop more self-sufficient, effective drug law enforcement programs. DEA develops partnerships with host nation counterparts to stand up and train vetted units of foreign law enforcement officers with whom DEA works and shares information. DEA also conducts training for host country police agencies at the DEA training facilities in Quantico, Virginia and on-site in the host countries. Extradition of criminals to the U.S. is one of the powerful tools that DEA uses in combating international drug traffickers. Our nation has excellent extradition relationships with many nations and DEA makes use of these arrangements whenever possible. Colombia continues to remain the number one extradition partner of the United States and Mexico is now extraditing drug criminals in record rates. Since assuming office, Mexican President Felipe Calderon has taken on corruption and drug trafficking at every level, and has ordered the extradition of unprecedented numbers of drug criminals from each of the four major cartels.

### **SUCCESS STORY: INTERNATIONAL PARTNERSHIPS**

*On July 2, 2010, Ecuador Anti-Narcotics Police Forces and Ecuador Military authorities with the assistance of DEA seized a fully-operational submarine built for the primary purpose of transporting multi-ton quantities of cocaine. One individual was taken into custody by Ecuadorian authorities at the site of the seizure. The twin-screw, diesel electric-powered submarine is about 30 meters long and about nine feet high from the deck plates to the ceiling. The sophisticated vessel also has a conning tower, periscope, and air conditioning system. The submarine was constructed in a remote jungle environment in an effort to elude law enforcement or military interdiction, and is currently located near a tributary close to the Ecuador/Colombia border. As a result of DEA intelligence, Ecuadorian authorities were able to seize the vessel before it was able to make its maiden voyage. This is the first seizure of a clandestinely constructed fully operational submarine built to facilitate trans-oceanic drug trafficking.*

In Colombia, DEA's efforts have led to significant changes in the Colombian drug trade in recent years. The Norte Valle Cartel has been dismantled; leaders of the Autodefensas Unidas de Colombia (AUC) have been arrested, extradited to the United States, or killed; and the Fuerzas Armadas Revolucionarias de Colombia (FARC) lack their former cohesion due to sustained, high impact law enforcement and Colombian military efforts. Most recently, in July 2010, a top FARC commander was sentenced to 27 years in prison for conspiring to import ton-quantities of cocaine into the U.S. The FARC -- which has been designated by the U.S. State Department as a Foreign Terrorist Organization -- is Colombia's main leftist rebel group and is the world's leading cocaine manufacturer, responsible for the production of nearly two-thirds of the cocaine imported into the United States. Gerardo Aguilar Ramirez was the commander of the FARC's

1st Front and was ultimately responsible for all of that Front's criminal activities. Among other things, Aguilar Ramirez conspired with others to manufacture and distribute thousands of tons of cocaine in Colombia, with the knowledge and intent that such cocaine would be imported into the United States.

In addition to extraditions from Mexico and Colombia, DEA works with foreign counterparts on many other successful law enforcement initiatives. As an example, DEA's Foreign-deployed and 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 augment the Kabul Country Office in conducting bilateral investigations. The NIU is a tactical unit capable of conducting raids, seizures, and serving warrants in a high-threat environment, much like a U.S. Special Weapons and Tactics (SWAT) team. These Afghan officers work with FAST on investigations. The FAST teams also carry out DEA's Drug Flow Attack Strategy in Afghanistan, as well as interoperate and synchronize with U.S. Coalition Forces and the interagency on operations in Afghanistan.

## Counterterrorism

### **SUCCESS STORY:** **COUNTERTERRORISM**

*In December 2009, DEA announced the arrests of three individuals for drug and terrorism charges. Oumar Issa, Harouna Touré, and Idriss Abelrahman arrived in the Southern District of New York on December 18 to face charges of conspiracy to commit acts of narco-terrorism and conspiracy to provide material support to a foreign terrorist organization. The charges stem from the defendants' alleged agreement to transport cocaine through West and North Africa with the intent to support three terrorist organizations -- Al Qaeda, Al Qaeda in the Islamic Magreb (AQIM), and the Revolutionary Armed Forces of Colombia (FARC). All three organizations have been designated by the U.S. Department of State as Foreign Terrorist Organizations. The charges in this case mark the first time that associates of Al Qaeda have been charged with narco-terrorism offenses. Issa, Touré, and Abelrahman were arrested in Ghana on December 16, 2009, at the request of the U.S.*

DEA's drug trafficking and money laundering enforcement initiatives support and augment U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to



**Hashish located in underground bunkers in Afghanistan, part of a 262 ton seizure.**

foreign terrorist organizations and by preventing the use of illicit drugs as barter for munitions to support terrorism. Although traditional criminal organizations continue to dominate the international drug trade at all levels, drug income is a source of revenue for some international terrorist groups. DEA investigations have identified links between terrorist organizations and groups and/or individuals under investigation for drug violations.

In FY 2010, 29 of the 63 organizations (46 percent) on the Department of Justice's FY 2010 CPOT list are associated with terrorist organizations. Active terrorist-linked DEA Priority Target Organization (PTO) investigations increased from 55 cases in FY 2004 to 99 at the end of the fourth quarter of FY 2010, an 80 percent increase.

The broad jurisdictional reach of 21 USC §§ 959 and 960a significantly expands DEA's effectiveness in narco-terrorism investigations and prosecutions. 21 USC § 960a allows for prosecution of terrorist-related, extra-territorial drug offenses and provides DEA with a particularly powerful tool to prosecute, disrupt, and dismantle narco-terrorist groups worldwide. 21 USC § 959 expands the reach of DEA to acts of manufacture or distribution outside of the U.S. The section makes it unlawful for any person to manufacture or distribute a controlled substance or listed chemical intending or knowing that it will be unlawfully imported to the United States.

DEA has created two field enforcement groups - the Bilateral Investigations Unit (959 Group) and the Terrorism Investigations Unit (960a Group), as fully functioning field groups housed at SOD. Collectively, they are referred to as SOD's Field Enforcement Section (OSN). The unique nature of these investigative groups stems from their mission to bring indictments against significant foreign-based drug traffickers, narcoterrorists, and transnational criminals based on these powerful extraterritorial laws. This mission differs from most other DEA field groups in that it regularly brings complex U.S. indictments against foreign based targets that are not vulnerable to traditional drug conspiracy charges.

Drugs and terror are often joined in a marriage of convenience. For example, as stated in the 9/11 Commission Report and corroborated by a significant body of DEA reporting, drug trafficking has always been a source of revenue for the Taliban, which stockpiled, controlled, and taxed Afghanistan's opium trade during their regime. This association continues today as the Taliban uses proceeds from the Afghan drug trade as a source of revenue for Anti-Coalition activities. Afghanistan is the world's foremost narco-economy; illicit opiates account for roughly one-third of total Gross Domestic Product (GDP). Taliban drug-related activities include, but are not limited to: taxing opium poppy farmers, processing laboratories, and narcotics transporters passing through Taliban checkpoints and/or Taliban controlled territory; providing security to poppy fields and opium bazaars; and collecting "donations," both monetary and supplies, such as vehicles, from wealthy drug traffickers to support the Taliban cause. The majority of DEA high value targets in Afghanistan are either members of the Taliban, or provide support to them.

DEA operations in Afghanistan serve a dual purpose: preventing the country from again becoming a major supplier of heroin to the United States, as it was in the 1970s and 1980s; and helping stabilize the Afghanistan government as it battles the powerful drug warlords for control of portions of the country. DEA's presence in Afghanistan helps develop the capacity of the Afghans to conduct counterdrug operations themselves and supports and augments U.S. efforts against insurgents and terrorism, both of which aid in the long-term stabilization of the country and the region. Through DEA's successful partnerships and counternarcotics programs in Afghanistan, we deepen alliances and build new cooperative partnerships and relationships, both

domestically and internationally, in the areas of interdiction, money laundering, precursor chemical control, intelligence sharing and collection, education, and training.

## **Financial Investigations**

DEA places a high priority on financial drug investigations by targeting the financial infrastructure of major drug trafficking organizations and members of the financial community who facilitate the laundering of their proceeds. Through DEA's Office of Financial Operations and specialized money laundering groups in each of DEA's 21 field divisions, DEA uses its drug intelligence information, technology, and Special Agent resources to aggressively address the drug trade business. In this effort, DEA works closely with elements of the private sector financial community to include federal and State regulators who oversee the industry.

### **SUCCESS STORY: FINANCIAL INVESTIGATIONS**

*In April 2010, more than \$40 million worth of gold, silver, and jewels arrived in Texas after it was forfeited in an international money laundering investigation. The jewelry was seized as a result of an investigation that identified two companies in the Colon Free Zone in Panama, that were responsible for laundering narcotics proceeds from the U.S. The investigation resulted in the first U.S. indictment of an offshore business engaged in an illicit Black Market Peso Exchange (BMPE) money laundering operation, in which narcotics proceeds earned in the U.S. are exchanged for Colombian pesos and then used to purchase goods in the Colon Free Zone. During the investigation, more than \$2 million in U.S. currency was also seized in the form of cashier and/or bank checks. The seizure and investigation was led by DEA's Long Island District Office, DEA's Panama Country Office, and the Criminal Division's Asset Forfeiture and Money Laundering Section. The forfeited assets will be liquidated with the final proceeds from those sales placed into DOJ's Assets Forfeiture Fund.*



**Gold, silver and jewels forfeited in international money laundering case.**

In FY 2005, as a means of measuring the agency's success, DEA established a revenue denied plan with annual milestones meant to cripple drug cartels so that they are unable to reconstitute their operations with new leadership. Thus far, DEA has surpassed its goal every year but one; in FY 2010 DEA fell slightly short of its \$3.0 billion target by \$0.01 billion. From the beginning of FY 2005 through FY 2010, DEA denied drug trafficking organizations a cumulative total of \$15.8 billion in revenues through the seizure of both assets and drugs. Furthermore, asset seizures alone have equaled or exceeded the dollars appropriated to DEA for the last four years. Without DEA's efforts, in conjunction with our law enforcement partners throughout the world, these resources would have been used by the traffickers to fuel the production and transportation of more drugs to the United States.

## Gangs

Gangs are an increasing threat to our nation's security and the safety of our communities. 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 danger of these gangs is magnified by the high level of violence associated with their attempts to control and expand drug distribution operations. Gangs 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. Furthermore, many of the gangs operating in the United States are linked to those responsible for the drug-related violence in Mexico.

### **SUCCESS STORY: GANGS**

*On January 5, 2010, Erick Hinds was sentenced to 248 months in prison following his October 2009 trial on gun and drug charges in connection with a drug trafficking gang (the "Young Gang") that operated in the City of Opa-Locka, FL. This sentencing effectively concluded **Operation Cold Turkey**, a two-year investigation that resulted in convictions against 17 defendants in connection with drug trafficking. The investigation and prosecution also resulted in the seizure of approximately 40 firearms, including assault weapons and machine guns, and a ballistic vest. It is estimated that the Young Gang trafficked approximately 8,200 grams of marijuana, 560 grams of crack cocaine, 700 grams of powder cocaine, and 500 MDMA tablets in just a one month period.*

DEA uses investigative strategies, such as buy/bust operations, to quickly immobilize violent drug traffickers, remove them from the street, and further conspiracy and other long-term investigations that target drug trafficking organizations with the most significant impact on the availability of drugs in the United States. Since conspiracy investigations are an excellent tool for dismantling an organization, DEA routinely uses federal conspiracy charges to target gang drug trafficking organizations. Also, by targeting major drug sources of supply and their distribution networks, DEA investigates the criminal street gangs that distribute the drugs. These include the well-known Bloods, Crips, Mexican Mafia, and Hells Angels, as well as lesser known, localized gangs. During FY 2010, DEA initiated 189 gang cases. As a result of these gang cases, there were 1,838 arrests, 199 weapons seized, and \$9,300,000 in assets seized.

DEA also targets gang drug trafficking activity through participation in a number of anti-gang initiatives with other law enforcement components, including the Bureau of Alcohol, Tobacco, Firearms and Explosives' Violent Crime Impact Teams (VCIT) and Project Safe Neighborhoods, the Federal Bureau of Investigation's Safe Streets and Safe Trails Task Forces, the Department of Justice's Weed and Seed Program, and the Attorney General's Anti-Gang Coordination Committee. DEA also co-chairs the Task Force Review Subcommittee which reviews all newly proposed VCIT's and Safe Streets Task Forces and submits them to the Attorney General's Anti-Gang Coordination Committee for approval. DEA also has two Intelligence Analysts assigned to the DOJ's National Gang Intelligence Center (NGIC) as well as one Special Agent Staff Coordinator assigned to DOJ's GangTECC.

## Performance Measurement

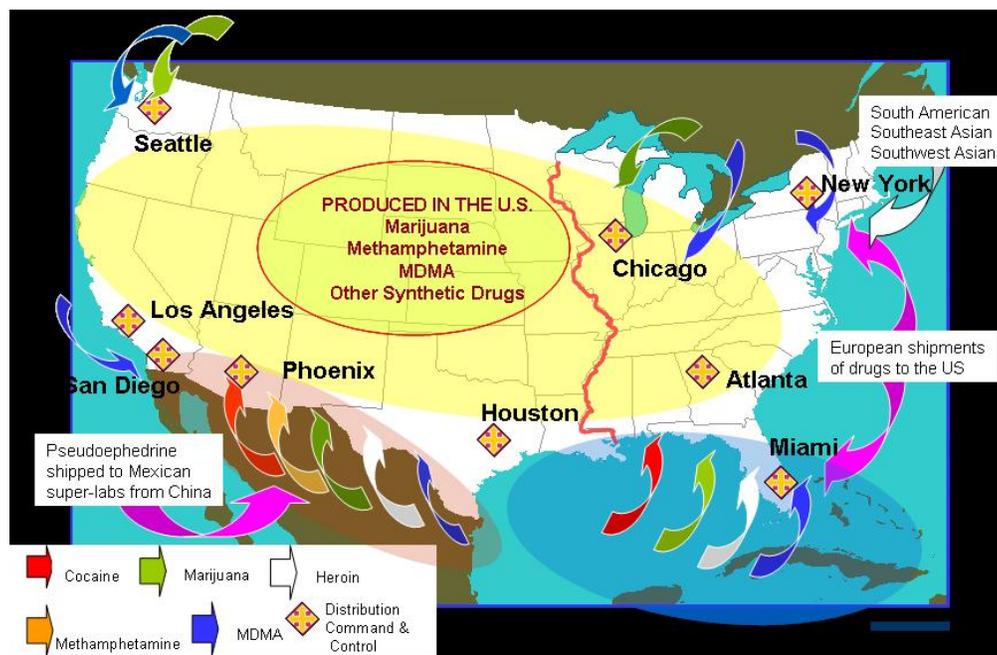
DEA has successfully integrated budget and performance information; however, DEA is continually working to improve its ability to measure performance. In support of the new Administration's performance management agenda, DEA reviewed all of its existing performance measures to ensure transparency to the American people. As part of a DOJ-wide effort, DEA restructured its performance measures in November 2009.

Also, in recent years, DEA has modified its annual performance work plans to include specific performance tasks that link to relevant strategic goals. This involved tying Senior Executive Service performance standards, which include standards for all Special Agents in Charge, country attachés, and administrative managers, to DOJ and DEA annual and long-term goals. DEA also revised its Field Management Plans and Foreign Region Management Plans to incorporate specific performance measures linked to DEA's Strategic Goals. Most recently, DEA modified the measures used to track its Diversion Control Program activities to more accurately capture regulatory versus enforcement activities.

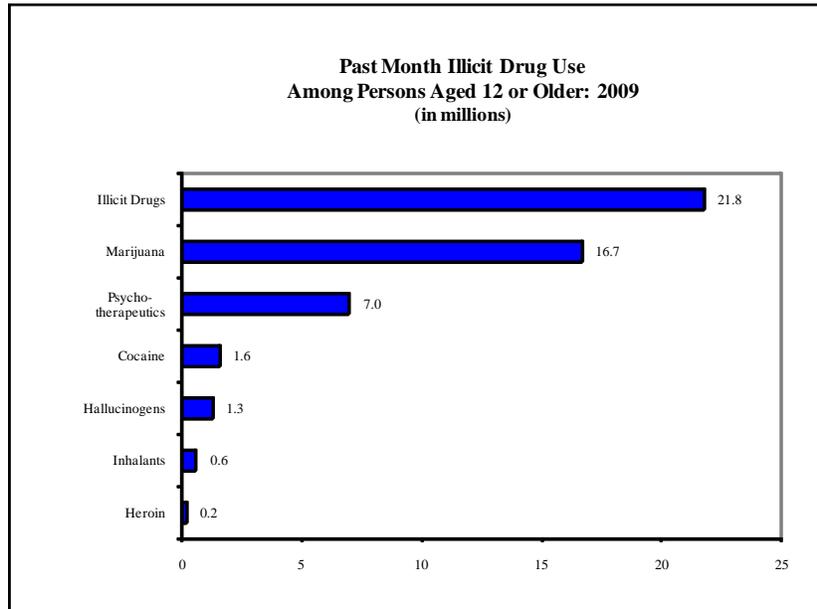
## Drug Threats to the United States

DEA's most recent domestic drug threat assessment map provides a snapshot of the highly dynamic drug trafficking environment in the U.S. and highlights the challenges we still face in reducing the illicit drug supply in America. The map is based on intelligence relating to the demand for illegal drugs and their suppliers and distributors. The threat assessment encompasses data findings from DEA field division assessments, open-source reports, drug abuse indicators, reports from EPIC and the Joint Interagency Task Force-West, and information on PTOs. This assessment identifies the primary illicit drug distribution patterns and the major organizations involved, as identified through DEA enforcement and intelligence collection activities.

### **Primary U.S. Drug Threat Vectors and Distribution Centers**



In 2009, an estimated 21.8 million Americans were current illicit drug users, meaning they had used an illicit drug during the month prior to the survey interview. This figure represents 8.7 percent of the population aged 12 or older. Of these users, 7.1 million were classified as being dependent on or abusing illicit drugs within the past year. The following chart provides a breakout of the usage data by drug type:<sup>4</sup>



The following section provides further information on the top drug threats facing the United States:

### Methamphetamine



Methamphetamine is the most widely abused, domestically produced synthetic drug in the United States. It is used 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. Fortunately, national data is showing preliminary decreases in methamphetamine use. According to the 2009 NSDUH, the number of past month

methamphetamine users decreased between 2006 and 2008, but then increased in 2009. The numbers were 731,000 in 2006, 529,000 in 2007, 314,000 in 2008, and 502,000 in 2009.<sup>5</sup>

DEA estimates that at least 80 percent of the methamphetamine consumed in the United States comes from Mexico-based drug trafficking organizations (DTOs) operating on both sides of the

<sup>4</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

<sup>5</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

border. The remaining percentage is produced in domestic small toxic labs. Following a three-year decline, U.S. clandestine methamphetamine manufacturing activity has unfortunately shown a clear and significant upward trend. From 2007 to 2009, reported clandestine laboratories increased 86 percent and total reported clandestine laboratory incidents (labs, dumpsites, chemicals, equipment, and glassware) increased 63 percent. While these figures are still below the epidemic years of 2002-2005, the aforementioned figures illustrate a clear trend in clandestine methamphetamine manufacturing activity.

Investigations and intelligence has revealed that individuals and organized groups are engaged in activities to obtain pseudoephedrine and ephedrine products in amounts that exceed the Combat Methamphetamine Epidemic Act (CMEA) sales limit (3.6 grams daily and a cumulative 9 grams in a 30 day period). This illegal activity, called “smurfing,” is a possible explanation for the increase in the overall clandestine methamphetamine laboratory seizures in the past few years. The development by methamphetamine traffickers and users of crude production methods such as the “one pot method,” has also led to the increase in smurfing.

Several State and local law enforcement agencies have been attempting to monitor log books in an effort to identify and dismantle smurfing rings. Many retail outlets continue to maintain log books in various manners to include both electronic and paper systems. While these systems have had some success at identifying smurfers, they have not eliminated the practice of smurfing and the problem has not abated. In an attempt to curb the diversion of ephedrine based products, several states have enacted legislation scheduling ephedrine and pseudoephedrine products.

## Cocaine



Cocaine remains the leading drug threat to the United States based upon abuse indicators, violence associated with the trade, and trafficking volume. The powdered, hydrochloride salt form of cocaine can be snorted or dissolved in water and injected. Crack is cocaine that has not been neutralized by an acid to make the hydrochloride salt. This form of cocaine comes in a rock crystal that can be heated and its vapors smoked.

The 2009 NSDUH found that there were 1.6 million current cocaine users aged 12 or older, or 0.7 percent of the population. These estimates were similar to the number and rate in 2008 (1.9 million or 0.7 percent), but lower than the estimates in 2006 (2.4 million or 1.0 percent).<sup>6</sup>

Colombia continues to dominate the international cocaine trade, producing at least 50 percent of the world’s powdered cocaine and approximately 90 percent of the powdered cocaine smuggled into the United States. Colombian and Venezuelan drug traffickers are also becoming entrenched in West Africa and are cultivating relationships with African criminal networks to facilitate their activities in the region. The entire African continent serves as a transshipment point of precursor chemicals used to manufacture controlled substances. The significant rise in cocaine trafficking from South America to Europe, via established routes in Africa, presents an ever-growing threat not only to Europe, but also to the U.S.

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<sup>6</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

The good news is that cocaine availability has decreased sharply in the U.S. since 2006. This is due to a combination of factors. Cocaine production has declined in Colombia at the same time worldwide demand for cocaine has increased, especially in Europe. Increased law enforcement efforts in Mexico and the transit zone have also led to high cocaine seizure levels that continued through 2009. In particular, the Government of Mexico has greatly enhanced their counterdrug efforts and that has been accompanied by a surge of cartel violence. Together, these factors most likely resulted in decreased amounts of cocaine being transported from Colombia to the U.S.–Mexico border for subsequent smuggling into the United States.<sup>7</sup>

## Heroin



Heroin remains one of the least used illegal drugs in the U.S. with around one percent of the population having tried it. However, law enforcement reporting indicates that heroin remains widely available and that availability is increasing in some areas, as evidenced by high wholesale purity, low prices, increased levels of abuse, and elevated numbers of heroin-related overdoses and overdose deaths.<sup>8</sup> Heroin can be injected, smoked, or sniffed/snorted. According to the 2009 NSDUH, 453,000 people aged 12 and older reported using heroin during the past year. Additionally, there were 180,000 persons who used heroin for the first time within the past year, significantly more than the average annual number from 2002 to 2008. Estimates during those years ranged from 91,000 to 118,000 per year.<sup>9</sup>

The U.S. heroin market is supplied entirely from foreign sources. Heroin is produced and made available in the U.S., in vastly different quantities, from four distinct geographical areas: South America (Colombia), Mexico, Southeast Asia (primarily Burma), and Southwest Asia (principally Afghanistan). Within the U. S., there are two distinct heroin markets. East of the Mississippi River, highly pure white powder heroin from South America is the predominant type, entering the United States primarily through the Caribbean. West of the Mississippi River, black tar heroin from Mexico is the predominant type, entering the United States through the Southwest Border. Increased heroin availability in the U.S. is partly attributable to increased production in Mexico from 17 pure metric tons in 2007 to 38 pure metric tons in 2008, according to U.S. Government estimates.<sup>10</sup>

Afghanistan produces 90 percent of the world's illicit opiates and heroin production in Afghanistan has expanded greatly since 2001. However, only limited quantities (less than five percent by weight) of heroin found in American cities is of Southwest Asian (Afghan) origin. The primary markets for Southwest Asian opiates continue to be Europe, Russia, Iran, Central Asia, and increasingly China.

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<sup>7</sup> “National Drug Threat Assessment 2010.” National Drug Intelligence Center. February 2010.

<sup>8</sup> “National Drug Threat Assessment 2010.” National Drug Intelligence Center. February 2010.

<sup>9</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

<sup>10</sup> “National Drug Threat Assessment 2010.” National Drug Intelligence Center. February 2010.

## Marijuana



According to the 2009 NSDUH, marijuana was the most commonly used illicit drug. In 2009, there were 16.7 million past month users among persons aged 12 or older, or 6.6 percent of the population. This was higher than in 2008 (6.1 percent or 15.2 million) and in 2007 (5.8 percent or 14.4 million).<sup>11</sup> On top of this, the 2010 Monitoring the Future study shows attitudes toward marijuana use are shifting towards greater acceptance. Among 8<sup>th</sup>, 10<sup>th</sup>, and 12<sup>th</sup> graders, the perception of “great risk” associated with marijuana use has declined. Perceived harmfulness of marijuana also declined among all three grades, as did peer disapproval of marijuana.<sup>12</sup>

Marijuana trafficking remains prevalent across the nation, with supply coming from both domestic and foreign sources. California, Hawaii, Kentucky, Oregon, Tennessee, Washington, and West Virginia are considered the top seven states for marijuana cultivation. The primary source countries for foreign marijuana destined for the United States are Mexico and Canada. The amount of marijuana produced in Mexico has increased an estimated 59 percent overall since 2003. Contributing to the increased production in Mexico is a decrease in cannabis eradication, which has resulted in significantly more marijuana being smuggled into the United States from Mexico, as evidenced by a sharp rise in border seizures.<sup>13</sup> Drug trafficking organizations based in Canada are involved in the illicit production of and trafficking in high-potency cannabis.<sup>14</sup>

Although fourteen states have legalized the manufacture, distribution, and possession of marijuana for purported medical use, marijuana has never been approved by the Food and Drug Administration (FDA) for any medical use and remains a Schedule I controlled substance under the CSA. Rather the FDA has stated that "there is currently sound evidence that smoked marijuana is harmful," and "that no sound scientific studies supported medical use of marijuana for treatment in the United States, and no animal or human data supported the safety or efficacy of marijuana for general medical use."

## Non-Medical Use of Prescription Drugs



The diversion and abuse of controlled prescription drugs are a significant concern, especially because pharmaceutical controlled substances engender a false sense of security. According to the 2009 NSDUH, 7.0 million people aged 12 and older used prescription-type psychotherapeutic drugs for non-medical reasons during the past month. Also in 2009, 2.6 million people aged 12 or older used

<sup>11</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

<sup>12</sup> Johnston, L. D., O'Malley, P. M., Bachman, J. G., & Schulenberg, J. E. (2010, December 14). National press release, "Marijuana use is rising; ecstasy use is beginning to rise; and alcohol use is declining among U.S. teens." University of Michigan News Service, Ann Arbor.

<sup>13</sup> “National Drug Threat Assessment 2010.” National Drug Intelligence Center. February 2010.

<sup>14</sup> “Report of the International Narcotics Control Board for 2009.” United Nations. February 2010.

psychotherapeutics non-medically for the first time. This is equivalent to approximately 7,000 new prescription drug abusers every day. The most frequently abused medications—accounting for roughly 75 percent of prescription drug abuse—are narcotic pain relievers.<sup>15</sup>

Individual users can easily acquire prescription drugs through a variety of means, depending 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., Vicodin, Valium, anti-anxiety medications, 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.

The Treatment Episode Data Set (TEDS) reveals a 400 percent increase between 1998 and 2008 of substance abuse treatment admissions for those aged 12 and over reporting abuse of prescription pain relievers<sup>16</sup>. The Drug Abuse Warning Network (DAWN) data reflects a 148 percent increase in the number of emergency room visits attributable to oxycodone pharmaceuticals between 2004 and 2008; and a 134 percent increase in emergency room visits attributable to alprazolam during the same time period.<sup>17</sup>

### **Full Program Costs**

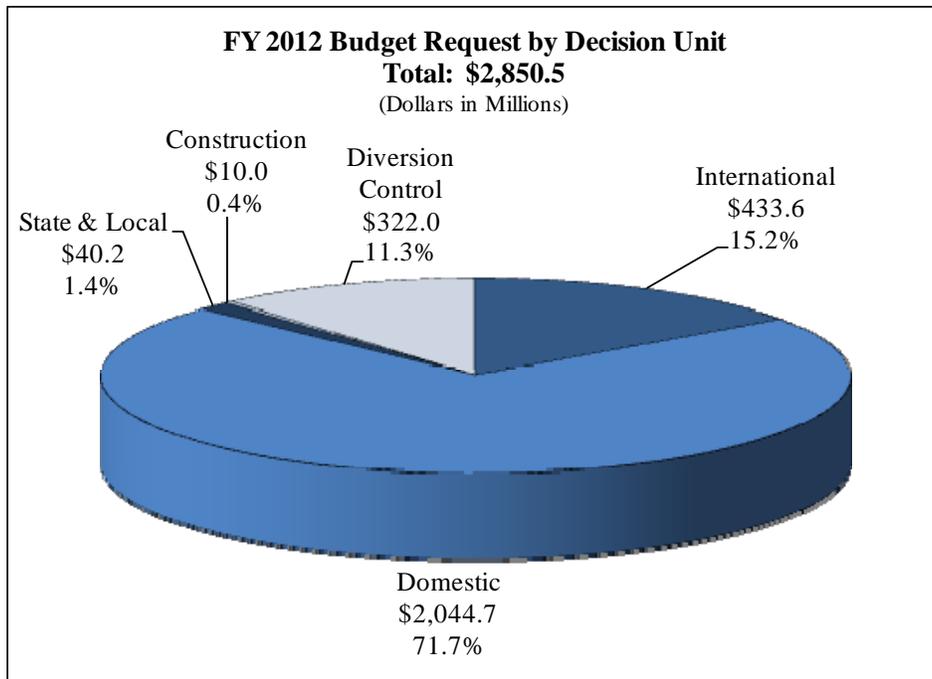
DEA’s budget integrates its own priorities together with DOJ’s Strategic Goals and Objectives to ensure that each performance objective is linked to the costs of critical strategic actions. This request supports DEA’s Strategic Plan, which divides DEA’s resources (including reimbursable funds) into four strategic focus areas to achieve the maximum enforcement impact across the full spectrum of drug trafficking activity. The following chart reflects all DEA resources including the Salaries and Expenses, Diversion Control Fee, and Construction Accounts, plus \$486.4 million in reimbursable resources:

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<sup>15</sup> “Results from the 2009 National Survey on Drug Use and Health: Volume 1. Summary of National Findings.” U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration. September 2010.

<sup>16</sup> “Substance Abuse Treatment Admissions Involving Abuse of Pain Relievers: 1998 and 2008.” Office of Applied Studies, Substance Abuse and Mental Health Services Administration (SAMHSA). July 15, 2010.

<sup>17</sup> “Emergency Department Visits Involving Nonmedical Use of Selected Prescription Drugs – United States, 2004-2008.” U.S. Department of Health and Human Services, Centers for Disease and Prevention. June 2010.



Requests for enhancements and base resources are also designed to support DEA's strategic focus areas. These requests take into account the current drug trafficking situation affecting the United States and identify the drug trade's characteristics and vulnerabilities at all levels, targeting each of them simultaneously. DEA's resources are requested in support of DOJ Strategic Goal II, Objective 2.4 and Strategic Goal I, Objective 1.2. Detailed justifications for the decision units and program changes are provided in Section IV and Section V, respectively.

For FY 2012, approximately 72 percent of DEA's budgetary resources (including \$439.7 million in reimbursable funds) are associated with Domestic Enforcement, 15 percent with International Enforcement (including \$13.1 million in reimbursable funds), one percent with State and Local Assistance (including \$33.6 million in reimbursable funds), less than one percent with Construction, and 11 percent with the Diversion Control Fee Account. The domestic reimbursable funding includes an estimated \$192,770,000 from the Department's Asset Forfeiture Fund which will be used to fund law enforcement activities that lead to asset seizures. The activities and initiatives in each of DEA's programs play a crucial role in accomplishing DEA's overall strategy. Total costs include:

- Direct costs;
- Indirect costs; and,
- Common administrative systems.

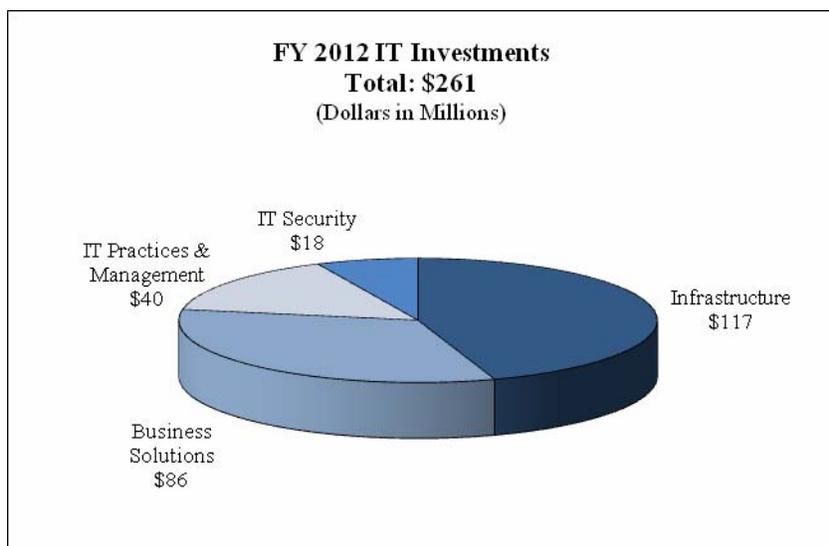
Some programs, as well as management and administration costs, cross decision units. Both performance and resource tables within each decision unit justification define the total costs of achieving the strategies DEA will continue in FY 2012. The resource and performance charts include the costs of lower level strategies, which also contribute to achieving the objectives. The

indirect costs of continuing activities, which are central to each the operations of each DEA unit, are also included.

The costs of DEA’s Diversion Control Program are funded through the Diversion Control Fee Account. By law DEA is required to set fees “at a level that ensures the full costs of operating the various aspect of that program.” The current fee structure has been in place since November 2006. By the end of FY 2012, DEA anticipates publishing an updated fee rule in the Federal Register.

## **Information Technology Investments**

Information technology (IT) resources are an important component in DEA’s efforts to fulfill its mission. In addition, information sharing with other law enforcement agencies and the Intelligence Community (IC) is only possible with an adequate IT infrastructure. In FY 2012, DEA will dedicate approximately \$261 million and 193 FTE for IT. DEA’s FY 2012 budget includes a \$1,416,000 funding reduction due to moving from a four-year technology refresh cycle to a five-year tech refresh cycle for desktops and notebooks.



## **Environmental Accountability**

Every federal agency is required by Presidential Executive Order to undertake initiatives to improve the management of natural resources and be good stewards of the environment. Federal agencies have been further charged with reducing their carbon footprint, reducing greenhouse gas emissions, and managing environmental priorities through a strategic sustainability plan. DEA’s prime management tool for accomplishing Federal sustainability goals is the use of environmental management systems (EMS).

Historically, DEA’s mission has included a focus on environmental stewardship. Since 1990, the DEA Laboratory System has worked in concert with State and local law enforcement agencies to

ensure the safe and environmentally conscious dismantlement of seized clandestine drug laboratories. In 2004, DEA initiated an EMS policy and began developing the agency's EMS structure for all facilities to use as a tool to incorporate environmental stewardship into daily business operations. As a result of Executive Order 13514, in FY 2010 DEA incorporated sustainability and greenhouse gas emissions reductions into the environmental agenda.

EMS programs have been established at a number of DEA facilities across the country. These programs are being used to integrate environmental accountability into the day-to-day decision making process regarding operational activities. There are active EMSs at all DEA laboratories and at a number of DEA divisions and offices. EMSs throughout DEA have realized successes through reduced energy usage, lowered electricity rates, reduced potential for hazardous spills, improved green purchasing, and comprehensive recycling programs. In addition, agency plans have been developed and work groups have been established to specifically address green purchasing, fleet management, toxic and hazardous materials reduction, and the incorporation of sustainability principles in facility and construction projects. Plans are currently being developed to address electronic stewardship, as well as energy and water conservation.

FY 2010 brought about significant changes to DEA's environmental programs. The Environmental Management Section, Office of Forensic Sciences, was officially staffed in February 2010. The Section has made great strides in incorporating an overall environmental compliance and management strategy, as well as the goals of Executive Order 13514 into DEA's overall mission. The Section, which consists of four Environmental Protection Specialists, has worked with the Laboratories and Field Divisions to improve DEA's compliance with environmental regulations.

Many facilities with EMS programs have joined the Federal Electronics Challenge (FEC) to encourage electronic stewardship. DEA facilities have risen as leaders in this particular program area. For instance, in 2007, the Aviation Division won an FEC bronze award for their green electronics initiatives. In both 2008 and 2009, 11 DEA facilities followed suite and won FEC awards. In 2010, DEA continued to achieve recognition in electronic stewardship by receiving an additional ten awards including two gold, five silver, and three bronze level awards. Additionally in 2008, the Aviation Division won a prestigious Department of Justice Energy and Environmental Management Award for their EMS efforts, saving over \$68,000 in electricity costs, conserving over 480,000 gallons of water, and recycling nearly 43,000 pounds of paper, fuel and oil, absorbents, aircraft tires, oil filters, and other items.

In FY 2009, two DEA facilities with active EMS programs, the Aviation Division and the South Central Laboratory, spearheaded the effort to purchase 10 percent of their electricity from renewable sources. When their new General Services Administration (GSA) contract was negotiated, it was specified that 10 percent of the energy must come from renewable sources; in this case wind power. These facilities continued to purchase renewable energy in FY 2010. In addition, the EMS team implemented energy efficient measures such as installing large fans in the aviation hanger to augment and enhance the facility HVAC system.

Between FY 2009 and FY 2010, DEA's EMS Auditing Program saw the successful second-party auditing and subsequent certification of 13 facility EMS programs. DEA remains committed to

improving the management of our nation's resources and by the end of FY 2010, EMS was integral to 23 separate sites. It is a growing program that affects all DEA employees and contractors. Eventually, it will be integrated into all DEA divisions and offices.

## Performance Challenges

The challenges that impede progress towards achieving DEA's goals are complex and ever changing. Marketplace dynamics, global politics, technological developments, and criminal behavior are only a few factors that can impact law enforcement practices and pose challenges that demand attention. DEA faces the following potential obstacles to meeting its performance objectives:

There are many challenges that DEA has to address to meet its goals successfully. While many of these factors are beyond its control, DEA can provide tools and assistance to Headquarters and field personnel, as well as its federal, State, local, and international partners, to minimize dangers. External and internal challenges facing DEA in FY 2012 include the following:

- The foremost challenge confronting U.S. law enforcement is the diminishing ability to conduct lawful electronic intercepts on current and emerging communications technologies as communications providers continue to offer new and improved services and features to customers. If this problem is not addressed, no law enforcement agency will be able to conduct a lawful criminal intercept in the not-distant future. The Department of Justice has proposed the FY 2012 Electronic Surveillance Capabilities initiative, which will provide resources for custom intercept solutions and upgraded infrastructure equipment.
- As DEA's law enforcement efforts improve, leaders of drug trafficking organizations are finding more sophisticated ways to insulate themselves from the criminal justice system. For example, they are using long and complex chains of delivery systems and state-of-the-art technology to keep their operations clandestine.
- The smuggling, money remittance, and communications infrastructures utilized by international drug and chemical trafficking organizations will continue to provide an operational model that can be readily exploited by terrorist organizations.
- Source and transshipment countries such as Afghanistan and the continent of Africa continue to affect the United States and the world. Even if these drugs do not reach the U.S., the proceeds from these drugs sustain the drug trafficking and terrorist organizations, fuel the next round of drug production, and further corrupt and destabilize emerging economies and democracies.
- Corruption of foreign officials can stymie DEA's efforts to affect international enforcement. Developing nations also face an inordinate amount of problems (including indebtedness, insurgency, corruption, and underdevelopment) in conjunction with drug production and trafficking.

- The globalization of the social, technical, and economic environments of the United States and other nations creates new venues for drug production, transportation, diversion, and money laundering techniques.
- Recently, efforts to legalize marijuana have increased. Keeping drugs illegal reduces their availability and lessens willingness to use them. Legalizing drugs would increase accessibility and encourage promotion and acceptance of use. Diagnostic, laboratory, clinical, and epidemiological studies clearly indicate that marijuana use is associated with dependence, respiratory and mental illness, poor motor performance, and cognitive impairment, among other negative effects, and legalization would only exacerbate these problems.<sup>18</sup>
- Changes in laws could affect the closed system of distribution and allow distribution of foreign-sourced controlled substances.
- Continued growth in the abuse of legitimate controlled substances could replace or supplement illicit drugs.
- Addressing critical infrastructure requirements, including overcrowding at EPIC.
- Enhancing career development opportunities to ensure effective succession planning in DEA's leadership, since 50 percent of DEA's Senior Executives were eligible for retirement at the end of FY 2010.

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<sup>18</sup> "2010 National Drug Control Strategy". Office of National Drug Control Policy, p. 8.

## II. Summary of Program Changes

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<b>Item Name</b>	<b>Description</b>	<b>Pos.</b>	<b>FTE</b>	<b>Dollars (\$000)</b>	<b>Page</b>
<b>Electronic Surveillance Capabilities</b>	To establish a Domestic Communications Assistance Center to support law enforcement's electronic surveillance capabilities.	8	4	\$1,519	83
<b>EPIC Construction</b>	Expand EPIC with a combination of semi-permanent structures and interior alterations.	0	0	\$10,000	87
<b>National Security Directive</b>	Establish an effective counterintelligence program as directed by the Director of National Intelligence.	0	0	\$900	93
<b>Diversion Control</b>	Increase to support regulatory and enforcement activities of the Diversion Control Program.	124	62	\$30,885	97
<b>Administrative Efficiencies</b>	DOJ plans to institute administrative efficiencies without unduly taxing either the people or the missions of DOJ.	0	0	-\$1,537	103
<b>Technology Refresh</b>	Extend the replacement of desktop and notebook computers from a four-year cycle to a five-year cycle.	0	0	-\$1,416	105
<b>Mobile Enforcement Teams</b>	Elimination of Mobile Enforcement Team program.	-145	-145	-\$39,117	107
<b>Reduce Physical Footprint</b>	Rent savings from the consolidation of smaller domestic offices.	0	0	-\$395	109
<b>Foreign Operations</b>	Reduce the International Enforcement decision unit by approximately 1 percent through an offset of non-personnel funding.	0	0	-\$4,300	111
<b>Task Force Consolidation</b>	Elimination of 31 lower performing task forces.	0	0	-\$292	113
<b>Cancellation of Prior Year Unobligated Balances</b>	Cancellation of prior year unobligated balances from the S&E account.	0	0	[-\$30,000]	115

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### **III. Appropriations Language**

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#### **Appropriations Language**

##### *SALARIES AND EXPENSES*

*For necessary expenses of the Drug Enforcement Administration, including not to exceed \$70,000 to meet unforeseen emergencies of a confidential character pursuant to 28 U.S.C. 530C; and expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs, \$2,032,114,000; of which not to exceed \$75,000,000 shall remain available until expended; and of which not to exceed \$100,000 shall be available for official reception and representation expenses.*

##### *(CANCELLATION)*

*Of the unobligated balances from prior year appropriations available under this heading, \$30,000,000 are hereby permanently cancelled: Provided, That no amounts may be cancelled from amounts that were designated by the Congress as an emergency requirement pursuant to the Concurrent Resolution on the Budget or the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.*

##### *CONSTRUCTION*

*For necessary expenses, to include the cost of equipment, furniture, and information technology requirements, related to construction or acquisition of buildings; and operation and maintenance of secure work environment facilities and secure networking capabilities; \$10,000,000, to remain available until expended.*

#### **Analysis of Appropriations Language**

A full-year 2011 appropriation for DEA's Salaries and Expenses account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

The proposed Construction language provides funding for the EPIC Construction project in DEA's Construction account.

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## IV. Decision Unit Justification

### A. International Enforcement

<b>International Enforcement - Total</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted with Rescissions	1,074	1,030	\$409,183
2010 Supplemental	0	0	7,733
2010 Enacted w/Rescissions and Supplementals	1,074	1,030	416,916
2011 Continuing Resolution	1,074	1,030	409,183
Adjustments to Base and Technical Adjustments	0	0	15,597
2012 Current Services	1,074	1,030	424,780
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	-4,300
2012 Request	1,074	1,030	420,480
<b>Total Change 2011-2012</b>	<b>0</b>	<b>0</b>	<b>\$11,297</b>

<b>International Enforcement - Information Technology Breakout (of Decision Unit Total)</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted	13	13	\$11,641
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplementals	13	13	11,641
2011 Continuing Resolution	0	0	12,346
Adjustments to Base and Technical Adjustments	0	0	321
2012 Current Services	0	0	12,667
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	-55
2012 Request	0	0	12,612
<b>Total Change 2011-2012</b>	<b>0</b>	<b>0</b>	<b>\$266</b>

#### 1. Program Description

The focus of DEA's International Enforcement program is the disruption or dismantlement of drug trafficking organizations identified as the most significant international drug and chemical trafficking organizations, also known as Priority Targets. Specifically, DEA Special Agents and Intelligence Analysts assigned to DEA's foreign country offices focus their investigative efforts on Priority Targets with a direct connection to DOJ's Consolidated Priority Organization Targets (CPOTs), which include the most significant international command and control organizations threatening the United States as identified by OCDETF member agencies.

As the U.S. government's single point of contact for coordinating international drug and chemical investigations, DEA provides interagency leadership in the effort to disrupt or

dismantle drug trafficking organizations. Under the policy guidance of the Secretary of State and U.S. Ambassadors, DEA coordinates all programs involving drug law enforcement in foreign countries. DEA also provides intelligence to assist the interagency community in determining future trends in drug trafficking and evaluating these trends to determine their long-term impact on drug trafficking. DEA works closely with the United Nations, Interpol, and other organizations on matters relating to international drug and chemical control programs.

To attack the vulnerabilities of major international drug and chemical trafficking organizations, DEA is working to strengthen partnerships with its international law enforcement counterparts worldwide. With the Drug Flow Attack Strategy, DEA has implemented an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply, transportation systems, and financial infrastructure of major drug trafficking organizations. This strategy calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones. In addition to collaboration with its foreign counterparts, significant international enforcement efforts require coordination with DEA's domestic offices. Overall, this strategy promotes the security of our nation and its borders. These operations act as a forward defense of the U.S. by interdicting the flow of illegal drugs and the traffickers who smuggle them before they reach Mexico or the Southwest border. They target the command and control structures of foreign-based drug trafficking organizations responsible for violence in Mexico's border areas where they extend across our frontiers and operate in the U.S. heartland.

DEA's foreign operations address the problem of U.S.-bound drugs in many ways, but share the common theme of supporting proactive and successful bilateral investigations in partnership with nations committed to combating a problem that undermines their societies. As a result, foreign law enforcement agencies welcome the expertise and enhanced capabilities of DEA. Therefore, the Drug Flow Attack Strategy will have a broader impact on the drug flow into the U.S. and will augment U.S. efforts against terrorism by depriving criminal organizations of drug proceeds that could be used to fund terrorist acts. In this vein, combating the world-wide threat posed by heroin production in Afghanistan is also a major challenge. DEA's primary role in Afghanistan is to work with host nation and regional counterparts to train and mentor Afghanistan counternarcotics police, identify, investigate, and bring to justice the most significant drug traffickers in Afghanistan and the region.

## 2. Performance Tables

PERFORMANCE AND RESOURCES TABLE											
<b>Decision Unit: International Enforcement</b>											
<b>DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security</b>											
<b>Strategic Objective 1.2: Strengthen partnerships to prevent, deter, and respond to terrorist incidents</b>											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Changes		FY 2012 Request	
<b>Workload Measure</b>	Active Foreign PTOs Linked to CPOTs Identified in the Middle East, Central Asia and Southwest Asia Regions	††		6		††		-		††	
<b>Workload Measure</b>	Active Foreign PTOs Not Linked to CPOTs Identified in the Middle East, Central Asia and Southwest Asia Regions	††		38		††		-		††	
<b>Total Costs and FTE</b> (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		146	\$64,423 [\$0]	146	\$64,423 [\$0]	146	\$64,426 [\$0]	0	\$3 [\$0]	146	\$64,429 [\$0]
<b>TYPE/ STRATEGIC OBJECTIVE</b>	<b>PERFORMANCE</b>	FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Changes		FY 2012 Request	
<b>Program Activity</b>	<b>International Operations</b>	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		146	\$64,423 [\$0]	146	\$64,423 [\$0]	146	\$64,426 [\$0]	0	\$3 [\$0]	146	\$64,429 [\$0]
<b>Performance Measure</b>	Foreign PTOs Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia and Southwest Asia Regions	††		1/0		††		-		††	
<b>Performance Measure</b>	Foreign PTOs Not Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia and Southwest Asia Regions	††		6/3		††		-		††	
†† DEA does not target its performance in the Middle East, Central Asia and Southwest Asia. This area of the world poses significant operational risks and challenges to DEA personnel, which makes it difficult to conduct enforcement operations on a consistent basis. DEA cannot unilaterally investigate and arrest high-level drug traffickers in the foreign arena so DEA's success is contingent upon host nation law enforcement cooperation to include intelligence sharing and participation. DEA's international success is also contingent upon the support of U.S. foreign assistance programs. Lastly, specific countries located in these regions currently lack self-sustaining counternarcotics police institutions and effective criminal justice systems to adequately address counter drug efforts. Therefore, as a result of the aforementioned reasons, it is extremely challenging to project anticipated performance.											

**Decision Unit: International Enforcement**

**DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People**

**Strategic Objective 2.4: Reduce the threat, trafficking, use, and related violence of illegal drugs**

<b>WORKLOAD/ RESOURCES</b>		<b>Final Target</b>		<b>Actual</b>		<b>Projected</b>		<b>Changes</b>		<b>Requested (Total)</b>	
		<b>FY 2010</b>		<b>FY 2010</b>		<b>FY 2011 CR</b>		<b>Current Services Adjustments and FY 2012 Program Changes</b>		<b>FY 2012 Request</b>	
<b>Workload Measure</b>	Active PTOs Linked to CPOT Targets <sup>1</sup>	120		107		125		-		125	
<b>Workload Measure</b>	Active PTOs Not Linked to CPOT Targets <sup>1</sup>	270		254		310		-		310	
<b>Total Costs and FTE</b> (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		885	\$352,493 [\$13,145]	885	\$352,493 [\$13,145]	1,031	\$344,757 [\$13,145]	0	\$11,294 [\$0]	1,031	\$356,051 [\$13,145]
<b>TYPE/ STRATEGIC OBJECTIVE</b>	<b>PERFORMANCE</b>	<b>FY 2010</b>		<b>FY 2010</b>		<b>FY 2011 CR</b>		<b>Current Services Adjustments and FY 2012 Program Changes</b>		<b>FY 2012 Request</b>	
<b>Program Activity</b>	<b>International Operations</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		885	\$352,493 [\$13,145]	885	\$352,493 [\$13,145]	1,031	\$344,757 [\$13,145]	0	\$11,294 [\$0]	1,031	\$356,051 [\$13,145]
<b>Performance Measure</b>	PTOs Linked to CPOT Targets Disrupted or Dismantled <sup>2</sup>	46/24		53/21		53/27		-		53/27	
<b>Performance Measure</b>	PTOs Not Linked to CPOT Targets Disrupted or Dismantled <sup>2</sup>	122/63		121/47		130/67		-		130/67	
<b>Performance Measure</b>	Number of International Students Trained <sup>3</sup>	2,542		5,252		2,300		-		2,300	
<b>Outcome</b>	Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied) <sup>4</sup>	\$3 Billion		\$2.99 Billion		\$3 Billion		-		\$3 Billion	

<sup>1</sup> Reflects active PTO investigations as of the end of the specified fiscal year.

<sup>2</sup> PTOs disrupted includes PTOs disrupted closed (PTARRS status code E) and PTOs disrupted pending dismantlement (PTARRS status code D).

<sup>3</sup> The FY 2010 target is comprised of the projected number of International Students Trained (2,300) and Afghan NIU trained (242). The FY 2011 and 2012 targets do not include the number of Afghan NIU trained. The NIU will be restructured in FY 2011 and eventually absorb members of the disbanded State Department-funded Poppy Eradication Force (PEF). Therefore, NIU membership will continue to fluctuate in FY 2011 and FY 2012.

<sup>4</sup> Agency-wide outcome measure reflecting the activities across DEA's three decision units (International Enforcement, Domestic Enforcement, and State and Local Assistance).

**Data Definition:** Disruption means impeding the normal and effective operation of the targeted organization, as indicated by changes in organizational leadership and/or changes in methods of operation, including, for example, financing, trafficking patterns, communications or drug production. Dismantlement means destroying the organization's leadership, financial base and supply network such that the organization is incapable of operating and/or reconstituting itself.

**Data Validation and Verification:** PTARRS provides a means of electronically validating and verifying PTO data through the following approval chain:

- \* Case Agent - Through PTARRS, the Special Agent (SA) or Diversion Investigator (DI) begins the process by creating and proposing a PTO.
- \* Group Supervisor (GS) – The GS reviews the PTO proposed by the SA/DI and approves it or sends it back to the SA/DI for additional information/clarification.
- \* Country Attache (CA) - The CA reviews the PTO approved by the GS. If all of the necessary information included in the proposal meets the established criteria for a PTO, the CA approves the PTO.
- \* Regional Director - The Regional Director reviews the PTO approved by the CA and provides a case assessment for, or against, the nomination of the PTO. Once nominated by the Regional Director, PTARRS generates and saves a unique identification number for the nominated PTO.
- \* Headquarters – At Headquarters, PTOs nominated by the Regional Directors are assigned to the appropriate section within DEA's Office of Global Enforcement (OE). Once assigned, the corresponding OE Staff Coordinator validates all information reported on the PTO nomination. The validation process includes a review of the PTO nomination for completeness, compliance with established criteria, and confirmation of all related case linkages, including links to CPOT targets. Staff Coordinators coordinate with DEA's Special Operations Division and Intelligence Division to ensure that available facts exist to support all case linkages. In the unlikely event the documentation submitted is insufficient to validate the reported links, the Staff Coordinator will coordinate with the submitting GS to obtain the required information.

**Data Limitations:** All statistics are limited by a lack of a relational link between case files and enforcement outputs (e.g. arrest, seizure, and work hour data). The link is inferred through data manipulation, but some areas are prone to error until all data systems are linked in a relational manner, and errors are prevented through data validation and referential integrity.

PERFORMANCE MEASURE TABLE												
Decision Unit: International Enforcement		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
Performance Report and Performance Plan Targets		Actual	Target	Actual	Target	Target						
<b>Performance Measure</b>	Foreign PTOs Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia and Southwest Asia	N/A	N/A	N/A	N/A	0/1	0/2	5/1	††	1/0	††	††
<b>Performance Measure</b>	Foreign PTOs Not Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia	N/A	N/A	N/A	N/A	1/2	2/4	4/2	††	6/3	††	††
<b>Performance Measure</b>	PTOs Linked to CPOT Targets Disrupted or Dismantled	4/2	17/3	12/8	17/9	22/9	39/20	38/21	46/24	53/21	53/27	53/27
<b>Performance Measure</b>	PTOs Not Linked to CPOT Targets Disrupted or Dismantled	8/4	30/10	29/15	36/26	59/27	103/54	118/53	122/63	121/47	130/67	130/67
<b>Performance Measure</b>	Number of International Students Trained <sup>1</sup>	2,252	2,582	2,384	2,954	2,575	2,453	4,506	2,542	5,252	2,300	2,300
<b>OUTCOME Measure</b>	Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied)	N/A	N/A	N/A	N/A	N/A	N/A	\$3.4 Billion	\$3 Billion	\$2.99 Billion	\$3 Billion	\$3 Billion
<p>†† DEA does not target its performance in the Middle East, Central Asia and Southwest Asia. This area of the world poses significant operational risks and challenges to DEA personnel, which makes it difficult to conduct enforcement operations on a consistent basis. DEA cannot unilaterally investigate and arrest high-level drug traffickers in the foreign arena so DEA's success is contingent upon host nation law enforcement cooperation to include intelligence sharing and participation. DEA's international success is also contingent upon the support of U.S. foreign assistance programs. Lastly, specific countries located in these regions currently lack self-sustaining counternarcotics police institutions and effective criminal justice systems to adequately address counter drug efforts. Therefore, it is extremely challenging to project anticipated performance.</p> <p><sup>1</sup>The FY 2010 target is comprised of the projected number of International Students Trained (2,300) and Afghan NIU trained (242). The FY 2011 and 2012 targets do not include the number of Afghan NIU trained. The NIU will be restructured in FY 2011 and eventually absorb members of the disbanded State Department-funded Poppy Eradication Force (PEF). Therefore, NIU membership will continue to fluctuate in FY 2011 and FY 2012.</p>												

### 3. Performance, Resources, and Strategies

International Enforcement Decision Unit contributes to the following DOJ Strategic Goals and Objectives:

- Goal 1: **Prevent Terrorism and Promote the Nation's Security**

Objective 1.2: Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents

- Goal 2: **Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People**

Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs

#### a. Performance Plan and Report for Outcomes

##### Strategic Objective 1.2 – Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents

##### *DEA's Counterterrorism Efforts*

DEA has developed two performance measures related to counterterrorism activities. These measures are included under DOJ's Strategic Goal 1 on the Performance and Resources Table. Since there has been a link established between terrorism and drug trafficking organizations, DEA is engaging in proactive enforcement and intelligence gathering operations with its host nation law enforcement counterparts by targeting the command and control structure of drug trafficking organizations operating in the Middle East, Central Asia, and Southwest Asia. DEA recognizes that a strong collaborative partnership with international partners is an essential element of a comprehensive drug control strategy and is critical to significantly reducing transnational crime, including narco-terrorism. The performance measures associated with DEA's counterterrorism activities are the following:

- Foreign PTOs Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia and Southwest Asia Regions
- Foreign PTOs Not Linked to CPOTs Disrupted/Dismantled in the Middle East, Central Asia and Southwest Asia Regions

As of September 30, 2010, DEA disrupted one but did not dismantle any foreign PTOs linked to CPOTs in the Middle East, Central Asia and Southwest Asia. Also, during the same timeframe, DEA disrupted six and dismantled three foreign PTOs not linked to CPOTs in this area of the world.

While DEA tracks and reports performance measures associated with international counterterrorism activities in unstable areas of the world, specific performance targets have never been established for these indicators, as discussed below. Therefore, DEA has not established targets for FYs 2011 and 2012 for disrupting and dismantling foreign PTOs linked and not linked to CPOTs in the Middle East, Central Asia and Southwest Asia. This area of the world poses significant operational risks and challenges to DEA personnel, which makes it difficult to conduct enforcement operations on a consistent basis. DEA cannot unilaterally investigate and arrest high-level drug traffickers in the foreign arena, so DEA's success is contingent upon host nation law enforcement cooperation to include intelligence sharing and participation and the support of U.S. foreign assistance programs. Also, specific countries located in these regions currently lack self-sustaining counternarcotics police institutions and effective criminal justice systems to adequately address counter drug efforts. All of the abovementioned factors make it extremely challenging to project anticipated performance.

Despite these external challenges, DEA will continue to focus on its core mission and counterterrorism efforts in these regions in FY 2012. For example, the FAST program is one of the many tools used by DEA to disrupt and dismantle foreign PTOs in Central Asia. In Afghanistan, FAST, in conjunction with Afghan law enforcement officers, have successfully infiltrated terrorist cells, seized explosives and munitions, thwarted numerous attacks on U.S. and Coalition Forces and obtained evidence in Afghanistan that resulted in the first conviction in the U.S. under the Title 21 USC 960a drug-related terrorism law. One FAST terrorist-linked operation resulted in the largest seizure of narcotics in history, over 240 metric tons of hashish and the denial of millions of dollars of revenue to a Taliban Commander in Afghanistan. Through bilateral Afghan investigations, FAST has advanced the rule of law outside of Kabul into the provinces, including the war zone of Southern Afghanistan, and contributed to stabilizing the country.

#### Strategic Objective 2.4 – Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs

Although DEA is involved in counterterrorism, DEA's primary mission is drug enforcement and DEA's long-term goal is to maximize the Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied). Drug Trafficker Revenue Denied reflects the outcome of activities scored to DEA's International, Domestic and State and Local Decision Units.

DEA also works to sustain and strengthen partnerships with its foreign counterparts to attack the vulnerabilities of major international drug and chemical trafficking organizations, including those that fund terrorism.

#### ***Drug Trafficker Revenue Denied***

DEA's current long-term objective is to maximize the Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied). Drug Trafficker Revenue Denied reflects the outcome of activities scored to DEA's International, Domestic and State and Local Decision Units. In FY 2005, DEA established a five-year plan with annual milestones through FY 2009 to

meet the challenge of crippling drug cartels so that they are unable to reconstitute their operations with new leadership. DEA planned to continue increasing its asset and drug seizures until it achieved an annual goal of \$3.0 billion in revenue denied to drug trafficking organizations through new domestic and international seizure strategies. This target was exceeded in FY 2009 with \$3.4 billion in revenue denied to drug trafficking organizations. As of September 30, 2010, DEA reported \$2.99 billion in revenue denied, almost meeting its goal of \$3.0 billion for FY 2010. In FYs 2011, and 2012, DEA once again hopes to meet or exceed its annual goal of \$3.0 billion.

In terms of how this ties to DOJ's pending Strategic Plan, a Performance Measures Working Group consisting of representatives from OCDETF, AFF, DEA, FBI, ICE, and NDIC was established to develop a new long-term outcome goal for DOJ's drug enforcement functions. Although the Working Group considered a version of the monetary value of currency, property, and drugs seized (drug trafficker revenue denied), they felt the measure required more analysis to determine if all contributing components had adequate systems in place to collect the required data. So, at this time, DOJ's drug enforcement functions will only feed one key indicator: CPOT-linked PTOs Disrupted and Dismantled.

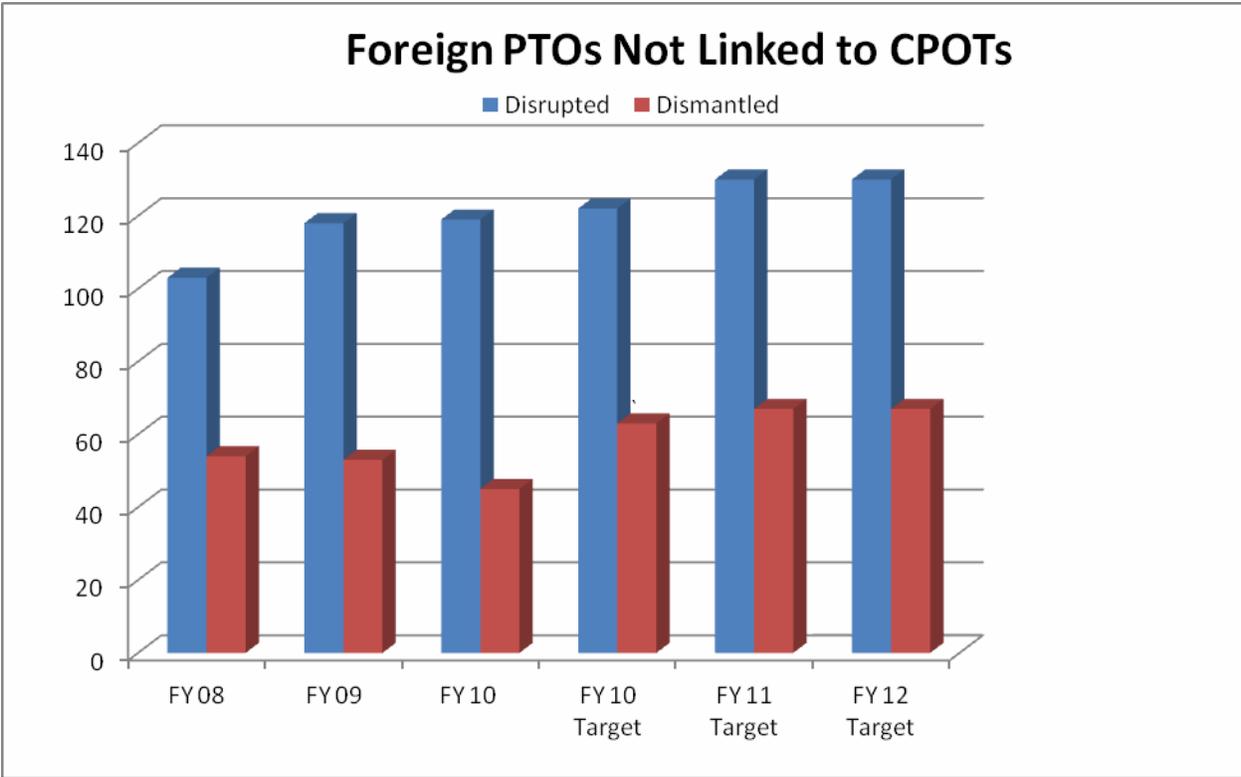
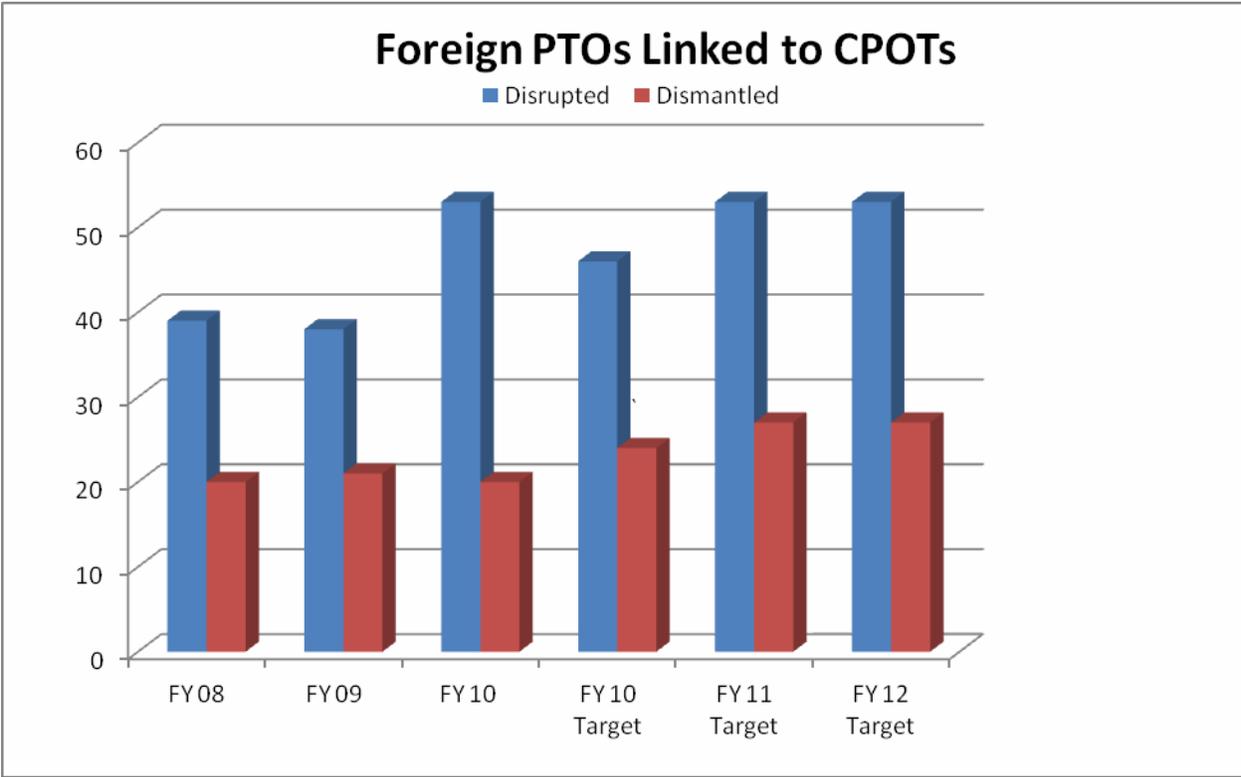
### ***Priority Targeting Program***

DEA's international investigative efforts focus primarily on CPOT targets. The objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible and the source of the drug is eliminated. The disruption or dismantlement of CPOT organizations is accomplished primarily via multi-agency investigations. These investigations emphasize developing intelligence-driven, multi-regional efforts to identify and target international drug trafficking organizations that play significant roles in the production, transportation, distribution, financing, or other support of large scale drug trafficking.

DEA's first two drug enforcement-related performance measures on the Performance and Resources Table relate to DEA's flagship Priority Targeting Program and are the following:

- PTOs Linked to CPOT Targets Disrupted or Dismantled
- PTOs Not Linked to CPOT Targets Disrupted or Dismantled

As of September 30, 2010, DEA disrupted 53 and dismantled 20 PTOs linked to CPOTs. DEA also disrupted 119 and dismantled 45 PTOs not linked to CPOTs. As a result of numerous external variables that DEA's workforce is faced with in the foreign arena, it is difficult to predict or comprehensively assess actual versus targeted performance to date. These external challenges appear to consistently lead to fluctuations in DEA's overall performance despite DEA's efforts to reallocate resources to regions where they are needed most. However, in spite of these challenges, DEA expects to achieve all PTO targets established for FY 2011 and 2012



The current emerging drug trafficking trends necessitate a focused approach, and DEA is responding globally and strategically as well as striving to ensure that resources are deployed to the highest priority overseas locations to maximize DEA's impact on the global narcotics trade. DEA will continue to coordinate PTO investigations with its foreign counterparts and DEA domestic offices and focus on achieving the targets established for FY 2012.

### ***International Training***

The effectiveness of DEA's international enforcement efforts is also measured by the number of DEA-sponsored international training courses conducted and participants trained. DEA's international training efforts are also prevalent and influential in Afghanistan through the FAST Program. The third drug enforcement-related performance measure included on the Performance and Resources Table is the following:

- Number of International Students Trained

As of September 30, 2010, DEA trained a total of 5,252 foreign law enforcement participants. This number is comprised of the international participants trained by DEA's International Training Section and vetted Afghan foreign law enforcement officers who receive informal tactical and operational training provided by DEA FAST agents in Afghanistan.

### ***FAST Program***

As of September 30, 2010, DEA FAST agents trained approximately 330 members of Afghanistan's Counter Narcotics Police, National Interdiction Unit (NIU). Afghan law enforcement officers receive informal "on-the-job" law enforcement tactical and operational training from FAST agents during the year. A specific number of NIU officers are selected by the DEA Kabul Country Office to deploy with FAST during counter narcotics operations. Therefore, a certain number of the total NIU receives specialized training during the fiscal year. However, the number of NIU officers deployed with FAST to conduct counter narcotics operations is not tracked by DEA.

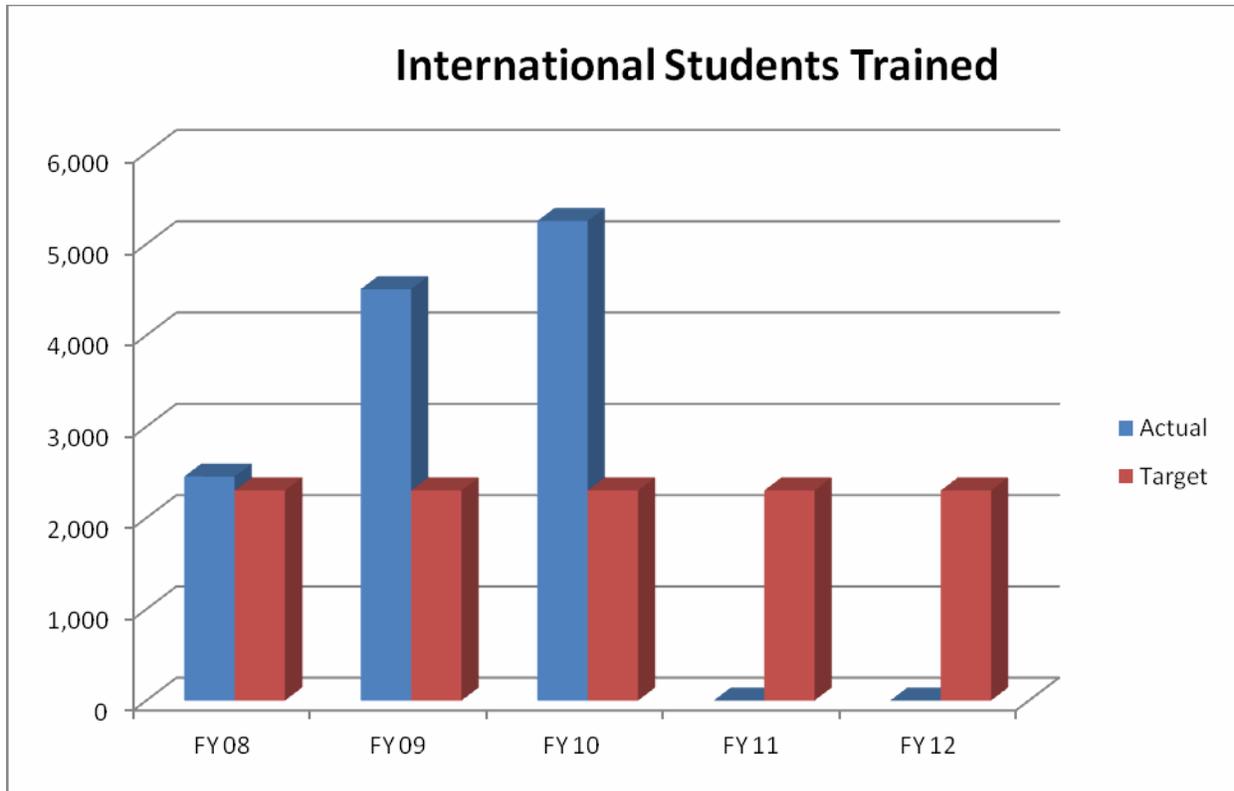
DEA is working to expand the NIU from 288 to 500, while incorporating members of the Poppy Eradication Force (PEF). DEA has not yet established FY 2011 and FY 2012 targets for NIU trained.

### ***International Training Program***

DEA's International Training Program, with funding from the Department of State's Bureau of International Narcotics and Law Enforcement (INL) and the Department of Defense (DoD), serves as a model for a variety of international law enforcement training efforts. DEA also serves as an international consultant to law enforcement agencies as well as foreign governments seeking to develop quality narcotics law enforcement programs.

DEA's International Training Section offers both in-country and regional training programs conducted by mobile training teams. In-country programs are seminars conducted in a host

country and only include participants from that country. Regional training is designed to bring together a combination of participants from a number of countries sharing common drug trafficking issues. The specific courses offered by DEA’s International Training Section are continually changing as new curricula are developed and instituted in response to experiences, changes in law enforcement emphasis, current international narcotics trafficking situations, new technologies, and specific requests from host nation governments. DEA anticipates meeting or exceeding its FYs 2011 and 2012 targets of 2,300 international students trained by DEA’s International Training Section. DEA established rather conservative targets as the majority of DEA’s international training seminars are funded by INL and DoD. Therefore, the number of international students trained is contingent upon the approval and availability of INL and DoD funding. In FY 2009, DEA received \$ 946,000 from INL and \$426,000 from DoD for the international training program. In FY 2010, DEA received \$569,000 from INL and \$222,000 from DoD to conduct international training seminars.



**b. Strategies to Accomplish Outcomes**

In FY 2012, DEA will continue to pursue the following objectives in the foreign arena:

***Provide an operational focus that ensures the conduct of long-term investigations against significant international drug and chemical trafficking organizations and their major affiliates or facilitators, including organizations that use drug trafficking proceeds to fund terror.***

Special Agents assigned to DEA foreign offices conduct bilateral investigations with foreign counterparts in countries that have demonstrated the commitment to proactively combat drug trafficking organizations. With the largest foreign presence of any federal law enforcement agency, DEA's role in a world of globalization is becoming increasingly important to representing U.S. interests. The successes of DEA's foreign operations are based on its ability to maintain a presence in all parts of the world. In order to fulfill its mission overseas, DEA personnel must be strategically assigned to various parts of the world in order to provide an operational focus that ensures the conduct of long-term bilateral investigations.

DEA will continue to combat drug trafficking and narcoterrorism in Afghanistan and Pakistan through DEA's successful partnerships and counternarcotics programs. At the behest of the Department of State, as indicated in the interagency document authored by U.S. Special Ambassador for Afghan Counter Narcotics and Justice Reform in 2007, DEA has expanded the agency's manpower in Afghanistan. DEA continues to deepen alliances with host nation, regional counterparts, U.S. and allied forces to identify, investigate, and bring to justice the most significant drug traffickers in Afghanistan, Pakistan, and the region. The agency's efforts fully support national goals to reduce the illicit drugs trafficked from the country, help to institute self-reliant counterdrug operations by the Afghan government, support and augment U.S. efforts against insurgents and terrorism, and ultimately, aid in the long-term stabilization of the country and the region. DEA's Afghanistan Expansion Plan, fully endorsed and funded by the Department of State, has enhanced the agency's ability to target and investigate the most significant and notorious DTOs and high-value targets (HVTs), including members of the Taliban involved in the drug trade and those traffickers supporting the Taliban and other insurgents.

With foreign assistance funding provided by the Department of State, DEA will continue to support the Afghan Threat Finance Cell (ATFC), which was formed in October 2008 to identify, disrupt, and interdict the sources of funding for insurgent terrorist organizations operating in Afghanistan. In addition to providing material and financial support to the operations of the ATFC, DEA's commitment to the ATFC includes the assignment of full time DEA personnel, which consists of the ATFC Director along with three Special Agents assigned to ATFC investigative teams deployed in Afghanistan. The DEA sponsored Sensitive Investigative Unit (SIU) Financial Investigative Team is also the ATFC's main investigative partner in Afghanistan. Additionally, DEA provides analytical support to the ATFC through the DEA Office of Financial Operations and Special Operations Division personnel based in the U.S. Further, DEA offices throughout the region and worldwide provide additional investigative support to the ATFC by exploiting financial leads developed as a result of their investigations.

***Collect, analyze, and disseminate intelligence that drives international enforcement operations.***

DEA will continue to provide intelligence support by collecting, analyzing and evaluating intelligence derived from worldwide multi-agency elements. DEA will also continue to encourage the exchange of intelligence information related to drugs and precursor chemicals between foreign governments to increase conviction of international drug traffickers and terrorists.

***Continue DEA's leadership role in international drug and chemical enforcement programs.***

DEA will focus its resources and efforts on accomplishing the following in the foreign arena:

- Assessing and linking PTOs from distribution cells, through transportation networks and ultimately to international sources of supply.
- Promoting cooperation among all domestic and foreign agencies involved in international drug and chemical enforcement program.
- Continuing to provide leadership internationally in chemical control and enforcement through multilateral, cooperative programs.
- Facilitating several conferences, including the annual International Drug Enforcement Conference (IDEC). IDEC brings senior level international law enforcement officers together to develop coordinated actions against international drug traffickers and terrorist organizations.
- Expanding DEA's partnership with the various international regulators who oversee the financial community.

***Lead and influence international counterdrug and chemical policy and support institution building in host nations.***

Institution building is an extremely critical component of DEA's overseas success, and DEA Special Agents are expected to aggressively carry out these activities with their counterparts. Increasing DEA's overseas presence will allow Special Agents to establish close relationships and networks with their counterparts that foster cooperation in international drug law enforcement. The additional Special Agents placed in areas where there are emerging drug threats will work with their foreign counterparts on policy and legislative issues and provide assistance in developing drug control laws and regulations as well as work to establish specialized units in support of drug investigations.

In addition to meeting with foreign counterparts on legislative issues, DEA also plays a significant role by providing investigative equipment and training. An important contribution to this end is the establishment of SIUs in selected countries. SIUs are groups of host nation investigators that are polygraphed, trained, equipped, and guided by DEA. The SIU program seeks to create focused and well-trained drug investigative and intelligence units of high moral character and integrity in selected nations. Investigations are ongoing, and cases, particularly those involving sensitive and high-level targets, are being developed by these units.

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## B. Domestic Enforcement

<b>Domestic Enforcement – Total</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted with Rescissions	7,294	7,183	\$1,603,885
2010 Supplemental	0	0	25,938
2010 Enacted w/Rescissions and Supplementals	7,294	7,183	1,629,823
2011 Continuing Resolution	7,294	7,183	1,603,885
Adjustments to Base and Technical Adjustments	50	123	41,434
2012 Current Services	7,344	7,306	1,645,319
2012 Program Increases	8	4	2,419
2012 Program Offsets	-145	-145	-42,757
2012 Request	7,207	7,165	1,604,981
<b>Total Change 2011-2012</b>	<b>-87</b>	<b>-18</b>	<b>\$1,096</b>

<b>Domestic Enforcement - Information Technology Breakout (of Decision Unit Total)</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted	143	143	\$185,979
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplementals	143	143	185,979
2011 Continuing Resolution	164	164	196,731
Adjustments to Base and Technical Adjustments	4	4	8,896
2012 Current Services	168	168	205,627
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	-818
2012 Request	168	168	204,809
<b>Total Change 2011-2012</b>	<b>4</b>	<b>4</b>	<b>\$8,078</b>

### 1. Program Description

The Domestic Enforcement Decision Unit comprises the majority of DEA’s investigative and support resources. These resources, in conjunction with DEA’s foreign offices, create a seamless intelligence and investigative web to pursue drug trafficking organizations, from multi-national and poly-drug conglomerates, to independent specialty one-function cells.

DEA continues an aggressive and balanced domestic enforcement program with a multi-jurisdictional approach designed to focus federal resources on the disruption or dismantlement of drug trafficking organizations that control the illegal drug trade and the seizure of the proceeds and assets involved in the illegal drug trade. Similar to legitimate businesses, drug trafficking organizations have corporate leaders, employees, chemical suppliers, transporters, financial service providers, communication needs, infrastructure, and assets. The drug trafficking business is therefore subject to market forces.

As such, DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. DEA's strategy relies heavily on intelligence and investigative capabilities to identify significant domestic drug trafficking organizations and drug facilitators, collect and maintain in-depth information concerning their leadership and operations, and establish priorities and develop targets. This strategy emphasizes the disruption or complete dismantlement of the organizations targeted by DEA domestic field divisions. The following are the most significant programs within the Domestic Enforcement Decision Unit:

### ***Priority Targeting Program***

This program was implemented in April 2001 to identify, target, investigate and disrupt or dismantle those international, national, regional, and local impact drug trafficking and/or money laundering organizations having a significant impact on drug availability within the United States. DEA domestic field divisions, under the supervision of Special Agents in Charge (SACs), identify and target major drug threats within their areas of responsibility, also known as Priority Targets. Specifically, DEA domestic field divisions focus their investigative efforts on Priority Targets with a direct connection to DOJ's CPOTs, which include the most significant international command and control organizations threatening the United States as identified by OCDETF member agencies. The efforts to disrupt or dismantle Priority Targets linked to CPOTs are accomplished primarily via multi-agency and multi-regional investigations. These investigations are intelligence-driven.

The goal is to dismantle these organizations so that reestablishment of the same criminal organization is impossible. As these organizations are identified, disrupted, or dismantled, the investigative intelligence developed is utilized to identify and target all organizational elements on the drug trafficking continuum. As entire drug trafficking networks, from sources of supply to the transporters/distributors, are disrupted or dismantled, the availability of drugs within the United States will be reduced.

### ***DEA's Special Operations Division (SOD)***

SOD supports domestic enforcement by providing vital information for investigative and enforcement activities directed against major national or international trafficking organizations. Specifically, SOD manages special operations and projects within DEA that target trafficker command and control communications. SOD provides guidance and technical assistance to all divisions that have domestic Title III operations involving drug trafficking. Additionally, SOD manages and develops programs and procedures which ensure discrete and timely distribution of sensitive and vital intelligence data to DEA, the Federal Bureau of Investigation (FBI), Bureau of Immigration and Customs Enforcement (ICE), and the Internal Revenue Service (IRS) field units. SOD also coordinates international conspiracy investigations for the importation of narcotics to ensure that these cases result in suitable evidence presentation in court. The staff at SOD specializes in areas such as electronic surveillance and international criminal conspiracy laws, while responding to specialized linguistic needs for international cases.

### ***Intelligence Program***

DEA's intelligence program is comprised of several components that are responsible for collecting, analyzing, and disseminating drug-related domestic intelligence. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based. The El Paso Intelligence Center (EPIC), a multi-agency facility, is an important component of DEA's intelligence program. EPIC serves as a clearinghouse for tactical intelligence and a central point for the collection, analysis, and dissemination of information related to worldwide drug movement and alien smuggling. EPIC provides support for all drug law enforcement interdiction operations and is accessible 24 hours a day/7 days a week.

### ***DEA's Office of National Security Intelligence's Counterterrorism Efforts***

The Office of National Security Intelligence (NN) of the DEA was designated a member of the Intelligence Community (IC) in February 2006. The objective of NN is to maximize DEA's contribution to national security, while protecting the primacy of its law enforcement mission. Through the efforts of NN, DEA fulfills the requirement to share intelligence mandated by the USA Patriot Act and the Attorney General's guidelines to share information.

In addition, DEA's drug trafficking and anti money laundering initiatives support and augment U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes utilized by foreign terrorist organizations and proceeds from illicit drug trafficking that support terrorism. Drug income is a source of revenue for some international terrorist groups. DEA investigations have identified links between groups and individuals under investigation for drug violations and terrorist organizations.

### ***Mobile Enforcement Teams (MET)***

DEA's MET program has assisted State, local and tribal law enforcement to combat violent drug trafficking organizations in specific neighborhoods.

DEA is proposing to eliminate MET in FY 2012 and redirect those resources to strengthen Tactical Diversion Squads (TDS) to counter the number one emerging drug threat, the abuse of prescription drugs.

## 2. Performance Tables

PERFORMANCE AND RESOURCES TABLE											
Decision Unit: Domestic Enforcement											
DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security											
Strategic Objective 1.2: Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Changes		FY 2012 Request	
<b>Workload:</b>	Number of Incoming Request for Information (RFI) from the Intelligence Community (IC)	135		554		††		-		††	
<b>Total Costs and FTE</b> (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		65	\$14,635 [\$0]	65	\$14,635 [\$0]	65	\$14,635 [\$0]	0	\$962 [\$0]	65	\$15,597 [\$0]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Change		FY 2012 Request	
<b>Program Activity</b>	<b>National Security Intelligence</b>	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		65	\$14,635 [\$0]	65	\$14,635 [\$0]	65	\$14,635 [\$0]	0	\$962 [\$0]	65	\$15,597 [\$0]
<b>Performance Measure</b>	Percentage of IC RFIs provided by requested deadline	100%		72%		100%		-		100%	

†† DEA's performance is based on requests generated by external agencies; therefore, targets for the number of incoming RFIs cannot be established.

**1. PERFORMANCE AND RESOURCES TABLE - Continued**

**Decision Unit: Domestic Enforcement**

**DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interest of the American People**

**Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs**

WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Change		FY 2012 Request	
<b>Workload</b>	Active PTOs Linked to CPOT Targets <sup>1,3</sup>	420		514		530		-		530	
<b>Workload</b>	Active PTOs Not Linked to CPOT Targets <sup>1,3</sup>	2,390		2,206		2,300		-		2,300	
<b>Total Costs and FTE</b> (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		8,427	\$1,615,188 [\$435,752]	8,427	\$1,615,188 [\$435,752]	8,427	\$1,589,250 [\$430,012]	(18)	\$134 [\$9,672]	8,409	\$1,589,384 [\$439,684]
TYPE/ STRATEGIC OBJECTIVE		PERFORMANCE		FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Change	
		Domestic Enforcement		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
<b>Program Activity</b>	<b>Domestic Enforcement</b>	8,427	\$1,615,188 [\$435,752]	8,427	\$1,615,188 [\$435,752]	8,427	\$1,589,250 [\$430,012]	(18)	\$134 [\$9,672]	8,409	\$1,589,384 [\$439,684]
<b>Performance Measure</b>	PTOs Linked to CPOT Targets Disrupted or Dismantled <sup>2,3</sup>	205/110		274/151		235/115		-		235/115	
<b>Performance Measure</b>	PTOs Not Linked to CPOT Targets Disrupted or Dismantled <sup>2,3</sup>	1215/710		1114/729		1,365/720		-		1,215/710	
<b>Performance Measure</b>	# of Federal, State, and Local Law Enforcement Officers Trained <sup>4</sup>	36,720		56,921		45,000		-		45,000	
<b>OUTCOME</b>	Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied) <sup>5</sup>	††		††		††		-		††	

†† See the International Enforcement Performance and Resources Table for related performance data.

<sup>1</sup> Reflects active PTO investigations as of the end of the specified fiscal year.

<sup>2</sup> PTOs disrupted includes PTOs disrupted closed (PTARRS status code E) and PTOs disrupted pending dismantlement (PTARRS status code D).

<sup>3</sup> This does not include PTOs associated with DEA's Diversion Control Program.

<sup>4</sup> This performance activity and performance measure does not include State and Local Clandestine Laboratory Enforcement training.

<sup>5</sup> This is an agency-wide outcome measure reflecting the activities across DEA's three decision units (International Enforcement, Domestic Enforcement, and State and Local Assistance).

**Priority Targeting Program**

**Data Definition:** Disruption means impeding the normal and effective operation of the targeted organization, as indicated by changes in organizational leadership and/or changes in methods of operation, including, for example, financing, trafficking patterns, communications or drug production. Disruption Pending Dismantlement means impeding the normal and effective operation of the targeted organization, but continuing towards the organization's complete evisceration such that it is incapable of operating and/or reconstituting itself. Dismantlement means destroying the organization's leadership, financial base and supply network such that the organization is incapable of operating and/or reconstituting itself.

The first CPOT List was issued in September 2002, and is updated semi-annually. The List identifies the most significant international drug trafficking and money laundering organizations and those primarily responsible for America's drug supply. Enforcement agencies are focused on identifying links among disparate domestic drug trafficking and money laundering organizations and on making connections to their ultimate sources of supply. Investigators continually work up and across the supply chain, with the goal of disrupting and dismantling the entire network controlled by or supporting a given CPOT organization. An organization is considered "linked" to a CPOT, if credible evidence exists (i.e., from corroborated confidential source information, phone tolls, Title III intercepts, financial records, or other similar investigative means) of a nexus between the primary target of the investigation and a CPOT target. The nexus need not be a direct connection to the CPOT, so long as a valid connection exists to a verified associate or component of the CPOT

**Data Validation and Verification:** PTARRS provides a means of electronically validating and verifying PTO data through the following approval chain:

\* Case Agent - Through PTARRS, the Special Agent (SA) or Diversion Investigator (DI) begins the process by creating and proposing a PTO.

\* Group Supervisor (GS) – The GS reviews the PTO proposed by the SA/DI and approves it or sends it back to the SA/DI for additional information/clarification.

\* Assistant Special Agent in Charge (ASAC) - The ASAC reviews the PTO approved by the GS. If all of the necessary information included in the proposal meets the established criteria for a PTO, the ASAC

\* Special Agent in Charge (SAC) - The SAC reviews the PTO approved by the ASAC and provides a case assessment for, or against, the nomination of the PTO. Once nominated by the SAC, PTARRS generates and saves a unique identification number for the nominated PTO.

\* Headquarters – At Headquarters, PTOs nominated by the SAC are assigned to the appropriate section within DEA's Office of Enforcement (OE). Once assigned, the corresponding OE Staff Coordinator validates all information reported on the PTO nomination. The validation process includes a review of the PTO nomination for completeness, compliance with established criteria, and confirmation of all related case linkages, including links to CPOT targets. Staff Coordinators coordinate with DEA's Special Operations Division and Intelligence Division to ensure that available facts exist to support all case linkages. In the unlikely event the documentation submitted is insufficient to validate the reported links, the Staff Coordinator will coordinate with the submitting GS to obtain the required information.

**Data Limitations:** All statistics are limited by a lack of a relational link between case files and enforcement outputs (e.g. arrest, seizure, and work hour data). The link is inferred through data manipulation, but some areas are prone to error until all data systems are linked in a relational manner, and errors are prevented through data validation and referential integrity.

**State and Local Training**

**Data Definition:** The DEA Training Academy receives quarterly training data from the field on training provided by Division Training Coordinators. The field data is combined with the data generated by the DEA Training Academy and reported quarterly based on the fiscal year.

**Data Validation and Verification:** Data is reviewed upon receipt, but only technical or unusual deviations are checked.

**PERFORMANCE MEASURE TABLE**

**Decision Unit: Domestic Enforcement**

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target
<b>Performance Measure</b>	Percentage of IC RFIs Provided by Requested Deadline <sup>1</sup>	N/A	N/A	N/A	N/A	N/A	N/A	90%	100%	72%	100%	100%
<b>Performance Measure</b>	PTOs Linked to CPOT Targets Disrupted or Dismantled <sup>1,2</sup>	35/11	118/22	168/95	137/68	102/61	211/64	196/101	205/110	274/151	235/115	235/115
<b>Performance Measure</b>	PTOs Not Linked to CPOT Targets Disrupted or Dismantled <sup>1,2</sup>	246/133	307/189	474/326	594/382	765/411	1,137/504	1,041/611	1,215/710	1,114/729	1,365/720	1,215/710
<b>Performance Measure</b>	# of Federal, State, and Local Law Enforcement Officers Trained <sup>3</sup>	39,552	33,358	40,810	40,236	41,252	46,982	55,371	36,720	56,921	45,000	45,000
<b>OUTCOME Measure</b>	Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker	N/A	N/A	N/A	N/A	N/A	N/A	††	††	††	††	††

†† See the International Enforcement Performance and Resources Table for related performance data.

<sup>1</sup> PTOs disrupted includes PTOs disrupted closed (PTARRS status code E) and PTOs disrupted pending dismantlement (PTARRS status code D).

<sup>2</sup> This does not include PTOs associated with DEA's Diversion Control Program.

<sup>3</sup> This performance activity and performance measure does not include State and Local Clandestine Laboratory Enforcement training.

<sup>4</sup> Agency-wide outcome measure reflecting the activities across DEA's three decision units (International Enforcement, Domestic Enforcement, and State and Local Assistance).

### **3. Performance, Resources, and Strategies**

The Domestic Enforcement Decision Unit primarily contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People." Within this Goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs."

In FY 2007, a portion of the Domestic Enforcement decision unit was relocated to Strategic Goal 1: "Prevent Terrorism and Promote the Nation's Security". Within this Goal, the resources specifically address DOJ's Strategic Objective 1.2: "Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents."

#### **a. Performance Plan and Report for Outcomes**

##### *Performance Narrative*

##### Strategic Objective 1.2 – Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents

##### *DEA's Counterterrorism Efforts*

Currently, DEA has one performance measure related to its counter terrorism (CT) activities reflected under DOJ's Strategic Goal 1 on the Domestic Enforcement Performance and Resources Table. This measure is the Percentage of IC Requests for Information (RFIs) provided by the requested deadline. With a goal of 100% compliance in FY 2010, the reported percentage of IC RFIs provided by the requested deadline was 72% through the third quarter. DEA anticipates meeting its target of 100 percent in FY 2011 and beyond.

##### Strategic Objective 2.4 – Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs

Although DEA is involved in counterterrorism, DEA's primary mission is drug enforcement and DEA's long-term goal is to maximize the Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied). Drug Trafficker Revenue Denied reflects the outcome of activities scored to DEA's International, Domestic and State and Local Decision Units.

##### *Drug Trafficker Revenue Denied*

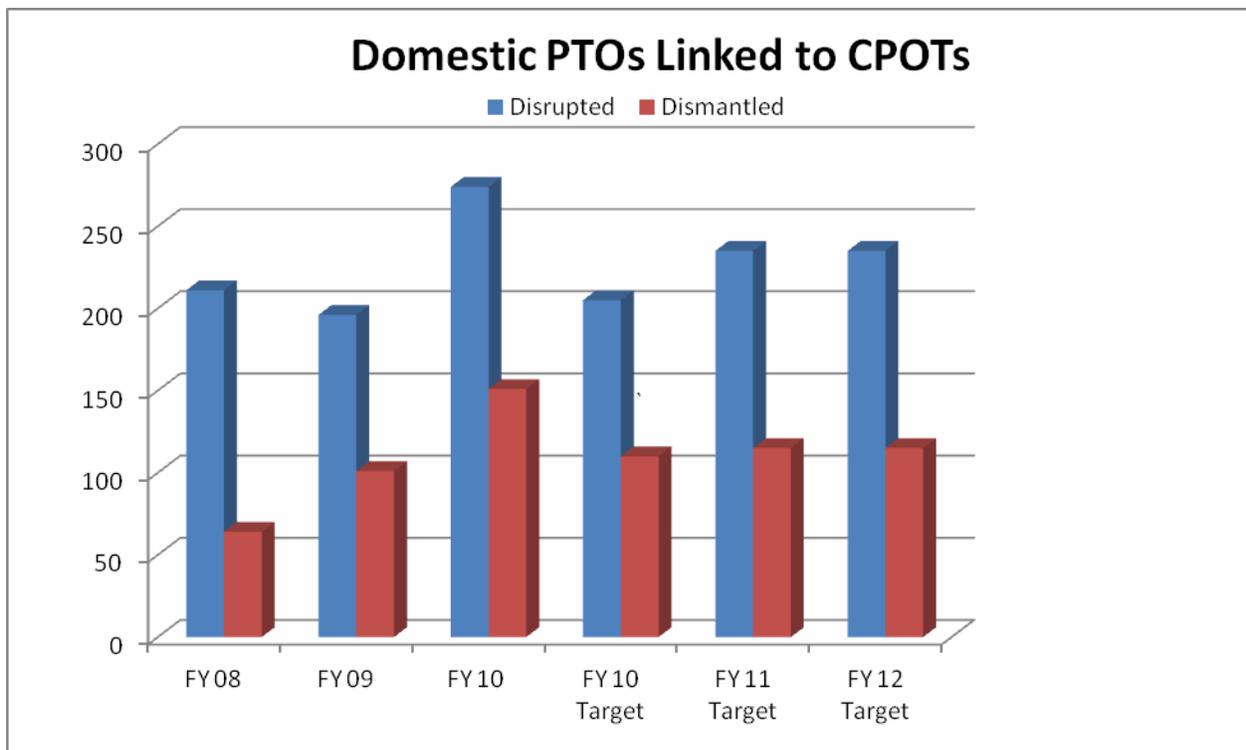
Please refer to the discussion on Drug Trafficker Revenue Denied included in the International Enforcement Decision Unit narrative.

##### *Priority Targeting Program*

DEA's first drug-related performance measure under DOJ's Strategic Goal 2 on the Domestic Enforcement Performance and Resources Tables relate to the disruption or dismantlement of

Priority Targets linked to CPOT targets. In FY 2010, DEA disrupted 274 and dismantled 151 PTOs linked to CPOT targets. This represents 134% and 137% to target for each of the aforementioned dispositions, respectively. Because DEA significantly exceeded its FY 2010 targets for disruptions or dismantlements of Priority Targets linked to CPOT targets, it has adjusted its corresponding FY 2011 and FY 2012 targets accordingly.

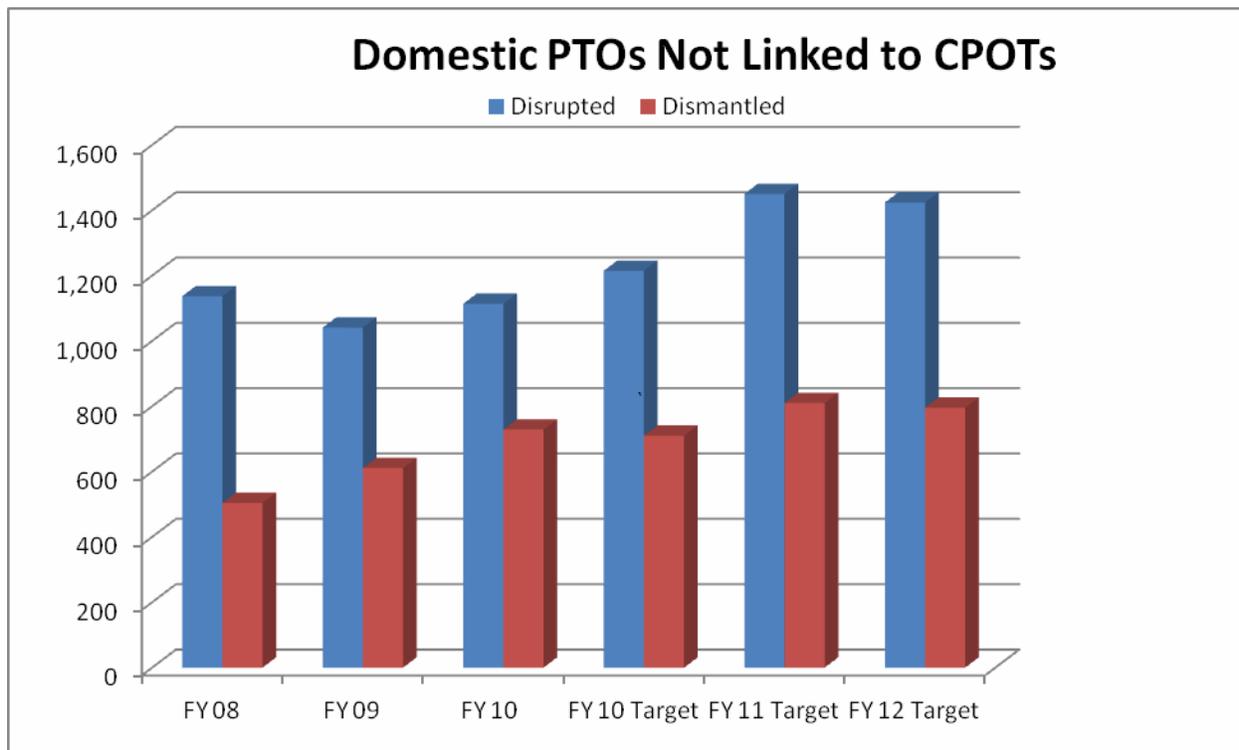
It is important to note that investigations against these targets have become more complex. CPOT level organizations learn from law enforcement’s past successes, and adjust their operations accordingly to thwart law enforcement efforts. Law enforcement has been forced to pursue more complex investigative techniques to achieve a lasting impact against these organizations. This inherently takes more time. Pursuing such things as electronic surveillance and in-depth financial investigations has permitted the DEA to improve upon its success in permanently dismantling major drug trafficking organizations. Subsequently, the application of more sophisticated techniques is both time and labor intensive.



DEA’s second performance measure under DOJ’s Strategic Goal 2 on the Domestic Enforcement Performance and Resources Tables relate to the disruption or dismantlement of Priority Targets not linked to CPOT targets. In FY 2010, DEA reported 1,114 disruptions and 729 dismantlements. This represents 92% and 103% to target for each of the aforementioned dispositions, respectively. For the first time, DEA exceeded its CPOT disruptions and dismantlements as well as its non-CPOT dismantlements, but it failed to meet its non-CPOT disruptions by approximately 8%. Under normal circumstances the inability to achieve a target would be cause for concern, however upon closer inspection it is clear that DEA succeeded in exceeding its targets among its most egregious violators (disrupted/dismantled CPOTs) with its

most impactful disposition (dismantlement – CPOT and non-CPOT). DEA will continue to focus its efforts as stated. Collaterally, DEA anticipates that it will meet its out-year targets for non-CPOT disruptions as the higher priority PTOs (CPOT) traffickers are brought to justice.

The efforts of DEA’s law enforcement personnel in DEA domestic field divisions, especially divisions located on the southwest border, will contribute to meeting DEA’s FY 2011 targets for disrupting or dismantling Priority Targets not linked to CPOT targets.



### ***State and Local Law Enforcement Officer Training***

DEA’s State and Local Law Enforcement Officer Training program has one primary performance measure, which is the number of State and local law enforcement officers trained. At the end of FY 2010, DEA reported 56,921 State and local law enforcement officers trained. For fiscal years 2011 and 2012, DEA has evaluated and adjusted its targets for the number of State and local officers trained to 45,000, respectively. This reduced target is not anticipated to have an adverse impact on public health and safety or the safety and security of law enforcement personnel.

### **b. Strategies to Accomplish Outcomes**

To fulfill the critical mission of reducing drug use in the U.S., DEA devotes resources to the disruption or dismantlement of domestic Priority Targets and the recovery of their profits from the sale of illegal drugs. DEA’s strategy is to attack entire drug trafficking organizations, from their international command and control, through their smuggling and transportation systems,

down to their distribution cells that are networked throughout the United States. DEA's Priority Targets represent the major drug trafficking organizations responsible for the production, transportation, and distribution of illegal drugs destined for consumption in the United States. DEA accomplishes its strategy by:

- Exploiting drug trafficking organization vulnerabilities;
- Employing traditional and creative enforcement methods that lead to the disruption or dismantlement of targeted organizations and the incarceration of their leaders; and,
- Assessing the financial underpinnings of each organization and its key leaders to disrupt or dismantle financial organizations responsible for the control of capital belonging to the targeted organizations.

To achieve the strategic goal of contributing to DOJ's goal of reducing drug availability, DEA:

- Systematically disrupts or dismantles targeted organizations by arresting/convicting their leaders and facilitators, seizing and forfeiting their assets, targeting their money laundering operations, and destroying their command and control networks;
- Works with international offices to disrupt or dismantle domestic organizations directly affiliated with international cartels; and,
- Identifies and targets the national/regional organizations most responsible for the domestic distribution, manufacture, and diversion of precursor chemicals.

The following strategies outline DEA's plan to achieve the Domestic Enforcement objectives in FY 2011:

***Reduce the flow of illicit drugs, money, and chemicals between the source zones and the United States***

A key element in combating international drug trafficking is the concerted and coordinated efforts of the inter-agency community to jointly identify chokepoints vulnerable to enforcement efforts and simultaneously direct assets to vigorously target the identified chokepoints on a coordinated and sustained basis. To this end, DEA developed an International Drug Flow Attack Strategy, which has the primary objective to cause major disruption to the flow of drugs, money, and chemicals between the source zones and the United States. The strategy includes an integrated intelligence-enforcement process that rests on four pillars: intelligence-driven enforcement, sequential operations, predictive intelligence, and law enforcement deception campaigns. To stem the flow of drugs into the U.S., DEA will continue to implement this successful Drug Flow Attack Strategy by expanding enforcement initiatives with our global law enforcement partners and the military. Under this Strategy, DEA works in coordination with DoD/Joint Interagency Task Force-South (JIATF-S), U.S. Coast Guard, Customs and Border Protection (CBP), State Department (including Country Teams led by U. S. Ambassadors), and other Federal departments and agencies.

***Strengthen counternarcotics efforts to combat illicit drug trafficking along the Southwest Border***

Narcotics smuggling along the southwest border (SWB) poses a significant national security issue for the United States. The SWB provides hundreds of miles of open areas, which are an ideal environment for cross-border drug trafficking and money laundering activities. DEA has also identified the SWB as a major focus area of interest because the possibility exists for terrorist organizations to use established drug smuggling routes to smuggle dangerous individuals or weapons of mass destruction into the United States. Given this triple threat of illegal drugs, violence, and terrorism, DEA's efforts along the SWB are now more critical than ever. The FY 2011 SWB supplemental (P.L. 111-230) enhances DEA operations on the SWB and our ability to disrupt and dismantle violent Mexican drug cartels; interdict illegal bulk currency movement and electronic currency transfers; and enhance Mexico's counterdrug capabilities. FY 2010 supplemental funding includes an increased border presence to interrupt the flow of drugs to Mexican drug rings operating within the U.S.

DEA's long-standing and most important intelligence sharing organization focusing on the Southwest Border is the El Paso Intelligence Center (EPIC). EPIC's mission is to support United States law enforcement and interdiction components through timely analysis and dissemination of intelligence on illicit drug and alien movements and the criminal organizations responsible for these illegal activities, within the United States, on both sides of the U.S.-Mexico border, across the Caribbean, and from other points of origin within the Western Hemisphere en route to the United States. In carrying out this mission, EPIC provides intelligence to law enforcement agents, investigators, and analysts at all levels of government throughout the United States and in some foreign nations. This includes directly supporting the efforts of Department of Justice and Department of Homeland Security (DHS) components, including the Coast Guard, Immigration and Customs Enforcement, and Customs and Border Protection. EPIC also has information sharing agreements with police agencies in all 50 states and it shares near real time information with the Joint Interagency Task Force South and other drug interdiction agencies/elements.

***Disrupt and dismantle Consolidated Priority Organization Targets (CPOTs)***

The OCDETF Program, of which DEA is the leading participant, contributes to DOJ's Strategic Goal to reduce the supply of drugs available for consumption in the United States by targeting organizations on the CPOT list – the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the nation's illicit drug supply. The objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible and the source of the drug is eliminated. The disruption or dismantlement of CPOT organizations is accomplished primarily by multi-agency investigations. These investigations emphasize developing intelligence-driven operations to identify and target international drug trafficking organizations that play significant roles in the production, transportation, distribution, financing, or other support of large scale drug trafficking.

***Deny drug revenues to drug trafficking organizations in order to disrupt trafficking activities and reduce drug availability***

The DEA Anti-Money Laundering Strategy is designed to reduce the threat, trafficking, use, and related violence of illegal drugs. DEA's perspective on the money laundering threat to the United States is two-fold. First, DEA is solely focused on proceeds generated by the illegal drug industry and the devastating effect this money has on the American public and financial services industry, as well as other governments and societies around the world. Second, DEA is addressing the threat that drug proceeds represent as a means of financing terrorist organizations. Due to the nature and scope of DEA's investigations and its global presence, evidence and intelligence gleaned from its investigations often provide critical information on terrorist financing, which is immediately shared through established protocols with those agencies charged with counter terrorism responsibilities. DEA's Anti-Money Laundering Strategy targets the flow of drug money back to sources of drug supply because these funds are destined to finance the next cycle of illegal drugs to be sent to the U.S. consumer market.

***Utilize intelligence to support counternarcotics strategies and stop drug-related terrorist activities***

DEA's Intelligence Program has been refocused on the concept of predictive intelligence to identify trends and vulnerabilities and then direct enforcement resources to those areas. In addition to its traditional drug law enforcement mission, DEA assumed new intelligence responsibilities and functions in 2006 to support the global war on terror. DEA has expanded its Intelligence Program and has implemented the following initiatives: a DEA Office of National Security Intelligence; a Representation in the National Security Council Office for Combating Terrorism; an Organized Crime Drug Enforcement Task Force Fusion Center (OFC); and a National Virtual Pointer System (an information system that provides federal, State and local law enforcement agencies with a target deconfliction capacity for all crimes).

***Disrupt and dismantle violent gangs involved in drug trafficking***

Major violent street gangs have become an increasing threat to the safety and security of our domestic communities. Law Enforcement authorities throughout the country report that gangs are responsible for most of the serious violent crime in the major cities of the United States. They commonly use drug trafficking as a means to finance their criminal activities. These gang drug trafficking organizations are often well organized, have an identifiable hierarchy with organized levels of command and control, and utilize sophisticated techniques and organizational processes to further their drug trafficking efforts.

***Reduce the threat, trafficking, and use of methamphetamine***

Methamphetamine is a continuing problem in the United States. Once confined primarily to the west and mid-west, it is now evident across the eastern half of the United States, as well. Because of the unique characteristics of methamphetamine, fighting the drug demands

aggressive and collaborative efforts. DOJ is focused on the following six methods to combat methamphetamine: work with state and local law enforcement; provide information and awareness training; strengthen international partnerships, specifically between the U.S. and Mexico; use additional tools to target methamphetamine traffickers, such as the Combat Methamphetamine Epidemic Act; increase DEA's enforcement operations and arrests; and make methamphetamine prosecutions a priority for U.S. Attorneys.

***Provide training to State and local law enforcement officers to improve the capabilities of State and local law enforcement agencies and their ability to enforce state drug laws***

As the nation's preeminent drug law enforcement organization, DEA has the responsibility to respond to the drug enforcement training needs of the U.S. law enforcement community. This is executed through the State and Local Training Program, which provides law enforcement officers with essential skills needed to conduct narcotics investigations and contribute to the nationwide counterdrug effort. DEA offers an array of classes to State and local officers to include Drug Diversion training, Drug Enforcement Unit Commander training (DUCA), Federal Law Enforcement Analysis Training (FLEAT), and Narcotics Supervisory Leadership training. In addition, State and local training is offered through DEA's Domestic Field Division Offices and Division Training Coordinators. By teaching others the methodologies and techniques of drug enforcement, DEA is able to expand drug enforcement across the United States in a very cost-effective manner.

***Provide educational resources through the Headquarters' Demand Reduction Program sponsorship of National Red Ribbon Week***

National Red Ribbon Week serves as a tribute to Special Agent Camarena, who was kidnapped and brutally tortured and murdered by drug traffickers in Mexico. This tragic event produced an immediate outpouring of grief, but over time has generated a sense of hope across America. This hope is being kept alive through the hard work of thousands of Americans - particularly our young people - who participate in Red Ribbon events during the last week in October. National Red Ribbon Week is the most far-reaching and well-known drug prevention event in America. The National Family Partnership, which coordinates Red Ribbon activities nationally, estimates that over 80 million Americans participate in Red Ribbon events. During this period, events are held throughout the country and serve as prevention and educational resources for young children and their communities.

### C. State and Local Assistance

<b>State and Local Assistance - Total</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted with Rescissions	31	29	\$6,614
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplementals	31	29	6,614
2011 Continuing Resolution	31	29	6,614
Adjustments to Base and Technical Adjustments	0	0	39
2012 Current Services	31	29	6,653
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	0
2012 Request	31	29	6,653
<b>Total Change 2011-2012</b>	<b>0</b>	<b>0</b>	<b>\$39</b>

<b>State and Local Assistance - Information Technology Breakout (of Decision Unit Total)</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted	0	0	\$413
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplementals	0	0	413
2011 Continuing Resolution	0	0	452
Adjustments to Base and Technical Adjustments	0	0	6
2012 Current Services	0	0	458
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	-3
2012 Request	0	0	455
<b>Total Change 2011-2012</b>	<b>0</b>	<b>0</b>	<b>\$3</b>

#### 1. Program Description

Through its expertise and leadership, DEA continues to support State and local efforts with specialized programs aimed at reducing the availability of drugs. In FY 2012, DEA will provide direct assistance to State and local law enforcement through its State and Local Law Enforcement Officer Clandestine Laboratory Training and the Domestic Cannabis Eradication/Suppression Program. DEA's new Clandestine Laboratory Training Facility in Quantico, Virginia was completed in December 2008 at a cost of \$16.4 million. The 32,000 square foot state-of-the-art facility trains State and local first responders in laboratory investigations, dismantlements and disposal. In FY 2010 and prior years, DEA has also provided assistance to State and local law enforcement through the Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), which has been funded through reimbursable and transfer funding provided to DEA through DOJ's COPS program. DEA expects to receive

another \$10 million in transfer funding from COPS to support State and local cleanups during a full year CR in FY 2011.

DEA supports State and local law enforcement with methamphetamine-related assistance and training, which allows State and local agencies to better address the methamphetamine threat in their communities and reduce the impact that methamphetamine has on the quality of life for America's citizens. By teaching and assisting others in the techniques of clandestine laboratory drug enforcement, hazardous waste cleanup, and cannabis eradication/suppression, DEA is able to expand drug enforcement across the United States in a very cost-effective manner.

## 2. Performance Tables

PERFORMANCE AND RESOURCES TABLE											
<b>Decision Unit: State and Local Assistance</b>											
<b>DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People</b>											
<b>Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs</b>											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Changes		FY 2012 Request	
Workload: Varies by Program											
<b>Total Costs and FTE</b>		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		29	\$6,614 [\$42,204]	29	\$6,614 [\$42,204]	29	\$6,614 [\$33,560]	0	\$39 [\$0]	29	\$6,653 [\$33,560]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2010		FY 2010		FY 2011 CR		Current Services Adjustments and FY 2012 Program Changes		FY 2012 Request	
Program Activity	1. State and Local Clandestine Laboratory Training/Domestic Cannabis Eradication/Suppression Program	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		29	\$6,614 [\$42,204]	29	\$6,614 [\$42,204]	29	\$6,614 [\$33,560]	0	\$39 [\$0]	29	\$6,653 [\$33,560]
<b>Performance Measure</b>	# of State and Local Law Enforcement Officers Trained in Clandestine Laboratory Enforcement	950		1,306		650		-		650	
<b>Performance Measure</b>	# of Marijuana Plants Eradicated (Includes Plants Cultivated Indoors and Outdoors) <sup>1</sup>	9,000,000		9,000,000		9,000,000		500,000		9,500,000	
<b>OUTCOME</b>	Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied) <sup>2</sup>	††		††		††		-		††	
†† See the International Enforcement Performance and Resources Table for related performance data.											
<sup>1</sup> Actual performance for the Domestic Cannabis Eradication/Suppression Program is reported on a calendar year basis. This program is currently being funded through DEA/DOJ Asset Forfeiture Fund reimbursable											
<sup>2</sup> Agency-wide outcome measure reflecting the activities across DEA's three decision units (International Enforcement, Domestic Enforcement, and State and Local Assistance).											
<b>State and Local Clandestine Laboratory Training</b>											
<b>Data Definition:</b> The DEA Training Academy tracks the number of State and Local Law Enforcement Officers trained in Clandestine Laboratory Enforcement and reports it quarterly based on the fiscal											
<b>Data Validation and Verification:</b> Data is reviewed upon receipt, but only technical or unusual deviations are checked.											
<b>Domestic Cannabis Eradication/Suppression Program</b>											
<b>Data Definition:</b> Domestic Cannabis Eradication/Suppression Program participants submit data monthly to DEA's program coordinators in the field. This data is compiled by DEA's program coordinators and submitted to Headquarters in a monthly report. Data is tabulated for publication annually based on the calendar year. Final CY figures are normally available in the March/April timeframe.											
<b>Data Validation and Verification:</b> Data is reviewed upon receipt, but only technical or unusual deviations are checked.											

**PERFORMANCE MEASURE TABLE**

**Decision Unit: State and Local Assistance**

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
		Actual	Actual	Target	Actual	Target						
<b>Performance Measure</b>	# of State and Local Law Enforcement Officers Trained in Clandestine Laboratory Enforcement	1,573	1,029	1,043	1,077	952	968	873	950	1,306	650	650
<b>Performance Measure</b>	# of Marijuana Plants Eradicated (Includes Plants Cultivated Indoors and Outdoors) <sup>1</sup>	3,651,106	3,200,121	4,209,086	5,029,317	7,034,327	8,013,308	10,400,000	9,000,000	9,000,000	9,000,000	9,500,000

<sup>1</sup> Actual performance for the Domestic Cannabis Eradication/Suppression Program is reported on the calendar year ending December 31st. 2011 and 2012 targets assume continuing National Guard Bureau / DoD support and no change to the current marijuana threat.

### **3. Performance, Resources, and Strategies**

The State and Local Assistance Decision Unit contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People." Within this Goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs."

#### **a. Performance Plan and Report for Outcomes**

DEA's State and Local Assistance Decision Unit consists of three programs: State and Local Law Enforcement Officer Clandestine Laboratory Training courses, DEA's Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), and the Domestic Cannabis Eradication/Suppression Program. Each of these programs supports DEA's long-term goal to maximize the Monetary Value of Currency, Property and Drugs Seized (Drug Trafficker Revenue Denied). Since each program area has identified unique performance measures related to their specific activities, they are addressed separately below.

#### ***Drug Trafficker Revenue Denied***

Please refer to the discussion on Drug Trafficker Revenue Denied included in the International Enforcement Decision Unit narrative.

#### ***State and Local Law Enforcement Officer Clandestine Laboratory Training***

DEA continues to conduct one of the most critical, specialized training programs offered to State and local law enforcement officers in the area of clandestine laboratory training. DEA trains these officers at the new Clandestine Laboratory Training Facility in Quantico, Virginia on the latest safety techniques and methods in detecting and investigating clandestine methamphetamine labs. Often, it is the State and local police who first encounter these clandestine labs and must ensure that they are investigated, dismantled, and disposed of appropriately.

DEA offers three clandestine laboratory training courses: State and Local Clandestine Laboratory Certification, Clandestine Laboratory Site Safety, and Clandestine Laboratory Tactical training. The first two courses provide detailed information regarding Occupational Safety and Health Administration regulations and standards. Officers are informed of the hazards that they are likely to encounter and how to handle these hazards. For example, during training, officers become familiar with the personal protective equipment that must be worn when dismantling a clandestine lab. During the third course, officers are taught the difference between traditional drug investigations and clandestine laboratory investigations.

Between FY 2000 and FY 2009, DEA has trained 11,187 State and local law enforcement officers in identifying and processing clandestine laboratories. Teaching others the techniques used to investigate and dismantle clandestine labs acts as a force multiplier for DEA. As of September 30, 2010, 1,306 State and local law enforcement officers have been trained. DEA anticipates meeting or exceeding the established target for FYs 2011 and 2012, which is 950

State and local law enforcement officers trained in clandestine laboratory enforcement investigative and safety techniques and methods.

### ***Hazardous Waste Program (Clandestine Drug Laboratory Cleanup)***

Since 1980, the Environmental Protection Agency's hazardous waste regulations (under the Resource Conservation and Recovery Act) have required generators of hazardous waste to properly manage their waste. Thus, DEA, along with State and local law enforcement agencies, become the "generator" of hazardous waste when a clandestine drug laboratory is seized.

The DEA Laboratory System established a program in 1990 to address environmental concerns from the seizure of clandestine drug laboratories. The amount of waste material and chemicals taken from a clandestine drug laboratory may vary from a few pounds to several tons, depending on the size of the laboratory and its manufacturing capabilities. Wastes may be highly toxic, flammable, corrosive, reactive, and, in some cases, radioactive. These wastes have caused injury and death to laboratory operators, and fires and explosions that have contaminated the interior of homes, apartments, motels, etc. In some instances, these wastes have been indiscriminately dumped in pits, streams, lakes, septic tanks, and along the roadside.

Cleaning up a seized clandestine drug laboratory is a complex, dangerous, and expensive undertaking. However, the DEA Hazardous Waste Program has been successful in promoting the safety of law enforcement personnel and the public, protecting the environment, and minimizing the agency's liability.

DEA's program promotes the safety of law enforcement personnel and the public by using highly qualified companies with specialized training and equipment to perform the removal of the wastes at the seized laboratory. Numerous contractors service DEA's Hazardous Waste Cleanup and Disposal Contract (HWCDC). Using these contractors reduces the risk of injury to law enforcement personnel and the public from the cleanup of the seized laboratory, and, due to the nationwide network of contractors, the response time is reduced.

The use of highly qualified contractors also helps to protect the environment by ensuring strict adherence to the applicable environmental laws and regulations, including safe transportation to storage and disposal facilities. Compliance with applicable laws and regulations not only reduces the probability of indiscriminate contamination of the environment from hazardous wastes at clandestine drug laboratories, but also minimizes DEA's liability.

In FY 2010 and prior years, DEA has also provided assistance to State and local law enforcement through the Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), which has been funded through reimbursable and transfer funding provided to DEA through DOJ's COPS program. DEA expects to receive another \$10 million in transfer funding from COPS to support State and local cleanups during a full year CR in FY 2011. In FY 2012, DEA will continue to cleanup the labs seized by DEA using funding from the Assets Forfeiture fund.

## ***Domestic Cannabis Eradication/Suppression Program***

The Domestic Cannabis Eradication/Suppression Program is a nationwide law enforcement program that exclusively targets marijuana. DEA administers the program and receives approximately \$21.6 million in funding from the Department of Justice, Assets Forfeiture Fund through reimbursable agreements. The majority of this funding is then allocated to 120 State and local agencies for eradication campaigns and suppression programs, based on a priority ranking with the seven largest marijuana producing states receiving the largest shares. DEA's current performance measure for the program is the Number of Marijuana Plants Eradicated (Including Plants Cultivated Indoors and Outdoors).

Since eradication is based on the growing season, all program performance data is collected and reported on the calendar year with performance weighted towards the end of the year. Domestically cultivated marijuana is dependent on climatic conditions, as a result extreme circumstances such as flood, drought, and fire can dramatically impact the amount of product cultivated and therefore seized. In CY 2009, 10,400,000 marijuana plants were seized and destroyed. DEA has established targets of 9,000,000 marijuana plants eradicated for CYs 2010, and 2011. The CY 2012 target is 9,500,000.

### **b. Strategies to Accomplish Outcomes**

To fulfill the critical mission of reducing drug availability in the United States, DEA assists State and local agencies with drug enforcement efforts through a combination of appropriated and reimbursable resources, to include AFF. Part of DEA's overall strategy is to complement State and local efforts with specialized programs aimed at reducing the availability of drugs through DEA's expertise and leadership. To achieve this goal, DEA:

- Improves the capabilities of State and local enforcement efforts with specialized clandestine laboratory training programs that improve their abilities to enforce State drug laws;
- Assists state and local law enforcement efforts to cleanup hazardous wastes produced from seized clandestine drug laboratories; and
- Assists state and local efforts to control the production of cannabis through the Domestic Cannabis Eradication/Suppression Program.

The following strategies outline DEA's plan to achieve the State and Local Assistance objectives:

***Provide clandestine laboratory training to State and local law enforcement officers to improve the capabilities of State and local law enforcement agencies and their ability to investigate, dismantle, and dispose of clandestine drug labs.***

State and local law enforcement officers are taught how to handle the hazards they will encounter in these laboratories and the procedural differences between traditional drug investigations and clandestine laboratory investigations. They also receive familiarization training on the personal protective equipment that must be worn when dismantling a clandestine

laboratory. The U.S. Code of Federal Regulations mandates that all federal, state, and local law enforcement officers receive at least 24 hours of hazardous chemical handling training prior to entering a clandestine drug laboratory.

*Assist local efforts to control the production of cannabis.*

The Domestic Cannabis Eradication/Suppression Program assignments include providing operational and training assistance to state/local agencies, monitoring activities, and acting as a conduit for intelligence and information with DEA Headquarters. This assistance and joint cooperation allows for the enhancement of already aggressive eradication enforcement activities throughout the nation. However, the success of the Domestic Cannabis Eradication/Suppression Program is directly attributed to the decision of the participating agencies to share intelligence, technology, and manpower.

#### D. Diversion Control Fee Account

<b>Diversion Control Fee Account - Total</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted with Rescissions	1,199	1,190	\$251,790
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplemental	1,199	1,190	251,790
2011 Continuing Resolution	1,373	1,282	290,304
Adjustments to Base and Technical Adjustments	0	87	801
2012 Current Services	1,373	1,369	291,105
2012 Program Increases	124	62	30,885
2012 Program Offsets	0	0	0
2012 Request	1,497	1,431	321,990
<b>Total Change 2011-2012</b>	<b>124</b>	<b>149</b>	<b>\$31,686</b>

<b>Diversion Control Fee Account - Information Technology Breakout (of Decision Unit Total)</b>	<b>Perm. Pos.</b>	<b>FTE</b>	<b>Amount (\$000)</b>
2010 Enacted with Rescissions	14	14	\$31,054
2010 Supplemental	0	0	0
2010 Enacted w/Rescissions and Supplementals	14	14	31,054
2011 Continuing Resolution	20	20	40,915
Adjustments to Base and Technical Adjustments	5	5	9,223
2012 Current Services	25	25	43,304
2012 Program Increases	0	0	0
2012 Program Offsets	0	0	0
2012 Request	25	25	43,304
<b>Total Change 2011-2012</b>	<b>5</b>	<b>5</b>	<b>\$2,389</b>

#### 1. Program Description

The Diversion Control Program (DCP) is responsible for carrying out a primary mission of the Drug Enforcement Administration: to enforce the Controlled Substances Act (CSA) and its regulations pertaining to pharmaceutical controlled substances and listed chemicals. The DCP actively monitors more than 1.3 million individuals and companies that are registered with DEA to handle controlled substances or listed chemicals through a system of scheduling, quotas, recordkeeping, reporting, and security requirements.

The DCP implements an infrastructure of controls established through the Controlled Substances Act and ancillary regulations. This system balances the protection of public health and safety by preventing the diversion of controlled substances and listed chemicals while ensuring an adequate and uninterrupted supply for legitimate needs. The DCP conducts and facilitates

domestic and international investigations; plans and allocates program resources; promulgates regulations; and conducts liaison with industry as well as federal, state, and local counterparts.

### ***The Prescription Drug Abuse Problem***

The diversion and abuse of pharmaceutical controlled substances has long been a problem, but these problems have become more acute in recent years. There are many factors contributing to the increased abuse of prescription drugs. Many mistakenly believe that abusing prescription drugs is safer than using illicit street drugs. Prescription drugs are easily obtainable from friends and family. Moreover, many people are not aware of the potentially serious consequences of using prescription drugs non-medically.

Over the last several years, national surveys have documented the fact that a significant number of Americans are abusing controlled substance prescription drugs for nonmedical purposes. According to the 2008 National Survey on Drug Use and Health (published in September 2009), 6.2 million Americans were current non-medical users of psychotherapeutic drugs. Of that number, 4.7 million Americans abused pain relievers. The survey also indicated that the abuse of prescription drugs was second only to marijuana and had the largest number of new initiates.

The Centers for Disease Control (CDC) reported that “the number of deaths involving prescription opioid analgesics increased from roughly 2,900 in 1999 to 7,500 in 2004, an increase of 160 percent in 5 years.” CDC also reported that unintentional poisoning deaths attributed to psychotherapeutic drugs increased from 671 in 1999 to 1,300 in 2004, a 93.7 percent change. According to the CDC, opioid analgesics were involved in almost 40 percent of all poisoning deaths in 2006.

DEA focuses the majority of its investigations on where the diversion occurs the most, at the pharmacy and practitioner level of the distribution chain. This includes non-registrants and end users who are involved in large-scale diversion, prescription fraud (prescriptions that were written in the name of a practitioner who did not authorize the dispensing of a controlled substance), and doctor shopping (drug seekers who present various complaints to multiple physicians to procure controlled substances). Thefts and robberies from pharmacies, illegal Internet distribution organizations (individuals and organizations that operate over the Internet and prescribe and dispense controlled substances without a valid prescription), prescription fraud, doctor shopping, and inappropriate or illegal distribution and dispensing by health practitioners or non-registrants represent the majority of investigations initiated by DEA. All of the goals, strategies and initiatives supported by the DCP are intended to establish stronger standards of control, aid in preventing the diversion of pharmaceutical controlled substances and chemicals, and enhance public safety by building greater accountability and qualitative reporting requirements into its network of compliance indicators.

***Diversion of Controlled Chemicals:*** Almost all illicit drugs are produced using a combination of chemicals that react either upon an organic base ingredient or, in the case of synthetic drugs, with each other to produce the finished drug. Almost all of these chemicals have legitimate uses. Most are widely available in household cleaning and healthcare products and throughout a large variety of manufacturing industries. Cocaine, for example, is extracted from coca leaves and

converted into its most common form by using a large quantity and variety of industrial chemicals. Heroin is synthesized using a combination of acetylating and purifying agents after morphine has first been extracted in a chemical process from raw opium. Methamphetamine, PCP, LSD, and MDMA are synthetic drugs manufactured from various chemical precursors.

The DEA has initiated and actively participates in several ongoing, multi-national operations to prevent, detect, and eliminate the diversion of chemicals and other precursor substances across global markets. On the domestic front, the DEA has liaison and outreach programs with the chemical industry to improve cooperation and compliance with new and on-going initiatives implemented to reduce the amount of diversion. On the international front, the DEA is working to increase its efforts to conduct and improve overseas liaison by providing international chemical control training to foreign law enforcement officials. The resultant training has enabled foreign counterparts to improve their ability to detect and identify clandestine shipments of banned chemical imports thereby denying source country traffickers the requisite precursors and reagents necessary to refine and produce illegal drugs.

DEA has worked with Central American countries that are associated with either the clandestine manufacture of methamphetamine (destined to the U.S.) or are transit countries for the smuggling of Pseudoephedrine (PSE) used to manufacture methamphetamine. Consequently, the following countries have taken action to ban PSE in their country: Mexico, Belize, El Salvador, Costa Rica, Guatemala, Honduras, and Nicaragua.

## 2. Performance Tables

1b. PERFORMANCE AND RESOURCES TABLE (NEW MEASURES)											
<b>Decision Unit: Diversion Control</b>											
<b>DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People</b>											
<b>Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs</b>											
WORKLOAD/ RESOURCES		Final Target		Actual		Projected		Changes		Requested (Total)	
		FY 2010		FY 2010		2011 CR		Current Services Adjustments and FY 2012 Program Change		FY 2012 Request	
<b>Workload Measure</b>	Number of Criminal Case Initiations <sup>1</sup>	673		1,011		707		35		742	
<b>Workload Measure</b>	Active Diversion PTOs Linked to CPOT Targets <sup>2</sup>	0		15		0				0	
<b>Workload Measure</b>	Active Diversion PTOs Not Linked to CPOT Targets	220		255		220				220	
<b>Workload Measure</b>	Number of Drug and Chemical New Applicants (throughout the FY)	75,353		83,154		76,850		1,537		78,387	
<b>Total Costs and FTE</b> (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		1,190	\$251,790 [\$0]	1,190	\$251,790 [\$0]	1,282	\$290,304 [\$0]	149	\$31,686 [\$0]	1,431	\$321,990 [\$0]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2010		FY 2010		2011 CR		Current Services Adjustments and FY 2012 Program Change		FY 2012 Request	
<b>Program Activity</b>	Diversion of Licit Drugs and Chemicals	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>	<b>FTE</b>	<b>\$000</b>
		1,190	\$251,790 [\$0]	1,190	\$251,790 [\$0]	1,282	\$290,304 [\$0]	149	\$31,686 [\$0]	1,431	\$321,990 [\$0]
<b>Performance Measure</b>	Number of Administrative/Civil/Criminal Sanctions	1,310		1,519		1,717		85		1,802	
<b>Performance Measure</b>	Number of Diversion PTOs Linked to CPOT Targets Disrupted / Dismantled <sup>2</sup>	0/0		1/1		0/0				0/0	
<b>Performance Measure</b>	Number of Diversion PTOs Not Linked to CPOT Targets Disrupted / Dismantled	85/90		96/65		85/90				85/90	
<b>Performance Measure</b>	Number of Planned Scheduled Investigations Completed (Overall)	1,002		3,554		3906		0		3,906	
<b>Efficiency Measure</b>	Number of Registrations Processed per FTE	53,130		58,869		63,238		3,162		66,400	
<b>OUTCOME</b>	Milestones for Development, Implementation, and Maintenance of Data Warehouse (Rapid Targeting Online Reports Tool - RapTOR) to Monitor Closed Distribution System, Which Will Allow For The	Milestone 1: Deploy RapTOR (For Beta Testing)		Milestone 1 Completed		Milestone 2: Deploy RapTOR (Operational)				Milestone 3: Deploy 2nd release with enhanced reporting capability Deploy RapTOR	

<sup>1</sup> Criminal cases will be determined by the use of DEA's Case Status Subsystem (CAST) to obtain records with 2000 series Diversion case files and class codes 40/50.

<sup>2</sup> As a participant in the PTO program, Diversion is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the Diversion program, CPOT linkages are a rare event.

**Data Definitions:***Types of Registrants:*

- \* Type A Registrants dispense controlled substances at the retail level. These include pharmacies, hospitals, clinics, practitioners, teaching institutions and mid-level practitioners (nurse practitioners, physician assistants, etc.).
- \* Type B Registrants manufacture and distribute controlled substances at the wholesale level. These include manufacturers, distributors, analytical labs, importers/exporters, researchers and narcotic treatment programs.
- \* Chemical Registrants manufacture and distribute chemicals at the wholesale and retail level. These include retail distributors, manufacturers, distributors, importers and exporters.
- \* Criminal Investigation on CSA/CDTA Registrants: All non-scheduled regulatory investigations of CSA/CDTA violations/violators. These include: Priority Target Organizations (PTOs); criminal investigations; and Drug Oriented Investigations (DOIs).

*Sanction Categories:*

- \* Administrative/Civil: Consists of civil fines, administrative hearings, letters of admonition, suspension and restriction. Registrants usually retain the DEA Registration with restrictions and/or financial penalty. Registrants may be temporarily denied access to controlled substances/chemicals.
- \* Criminal: Consists of surrender for cause, revocation and denial. Registrants lose or forfeit the DEA Registration or are convicted of a drug felony. Registrants are permanently denied access to controlled substances/chemicals pending a reversal of circumstances.

**Data Collection and Storage:** During the reporting quarter, the Diversion field offices change the status of a registrant's CSA2 Master record to reflect any Regulatory Investigative actions that are being conducted on the registrant. The reporting of the Regulatory action by each field office is available on a real-time basis through the reporting system within CSA2, as the investigative status change occurs. The Regulatory investigative actions that are collected in a real-time environment are as follows: letters of admonition/MOU, civil fines, administrative hearing, order to show cause, restricted record, suspension, surrender for cause, revocations, and applications denied. The CSA2 enables DEA to maintain all of the historical and investigative information on DEA registrants. It also serves as the final repository for a majority of punitive (i.e. sanctions) actions levied against CSA violators.

**Data Validation and Verification:** The Diversion Investigator and the field office Group Supervisor (GS) are tasked to ensure that timely and accurate reporting is accomplished as the registrants investigative status change occurs. Both GS and the Diversion Program Manager (DPM) have the ability to view the report of ingoing and completed Regulatory Investigation actions for their office/division at any time during the quarter or at the quarter's end, since the actions are in real-time.

**Data Limitations:** The content of the quarterly reports is restricted to Regulatory Investigative action on controlled substance/List 1 chemical registrants and makes no mention of budgetary information. Timeliness is not considered a limitation since the data is collected as the change in the status of the investigation occurs.

**PERFORMANCE MEASURE TABLE**

**Decision Unit: Diversion Control**

Performance Report and Performance Plan Targets		FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY2008	FY 2009	FY 2010		FY 2011	FY 2012
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
<b>Workload Measure</b>	Number of Criminal Case Initiations <sup>1</sup>	N/A	N/A	N/A	N/A	N/A	N/A	627	673	1,011	707	742
<b>Workload Measure</b>	Active Diversion PTOs Linked to CPOT Targets <sup>2</sup>	0	0	0	0	0	3	2	0	15	0	0
<b>Workload Measure</b>	Active Diversion PTOs Not Linked to CPOT Targets <sup>2</sup>	19	33	68	105	173	212	213	220	255	220	220
<b>Workload Measure</b>	Number of Drug and Chemical New Applicants (throughout the FY)	N/A	N/A	N/A	74,299	71,949	78,603	73,866	75,353	83,154	76,850	78,387
<b>Performance Measure</b>	Number of Administrative/Civil/Criminal Sanctions	1,040	1,122	1,138	1,212	1,261	1,601	1,557	1,310	1,519	1,717	1,802
<b>Performance Measure</b>	Number of Diversion PTOs Linked to CPOT Targets Disrupted & Dismantled <sup>2</sup>	0	0	0	0	0	1/0	2/0	0/0	1/1	0	0
<b>Performance Measure</b>	Number of Diversion PTOs Not Linked to CPOT Targets Disrupted & Dismantled <sup>2</sup>	9/6	5/5	14/11	26/10	53/24	101/49	80/89	85/90	96/65	85/90	85/90
<b>Performance Measure</b>	Number of Planned Scheduled Investigations Completed (Overall)	N/A	N/A	N/A	N/A	N/A	N/A	1,065	1,002	3,554	3,906	3,906
<b>Efficiency Measure</b>	Number of Registrations Processed per FTE	N/A	22,004	23,846	27,974	34,219	50,439	57,359	53,130	58,869	63,238	66,400
<b>OUTCOME</b>	Milestones for Development, Implementation, and Maintenance of Data Warehouse (Rapid Targeting Online Reports Tool - RapTOR) to Monitor Closed Distribution System, Which Will Allow For The Development of An Outcome Measure	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Milestone 1: Deploy RapTOR (For Beta Testing)	Milestone 1 Completed	Milestone 2: Deploy RapTOR (Operational)	Milestone 3: Deploy 2nd release with enhanced reporting capability

<sup>1</sup>Criminal cases will be determined by the use of DEA's Case Status Subsystem (CAST) to obtain records with 2000 series Diversion case files and class codes 40/50.

<sup>2</sup>Prior to FY 2010, the Diversion Control Program was not officially part of the DEA's Priority Targeting Program; therefore, PTO data reported for FY 2002 – FY 2009 may be understated. Prior to FY 2010, the Diversion Control Program had separate definitions for disruptions and dismantlements based on administrative, civil, and criminal sanctions tracked through the CSA II database. Beginning in FY 2010, with the creation of Tactical Diversion Squads in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement.

### **3. Performance, Resources, and Strategies**

The DCP contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People." Within this goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs." Diversion Control resources ensure a strong deterrence against the diversion and illegal prescribing of controlled substances and chemicals.

#### **a. Performance Plan and Report for Outcomes**

##### *Performance Narrative*

The Total Number of Drug and Chemical Registrants and New Applications Processed are the overall workload measures for the DCP, and the performance outcome measure for this decision unit is the Milestones established for the creation of the Rapid Targeting Online Reports Tool (RapTOR).

##### *RapTOR*

In FY 2010, DEA established milestones for the development, implementation, and maintenance of a data warehouse system, the Rapid Targeting Online Reports Tool (RapTOR). The primary purpose of this system will be to monitor the closed controlled substance distribution system to ensure that controlled substances are not diverted outside that system for illicit purposes. RapTOR will enable DEA to rapidly obtain information related to the manufacture and distribution of controlled substances and listed chemicals. The reports and analysis obtained from this system will be used to target potential offenders, develop trend distribution patterns, and used to allocate investigative resources. Below are the established milestones and related status of RapTOR's development:

Milestone 1: FY 2010, Deploy RapTOR (For Beta Testing) – completed.

Milestone 2: FY 2011, Deploy RapTOR (Operational) – on schedule.

Milestone 3: FY 2012, Deploy 2nd release with enhanced reporting capability

Milestone 4: FY 2013, Full-scale operations and maintenance

##### *Additional Regulatory and Enforcement Performance Measures*

Additional performance measures have been included in the Performance and Resources Table, which are indicative of the overall regulatory and enforcement activities supported by the DCP. These additional measures are:

- Number of Criminal Cases Initiated
- Number of Administrative/Civil/Criminal Sanctions
- Active Diversion PTOs (Including CPOT Linked and Not CPOT Linked)
- Number of Drug and Chemical New Applicants
- Number of Diversion PTOs Disrupted & Dismantled (Including CPOT Linked and Not CPOT Linked)

- Number of Planned Scheduled Investigations Completed
- Number of Registrations Processed per FTE

Due to the overwhelming number of Type A registrants (compared to Type B registrants), it is important to note that Type A activity contributes the most to the abovementioned performance measures.

### ***Administrative/Civil/Criminal Sanctions***

The DCP operationally defines the disruption and dismantlement of CSA and/or the Chemical Diversion and Trafficking Act of 1988 (CDTA) violators in the following manner:

**Administrative/Civil** - Violators of the CSA and/or CDTA who, after due process, receive Administrative/Civil sanctions. In other words, these violators are temporarily denied access to controlled substances and chemicals. These sanctions may include, but are not limited to civil fines, administrative hearings, Letters of Admonition, suspended registrations, and restricted registrations.

**Criminal** - Violators of the CSA and/or CDTA who, after due process, receive Criminal sanctions. In other words, these violators are permanently denied access to controlled substances and chemicals. These sanctions may include, but are not limited to registrations surrendered for cause, revoked registrations, and registrations denied.

In FY 2009, the Diversion Control Program (DCP) reported 1,557 administrative/civil/criminal sanctions, which is 22.6% above its FY 2009 target of 1,270. In FY 2010, because DCP anticipated that it would meet, but not greatly exceed its FY 2009 actual results, it increased its FY 2010 target to 1,310. This is due in part to an increased level of confidence and experience in forecasting these data. In FY 2010, sanctions totaled 1,310. Furthermore, for FY 2011, the target was increased to 1,717. For FY 2012, the target was increased to 1,802.

It should be noted that as a direct result of DEA's mandate to pursue the assets of traffickers and diverters of controlled substances and levy more serious, permanent administrative/criminal sanctions, the number of dismantlements has dramatically increased. Given the abovementioned mandate, the number of disruptions have also increased, but at a much slower rate. It is anticipated that DCP will continue to meet its annual targets for both disruptions and dismantlements.

### ***PTOs and CPOTs***

As a participant in the PTO program, Diversion is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the Diversion program, CPOT linkages are a rare event. Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement. As Diversion continues to work to fully staff its TDS', PTO performance is expected to increase. In FY 2010, the number of PTO's disrupted was 96 and the number dismantled was 66.

### ***Implementation of the E-Commerce Initiative***

DEA is able to track the impact that the E-Commerce Initiative is having on the registration process. Specifically, DEA can track the reduction in the time required to process new applications and renewals. For example, online access to registration and order forms has significantly reduced the amount of processing time for renewals from 6 weeks to 5 days.

In FY 2005, DEA established the following DCP efficiency measure:

- Number of Registrations Processed per FTE

In FY 2009, the DCP reported 57,359 registrations processed per FTE, which exceeded its target of 50,600. In light of the resultant performance in FY 2009 and in absence of sufficient empirical data to support a more robust methodology for establishing annual targets, the DCP has concluded that the projection of its FY 2009 target may have been underestimated. As a result, the DCP adjusted its targets for FY 2010, FY 2011 and FY 2012 to 53,130, 63,238 and 66,400 respectively, as it continues to identify and evaluate the potential factors that could be used to develop a more robust methodology for projecting its out-year targets. In FY 2010, registrations processed per FTE were 58,869.

### **b. Strategies to Accomplish Outcomes**

DCP's mission is to reduce the illegal use and abuse of pharmaceutical controlled substances and chemicals within the United States, ensure that adequate supplies of pharmaceutical controlled substances and chemicals are available to meet legitimate medical, scientific, and industrial needs, and prevent, detect, and eliminate the diversion of these substances to illicit markets.

To achieve this mission, the DCP does the following:

- Identifies and targets those responsible for the diversion of pharmaceutical controlled substances and chemicals through traditional investigative and cyber crime initiatives; and,
- Supports the DEA DCP registrants with improved technology, including the E-Commerce Initiative.

The following strategies outline DEA's plan to achieve these objectives:

***Investigate and prepare for prosecution, violators of chemical and pharmaceutical controlled substances laws at the international, national, State, and local levels while maintaining cooperation, support, and assistance from the regulated industry.***

### ***Enforcement Activities***

Tactical Diversion Squads (TDS) allow for the unification of separate and sometimes disparate Federal, State, and local information, authorities, and enforcement programs. They work with

other Federal, State and local (S&L) law enforcement authorities in developing more effective enforcement programs against diversion. TDSs also help coordinate with various judicial districts to maximize the effectiveness of multiple investigations and prosecutions of those involved in the diversion of controlled substances and chemicals.

TDSs investigate suspected violations of the CSA and other appropriate Federal or state statutes pertaining to the diversion of licit pharmaceuticals and List I chemicals. These unique groups combine the resources of DEA (both Special Agents and Diversion Investigators) with other Federal and S&L law enforcement agencies in an innovative effort to investigate, disrupt and dismantle those individuals or organizations involved in diversion schemes (e.g., “doctor shoppers,” prescriptions forgers, and prevalent retail-level violators). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDS provides support to a Diversion Group and/or a Diversion Staff where law enforcement authority (LEO) activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants).

The following factors contributed to the increases requested in the DCP’s TDS program in FY 2012:

- The most current National Survey on Drug Use and Health (2009) (NSDUH) indicates that pharmaceutical abuse is second only to the abuse of marijuana. That survey also reflects a 13% increase in the nonmedical abuse of pharmaceuticals in just one year.
- The 2009 NSDUH survey also reflected that more individuals initiate with pharmaceuticals for nonmedical purposes than those who initiate with marijuana.
- A recent study from the University of Washington estimated the economic costs of pharmaceutical abuse for just opioids. That study found that the economic burden to the United States for 2006 was \$53.4 billion.
- Between 2001 and 2009, state and local law enforcement have seen an increase in the number of pharmaceutical cases being submitted to forensic labs. (Increases in cases - methadone: 281%; oxycodone: 330%; hydrocodone: 314%).
- Between 2004 and 2009, emergency room visits attributable to just pharmaceutical abuse increased by 98.4%.
- Between 1998 and 2008, the number of persons seeking treatment for pharmaceutical abuse increased fourfold.
- The President’s 2010 National Drug Control Strategy calls for several action items associated with the abuse of prescription drugs. For example, Assist States to Address Doctor Shopping and Pill Mills; Drive Illegal Internet Pharmacies Out of Business; and Crack down on Rogue Pain Clinics that Do Not Follow Appropriate Prescribing Practices.
- DEA is responsible for regulating and controlling more than 1.3 million registrants through its Diversion Control Program. It does so through the use of Diversion Investigators, Special Agents, Intelligence Analysts, and Task Force Officers. DEA attempts to mitigate its costs by maximizing the use of Task Force groups such as Tactical Diversion Squads (TDS). This concept promotes cohesive working relationships with state and local counterparts while providing manpower for these TDS groups at a

much reduced costs (i.e. Task Force Officers are considerably less expensive than Special Agents or Diversion Investigators).

- A 2006 Office of Inspector General (OIG) report regarding the DCP found that DEA needed to ensure additional Special Agent support for the DCP since Special Agents had additional law enforcement authorities needed during diversion investigations and Diversion Investigators did not have such authorities thereby hindering ongoing investigations.

Additional functions of the DCP include:

- Operational support activities essential to the operation of the above priorities including registration and regulatory support, Diversion Investigator recruitment, training, and drug/chemical surveys; and,
- Drug and chemical liaison with international representatives, State and local officials and industry.

### ***Combating Methamphetamine***

The production of methamphetamine continues to be a major problem throughout the United States. DEA's success in eliminating the importation of bulk pseudoephedrine through enforcement efforts such as the Letter of No Objection Program and the issuance of Orders to Show Cause has decreased the number of List I chemical registrants and removed a number of domestic distributors of "grey market" products from the marketplace. Consequently, the number of super labs seized in the U.S. has decreased, and the operators, mostly Mexican nationals, have shifted their production to Mexico. However, the remaining small toxic labs rely heavily on obtaining the precursor chemicals pseudoephedrine and ephedrine used in cold and allergy products and asthma relief products, the requisite precursor List I chemicals, from traditional outlets such as chain drug stores, big box stores and other retail facilities. The National Seizure System (NSS), maintained by DEA, reflects an overall increase in labs of more than 92 percent between 2007 and 2009 and the numbers maintained in the NSS system are considered conservative numbers. Members of the National Methamphetamine Pharmaceutical Initiative (NMPI) are in regular contact with state and local law enforcement agencies across the country and they are also reporting significant increases in domestic meth labs.

In order to thwart increased production of methamphetamine and further deny would-be traffickers' and diverters' access to these precursor substances, in March 2006, Congress passed the Combat Methamphetamine Epidemic Act of 2005 (CMEA). CMEA has provided tools to enhance law enforcement efforts against the production and distribution of methamphetamine both domestically and internationally.

The retail provisions of the CMEA, which require regulated sellers of over-the-counter medications containing pseudoephedrine, ephedrine, and phenylpropanolamine to complete a required training and self-certification process, went into effect across the United States on September 30, 2006.

Retail outlets are now required to keep all non-prescription products containing pseudoephedrine, ephedrine, and phenylpropanolamine behind the counter or in a locked cabinet, and consumers are required to show proper identification and sign a logbook for each purchase. The logbook contains the customer's name, address, date and time of sale, name and quantity of the product sold, and the purchaser's signature. The Act also implements daily sales limits and monthly purchase limits of these products. However, criminal groups are circumventing the CMEA requirements by a method called "smurfing". This method employs large numbers of individuals that go from store to store purchasing the maximum amount and repeating this process on a daily basis often using several forms false identification for maximum effectiveness.

In December 2007, DEA published its 2007 and 2008 Assessment of Annual Needs for the List I chemicals ephedrine, pseudoephedrine, and phenylpropanolamine in accordance with CMEA. This first-time assessment established the annual quantities of these chemicals which may be manufactured domestically or imported to provide adequate supplies for legitimate medical and other needs. Additional CMEA rules finalized in 2007 regulate importation/exportation, eliminate the exemptions of chemical mixtures containing these chemicals, and establish import and production quotas for individual companies.

### ***Internet Investigations***

The Internet is rapidly becoming a more popular vehicle for drug seekers to obtain pharmaceuticals and chemicals for nonmedical needs. By using the Internet, violators are able to purchase pharmaceuticals without a valid prescription and chemicals without the appropriate DEA documentation. They may even bypass built-in safeguards that protect consumers against the harmful effects of controlled substances and other drugs that are not used for legitimate purposes. This undermines the safety and health of the consumer and increases the potential for diversion of pharmaceutical controlled substances.

### ***Ryan Haight Online Pharmacy Consumer Protection Act of 2008***

The Ryan Haight Online Pharmacy Consumer Protection Act (Ryan Haight Act) was enacted in October 2008 and became effective on April 13, 2009, making it illegal to "deliver, distribute, or dispense a controlled substance by means of the Internet, except as authorized by [the CSA]" or to aid or abet such activity. The illegal Internet websites that the Act seeks to eliminate take on a variety of appearances and use a variety of methods. One common factor is that all these websites are marketed toward drug seekers who are willing to pay a premium to obtain pharmaceutical controlled substances without having a legitimate medical need for them. DEA is optimistic that the Ryan Haight Act is continuing to address many of the problems of online prescription drug trafficking, abuse, and availability.

### ***Rogue Pain Clinics***

Subsequent to the passage and implementation of the Ryan Haight Act, DEA witnessed an almost immediate shift in the method pharmaceutical drug seekers obtained their drugs of abuse. Rogue pain clinics have taken the place of rogue Internet pharmacies. In South Florida alone there has been an explosion of these clinics. In 2007, Broward County, Florida had four pain

clinics. As of May 2010 that county now has more than 140 pain clinics. In 2009, of the top 100 practitioners that dispensed oxycodone products, 97 were located in the State of Florida. DEA is also seeing these rogue clinics in parts of Texas, California and Ohio.

The Act does the following:

- Amends the Controlled Substances Act adding new provisions applicable to the distribution of controlled substances by means of the Internet and increasing the penalties applicable to the illegal distribution of controlled substances.
- Prohibits the selling or distribution of controlled substances over the Internet without a valid prescription by a health care practitioner who has physically examined the drug's recipient at least once – with some exceptions. Some telemedicine practices are exempted from the in-person medical evaluation requirement.
- Requires pharmacies that want to dispense controlled substances on the Internet to modify their existing registration, clearly display a notification of legal compliance on the site's homepage, and disclose affiliated prescriber and pharmacy information on a site's homepage.

### ***Diversion of List I Chemicals***

The DCP has initiated and actively participates in several ongoing, multi-national operations to prevent, detect, and eliminate the diversion of chemicals and other precursor substances across global markets. On the domestic front, the DCP has liaison and outreach programs with the chemical industry to improve cooperation and compliance with new and on-going initiatives implemented to reduce the amount of diversion.

The availability of List I chemicals on the Internet has provided chemical traffickers an almost unlimited supply of chemicals necessary to manufacture illicit substances. The Internet availability of both regulated and non-regulated chemicals creates a challenge for law enforcement and the DCP. In order to meet this challenge, the DCP needs to coordinate its efforts in conjunction with the DEA's Special Operations Division (SOD) and field components to target these Internet sites. With new technically advanced tools for internet investigations and the Automation of Reports and Consolidated Orders System (ARCOS), the DCP has greatly improved its ability to detect, investigate, and apprehend CSA and CDTA violators.

Internationally, the DCP needs to remain engaged as a task force member on the United Nations Office of Drugs and Crimes' (UNODC's) International Narcotics Control Board's (INCB) Project Prism Task Force and Project Cohesion Task Force. In that capacity, the DCP will continue to participate in a multinational forum of precursor chemical intelligence sharing operations. These operations overlay the already established international convention of Pre-Export Notifications (PENs) for shipments of Table 1 precursor chemicals listed by the United Nations. The DCP is actively promoting the idea, internationally and bilaterally, that PENs need to be applied to shipments of pharmaceutical preparations containing ephedrine and pseudoephedrine, as well.

At the same time, the DCP is working to increase its efforts to conduct and improve overseas liaison by providing international chemical control training to foreign law enforcement officials.

The resultant training has enabled our foreign counterparts to improve their ability to detect and identify clandestine shipments of banned chemical imports, thereby denying source country traffickers the requisite precursors and reagents necessary to refine and produce illegal drugs.

*Enforce the provisions of the CSA as they pertain to import/export, manufacture, distribution and dispensing of legally produced controlled pharmaceuticals and chemicals by creating a strong deterrence against the diversion of these substances through the development and implementation of new technologies (e.g., cyber crime initiatives) that will allow for the rapid and effective detection of potential diversion via the Internet.*

### ***Regulatory Control***

To enhance the effectiveness of the DCP, DEA will establish groups dedicated to performing the regulatory and compliance aspects of the Program. DEA will retool its Diversion Investigators for this task and increase the frequency of its regulatory oversight inspections of the registrant population which continues to grow at a rate of two to two and half percent annually. It is DEA's goal that by increasing the frequency of scheduled investigations and improving its regulatory oversight to include previously excluded registrant groups the registrants will become more compliant with the Controlled Substances Act and its implementing regulations. This action will thereby reduce the avenues of diversion. This renewed focus on regulatory control will enable DEA to be in position to ensure that the CSA registrants are complying with the Controlled Substances regulations. The following is a sample of the revised schedule for regulatory investigations, which will be accomplished through a phased implementation as resources allow:

- **Drug** (Manufacturer, Bulk Manufacturer, Distributor, Importer/Exporter, Bulk Importer) – from every 5 years to every 3 years
- **Chemical** (Manufacturer, Bulk Manufacturer, Distributor, Importer/Exporter, Bulk Importer) – from every 3 years to every 2 years
- **Office Based Opioid Treatment/Buprenorphine Physicians** – from 1 per group per year to all every 5 years
- **Researcher, Analytical Lab, Teaching Institution** – from not applicable to all every 5 years

The Diversion Group/Diversion staff carries out the DCP's regulatory control program within their area of responsibility. They conduct pre-registration, scheduled, and complaint investigations consistent with the CSA and its implementing regulations. They also work with state and local counterparts pertaining to the diversion of licit pharmaceuticals and chemicals. They are primarily responsible for the prevention of diversion through regulatory compliance and controls which may include administrative, civil or criminal action against a registrant.

### ***Prescription Drug Monitoring Programs (PDMPs)***

PDMPs are state operated systems utilized to oversee the prescribing and dispensing of controlled substances. State PDMPs collect prescription information electronically from pharmacies and analyze it. This data is then provided to State agencies to assist in the

identification of “doctor shoppers” and over-prescribers, which can result in effective investigations. In addition to law enforcement and regulatory activities, the information collected and analyzed by a State PDMP may be utilized to assist in identifying patients whose drug usage is increasing and who may benefit from a referral to a specialist or to substance abuse treatment; to assist prescribers in making appropriate treatment decisions for their patients; and to assist pharmacists in providing pharmaceutical care.

As of October 2010, there were 43 states that had enacted legislation to implement a PDMP program. Currently, there are 34 programs that are operational. The remaining nine states are in some type of start-up phase or are waiting funding. Many of the start up costs for these PDMPs was funded by two federal grant programs, the Harold Rogers Prescription Drug Monitoring Program and the Department of Health and Human Services’ NASPER program.

DEA’s goal is to work with all interested parties to identify the best means available to facilitate the establishment or enhancement of PDMPs to ensure that prescription data pertaining to controlled substances is collected from the largest possible segment of pharmacies and other dispensers in the most cost-effective manner while assuring patients and their healthcare providers that these programs do not negatively impact the legitimate practice of medicine and that the confidentiality of collected data will be protected.

A concerted effort is being made by the Integrating Justice Information Systems (IJIS) Institute, in cooperation with State agencies and the DEA, to develop a technological solution that will facilitate information sharing between State PDMPs. The data elements currently collected by State PDMPs would have to be standardized and federal legislation would have to be implemented to authorize a national PDMP. Data integration, data analysis, and the tracking of results would be very challenging on a national level due to the volume of data collected and the limited resources available on a national level for investigations and educational outreach programs. The legal and logistical complexities of implementing a national PDMP database make such an effort prohibitive in the near future. To facilitate information sharing between State PDMPs, the National Alliance of Model State Drug Laws worked with several States and the DEA to develop a *Model Interstate Agreement* for the Sharing of Information among State PDMPs.

The Department of Justice is actively promoting PDMPs that help prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level where no other mandated automated information collection system exists.

### ***Distributor Initiative***

The Diversion Control Program continues to use and expand upon the Distributor Initiative. This program is designed to educate registered wholesale distributors of controlled substances and focus on those who are distributing to pharmacies that are possibly filling invalid prescriptions. As part of this initiative, DEA has created a presentation explaining the laws, regulations, and DEA policies for the wholesalers. This presentation provides wholesalers some examples of domestic Internet pharmacies, rogue pain clinics and their purchase patterns, and methods of operation. The presentation is designed to emphasize to wholesalers the need to

utilize due diligence and when it is appropriate to stop supplying retail outlets with controlled substances where large scale diversion is occurring or face the loss of their DEA registration and judicial sanctions.

From August 2005 through May 2010, DEA briefed 61 corporations, with over 197 distribution sites, concerning illegal Internet pharmacy operations. As a result, some distributors have voluntarily stopped selling or voluntarily restricted sales of controlled substances to suspicious retail outlets such as pharmacies and practitioners.

When educational efforts fail or the registrant is not in compliance, DEA will initiate administrative, civil, or criminal sanctions against the registrant. On April 30, 2008, a Settlement Agreement in the amount of \$13,250,000 was entered into by the United States Department of Justice and the McKesson Corporation. McKesson agreed to settle allegations that they violated federal reporting provisions relating to the sale of controlled substances to illicit Internet pharmacies. DEA/DOJ entered into a \$75 million civil settlement with CVS Corporation in October 2010 as a result of their improper sales of pseudoephedrine used for clandestine meth production, the largest in DEA history.

### ***Automated Reports and Consolidated Order System (ARCOS)***

DEA is overhauling the technological infrastructure used to support the ARCOS system. DEA uses the ARCOS to identify high volume purchasers of narcotic controlled substances as an aid in determining which retail pharmacies and practitioners are most likely involved in the illicit distribution of controlled substances. The volume of controlled substances being diverted by a single rogue pharmacy or rogue pain clinic poses a major threat to the health and safety of the American people.

### ***Industry Outreach***

DEA's close cooperative relationships with key industry leaders have reduced the availability of essential Internet-access, express shipping, and financial services to online pharmaceutical trafficking organizations. DEA has worked to raise awareness of the growing problem of pharmaceutical diversion via the Internet; promote voluntary efforts to restrict legitimate business services from being used by illicit Internet controlled pharmaceutical traffickers; and identify potential sources of data maintained by businesses that may aid in targeting enforcement efforts against the largest Internet pharmaceutical drug trafficking organizations. DEA provided training to approximately 150 fraud investigators and established a systematic information sharing process with Pay Pal for websites illicitly selling controlled pharmaceuticals. Similar training was provided to over 75 FedEx security managers.

***Coordinate E-Commerce Initiative with other Federal, State and local law enforcement and regulatory agencies, as well as developing and implementing a fully-integrated, IT architecture necessary for external E-Commerce application, which requires interaction with or standards for regulated industries.***

Through the Electronic Commerce (E-Commerce) Initiative, DEA is providing alternative information technologies to improve its efficiency and responsiveness to the public. Working with over one million legitimate handlers of controlled substances and chemicals, the DCP initiatives, such as the Controlled Substances Ordering System (CSOS), improve timeliness and accuracy as well as offer a higher degree of security and integrity by replacing manual paper versions of required documents to transfer licit drugs. Furthermore, in support of the DCP's mission to ensure an adequate and uninterrupted supply of controlled substances to meet legitimate medical and scientific needs, the DCP is working to develop regulations that implement performance standards to permit the electronic transmission of controlled substance prescriptions. This voluntary system, known as Electronic Prescriptions for Controlled Substances (EPCS), would serve as an electronic alternative to paper prescriptions and allow DEA registrants to satisfy the legal requirements for prescriptions and reduce the potential for prescription errors, forgery, and theft.

### ***Electronic Prescribing for Controlled Substances***

DEA has issued an Interim Final Rule that will allow for the electronic prescribing of controlled substances. This new rule became effective on June 1, 2010 and requires DEA to monitor the development and implementation by industry over the next several years.

Other DEA reengineering and modernization efforts include:

- Enhancing IT systems to link the current, established call center with an Oracle CSA database that will interface with an Interactive Voice Response telephone system. CSA application forms received electronically will eliminate manual data entry, thus reducing data entry error rates, enabling support staff to provide more timely registration and re-registration, allowing for more expedient action on routine application processing, and providing a monitoring and training system to ensure the optimum in customer service to the registrant community. These efforts are ongoing.
- Ongoing effort to enhance ARCOS and the CSA Program. This will allow DEA to modernize the registration system, provide registrants with the ability to report mandated information through electronic data interchange, maintain the DCP website, which is a major conduit for information to the regulated communities, develop and enhance a network with State and local regulatory and enforcement counterparts, and establish a data warehouse of all diversion information for use by field investigators.

***Ensure adequate and uninterrupted supply of controlled substances and chemicals to meet legitimate medical, scientific and industrial needs without creating an oversupply.***

Establishing quotas and monitoring imports of narcotic raw materials are critical to ensuring an adequate and uninterrupted supply of legitimate medicines containing controlled substances without creating an oversupply. Quotas and imports are based on information provided by industry (e.g. import permits and declarations, sales, distributions, inventory, manufacturing schedules, losses, and product development needs) and corroborated by consumption of these

substances (e.g. prescriptions, distributions to retail levels, and input from the Federal Drug Administration (FDA) on new products and indications). Quota and import estimates for individual substances can either go up or down in a given year, depending on any number of factors.

Moreover, the DCP continues to provide scientific and technical support in the following manner:

- Compiling, analyzing and reporting specific information on the production, distribution, consumption, and estimated needs of all narcotics, psychotropic substances, chemicals and their preparations;
- Providing general scientific guidance and support to DEA, State and local agencies and international organizations regarding drug and chemical control issues and the biological sciences;
- Examining all CI research protocols;
- Serving as or identifying appropriate expert witnesses in criminal, administrative and other proceedings;
- Identifying information needs, initiating actions/studies, and alerting enforcement and public health entities on newly identified patterns of use/abuse on controversial substances like Anabolic Steroids in conjunction with the National Institute on Drug Abuse (NIDA) and the National Forensic Laboratory Information System (NFLIS – the NFLIS database contains over 5 million entries and also including STRIDE data from the DEA lab system); and,
- Preparing periodic reports mandated by treaties.

## V. Program Increases by Item

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**Item Name:** **Electronic Surveillance Capabilities**

Budget Decision Unit(s): Domestic Enforcement; International Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 1 of 3

Organizational Program: Operations Division

Program Increase: Positions 8 FTE 4 Dollars \$1,519,000

### Description of Item

The ability of federal, state, and local law enforcement authorities to successfully conduct lawfully-authorized electronic surveillance, in a manner that preserves both a secure, robust, and innovative communications infrastructure and protects privacy and civil liberties, is essential to combating crime and protecting public safety. Electronic surveillance not only provides otherwise unobtainable evidence of criminal activity, but also helps law enforcement authorities to prevent crimes and save lives. However, due to changes in the volume and complexity of today's communications services and technologies, law enforcement agencies face growing challenges to their ability to access, intercept, collect and process wire or electronic communications to which they are lawfully authorized.

The Department has been working to identify the challenges and propose solutions related to law enforcement's electronic surveillance capabilities. One way to help address some of these challenges is to establish a Domestic Communications Assistance Center (DCAC). The DCAC would leverage the research and development efforts of federal law enforcement, facilitate the sharing of technology between agencies, strengthen compliance with the Communications Assistance for Law Enforcement Act (CALEA); and seek to build more effective relations with the communications industry.

Within the total Department initiative, \$1,519,000 and 8 positions (6 agents), to be located at the Department's Domestic Communications Assistance Center, is proposed for DEA.

### Justification

The Domestic Communications Assistance Center would strengthen and centralize Law Enforcement Coordination, Technology Sharing, CALEA Implementation, and Industry Relations. The DCAC will serve as a hub for the management of knowledge and technical expertise regarding lawful electronic surveillance, facilitate the sharing of solutions and know-how among federal, state and local law enforcement agencies, and improve relations with industry. The four operational units are:

Law Enforcement Coordination – This unit would identify law enforcement needs related to a specific communications service or provider and direct DCAC resources to address those needs. With input from federal, state, and local law enforcement, the DCAC would be directed toward addressing the more pressing needs for all of law enforcement.

Technology Sharing – This unit would serve as a resource center that can identify technical capabilities for use by federal, state and local law enforcement. In addition, the unit would assist the customer agency by making referrals to agencies with the requisite technical tools or expertise.

CALEA Implementation – This unit would be detailed from the FBI, which is currently responsible for implementing CALEA, to the DCAC. The unit would be expanded to more effectively test and evaluate CALEA-mandated solutions and identify deficiencies in industry-developed technical standards.

Industry Relations – Through this unit, the DCAC would be capable of representing consensus law enforcement positions and would focus and prioritize requests made to industry by law enforcement.

## Funding

### Base Funding

FY 2010 Enacted				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000
25	9	25	35,331	25	9	25	35,331	25	9	25	35,331
<b>25</b>	<b>9</b>	<b>25</b>	<b>35,331</b>	<b>25</b>	<b>9</b>	<b>25</b>	<b>35,331</b>	<b>25</b>	<b>9</b>	<b>25</b>	<b>35,331</b>

\* Base funding amounts include funding from S&E and all other sources.

### Personnel Increase Cost Summary

Type of Position	Modular Cost	Number of	FY 2012	FY 2013 Net
Special Agent	225,000	6	1,351,000	-
Program Analyst	84,000	2	168,000	-
<b>Total Personnel</b>		<b>8</b>	<b>\$ 1,519,000</b>	<b>\$ -</b>

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2012	FY 2013 Net
<b>Total Non-Personnel</b>		<b>0</b>	<b>\$ -</b>	<b>\$ -</b>

### Total Request for this Item

	Pos	Agents	FTE	Personnel	Non-Personnel	Total
Current Services	25	9	25	\$ 4,007	\$ 31,324	\$ 35,331
Increases	0	0	0	\$ 1,519	\$ -	\$ 1,519
<b>Grand Total</b>	<b>25</b>	<b>9</b>	<b>25</b>	<b>\$ 5,526</b>	<b>\$ 31,324</b>	<b>\$ 36,850</b>

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**Item Name:** EPIC Construction

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 2 of 3

Organizational Program: Intelligence Division

Program Increase: Positions 0 FTE 0 Dollars \$10,000,000

### **Description of Item**

EPIC is DEA's most important intelligence sharing organization focusing on the Southwest Border. EPIC's mission is to support United States law enforcement and interdiction components through timely analysis and dissemination of intelligence on illicit drug and alien movements and the criminal organizations responsible for these illegal activities. In carrying out this mission, EPIC provides intelligence to law enforcement officials at all levels of government throughout the U.S. and in some foreign nations.

DEA requests \$10,000,000 in no-year construction funding to expand the El Paso Intelligence Center (EPIC). To counter the southwest border threat, DEA will strengthen relationships with Federal, State, and local law enforcement agencies through improvements at EPIC.

### **Justification**

During FY 2011, DEA will work with the Army Corps of Engineers (COE) and a contract Architecture/Engineering (A/E) firm to conduct an A/E analysis and finalize cost estimates for an expansion of the EPIC facility. DEA will use the \$10,000,000 for modular buildings (semi-permanent structures) and interior alterations. Current estimates are that this will allow for approximately 100 more personnel. DEA is coordinating with the Fort Bliss COE Project Manager and the team for the Fort Bliss architectural standards and the approved vendors for semi-permanent structures. DEA anticipates that an additional 100 staff can be accommodated to help keep pace with EPIC's anticipated growth. Once the A/E study is completed, DEA will have a more detailed report on how this expansion space will be designed and constructed. DEA will factor in costs alterations and infrastructure requirements (electric, water, sewer, utilities, foundations, parking, storm run-off, permitting, etc.) to ensure that they are accounted for within the amount requested (\$10,000,000).

EPIC is a key component of the Administration's *National Southwest Border Counternarcotics Strategy*, which was released in June 2009. According to this strategy, "enforcement and intelligence agencies have increased both their programs and staff at EPIC to facilitate coordination of intelligence and, in some cases, operational efforts. These efforts should continue, along with initiatives to better coordinate 'Common Operating Picture' and 'Common Intelligence Picture' capabilities." EPIC currently houses employees from 27 Federal, State,

local and foreign agencies and it directly supports the efforts of Department of Justice and Department of Homeland Security components. Recent additions at EPIC include the Department of Homeland Security led Border Fusion Section, Immigration and Customs Enforcement's Border Violence Intelligence Cell, the Bureau of Alcohol, Tobacco, Firearms, and Explosives' Gun Desk, and the Federal Bureau of Investigation's Southwest Intelligence Group. EPIC also has information sharing agreements with police agencies in 49 states, and it shares near real time information with the Joint Interagency Task Force South, Customs and Border Protection's Air and Marine Operations Center and other drug interdiction agencies and elements.

Demand from these agencies and other users for products and services have sky-rocketed over the last decade. Since the terrorist attack of September 11, 2001, EPIC has evolved into an all threats tactical operations center and has garnered increased support from the law enforcement and intelligence communities. This has led to increases in intelligence contributions, database queries, system users, and on-board staffing commitments from partner agencies. Of the 27 agencies participating at EPIC, 9 are planning an expansion of personnel to occur in the next 6 months to 5 years. DEA will manage and prioritize requests to increase personnel at EPIC within space available at EPIC. Below is an illustrative list of the agencies requesting additional personnel and space:

- DEA will increase on-board staffing levels by a total of 17 in FY 2011 and an additional 20 positions by FY 2013.
- CBP anticipates revising its staffing plan to increase its personnel at EPIC by 9 between FY 2013 and 2015.
- FBI has committed to increasing staffing levels at EPIC in FY 2011 by 6 positions.
- ATF will be increasing its staff by an additional 4 positions during FY 2011.
- The National Guard Bureau, Counter Narcotics Division has committed to increasing its staffing levels by 17 criminal analyst positions in FY 2011; 20 additional positions will be added by FY 2013; and 27 more will be added by FY 2015.
- USMS is revising its staffing plan and intends to increase staff by 7 positions in FY 2012.
- Joint Task Force-North, which is a recent addition to EPIC, currently has plans to increase the staffing level by 5 positions in FY 2012 and an additional 15 positions by 2015.
- USCG anticipates adding 1 position in FY 2012 and an additional 4 positions by FY 2015.
- It has been requested that the Texas National Guard increase its staff by 3 positions by FY 2012 and an additional 2 positions by 2015.
- With the above mentioned personnel increases, DEA will need to expand EPIC's Administration and Support Sections by an estimated 8 positions in FY 2011; 10 positions by FY 2013; and an additional 8 by FY 2015 in order to properly support the increased staff level.

As of January 31, 2011, EPIC is at maximum capacity of 414 workstations. The combination of semi-permanent structures and alterations to the existing facility could increase the capacity to an estimated 514 workstations. This will meet immediate growth requirements. The 2012 funding request will enable EPIC to absorb supplementary support and allow for development of the

highly successful interagency partnerships. At the same time, it will prevent the need for other Department of Justice components or Federal agencies to build a duplicative intelligence center in the southwest border area.

The existing EPIC facility consists of 65 offices and 349 workstations, for a total of 414 available work spaces. The current on-board staffing at EPIC is 447 with an authorized staffing level of 484 positions. Much effort has been made to identify space within the current structure that is suitable for conversion to work space; however, these options have been exhausted. EPIC has already made the following modifications: converting all but one conference rooms and the exercise room into office space; removing existing walls to enlarge work areas; adding temporary 'containers' to increase existing storage areas; and re-designing the executive office areas to allow for four Foreign National Liaison Officers.

### **Impact on Performance (Relationship of Increase to Strategic Goals)**

Large quantities of cocaine, marijuana, methamphetamine, and heroin continue to be smuggled from Mexico across the southwest border. Additionally, incidents of violence and murder, many of which are drug-related, have remained at elevated levels in Mexico for almost three years as the major drug trafficking organizations vie for control of drug smuggling corridors. Information provided by the government of Mexico reflects that 6,227 drug related killings occurred throughout the country in 2008 and in 2009 the death toll rose to 9,614. In 2010 drug related killings increased significantly to 15,273. The possibility also exists for terrorist organizations to use established drug smuggling routes to transport dangerous individuals or weapons of mass destruction into the U.S. Given the triple threat of illegal drugs, violence, and terrorism, DEA has identified the Southwest Border as a major focus area and efforts along the Southwest Border are now more critical than ever to maintaining our national security.

EPIC's mission requires it to support the Federal, State, local, tribal and international law enforcement community. As its customer base continues to grow, EPIC has experienced significant increases in intelligence contributions, database queries, system users, and on-board staffing commitments from partner agencies. Construction funding for much needed expansion will enable EPIC to absorb this additional support and allow for development of the highly successful interagency partnerships. This requested funding will increase the sharing and receipt of information; increase the development of new intelligence initiatives; increase the support and communication with law enforcement agencies along the southwest border and worldwide; and increase participation at EPIC by partner agencies. By funding this request for modular buildings, the center will be better equipped to provide timely and accurate intelligence to law enforcement agents, investigators, and analysts at all levels of government throughout the United States and in cooperating foreign nations.

The upcoming integration of ICE into EPIC's Bulk Currency Team (BCT) illustrates the need for additional space at EPIC to continue its robust response in tracking Bulk Currency Seizures on a worldwide basis. ICE has accepted the position of supervising the BCT at EPIC in order to provide a single point of reference for the tracking of seizures and providing timely intelligence to the field. ICE will bring additional people to the Financial Targeting Unit /Bulk Currency Team. This increased participation and complete integration by ICE will significantly enhance

the BCT's response and minimize a duplication of effort in tracking, documenting and providing tactical intelligence on the movement of Bulk Currency on an international basis. Furthermore, it will provide all law enforcement agencies (Federal and State) with a single repository that is capable of providing reports and analysis for restricted and unrestricted records.

## Funding

### Base Funding

FY 2010 Enacted				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000
<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (Change from 2012) (\$000)
<b>Total Non-Personnel</b>		<b>0</b>	<b>\$10,000</b>	<b>\$0</b>

### Total Request for this Item

	Pos	Agents	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	0	\$0	\$0	\$0
Increases	0	0	0	\$0	\$10,000	\$10,000
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$10,000</b>

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**Item Name:** **National Security Directive**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal I; Objective 1.2

Component Ranking of Item: 3 of 3

Organizational Program: Intelligence Division

Program Increase: Positions 0 FTE 0 Dollars \$900,000

#### Description of Item

DEA is requesting \$900,000 in non-personnel resources to establish an effective counterintelligence program as directed to by the Office of the Director of National Intelligence (ODNI).

#### Justification

The Drug Enforcement Administration (DEA) engages the most notorious, violent, and sophisticated Drug Trafficking Organizations (DTOs), narco-terrorists, and criminal gangs worldwide. As these organizations have matured, they have adopted illicit information collection and intelligence capabilities designed to defeat DEA's efforts. Currently, DEA lacks a systematic approach to address these growing capabilities. Because it continues to execute effective operations, there is a tendency to believe current DEA approaches to intelligence threats are adequate. Attacks against DEA's cyber network also are a serious concern. Without a systematic approach and appropriate expertise, DEA will tend to react to intelligence operations by the DTOs and other adversaries on a tactical basis and risk of operational failure will be elevated.

The Office of National Counterintelligence Executive (NCIX) recommended that DEA develop a defensive counterintelligence capability to understand and mitigate the intelligence effort being targeted against DEA. The defensive CI capability will support DEA efforts to support operational security, enhance CS handling, and help protect information technology systems development.

The requested resources will allow DEA to begin the development and initiation of a CI capability commensurate with its mission and requirements. Non personnel funding will provide for contractor support in evaluating CI requirements for DEA and developing a plan to implement this capability. A DEA CI program should address short term objectives, such as integrating current DEA CI efforts, and longer range objectives, such as maturing the CI program into a strategic, enabling capability directly contributing to the DEA counter-drug mission.

### **Impact on Performance (Relationship of Increase to Strategic Goals)**

DEA requested the Office of the National Counterintelligence Executive (ONCIX) to conduct a CI risk and needs assessment to strengthen DEA's understanding of DTO intelligence-threats and inform program development. The assessment team determined the risk to DEA from intelligence-related efforts of DTOs, narco-terrorists, and foreign intelligence services (FIS) is real and growing. Adversaries are devoting increased resources and employing more sophisticated approaches for using intelligence tradecraft to target DEA. DEA personnel are generally aware of the nature of the threat, and they take key steps to mitigate these challenges at a tactical level. However, DEA Special Agents, Intelligence Analysts, and other personnel need additional expertise, training and resources to be more effective and proactive in countering increasing intelligence threats.

## Funding

### Base Funding

FY 2010 Enacted				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000
0	0	0	\$0	0	0	0	\$0	0	0	0	\$0

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (Change from 2012) (\$000)
<b>Total Non-Personnel</b>		<b>0</b>	<b>\$900,000</b>	<b>\$900,000</b>

### Total Request for this Item

	Pos	Agents	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	0	\$0	\$0	\$0
Increases	0	0	0	\$0	\$900	\$900
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$900</b>	<b>\$900</b>

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**Item Name:** **Diversion Control Program Regulatory Control and Enforcement Activities**

Budget Decision Unit: Diversion Control Fee Account

Strategic Goal & Objective: Goal II, Objective 2.4

Component Ranking of Item: 1 of 1

Organizational Program: Diversion Control Program

Program Increase: Positions 124 Agt 50 FTE 62 Dollars \$30,885,000

Description of Item

DEA requests 124 positions, including 50 Special Agents, 50 Diversion Investigators, and 9 Intelligence Analysts, and \$30,885,000 to support regulatory and enforcement activities of the Diversion Control Program. This request includes \$9,393,000 in non-personnel funding for rent, task force officer overtime, and administrative support and training for Tactical Diversion Squads (TDSs) task force officers. These resources will support DEA's efforts to fulfill both the regulatory control and enforcement aspects of the Diversion Control Program.

Justification

The mission of DEA's Diversion Control Program is to prevent, detect and investigate the diversion of pharmaceutical controlled substances and listed chemicals from legitimate channels while ensuring an adequate and uninterrupted supply of pharmaceutical controlled substances and listed chemicals to meet legitimate medical, commercial and scientific needs. DEA regulates more than 1.3 million registrants, a population that continues to grow at a rate of between 2 and 2.5 percent per year. Over the last several years, national surveys have documented the fact that a significant number of Americans are abusing controlled substance prescription drugs for nonmedical purposes. According to the 2009 National Survey on Drug Use and Health (published in September 2010), 7 million people over the age of 12 used prescription medications for non-medical reasons during the past month. This is a 13 percent increase from 2008. Of those, 5.3 million reported abusing pain relievers. The survey also indicated that the abuse of prescription drugs was second only to marijuana and had the largest number of new initiates.

In 2006 DOJ's Office of the Inspector General reviewed DEA's efforts to control the diversion of controlled pharmaceuticals and recommended that DEA incorporate law enforcement support to assist the program in performing inherently law enforcement activities. To provide additional law enforcement support for diversion control activities, DEA added 160 additional Special Agents to the Diversion Control Program in FY 2006 and FY 2007 through budget requests and reprogramming notifications. DEA has allocated the majority of these new agent positions into Tactical Diversion Squads which combine agents, diversion investigators and state and local task force officers to focus on law enforcement activities of the Diversion Control Program. At the same time, DEA has increased focus on regulatory oversight, to include the modification of

chemical and regulatory work plans to increase the frequency of scheduled investigations and broaden the pool of registrants that are subject to scheduled regulatory investigations. Increasing the frequency of inspections/investigations will ultimately help industry comply with the Controlled Substances Act (CSA) and its implementing regulations, and more easily identify those who are potential avenues for diversion. DEA's FY 2011 budget includes an additional 174 positions to support regulatory, enforcement, and support activities inside of the Diversion Control Program. The resources requested in FY 2012 will continue to build DEA's capacity to accomplish the regulatory and enforcement activities of the Diversion Control Program.

### ***Diversion Regulatory Control Activities***

DEA is requesting \$4,654,000 for 34 diversion investigator positions to enhance existing Diversion Regulatory programs in domestic offices. These positions will support DEA's regulatory oversight efforts by allowing DEA to increase the frequency of registrant inspections. Increasing the frequency of inspections and investigations will ultimately help industry comply with the Controlled Substances Act (CSA) and its implementing regulations and more easily identify potential avenues for diversion. At the end of FY 2007, DEA reprogrammed 108 vacant diversion investigator positions to special agent positions to meet immediate law enforcement needs. Thus the loss of diversion investigator positions and an aggressive regulatory control program requires replenishment and an increase in DI resources. DEA's FY 2011 budget includes 60 new diversion investigator positions, including 23 to support regulatory activities. The FY 2012 increase will bring diversion investigator staffing back up to the pre-reprogramming level.

### ***Diversion Enforcement Activities***

DEA is requesting \$13,972,000 for 50 new special agents and 16 new diversion investigators to solidify existing TDS where state and local personnel are limited and establish 8 new TDSs in areas of significant pharmaceutical diversion. DEA is also requesting \$7,893,000 to cover the cost of 64 new state and local task force officers (TFOs), including overtime, rent, and contract clerical support, and \$1,500,000 to cover training of TDS TFOs. DEA has organized 37 TDSs with at least one in each domestic division. TDSs investigate suspected violations of the CSA and other appropriate Federal or state statutes pertaining to the diversion of licit pharmaceuticals and chemicals. These unique groups allow DEA and its state and local law enforcement partners to leverage resources investigate, disrupt and dismantle those individuals or organizations involved in diversion schemes (e.g., "doctor shoppers," prescriptions forgers, and prevalent retail-level violators). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDSs also provide support to regulatory diversion groups where law enforcement authority activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants).

To support TDSs and other enforcement activities of the Diversion Control Program, DEA is requesting \$1,412,000 for personnel: 3 new chemists to provide evidence analysis; 2 new Telecommunications Specialist positions to support the Office of Investigative Technology's Diversion Internet Intercept Program; 3 computer forensics examiners for the Diversion Digital

Evidence Lab in order to in-source contract forensic examiners; and 1 new Attorney to support case development including Orders to Show Cause and Immediate Suspensions.

### ***Diversioin Intelligence***

DEA requests \$1,088,000 for 9 new intelligence analysts. Placement will be made based on work hour analysis and diversion trends once enhancements are authorized. In FY 2006 and FY 2007 the Diversion Control Program added its first 73 intelligence analyst positions and is adding 14 additional analysts in the FY 2011 budget request.

### ***Support Personnel***

DEA is requesting \$366,000 for six clerical and administrative support positions to support the Diversion Control Program in response to the increase in core resources in the domestic program.

### **Impact on Performance**

Data from the Treatment Episode Data Set (TEDS) reveals a 400 percent increase between 1998 and 2008 of substance abuse treatment admissions for those aged 12 and over reporting abuse of prescription pain relievers. Law enforcement data reflects a 265% increase in the number of cases being submitted to state and local laboratories attributable to methadone and hydrocodone between 2001 and 2008. The 2009 National Survey on Drug Use and Health (NSDUH) shows that there are more people abusing pharmaceuticals than those who abuse cocaine, hallucinogens, inhalants and heroin, combined. This study also demonstrates that more Americans initiate with a controlled substance pharmaceutical than those who initiate with marijuana. The Center for Disease Control and Prevention reports a significant increase in the number of deaths associated with controlled substance prescriptions.

To reverse these significant and growing trends, we must take advantage of every law enforcement and regulatory tool that we have at our disposal. The Diversion Control Program is obligated to annually develop, issue and maintain quotas for the manufacturing of various controlled substance pharmaceuticals. In addition, DEA is required to issue and maintain registrations for manufacturing, distribution, dispensing, and importation and exportation of controlled substances. The registrant population consists of more than 1.3 million and continues to grow by 2.5 – 3 percent per year. Fulfilling these duties are not optional but statutory requirements and in compliance with treaty obligations.

Over the past year DEA has been monitoring a resurgence in the number of clandestine methamphetamine lab incidents across the country. This increase has been directly linked to a sharp increase in the diversion of pseudoephedrine and ephedrine products from retail outlets. DEA's ability to assist our state and local counterparts to curtail this resurgence is contingent upon maintaining adequate resources to address this important issue.

With the positions being added to the Diversion Control Program in FY 2011 and FY 2012, DEA is increasing the frequency of regulatory inspections of DEA registrants. This enhanced

regulatory focus will help reduce avenues of diversion and identify potential points of diversion sooner, thereby shutting off the source of supply to illegal distribution operations. DEA also planned to expand its TDSs, which combine the skill sets of Diversion Investigators, Special Agents and other federal, state and local law enforcement agencies to pursue criminal case related to the diversion of controlled substances and listed chemicals. These TDS groups have proven their value by conducting significant investigations that have resulted cutting off the source of millions of dosage units of controlled substances and the seizure of millions of dollars in assets.

## Funding

### Base Funding

FY 2010 Enacted (w/resc./supps)				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
1,199	179	1,190	\$251,790	1,373	241	1,282	\$290,304	1,373	241	1,369	\$291,105

### Personnel Increase Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Special Agent	\$236	50	\$11,782	-\$740
Diversion Investigator	\$137	50	\$6,844	-\$123
Intelligence Analyst	\$121	9	\$1,088	\$191
Chemist	\$247	3	\$742	-\$222
Attorney	\$121	1	\$121	\$97
ITS	\$173	2	\$345	-\$63
Professional/Administrative	\$68	4	\$271	\$128
Technical/Clerical	\$60	5	\$298	\$132
Total Personnel		124	\$21,492	-\$600

### Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (Change from 2012) (\$000)
Task Force Officers	\$67	64	\$4,288	\$0
Admin Contractors	\$78	8	\$622	\$0
Rent for TFOs			\$2,983	\$0
TDS Training			\$1,500	
Total Non-Personnel			\$9,393	\$0

### Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	1,373	241	1,369	\$175,763	\$115,342	\$291,105
Increases	124	50	62	\$21,492	\$9,393	\$30,885
Grand Total	1,497	291	1,431	\$197,255	\$124,735	\$321,990

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## **VI. Program Offsets by Item**

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**Item Name:** **Administrative Efficiencies**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Organizational Program: DEA-wide

Component Ranking of Item: 1 of 7

Program Decrease: Positions 0 FTE 0 Dollars -\$1,537,000

### Description of Item

DEA proposes to achieve cost savings of \$1,537,000 in non-personnel base resources from increased efficiencies in administration.

### Justification

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on areas in which savings can be achieved, which include, but are not limited to: printing, publications, travel, conferences, supplies, and general equipment. For DEA, these administrative efficiencies will result in an offset of \$1.5 million.

### Impact on Performance (Relationship of Offset to Strategic Goals)

This offset will be applied in a manner that will allow the continuation of effective law enforcement program efforts in support of Presidential and Departmental goals, while minimizing the risk to health, welfare and safety of agency personnel.

**FY 2012 ADMINISTRATIVE EFFICIENCIES – ESTIMATED ALLOCATION**  
**Drug Enforcement Administration**  
**Component Offset Amount - \$1,537,000**

<b>OBJECT CLASS TITLE</b>	<b>OC</b>	<b>SOC</b>	<b>Offset \$000</b>
<b>Travel &amp; Transportation</b>	<b>21</b>		\$860
<b>Printing &amp; Reproduction</b>	<b>24</b>		\$18
<b>Supplies and Materials</b>	<b>26</b>		\$223
<b>Publications</b>	<b>26</b>	2603	\$10
<b>Equipment</b>	<b>31</b>		\$374
<b>Conferences (multiple OC)</b>		Qtr Report	\$52
<b>Total</b>			<b>\$1,537</b>

**Item Name:** **Extend Tech Refresh**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 2 of 7

Organizational Program: Operational Support Division

Program Decrease: Positions 0 FTE 0 Dollars -\$1,416,000

Description of Item

DEA proposes to achieve cost savings of \$1,416,000 in non-personnel base resources by extending the refresh rate of all desktops and laptops by one year.

Justification

As desktops and laptops are used primarily for basic office automation applications (e.g., spreadsheets and word processing), replacing this inventory at a slower rate is expected to have minimal impact on Department operations. In FY 2012, the Department is proposing to extend the refresh rate of all desktops and laptops by one year, from four years to five years, resulting in an offset of \$1.4 million for DEA.

Impact on Performance (Relationship of Offset to Strategic Goals)

Extending the refresh cycle of desktops and laptops is expected to have minimal impact on DEA operations.

## Funding

### Base Funding

FY 2010 Enacted (w/resc./supps)				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
0	0	0	\$5,676	0	0	0	\$5,676	0	0	0	\$5,676

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Reduced	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Not Applicable				
Total Personnel				

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
1-year extension of refresh	-1,146	1	-\$1,416	\$0
Total Non-Personnel	-1,146	1	-\$1,416	\$0

### Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Current Services	0	0	0	\$0	\$5,676	\$5,676	
Increases	0	0	0	\$0	-\$1,416	-\$1,416	\$0
Grand Total	0	0	0	\$0	\$4,260	\$4,260	\$0

**Item Name:** **Mobile Enforcement Teams**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 3 of 7

Organizational Program: Domestic Field

Program Decrease: Positions -145 FTE -145 Dollars -\$39,117,000

Description of Item

DEA proposes to eliminate the MET program providing a savings of \$39,117,000. The associated positions would be realigned to fill vacancies within DEA including 112 special agent positions in the FY 2011 and FY 2012 DCFA budget requests.

Justification

To better support DEA's mission and fund higher priority initiatives, DEA proposes to offset the MET program. The offset realigns the 145 positions associated with MET to fill vacancies within DEA including the 112 special agent positions requested in the FY 2011 and FY 2012 DCFA budget requests.

Impact on Performance (Relationship of Offset to Strategic Goals)

Elimination of DEA's 16 METs will reduce DEA's participation on State and local violent crime enforcement activities. However, the realignment of these resources will continue to support DEA's Diversion Control Program in combating the diversion of licit pharmaceuticals into illicit commerce.

## Funding

### Base Funding

FY 2010 Enacted				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000
145	128	136	36,396	145	128	145	38,046	145	128	145	39,117
<b>145</b>	<b>128</b>	<b>136</b>	<b>36,396</b>	<b>145</b>	<b>128</b>	<b>145</b>	<b>38,046</b>	<b>145</b>	<b>128</b>	<b>145</b>	<b>39,117</b>

### Personnel Decrease Cost Summary

Type of Position	Modular Cost per Position	Number of Positions	FY 2012 Decrease (\$000)	FY 2013 Net Annualization (\$000)
Special Agent	N/A	(128)	-	-
Professional/Admin.	N/A	(1)	-	-
Technical/Clerical	N/A	(16)	-	-
<b>Total Personnel</b>	<b>N/A</b>	<b>(145)</b>	<b>\$ (32,281)</b>	<b>\$ -</b>

### Non-Personnel Decrease Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (\$000)
<b>Total Non-Personnel</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ (6,836)</b>	<b>\$ -</b>

### Total Request for this Item

	Pos	Agents	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	145	128	145	\$ 32,281	\$ 6,836	\$ 39,117
Decreases	-145	-128	-145	\$ (32,281)	\$ (6,836)	\$ (39,117)
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Item Name:** **Reduce Physical Footprint**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 4 of 7

Organizational Program: Domestic Field

Program Decrease: Positions 0 FTE 0 Dollars -\$395,000

#### Description of Item

DEA proposes to achieve cost savings of \$395,000 in non-personnel base resources by better utilizing existing workspace and reducing the duplication of work.

#### Justification

In FY 2012, the Department is consolidating up to 44 of its 1,165 sub-regional office locations (or 3.8 percent of all DOJ sub-regional offices), which will allow components to better utilize existing workspace, as well as enhance information sharing and the ability of regional offices to deconflict efforts and reduce duplicative work. Components will also realize additional savings from the consolidation of facilities and operations services including maintenance, shipping, parking, and other related services. DEA will review the locations of its resident offices and posts of duty to reduce its footprint and save \$395,000. DEA is proposing to relocate up to 7 offices. To minimize the impact on DEA's operational capability, this offset applies only to GSA rent; staffing will not be reduced.

#### Impact on Performance (Relationship of Offset to Strategic Goals)

This offset will evaluate office consolidation options in a manner that will allow the continuation of effective law enforcement program efforts in support of Presidential and Departmental goals, while minimizing the risk to health, welfare and safety of agency personnel.

## Funding

### Base Funding

FY 2010 Enacted (w/resc./supps)				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
0	0	0	\$197,234	0	0	0	\$203,022	0	0	0	\$204,212

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Reduced	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Not Applicable				
Total Personnel				

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Rent Savings	56	7	-\$395	\$0
Total Non-Personnel			-\$395	\$0

### Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Current Services	0	0	0	\$0	\$204,212	\$204,212	
Increases	0	0	0	\$0	-\$395	-\$395	\$0
Grand Total	0	0	0	\$0	\$203,817	\$203,817	\$0

**Item Name:** **Foreign Operations**

Budget Decision Unit(s): International Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 5 of 7

Organizational Program: Operations Division

Program Reduction: Positions 0 Agents 0 FTE 0 Dollars -\$4,300,000

#### Description of Item

DEA proposes an offset of \$4,300,000 in non-personnel base funding through a reduction of approximately one percent of the agency's budget for the International Enforcement decision unit.

#### Summary Justification

DEA has 82 foreign offices in 62 countries. To support the Department's goal of achieving cost savings, this proposal will minimally reduce DEA's international enforcement programs. This offset is focused only on operational funding and will not impact positions.

#### Impact on Performance (Relationship of Decrease to Strategic Goals)

DEA is the U.S. government's single point of contact for coordinating international drug and chemical investigations in foreign countries. This is a unique role among law enforcement agencies; State and local entities are unable to fulfill these duties and there is no federal law enforcement agency that can rival DEA in terms of foreign presence and the number of overseas personnel, country offices, and confidential sources. DEA's foreign operations are our nation's first line of defense and protect our national security by interdicting the flow of illegal drugs and the traffickers who smuggle them before they reach our shores.

This offset will result in approximately a one percent reduction in DEA's base International Enforcement budget; however, the reduction will exempt personnel and be targeted towards operational funding only.

Several agencies work together to make the seizures that count towards the National Drug Control Strategy's interdiction goals. DEA contributes the intelligence that makes many of these seizures possible.

## Funding

### Base Funding

FY 2010 Enacted (w/resc./supps)				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000	Pos	Agents	FTE	\$000
0	0	0	416,916	0	0	0	409,183	0	0	0	420,480
<b>0</b>	<b>0</b>	<b>0</b>	<b>416,916</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>409,183</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420,480</b>

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position	Number of Positions Requested	FY 2012 Request (\$000)	FY 2013 Net Annualization (\$000)
<b>Total Personnel</b>		<b>0</b>	\$ -	\$ -

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (\$000)
<b>Total Non-Personnel</b>			\$ (4,300)	\$ -

### Total Request for this Item

	Pos	Agents	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	0	0	0	\$ 298,545	\$ 121,935	\$ 420,480
Decreases	0	0	0	\$ -	\$ (4,300)	\$ (4,300)
<b>Grand Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$ 298,545</b>	<b>\$ 117,635</b>	<b>\$ 416,180</b>

**Item Name:** **Task Force Consolidation**

Budget Decision Unit(s): Domestic Enforcement

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 6 of 7

Organizational Program: Domestic Field

Program Decrease: Positions 0 FTE 0 Dollars -\$292,000

Description of Item

DEA proposes to achieve cost savings of \$292,000 in non-personnel base resources by eliminating or consolidating lower performing task forces.

Justification

The Department proposes to reduce the Department's task force footprint by consolidating task forces operating within the same geographic area or by eliminating lower performing task forces. No federal positions are offset in this proposal. Components would reassign the positions associated with the decommissioned task forces to existing task forces or to other high priority areas. The Department is committed to pursuing operational efficiency while ensuring that its components retain their investigative capabilities; therefore, applicable savings associated with this offset are generated by reducing the marginal operational and overhead costs associated with operating a task force. For DEA, the offset totals \$292,000 to be realized by eliminating or consolidating 25 to 31 of the lowest performing task forces.

Impact on Performance (Relationship of Offset to Strategic Goals)

DEA has approximately 6,000 sworn domestic law enforcement officers, of which 3,800 are on-board DEA special agents and 2,200 are cross-designated, state or local Task Force Officers (TFOs). These TFOs work full time with DEA and comprise more than one-third of DEA's entire domestic investigative workforce. DEA will make every effort possible to maintain partnerships with the state and local agencies represented on the consolidated or dismantled task forces to attempt to minimize the impact of this initiative.

## Funding

### Base Funding

FY 2010 Enacted (w/resc./supps)				FY 2011 Continuing Resolution				FY 2012 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
0	0	0	\$22,213	0	0	0	\$22,213	0	0	0	\$22,213

Base estimate includes direct funding for the operations of DEA task forces. This estimate does not include salaries, benefits, TFO overtime, or Title III expenses.

### Personnel Reduction Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Reduced	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Not Applicable				
Total Personnel				

### Non-Personnel Reduction Cost Summary

Non-Personnel Item	Unit Cost (\$000)	Quantity	FY 2012 Request (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
TFO Operational Costs	9	31	-\$291	\$0
Total Non-Personnel	9	31	-\$291	\$0

### Total Request for this Item

	Pos	Agt/Atty	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)	FY 2013 Net Annualization (change from 2012) (\$000)
Current Services	0	0	0	\$0	\$22,213	\$22,213	
Increases	0	0	0	\$0	-\$291	-\$291	\$0
Grand Total	0	0	0	\$0	\$21,922	\$21,922	\$0

**Item Name:** Cancellation of Prior Year Unobligated Balances

Budget Decision Unit(s): Multiple

Strategic Goal(s) & Objective(s): Goal II; Objective 2.4

Component Ranking of Item: 7 of 7

Organizational Program: Multiple

Program Decrease: Positions 0 FTE 0 Dollars [-\$30,000,000]

Description of Item

The FY 2012 President's Budget proposes the cancellation of \$30 million in prior year unobligated balances that become available during FY 2012.

Justification

In FY 2010, DEA transferred \$56 million in prior year unobligated balances into its no year account using no year funding authority provided in previous appropriations acts.

Impact on Performance (Relationship of Offset to Strategic Goals)

DEA typically allocates prior year unobligated balances through its Zero Based Budgeting Process (ZBB). The cancellation of prior year unobligated balances will decrease DEA's overall funding availability in FY 2012, resulting in less funding available for allocation in the FY 2012 ZBB process.

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