

# II

## STRATEGIC GOAL TWO: Enforce Federal Criminal Laws

### STRATEGIC OBJECTIVE & ANNUAL GOAL 2.1: VIOLENT CRIME

Reduce the threat, incidence, and prevalence of violent crime, especially as it stems from illegal use of guns or from organized criminal enterprises

#### 2.1A Dismantle Targeted Organized Crime Groups

##### Background/Program Objectives:

The FBI, working closely with DOJ prosecutors, will continue its intensive efforts against the threats of active La Cosa Nostra (LCN), native Italian, and emerging Asian and Eurasian criminal enterprises. The Organized Crime Section, through the use of the Racketeering Influenced Corrupt Organization (RICO) statute, targets the entire entity responsible for the crime problem, *the organization*. This is accomplished by charging the organization's members as a group with a wide range of crimes committed by its members in violation of local, state, and federal laws.

Organized Criminal Enterprises are structured to ensure that their leadership is far removed from the criminal activity, making it difficult to link overt crimes to the leaders of the organization. Moreover, even if key individuals are removed, the strength of these organizations often allows the enterprise to be sustained. This situation requires the FBI to develop strategies targeted primarily at dismantling the organization, as opposed to merely removing key individuals.

##### Performance:

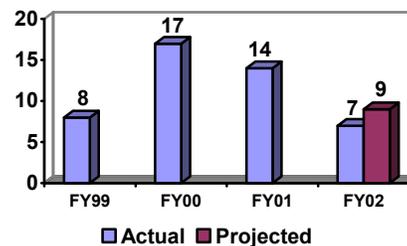
**Performance Measure:** Dismantled Asian Criminal Enterprises (ACE)[FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

**FY 2002 Target:** 9

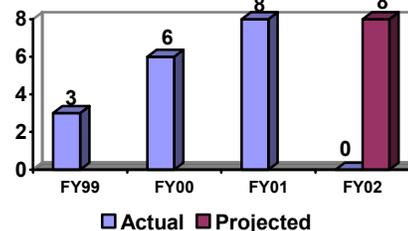
**FY 2002 Actual:** 7

**Discussion:** The goal of the FBI's ACE subprogram is to reduce the rapid growth and increasingly adverse impact of domestic and

Dismantled Asian Criminal Enterprises [FBI]



Dismantled Eurasian Criminal Enterprises [FBI]



**Data Collection and Storage:** The data source for the dismantlements is the FBI's Integrated Statistical Reporting and Analysis Application (ISRAA). The database tracks accomplishments from inception to closure.

**Data Validation and Verification:** Before data are entered into the system, they are reviewed and approved by an FBI field manager. The data are subsequently verified through the FBI's inspection process. Inspections occur on a 2 to 3 year cycle. Using statistical sampling methods, data are tracked to source documents contained in FBI files.

**Data Limitations:** None known at this time.

international ACEs on the U.S., as well as to prevent ACEs from becoming established and entrenched criminal institutions in the U.S.

In March 2002, FBI Agents and detectives from the New York Police Department arrested five subjects of a violent ACE in connection with their cross-country armed robbery crime spree. The arrest of these subjects interdicted a planned robbery in the Florida area, which was to occur in the following week. All of the subjects involved in this criminal enterprise originated from the Fujian Province, People's Republic of China. In July 2002, FBI Agents made 30 arrests in eight states, culminating a 5-year investigation that began when owners of a massage parlor in Blount County, TN tried to bribe public officials, including a judge. The ensuing investigation revealed hundreds of Korean massage parlors in 14 cities throughout the United States engaged in money laundering, prostitution, alien smuggling, and associated criminal activities.

**Performance Measure:** Dismantled Eurasian Criminal Enterprises (ECE) [FBI]

**FY 2002 Target:** 8

**FY 2002 Actual:** 0

**Discussion:** ECE groups in the United States are engaged in traditional racketeering activity such as extortion, murder, prostitution, and drugs. They are also deeply involved in large scale white collar crimes, such as gasoline excise tax scams, fraudulent insurance claims, stock fraud, and bank fraud.

The mission of the Eurasian Organized Crime Unit is to implement the FBI's Organized Crime Program Plan to coordinate and support FBI field offices and local law enforcement agencies in their efforts to reduce the threat posed by Russian/Eastern European Criminal Enterprises. The fundamental goal of the unit is to assist the field in identifying, disrupting, and dismantling major Russian/Eastern European Criminal Enterprises.

The reallocation of field investigative resources following the events of September 11, 2001 had a significant impact on ECE program performance. Field offices with the largest Eurasian Organized Crime programs, such as New York, Newark, and Miami, were required to shift their focus to the investigative efforts following the terrorist attacks.

## 2.1 B Reduce the Number of Targeted Gangs

### Background/Program Objectives:

The mission of the FBI's Violent Crimes and Major Offenders Program is to reduce the incidence and impact of crimes of violence and of crimes against property that affect individuals, organizations, and communities. The Program's mission involves the proactive identification, disruption, and dismantlement of criminal enterprises, as well as the swift, efficient, and measured response to serious violent criminal acts, which call upon core FBI jurisdiction, responsibilities, and competencies.

Research shows that victimization costs \$105 billion annually in property and productivity losses and for medical expenses. This amounts to an annual "crime tax" of roughly \$425 for each United States citizen. From the business owner who must pay "protection" money to neighborhood gangs; to families who live like hostages within their own homes, afraid to venture out; to the residents of Indian Country, the harmful impact of violent crime on victims and on society collectively is both psychologically and physically debilitating.

The FBI strives to reduce the level of violent crime by dismantling gangs identified as being the most dangerous. The FBI maintains a "Top 30" list of these gangs each year, selected based upon the extent to which each gang's activity is multi-jurisdictional, violent, has a deleterious effect on the community, and is affiliated with a group identified in the FBI's National Gang Strategy. The FBI's objective is to dismantle 15 gangs that appear on this list over a 5-year period (an average of 3 per year).

### Performance:

**Performance Measure:** # Dismantled of the 30 Gangs Targeted by the FBI as the Most Dangerous [FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

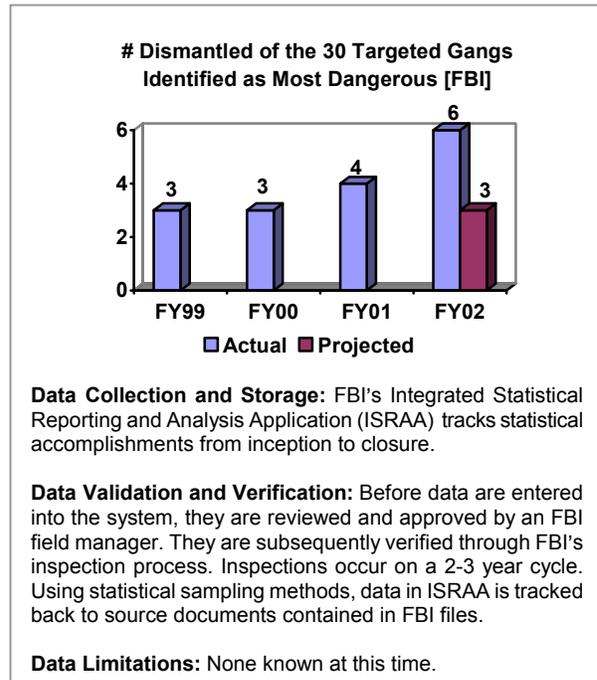
**FY 2002 Target:** 3

**FY 2002 Actual:** 6

**Discussion:** The FBI exceeded the target.

Highlights for FY 2002 are included below.

Despite the general decline in violent criminal



activity, gangs are still a threat to the nation. The gangs that are emerging are composed of older, more experienced, hardened criminals that engage in a myriad of violent activities as well as thefts of cargo, motor vehicles, and high tech goods.

Examples from FY 2002:

On September 6, 2001, 29 subjects from the Santana Block Crips (SBC) gang were indicted on charges of drug trafficking, conspiracy, money laundering, and bank fraud. On September 7, 2001, 26 subjects were arrested on these federal charges in a coordinated sweep. Two subjects have passed away since their incarceration and three are being pursued as fugitives. On October 8, 2002, 12 defendants from the SBC pled guilty to charges of drug trafficking, conspiracy, money laundering, and bank fraud in the Central District of California, in Los Angeles, CA. This included a guilty plea of the main target, Frederick Staves. This represents the complete dismantling of the SBC and its existence as a criminal organization. Additionally, the Bridgeport Safe Streets Task Force (BSSTF) investigated the criminal organization headed by Frankie Estrada, aka "Terminator," which was linked to money laundering, weapon violations, armed robberies, and murders in connection with

the operation and protection of a continuing criminal enterprise. Twenty-six subjects were indicted and arrested on drug distribution charges. A superseding indictment in June 2001 added additional subjects, money laundering counts, and a forfeiture count seeking \$10 million in proceeds from Estradas' heroin sales. The BSSTF seized \$750,000 in real estate, cash, cars, and jewelry for forfeiture. Twenty-three subjects were convicted, two were acquitted and one subject is awaiting trial. On March 18, 2002, the New Haven Division, BSSTF, dismantled the organization.

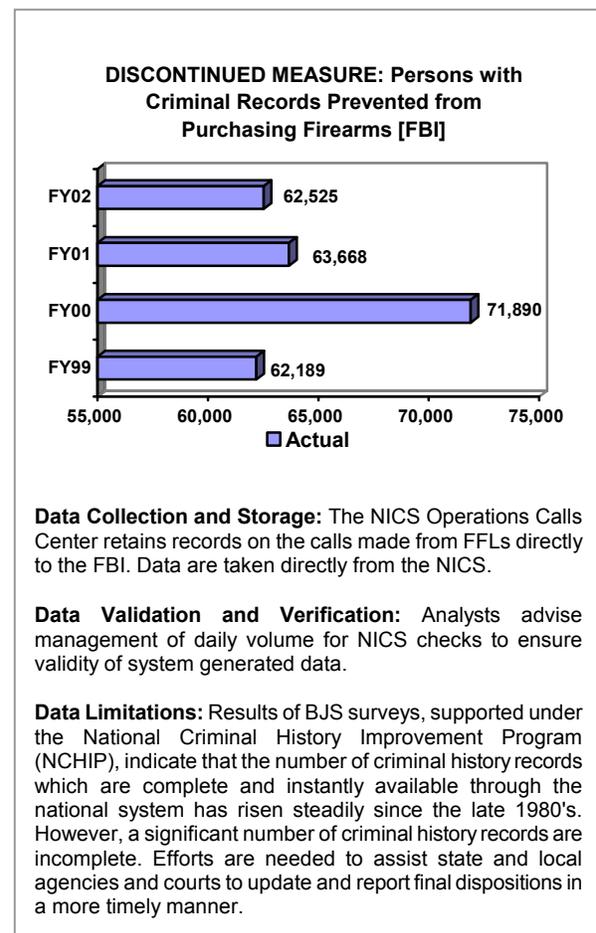
## 2.1C Implement Gun Violence Reduction Strategies

### Background/Program Objectives:

The Department of Justice implements gun violence reduction strategies through its Project Safe Neighborhoods initiative. Project Safe Neighborhoods is a comprehensive national strategy that creates multi-agency partnerships to effectively enforce existing gun laws and reduce the incidence of gun violence across the country. The strategy provides more options to prosecutors, allowing them to utilize local, state, and federal laws to ensure that criminals who commit gun crimes face tough sentences. It is also designed to deter gun crime by publicizing these enforcement efforts in the community. Project Safe Neighborhoods gives each federal district the flexibility it needs to focus on individual challenges that its community faces. Currently each district is in the process of gathering and utilizing relevant crime data to develop a strategic plan to target the illegal use, possession, and trafficking of firearms. Each district is tasked with developing meaningful measurements of the impact of its strategy and will report on both the plan and its impact every 6 months.

In addition to the Project Safe Neighborhoods initiative, the Department is tasked with implementing certain provisions of the Brady Handgun Violence Protection Act. This act requires Federal Firearm Licensees (FFL) to request background checks on individuals attempting to purchase a firearm, and required the establishment of a National Instant Criminal Background Check System (NICS) that any FFL may contact by telephone, or other electronic means, for information to be supplied immediately on whether the receipt of a firearm by a prospective transferee would violate federal or state law. Although NICS provides a definitive response (i.e., “proceed” or “deny”) to 85 percent of inquiries by FFLs within 4 minutes, the Act allows NICS 3 business days to make its determination. If NICS does not contact the FFL before the expiration of the third business day with a definitive response to proceed or deny, the FFL may transfer the firearm without waiting for a response from NICS. If NICS receives information after the 3 day period has

expired that would indicate a prohibited person has acquired a firearm from an FFL, NICS immediately refers this information to the Bureau of Alcohol, Tobacco, and Firearms (ATF) for investigation and possible retrieval of the firearm. All NICS denials (i.e., NICS determinations that receipt of a firearm by the potential transferee would violate state or federal law) are referred to ATF for investigation and, where appropriate, are referred to the United States Attorney’s Office (USAO) for prosecution.



### Performance:

**Performance Measure:** DISCONTINUED MEASURE: Persons with Criminal Records Prevented From Purchasing Firearms [FBI] (NOTE: This measure has been discontinued because the total number of persons denied by NICS per year is a factor of the total number of NICS checks performed per year. Accordingly, the

measure does not adequately represent the Department's performance. Also, the prior year performance plan incorrectly reflected a target for FY 2002. This measure is not targeted and the figure previously reported was merely an estimate based on historical data.)

***FY 2002 Target:*** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

***FY 2002 Actual:*** 62,525

***Discussion:*** The number of NICS checks performed per year is driven by market demand for firearms. In addition, denial determinations are dependent upon the accessibility of prohibiting records. Consequently, the Department of Justice does not establish a target for denial determinations either by percentage of total background checks or an actual projected number per year.

## 2.1D Increase Cooperation with Foreign Law Enforcement

### Background/Program Objectives:

International law enforcement cooperation is critical to addressing the dramatic growth in the scope of transnational crime such as terrorism, narcotics trafficking, money laundering, fraud, and cybercrime and the immediate threat it poses to the U.S. and the global community. The Department is increasing its emphasis on cooperation with foreign law enforcement and criminal justice officials to make it easier to obtain and provide information and evidence needed to pursue cases against transnational criminals. Working jointly with foreign counterparts is a realistic way to achieve the goals of dismantling international criminal organizations, locating fugitives, and establishing mutually recognized processes for ensuring criminals are brought to justice primarily through the extradition process coordinated and supervised by Criminal Division's Office of International Affairs (OIA).

OIA is the Central Authority for the United States under 40 Mutual Legal Assistance Treaties (MLATs) in force and a number of multilateral conventions. As such, OIA makes and receives all MLAT requests and is responsible for the drafting by federal, state, or local prosecutors of requests for bank records or other evidence abroad. OIA insures that the requests are presented to the proper foreign Central Authority, and presses for the execution of the request in a timely manner. OIA also coordinates the execution in the U.S. of requests from foreign countries under the MLATs.

### Performance:

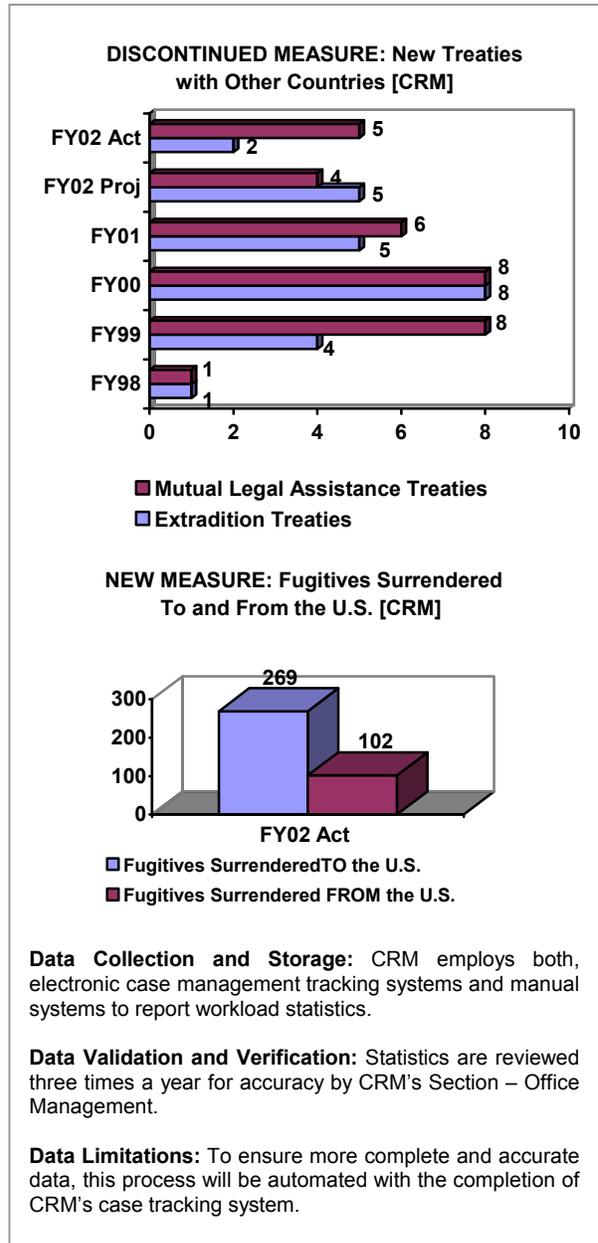
**Performance Measure:** DISCONTINUED MEASURE: Number of New Treaties with Other Countries Entering Into Force [CRM] (NOTE: This measure is being discontinued as it not outcome oriented.)

**FY 2002 Target:** (9)

- 5 Extradition treaties
- 4 MLATs

**FY 2002 Actual:** (7)

- 2 Extradition treaties
- 5 MLATs



**Discussion:** We did not meet our target number of new treaties entering into force. Treaties entering into force are dependent on legislative action by the U.S. and the foreign country.

**Performance Measure:** NEW MEASURE: Number of Fugitives Surrendered To and From the U.S. during the FY [CRM]

**FY 2002 Actual:**

269 fugitives surrendered to the U.S.

102 fugitives surrendered from the U.S.

***Discussion:*** The Office of International Affairs works closely with U.S. federal, state, and local prosecutors, as well as with international law enforcement counterparts, to facilitate the surrender of fugitives wanted both in the U.S. and abroad for prosecution or service of sentence.

## STRATEGIC OBJECTIVE & ANNUAL GOAL 2.2: DRUGS

Reduce the threat, trafficking, and related violence of illegal drugs by identifying, disrupting and dismantling drug trafficking organizations

### 2.2A Reduction in the Supply and Use of Drugs within in the U.S.

#### Background/Program Objectives:

The Department of Justice focuses its drug law enforcement efforts to reduce the availability of drugs by targeting the largest drug supply and money laundering networks for dismantlement of their entire infrastructure, from international supply and national transportation cells, to regional and local distribution organizations. The OCDETF program has been designated by the Attorney General as the centerpiece of his drug strategy. The program coordinates multi-agency and multi-region investigations, targeting the most serious drug trafficking threats. The OCDETF program functions through the efforts of the U.S. Attorneys; elements of the Department's Criminal Division; the investigative, intelligence, and support staffs of DEA, FBI, INS, and USMS; the investigative support of the Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service; the U.S. Customs Service; the U.S. Coast Guard; as well as state and local law enforcement agencies. The goal of each OCDETF investigation is to determine connections to related investigations nationwide in order to identify and dismantle the entire structure of the drug trafficking organization. A major emphasis of OCDETF investigations is to disrupt financial dealings and dismantle the financial infrastructure of drug trafficking organizations (DTOs). As the Attorney General noted during a national conference in December 2001, "Sophisticated drug trafficking organizations mirror the Fortune 500. They have similar business structures, distribution systems, and profitability - laundering an estimated \$300 - \$500 billion a year. Just as the Department seeks to dismantle terrorist operations by cutting off their access to money, so too must we combat the sophisticated financial infrastructure of drug trafficking operations."

#### DOJ's Reduction in Supply of Drugs Available for Consumption Within the U.S. [DEA]

Drug	FY 2002 Baseline	FY 2001 Seizures	FY 2002 Seizures
	Pure Metric Tons	Metric Tons	
Cocaine	260-270	35	25
Heroin	13-18	.6	.7
Metham phetamine	110-140	2.0	1.8
Marijuana	10,000-25,000	646	562

**Data Definition:** Pure metric tons reflects the volume of drugs entering or produced in the U.S. prior to distribution and possible dilution.

**Data Collection and Storage:** FY 2001 estimates were developed using intelligence data from several sources including but not limited to, the United Nations Office for Drug Control and Crime Prevention; ONDCP; the National Drug Intelligence Center; and the Federal-wide Drug Seizure System. FY 2002 seizure statistics were drawn from FDSS. In addition, a baseline estimate for the amount of illicit drugs consumed in the U.S. was developed by ONDCP based on data from the Substance Abuse and Mental Health Services Administration; National Institute of Justice's Arrestee Drug Abuse Monitoring Program; and the National Institute for Drug Abuse Monitoring the Future Survey.

**Data Validation and Verification:** An executive-level interagency Steering Committee oversaw this effort and individual interagency working groups were formed to develop availability estimates for each drug type, to include cocaine, heroin, methamphetamine, and marijuana. The working groups met periodically to determine the most appropriate estimation model to be used for each of the drugs and to ensure that all applicable availability data was assessed for inclusion in the estimates. These drug specific working groups then presented their findings to the executive-level Steering Committee for approval.

**Data Limitations:** The development of credible drug availability estimates was a first-time effort and, thus, there is uncertainty in some of the estimates. The estimates for cocaine are based on several years of research so these figures are more precise. However, due to the wide variance in prices and use behavior of heroin users, the lack of information regarding methamphetamine diversion, and the fact that there are no reliable figures regarding domestic marijuana production, the estimates for these drugs are presented in fairly wide ranges.

**Performance:**

**Performance Measure:** DOJ's Reduction in the Supply of Drugs Available for Consumption Within the U.S. [DEA]

**FY 2002 Target:** Establish Baseline

**FY 2002 Actual:** Baseline Established, with seizure data for FY 2002

**Discussion:** During FY 2002, DOJ, in conjunction with the Office of National Drug Control Policy (ONDCP) and an interagency group led by DEA developed baseline estimates for the annual amount of cocaine, heroin, methamphetamine, and marijuana available for consumption in the U.S. during 2001. These totals include drugs transported in the U.S. as well as drugs produced domestically. These drug availability estimates will be updated annually.

While drug seizure data is readily available, it does not capture the total impact of disrupted or dismantled DTOs. In an effort to evaluate the Department's impact on the availability of drugs entering the U.S. during FY 2003, DEA is developing a methodology to determine the immediate and long term impact on drug trafficking and the drug supply as a result of successfully disrupting and/or dismantling of drug trafficking criminal enterprises. The development of this methodology will be complex due to the data limitations and numerous variables similar to those encountered in the development of the national drug supply estimates. Upon development of these estimates, the methodology will be expanded to determine the impact on drug supply as a result of the law enforcement efforts of the Departments of Transportation and Treasury.

## 2.2B Disrupt and Dismantle Major Drug Trafficking Criminal Enterprises

### Background/Program Objectives:

The Attorney General directed the Department to develop a single national list of major drug trafficking and money laundering organizations. In response, DEA, the FBI, and the U.S. Customs Service, with input from the intelligence community and other OCDETF member agencies, identified 53 international command and control organizations representing the most significant international drug organizations threatening the U.S. These targets, titled the Consolidated Priority Organization Target (CPOT) list, represent the first time federal agencies have worked together to develop a single target list. This list reflects the most significant international narcotic supply and related money laundering organizations, poly-drug traffickers, clandestine drug manufacturers and producers, and major drug transporters supplying the U.S. The list, as well as linked organizations, will be updated periodically to remain current.

The efforts to disrupt and dismantle the CPOT organizations will be primarily accomplished via multi-agency and multi-regional investigations directed by DEA and the FBI. These investigations focus on the development of intelligence-driven multi-region investigations to identify and target national, international, and regional drug trafficking organizations that play significant roles in the production, transportation, distribution, or financial or other support of large scale drug trafficking. DEA and the FBI's ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible.

DEA, through the utilization of its Priority Drug Targeting Organization (PDTO) Program, identifies and targets the most significant drug trafficking organizations operating at the International, National/Regional and Local levels. This is keeping with DEA's mission to combat drug trafficking at all levels. DEA's PDTO program is more expansive than CPOT, since it also includes local and regional drug organizations significantly impacting the drug supply in its 21 nationwide field divisions. PDTO investigations utilize intelligence

derived from on-going PDTO and related investigations to identify major drug trafficking organizations to include the organization's distribution network, structure and members in order to target the highest level of the organization.

The objective of each PDTO investigation is to disrupt/dismantle the identified organization, arrest the organization's leaders, distributors, importers, and facilitators, and seize and forfeit all assets associated with the organization. DEA management has directed that all PDTO investigations be coordinated with appropriate DEA Field Divisions to include the Special Operations Division (SOD).

The FBI also focuses on the domestic cells of international drug trafficking criminal enterprises that have the most adverse impact on U.S. national interests. These criminal enterprises have previously been included on the FBI's National Priority Target List (NPTL), which the FBI will discontinue when it begins to track its targets through the CPOT list. The FBI's contribution to the CPOT will be based upon crime surveys and threat assessments conducted by its field offices. Field offices will be required to expand the scope of their drug investigations and attempt to link them to the national and international criminal enterprises on the CPOT list.

### Performance:

**Performance Measure:** Disrupted/ Dismantled Priority Drug Trafficking Organizations (PDTOs) Operating Within the U.S. [DEA] Note: Prior Year actual data has been revised. This data was originally drawn from a new system still in the process of being validated. A thorough review revealed that there had been some inadvertent duplication that has now been eliminated.

#### ***FY 2002 Target:***

588 PDTOs targeted  
35 PDTOs disrupted/dismantled

#### ***FY 2002 Actual:***

764 PDTOs targeted  
190 PDTOs disrupted/dismantled

**Discussion:** DEA exceeded both targets. The target for PDTOs disrupted or dismantled equated to 6% of targeted PDTOs. The actual accomplishment in this area was 19.9% original number of targeted PDTOs. In addition, during FY 2002, DEA completed efforts to automate reporting of the PDTO program and is now working to automate the CPOT linkages.

DEA's accomplishments in the latter half of FY 2001 and FY2002 reflect a new program that initially included many PDTOs near completion for dismantlement. In the future, PDTO disruptions and dismantlements will level off.

<b>Disrupted/ Dismantled Priority Drug Trafficking Organizations (PDTOs) Operating within the U.S. [DEA]</b>			
<b>PDTOs Targeted</b>	<b>FY01 Actual</b>	<b>FY02 Proj</b>	<b>FY02 Act</b>
International	221	240	331
National/Regional	228	234	298
Local	117	114	135
<b>TOTAL</b>	<b>566</b>	<b>588</b>	<b>764</b>
<b>PDTOs Disrupted/ Dismantled</b>			
International	43	14	70
National/Regional	38	14	65
Local	19	7	55
<b>TOTAL</b>	<b>100</b>	<b>35</b>	<b>190</b>

**Data Definition:** Disruption occurs when the normal and effective operation of a specific enterprise of the targeted criminal organizations is impacted as a result of an affirmative law enforcement action. Indicators of disruption include changes in organizational leadership, trafficking patterns, drug production methods and violence within and between organizations. Dismantlement occurs when an identified organization is eviscerated and no longer capable of operating as a coordinated criminal enterprise. The organizations must be impacted to the extent that it is incapable of reforming.

**Data Collection and Storage:** Each Special Agent in Charge (SAC) nominates priority targets (based on intelligence information). Headquarters staff ensure targets are tracked and nominations are supported by data and information stored in the Priority Target Activity and Resource Reporting System (PTARRS).

**Data Validation and Verification:** Targets are validated by the Chief, Operations Division at DEA. Headquarters staff ensure the disruptions and dismantlements are supported.

**Data Limitations:** DEA is currently improving reporting systems that capture investigative work hours and cost data. DEA also recently initiated a Managerial Cost Accounting Study that will eventually allow the agency to capture actual full costs of investigating, disrupting, and dismantling PDTOs.

**Performance Measure:** Dismantled Drug Trafficking Organizations (DTOs) [FBI]

**FY 2002 Target:**

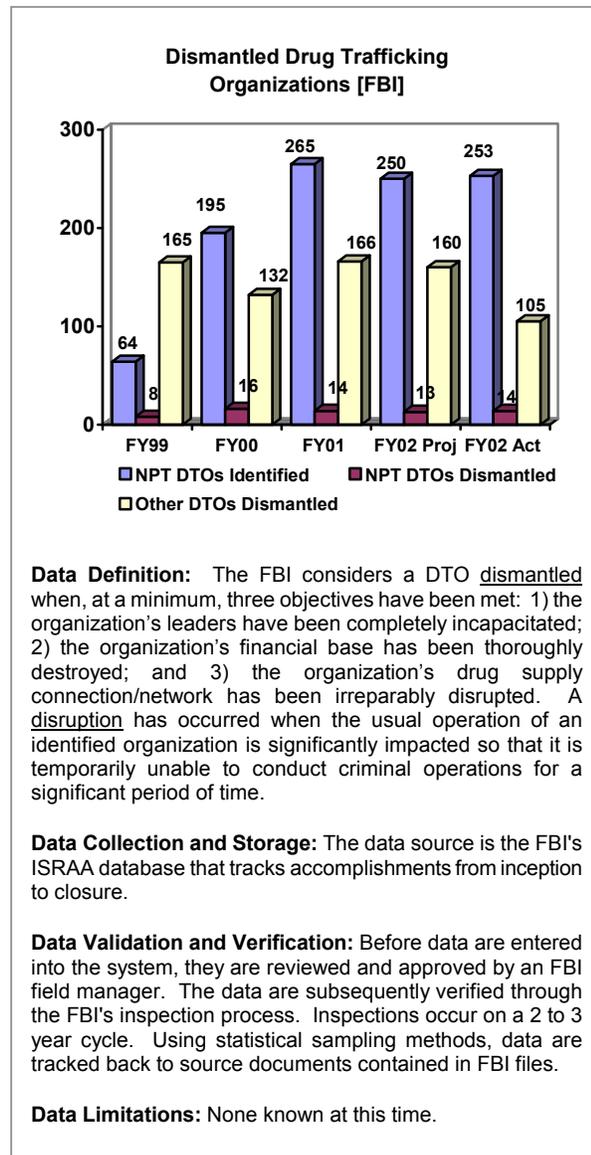
- Identify 250 DTOs
- Dismantle 13 DTOs linked to NPTs
- Dismantle 160 Other DTOs

**FY 2002 Actual:**

- Identified 253 NPT DTOs
- Dismantled 14 DTOs linked to NPTs
- Dismantled 105 Other DTOs

**Discussion:** Two targets were exceeded despite a reallocation of 400 agents from the FBI's counterdrug efforts to counter-terrorism. The target for dismantling Other DTOs was not met because dismantling DTOs linked to NPTs took priority over dismantling non-linked organizations.

FY 2002 accomplishments included Mexican, Colombian, and Caribbean-based organizations.



## STRATEGIC OBJECTIVE & ANNUAL GOAL 2.3: ESPIONAGE

Combat espionage against the United States by strengthening counterintelligence capabilities

### 2.3A Identify, Prevent, and Defeat Foreign Intelligence Operations

#### Background/Program Objectives:

Foreign intelligence operations directed against the United States reflect the complexity and fluidity of the new world order. While the national goals of traditional rivals have changed, their capabilities and willingness to target traditional objectives, such as national defense information, plans and personnel, have not. At the same time, many of these rivals have increased their activities in other sectors affecting our national interests, such as in economic competitiveness. They join a formidable array of other foreign powers jockeying for economic or political preeminence, the success of whom is dependent upon effective intelligence operations directed against the United States.

Foreign intelligence threats can never be eliminated given that their origin and impetus lie primarily with sovereign states. They are planned, authorized, and financed by government entities beyond our boundaries and beyond the reach of our laws. Measures of success in these areas will gauge the FBI's capacity to detect potential hostile activities by foreign powers against the United States. In addition, the FBI will analyze its record at preventing and defeating these hostile activities in comparison to the best available estimates of the magnitude of foreign intelligence operations.

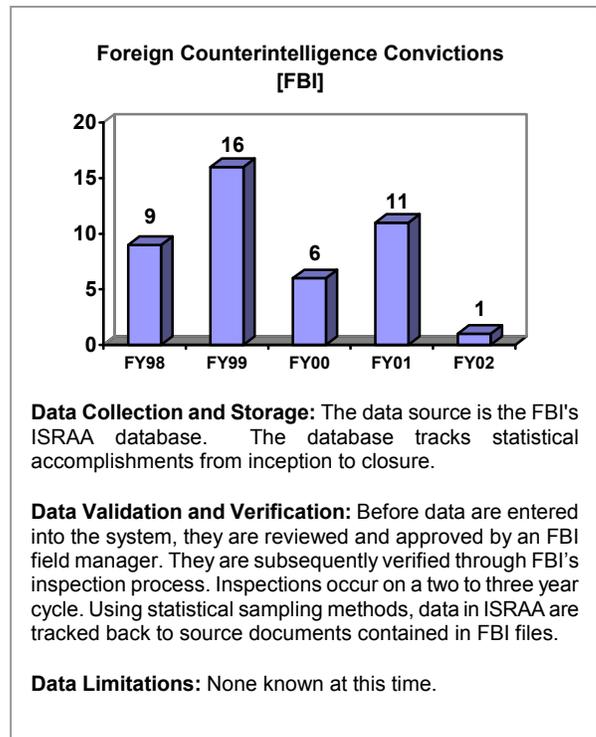
#### Performance:

**Performance Measure:** Defeat Intelligence Operations – Foreign Counterintelligence Convictions [FBI]

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:** 1

**Discussion:** The number of convictions indicates a portion of the success DOJ has had in preventing individuals or groups from conducting



hostile intelligence activities. Convictions may also serve as a deterrent to other individuals who may be susceptible to participating in foreign intelligence operations. The number of convictions is subject to wide fluctuation based on the nature of the program itself. Such fluctuations do not necessarily indicate a change in the success or effectiveness of the program, as it employs various methods to prevent and combat hostile intelligence activities.

## STRATEGIC OBJECTIVE & ANNUAL GOAL 2.4: WHITE COLLAR CRIME

Combat white collar and economic crime, especially cybercrime

### 2.4A Reduce Fraudulent Practices in the Health Care Industry

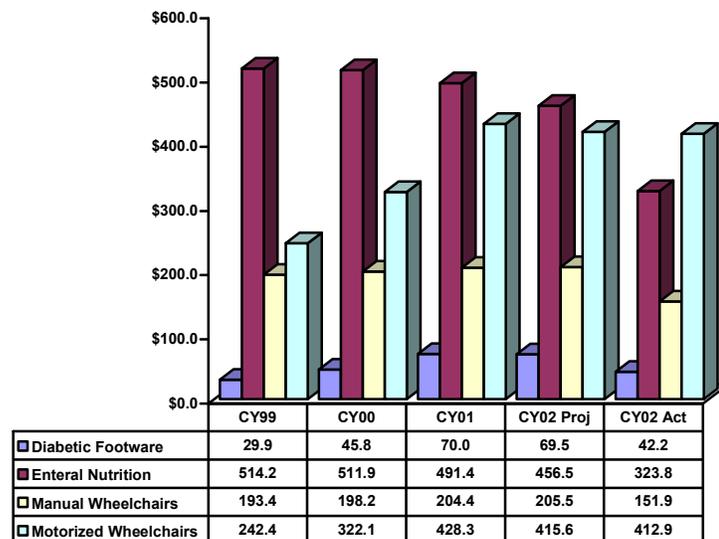
#### Background/Program Objectives:

According to the Centers for Medicare and Medicaid Services (CMS), spending for health care totaled nearly \$1.3 trillion in 2000, and accounted for 13.2 % of the nation's gross domestic product (GDP). Public spending for health care services through the Medicare, Medicaid, and all other government funded health care programs accounted for 45 % of total health care spending in 2000. Medicare spending grew 5.6 % in 2000, following a brief period of slower growth in 1999 (1.5 %) and 1998 (1.0 %). CMS has attributed most of the increased spending to changes in provider payments, particularly those enacted in the Balanced-Budget Refinement Act of 1999 and the Benefit Improvement Protection Act of 2000. Due largely to demographic trends, CMS projects that national health expenditures will more than double to \$2.8 trillion by 2011, growing at a mean annual rate of 7.3 % during the forecast period 2001 to 2011. Due to this expected growth in health care spending, CMS further projects that national health expenditures will constitute approximately 17.0 % of GDP by 2011, a substantial increase from 13.2 % in 2000.

The General Accounting Office (GAO) estimated that as much as 10 % of annual health care costs may be attributable to fraud. The Department of Health and Human Services (HHS), Office of Inspector General's most recent audit of improper payments in the Medicare fee-for-service program shows that the claims payment error rate was 6.3 % (\$12.1 billion) in 2001, which is down from 14% (\$23.2 billion) when the first audit was conducted in 1996. Fraudulent claims submitted to health care insurers and medically unnecessary services performed simply to generate billings are prevalent in every geographical area in the country. Pending cases

demonstrate that fraud exists on a national scale, through either corporate schemes to defraud or systemic abuse by certain provider types. Home health care agencies, medical transport companies, suppliers of durable medical equipment, and clinical laboratories are particularly susceptible to fraud. Enhanced use of technology to analyze

**Medicare Billings for Durable Medical Equipment Targeted for Fraud (mil) [FBI]**



**Data Definition:** Enteral Nutrition is defined as the provision of nutritional requirements through a tube into the stomach or small intestine.

**Data Collection and Storage:** Data are collected from databases maintained by regional carriers and stored by the Centers for Medicare and Medicaid Services (CMS). Durable medical equipment information is collected from the Part B Extract Summary System (BESS).

**Data Validation and Verification:** Validation and verification of the data are performed by regional carriers and by CMS.

**Data Limitations:** Claims data from CMS are proved on a calendar year basis. BESS data are adjusted and reflect 95 % reporting of claims for 1999, 2000, and 2001, and 56 % reporting of claims for FY 2002. The figures are adjusted based upon the estimate of claims received for the reporting period. Changes in Medicare payment system due to legislative or regulatory action are taken into account so that comparisons of data from previous years are reliable.

health care billing data will allow law enforcement and health care program agencies to become more proactive in detecting fraud and abuse, identifying

systemic weaknesses and closing loopholes in the system before criminals take further advantage of them.

**Performance:**

**Performance Measure:** Medicare Billings for Durable Medical Equipment (DME) Targeted for Fraud through FBI Investigations (in millions) [FBI] (NOTE: Prior year actuals have been updated to display the most accurate and current data available.)

***CY 2002 Projection (Based on previous estimates for CY 2001):***

Diabetic Footwear - \$69.5  
Enteral Nutrition - \$456.5  
Manual Wheelchairs - \$205.5  
Motorized Wheelchairs - \$415.6

***CY 2002 Actual (Full year projections based upon available data):***

Diabetic Footwear - \$42.2  
Enteral Nutrition - \$323.8  
Manual Wheelchairs - \$151.9  
Motorized Wheelchairs - \$412.9

**Discussion:** Although data collection takes place on a calendar year basis, and thus CY 2002 data are incomplete, so far the data indicate that the expected reduction in Medicare billings will occur. Updated information on CY 2001 Medicare data from CMS showed that previous estimates were reasonably close to more accurate data that are now available. Some of the updated revisions take into account certain DME codes that Medicare no longer services, and thus could not be tracked any further.

## 2.4B Combat Fraud

### Background/Program Objectives:

Private industry in the U.S. controls trillions of dollars in assets, an inviting target for criminal schemes ranging from technological attacks on a corporation's intellectual property to more traditional attempts to defraud. The primary challenge facing the FBI in this area is to create and maintain a strong deterrent capability that will prevent criminal organizations from defrauding, and thereby weakening, U.S. industries. To prevent significant levels of fraud, the FBI must be able to identify emerging trends and industry vulnerabilities and enlist the cooperation of the private sector.

The overwhelming number of frauds committed each year far exceeds the FBI's capacity to investigate and prosecute each individually. Accordingly, the FBI will concentrate on the most significant crime problems, leverage limited resources through cooperative efforts with affected industries and other law enforcement agencies, and implement a preventive strategy that will rely heavily on improved intelligence.

### Performance:

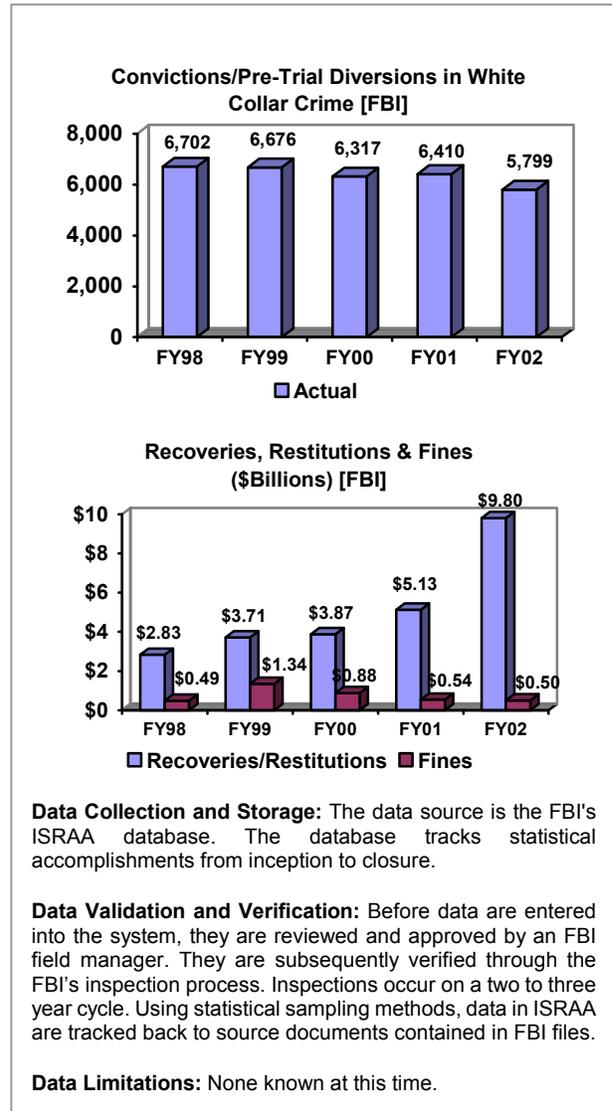
**Performance Measure:** Convictions/Pre-Trial Diversions in White Collar Crime [FBI] (NOTE: Prior year data has been updated to reflect the most current and accurate data available. Public Corruption program data are not included. See 2.4C)

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:** 5,799

**Discussion:** The FBI is still developing performance measures that will reflect its ability to prevent and deter significant fraud in the U.S.

**Performance Measure:** Recoveries/Restitutions; Fines in billions [FBI] (NOTE: Prior year data have been updated to reflect the most current and accurate data available. Public Corruption program data are not included. See 2.4C)



**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:**

Recoveries and Restitutions: \$9.80 billion

Fines: \$0.50 billion

**Discussion:** See above.

## 2.4C Combat Public Corruption

### Background/Program Objectives:

Public corruption is a serious crime against both the individual and society as a whole. All public corruption offenses, regardless of the type, share a common objective: to pervert our representative system of government and replace it with a government of special interests. Furthermore, the higher the office or level of government tainted by the corruption, the broader the negative effects. The Department, therefore, places a high priority on attacking public corruption by senior government officials. The Public Corruption Unit of the FBI believes a significant amount of corruption is untouched. The FBI addresses this problem, both domestically and internationally, by determining likely points of corruption, and then cultivating an intelligence base within government and/or the business entity and monitoring activity.

Over the past 5 years, there have been more than 600 subjects in law enforcement corruption cases. There is a growing trend of law enforcement corruption cases involving law enforcement officers actively participating in criminal acts, rather than merely protecting such actions. The single greatest obstacle to a law enforcement corruption investigation is the fact that police departments throughout the country regard their own corruption issues as their own "dirty laundry" not to be taken outside the agency.

### Performance:

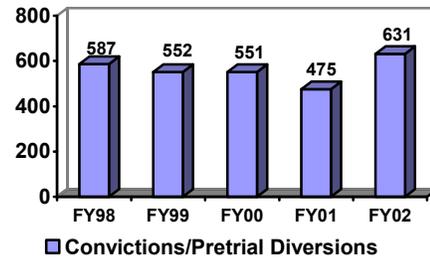
**Performance Measure:** Convictions/Pre-trial Diversions [FBI] (NOTE: Prior year actuals have been updated to provide the most recent and accurate data available.)

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

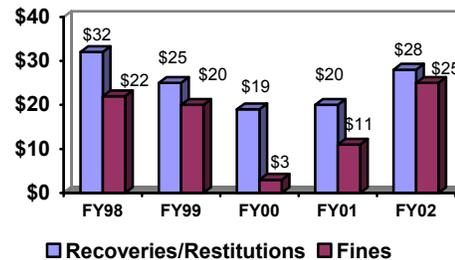
**FY 2002 Actual:** 631

**Discussion:** The FBI is still developing performance measures that will reflect its ability to reduce public corruption in the U.S. At this time, the FBI believes that its strategic emphasis in fighting public corruption will yield greater statistical accomplishments in the future. However, the measures currently used to report its progress are insufficient to project performance targets by

Convictions/Pre-trial Diversions in Public Corruption [FBI]



Recoveries, Restitutions & Fines (\$ Millions) [FBI]



**Data Collection and Storage:** The data source is the FBI's ISRAA database. The database tracks statistical accomplishments from inception to closure.

**Data Validation and Verification:** Before data are entered into the system, they are reviewed and approved by an FBI field manager. They are subsequently verified through the FBI's inspection process. Inspections occur on a two to three year cycle. Using statistical sampling methods, data in ISRAA are tracked back to source documents contained in FBI files.

**Data Limitations:** None known at this time.

which the FBI's public corruption investigations can be externally evaluated.

**Performance Measure:** Recoveries/Restitutions and Fines in million [FBI] (NOTE: Prior year actuals have been updated to provide the most recent and accurate data available.)

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:**

Recoveries and Restitutions: \$28 million  
Fines: \$25 million

**Discussion:** See above.

## 2.4D Investigate and Prosecute High Technology Crimes

### Background/Program Objectives:

With the continuing expansion of the Internet as a global medium for electronic commerce and communications, the type of cybercrime most likely to cause significant harm to consumers and businesses here and abroad, and to undermine consumer confidence, is Internet fraud. There are substantial increases in various fraud schemes involving the Internet, such as online auction fraud, stock manipulation schemes, credit card fraud, false business or investment opportunities, ponzi/pyramid, identity theft, and perjury. One estimate is that online payment-card fraud will increase from \$1.6 billion in 2000 to \$15.5 billion by 2005.

### Performance:

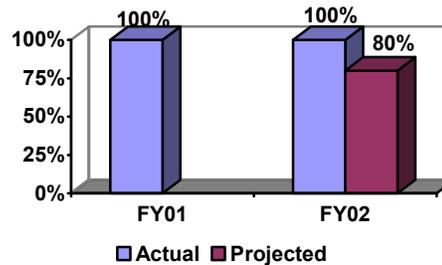
**Performance Measure:** High Technology Crime (Fraud) Criminal Case Success Rate [CRM]

**FY 2002 Target:** 80%

**FY 2002 Actual:** 100%

**Discussion:** Fraud Section exceeded its target for FY 2002. On May 17, 2002, the Fraud Section, in coordination with the U.S. Attorney's Offices in Pennsylvania and South Carolina, obtained the conviction of David Allen Sussman in connection with an online auction fraud. Sussman pleaded guilty to two counts of wire fraud in connection with a scheme to defraud users of eBay and other online auction sites. Sussman adopted multiple false names, established multiple web-based e-mail accounts under those names, and used them to conduct fraudulent eBay auctions and to bid in others' eBay auctions for high-priced watches, jewelry, and other items of value. Sussman's scheme caused total losses of at least \$85,894.

High Technology Crime (Fraud) Criminal Case Success Rate [CRM]



**Data Collection and Storage:** The Department's measurement for this goal includes data from the Criminal Division's Automated Case Tracking System (ACTS). ACTS is a centralized database used to track the Division's cases from inception to closure.

**Data Validation and Verification:** Data are provided by trial attorneys and reviewed by the overseeing Deputy Chief/Chief prior to being entered into the tracking system. All case information is reviewed and updated on a monthly basis by the assigned attorneys.

**Data Limitations:** None known at this time.

## 2.4E Prosecute International Price Fixing Cartels

### Background/Program Objectives:

The Antitrust Division (ATR) decreases and deters anticompetitive behavior affecting U.S. businesses and consumers by investigating and prosecuting violations of our Nation's antitrust laws. While DOJ remains vigilant in the face of all criminal antitrust activity, DOJ has placed a priority on the successful prosecution of international price fixing cartels. These cartels pose a number of challenges in that they are highly sophisticated; significant for the large volumes of commerce involved; and extremely broad in terms of the number of businesses and consumers affected. ATR is committed to meeting these challenges in order to ensure the arrest of unlawful conduct, wherever it occurs, that causes injury in the United States. Successful enforcement of these laws decreases and deters anticompetitive behavior which saves U.S. consumers millions of dollars, allows them to receive goods and services of the highest quality at the lowest price, and enables U.S. businesses to compete on a level playing field nationally and internationally.

### Performance:

**Performance Measure:** Success Rate Antitrust Criminal Cases [ATR]

**FY 2002 Target:** 90%

**FY 2002 Actual:** 91%

**Discussion:** ATR's goal is to achieve a successful outcome in every case it brings. ATR has been aggressive in its pursuit of criminal anticompetitive behavior, exceeding its targeted 90% success rate in FY 2002.

**Performance Measure:** Savings to U.S.

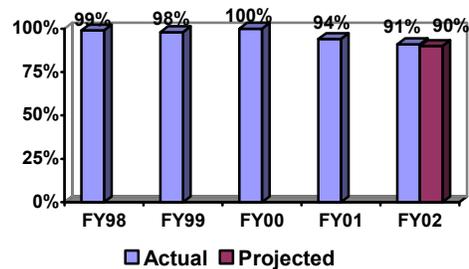
Consumers (as a result of the Antitrust Division's Criminal enforcement efforts) [ATR]

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

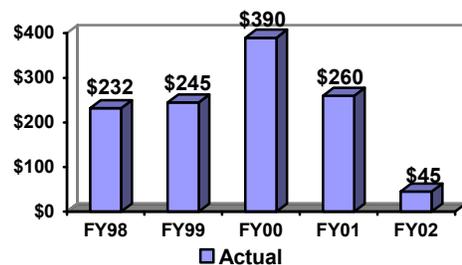
**FY 2002 Actual:** \$45 million

**Discussion:** In the criminal enforcement area, ATR continued to provide economic benefits to U.S. consumers and businesses in the form of lower prices and enhanced product selection by dismantling international private cartels and restricting other criminal anticompetitive activity. The estimated value of consumer savings generated

Success Rate for Antitrust Criminal Cases [ATR]



Savings to U.S. Consumers (\$Mil) [ATR]



**Data Collection and Storage:** Data is collected and stored in ATR management information systems, primarily in the Matter Tracking System and its companion user interfaces.

**Data Validation and Verification:** User training and software guides encourage accurate data entry. Instantaneous online data validations include inter-element cross-checks, numeric range checks, single element list-of-values checks and mandatory data element checks. In addition, batch data analysis and ad hoc reviews are conducted periodically. Finally, programmatic review of data helps assure the quality.

**Data Limitations:** Savings to U.S. consumers uses the volume of commerce affected by the conspiracy and the estimated price effect of the conspiracy. Volume of commerce is based on the best available information from investigative and public sources. We are limited in our ability to estimate the price effect, and thus in most cases rely on the 10 % figure cited in the U.S. Sentencing Guidelines Manual as the average gain from price fixing. A 1-year estimate of savings may be significantly underestimated as many conspiracies exceed 1 year.

by our criminal efforts is contingent upon the size and scope of the matters encountered and thus, varies significantly.

## 2.4F Prosecute Environmental and Wildlife Crimes

### Background/Program Objectives:

Vigorous prosecution remains the cornerstone of the Department's integrated approach to ensuring broad-based environmental compliance. It is the goal of investigators and prosecutors to discover and prosecute criminals before they have done substantial damage to the environment (including protected species), seriously affected public health, or inflicted economic damage on consumers or law-abiding competitors. The Department's environmental protection efforts depend on a strong and credible criminal program to prosecute and deter future wrongdoing. Highly publicized prosecutions and tougher sentencing for environmental criminals are spurring improvements in industry practice and greater environmental compliance. Working together with federal, state, and local law enforcers, DOJ is meeting the challenges of increased referrals and more complex criminal cases through training of agents, officers, and prosecutors; outreach programs; and domestic and international cooperation.

### Performance:

**Performance Measure:** Percent of Criminal Environmental and Wildlife Cases Successfully Litigated [ENRD]

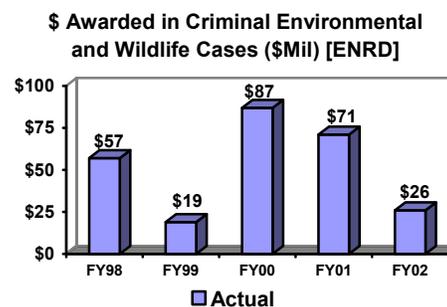
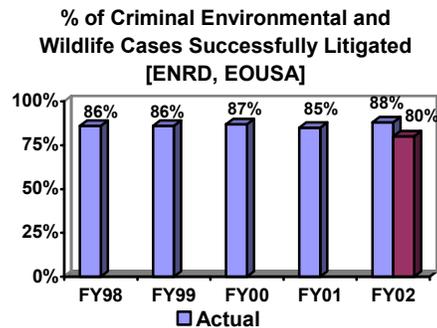
**FY 2002 Target:** 80%

**FY 2002 Actual:** 88%

**Discussion:** FY 2002 successes include a guilty plea and an \$18 million fine from a major passenger cruise line which was falsifying records of oil contaminated discharges to the sea. A portion of the fine will be paid to environmentally focused organizations. In another success, a defendant pled guilty to intentionally draining two ponds that contained a protected species thereby making way for a housing development. The judgment included fines and payments to environmentally focused organizations totaling \$1 million, and an agreement to preserve a 640-acre parcel for the protected species.

**Performance Measure:** \$ Awarded in Criminal Environmental and Wildlife Cases [ENRD] (ENRD data only)

**FY 2002 Target:** In accordance with



**Data Collection and Storage:** A majority of the performance data submitted by ENRD are generated from the division's Case Management System (CMS). Similarly, EOUSA data are extracted from their CMS.

**Data Validation and Verification:** The Division has instituted a formal data quality assurance program to ensure a quarterly review of the Division's docket. The case systems data are monitored by the Division to maintain accuracy.

**Data Limitations:** Timeliness of notification by the courts.

Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:** \$26 million

**Discussion:** FY 2002 successes include the \$18 million dollar fine from a major passenger cruise line mentioned above, and a fuel supplier was ordered to pay a total of \$471,000 and spend

years on probation for conspiring to falsify reformulated gas testing results in order to meet EPA standards. In addition, a shipping company and its owner pled guilty to the crime of distributing caviar from protected species. The two defendants were fined a total of over \$111,000 and ordered to pay total restitution of \$48,000 split between the Fish & Wildlife Foundation and the Fish & Wildlife Service.

## 2.4G Prosecute Tax Fraud

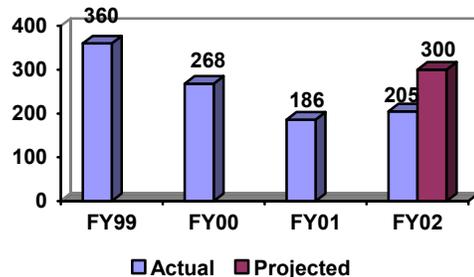
### Background/Program Objectives:

The Tax Division's (TAX) criminal enforcement objective is to deter taxpayers from illegal conduct that drains the Treasury through the consistent and uniform enforcement of the criminal tax laws. TAX accomplishes this goal through the nationwide review of requests to prosecute criminal tax violations and, upon specific request, through litigation assistance in the investigation and prosecution of criminal tax cases. In addition, TAX provides assistance in treaty negotiations and foreign evidence gathering in criminal tax matters.

TAX reviews cases to ensure that these prosecutions meet national federal criminal tax enforcement standards. The matters reviewed cover the full range of criminal charges found in the IRS code as well as associated offenses found in Titles 18, 21, and 31 of the United States Code. The case review process is essential to Tax Division's supervisory oversight of criminal tax matters as it enables TAX to provide critical guidance to the Executive Office for United States Attorneys (EOUSA) on complex federal substantive and procedural tax issues, difficult requirements encountered in indirect methods of proof, and unique evidentiary and sentencing problems found in criminal tax cases. As a result, the national average of convictions in indicted criminal tax trials continues to be very high and thereby advances one of the TAX goals of establishing overall general deterrence through carefully selected prosecutions.

Each year TAX also successfully handles a substantial number of criminal tax investigations and prosecutions. These are primarily undertaken at the request of various EOUSAs who either lack resources or do not have the expertise specific to the case. Cases having significant regional or national scope are undertaken as part of TAX's priority initiatives. The nature of cases range from illegal tax protest to complex white collar fraud cases involving illegal international business transactions, complex tax issues, and foreign evidence gathering problems. TAX also focuses on the prosecution of legal source income cases,

# of Requests for Litigation Honored [TAX]



**Data Definition:** Legal assistance requests are those requests that require TAX expertise at the grand jury, trial, and appellate levels.

**Data Collection and Storage:** TAX utilizes a case management system known as TaxDoc. The Division recently revised the complement of indicators that are tracked.

**Data Validation and Verification:** There are new procedures to collect and record pertinent data on activities related to specific issues enabling Section Chiefs to make projections and set goals based on complete, accurate and relevant statistics. On a quarterly basis, the Performance Management Committee reviews all the statistics.

**Data Limitations:** The Division lacks historical data on some activities that are now tracked in the new case management system. The new information system may cause variations in the way some statistics are presented.

defined as those cases where the source of the proposed criminal tax charges is income that is legally produced as distinguished from income earned as a result of illegal conduct. As the vast majority of the taxpaying public earns its income from legal sources, legal source income prosecutions have a significant deterrent effect.

### Performance:

**Performance Measure:** Number of Requests for Litigation Honored [TAX]

**FY 2002 Target:** 300

**FY 2002 Actual:** 205 (Note: For reporting actuals for FY 2002, the methodology for determining numbers of requests has changed to eliminate double counting. Planned performance used prior methodology, limiting the utility of comparing planned and actual performance for this measure. If the revised methodology had been used in projecting FY 2002 performance, the planned level would have

been 209. Thus, the Tax Division nearly achieved this revised target for FY 2002.)

***Discussion:*** As a result of TAX's litigation efforts and its revised methodology to more accurately report its performance, the government succeeded in securing 127 guilty pleas and returning 65 indictments.

## STRATEGIC OBJECTIVE & ANNUAL GOAL 2.5: CRIMES AGAINST CHILDREN AND THE EXPLOITABLE

Combat crimes against children and other vulnerable victims of violence and exploitation

### 2.5A Identify and Apprehend Child Predators and Locate Children

#### Background/Program Objectives:

The FBI's Crimes Against Children (CAC) program in coordination with the Criminal Division's Child Exploitation and Obscenity Section work to reduce the vulnerability of children to acts of sexual exploitation and abuse; develop a nationwide capacity to provide a rapid, effective investigative response to reported crimes involving the victimization of children; and strengthen the capabilities of state and local law enforcement investigators through training programs and investigative assistance.

CAC impacts not only the victims, but also their families, communities and law enforcement. Although the impact cannot be quantified, crimes against children clearly raise safety concerns for our citizens within their communities. Subjects who prey on children typically are not first time offenders, but rather are serial offenders who may have traveled interstate during the commission of multiple offenses targeting children. Most importantly, a rapid, effective response to CAC incidents could literally mean life or death for a victim.

#### Performance:

**Performance Measure:** Convictions/Pre-Trial Diversions for Crimes Against Children Via online Computer Usage [FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

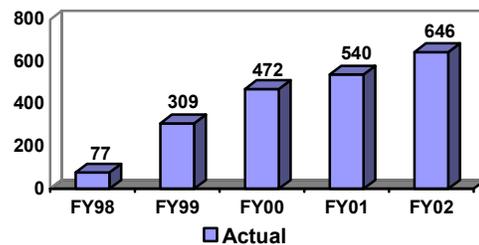
**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:** 646 Convictions/Pre-Trial Diversions

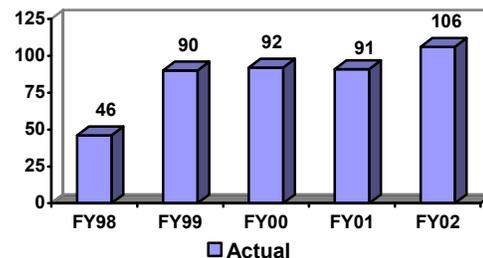
**Discussion:** The strategy for combating crimes against children committed through the medium of the Internet is still valid and effective.

The FBI has remained consistent in its role as primarily assisting state and local authorities in the location of missing children.

Convictions/Pre-Trial Diversions for Crimes Against Children Via Online Computer Usage [FBI]



Number of Missing Children Located [FBI]



**Data Collection and Storage:** The data source is a record system maintained by the FBI Crimes Against Children Unit, Violent Crimes and Major Offenders Section, Criminal Investigative Division. Data from the Integrated Statistical Reporting and Analysis Application (ISRAA) are not used because prior to FY 2000, ISRAA did not record data for this specific type of crime.

**Data Validation and Verification:** Before data are entered into the system, they are reviewed and approved by an FBI field manager and by FBI HQ program personnel. They are subsequently verified through FBI's inspection process. Inspections occur on a 2-3 year cycle.

**Data Limitations:** None known at this time.

**Performance Measure:** Number of Missing Children Located [FBI]

**FY 2002 Target:** In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

**FY 2002 Actual:** 106 children located  
**Discussion:** See above.

## 2.5B Enforce the Victims of Trafficking and Violence Protection Act

### Background/Program Objectives:

The Civil Rights Division's (CRT) Criminal Section works closely with the FBI and the INS to identify victims, many of whom are women and children, of illegal trafficking and to investigate and prosecute incidents involving criminal violations of federal civil rights crimes. The Victims of Trafficking and Violence Protection Act of 2000 expanded the scope of the federal enforcement authority over slavery offenses. This new law strengthened our ability to investigate and prosecute slavery offenses. We are continuing our outreach programs in this area in an effort to coordinate slavery and trafficking enforcement efforts throughout the nation.

### Performance:

**Performance Measure:** Victims Protected from Involuntary Servitude and Human Trafficking (as a result of federal prosecutions) [CRT]

**FY 2002 Target:** 43

**FY 2002 Actual:** 54

**Discussion:** CRT's Criminal Section surpassed its target for FY 2002. 54 victims were protected as a result of federal charges filed against perpetrators engaging in human trafficking and holding persons in involuntary servitude. Many of these victims were women and children. In addition to protecting these 54 victims, the section filed 10 cases charging 41 defendants with human trafficking and servitude-related crimes in FY 2002.

