Mr. Chairman and Members of the Committee:

I am very pleased to be here today and to testify in favor of the most important federal law enforcement initiative in recent times. I am especially pleased to be testifying in an uncharacteristic role -- that of a Cabinet Secretary in the Reagan Administration seeking an additional $130 million for the remainder of fiscal 1983. The seriousness of the problem spawned by drug trafficking and organized crime, however, has made new funds and a new program a national imperative. As I saw most clearly on my recent trip to drug source and transit countries in Asia and Europe, the problem of organized crime and drug trafficking is international in scope. Although combating the problem must therefore contain a strong international component -- and it does -- we also need a renewed and redesigned domestic offensive that targets the primary shareholders and officers of organized crime. The comprehensive eight-point program announced by President Reagan on October 14 is that kind of a new offensive.

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

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

In recent months, the gravity of organized drug trafficking has been dramatically underlined by the Justice Department's new Law Enforcement Coordinating Committees. Despite local variations, every Law Enforcement Coordinating Committee -- except one -- has identified drugs as the chief crime problem in its region.

Organized crime reaps incredible multi-billion dollar profits each year from illicit drugs -- and more because drugs are just one of the businesses of organized crime. Naturally, no taxes are paid on these enormous sums.

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

The drug trafficking that creates this flood of crime is itself organized crime. Large-scale drug dealers must organize their operations. They obtain the illicit substances, or the rights to the substances, overseas. Within our borders, the drug dealers have set up elaborate enterprises for cutting the pure imported drugs and distributing them over wide geographical areas.

Drug money is laundered through legitimate businesses set up as "fronts" for drug dealers. The profits are then plowed back into the drug business or, increasingly, invested in legitimate businesses.

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

But the problem of organized crime today is by no means limited to its traditional form. In the past two decades, we have witnessed the emergence of new organized criminal enterprises dealing in drugs and the other rackets traditionally controlled by the syndicate.

Over the past decade, some 800 outlaw motorcycle gangs have developed around the country and in foreign countries -- and drugs represent their primary source of revenue. Prison gangs, first established as a result of associations developed in the California State Prison system over the past twenty years, today operate both inside and outside prison and are spreading beyond the West Coast. In addition, there are other emerging groups -- such as Southeast Asian groups, the violent Colombian groups known as the Cocaine Cowboys, and other drug cartels.

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

These organized groups of criminals assault and murder each other -- and innocent bystanders -- in the violent and lucrative world of drugs. Organized crime also engages in pornography, gambling, prostitution, extortion, loansharking, fraud, and weapons trafficking.

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

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

This Administration did, however, craft and implement a series of initiatives to use our limited resources better in the fight against drugs and organized crime.

We reorganized the Drug Enforcement Administration. And for the first time, the FBI has been brought into the fight against the number one crime problem to complement the excellent work of the DEA. Thereby, we gained not only the FBI's resources, but also its twenty years of experience in fighting organized crime. Since the summer of 1981, FBI drug investigations have grown from 100 to over 1000 -- including over 300 joint investigations with the DEA.

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

Just last year, the Attorney General's Task Force on Violent Crime did a speedy but thorough job of assessing the crime problem and came up with sixty-four different recommendations to improve our federal effort. We have already implemented seventy-five percent of those recommendations. Indeed, the Law Enforcement Coordinating Committees that are now pulling together federal, state, and local law enforcement efforts and resources -- and have highlighted the urgency of the drug problem -- were created as a result of Task Force recommendations.

Amendment of the posse comitatus law has enabled us to utilize the military's resources -- and its tracking and intelligence capabilities -- in the fight against drug traffickers. Through amendments to the Tax Reform Act, more crucial information is more readily available to law enforcement -- and more tax cases are possible against drug dealers and organized crime.

When this Administration took office, South Florida had become a focal point of violence and corruption because of its sudden transformation into the central conduit for illegal drugs in this country. At the direction of the President, Vice President Bush brought together personnel from the Justice Department,
Treasury and Customs, Transportation and the Coast Guard, and the Defense Department to mount a coordinated attack in South Florida.

In the course of only nine months, DEA figures indicate that federal agents in the South Florida Task Force have made more than 830 arrests; seized some $12.7 million in assets, including 122 vessels; and stopped the entry of more than 2000 pounds of cocaine, over 1.1 million pounds of marijuana, and over 157,000 doses of methaqualone. By all reliable estimates, the flow of drugs into South Florida has been greatly reduced.

All of our notable successes have demonstrated what resolve and coordination can accomplish even with limited resources. Nevertheless, the magnitude of the drug problem and the involvement of organized crime have dwarfed even those efforts. To create the South Florida Task Force, law enforcement resources were shifted from other areas of the country -- and drug traffickers have begun to shift their routes toward those areas. Clearly, a national approach is needed.

Many months ago, this Administration began drafting the needed national effort -- which incorporates new law enforcement resources and builds upon the lessons we have learned, including a recognition of the role of organized crime. The President, working with all the affected agencies of the federal government, has put together a new initiative that we believe can directly challenge both organized crime and drug trafficking in America. Our comprehensive eight-point program can, in President Reagan's words, "expose, prosecute and ultimately cripple organized crime in America."

The most important -- and most costly -- component of that program will be twelve new task forces operating in key areas of the country. They will improve upon our success with the South Florida Task Force -- and will go after increasing organized crime involvement in drugs. These task forces will operate with the flexibility necessary to pursue organized drug syndicates wherever they operate. Under my direction, they will work closely with state and local law enforcement officials. Following the South Florida example, they will utilize all the law enforcement resources of the Federal Government including the FBI, DEA, IRS, ATF, Immigration and Naturalization Service, United States Marshals Service, the United States Customs Service and the Coast Guard. In addition, in some regions,
Department of Defense tracking and pursuit capability will be made available.

These task forces will allow us to mount an intensive and coordinated campaign against international and domestic drug cartels. Refining the South Florida model, they will target and pursue the organized criminal enterprises dealing in drugs.

Several points emphasize the significance of these new task forces in the fight against organized crime and drugs. This is the single largest federal effort against drug trafficking ever assembled. By creating these task forces -- and bringing the FBI into the battle -- we will nearly double the federal drug enforcement resources of only a year ago. Our proposal would provide the first major infusion of new agents into the FBI and DEA in about a decade. It would mean about a twenty-five percent increase in the number of agents devoted to drug work. The new task forces would complement the work of the Department's existing Organized Crime Strike Forces -- which do not generally become involved in prosecuting drug cases -- and they would contain more agents and prosecutors than the Strike Forces. Unlike prior federal drug efforts that too often focused on the street level, our task forces would concentrate upon destroying the top levels of organized drug trafficking. The task forces are a major new undertaking -- and they would have the resources to match the significance of the undertaking.

Although the task forces will spearhead our attack on organized criminal enterprises dealing in drugs, other components of the President's program will also put the spotlight on organized crime and help to attack it.

The President will appoint an Organized Crime Commission composed of fifteen distinguished Americans from diverse backgrounds and professions with practical experience in criminal justice and combating organized crime. The Commission, which will continue for three years, will undertake a region by region analysis of organized crime's influence, assess the data it gathers, and hold public hearings on its findings. Not only will the work of this Commission lead to important legislative recommendations, it will also heighten public awareness and knowledge about the threat of organized crime and mobilize citizen support for its eradication.
The Administration will launch a project to enlist the Nation's Governors in bringing about needed state and local criminal justice reforms. This Governors' Project will bring to the attention of the states the importance of such initiatives, as well as eliciting the best ideas from our Nation's Governors.

All the diverse agencies and law enforcement bureaus of the Federal Government will be brought together in a comprehensive attack on drug trafficking and organized crime under a cabinet-level committee chaired by me and a working group chaired by the Associate Attorney General. We will review interagency and intergovernmental cooperation in the struggle against organized crime and, when necessary, bring problems in these areas to the President's attention.

We are also establishing, through the Departments of Justice and Treasury, a National Center for State and Local Law Enforcement Training at the Federal facility in Glynco, Georgia. This Center, which will complement the already excellent training programs run by the FBI and DEA, will assist and train local law enforcement agents and officials in combating other kinds of organized crime such as arson, bombing, bribery, computer theft, contract fraud, and bid rigging, as well as drug smuggling.

This Administration will open a new legislative offensive designed to win approval of reforms in criminal statutes dealing with bail, sentencing, criminal forfeiture, the exclusionary rule, and labor racketeering. These reforms are essential in the fight against organized crime. In our new effort, I cannot overestimate the importance of these legislative reforms, which the President has already sent to the Congress.

The President has also asked me to submit a yearly report on the status of the fight against organized crime and organized criminal groups that deal in drugs. This requirement, although simple and inexpensive, will establish a formal mechanism through which the Justice Department takes a yearly inventory of its efforts in this area and reports to the American people on its progress.

And last, new funds will be allocated to prison and jail facilities so that the mistake of releasing dangerous criminals because of overcrowded facilities will not occur.
Our new program promises to be a highly effective attack on drugs and the even larger problem of organized crime. Although it will require substantial new expenditures for added resources, the annual cost will probably be less than what is spent in one day on illegal drugs in this country or what is spent in one week by many Federal programs.

As President Reagan has said: "Our commitment to this program is unshakable -- we intend to do what is necessary to end the drug menace and cripple organized crime." We believe that the program announced by the President will have exactly that effect. It is a comprehensive and carefully crafted national strategy that will coordinate and improve the efforts of all law enforcement agencies in fighting the menace of organized crime and drug trafficking. As I said in a letter to you last week, Senator Weicker:

"This battle cannot be won quickly, but it can be won and should be begun without delay."

I therefore want to thank you, Mr. Chairman, for the expedited consideration this Subcommittee is affording the President's proposal today. To further that process, I have asked the Deputy Attorney General, Ed Schmults, to join me today to explain how the $130 million for fiscal 1983 would be divided among the various parts of the President's program and to address the other items included in the 1983 amendment request.