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WHAT ARE THE BARRIERS TO EFFECTIVE INTERGOVERNMENTAL EFFORTS TO STOP THE FLOW OF ILLEGAL DRUGS?

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS

AND THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

OF THE

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WHAT ARE THE BARRIERS TO EFFECTIVE INTERGOVERNMENTAL EFFORTS TO STOP THE FLOW OF ILLEGAL DRUGS?

FRIDAY, APRIL 13, 2001

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL MANAGEMENT AND INTERGOVERNMENTAL RELATIONS, JOINT WITH THE SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES, COMMITTEE ON GOVERNMENT REFORM,

San Diego, CA.

The subcommittees met, pursuant to notice, at 11:08 a.m., in the 12th Floor Committee Room, City Administration Building, 202 C Street, San Diego, CA, Hon. Stephen Horn (chairman of the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations) presiding.

Present: Representatives Horn and Souder.

Staff present: J. Russell George, staff director and chief counsel; and Grant Newman, clerk.

Mr HORN. A quorum being present, this joint hearing of the Committee on Government Reform, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations which I chair and the Subcommittee on Criminal Justice, Drug Policy and Human Resources chaired by Mr. Souder of Indiana.

Mr. HORN. This is the second in a series of field hearings being held by the Government Efficiency Subcommittee examining how the Federal Government works with State and local governments to serve the people of America. At today's hearing, we will explore the interaction between governmental agencies in California involved in the "war against drugs" and the impediments to greater success in their effort to stop illegal drugs.

At every level of government, the effort to interdict drugs consumes vast amounts of resources. Inevitably, the actions of the Federal, State and local governments overlap and, at some times, they conflict with each other. Each level of government has its own laws and regulations which need to work in tandem.

Victory in the "war on drugs" continues to elude the Nation. Billions of dollars have been expended by those on both the supply and demand side, and yet, no capitulation by those willing to do whatever it takes to traffic in illegal drugs. The President's budget for fiscal year 2002 notes that the Federal Government will spend more than $18 billion on drug control activities this year with State

and local governments expected to exceed that amount in their anti-drug efforts this year alone.

With moneys that could be used on other government programs being spent on a seemingly impossible problem, we are seeking the degree of cooperation which exists between the various levels of government. We are particularly interested in limiting the duplicative actions and the waste of government funds. From our first panel, the subcommittees will receive testimony from various Federal, State and local government witnesses. In the second panel, we will hear from two community leaders who have made a difference in the war on drugs, who will discuss the tools they have used to overcome obstacles in their successful efforts.

I now recognize the co-chairman of today's hearing, the honorable gentleman from the State of Indiana, chairman and Representative Mark Souder, for an opening statement on behalf of his subcommittee.

Mr. SOUDER. I thank Chairman Horn. It is a privilege to be here in California. This is actually I think my third congressional hearing here in California on the drug issue and my third time in San Diego. One time previous on the drug issue and Chairman Mica, when he chaired this subcommittee that I now chair, and once with Chairman Riggs on the Education Committee looking at Head Start and other education issues here in southern California.

Our subcommittees are conducting this oversight field hearing as part of our need to understand fully the Nation's drug crisis and what the challenges are that face Federal, State and local authorities in the implementation of effective drug control efforts.

Today, we will learn about the Federal, State and local efforts to respond to the drug crisis in southern California and along California's border with Mexico. The California border is one of the most vulnerable and challenging regions in America for our law enforcement officials.

I am pleased to join Chairman Horn here today in support of efforts to stop the flow of drugs into the United States and to protect our communities from the ravages they cause. I recognize that he is a resident expert on the needs and concerns of citizens throughout this area of southern California and is an important force in fashioning Federal, State and local solutions. He has truly been a leader in Washington on the intergovernmental efforts.

And I wish to thank all the witnesses for their presence here today and for their dedication to this issue of critical importance across America, not only you directly, but the people who work under you put their lives in danger and are at constant risk, and we cannot thank you enough for what you do for citizens throughout the entire Nation, because what you do here has an impact in far greater regions than just southern California.

We are honored to have testifying before us today a number of Federal, regional and local officials who are engaged in responding to the drug crisis and its terrible consequences daily. These officials serve on the front line investigating, apprehending and prosecuting drug producers and traffickers and are in need of our support and assistance. Our subcommittees are particularly interested in how communities and regions are dealing with critical responsibilities and implementing successfully our national—not just Federal—

drug control strategy. Most law enforcement and drug control activities are primarily State and local responsibilities. However, as a border region, southern California has special needs and concerns, such as trade, immigration and transit issues, which means that the Federal Government plays a unique role along the border.

In Congress, we want to ensure that the Federal Government is doing everything possible to assist you, both in reducing the supply of drugs in communities as well as the demand for drugs. This region of California continues to be a primary transit point for illegal drugs entering the country and transitting across and through the State. In recent years, the flood of drugs including methamphetamine, marijuana and cocaine has only increased, placing more demands on resources than ever before. This demand will increase, not diminish, in the future.

In response to this terrible drug crisis, this area of California has been designated by the White House Office of National Drug Control Policy as a high-intensity drug trafficking area. HIDTAs are defined as regions in the United States with serious drug trafficking problems that have a harmful impact on other areas of the country. The mission of HIDTAs is to "enhance and coordinate" America's drug control efforts among Federal, State and local agencies in order to eliminate and reduce drug trafficking, including the production, manufacture, transportation, distribution and chronic use of illegal drugs and money laundering and its harmful consequences in critical regions of the United States.

The subcommittee I chair is responsible for authorizing, as well as overseeing, ONDCP and the HIDTA program. So the subcommittee I am on is a little different in the sense that it is not just the oversight, it is also the authorizing subcommittee.

Today, we will learn more about the effectiveness of the HIDTA in combating drugs in this area. Designated as one of the HIDTAs in 1990, the Southwest border HIDTA region is a critical line of defense in efforts to reduce drug availability in the United States. ONDCP estimates that about 60 percent of the cocaine entering the United States passes through Mexico. Mexico is the No. 1 foreign producer and supplier of marijuana and methamphetamine to the United States as well. Mexican heroin dominates the market in the Western and Southwestern United States.

I want to again express my appreciation for the continuing dedication and professionalism of our witnesses today and their willingness to share their ideas and needs with us. I can assure you that your representatives here today will do everything we can to assist you in protecting your loved ones and our loved ones and ridding your community of the deadly drugs.

We all recognize that the drug crisis demands a full utilization of available resources and close cooperation in a comprehensive regional approach. After all, that is what HIDTAs are designed to do, and it is our job in Congress to monitor and ensure their success. If obstacles are identified, then we must move to decisively overcome them. San Diego, southern California and this Nation cannot afford to wait—the drug crisis demands promising approaches and decisive action and the time to act is now. And the truth is, unless we can control what is coming into this country, our efforts to expand our prevention and treatment programs will not work. As we

are working in the Drug Free Schools program, probably the first week we come back in session in the Education Committee, we know that we cannot defeat it at the school level where the prices go down and the purity goes up. We are depending on the Border Patrol along the Southwest border to work.

So I wish to thank all the witnesses again for appearing before us today and I look forward to your testimony.

Mr. HORN. I thank the gentleman from Indiana. Both our committees, the Subcommittee on Criminal Justice, Drug Policy and Human Resources and mine on Government Efficiency, Financial Management and Intergovernmental Relations—they are both investigating committees, so we swear in all witnesses.

And if you will rise and raise your right hands.

[Witnesses sworn.]

Mr. HORN. The clerk will note that all five witnesses have affirmed the oath, and we will start in the order that has been put on the agenda. Panel one will begin with Lori Brown. Ms. Brown is Special Agent-in-Charge, Office of Investigations, U.S. Customs Service. Please proceed.

We would like you to sort of summarize on some, but we have the time today. If you want to go over 5 minutes, it is not going to offend me or Mark. But we will cut it off for sure at 10 minutes, but I think we need to get your testimony on the record. So Ms. Brown, you start.

STATEMENTS OF LORRAINE BROWN, SPECIAL AGENT-IN-CHARGE, OFFICE OF INVESTIGATIONS, U.S. CUSTOMS SERVICE; WILLIAM T. VEAL, CHIEF PATROL AGENT, SAN DIEGO SECTOR, U.S. BORDER PATROL, U.S. IMMIGRATION AND NATURALIZATION SERVICE; ERROL CHAVEZ, SPECIAL AGENT-IN-CHARGE, SAN DIEGO DIVISION, U.S. DRUG ENFORCEMENT AGENCY; MICHAEL SCHNEEWIND, UNDER SHERIFF, IMPERIAL COUNTY REPRESENTING THE CALIFORNIA BORDER ALLIANCE GROUP; STEVE STAVELEY, DIRECTOR, DIVISION ON LAW ENFORCEMENT, CALIFORNIA STATE ATTORNEY GENERAL'S OFFICE; AND LARRY MORATTO, COMMANDING OFFICER FOR INVESTIGATIONS OF NARCOTICS, CITY OF SAN DIEGO POLICE DEPARTMENT

Ms. BROWN. Thank you, Chairman Horn, Chairman Souder, I am pleased to appear before you to discuss the U.S. Custom Service's work with State and local governments in California to interdict the flow of drugs into this State.

Much of the narcotics seized by Federal, State and local law enforcement officers in California enters the United States from Mexico. Along the California border with Mexico, there are six ports of entry. A total of 53 percent of the Southwest border seizures were made at these California ports of entry in fiscal year 2000. To help address this threat, the San Diego area was designated as a high-intensity drug trafficking area [HIDTA]. The HIDTAs promote cooperation and intelligence sharing among Federal, State and local agencies involved in the investigation of narcotics smuggling and trafficking. San Diego Customs is a member of the San Diego HIDTA known as the California Border Alliance Group.

The Customs office investigations participates with State and local officers in five of the ten HIDTA initiatives. The five initiatives include an intelligence group, an Imperial Valley group, a Marine task force, a task force at San Ysidro and a financial task force. All State and local officers in these five initiatives have been cross designated as Customs officers.

In fiscal year 2000, these five HIDTA initiatives were responsible for seizures of almost 9,000 pounds, or 4½ tons of cocaine, 167 tons of marijuana, 170 pounds of heroin and 672 pounds of methamphetamine.

One of the other San Diego HIDTA initiatives is the prosecutor's initiative. State prosecutors are funded under this initiative to handle the prosecutions for Federal agents in State court. Approximately 50 percent of the federally initiated cases in San Diego do not meet the Federal prosecution guidelines. The San Diego Customs agents work with the HIDTA State prosecutors to prepare these cases for prosecution in State court.

Additionally, the San Diego HIDTA intelligence initiative distributes reports of Customs arrests and seizures to police departments across the country, to notify these departments when individuals residing in their areas are arrested.

Despite these great successes in the San Diego border area, significant amounts of cocaine, marijuana, heroin and methamphetamine move into the Los Angeles area from the U.S./Mexican border areas, a distance of approximately 100 miles. Mexican drug trafficking organizations dominate the drug trafficking trade in the L.A. area. In response to this threat, Customs and the other Federal agents in the four-county area work closely with the State and local agencies in the Los Angeles HIDTA, which encompasses the counties of Los Angeles, Orange, Riverside and San Bernandino.

There are five enforcement initiatives in the L.A. HIDTA, including the southern California drug task force, which is a collocated joint operation with Federal agencies from the Department of Treasury and the Department of Justice and 15 State and local departments. The four other enforcement initiatives are comprised primarily of State and local officers. These teams work with each other and the Federal agencies in conducting narcotics investigations. In fiscal year 2000, these HIDTA drug investigation teams seized 3.3 tons of cocaine, 38 pounds of heroin, approximately 12.2 tons of marijuana and over 4½ tons of methamphetamine and $19 million in currency and other assets.

The L.A. HIDTA initiatives also arrested approximately 1,000 narcotics traffickers. The Los Angeles HIDTA won the national HIDTA of the year award in both 1999 and 2000.

In addition to participating in this formal task force, Customs works very closely with various State and local departments in the continuing investigation of narcotics organizations identified through seizures here at the border.

Customs agents in Los Angeles regularly work with San Diego Customs agents on controlled deliveries of narcotics seized at the border. The Los Angeles HIDTA also conducts controlled deliveries of narcotics seized in L.A. from arriving air passengers or from inbound mail and parcels. In controlled delivery, law enforcement officers deliver the narcotics to the intended recipient in order to

reach the next level of the smuggling organization. State and local officers participated in over 75 percent of these continuing investigations and controlled deliveries, assisting with surveillance and providing language, technical and analytical expertise. These controlled deliveries resulted in additional seizures and arrests and allowed law enforcement to make an impact on higher levels of the smuggling organizations.

To combat the illicit movement of drug proceeds to Mexico and other countries, Customs routinely develops and employed interdiction initiatives targeting identified currency smuggling trends. State and local officers have contributed significantly to these outbound currency initiatives. In the Los Angeles office, local law enforcement officers have received Customs training and are beneficially cross-designated as Customs officers. This authorizes them to conduct Customs outbound searches when necessary and appropriate. These cross-designated officers are assigned full time to Customs groups investigating money laundering and smuggling violations.

I believe that all of the above examples show the high degree of cooperation between the Federal agencies and State and local departments in southern California. The State and local departments provide additional expertise, language skills and surveillance resources to the Federal agencies. In turn, the Federal agencies offer additional authority and jurisdiction to the local officers. Law enforcement benefits by a coordinated effort at attacking all levels of the drug smuggling organization.

This concludes my oral testimony. I will be happy to answer any questions that you have.

Mr. HORN. Well, thank you very much. And I might tell all members of the panel that your full statement is put in the minute we introduce you and then it is up to you whether you want to read the beginning or the end or summarize it. As I say, if we can do it in 5 minutes, just so you do not go over 10

We are now with William Veal, the Chief Patrol Agent, San Diego Border Patrol Sector, Immigration and Naturalization Service, Department of Justice. Glad to have you here.

[The prepared statement of Ms. Brown follows:]

STATEMENT OF SPECIAL AGENT IN CHARGE LORAINE BROWN
BEFORE THE COMMITTEE ON GOVERNMENT REFORM
APRIL 13, 2001

Mr. Chairman and Members of the Subcommittee; I am pleased to appear before the committee to discuss the U.S. Customs Service (Customs), working in conjunction with State and local governments in California to interdict the flow of drugs.

I would first like to give the Committee a sense of the overall challenges faced by U.S. Customs. On a typical day, Customs personnel process an average of 1.3 million travelers and 410,000 conveyances. Customs averages 65 arrests, 118 narcotics seizures, 11 currency seizures, and 128 other seizures such as munitions, commercial merchandise, and child pornography. This translates into the daily seizure of approximately 4,302 pounds of narcotics and $560,000 in U.S. currency.

In Fiscal Year 2000, Customs seized approximately 1.5 million pounds of illegal narcotics and over $587 million in currency and assets. Customs conducted approximately 39,000 investigations resulting in more than 24,765 arrests.

Customs is responsible for enforcing more than 600 Federal statutes on behalf of 60 Federal agencies. In addition to seizing narcotics, Customs protects domestic manufacturing industries from unfair foreign competition, fights terrorism through strategic investigations and is a recognized leader in the investigation of Internet-based violations, including child pornography and intellectual property rights violations.

Notwithstanding Customs' other enforcement responsibilities, drug interdiction and investigation is without a doubt our highest priority. The flow of illegal drugs across the Southwest Border (SWB) is the primary threat to California and the windows of opportunities for would-be drug smugglers are staggering. A total of 293 million people, 89 million automobiles, and 4.5 million trucks crossed the southern land border in Fiscal Year 2000. These numbers climb each year as trade increases. In the San Diego area of responsibility over 16,000 pounds of cocaine, over 395,000 pounds of marijuana, and over 182 pounds of heroin were seized in FY2000. In the Los Angeles area of responsibility over 288 pounds of cocaine, over 18,000 pounds of marijuana, and approximately 88 pounds of heroin were seized. In the San Francisco area of responsibility approximately 22 pounds of cocaine, over 1,100 pounds of marijuana, and approximately 28 pounds of heroin were seized.

Sophisticated, well-financed and well-organized drug transportation groups are utilizing a wide variety of modes of conveyance and methods of concealment along the SWB. Customs enforcement records indicate that 79% of all Customs narcotics seizures in FY00 occurred at the southwest border. Marijuana seizures

were up 12% to 1.1 million pounds, accounting for 86% of the marijuana seized nationally by Customs. Approximately 14 percent of the heroin seized in the United States comes from Mexico. An independent study indicates that Mexico is the source of 29 percent of the heroin used in the United States today.

The U.S.-Mexico border is over 1800 miles long with 26 Ports of Entry (POE), six of which are located in Southern California. The majority of our inspectional resources are focused at the ports of entry while our investigative resources support POE operations and conduct independent investigations into narcotics trafficking organizations. Investigative resources also conduct interdiction and investigative operations in the marine environment of the Pacific Ocean in concert with the U.S. Coast Guard and protection of our air borders by the Customs Air and Marine Interdiction Branch located at the North Island Naval Air Station.

Customs has placed significant resources in California to meet the challenge of dismantling and disrupting criminal organizations. In San Diego, 230 special agents and 736 inspectors and canine enforcement officers work together to combat the drug smuggling threat. Similarly, in Los Angeles, Customs has 169 special agents and 572 inspectors and canine enforcement officers. In San Francisco, Customs has 95 special agents and 406 inspectors and canine enforcement officers.

U.S. Customs has implemented a tactical and strategic approach to the significant maritime cocaine smuggling threat in the Eastern Pacific (EastPac). Cocaine is shipped from Colombia using a variety of routes and vessels and is delivered to Mexican handlers. While specific intelligence regarding the transshipment of cocaine through Mexico is vague, it is believed that the Mexican handlers bring the cocaine into the Baja California area where it's collated and prepared for final shipment into the United States. Nearly 75 metric tons of cocaine were interdicted during FY2000 from long-liner vessels operating in the EastPac area.

The volume of narcotics entering Southern California not only impacts Federal government resources, but it also impacts the state and local law enforcement resources. It is not uncommon to find several law enforcement agencies investigating the same trafficking organization. The Customs Service has found it to be very beneficial to work jointly with the State and local governments in California to maximize our success in these efforts. In the San Diego SAIC Office, approximately 50% of the Federal cases are prosecuted in State court.

Coalition law enforcement is nothing new to the law enforcement community, and the Customs Service has forged strong alliances with its counterparts to combat drug smuggling activity.

Several years ago, Customs, INS, Border Patrol, Coast Guard, and the U.S. Department of Agriculture launched an effort to improve cooperation along the entire SWB through the Border Coordination Initiative (BCI). Increases in amounts of narcotics seized indicate that this effort is working. After the first year of BCI, however, it was obvious that cooperation among federal agencies was not enough. We needed to expand it to state and local law enforcement. The BCI currently utilizes the cooperative efforts of many law enforcement entities to dismantle these drug smuggling organizations.

High Intensity Drug Trafficking Area (HIDTA) initiatives are classic examples of Federal, State, and local law enforcement success stories. The HIDTA philosophy is to designate certain geographical areas that have especially high concentrations of drug trafficking activities such as distribution, transportation, and smuggling. These areas are then provided with federal funding to support coordinated law enforcement counter drug efforts. Any law enforcement agency within a designated HIDTA involved in drug enforcement can participate. Pursuant to the Anti-Drug Abuse Act of 1988, the Office of National Drug Control Policy (ONDCP) initiated the HIDTA Program in 1990.

During FY00, there were 31 designated HIDTAs. In Southern California, there is the Los Angeles HIDTA and the San Diego Partnership (which is a component of the SWB HIDTA). There are five enforcement initiatives in the LA HIDTA, including the Southern California Drug Task Force (SCDTF). The SCDTF is a collocated joint operation with Federal agencies and fifteen state and local departments. Additionally, the SCDTF seized over six million dollars in currency and other assets. The U.S. Customs Service supports the SCDTF through dedicated personnel including a Customs Assistant Special Agent in Charge. The other four enforcement initiatives of the LA HIDTA are comprised of primarily state and local officers who are available to assist any of the Federal agencies in narcotics investigations. These drug investigative teams seized 3.3 tons of cocaine, 38 pounds of heroin, approximately 12.2 tons of marijuana, over 4.5 tons of methamphetamine, and $19 million in currency and other assets. The LA HIDTA initiatives arrested approximately 1,000 violators responsible for the above seizures.

On December 19, 1999, inspectors at the Federal Express facility in Memphis, TN intercepted approximately 100 pounds of MDMA ("Ecstasy") destined for the Riverside, CA area. The RAIC/Riverside office, in conjunction with the Inland Regional Narcotics Enforcement Team, conducted a controlled delivery of the seized MDMA, resulting in the identification of an MDMA smuggling and distribution organization spanning two continents and five countries. The ensuing investigation led to execution of more than 12 search warrants, resulting in 13 arrests the seizure of approximately 1.5 million tablets, $4,662,292 in U.S. currency and $808,472 worth of merchandise and luxury automobiles. Information developed during the course of this investigation contributed to the development of a secondary investigation that resulted in the seizure of an

additional approximately 2.1 million MDMA tablets at the Los Angeles International Airport on July 22, 2000.

The Special Agent In Charge San Francisco is involved in two HIDTA initiatives covering San Francisco, Oakland, San Jose and the San Francisco International Airport. The first is a transportation initiative co-sponsored by US Customs and DEA. US Customs focuses on the international transportation of narcotics while DEA is geared towards domestic transportation. The second initiative focuses on money laundering investigations and is jointly worked by US Customs, IRS and state and local authorities. Efforts in the transportation initiative have resulted in the disruption of an opium smuggling ring in the central valley of California. As a result, 900 pounds of opium and 4.4 pounds of methamphetamine were seized in six different shipments. The SAIC San Francisco works jointly with the San Francisco Police Department and the San Mateo Sheriff's office to target potential violators at the San Francisco International Airport.

In addition to this more formal task force, Customs works very closely with various state and local departments in the continuing investigation of narcotics organizations identified through seizures at the border. State and local law enforcement officers in Southern California are critical to the success of Customs controlled deliveries. In addition to surveillance support, State and local agencies augment Customs resources by providing linguistic, technical and analytical expertise. These controlled deliveries resulted in seizures and arrests and allowed law enforcement to make an impact on higher levels of the smuggling organizations.

The Organized Crime Drug Enforcement Task Force (OCDETF) program is another cooperative success story. ODCETF was established in 1982 as a means of promoting cooperation and coordination among federal, state, and local law enforcement agencies engaged in drug investigations. The program provides funding, beyond regular appropriations, to federal agencies for personnel and operational costs associated with OCDETF investigations. OCDETF investigations target the most serious drug trafficking organizations, require the involvement of more than one agency, require a long-term commitment, and are likely to result in the prosecution of significant violators.

Since the inception of the OCDETF program, funding has been an essential component of the resources necessary for participating Federal, State and local law enforcement agencies to conduct effective, long-term investigations of Drug Smuggling Organizations (DSOs) and Money Laundering Organizations (MLOs).

From an outbound currency threat perspective, Mexico remains one of the top ten countries of concern for the Customs Service. Intelligence indicates that large amounts of currency, in excess of tens of millions of dollars, continue to be smuggled out of the U.S. to Mexico.

Private vehicles have long been the dominant mode of choice for transporting illicit proceeds into Mexico. Outbound currency seizures (to include negotiable instruments) numbered over five hundred (500) for the years FY99 and FY00 at the southwest border ports of entry. The majority of these were discovered within private vehicles. It is believed that Mexican transportation groups are also using other conveyances to move money, possibly including commercial trucks.

Customs in Southern California, as well as at other land borders, has formed a extremely productive alliance between our office of Field Operations and Investigations, and State and local law enforcement. In addition, this partnership is further strengthened by the contributions made by the National Guard.

The support rendered by State and local law enforcement enables our Field Operations personnel to augment their forces when conducting examinations of outbound conveyances for undeclared currency and contraband. Similarly, State and local officers augment and enhance our overall anti-drug and money laundering investigative initiatives

To illustrate this commitment, in FY 2000, the Customs Service reimbursed State and local law enforcement agencies in excess of $5 million for overtime and other expenses associated with their assistance. Additionally, Customs shared over $79 million with State and Local agencies. This amount represents the equitable share of forfeited property resulting from joint operations with Customs.

To combat the illicit movement of drug proceeds to Mexico, Customs routinely develops and employs currency interdiction initiatives targeting identified currency smuggling trends. For example:

- In Fiscal Year 2000, Customs implemented Operation Powerplay, a six-week initiative that resulted in the seizure of $11,386,875 and 194 arrests. Of these funds, $3,074,456, or 27 percent, was destined for Mexico.

- In FY 2001, Customs implemented Operation Pressure Point, a five-week initiative that took place in November and December. This initiative resulted in the seizure of $5,535,498 and 92 arrests. Of these funds, $1,217,810, or 22 percent, was destined for Mexico.

Without the invaluable assistance from State and Local Officers, these and similar operations would not have been effective.

In 1991, the Customs Service in San Diego formed a maritime coalition. Today, it consists of special agents and Marine Enforcement Officers from the Customs Service, U. S. Border Patrol, U.S. Coast Guard, INS, San Diego District Attorney's Office, the Harbor Police, the Coronado Police Department, the Chula Vista Police Department, the San Diego Police Department, and DEA. Operating in our coastal waters, this task force has witnessed a consistent threat

in the movement of narcotics by sea. This includes everything from a wet suit-clad swimmer to jet skis, zodiacs, small pleasure craft and fishing boats.

Although our mission is formidable, we have historically had great success in cooperation between Federal agencies and State and local law enforcement. Joint cooperation increases our resources and increases our probability of success. We look forward to continued success for the future. Thank you.

Mr. VEAL. My pleasure, sir. Chairman Horn, Chairman Souder, thank you for the privilege of being able to appear before this body.

I would like to take you back to just 10 short years ago on the Southwest border of the United States. In effect, we had created a no-man's land between the United States and Mexico. Chaos reigned on our border. Organized elements were freely able to move people and contraband from Mexico into the United States. In effect, we were overwhelmed.

The Congress—and I thank you and I thank your colleagues—over the period of the last 7 years, has supplied the resources to the Immigration and Naturalization Service to bring the Border Patrol to a staffing level to where we have turned the corner—and I truly believe we have turned the corner on gaining control of our border.

I hope you will have a chance to see for yourselves that a border that 10 years ago where the United States maintained no right of way on the border, no Federal right of way, the United States maintained no border fencing, no border lighting, there was no infrastructure in place. That situation has dramatically changed. And now we do have control of the border in the San Diego sector.

The Southwest border initiative was begun in about 1994. It began in El Paso, TX with Operation Hold the Line and then it spread here to San Diego with Operation Gatekeeper. And again, I ask you to be mindful of the fact that for 20 years, the border was porous and for a long time, we wrestled with the idea of, well, "How do we control this? Do we put money into stopping people, do we put money into stopping contraband?" And frankly, that was a failed dichotomy. You have border security or you do not have border security. You cannot have a border that is permeable for people and yet not permeable for drugs, or vice versa. I think we have come to grips with that now and realize that it is clearly in our national interest to have a border that is secure from illegal entry, whether it be from people or contraband.

The Border Patrol developed a strategy to apply the resources that the Congress dedicated to us and I think you will take great pride in seeing the results of that. Before that, people had said, "Do not bother funding these initiatives. It does not matter what you do on the border, you cannot control it. In a free society, you are not going to be able to do that." I think that has been proven wrong.

Some of the questions that you are asking, I would commend to you the initiatives of the HIDTA program. I think that is a highly significant and successful endeavor. I was here in San Diego before we had HIDTA, we had a very fractured approach amongst the Federal, State and local initiatives. The HIDTA very much brought us all together. We have now a great many joint initiatives that never happened before. They happen now and continue to benefit our country.

For example, here in San Diego, we have a maritime initiative. It is the Border Patrol, the Customs Service, the U.S. Coast Guard. The Coast Guard, by the way is just a tremendous partner in maintaining control of our national borders. They interface very well with us. Some of the recent cutbacks, some of the funding short-

falls that the Coast Guard is currently experiencing does have collateral impacts on us.

This maritime task force again looks to—the Coast Guard which provides a long range. They have very long sea legs and are able to reach out. The allied agencies, the Harbor Police, the Customs Service and the Border Patrol maintain a harbor patrol that is now expanded to a 7 by 24 operation. We never had the capability to do those things before. And the HIDTA has been a significant resource for us in being able to resource that initiative.

You may be familiar with the testimony of Judge Ferguson. Judge Ferguson testified about 2 weeks ago. Judge Ferguson is a District Court Judge for the Western District of Texas. He testified before the Judiciary Subcommittee on Crime and he noted the fact that the Southwest border initiative that the Border Patrol has put in place over the last 7 years has dramatically changed the face of what the Federal courts are seeing. We have—I am happy to say, if the Judge is not happy to hear—we have dramatically increased the caseload on the Federal docket. Judge Ferguson's testimony was to the effect that increase also needs to be addressed. We have significantly increased the caseload of the judiciary along the Southwest border and now the judiciary needs to be resourced to be able to deal with that caseload.

An example of one of the collateral effects of that is that—you may be familiar with the Civil Asset Forfeiture Reform Act that was recently passed. It was designed, I believe, to correct some of the inequities that existed in the Federal asset forfeiture process. I think we may have seen some effects of that in that formerly when we intercepted persons smuggling, either aliens or drugs, in a vehicle, we were readily able to forfeit those vehicles because they were used in smuggling operations. With CAFRA, we do not have the option of administratively forfeiting those vehicles. We are required now to look to the courts to do the forfeiture. Well, as I stated, we have already got an overburden judiciary and these cases are just not going to make their way into the system.

When you entered the building this morning, you may have noticed in the lobby that there is a big sign up, they are celebrating their volunteers. There is a great civic-mindedness in our country and we routinely have folks who come to the Border Patrol and say they would like to volunteer their services to us. They would like to assist us in doing some things, and in effect, to free Border Patrol agents up to do core law enforcement work instead of some of the ancillary tasks that they have been given. Our general counsel tell us, because of the Anti-Augmentation Act, that we are unable to do that, and I frankly think that the U.S. Government is missing out on a great opportunity to bring citizens in to help agencies do things that maybe we do not need to have someone on the payroll to do. Many police departments have volunteers, many police departments have reserve officers and I think that if we had the ability to do these things—again, it would increase, would enhance the efficiency of the U.S. Government.

Again, I thank you for the privilege of being here to meet with you today and I stand ready to answer any questions you may have.

Mr. HORN. Thank you. That is very exciting testimony.

Our next presenter is Errol Chavez, Special Agent-in-Charge, San Diego Division of the U.S. Drug Enforcement Agency. Glad to have you here.

[The prepared statement of Mr. Veal follows:]

U.S. Department of Justice
Immigration and Naturalization Service
U. S. Border Patrol
San Diego Sector

STATEMENT OF

WILLIAM T. VEAL
CHIEF PATROL AGENT
SAN DIEGO BORDER PATROL SECTOR
IMMIGRATION AND NATURALIZATION SERVICE
DEPARTMENT OF JUSTICE

BEFORE

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT EFFICIENCY, FINANCIAL
MANAGEMENT AND INTERGOVERNMENTAL RELATIONS
U.S. HOUSE OF REPRESENTATIVES

CONCERNING

ENFORCEMENT INITIATIVES AGAINST DRUG
SMUGGLING IN SOUTHERN CALIFORNIA

11:00 A.M.
April 13, 2001
SAN DIEGO, CALIFORNIA

Mr. Chairman and Members of the Subcommittee, I am Chief Bill Veal of the San Diego Border Patrol Sector. I am pleased to testify concerning our law enforcement initiatives that are effectively addressing drug smuggling in Southern California. First, I will discuss the Border Patrol deterrent strategy along the immediate border. Second, I will describe our cooperative drug enforcement efforts with other Federal, state and local law enforcement agencies.

Let me begin by thanking you and your colleagues in Congress who have worked diligently to provide the Immigration and Naturalization Service and specifically the U.S. Border Patrol with the essential resources to gain control of the border against the illegal entry of aliens, drugs or other contraband.

BORDER PATROL ENFORCEMENT

I am very proud of the agents of the San Diego Sector. Their hard work, dedication and professionalism have made possible the success we have achieved so far. We have brought a sense of order and law to what was once a chaotic, out of control border between San Diego County and Mexico. In Fiscal Year 1995, the first year of Operation Gatekeeper, the San Diego Sector seized 1,735.5 pounds of cocaine and 77,289 pounds of marijuana. That fell in Fiscal Year 2000 to 196 pounds of cocaine and 33,630 pounds of marijuana. Our agents have made life much more difficult for the drug and alien smugglers who frequented the border area and who, before Operation Gatekeeper, brought their wares across our borders with virtual impunity.

Border Patrol Narcotics Enforcement Mission

The U.S. Border Patrol is the primary federal agency tasked with the interdiction of illegal aliens and narcotics between our ports-of-entry. Under a memorandum of understanding with the Drug Enforcement Administration, trained Border Patrol Agents have been delegated

limited authority under Title 21 that, coupled with limited Title 19 authority from the U.S. Customs Service, allows them to enforce federal criminal laws related to the illicit trafficking and importation of contraband, including illegal narcotics.

The San Diego Border Patrol Sector maintains a highly visible presence on the U.S.-Mexico border and also covers 7,000 square miles of land and water boundaries. Nearly 66 linear miles of the southwest U.S. border are the responsibility of this Sector, where the Border Patrol is nearly 2,000 agents strong.

The Bush Administration continues to make border control a top priority. Over the past six years Congress has provided the Immigration and Naturalization Service with the resources necessary for an effective border enforcement strategy. That deterrent strategy has made a difference and now must sustain itself over time—a solid and permanent strategy that will result in our borders being controlled. Our mission is a focused, phased approach toward attaining a border that deters drug traffickers, illegal aliens and alien smugglers.

Based on intelligence reports and actual experience, drug smuggling and alien smuggling are often linked. Many criminal smuggling rings are involved in both. Illegal migrants seeking assistance from smugglers may become "mules" who backpack in large quantities of illicit narcotics as payment for their illegal passage into the United States.

The Border Patrol employs a multi-faceted strategy in conducting enforcement activities in order to deter or apprehend alien and drug smugglers along our border with Mexico. At the immediate border we deploy agents in highly visible positions. We utilize fences, high-powered lighting, electronic sensor systems, infrared night vision scopes, low light TV cameras, horse patrols, boat patrols, and bicycle patrols. We also employ a system of checkpoints situated along

major roads and highways leading away from border areas. These checkpoints are highly effective to deter the movement of and intercept both illegal aliens and drugs.

Operation Gatekeeper

In October 1994, the San Diego Sector's Operation Gatekeeper introduced a deterrent strategy. Given the unique and differing terrain of traditionally favored crossing areas, Gatekeeper combines an immediate, highly visible border presence with an improved infrastructure consisting of all-weather border roads, improved fencing, stadium lighting, night vision scopes and electronic sensors. It also maintains pressure on smugglers by operating the aforementioned checkpoints leading north to Los Angeles and the interior of California.

Since Gatekeeper began, illegal entries in the Imperial Beach area—historically the most heavily trafficked illegal entry corridor in the United States—have dropped 89 percent. Overall apprehensions in the Sector have fallen by 66 percent during this period, Fiscal Year 1994 to Fiscal Year 2000. Local law enforcement officials attribute the decrease in crime in several communities to Operation Gatekeeper. Felony arrests for narcotics, marijuana and other dangerous drugs in San Diego County declined by 25.6 percent from 1994 to 1999.

Prior to 1992, there was inadequate primary fencing along the first 14 miles of the U.S.-Mexico border from the Pacific Ocean east. In some places, paved Tijuana streets paralleled the border and at weak spots in the fencing single and multiple truckloads of drugs crossed over and raced north to blend into the regular vehicle traffic on Otay Mesa. The landing mat border fence erected by California National Guard and other military engineering units changed this dramatically. The last gap in the landing mat fence was closed in 1996. Construction of border security roads have allowed us to patrol close to the primary fence and monitor for attempts to

cut it or ramp vehicles over it. While we have had some kamikaze runs by drug smugglers through the Otay Port-of-Entry, we no longer have 4 x 4's entering between the ports and attempting to evade pursuing Border Patrol Agents.

The traffickers still try. Our permanent and temporary checkpoints plus the agents who monitor traffic on East County back roads continue to discover narcotics loads that were brought in either in San Diego or Imperial County.

Technology as a Force Multiplier

Technology has vastly improved our detection and resource deployment. A large portion of Border Patrol drug seizures and a tremendous amount of "real-time" intelligence are the direct result of the use of electronic sensors placed along remote smuggling routes in the border area. Over 950 sensors are now deployed in the San Diego Sector. These sensors, which function as infrared, seismic or metallic detection devices, are also monitored by computer. The information is a computer database, the Intelligent Computer Aided Detection System that provides data on sensor activation and apprehension patterns.

The San Diego Sector has 28 long range, infrared night scopes in use. They are located to provide maximum coverage of land border crossing points as well as the Pacific Coast close to the border. This night vision equipment has discovered backpackers, suspicious load vehicles, and even lone smugglers in wet suits with marijuana lashed to surfboards.

The Enforcement Case Tracking System (ENFORCE) and the Automated Biometrics Identification System (IDENT) are computer identification systems that enable agents to easily photograph, fingerprint and gather information about aliens whom we apprehend. We have ENFORCE terminals at every Border patrol station, checkpoint and processing point in the Sector. These systems provide agents with a real-time, "look-out" system for known criminals

and other aliens who attempt illegal entry after formal removal. The IDENT cumulative database tracks repeat offenders and helps us identify smuggling guides among apprehended groups.

Our Brown Field Station is the pilot site for developing the IDENT interface with the Integrated Automated Fingerprint Identification System (IAFIS) that allows us electronically to take ten-print fingerprints, transmit them to the FBI's National Criminal Information Center, and receive confirmation as to past criminal records and pending arrest warrants. This automated system provides a response within 2-5 minutes. During test periods when all aliens arrested by Brown Field were submitted, it has identified as past offenders or wanted individuals an added number of criminals equivalent to the number identified by our IDENT database.

The Border Patrol Canine Program is another example of our commitment to controlling the flow of narcotics and undocumented aliens across our borders. We have 28 dogs in the San Diego Sector trained to locate concealed people and narcotics. They operate throughout the Sector with the majority at our checkpoints. During Fiscal Year 2000, these canines accounted for drug seizures valued at $14,431,566. Our canine units also respond to requests from other law enforcement agencies.

I also want to mention the drug education efforts made by our agents, particularly our canine handlers, in the local schools. Their presentations on the dangers of drug use and the way in which the dogs can find hidden drugs are very much sought by local educators.

After climbing steadily from 1993 to 1995, Sector drug seizures have fallen in the last five fiscal years. The chart at the end of the testimony illustrates these changes. We believe this drop reflects the effectiveness of our enforcement efforts between the ports-of-entry. In Fiscal Year 2000 we experienced a sizable increase in marijuana interdictions by comparison with Fiscal Year 1999. The drug smugglers keep trying new avenues and searching for weak spots.

COOPERATIVE EFFORTS WITH OTHER AGENCIES

The San Diego Sector is a very active member of the California Border Alliance Group (CBAG) and its Southwest Border High Intensity Drug Trafficking Area initiatives. CBAG is made up of Federal, state, and local law enforcement agencies with responsibility for drug enforcement.

East County and the LECC

One CBAG initiative focuses on the interdiction and disruption of narcotics trafficking in East San Diego County and is a basic and indispensable part of the overall regional plan. Shared jurisdictions within the operating area include the Border Patrol, U.S. Customs, U.S. Forest Service, Drug Enforcement Administration, U.S. Bureau of Land Management, California Highway Patrol, California Bureau of Narcotics Enforcement (BNE), and the San Diego Sheriff's Office, all of whom participate in this initiative.

The 1997 creation of a Law Enforcement Coordination Center (LECC) in East County has been a very successful CBAG project. Personnel from the Border Patrol, Forest Service, Sheriff's Office, BNE and the Highway Patrol currently staff the LECC. The Border Patrol provides space for the LECC at its Boulevard Substation.

The LECC operates as an intelligence-driven joint task force to deny drug smugglers their traditional routes between ports-of-entry and then to interior destinations. The LECC is the central point for gathering and disseminating intelligence within its East County area of operation. It also coordinates interdiction and investigative assets to detect, disrupt and dismantle major trafficking organizations moving drugs through this area. Sixty-seven multi-agency operations were conducted in Calendar Year 2000.

Just last week, the Border Patrol, Sheriff's Office, Highway Patrol and the BNE completed a joint interdiction operation. They intercepted two marijuana loads, a stolen vehicle, and a convicted felon.

Since the inception of the LECC and with the enhanced enforcement efforts between the ports of entry, there has been a 111 percent increase in narcotics seizures by all parties within East County including at the Tecate Port of Entry. The improved coordination and cooperation have increased the effectiveness of every law enforcement agency. We have unquestionably increased the cost of doing business for the drug trafficking organizations.

Maritime Task Force

Another CBAG initiative is the San Diego Maritime Task Force, on which the Border Patrol participates along with the U.S. Customs Service, the U.S. Coast Guard and the San Diego Police Department. While the Task Force focuses on the investigation and interception of sea-borne smuggling in Pacific coastal waters, it also involves the investigation of international smuggling originating at considerable distance from U.S. territorial waters. Because the LECC and the U.S. Customs Service Intelligence Collection Analysis Team focus mainly on land based smuggling organizations and activities, the Border Patrol created a Maritime Intelligence Group to collect, analyze and disseminate maritime smuggling information.

Due to the volume of small, opportunistic smugglers working in coastal waters, the San Diego Sector has established a Marine Unit attached to the Imperial Beach Station. Utilizing night scopes and three 24-foot Zodiacs, the Marine Unit has successfully intercepted a number of smuggling vessels and forced back south several others.

For example in February, we caught two smugglers posing as "day sailors" with 13 illegal aliens. Mexican nationals had taken the thirteen to the Coronado Islands, where the U.S. smugglers picked them up and attempted to bring them into Mission Bay in broad daylight.

Border Coordination Initiative

The Border Coordination Initiative (BCI) is a comprehensive border management strategy between the U.S. Customs Service and INS to increase cooperation among federal agencies along the Southwest border to more efficiently interdict drugs, illegal aliens and other contraband. While the BCI is particularly focused on port-of-entry enforcement, the San Diego Sector cooperates in the sharing of intelligence, controlled deliveries, investigation, and maritime interdiction.

Support from the California National Guard and DOD

The San Diego Sector has received significant support from the United States military and National Guard units, based on Presidential Directives and congressional legislative provisions stating that the Department of Defense should provide counter-drug intelligence, training, and direct tactical support to existing efforts to curb drug trafficking.

From 1994 to 2000, the San Diego Sector benefited greatly from the Immigration Support Team of the California National Guard. During this period California National Guardsmen served as intelligence analysts, electronic technicians, firing range officers, infrared scope operators, bus drivers and vehicle mechanics. Previously and now again many necessary support positions in the San Diego Sector are occupied by Border Patrol Agents, taking them away from their primary responsibility of enforcing the law along our border.

Cooperation from the Mexican Government

The Border Patrol also works with Mexican law enforcement along the border in order to stem the dangerous activities of border bandits who prey on migrants, drug smugglers, and other criminals. We have implemented procedures and structures for a more rapid and coordinated response to specific criminal activity in the border area. The Mexican Government has designated formal police units, referred to as Grupo Beta in the San Diego-Tijuana area and Grupo Alfa in the Tecate, California-Tecate, Mexico area, that focus on combating border crime.

The San Diego Sector has worked with the Mexican Consul General in San Diego and other Mexican authorities in a joint Border Safety Initiative to reduce injuries and prevent fatalities in the border area. Public safety radio announcements and videotapes have been prepared and given considerable play in Mexico to publicize the dangers of attempting entry through the mountainous and desert corridors where smugglers take aliens.

CONCLUSION

In summary, let me say that the mission of the Border Patrol remains the same: To secure our national borders working in cooperation with other agencies .

Our enforcement posture is based on:

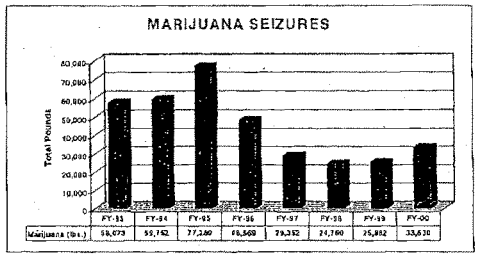
- Prevention through deterrence expressed through high visibility presence at the immediate border,
- Redeployment of personnel and resources to key border areas,
- Flexibility to address vulnerable areas employing a comprehensive strategy,
- Technology as a force multiplier, and
- Cooperation with other law enforcement agencies.

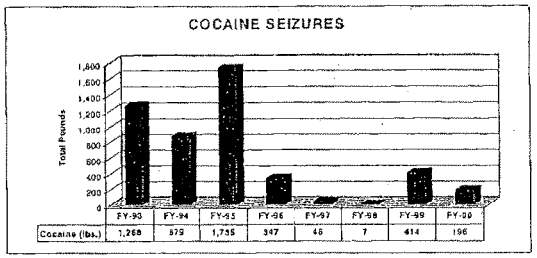
The Border Patrol has established effective control of our border with Mexico in the San Diego area. Our illegal alien apprehensions in Fiscal Year 2000 were the lowest since 1974. We have secured areas of the border where six years ago illegal aliens entered our country with near impunity. We have shut down traditional illegal entry routes, forcing alien smugglers to lead illegal crossers to remote and rural regions. Illegal aliens and smugglers are now exposed to longer and more arduous entry routes and are subjecting themselves to greater risk of apprehension. In short, the Border Patrol has successfully raised the cost and difficulty of entering the United States illegally. These efforts have also disrupted former routes for importing illicit drugs. They have forced smugglers to attempt to utilize ports-of-entry and untraditional routes to further their illegal activity. Operation Gatekeeper has also pushed smugglers into increased marine smuggling efforts. The Operation Gatekeeper strategy has been implemented and is showing results in Imperial County and in Arizona and Texas as well.

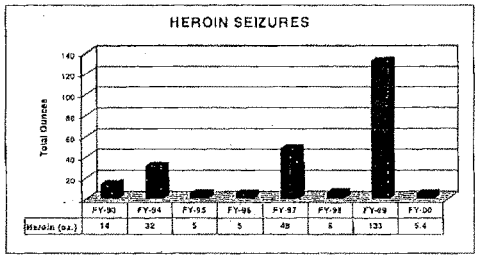
Regaining control of our borders is an on-going task. No single initiative or program can achieve the goal. We appreciate the attention of this Subcommittee to the problems we face. Again, we thank the Congress for its support of our enforcement efforts.

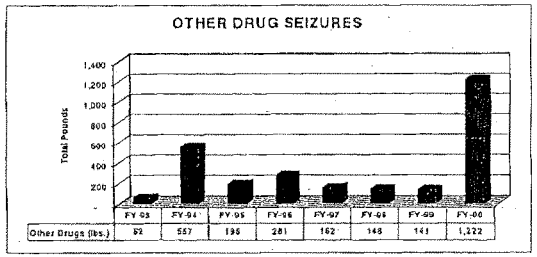
This concludes my written testimony. I will be glad to answer any questions you may have.

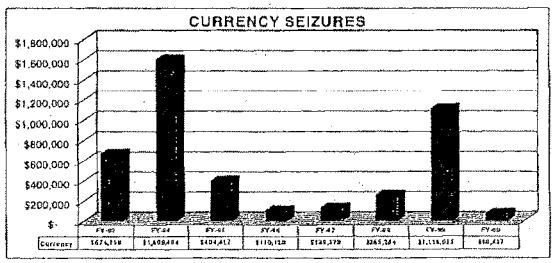
SAN DIEGO SECTOR DRUG SEIZURES











Mr. CHAVEZ. Good morning, Chairman Horn, Chairman Souder and other distinguished members of this subcommittee. Thank you for the opportunity to address this subcommittee on our efforts to interdict drugs crossing the U.S./Mexican border into California and the coordination of these efforts with State and local law enforcement counterparts.

Let me begin by saying that the 140-mile border between California and Mexico and the Southwest border in general, is considered an extremely porous part of our Nation's periphery. The growing volume of commercial and pedestrian traffic that plays an integral role in California's economy, creates an infinite number of opportunities for drug trafficking organizations to smuggle illegal drugs. These drugs are hidden in all modes of conveyances, including the compartments of cars, trucks and the bodies and baggage of pedestrians. Smuggling methods range from extremely sophisticated concealment methods to simply tossing a drug-laden package over the border which can be whisked away by foot or by vehicle. Since California is also bordered by the Pacific Ocean, drug trafficking organizations can even utilize boats and ships to position their stash of drugs close to the border for eventual transfer to the United States. It is worth noting that since August 1998, the U.S. Coast Guard has seized approximately 102 tons of cocaine in the Eastern Pacific.

Over the past few years, Mexico-based trafficking organizations have succeeded in establishing themselves as the preeminent poly drug traffickers of the world. They have also entered into a symbiotic relationship with Colombian-based traffickers that has resulted in the Mexican-based organizations playing an increased role in the cocaine trade. Mexican-based trafficking organizations in cities such as San Diego, Los Angeles and San Francisco now control the distribution of multi-ton quantities of cocaine once dominated by Colombian organizations. It is now estimated that approximately 65 percent of all cocaine smuggled into the United States crosses the U.S./Mexican border.

In the San Diego area, a significant number of cocaine seizures made by the U.S. Customs and the U.S. Border Patrol indicate that drug traffickers continue to utilize the shotgun approach attempting to minimize successful interdiction efforts by sending smaller loads.

Cross-border cocaine shipments generally are smuggled across the U.S./Mexican border in concealed compartments with cars, truck, recreational vehicles or commingled with legitimate tractor-trailer cargo. The border has also become a significant transit point, not only to the U.S. heroin markets West of the Mississippi, but increasingly to the primary markets in the Northeast. Recent seizures in 2000 and 2001 reflect that Mexican black tar heroin is increasingly being smuggled into the United States in larger quantities than in the past. In June 2000, a multi-jurisdictional investigation was completed with the arrest of 249 targets, the seizure of 64 pounds of heroin, 10 weapons and over $300,000 in currency.

Given the expanse of the California border shared with Mexico, it is clear that no single agency can completely filter illegal drugs from the massive quantities of legitimate commercial cargo that flows across this border each day. Inter-agency cooperation with our valuable counterparts from the U.S. Customs, U.S. Border Pa-

trol, Bureau of Alcohol, Tobacco and Firearms and the Federal Bureau of Investigation, as well as coordinated efforts with State, local and foreign law enforcement authorities provide the only logical response to the magnitude of this problem.

DEA's strategic approach to targeting major drug trafficking organizations is to initiate and pursue high impact, intelligence-driven multi-agency, multi-jurisdictional investigations which rely heavily on State and local cooperation. This attitude and strategy has resulted in noteworthy successes in targeting and dismantling major trafficking organizations operating in the California/Mexico area.

The marked resurgence of methamphetamine purity and abuse in the 1990's can also be attributed to Mexican traffickers who exploited their ready access to precursor chemicals to seize a portion of the U.S. methamphetamine market. Through a comprehensive international chemical control effort and domestic precursor chemical control program, we have only recently observed a dramatic decline in the purity of methamphetamine sold in our country. In San Diego County, the methamphetamine strike force, established over 5 years ago, is a collaborative effort between Federal, State and local law enforcement, drug prevention, education and treatment agencies, has resulted in a significant decrease in the use and abuse of methamphetamine in southern California. This effort is a unique model and has been duplicated in several other cities in the United States to combat the methamphetamine problems.

The Southwest border initiative, in particular, has developed into a comprehensive approach to meet this challenge and has been designated as an enforcement priority of the San Diego field division. An investigation strategy, this initiative relies heavily on a multi-agency approach with a broad-based assault on drug trafficking along the border. It involves the participation of Federal, State and local law enforcement with resources being directed against the most significant poly drug transportation group operating in this area.

DEA San Diego has particularly focused on the Arellano-Felix organization, one of the most violent poly drug trafficking groups operating along the Southwest border. The Southwest border initiative, through its multi-agency strategy, has achieved significant progress against this organization, using investigative techniques such as electronic surveillance, undercover operations and informants. This cooperative effort has led to the identification of a number of key lieutenants in the San Diego area. DEA San Diego is extremely fortunate to have a long-established and highly productive partnership with the various Federal, State and local law enforcement agencies present in San Diego.

The San Diego Field Division has several task force groups comprised of personnel from 18 various Federal, State and local law enforcement agencies. Cooperation and coordination among all participating agencies is excellent and is exemplified in the narcotics task force, NTF. This DEA-funded task force is now in its 27th year and targets local impact violent crime groups and mid-level distributors. The goal of the NTF is to provide San Diego County with coverage of narcotic enforcement expertise to promote interagency cooperations. All task force officers are deputized as Federal

agents, giving them Federal law enforcement authority. This provides the investigators with every opportunity to take the investigation to its highest level.

The Narcotic Information Network [NIN] is a high-intensity drug trafficking HIDTA initiative and another example of successful cooperation of law enforcement. This multi-agency initiative was established to enhance officers' safety throughout San Diego and Imperial Counties, reduce duplication of efforts among agencies participating in the NIN and promote the exchange of information. The goals of this initiative are to coordinate agency efforts and provide intelligence on common targets.

Other examples of excellent cooperation are the San Diego Financial Task Force, Marine Task Force, the Border Corruption Task Force, the San Diego Violent Crime Task Force and the California Border Alliance Group, and the Law Enforcement Coordination Center in Imperial Valley.

In conclusion, as this Nation's lead drug enforcement agency, the DEA is committed to a strategy that incorporates the coordination and cooperation of all drug enforcement efforts on all levels. It is only through this concerted effort that we can hope to minimize the scourge of illicit drugs on our society.

Thank you again for the opportunity to address your subcommittee on this important topic. I would be happy to answer any questions you may have at the appropriate time.

Mr. HORN. Well, thank you very much. That is a helpful presentation.

Our next witness gets right down to the grassroots and that is Michael Schneewind, who is the Undersheriff, the second in command, in Imperial County, representing the California Border Alliance Group. When you live in Imperial County, you are right on the border.

Thank you for coming.

[The prepared statement of Mr. Chavez follows:]

Statement of
Errol J. Chavez
Special Agent in Charge
San Diego Field Division
Drug Enforcement Administration
Before the
House Committee on Government Reform:
Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations
April 13, 2001

Good Morning Chairman Horn, Congressman Souder and other distinguished members of this subcommittee. Thank you for the opportunity to address this subcommittee on our efforts to interdict drugs coming into California and the coordination of these efforts with state and local law enforcement counterparts. Before I start, on behalf of Administrator Marshall I would like to thank you for your consistent support of the DEA in carrying out our mission of enforcing the nation's drug laws.

Let me begin by saying the 140-mile border between California and Mexico, and the Southwest Border in general, is considered an extremely porous part of our nation's periphery. Unfortunately, the growing volume of commercial and pedestrian traffic that plays an integral role in our nation's economy creates an infinite number of opportunities for drug trafficking organizations to introduce their illegal goods into the commerce of the United States. Illegal drugs are hidden in all modes of conveyances, including the compartments of cars and trucks, and the bodies and baggage of pedestrians. Some organizations may employ couriers who cross the desert in armed pack trains, or who act as human "mules" by strapping the drugs onto their bodies. The means by which illegal drugs enter the United States range from extremely sophisticated concealment methods to simply tossing the drug laden package over border fences to be whisked away on foot or by vehicle. Drug trafficking organizations also utilize boats and ships to position their stash of drugs close to the border for eventual transfer to the United States.

Illicit drugs are smuggled in record levels into the United States via the U.S./Mexico border. Over the past few years, Mexican based trafficking organizations have succeeded in establishing themselves as the preeminent poly-drug traffickers of the world, using our shared border to smuggle illicit drugs into the United States. These organizations present an increasing threat to the national security of this country, with voluminous amount of drugs, violent crime, and the associated corruption of public officials in Mexico. Mexico is the largest transshipment point of South American cocaine destined for the United States, and 65% of this cocaine reaches American cities via the U.S./Mexico border. Mexico also remains a major source country for heroin and marijuana, and many of these Mexican based trafficking organizations are utilized by Colombian Cartels to transship drugs destined for the United States.

Assessing the Threat: *The Role of the U.S./Mexico Border in the Drug Trade*

The drug threat presented by the U.S./Mexico Border is fairly consistent with the national drug threat, and to a certain extent, defines the overall drug threat against our nation. Clearly, the most distinguishable threat is the transformation and emergence of Mexican based trafficking organizations, whose activities now reach the highest echelons of the cocaine trade. Previously limited to marijuana and Mexican heroin smuggling, Mexican based groups have expanded and profited by maintaining a mutually beneficial relationship with Colombian based traffickers.

These recent trends illustrate the vulnerability of the California/Mexico Border to Colombian and Mexican based trafficking organizations intent on introducing drugs into the United States market:

- Cocaine is primarily transported from South America by vessel to the West Coast of Mexico and, to a lesser extent, the Yucatan peninsula, which is situated in the southeast portion of Mexico adjacent to the Gulf of Mexico. The use of vessels to transport bulk shipments of cocaine represents a departure from the use of such modes of transportation as private aircraft and trucks utilized by drug transporters over the past two decades. From Mexico, bulk shipments of cocaine are then trucked to the United States, oftentimes secreted in produce and other perishable shipments.

- Mexican black tar heroin is being smuggled into the United States in larger quantities than in the past; multi-kilogram seizures of heroin are becoming increasingly commonplace.

- South American heroin is transported by courier on commercial airlines or by private aircraft from South America to Mexico, and then by commercial airline or by private or commercial vehicle to the United States.

- The DEA Tijuana Resident Office (TJRO) reported that 13 methamphetamine labs had been seized in Baja, California thus far in Fiscal Year 2001 as compared with three (3) seizures in Fiscal Year 2000.

- MDMA is being smuggled into Mexico for ultimate transshipment to the United States.

- On February 26, 2001, U.S. Customs and DEA investigated the discovery of a 25-foot tunnel that took advantage of drainage lines that connect the U.S. and Mexico. A total of 375 kilograms of cocaine were recovered as a result of this effort.

Cocaine Trafficking across the U.S./Mexico Border

Through the 1980's, most of the cocaine that entered the United States did so through the Caribbean and South Florida. Increased enforcement and interdiction efforts, however, forced traffickers to shift the majority of their smuggling operations to Mexico, a move that led DEA and other Federal agencies to mobilize along the U.S./Mexico

Border. According to a recent interagency intelligence assessment, approximately 65 percent of the cocaine smuggled into the United States in 2000 crossed the U.S./Mexico Border.

Colombian-based organizations rely on Mexican-based groups in locations such as Guadalajara, Juárez, Matamoros, Sinaloa, and Tijuana to convey their cocaine into the United States. Mexican trafficking organizations have established themselves as transportation specialists for smuggling drugs across the U.S./Mexico Border. Frequently, these trafficking organizations are comprised of poly-drug smugglers who transport marijuana, methamphetamine, and heroin in addition to cocaine.

Over the past decade, Colombian-based drug lords and Mexican-based trafficking organizations have entered into a symbiotic relationship that has resulted in the Mexican-based traffickers playing an increasing role in the cocaine trade. Under this arrangement, Mexican-based traffickers often receive shipments of cocaine directly from Colombian- based organizations, and contract with the source to deliver a portion of the shipment to a contact of the Colombian-based network operating in the United States. The Mexican- based traffickers are allowed to keep the balance of the cocaine shipment as payment for their services and transport the shipment to Mexican-controlled wholesale distribution networks that principally operate in the Western United States.

By the mid-1990's, Mexican-based transportation groups were receiving as payment up to one-half of each cocaine shipment they smuggled into the United States on behalf of the Colombian-based traffickers. By relinquishing a portion of the cocaine destined for the U.S. market to Mexican-based drug organizations, as opposed to attempting to unilaterally control every aspect of importation and distribution, Colombian-based drug lords radically changed the role and sphere of influence of Mexican based trafficking organizations in the cocaine trade. In doing so, the Colombian-based traffickers have minimized their risk of exposure to U.S. law enforcement authorities, and provided Mexican-based traffickers with a valuable source of revenue and domestic customers.

As a consequence of this development, traffickers operating from Mexico now control a substantial proportion of wholesale cocaine distribution throughout the Western and Midwestern United States. Distribution of multi-ton quantities of cocaine once dominated by the Colombian-based drug traffickers is now controlled by trafficking groups from Mexico in cities such as Chicago, Dallas, Denver, Houston, Los Angeles, Phoenix, San Diego, San Francisco, and Seattle. In addition to cocaine transportation, some drug trafficking groups operating from Mexico appear to offer a range of services, including wholesale cocaine distribution and money laundering for Colombian clients, and direct delivery to wholesale-level customers on behalf of the major Colombian based cocaine groups.

Routes and General Methods

Over the past two decades, cocaine was moved primarily by air and land into Mexico from Colombia. During the late 1980s and early 1990s, traffickers used large

commercial aircraft, such as 727's and 737's, to move cocaine from South America to Mexico. Currently, maritime vessels are the most frequent method used to transport bulk shipments of cocaine to Mexico for ultimate distribution in the United States. Colombian-based traffickers utilize fishing vessels to move cocaine usually to the West Coast of Mexico, and, to a lesser extent, the Yucatan peninsula. The cocaine is then off-loaded to "go-fast" watercraft for final delivery to shore. Once secured on land, the drug shipments are consolidated for overland movement to the U.S./Mexico Border.

Traffickers continue to use trucking routes through Central America and Mexico to the U.S./Mexico Border. Cocaine shipments transported through Mexico or Central America are generally moved overland to staging sites in or near northern Mexico, although intelligence suggests that small aircraft may play a role in moving some cocaine to the border area. At these staging sites, the cocaine is broken down into smaller loads for smuggling across the U.S./Mexico border.

Three of the four primary cocaine importation points within the United States are located along the U.S./Mexico Border in Arizona, Southern California, and Texas. Cross-border cocaine shipments generally are smuggled across the U.S./Mexico border in concealed compartments within cars, trucks, and recreation vehicles, or commingled with legitimate tractor-trailer cargo. Typically, the land vehicles are driven across the U.S./Mexico Border, and then either left in parking lots for subsequent pick-up, or driven directly to storage sites in the United States. Using this method, traffickers are able to shroud their illegal activities in the tremendous numbers of people and vehicles crossing the U.S./Mexico Border. These cocaine shipments typically consist of 20 to 50 kilogram loads secreted in concealed compartments that are primarily located under floorboards and/or in gas tanks of passenger cars, pickup trucks, and vans. Larger quantities, however, have also been seized. For example, in October, 2001,109 kilograms of cocaine were seized at a U.S. Immigration and Naturalization Service (INS) checkpoint in Falfurrias, Texas. The cocaine was found inside boxes onboard a tractor-trailer, commingled with a shipment of tee shirts.

Cocaine also is carried across the U.S.-Mexico border by couriers known as *mules*, who cross into the United States either legally through U.S./Mexico Border ports of entry, or illegally through undesignated points along the border. The couriers typically carry small, kilogram quantities of cocaine, thus minimizing the losses incurred by the courier's controller in the event of robbery, theft, or law enforcement intervention.

Heroin Trafficking across the U.S./Mexico Border

The U.S./Mexico Border is a significant transit point to the U.S. heroin market, not only for the Mexican black tar and brown heroin that dominate the markets west of the Mississippi River, but increasingly for South American heroin destined for the primary markets in the Northeast. Moreover, Nigerian and Southeast Asia based traffickers have been known to move opiate/heroin products across the U.S./Mexico Border.

Mexican Heroin

Mexican Black tar and brown heroin has been a threat to the United States for decades. It is produced, smuggled, and distributed by poly-drug trafficking groups, many of which have been in operation for more than 20 years. Mexican based heroin distributors operating within the United States have historically been Mexican nationals with familial and/or geographical ties to the States of Durango, Michoacan, Nuevo Leon, and Sinoloa.

Mexican heroin primarily is smuggled overland and across the U.S./Mexico Border. Traffickers take advantage of easy border access and store bulk quantities of heroin in Mexico, where the perceived risk of discovery and seizure is low. When a transaction is arranged, the contracted amount, usually 1 to 2 kilograms, is smuggled into the United States, frequently by illegal aliens and migrant workers. By keeping quantities small, traffickers hope to minimize the risk of losing a significant quantity of heroin in a single seizure. Even large poly-drug Mexican organizations, which smuggle multi-ton quantities of cocaine and marijuana, generally limit smuggling of Mexican heroin into the United States to kilogram and smaller amounts. Nevertheless, trafficking organizations employing this "piecemeal" strategy are capable of regularly smuggling significant quantities of heroin into the United States.

Recent intelligence indicates that some heroin traffickers are smuggling 5 to 30 kilograms of Mexican heroin in tar and powder form from the interior of Mexico, representing a departure from the previous practice of Mexican based traffickers, who smuggled heroin into the United States in 1-2 kilogram amounts.

Once heroin is smuggled into the United States, transportation is arranged to metropolitan areas in the western and southwestern states with sizeable Hispanic populations. Mexican heroin has also been transported to primary markets in Chicago, Denver, and St. Louis. Periodically, Mexican traffickers have attempted to find markets for black tar heroin in East Coast cities such as Boston and Atlanta. However, this effort at market expansion has, for the most part, met with failure. Although recent DEA cases have involved Mexican black tar heroin trafficking groups operating east of the Mississippi River, there has been no successful, long-term penetration of the East Coast heroin market by organizations selling Mexican-produced heroin.

South American Heroin

The availability of South American heroin, produced almost exclusively in Colombia, has increased dramatically in the Eastern United States since 1993. Despite having relatively limited production capacity and relying on unsophisticated smuggling techniques, traffickers of South American heroin have had a substantial impact on the U.S. market. The traffic of South American heroin has been characterized by the production of modest quantities of the drug in small laboratories in Colombia, the smuggling of heroin in quantities of 500 grams to 1 kilogram by numerous couriers aboard commercial airlines, and distribution of the drug through traditional retail outlets in northeastern cities, primarily New York City, Newark, Boston, and Philadelphia.

In response to increased drug law enforcement presence at eastern ports of entry, some South American based heroin traffickers have sought out alternative routes. Recent seizures in 2000 and 2001 reflect an increasing use of Mexico to smuggle South American heroin into the United States. In February 2001, for example, two separate seizures of South American heroin, totaling 4.9 kilograms, were made at the airport in Tijuana, Mexico.

Methamphetamine Trafficking across the U.S./Mexico Border

Over the last decade, the methamphetamine trafficking and abuse situation in the United States changed dramatically. In the mid-1990s, methamphetamine trafficking and abuse increased in the United States, primarily in the West and Midwest. In 1997, this trend started to spread, to a lesser extent, to the Southeast. The entry of Mexico-based trafficking organizations into the methamphetamine trade contributed to this resurgence.

Historically, outlaw motorcycle gangs and many independent dealers dominated methamphetamine manufacturing and trafficking. The entree of Mexican traffickers into the methamphetamine production and distribution trade in the early 1990's resulted in a significant increase in high-purity supplies of the drug. Although independent trafficking groups continue to produce methamphetamine, in 1994 Mexican drug trafficking organizations operating in California and Mexico began to take control of the production and distribution of methamphetamine in the United States.

What was once controlled by independent, regionalized outlaw motorcycle gangs was taken over by major Mexican organizations and independent operators based in Mexico and California. Mexican trafficking organizations now dominate wholesale methamphetamine trafficking, using large-scale laboratories based in Mexico and the western and southwestern United States. Outlaw motorcycle gangs are still active in methamphetamine production, but do not produce the large quantities that are distributed by Mexican groups.

In the early to mid-1990s, Mexican organizations had ready access to precursor chemicals on the international market. These chemicals had fewer controls in Mexico and overseas than in the United States. The Mexican national organizations further developed existing international connections with chemical suppliers in Europe, Asia, and the Far East, and were able to obtain ton quantities of the necessary precursor chemicals, specifically bulk ephedrine and pseudoephedrine.

From their experience in the trafficking of cocaine, heroin and marijuana, the Mexican organizations already had well-established transportation routes. Initially offering inexpensive, high-purity methamphetamine, the Mexican organizations ultimately gained a foothold in the existing United States market and expanded their operations. Since they produced their own drug, they maintained greater control of the methamphetamine market and reaped greater profits than with the distribution of other drugs. It should be noted that high-purity methamphetamine produced by the Mexican groups, in combination with the marketing strategy of providing free samples, created new population of addicts.

Until 1999, the methamphetamine problem was increasing at an alarming rate. Domestic and international chemical control efforts, including increased scrutiny of imports and domestic registrants who handle List I chemicals, have reduced the supply of those chemicals needed to produce high-quality methamphetamine. As a result, the national purity level for methamphetamine, as well as amphetamine, has gone down dramatically. The average purity of methamphetamine exhibits seized by DEA dropped from 71.9 percent in 1994 to 30.7 percent in 1999, rising slightly to 34.6 percent in 2000. Emergency room mentions and overdose deaths involving methamphetamine show a corresponding decrease.

With the success of efforts to control the flow of bulk ephedrine and pseudoephedrine, through initiatives stemming from bilateral and multilateral meetings and the "letter of non-objection program" for List I chemical imports from certain critical countries, Mexican traffickers turned to tableted forms of the precursors in the U.S. In 1997 and 1998, the vast majority of methamphetamine laboratories operated by Mexican organizations that were seized in California obtained their precursor chemicals from sources in the United States. The Mexican organizations obtained their precursors from chemical wholesalers, rogue chemical companies, and back door/blackmarket sales of large quantities of ephedrine/pseudoephedrine tablets from unscrupulous retail and convenience store operators. Some of those operators have been targeted through initiatives such as Operation Mountain Express, a DEA-led effort described below. The HIDTA-funded National Methamphetamine Chemical Initiative promotes cooperation and coordination of cases between the myriad enforcement authorities involved. A disturbing trend is the use of Canada, which does not have a chemical control law, to evade applicable regulatory systems in place in both the United States and Mexico.

Marijuana Trafficking across the U.S./Mexico Border

Drug trafficking organizations operating from Mexico have smuggled marijuana into the United States for over 20 years and are responsible for supplying most of the foreign marijuana available in the United States. Virtually all the marijuana smuggled into the United States, whether grown in Mexico or shipped through Mexico from lesser sources such as Central America, is smuggled across the U.S./Mexico Border.

Drug trafficking organizations employ a wide range of methods to transport the marijuana. The most common method is to smuggle marijuana in bulk quantities by truck and smaller quantities in vehicle tires, fuel tanks, seats, or false compartments. Traffickers use various vehicles to cross POEs: commercial vehicles, private automobiles, pickup trucks, vans, mobile homes, and horse trailers. Marijuana also is hidden inside agricultural products, and is smuggled across the border by horse, raft, and backpack. There are also sporadic reports of marijuana being smuggled via private aircraft; however, field offices do not consider border crossings by air to be a significant threat. They do report that private aircraft are used to smuggle marijuana up to the border on the Mexico side where large quantities of marijuana are stockpiled. The primary routes for moving marijuana into the United States, however, remain the overland routes.

MDMA Trafficking across the U.S./Mexico Border

In the future, Mexico may increasingly be used as a transit zone for MDMA entering the United States. In the year 2000, several seizures of MDMA en route or in Mexico were reported. For example, in September 2000, Dutch authorities seized a 1.25 million-tablet shipment of MDMA destined for Mexico. On November 20, 2000, approximately 64,000 Ecstasy pills were seized at the Mexico City Airport.

Confronting the Threat: *A Balanced Response*

Given the expanse of the California/Mexico Border, it is clear that no single agency can "control" the border or completely filter illegal drugs from the massive quantities of legitimate commercial cargo that flow across our borders each day. Accordingly, DEA continues to implement a balanced approach to confronting the drug threat posed by the criminal organizations exploiting our Border. The elements of this approach range from capitalizing on the latest advances in telecommunications technology, to our adhering to basic, time-honored principles of interagency cooperation. As evidenced by the following program descriptions, DEA is continuously working to generate innovative enforcement initiatives that will serve to immobilize the most sophisticated international drug trafficking organizations operating today.

DEA's strategic approach to targeting major drug trafficking organizations is to initiate and pursue high impact, intelligence-driven, multi-agency, multi-jurisdiction/multi-nation investigations that employ a combination of intelligence, investigative technology support, and the coordinated efforts of DEA and its federal, state, local and foreign law enforcement counterparts. By strategically and comprehensively targeting international command and control centers of drug syndicates based overseas in conjunction with their domestic entry and transshipment routes and local distribution points, DEA has been able to dismantle drug organizations in virtually all arenas. This approach requires DEA's foreign and domestic enforcement, intelligence, and technology elements to work collectively to transform isolated investigations into large-scale, multi-agency, multi-jurisdiction/multi-nation investigations.

Southwest Border Initiative

One of DEA's primary functions is to coordinate the many drug investigations taking place along America' roughly 2,000-mile border with Mexico, an effort that involves literally thousands of federal, state and local law enforcement officers. The "Southwest Border Initiative" is a comprehensive approach to meet this challenge and is an enforcement priority for the San Diego Field Division. As the threat from Mexican-based poly-drug trafficking organizations continues to escalate, the workload steadily increases. Much of this increased workload is due to expansion by Mexican-based traffickers into new geographic regions of the U.S., particularly the Midwest. Mexican-based traffickers have become the world's preeminent drug traffickers, and their organizations are generally complex in nature and characterized by a high propensity for violence.

To counter this threat, federal drug law enforcement has aggressively pursued drug trafficking along the U.S./Mexico border. Through a cooperative and coordinated enforcement effort, DEA, the FBI, U.S. Border Patrol, U.S. Attorney's Office, U.S. Customs Service, and state and local law enforcement agencies have worked together to reduce the amount of illicit drugs entering the United States through the U.S./Mexico Border. The Southwest Border Initiative is intended to counter drug activity by identifying, penetrating, disrupting, and dismantling the major Mexican and Colombian-based drug trafficking organizations using the border to smuggle illegal drugs into the United States. The strategy is to attack major Mexican-based trafficking organizations on both sides of the border simultaneously, employing enhanced intelligence and enforcement initiatives, and cooperative efforts with the Government of Mexico. The San Diego Field Division is aggressively involved in every aspect of this Initiative.

One of the principal examples of the San Diego Field Division's cooperative efforts is the Narcotic Task Force (NTF). The NTF investigates local/ impact violent crime groups and mid-level distributors. This DEA funded Task Force is now in its 27th year. The goal of the NTF is to provide San Diego County with coverage of narcotic enforcement expertise and to promote cooperation between law enforcement agencies. This is accomplished through an active officer exchange program and is enhanced by the diverse countywide agency membership in the NTF.

As indicated by the cases below, the Southwest Border Initiative has built a record of success in targeting, immobilizing, and dismantling major drug trafficking organizations. Most of these investigations directly impacted the San Diego, California area.

Operation Green Air (Marijuana) was a multi-jurisdictional investigation targeting a Mexican/Jamaican marijuana smuggling and distribution organization with ties to Traditional Organized Crime. The organization smuggled multi-thousand pound quantities of marijuana by trucks and other conveyances from Mexico through U.S. Ports of Entry in Southern California to warehouses in the greater Los Angeles area. Several corrupt warehouse employees shipped the marijuana via Federal Express to distribution cells on the East Coast. Operation Green Air culminated in April 2000 with a nationwide takedown that resulted in the seizure of more than 15.25 tons of marijuana, $4,546,384 in U.S. currency, and the arrest of 106 individuals.

Operation Impunity II (Cocaine) was a multi-jurisdictional investigation targeting a Mexican drug trafficking organization responsible for the transportation and distribution of multi-hundred kilogram shipments of cocaine from Mexico to cities throughout the United States. This investigation targeted remnants of the Carrillo-Fuentes Organization and the Gulf Cartel Organization. Operation Impunity II culminated in December 2000 with a nationwide takedown that produced the seizure of 5,266 kilograms of cocaine, 9,325 pounds of marijuana, $9,663,265 in U.S. currency/assets, and the arrest of 141 individuals.

Operation Tar Pit (Heroin) was a multi-jurisdictional investigation targeting a Mexican heroin transportation and trafficking organization based in Tepic, Nayarit, Mexico. Primarily, this organization imported multi-kilogram quantities of black tar heroin from Mexico into the United States. The heroin was transported to the greater Los Angeles area and distributed to organization cell heads throughout the U.S., including San Diego, CA; Bakersfield, CA; Honolulu, HI; Portland, OR; Denver, CO; Cleveland, OH; Columbus, OH; Pittsburgh, PA; Phoenix, AZ; Yuma, AZ; Albuquerque, NM; and Charleston, WV. In June 2000, a multi-nation takedown was conducted against Operation Tar Pit targets that included the principal Mexican command and control members in Mexico, U.S. based cell heads, workers for each cell, and couriers. This investigation culminated in the seizure of 64 pounds of black tar heroin, 10 weapons, $304,450 in U.S. currency, and the arrest of 249 individuals.

Operation Mountain Express (Pseudoephedrine) was a DEA operation that targeted traffickers of the methamphetamine precursor pseudoephedrine. Existing regulations allowed DEA registrants to obtain multi-ton quantities of tablet pseudoephedrine from gray-market importers. California-based Mexican production organizations took advantage of this fact by purchasing ton quantities of pseudoephedrine for use in methamphetamine production. Since January 2000, several multi-jurisdictional investigations targeting pseudoephedrine traffickers have been conducted. The illicit trafficking of pseudoephedrine was traced from bulk importers to rogue wholesalers and distributors and eventually to pseudoephedrine extraction laboratories. Operation Mountain Express resulted in the arrest of 189 individuals and the seizure of more than 12.5 tons of pseudoephedrine, 83 pounds of finished methamphetamine, $11,100,000 in U.S. currency, and real property in excess of $1,000,000.

Operation Gas Mask (Precursor Chemicals) is a recently completed investigation targeting a California based supplier of HCL gas to Mexican national methamphetamine production organizations. This investigation resulted in the seizure of 10 operational methamphetamine Super Labs, 5 pseudoephedrine extraction labs, 497 gallons of methamphetamine in solution, 140 pound of finished methamphetamine, and assets totaling $1.5 million. Additionally, Operation Gas Mask resulted in the arrest of 48 individuals including Mexican National laboratory operators, chemical brokers, the California based supplier of HCL gas and two suppliers of solvents and reagents.

Eduviko Garcia Organization (Mexican Methamphetamine). Recently, DEA concluded an investigation which targeted the Eduviko Garcia methamphetamine organization. Garcia received methamphetamine through a Nuevo Laredo, Mexico-based facilitator who in turn received methamphetamine from a variety of Mexican based sources. Methamphetamine seized in the Garcia investigation has been tied to Francisco Zarragoza, a methamphetamine source based in Guadalajara, Mexico. The Garcia investigation resulted in enforcement actions in the states of Texas, Indiana, Washington, North Carolina, Oklahoma, Kansas and Kentucky and resulted in the seizure of 53 pounds of methamphetamine, 18 kilograms of cocaine, and the arrest of 50 individuals.

Other Enforcement Operations

Highway interdiction is central to drug enforcement since a vast number of seizures occur at checkpoint stops within 150 miles of the border in California. In addition to their drug and money seizures, state, local, and federal agencies generate valuable intelligence on trafficking patterns, concealment methods, and cell membership and structure. Presently, there are drug interdiction programs promoted and monitored by the El Paso Intelligence Center (EPIC), but carried out by state and local law enforcement officials. The operations are carried out along the highways and interstates most often used by trafficking organizations to move illegal drugs north and east, and illicit money south and west.

With DEA support, state and local highway officers are able to execute controlled deliveries of the drug shipments that they seize, thereby expanding the scope of their own investigations. These programs consist of three elements: training, real-time communication, and analytical support. With support from EPIC, training schools in support of these programs are designed and delivered to state and local highway officers across the nation. The training and implementation of these programs are conducted in accordance with the Attorney General's guidelines for Fairness in Law Enforcement, and prohibit the use of race, ethnicity or nationality as the sole basis for initiating law enforcement interdiction of suspected drug traffickers.

Intelligence Operations

The intelligence collection process is critical to the interdiction of drugs. Each time we dismantle an organization, DEA gains vital intelligence about the organization to use, both to further additional investigative efforts, and to increase the accuracy of intelligence information provided to the interdiction operations conducted by other law enforcement agencies. The domestic and international aspects of trafficking organizations are inextricably woven together. U.S. law enforcement must be able to successfully attack the command and control functions of these international drug trafficking syndicates on all fronts if ultimate success in diminishing the operational effectiveness of these organizations is to be achieved.

Collocation of Law Enforcement Assets

In addition to conducting numerous joint investigations with the United States Customs Service (USCS), DEA is working to optimize the operational efficiency and cost-effectiveness of U.S./Mexico Border operations conducted with other DOJ components, such as the Federal Bureau of Investigation (FBI) and Immigration and Naturalization Service (INS). The conference report language for the FY 2001 Commerce, Justice, State, and Judiciary Appropriation Bill states that "DEA is also directed to better coordinate its operations with other Federal Agencies, including INS and FBI, along the U.S./Mexico Border, and to pursue co-location of offices wherever practical."

A Memorandum of Understanding (MOU) has been drafted and is currently pending endorsement by administrative program managers from DEA, FBI, and INS. By adhering to the provisions of this MOU, the enforcement components of the Justice

Department will coordinate the review of their respective facility lease terms, and determine compatible opportunities for collocation.

Conclusion

Drug trafficking organizations operating along the California/Mexico Border, which are controlled by Mexican-based kingpins, continue to be a great concern to communities in California and the nation. As a result of their alliances with Colombian organizations, Mexico-based drug trafficking organizations increasingly have become organized, specialized and efficient, with individual components steadily consolidating power and control over well-defined areas of responsibility and geographic strongholds. The power and influence of these organizations is pervasive, and continues to expand to new markets across the United States.

The DEA is deeply committed to intensifying our efforts to identify, target, arrest and incapacitate the leadership of these criminal drug trafficking organizations. The combined investigations of DEA, FBI, the U.S. Customs Service and members of other federal, state, and local police departments continue to result in the seizure of hundreds of tons of drugs, hundreds of millions of dollars in drug proceeds, and the indictments of significant drug traffickers, and the dismantling of the command and control elements of their organizations.

Cooperative investigations will continue to send a strong message to all drug traffickers that the U.S. law enforcement communities will not sit idle as these organizations threaten the welfare of our citizens and the security of our towns and cities. The principal leaders of major drug trafficking organizations fear the threat of extradition to the United States more than any other law enforcement or judicial tool. Extradition of significant traffickers ensures that those responsible for the command and control of illicit activities, including drug smuggling and money laundering, will be held totally accountable for their actions and serve a prison sentence commensurate with their crimes.

In Mexico, the newly installed Fox Administration has given every indication of their intention to work as equal partners with American drug law enforcement, and we look forward to our future endeavors with optimism.. Hopefully, these new endeavors will include the successful extradition of major Mexican-based traffickers to the United States.

Mr. Chairman, thank you for the opportunity to appear before the Subcommittee today. I would be happy to answer any questions that you or other members of the Subcommittee may have at the appropriate time.

Mr. SCHNEEWIND. Good morning. Mr. Chairman, members of the subcommittee, I am Mike Schneewind, I am the undersheriff of Imperial County, speaking on behalf of Sheriff Harold Carter, who is the vice chairman of the California Border Alliance Group, here in San Diego.

I am pleased to testify concerning our effort to address Federal, State and local cooperation against drug problems in our region. I thank you for the opportunity to appear before the subcommittee. This morning, I will describe our region and its drug threat.

Let me first express my appreciation to Congress, ONDCP and its recognition that while border enforcement is a Federal responsibility, the border's impact in terms of drug trafficking, violence and other aspects is local. The formation and continued support of our California Border Alliance Group HIDTA is a response that is important.

The Southwest Border HIDTA is one of the largest, most diverse and unique of the 31 HIDTAs throughout the country. There are 45 counties, 5 Federal Judicial Districts and 5 regional HIDTAs that make up the Southwest Border—southern California, Arizona, New Mexico, west Texas and southern Texas. Drug trafficking from the Southwest border, without question, affects the entire Nation. The 2,000 mile Southwest border represents the arrival zone for South American produced cocaine and heroin, Mexican produced methamphetamine, heroin, marijuana and other drugs and precursor chemicals used to manufacture illicit drugs in the United States.

The California Border Alliance was designated in 1990 as one of the five partnerships of the Southwest Border HIDTA. The CBAG's area of responsibility is composed of San Diego and Imperial Counties, 8,900 square miles from the Mexican border to the Orange County and Riverside County lines, from the Pacific Ocean to the Arizona State line. The location and geography are unique—terrain that ranges from seaports and beaches to mountains and deserts, yet home to San Diego, the seventh largest city in the Nation. There are two large Mexican cities directly to our south. They are served by six ports of entry, including San Ysidro, the world's busiest land port. Tijuana is populated by approximately 2 million and growing. Mexicali, who has a population of 1 million and is the national capital of Baja Norte. The 149-mile California/Mexican border is roughly 7 percent of the entire United States/Mexican border, but it is home to 60 percent of the entire Southwest border population. Nearly 6 million people reside on both sides of the region's international border. Major highways connect San Diego and Imperial Valley to Mexico, Los Angeles and points North and East. Maritime routes, railroads, international airports, smaller airfields and clandestine landing strips are also a major concern. Because of our location and proximity to the border, drug smuggling is here and here to stay.

The primary drug threats to the region are: The importation of illegal drugs and precursor chemicals from Mexico; domestic production of methamphetamine and marijuana; high drug use rates, especially methamphetamine; and, border violence that spills over and impacts our region.

I have provided you with more detailed information in written form, but allow me to summarize a few facts and figures that illustrate the regional impact during the year 2000: 217,658 kilograms of marijuana, 4,384 kilograms of cocaine, 62 kilograms of heroin and 482 kilograms of methamphetamine were seized in border-related incidents on the Southwest border. Over 151,000 marijuana plants were seized from public lands and private property in San Diego County—that is approximately 330,000 pounds of marijuana that did not hit the street—many of them in large remote operations run by Mexican drug trafficking organizations.

Clandestine laboratories, mostly methamphetamine labs, continue to plague our region. In the CBAG area alone, 33 labs were seized in year 2000. At least 15 major labs were seized by Mexican authorities in Tijuana and Mexicali. Eight labs were seized in the first 8 weeks of 2001 in Imperial County alone. I might add that at those sites, three-fourths of the children that were at those sites have tested positive for methamphetamine. We have a progression here of adults who are making decisions about cooking meth, but they are also dragging their children and families into this. In the past, we have ignored this, and we cannot continue to do that. We need to take some measures to ensure that we do something for these children at these sites.

There were 1,400 meth labs seized statewide in 2000 in the State of California. California continues to lead the Nation in clandestine methamphetamine lab seizures. Most disturbingly, a total of 23 children were present or resided at these heavily contaminated clandestine sites, and have been removed under the Drug Endangered Children Program for treatment, assessment and placement services.

Methamphetamine use in our region continues to be a significant public safety and health problem. Seventy-five percent of the arrestees booked into the Vista Jail in northern San Diego County tested positive for methamphetamine. Overall, arrestee methamphetamine use was just over 26 percent for men and 36 percent for women. Which I might comment is a decrease from a number of years ago in San Diego County. In 1994, they represented 54 percent, so what we are doing is apparently having a positive impact, although San Diego County was one of the leaders in methamphetamine and it kind of spread from here and moved to the rest of the country.

Drug-related violence continued along the Southwest border during the year 2000. In January, the Juarez Cartel issued an open contract of $200,000 to kill any U.S. Federal or local agent working dope on the Southwest border. On February 27, the Tijuana chief of police was assassinated in what is almost certainly a drug-related death. Several suspects in the murder were later arrested and stated they had been working for Ismael Zambada, a prominent Sinaloan trafficker. In one of the most disturbing incidents this year, three Mexican anti-drug agents were murdered shortly after returning to Baja, CA after meeting with U.S. drug enforcement counterparts. They had assigned an investigation and arrest of Chuy Labra, the financial manager of the Arellano-Felix organization. And in one more example, 10 armed Mexicans in military uniforms crossed the international border at Otay Mesa and fired at

least eight shots at U.S. Border Patrol agents before returning to Mexico. This type of violence does indeed impact our region. The Arrellano-Felix cartel has a well-established working relationship with San Diego street gangs, and cartel-related murders have taken place within San Diego and Imperial Counties as well as in Mexico.

Our region's response is based on Federal, State and local agency cooperation and coordination. We are proud of the fact that this region was one of the first, if not the first, to form an integrated Federal, State and local law enforcement drug task force in the early 1970's. This task force set the tone for the level of cooperation in our HIDTA today.

As a designated HIDTA, we recognize that our response to the border and the drug problem must be comprehensive. There is no magic. There is hard work, there is commitment, there is day-to-day uniform enforcement along the Southwest border in the form of the U.S. Border Patrol. The Imperial County deputy sheriffs and San Diego County deputy sheriffs makeup a thin barrier between the forces of evil that are mounting and becoming stronger to the south of us. Until we significantly address support to local agencies and the Federal agencies that are fighting this war on the Southwest border, we are not going to be successful in the war. We need support, we need it on a daily basis. We work hand in hand, we have had hand-shake agreements for my 32 years as a deputy sheriff on the Southwest border. We have had handshake agreements with DEA, we have had a relationship with the U.S. Customs and probably the closest relationship we have had is with the U.S. Border Patrol.

Before the HIDTAs evolved, we did it out of friendship, we did it out of need. We recognized what was happening to our country. As this HIDTA and others have evolved along in time, it has been nothing but positive. I am on the wrong end of my career to be out there stomping around and putting people in jail, but I am certainly proud of those folks that are doing it and it is at the Federal level and the State level and the local level.

Thank you.

Mr. HORN. That is a moving description of reality and thank you very much for coming to share that with us.

Our next presenter is Steve Staveley, director of the Division on Law Enforcement, California State Attorney General's Office. Is he here?

[The prepared statement of Mr. Schneewind follows:]

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STATEMENT OF

MICHAEL SCHEEWIND
UNDERSHERIFF OF IMPERIAL COUNTY
On Behalf of
HAROLD CARTER
SHERIFF, CORONER, MARSHAL IMPERIAL COUNTY
AND
VICE-CHAIRMAN, CALIFORNIA BORDER ALLIANCE GROUP
SOUTHWEST BORDER HIDTA

Mr. Chairman and members of the Subcommittee, I am Mike Schneewind, Undersheriff of Imperial County, speaking on behalf of Sheriff Harold Carter, the Vice-Chairman of the California Border Alliance Group, the designated High Intensity Drug Trafficking Area, or HIDTA, for San Diego and Imperial Counties.

I am very pleased to testify concerning our efforts to address Federal, state, and local cooperation against the drug problem in our region, and I thank you for the opportunity to appear before the Subcommittee. This morning I will describe our region and it's drug threat, the impact of the International Border, and our regional strategy and initiatives. Finally, I will address areas for possible improvement, and the resources needed to make those improvements.

Let me first express my appreciation for the Congress's and ONDCP's recognition that, while Border enforcement is a Federal responsibility, the Border's *impact* – in terms of drug trafficking, violence, and other aspects - is local. The formation and continued support for our California Border Alliance Group HIDTA is a response to that impact.

THE CBAG REGION

The Southwest Border HIDTA is one of the largest, most diverse and unique of the thirty-one HIDTAs throughout the country. There are forty-five counties and five Federal Judicial Districts in the five regional HIDTAs that make up the Southwest Border: Southern California, Arizona, New Mexico, West Texas and South Texas. Drug

trafficking from the Southwest Border, without question, affects the entire nation. The 2,000-mile Southwest Border represents the arrival zone for South American produced cocaine and heroin, Mexican produced methamphetamine, heroin, marijuana, other dangerous drugs and precursor chemicals used to manufacture illicit drugs in the United States.

The California Border Alliance Group (CBAG) was designated in 1990 as one of the five partnerships of the Southwest Border HIDTA. The CBAG's area of responsibility is comprised of San Diego and Imperial Counties, 8,900 square miles from the Mexican Border to the Orange and Riverside County lines, and from the Pacific Ocean to the Arizona State line. The location and geography are unique: terrain that ranges from seaports and beaches to mountains and deserts, yet home to San Diego, the 7th-largest city in the nation. There are two large Mexican cities directly to our south, served by six Ports of Entry including San Ysidro, the worlds busiest land port. Tijuana's population is estimated at 2 million and growing. Mexicali, with a population of 1 million, is the capital of Baja California Norte. The 149-mile California-Mexico border is only 7% of the entire U.S.-Mexican border, but it is home to 60% of the entire Southwest Border population: nearly six million people reside on both sides of the region's international border. Major highways connect San Diego and the Imperial Valley to Mexico, Los Angeles, and point's north and east. Maritime routes, railways, international airports, smaller airfields and clandestine landing strips are also of major concern. Because of our location and proximity to Mexico, drug smuggling is here and here to stay.

The Drug Problem

The primary drug threats to the region are:

- The importation of illegal drugs and precursor chemicals from Mexico;
- Domestic production of methamphetamine and marijuana;
- High drug use rates, especially methamphetamine, and;
- Border violence that spills over and impacts our region.

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I have provided you with more detailed information in written form, but allow me to summarize a few facts and figures to illustrate the regional impact during the year 2000 alone: 217,658 kilograms of marijuana, 4,348 kilograms of cocaine, 62 kilograms of heroin, and 482 kilograms of methamphetamine seized in border-related incidents. Over 151,000 marijuana plants (equivalent to over 330,000 pounds) were seized from public lands and private property in San Diego County – many of them in large remote operations run by Mexican Drug Trafficking Organizations.

Clandestine laboratories, mostly methamphetamine labs, continue to plague our region. In the CBAG area alone, 33 labs were seized in 2000. At least 15 major labs were seized by Mexican authorities in Tijuana and Mexicali. Eight labs were seized in the first eight weeks of 2001 in Imperial County alone. 1,400 were seized statewide in 2000, as California continues to lead the nation in clandestine methamphetamine lab seizures. More disturbingly, a total of 23 children were present or resided at these heavily-contaminated sites, and have been removed under the Drug Endangered Children program for treatment, assessment, and placement services. Methamphetamine use in our region continues to be a significant public safety and health problem: 75 percent of arrestees at the Vista Jail in northern San Diego County tested positive for methamphetamine or admitted methamphetamine use in 1999. Overall, arrestee methamphetamine use was just over 26 percent of men (down 10 percent since 1995) and 36.3 percent for women (up from 33 percent last year), continuing the decline from the high of 53-54 percent in 1994

Drug-related violence continued along the Southwest Border during 2000. In January, the Juarez Cartel issued an open contract of $200,000 to kill any US Federal officer or agent. On February 27th, the Tijuana Police Chief was assassinated in what is almost certainly a drug-related killing. Several suspects in the murder were later arrested and stated that they had been working for Ismael Zambada, a prominent Sinaloan trafficker. In one of the most disturbing incidents in years, three Mexican anti-drug agents were murdered shortly after returning to Baja California after meeting with US law enforcement counterparts. They had assisted in the investigation and arrest of Jesus

"Chuy" Labra, finance manager for the AFO. And in one more example, ten armed Mexicans in military uniforms crossed the border just east of Otay Mesa, and fired at least eight shots at US Border Patrol Agents before returning to Mexico. This type of violence does, indeed, impact our region. The Arrellano-Felix cartel has a well-established working relationship with San Diego street gangs, and cartel-related murders have taken place within San Diego and Imperial Counties as well as Mexico.

Regional Response

Our regional response is based on Federal, State, and local agency cooperation and coordination. We are proud of the fact that this region was one of the first - if not *the* first - to form an integrated Federal, State, and local law enforcement drug task force in the early 1970's. This task force set the tone for the level of cooperation in our HIDTA today.

As a designated HIDTA area, we realize that our response to the border and the drug problem must be as comprehensive as resources will allow. There is no "magic solution." Therefore, our regional strategy provides for a balanced mix of interdiction, investigations, prosecutions, intelligence and support initiatives that are continually adjusted to address changes in the threat. We also support a very cost-efficient and effective Demand Reduction effort, which concentrates on educating young people about the consequences of drug use. I have provided you with written materials that describe our HIDTA initiatives in detail, but please allow me to highlight a few of our more innovative ones here.

Participation in CBAG HIDTA initiatives and task forces increased. The number of personnel participating full- and part-time in CBAG HIDTA initiatives increased from 477 in 1998 to 708 in 2000. Inter-initiative joint operations and investigations increased significantly, as did cross-attachment of enforcement teams between task forces. The Operation Alliance Joint Task Force Border Response Team continued to work with the East San Diego County Initiative, and established protocols for the coordinated

investigation of Border Patrol seizures in East County by DEA and State / local agents. A DEA-led enforcement group from the Major Mexican Traffickers initiative was collocated with the San Diego Violent Crimes Task Force in order to facilitate cooperation on overlapping targets from both the Arellano-Felix Organization and San Diego County gangs.

In the maritime arena, the multi-agency Marine Task Force, composed of US Customs, US Coast Guard, US Border Patrol, INS, DEA, the san Diego District Attorney's Office, and Chula Vista, Coronado, and San Diego Harbor Police Departments, has increasingly become involved in "blue water" maritime operations and seizures in the Eastern Pacific, targeting Colombian cocaine enroute to Mexico for further transport into the U.S. The Marine Task Force includes a certified undercover operation, "Operation SuperHawk," the only one of its kind on the West Coast. "SuperHawk" is utilized as an offshore, deep-sea transportation operation, and supports all law enforcement agencies conducting maritime operations on the Eastern Pacific, supporting US Customs, DEA, and the Coast Guard in 2000. The task force also is routinely involved in a marine interdiction operation which targets small craft used by traffickers to transport substantial amounts of drugs near the coastal areas of San Diego County. The Marine Task Force seized 7,652 pounds of cocaine, 16,048 pounds of marijuana, $1.3 Million US Currency, $250,000 Canadian Currency, 50 vehicles, 13 vessels, and made 36 felony arrests during 2000.

The East San Diego County Initiative, composed of agents and officers from the San Diego Sheriff's Department, US Border Patrol, California Highway Patrol, US Forest Service, US Customs, California Bureau of Narcotic Enforcement, California National Guard, and the DEA, conducted 67 joint or multi-agency counter narcotics operations coordinated through the Law Enforcement Coordination Center at Boulevard, CA.. Year 2000 seizures included 62,581 pounds of marijuana, 105 pounds of cocaine, and 46 pounds of methamphetamine. Marijuana seizures have progressively increased from 34,476 pounds in 1997 to the 2000 total of 62,581: an increase of 81 percent.

In the Imperial Valley, the Imperial Valley Drug Coalition opened its Law Enforcement Coordination Center, which consists of both an Operations Division and an Intelligence Division to facilitate intelligence-driven interdiction and investigations in Imperial County. The Intelligence Division has stood up with a core group of analysts from the San Diego/Imperial County NIN, the California National Guard, and the Imperial County Sheriff's Office. A DEA Supervisory Analyst and two DEA Analyst positions have been approved by DEA Headquarters. The governing board, consisting of Federal, State, and local law enforcement leaders have developed a Memorandum of Understanding, formed the Liaison Officer Group, and made plans for the location of an Imperial Valley Street Team, under the Narcotic Task Force, in the LECC. Agency on-line systems are in the process of installation. The LECC coordinated two Unmanned Aerial Vehicle (UAV) support missions during the year, developing and validating employment concepts for UAV support to law enforcement.

Each of the three border interdiction-related initiatives outline above actively participate in Operation Cobija, a Southwest Border-wide cooperation and coordination process sponsored by the Arizona HIDTA and the US Customs – INS Border Coordination Initiative.

I would like to highlight the efforts of our Regional Computer Forensics Laboratory (RCFL), which began with the premise that a joint federal/state/local laboratory could operate independently of the region's agencies, and provide them with better computer forensic capabilities than using individual examiners or a single agency facility. By combining a variety of agencies' technically trained personnel with state of the art facilities, then developing their expertise through training and on the job experiences, the RCFL has been identified as the prototype for other proposed laboratories throughout the U.S. The RCFL now consists of eighteen participants from thirteen agencies, and began accepting forensic service requests from all San Diego and Imperial County agencies on January 1, 2000. During this first year, a total of 386 separate requests were submitted, from 42 law enforcement agencies. The submissions have ranged technically from a single diskette examination to the analysis of over sixty systems in a multi-platform

network. All of these cases were prioritized irrespective of submitting agency, and ranged from simple theft to drug-related to homicide examinations.

I would also like to bring to your attention some investigations of national and international significance conducted by our multi-agency investigative task forces. The Major Mexican Traffickers Initiative, Southwest Border Project concluded a major investigation, which resulted in guilty pleas entered by 12 subjects, and the trial conviction of one subject, leading to the dismantlement of a major Drug Trafficking Organization tied to the Arellano Felix Organization. In another major investigation, 2,885 pounds. of marijuana were seized on March 8, 2000 at the Calexico Port of Entry, from the Amezcua Contreras Organization, which was the 7th largest seizure for calendar year 2000 on the Southwest Border. In a third major investigation, two International Controlled Deliveries resulted in the seizure of 3,434.73 pounds of marijuana and $80,990.00 in United States Currency. The San Diego investigation has led to the identification and initiation of investigation of major traffickers in Tucson, Arizona, Los Angeles, California and Atlanta, Georgia.

On March 24, 2000, Sergio Sandoval Rubalcava pleaded guilty in Federal Court to overseeing a drug transportation organization closely connected to the Arellano Felix Organization (AFO). Sandoval, a former top official of the Baja California State Judicial Police joined his common-law wife and six others in pleading guilty, while four other individuals are awaiting trial. They had been arrested in May 1999 in culmination of Operation Crosswire.

On March 11, 2000 Jesus "Chuy" Labra Aviles, the financial manager for the AFO, was arrested in Tijuana. On May 5, 2000, the Justice Department unsealed a Federal indictment against Ismael Higuera Guerrero for drug trafficking and money laundering. Higuera had been arrested days earlier by Mexican Army personnel in. One week later, indictments were unsealed against Benjamin and Ramon Arellano Felix, charging them with murder, bribery, kidnapping, drug smuggling, and money laundering. The United States has formally requested extradition.

My final example of Federal and local cooperation is the Combined Prosecutions Initiative, which provides funding for cross-designated Assistant US Attorneys and Deputy District Attorneys, and the prosecution of border drug cases in State Court. In the past two years, the San Diego District Attorney's office handled 3,400 Port of Entry and other border drug arrests, allowing the US Attorney's Office to concentrate on major violators and conspiracies, while ensuring that lower level violators are prosecuted, and a measure of deterrence is maintained. Ironically, the number of cases being handled by the DA's Offices has now reached the limits of their capacity – another example of the local impact which I spoke of earlier – and what was intended to relieve the Federal Prosecutors' burden has now severely impacted local prosecutions in both San Diego and Imperial Counties.

Areas for Improvement and Needs

I've spoken of a few of our successes and the excellent cooperation and coordination between our Federal, State, and local members. I am proud of our achievements, and of how far we have come as a region. Still, we can, and need to, do better.

We need better coordination on Federal border initiatives. When Operation Gatekeeper was implemented, and large numbers of illegal aliens were pushed east into the mountains of San Diego County, the State and local agencies were not prepared for the impact on East County. We all worked together, formed a multi-agency initiative that is highly effective, and have lowered crime rates in the backcountry once again. But it took a few years to get it under control. Coordination was much improved by 1998 when Imperial County felt the impact of increased border enforcement in the Calexico area, as illegal aliens tried to use the desert areas to the east and west. But Imperial County was still obliged to deal with radically increased search and rescue, detention, and coroner's expenses, which severely stretched the County's resources and continue to do so today.

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Information gathering and sharing is always an important topic. The recently published General Counterdrug Intelligence Plan is encouraging, and deserves our collective support. In our region we have a very effective intelligence support center, the San Diego/Imperial County Regional Narcotic Information Network, and excellent participation in the Western States Information Network database. While I am pleased with the progress we have made in the CBAG region on joint task forces and interagency information sharing, too much information is still kept within single agency systems, and I recognize that much remains to be done.

We need a more consistent and aggressive approach to the maritime smuggling situation. We in the CBAG have the only multi-agency maritime task force on the California Coast, while Federal Government studies estimate that 60 percent of South American cocaine is moving via the eastern Pacific and the Coast Guard makes a significant seizure virtually every time they deploy. The increased build-up of resources in the Caribbean has again driven the traffickers to the waters off the West Coast of Mexico. Interdiction efforts, other than those of the thinly stretched Coast Guard and the CBAG's multi-agency Maritime Task Force, are virtually non-existent. Additional resources are desperately needed in this area.

Finally, we need the Congress to continue to support our cooperative efforts against drugs in this region and all along the Southwest Border. We have submitted requests for additional HIDTA funding that would, among other things, fund the formation of a Imperial Valley Street Interdiction Team to deal with violent street gangs with documented ties to the Mexican Mafia and major Mexican Drug Trafficking Organizations. The Imperial Valley also needs clandestine laboratory training and specialized equipment to handle the expected increase in labs there. We also need to form a joint commercial truck investigation team to deal with the smuggling of drugs in commercial cargo as recently illustrated by a 15,000-pound marijuana load in a single truckload of television picture tubes. We need to expand our existing maritime task force and other efforts including Drug Endangered Children prosecutions and programs similar to the Vista Partners Project in both San Diego and Imperial Counties.

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We are entering our third year of level funding while costs for personnel, services and equipment continue to increase. Due to fixed funding levels and rising costs, CBAG task forces and initiatives were forced to absorb a 12 percent across-the-board reduction in operations. While we are exploring every avenue to maximize the effect of every dollar, the time is approaching when funding shortages must negatively impact our collective efforts. I urge you to consider funding enhancements for the CBAG and the Southwest Border HIDTA. But even if additional funds were not forthcoming, I would implore you to maintain the resources we already have. We have made significant headway here, and gained control of some of the more critical situations of just a few years ago. But we still have a long way to go before we solve the drug problem here. Now is not the time to lower our guard or reduce our efforts. We are, after all, on the nation's first line of defense against illegal drugs.

I thank you for your continued support of our efforts, and for the opportunity to address the Subcommittee today. This concludes my prepared testimony. I will be very happy to answer any questions that you may have. Thank you.

Mr. STAVELEY. I am pleased to be able to come down to my favorite big city, San Diego, and spend a little time here.

You can read the material that I submitted and you are going to hear a lot of themes that make sense to you that you have heard already and will hear the rest of the day. HIDTA works, makes sense, do it, more of it. We certainly need to continue to stay focused on this issue.

I would take a little exception, Mr. Chairman, with the use of the phrase "war on drugs." I do not think there has really been a war on drugs, there has been good policing going on and continues to go on. A war on drugs is like a war on bank robberies, they continue to happen, we continue to work on them in the best ways we possibly can.

I want to take a little bit of time and talk to you a little bit about the Division of Law Enforcement, very briefly, and then talk to you a little bit about California, this very unique place.

The Division of Law Enforcement is located in California's Department of Justice, we are about 1,600 people. The Western States Information Network—one of the six RISS's, ours is called WSIN—is a five-state project. It focuses on intelligence focused around narcotics issues, involves Alaska, Hawaii, Oregon, Washington and California.

Mr. HORN. Could you just describe what a RISS is, R-I-S-S.

Mr. STAVELEY. RISS is a Regional Information Sharing System. There are six of them in all of the United States. Sadly I cannot tell you what they all are, but there are six of them, trust me. And they essentially each gather intelligence information around criminal conduct, essentially around narcotics and share that with their member agencies. WSIN, Western States Information Network, feeds information and is connected to the NIN that you heard about earlier, San Diego NIN, the LA Clearinghouse, and to other intelligence projects in California.

We have—part of my operation is the Bureau of Narcotics Enforcement [BNE], which is the oldest narcotics operation of a State government anywhere in the country—been operating since 1926. The California Bureau of Investigation, which is essentially California's version of an FBI, albeit very, very, very much smaller, and the Bureau of Forensic Services which is the crime lab system and the DNA system for California and for 46 of its 58 counties we are the crime lab.

I want to talk just a little bit about what California is like. This is the largest, most diverse society in the history of the world. Federal demographers say we are 34 million people, State demographers say we are closer to 35 million people. If we went down and got in our car today at the border on I–5 and started driving North trying to get to the North end of the border, we did not run into any traffic—and I assure you that will not happen—if we did not run into any traffic and we stayed at freeway speeds, we might reach Oregon in 13 or 14 hours of steady driving. This is a big place, it is about 1,200 miles from one end to the other. And if you started at the Western end of—as you heard the undersheriff say, if you started at the Western end of Riverside County or San Bernadino County, San Bernadino being the largest in the country, and drove to the Eastern border of that same county, it would take

you 4 hours at highway speeds if you did not run into any traffic. But given the fact there are 10 million people in L.A. County, almost 3 million in Orange County, almost 3 million here in San Diego County, 1.7 in San Bernadino County and about 1.6 in Riverside County, the likelihood of not running into traffic is slim to none. There are almost 35 million people in California. We are the sixth largest economy in the world and we remain, ladies and gentlemen, a donor State to the Federal Government. That is to say, we send more money there in tax dollars than we get back. In all of the services that we consume, all the services and benefits that we get back, we send more than we get back.

I believe that all the things you heard said earlier about the cooperation between State, local and Federal officials is absolutely correct, it is an extraordinarily successful enterprise, working along the border, working up and down California. Ninety percent of the meth, according to some DEA experts, 90 percent of the meth that gets anywhere in the United States either is manufactured here in California or comes through California—90 percent. And you have heard all the other statistics and they are more articulate than I can be about that.

But California methamphetamine strategy [CALMS], which is now in its 5th or 6th year of Federal funding, proves we can have an impact on that. We have essentially moved the major labs out of the metropolitan areas south of the Chuhatchapees and moved them into central California and into Arizona and into Nevada. Well, we are having a significant impact, but we need to continue that effort.

We have had a very, very successful 19th year, I think it was, in our CAMP program, which is our marijuana eradication program. Tons and tons and tons of marijuana come to us, imported to us, but we grow—last year, we captured 356,000 plants and eradicated them in California, 70 percent—70 percent—grown by narcotics trafficking organizations and on public land, BLM, National Forest Service. We need to put more resources into that.

And the bottom line I would leave you with, ladies and gentlemen, is just that, we have not put enough resources into the policing of this issue in California. The Federal Government has not put enough money in, I believe the State has not put enough money into it. And I think we need to make sure that California on this issue in particular stops becoming a donor State and starts becoming a receiving State. If we are actually going to have an impact long-term, we need to think of California as what it is, the place that is the sixth largest economy in the world. And if we are going to get serious about this and have really good policing around these issues, we have to interdict more drugs coming across that border. We have to make sure that we are putting enough resources on the border to really solve the problem or to have control of the problem.

I believe additionally that there is yet another role for those of us in the State service for the CHP, as an example, and for the Bureau of Narcotics Enforcement, as an example, and that is to provide that second level of impact just behind our Federal colleagues at the border itself. We need to put some more resources and I think we need to put Federal dollars because it is essentially a Federal problem—we need to put Federal dollars into supporting

the CHP and the Bureau of Narcotics Enforcement in doing a better job of interdicting drugs. They can provide the first line of defense for the Federal Government.

And I think those are issues that we have to take some serious focus on. But the bottom line is, and I know the focus of your committee is, to determine whether or not we work well together, the Federal and the State and the local agencies. And I think it is—an unqualified response has to be, yes, we work very well together. But there are not enough resources devoted to taking us to the next level in solving the problem and we need to make sure that happens. I hope that after you hear all the testimony of these very bright and able people, that is one of the things you will come away with.

One other thing I would like to share with you, if you have not read it yet, this is one of the products largely of the NIN, I believe, and under the Southern District U.S. Attorney's Office. This is the kind of product—I just received this the other day and read it on the airplane—this is the kind of product that really tells you what is going on in terms of intelligence information regarding narcotics activity in the Southern District, and in fact, it is repeated in the four U.S. Federal Districts here in California.

There is lots of good quality information out there. What we do not have is adequate resources at this stage, to really begin impacting. And I will say one more thing and then I want to sit down. I realize it is a little disjointed, but I just completed a survey of California law enforcement agencies—30 percent of all the cops in California, and there are about 80,000 of them, by the way—twice as many lawyers in California as there are cops, that tells you something I think. About 30 percent of them have less than 5 years on the job. Now I do not know how long it takes to becomes a good Congressman, I do know it takes between 5 and 7 years to be a good radio car driver, to really learn your craft, to learn to be a really good member of the police service. And one quarter of our people, more than one quarter of our people have less than 3 years—less than 5 years on the job.

I was chatting with the SAC at FBI in Los Angeles, he is responsible for about 14 or 15 million people in his population area, has about 600 Federal agents, and 50 percent of his people have less than 5 years on the job.

We also need to—what I am asking for more money for is to help us build the infrastructure of police service, the law enforcement. And our infrastructure is not usually buildings and guns and cars. Our infrastructure is quality people, able to enforce the law within the Constitutional guidelines of the Constitution of the United States and the Constitution of the State of California, and do it right every single time, because they know how to do it right.

And so one of the things the undersheriff said is really true. He is 32 years and near the end of his career, I am 34 and very near the end of mine as well, and we have a whole infrastructure of understanding about what it means to be a police officer, what it means to be a law enforcement officer, what it means to be effective in this business. We have to rebuild and we do not have a lot of time to get it done in, frankly.

So I wish you well in your efforts. I hope you get a chance to go down and spend a little time on the border itself and see the great work of your employees, the Federal officers down there. They are very, very powerful and they do a terrific job. We just need more of them.

Thank you.

Mr. HORN. Thank you. That is a very encouraging thing, and I hope you can stay for the questions so we can get into corrections and a few other things, if you can.

We will have one more presenter. The last presenter on panel one is Larry Moratto, the commanding officer for investigations of narcotics for the city of San Diego Police Department. Welcome to your own city.

[The prepared statement of Mr. Staveley follows:]

Committee on Government Reform's
Subcommittee on Government Efficiency,
Financial Management & Intergovernmental Relations
Friday, April 13, 2001

On behalf of California Attorney General Bill Lockyer and the nearly 6,000 men and women who are the Department of Justice, I am pleased to have this opportunity to share some of our thinking with this esteemed committee.

I have spent a good deal of time teaching over the years, and like any good teacher - I am going to start by telling you what I hope to share in these few minutes. First, the relationships and ability to work successfully together between local, state, and federal law enforcement and police agencies on the issue of drug interdiction seems to me to be pretty good. It is often because of the dedicated efforts of those folks who are employed in the local, state, and federal agencies, and sometimes in spite of the systems created. Secondly, I want to share that there are some opportunities for improvement, and thirdly, I want to tell you what I think some of those opportunities are.

First, let me set the stage and tell you something about this. As you no doubt know, California is something near 34 million people according to the 2000 census - state demographers put the figure closer to 35,000,000. California is the 6th largest economy in the world, and the most diverse society of this size the world has ever seen. We are larger than the population of Canada and will shortly overtake Spain in population. I travel this state every week to see our customers/ clients and employees. This is a huge place. Today we sit in my favorite big city, San Diego, and two or three hours to the east, we would be in one of the most under-resourced communities in California, Imperial County. The difference between San Diego and the cities of Imperial County is stark, and the difference between Southern California, the Central Valley, and Northern California is equally stark. The point of all that is, that California is too big and too diverse to look at its problems in dealing with illegal drugs and most other issues as if "one size fits all."

Let me start by telling you something about our Marijuana eradication effort called CAMP - Campaign Against Marijuana Planting. Last year, we seized and destroyed in the few weeks of the planting season over 350,000 plants. The year before 240,000, and the year before that, 170,000. Seventy percent of these plants are located on public lands - the vast majority federal lands. Our folks estimate that virtually all of those are gardens operated by drug organizations operated out of Mexico. CAMP is a good example of a program that uses the resources of local, state, and federal agencies. We hope by working with the Department of Forestry and the Bureau of Land Management (BLM) to expand this to a year-round program from the basically June to September program it is today.

Western States Information Services (WSIN) is one of the six Regional Information Sharing System (RISS) programs. It is run by a board of directors who represent the five western states:

Oregon, Washington, Alaska, Hawaii, and California. The program is located within the California Department of Justice and has a focus on narcotics intelligence and deconfliction. Today we run about 20% hit rate of the 400,000 plus inquiries a year in the system and over 100,000 agency notifications a year where our member agencies inquires about a subject, or location and is told someone else within the system has information they need. Deconfliction is the growing vital part of the system. In the Los Angeles, Orange, San Bernardino, and Riverside County areas - that's a population of roughly 15,500,000 people. In this area, we work with the Los Angeles High Intensity Drug Trafficking Area (HIDTA) for this deconfliction program where something like 30% of the time our agents, and officers are warned before they undertake investigative action that other law enforcement folks are nearby or working the same case. Clearly, a vital element necessary to make already dangerous work, somewhat less dangerous.

Methamphetamine (Meth) is a major problem for California and a growing problem for the rest of America. There is considerable debate as to where the problem comes from and who has the biggest problem. Our effort with CALMS (California Methamphetamine Strategy) has proven its worth and that it can work. Today, all kinds of claims and assertions are made by folks trying to address their own regional concerns. We have seen lots of money going to the Midwest for example. No doubt Meth is an awful and very, very dangerous drug. No doubt its residue pollutes our streams, fields, and our very vulnerable underground aquifers. No doubt, children residing in locations where Meth is made are poisoned, and I have no doubt what-so-ever that California is the largest victim of Meth production in the country, with over 1,400 reported last year alone to WSIN. Now these are real labs, not parts of labs or small dump sites as are reported sometimes, but real live cooking or able to cook labs. I know the CALMS efforts works too, and because we seized over 2,000 labs in 1999 - we have seen some reduction.

I personally am a supporter of the North American Free Trade Agreement (NAFTA). I personally believe that Mexico and the Southwest of the United States, and especially California are historically tied one to the other. NAFTA makes sense to me, but it also is a huge problem. I hope you will hear from real experts today regarding border issues, I am not one, but I spend a good deal of time in the border area and reading intelligence about it. We are substantially under resourced both at the federal and the state level to deal with the increasing flow of commerce across the border. Federal agents at the border, state agents and officers, and our very successful task forces do a great job at dealing with the importation of drugs from and through Mexico, but we are, I believe, only scratching the surface. Drug organizations grow marijuana and produce Meth in California because it makes good business sense. They bring it across the border because it makes good business sense. As we go through increased efforts to reduce the Meth labs in California and make growing marijuana unprofitable on public lands, it will then move elsewhere, and some back south of the border. But it will come back because the economics of it demand it.

Here is what I think needs to be done:

1) We need more resources. California remains a donor state - more money goes to Washington,

D.C., in the form of taxes than comes back to California in all forms of federal support of all kinds. We need to get more resources here. More resources that are specifically focused as is our CAMP and CALMS projects. Substantial increases in long-term funding needs to be focused on California for both state and local agencies who are dealing with the results of illegal drugs which get into this country or are produced here. Here-to-fore, funding has been short term and subject to changes. The Community Oriented Policy Services (COPS) program in California and in the federal U.S. Department of Justice has demonstrated one thing clearly, you cannot throw short term money at a problem and expect a local agency or a state agency to hire and train the necessary people to address the problem based upon one, two or even three or four year funding - it must be funding that is stable for long term efforts.

2) I have been very impressed with the quality of our Federal colleagues. The folks I have worked with from the Federal Bureau of Investigation (FBI), Drug Enforcement Administration (DEA), BLM, Customs, and the Department of Forestry are just first rate. They do their very best. I do however, believe that the efforts need to be made to redefine who is responsible for what. To me, and I think to many, there is a roll clarification needed in the federal agencies as to who does what. In some places DEA supports local and state efforts to work drugs, in others it's the FBI. To me, and I think to many, it's confusing and I would argue, could be counter-productive.

I believe that we are best when we work together in task forces. My view is that federal agencies responsible for drug investigations should focus their efforts at interdiction. State agencies are the second level of interdiction at the border, for example, and substantial resources should be devoted to funding additional state narcotics and the California Highway Patrol resources to backstop federal agencies working the border directly.

3) We see it now, Ecstacy and other such drugs being used at RAVES is very, very dangerous and a growing problem. A couple of weeks ago we sent 80 undercover agents to join a local sheriff's department and 15 DEA agents to police a RAVE, which had 40,000 persons attending. We made over 105 arrests, 92 or 93 of those were two or more hand to hand sales of illegal drugs - so it's a problem. Like Meth, this too will spread from California and we need to get ready for it in the rest of the nation. Efforts should be made now to begin the training and funding the enforcement efforts that will be necessary to avoid having large numbers of this newest generation of Americans growing up with substantial serotonin deficits in their brains.

4) Efforts should be made now to find a better way to get funds to local drug efforts. HIDTAs made a lot of sense when they first began, but as that program grew, it's my view, that it has substantially confused the roles and responsibilities of dealing with drug problems. For example, were it not for the good work of folks who really care about these issues in the regions, the conflict between the role of RISS's and HIDTAs could have created a divisive rather than an inclusive situation. As it was, it took substantial effort and considerable energy to prevent a problem which should have been avoided in its creation.

Mr. MORATTO. I am happy to speak for the city of San Diego and our police department here and as it has been already demonstrated, we are unique here and especially in the city of San Diego, because our southernmost border is the border to Mexico and so it is a unique problem. You also need to understand in this region that San Diego is a transshipment point of narcotics. We are a focal point of where the narcotics come across the border and enter San Diego and Imperial Counties. All of those narcotics that enter our region, most of them are not designated for the streets of San Diego. A lot of them do end up on the streets of San Diego, but the biggest percentage is shipped off to other regions, from here all the way across to the coast and other places. So it does create unique problems. Just in the city of San Diego with our limited resources that we have, we cannot handle this problem on our own. We have to have help.

I have been in police work for 27 years and I have had a chance to travel the country and see how law enforcement agencies interact with other agencies, Federal agencies, State agencies and so forth and I have to tell you that I truly believe, from my point here and I think I speak for the other local agencies in San Diego County, that I have never seen a region in the United States where the Federal Government and the Federal agencies work any better with the local agencies, than they do here in San Diego and Imperial Counties.

Again, I have been a police officer for 27 years and when I went to the DEA Narcotics Task Force as a lieutenant, I had people working for me at the narcotics task force, San Diego police officers, that had been at the narcotics task force for longer than I had been a police officer. It has been a very effective—it is probably one of the most effective, if not the most effective narcotics task force throughout the country. And it has been that way for over 27 years.

Our cooperation that we have through the Drug Enforcement Administration, the FBI, the Border Patrol, U.S. Customs, INS, U.S. Postal Service, IRS—we get that on an every-day basis. I think of most importance to us here in San Diego is how we deal with our immediate community and our neighborhoods. And we go right into the neighborhoods and our important thing is neighborhood policing. We try and find out what the priorities are for the communities, what the priority issues are in narcotics with the people in every single neighborhood. And I have got to tell you that the DEA, the FBI, U.S. Customs, they all partner with us, not just on the big projects, but they will partner with us on the smaller projects. They will give us the resources or whatever they can to help.

I was around when we first started HIDTA, I was involved when San Diego Police Department first got involved with the local HIDTA here and we first started getting funding through HIDTA I believe in 1994. There are 18 different initiatives right now in San Diego and Imperial Counties that are funded through the HIDTA program. I think we have a total of about $10.3 million that comes to San Diego and Imperial Counties through HIDTA and ONDCP and is administered by CBAG. Our California Border Alliance Group, they do an excellent job of administering this program, but I have got to tell you, I have sat for many years through

the process of looking at all the initiatives that come in and when we have $10 million to divvy up and we have got $20 million worth of requests and initiatives that are put in, those $20 million in initiatives, I look at them, every single one of them is important, is critical to what we need to do in this region to address the narcotics problem, but yet we have to weed out, we have to cut down, we have to eliminate some of those requests, and it is not because they are not valid requests or they are not substantially needed in this region, it is because that is the limit to the funding and that is what we have to use.

And if anything that we have, our No. 1 need is to really truly look at the unique nature of our community here in San Diego and Imperial Counties and see what funding is needed, because what you do here does not just affect San Diego and Imperial Counties, it affects the drugs that are going into northern California, and all the methamphetamine labs and the lab cleanups and the things that are going on in northern California. The Bureau of Narcotics Enforcement through DOJ is extremely helpful and on board as a full partner with us here, and again in our neighborhoods and everything that we ask. But what we do here and the money you spend in this region is going to affect what happens in Minneapolis because we ship lots of drugs to Minneapolis, we ship lots of drugs to New York and Connecticut and Florida and other places in the country. So dollars spent here are dollars spent across the United States.

And again, the HIDTA program here, you have to continue funding that program as much as you can because again, with our limited resources, by partnering with the other agencies in the Federal Government and State government here, we are allowed to have people interdict things at the border and interdict things at U.S. post office and UPS and rail traffic and other places that we would not be able to even scratch the surface of if we did not have the partnerships that we have here.

So again, I am thankful to you and your committee for taking a look at what we have. I hope that you can really give consideration to what we need and our true needs are here in the future and I am willing to answer any questions you might have.

[The prepared statement of Captain Moratto follows:]

Remarks by

Larry Moratto
Captain

San Diego Police Department
Investigations III
Narcotics

before the

House Committee on Government Reform:
Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations

Regarding

Coordination of Federal, State and Local Drug Interdiction Efforts in California

San Diego City Administration Building
12th Floor Committee Room
San Diego, CA
April 13, 2001

Statement of
Larry Moratto
Commanding Officer
San Diego Police Department
Narcotic Division
Before the
House Committee on Government Reform:
Subcommittee on Government Efficiency, Financial
Management and Intergovernmental Relations
April 13, 2001

Good Morning Chairman Horn, Congressman Souder and other distinguished members of this subcommittee. Thank you for your opportunity to address this subcommittee on our efforts to interdict drugs within the city of San Diego, specifically in the area of drugs crossing the United States/Mexico Border. My testimony today will reflect our cooperative efforts with the various Federal Law Enforcement Agencies to stem the tide of illicit drugs into our communities.

As a Law Enforcement Agency we realize that our close proximity to the United States/Mexico Border presents us with several complex issues. Well-organized smuggling groups in Mexico supply a major amount of illegal drugs that enter into our community. These groups maintain smuggling routes throughout the border region. Additionally, the smuggling groups commonly recruit gang members within the county of San Diego to assist with smuggling, transportation and sales of narcotics. The gang members also conduct enforcement activities for the smuggling groups. Several homicides within our city are attributed to these gang members.

The San Diego Police Department recognized we could not combat these issues alone. Law Enforcement needed to combine their resources and present a united front to fight this epidemic. In the last 27 years partnerships were developed with the Drug Enforcement Administration; Federal Bureau of Investigation; United States Customs Service; Immigration and Naturalization Service; Alcohol, Tobacco and Firearms; HUD; United States National Guard and the United States Attorney's Office. During the next few minutes I will attempt to highlight these partnerships. Many of these partnerships were facilitated through the Southwest Border HIDTA Initiative.

Narcotic Task Force: In October 1973, the San Diego Police Department partnered with the Drug Enforcement Administration to form the Narcotic Task Force. The Narcotic Task Force consists of eighteen State, Local and Federal Law Enforcement Agencies with a combined total of 82 personnel. The Narcotic Task Force operates under the guidelines and policies of the Drug Enforcement Administration. Each State and Local law enforcement representative is cross-sworn as a Federal Agent.

The investigative targets of the Task Force are mid to high-level drug trafficking organizations. The intent of the NTF is identify, arrest and dismantle the drug

organizations. The Task Force is divided into eight teams to maximize its impact within the San Diego Communities. Six teams are assigned to geographical areas of responsibilities and are responsible for responding to the communities within their designated areas. Two teams conduct commercial interdiction operations. One team is assigned to the San Diego International Airport and the second is responsible for the investigation of smuggling operations involving commercial mailing facilities.

The Drug Enforcement Administration provides yearly funding for the Task Force. The current budget for the Narcotic Task Force is approximately $475,000.00 that provides for operational expenses, equipment and overtime reimbursement. The Commercial Interdiction Teams also receive operational funds from the Southwest Border High Intensity Drug Trafficking Initiative. In each of the proceeding two years, the Southwest Border HIDTA decreased its annual funding to the Commercial Interdiction Teams. These decreases in funding have been offset by the Drug Enforcement Administration. However, if HIDTA further decreases the yearly funding for the Commercial Interdiction Teams, the Drug Enforcement Administration will be forced to assume full financial support of both teams.

Operation Alliance: Operation Alliance is another highly successful endeavor involving State, Local and Federal Law Enforcement personnel. The United States Customs Service and the Drug Enforcement Administration share the leadership of Operation alliance. The San Diego Police Department joined Operation Alliance in the mid 1980's. Currently the San Diego Police Department provides two members to Operation Alliance. The Southwest Border HIDTA Initiative funds our participation in Operation Alliance. The HIDTA initiative provides for equipment, overtime and vehicles for our two detectives. Operation Alliance is responsible for investigating narcotic smuggling groups that conduct their activities near the U.S./Mexico Border region.

Our law enforcement personnel assigned to Operation Alliance are also cross-sworn as Federal Agents with the Drug Enforcement Administration. The cross-sworn designation allows our detectives to conduct narcotic investigations in the same fashion as a Drug Enforcement Administration Special Agent.

Air/Marine Task Force: The implementation of Operation Gatekeeper caused a significant increase in narcotic smuggling activities in the beach areas of San Diego County. The City of San Diego possesses a large boating community. The marinas and bays provided the narcotic smugglers with excellent cover for their illegal activities. The United States Customs Service implemented the Air/Marine Task Force.

One San Diego Police Detective is assigned to the Air/Marine Task Force. The Southwest Border HIDTA initiative provides funding for equipment, overtime and a vehicle for the detective. The United States Customs Service provides all other needed resources for the detective.

Violent Crimes Task Force: The City of San Diego is home to approximately 5,000 gang members. Gang members are actively involved in violent crime, crimes

against property and narcotics. A recent wrinkle to the gang's involvement in narcotics revolved around the various drug cartels operating in Mexico. Several gang members from San Diego were recruited by the cartels to provide enforcement activity. The gang members provided protection for drug shipments or conducted assassinations ordered by the cartels. The Violent Crimes Task Force was formed to combat the illegal activities of gang members. The Federal Bureau of Investigation sponsors the task force. Two members of the San Diego Police Department are assigned to the Task Force.

Funding for the Violent Crimes Task Force is provided by two entities. The Southwest Border HIDTA Initiative provides funds for our detectives in the form of equipment and vehicle expenses. The Federal Bureau of Investigation provides operational funding. The two assigned detectives are cross-sworn as agents for the Federal Bureau of Investigation.

Narcotic Information Network: This one organization epitomizes the cooperation among all the Law Enforcement Agencies in San Diego County. Every State, Local and Federal Law Enforcement Agency is a member of the Narcotic Information Network. The NIN acts both as an intelligence network and a deconfliction center. Funding for the NIN is provided by the Southwest Border HIDTA initiative.

The NIN provides several benefits to its members. The first priority is the sharing of information. The information sharing allows the different investigative bodies to coordinate their efforts and decrease duplication. The deconfliction capabilities of the NIN enhance officer safety.

The Financial Task Force: The Financial Task Force is a recent newcomer to the task force field. The United States Customs Service sponsors this task force. The San Diego Police Department assigned one detective to the Unit. The Southwest Border HIDTA initiative provides funding for overtime and vehicle expenses. The United States Customs Service provides our detective with office space. The task force investigates the money laundering activities of individuals and organizations involved in narcotic activity.

Other examples of excellent cooperation include the Methamphetamine Strike Force and the Methamphetamine Chemical Initiative. My time is limited to demonstrate how these two partnerships assist San Diego but that should in no way decrease their importance.

Although I have talked most about our successful partnerships, several obstacles do exist that decrease our effectiveness. Funding resources for the task forces are decreasing. As an example, the operating budget for the Narcotic Task Force decreased during the proceeding three fiscal years. Another obstacle is the prosecution of suspects we arrest. Narcotic smuggling techniques change when enforcement activities increase. This is especially evident in the smuggling of marijuana. In prior years narcotic smuggling organizations arranged for large loads of marijuana to be transported into the United States. As the prosecution thresholds used by the United States Attorney increased, the suspects changed their mode of operation and started to smuggle smaller

loads, staying below the threshold level. When caught with the smaller loads, the suspects were detained and later released with no prosecution.

In conclusion, the San Diego Police Department is committed to continuing and developing our partnerships with our Federal Law Enforcement Agencies in an effort to decrease the amount of drugs smuggled into our communities. Without cooperation, there is no success. Thank you again for the opportunity to address your Subcommittee on this important topic. I would be happy to answer any questions you may have at the appropriate time.

Mr. HORN. Thank you very much. And I now yield 10 minutes to my colleague, the gentleman from Indiana to begin the questioning. And then when his 10 minutes is over, I will take 10 minutes and so on until we get about 50 questions out.

Mr. SOUDER. Let me just say for the record that California should not feel bad about being a donor State. I believe 48 States are donor States and possibly 49. I know West Virginia is not, because Senator Byrd takes care of West Virginia. [Laughter.]

But the problem with the donor State debate, which we all have and we all holler about is that of course, because of Federal operating costs and any money that goes overseas, nobody gets a dollar back, because it is in effect an overheard charge. In fact, many of us who believe in tax reductions believe the best way to make sure you are not a donor State is to keep the amount of money leaving your State down to a minimum and therefore it stays in your State and you can make the decisions in your State. I believe for the record that California is less of a donor State than most other States, partly because of the drug effort, partly because of water questions that we do a lot of Federal supplemental on water, partly because of the senior citizen aid and some of that goes—disproportionate aid that goes to big city programs. So in relative terms, while in the drug area, California may get more; in other areas, in the donor question, that is a comment that all of us make in our home districts and our home States.

The biggest challenge we have right now, and I want to get this response because it will be helpful as we get into the kind of general debate here—the biggest problem we are facing right now after about at least 4 years of plussing up of our anti-narcotics efforts, we are under the most intense counter-attack about the so-called failure of the drug war that we have been in. These kind of things go in cycles. Political attention goes about 2 years and then if we have not solved a problem, we want to run away and go to another problem, because we are supposed to be politicians, supposed to fix them, not have something that is continuing. So we will fund something, get you all geared up and ramped up, then we will run over to child abuse here or run over to this problem there or missing children over here. And then go oh, we have a drug problem and we will come running back and plus up the numbers again.

But I would like to hear your response. You have given, each of you, examples of successful things that you have done. What I would like to ask, because it is being implied to us in Congress as we get into this debate, that the enforcement, interdiction, eradication side has failed. The movie "Traffic" is suggesting that oh, well, maybe we ought to just give up on the stuff, if we could just reduce demand a little bit, everything would take care of itself. The "West Wing" had a thing about Colombia, probably more people learned about Colombia in the "West Wing" TV show than had known about it in all the other things and their previous knowledge was "Clear and Present Danger," the movie. We are under increasing pressure in Washington to not increase your budgets, but to reduce your budgets this cycle.

What would have happened in the cases that you described if your dollars go down? If we either freeze, so that your dollars go down in a realistic way, because you do not have the inflation ad-

justment, or you actually get a 10 percent cut, what will happen to the amount of narcotics coming into California and going to the rest of the country? That is really the question being asked of us right now. They are saying hey, it has failed.

How do you respond? What will happen if we reduce your budget?

Mr. STAVELEY. It goes up. And I do not mean to be flippant in my response—it will, it will go up. I mean it is not much different than a beaver building a dam on a stream. The water backs up on the dam. If the beaver stops doing maintenance on the dam, the water will flow through the dam and will continue downstream. My sense of it is—and again, I have been a policeman for a long time, I do not consider myself an expert, but clearly it would have to go up. There will be a direct result, more dope on the street, more of our folks exposed to it.

Mr. Congressman, my personal bias is that this not—as you face that question, and I know it is a real question, California has faced it at the ballot box twice now—as you face that question, I do not know why we have to have it as an either/or question. You know, demand reduction is a useful thing to do, we should do that. Education is a useful thing, we should do that. Treatment is a useful thing, we should do that.

But why do we give up the only effort we have had that has even been marginally successful so far at keeping drugs out of the country?

I think you do all those things, you do not do one or the other and forget the rest of them. It is like building—it is a three or four-legged stool. Remove two of the legs and the stool is going to fall over. And I think you cannot just do treatment, you cannot do just demand reduction, you cannot do just interdiction, you have got to do all of those things, but you cannot back up on interdiction or the stool is going to tilt over.

Mr. SOUDER. Let me ask Ms. Brown, in the Border Patrol, if we reduced the number of Border Patrol agents—one of the things we heard in the testimony was that people were moving to smaller quantities, that was you did not have a big bust. If we reduce the number of agents, would we not then also reconsolidate the loads? In other words, one of the key questions in the budgeting here is that as we do things, the traffickers do things. We up our costs, they up their costs.

Could you explain to me kind of this inter-relationship because I think the fundamental question people are asking is are we getting a return for the dollar in the drug effort and that for marginal increases, if we marginally reduced, what would happen on the other side, would they change their thing—in other words, are we consuming as much as we are going to consume anyway and by us reducing the interdiction budget, in fact, there would not be much of a change?

Ms. BROWN. Well, first of all, I have the Customs Service and Mr. Veal has the Border Patrol.

Mr. SOUDER. Sorry.

Ms. BROWN. Quite all right.

Mr. SOUDER. You had the quotes on the border that I was picking off of.

Ms. BROWN. It is true that one of things that we are facing here are the smaller loads, but I think that is just simply because the traffickers use this method to get it in, they just flood constantly. We are not finding the huge shipments into the ports that we have in the past.

But without the resources to be out there at the ports of entry with the Customs or between the ports of entry with the Border Patrol, I firmly believe that it is going to come in. I certainly cannot give you any statistics that we are consuming all that we are going to consume and if there was more, we would not consume it. It appears that any time we reduce our resources, there is just more openings for the narcotics to come in, and I believe that they will come in.

Mr. SOUDER. Do others agree with that as well? In other words, if we reduce the enforcement, the amount of narcotics coming in would increase and usage would increase?

Mr. MORATTO. I believe from a local standpoint and what I have seen over the years, not only do I think it would increase, but I think how they go about doing their business would drastically change. You know, the more money you put into interdiction and the more money you put into prosecution, seems to have a dramatic effect on how the drug dealers ply their wares or how they traffick their product.

For example, if you bring in 90 pounds of marijuana into San Diego County or Imperial County—but I will speak to San Diego County explicitly, if you hire a 17 year old Mexican national to drive a junker car that is worth $200 with a load of 90 pounds of marijuana into San Diego, heading North to Los Angeles, if that person gets interdicted say at a Border Patrol checkpoint, then what happens is we seize the marijuana, it is impounded and burned someplace down the line; the Mexican national juvenile is sent back to Mexico with no record virtually except that he entered the country illegally and there is no prosecution on the case because it is not going to be prosecuted because it is below the threshold in U.S. courts and it is not going to be prosecuted through the State court in San Diego County because there is no nexus to San Diego County at all, so San Diego County would be paying the burden of prosecution on the case. The drug dealers know how things operate in the courts, it does not take them long to do it.

When big loads were easy to get through, they brought big loads. Now they shot gun it with numerous cars carrying smaller amounts in a different fashion. They are not stupid, they have the cell phones, they have better technology a lot of times than we have in law enforcement, and they react to how we go about interdiction and prosecution.

Mr. SCHNEEWIND. I would like to comment from a small county perspective. If you look at San Diego and then you look East along the Southwest border, there is not much there. You know, they talk about the thin blue line or the thin green line or whatever. The U.S. Border Patrol and your local sheriff's departments are what is out there. Imperial County is, dollar-wise, the lowest per capita income in the State, the population is—unemployment rate is the highest in the State.

You go on into Arizona all the way into Texas and you are faced with the problem that if you back away from the partnerships or you back away from supporting the partnerships we have, you are leaving my deputy sheriff driving around out there in the middle of the night to interdict these problems. We are right back where we started a number of years ago on the Southwest border in Imperial and San Diego Counties, of saying the Federal Government does not care about it. My people still drive into the middle of people unloading dope out of the back of cars and it is a dangerous thing to happen.

I would like to comment about something else that was said here earlier and that is that—I was reading I believe in the San Diego UNION about the arrogance of the cartel members. They held I guess a little get-together down in Mexico where all the heads of the Mexican trafficking folks got together in concert with the government, the Mexican Government, and had a meeting about let us do away with the bloodshed, let us plan for the coming year, let us see what we can do about doing business so it does not cost us any more and we can make more money.

We are sitting here talking about or discussing cutting meager funding along the Southwest border while they are talking about banking in Zurich.

Mr. HORN. Well, some of what I am going to ask will relate to that. We are in now my 10 minutes and we have a lot of questions here.

So let me ask Mr. Veal, the Chief Patrol Agent in the San Diego Sector, one of the things that bothers a lot of Americans is every time there is a show like "60 Minutes" or something, you see, I think it is Douglas, AZ where they are coming in by several thousand and obviously those of us that look at that show say good heavens, if they can find it with their cameras, where is the Border Patrol. Could you tell us what that situation is in Arizona?

Mr. VEAL. Yes, sir, Mr. Chairman, I can. Thank you for asking the question.

The same footage that you will see taken in Douglas, AZ a few months ago would have been the footage you would have seen taken here in San Diego 10 years ago. As I said, 10 years ago, we had no plan, we had no infrastructure. We are not in that position any more.

For the 20 years from 1970 to—25 years, from 1970 to about 1995, one half of all of the illegal entries that occurred on the United States/Mexico border occurred in San Diego County. And 50 percent of those, occurred in the first 5 miles of border. That is, from the Pacific Ocean to the San Ysidro Port of Entry, it is 5 miles—25 percent of all the illegal entries that occurred in the United States occurred in that 5 mile stretch. This was the most heavily trafficked corridor in our Nation. And that trend persisted for 25 years.

That is why I say, folks said, "Do not even try; you cannot do anything about it." I think if you have the opportunity to come and see that stretch of border today as we have systematically applied our Border Patrol strategy, we have built that infrastructure. There is now a viable fence on the border, there are lights on the border so that people do not have the cover of darkness. There are

roads, all-weather roads, that enable Border Patrol agents to patrol the border.

We tackled San Diego first. It was absolutely the worst place in the country. We demonstrated that you can control the border in the United States if you put the right mix of technology and resources to it. San Diego is currently the template for what was then achieved in El Paso, TX, where I also had the pleasure of serving as the chief. Again, that was the second worst place in our country. That is now static.

Mr. HORN. I held a hearing here in 1996, a Presidential election year where a lot of things were going on, to try to prove at last just exactly what you said, so they poured some money in so that the Republican Convention could not make a major issue of it.

But what I did note was when we had the ranchers come at the end of that hearing, that they are still flowing through the mountains to the East of us. I did not even know there were mountains except the Sierra Nevadas, I had never been in that part of San Diego. But the testimony was unbelievable, including a squad of the Mexican Army who lost their compass or something.

I just wonder if that is where the flow is still coming from.

Mr. VEAL. I can tell you, Mr. Chairman, we were not able to achieve border control here overnight. It took us 5 years before we turned that corner. They are still in the process there, but I will tell you this, we are halfway through our fiscal year right now. For the first time since Operation Gatekeeper began, across the border, from Brownsville, TX to San Diego, CA, we have got a 24 percent reduction in the number of people attempting to enter our country illegally, and the Tucson Sector, which is the area of Douglas that you are talking about, has also seen that reduction.

Mr. HORN. You mean they are reducing the forces, or the reduction of the immigrants?

Mr. VEAL. No, no, sir, the reduction has come in the number of people who are being arrested, the people who are attempting to enter.

They do not have the degree of control in Douglas that we have here and it's going to take them awhile, but I think again, the fact that they were able to turn those numbers down is a sign of success. And it is not going to be overnight.

Mr. HORN. Do they not have the help of the local people in Arizona, or what is the problem? I mean this has been going on now for 3 years that I know of, where they just pour into Douglas, they have taken over the town and we are not doing anything. And that bothers me.

So what is the Border Patrol's budget and what-not and can that not be moved from some other place where they do not have people pouring in?

Mr. VEAL. Yes, sir, we currently have 200 of our officers from here assigned outside the Sector, principally to work over in Douglas. And that does not just include officers. That includes some of our pilots, some of our aircraft, a significant number of our vehicles. So we do have that flexibility in our strategy to address those issues.

Mr. HORN. Let me move to another question that would relate to the Border Patrol, and that is, I learned somewhere again, a few

weeks ago where the people that are bringing in drugs and everything else through our San Ysidro entry and there is some tall building there and apparently the drug lords or their stooges are sitting there with bifocals—binoculars and they are talking in their cell phone, oh, gee, you do not want to go through that gate, let us move over here into that lane. What have we done with that? A relative of mine said why do we not use a cruise missile on that building to start with. That is how people feel, and I do not blame them.

You are trying to do a wonderful job, but if somebody is up there doing that, there all to be all hell broke loose on that building. What are we doing on it?

Mr. VEAL. Mr. Chairman, I will address your question to the extent I can, given that the Border Patrol has no responsibility at our ports of entry. Our responsibility is for those folks who try to enter our country at places other than the ports of entry, but we suffer the same effects. Our officers are surveilled; to the extent that we are aware of that, we engage in counter-surveillance. We know that they attempt to monitor our movements, our radio frequencies. There is a limited degree of cooperation with the Mexican Government on a number of those issues. It has always been quirky; however, I have seen an improvement in the last few years. And I think with the commitment, I believe Mr. Fox is sincere in wanting to improve the situation in Mexico and we are seeing efforts being done on their side.

Mr. HORN. So you get the feeling that they are being supporting of the new President there, that something will happen.

Mr. VEAL. It is certainly not like working with Canada, Mr. Chairman. I mean we do not have that—there is not that inter-governmental relationship. But we do have—we are seeing, and I think the Mexicans are sincere in attempting to restore order to the border.

Mr. HORN. I was at a dinner that meets once a month in Congress on—and we had officials from the Mexican Embassy and officials from the Colombian Embassy, and my question to them was you move all of that stuff through your country heading for the United States where the money is there, etc. Now, are any of your children being hurt by what is going through and they said yes, as a matter of fact, we regard it as the most serious national security problem we have because it is not just keep moving to the Yankees to the North, it is dropping off a piece here and there and it is affecting their own children. So I think there will be a little change in some of what they are trying to do in parts of Colombia and parts of Mexico, but we all know that there is so much corruption in both those governments, we all wish President Fox the best because he is the first breath of fresh air there in 100 years.

So let me move to infrastructure, and this includes Customs obviously and the Border Patrol. What is it you need that you do not have—when they are dropping it out of planes from Colombia, dropping the drugs right at the border practically and out in the ocean and all the rest of it, what do you need that you do not have now?

Mr. VEAL. I think, as I said earlier, Mr. Chairman, the Border Patrol has a strategy, we call it the Southwest Border Initiative.

It applies for systematically growing the organization to meet the need that we feel we have. San Diego is attempting, what we are trying to do now is we are about halfway through that strategy. San Diego was the worst place, El Paso was the second worst place. That is no longer the case. We have demonstrated that if you want to control—if we want to control our border, we can do it. And I think we are in the process now of growing the organization and replicating what has been achieved here and what has been achieved in El Paso, at the remaining trouble spots on the border. Currently, the focus is Douglas, AZ and that is where we are concentrating our efforts currently.

Again, I think we have got a plan that is working and we just need to stick with the plan.

Mr. HORN. Well, I am thinking of either building fast small little boats or ships or whatever where they could go out and find what has been floating in the waters from hither to yon, and I just wondered if we have got a plan there.

Now I remember when three colleagues, we went to the Panama situation before it was turned over, and it was very clear when you looked at the radar where all those traffickers up in the air was going was Puerto Rico, and I told General McCafferty when I came back, I said, you know, we ought to try to get Customs and Immigration to be checking everybody that is coming in to New York of course from Puerto Rico. But the facts are that politically all hell would have broken out by the Eastern Congressmen, what are you doing to my constituents. But we know you have got so much of that stuff moving into New York right under our eyes—is there ever anything we do to stop some of this stuff?

Mr. VEAL. The answer, Mr. Chairman, is yes. Just as the smugglers at the ports of entry try to use small—they switch to smaller loads of contraband, they just use common vehicles, here for example, in the harbor of San Diego, about every morning there are about 500 vessels that leave the harbor and then at the end of the day, there is about an equal number of vessels that return into the harbor. Smugglers do the same thing. They realize they have got this traffic, they try to blend in with the normal traffic and our ability—as I said in my earlier testimony, the Coast Guard has been an excellent partner in that effort for us because they have the long sea legs, they can reach out and they can tell us some things that are on the horizon, so we can prepare to deal with them as they get closer.

The fact that the Coast Guard is suffering budget shortfalls now has forced them to curtail a lot and that will adversely impact our ability to ferret out the traffic as it gets to the harbor here.

Mr. HORN. I also told General McCafferty we had Navy platforms on the East coast, why do we not have some on the West coast, and I was told yeah, that is a good idea. Then I talked to the people on the firing line here last night and I think we are lucky if we had even one Navy platform. I guess my query is, are they all sitting here in San Diego for the tourist to think wonderfully of the Navy or what? It seems to me that if they have got a number of ships here, some of them ought to be used for this purpose.

Mr. CHAVEZ. If I may answer that? JIATF West is responsible for the interdiction effort in narcotics coming up from the—for the co-

caine that is coming up from South America. As I mentioned in my presentation, there has been over 102 tons of cocaine that has been seized since late 1998. What they are doing is assisting us at DEA in pursuing our investigations. We have preseizure intelligence that we provide to JIATF West and that is the Coast Guard and DOD. They go to the areas where we suspect that the loads are coming up from Colombia and make the seizure. Then they bring the loads up, if we can, for prosecution here in San Diego, and if not, they take the loads of cocaine to the foreign country. Most often it is Mexico.

What they are doing is, first, if they have enough planes—and this is where there is a shortage of P3s. If they have enough planes to have an overflight in the area—because it is a very large body of water—they can locate the smaller go-fast boats or these refueling boats. Then they will send the word back to us so we can develop the intelligence to assist in finding out which organization is involved. We can use those photographs for prosecutions and we can also assist in debriefings after a seizure is made and talking to the defendants. So there is an awful lot that they can do and will be able to do if they have more support.

Mr. HORN. I am going to have to move on so my colleague can get his 10 minutes. You have talked about and showed in your presentation very interesting things about well, we have arrested them. Now the question is did we convict any of them?

Mr. CHAVEZ. You are talking—which ones are you talking about?

Mr. HORN. I am talking—on your various presentations you have given us certain data that said well, we have got so much money here, we have got arrests here and all the rest of it. I am just curious, does any of that ever happen where they are incarcerated and getting a wonderful little jail term?

Mr. CHAVEZ. We have arrested over 1,000 defendants every year since I have been here in San Diego. It has varied from 1,300, 1,100, 1,200; but yes, most of our prosecutions result in convictions, very few are not convicted.

Mr. HORN. Would you say it is more than half the arrestees you have to be convicted?

Mr. CHAVEZ. No. I would venture to say it would be—90 percent are convicted—and that is a rough figure—of the 1,300 or 1,200 defendants that we have on a yearly basis.

Mr. HORN. Well that is very good if you can do that because frankly, we do not do that with bank robbers. I mean, it is amazing the few convictions in some judicial districts. We have got some judicial districts along this border area that might well just let them off, I do not know. What do you feel from your friends from here to Texas? Do they feel they are getting support from the U.S. attorney or what do they feel?

Mr. CHAVEZ. There are areas where we do have more defendants than the courts can handle. There is a problem for housing the prisoners, for processing the prisoners and then to take them to court. Yes, there are judicial districts that are more inclined to take a plea. There are other districts who are more inclined to have them return to Mexico with a State conviction. Here in California we have three strikes and you are in for life. So there are different procedures in different jurisdictions, and to paint the picture with

one brush I think would be very difficult. Each area has some unique problems.

Mr. HORN. At this point in the record we will put a presentation from the administrative arm of the Federal courts and see if we can get the data as to who was arrested and what were the convictions when it got to drugs and see if we cannot tighten the screws a little bit. I am sorry to go over.

Mr. SOUDER. Mr. Schneewind, in your testimony I had a couple of questions on the methamphetamine data that you raised. You have in the testimony here that 75 percent in San Diego tested positive of methamphetamine or admitted methamphetamine use in 1999. But then the following statement you said it is actually down slightly.

Mr. SCHNEEWIND. Yes, sir.

Mr. SOUDER. To what do you attribute the decline because that is not what we are hearing overall on methamphetamine in the United States.

Mr. SCHNEEWIND. As I recall, the initial screening was set up in Vista jail, which was a project that was funded under a grant, and they were screening the folks. San Diego County had an extremely high incident of methamphetamine. I do not know whether we have been successful at educating folks or getting the word out that this is something that is—maybe they are selling more of it out of the county instead of in the county.

Mr. SOUDER. It is moving through but not as much used?

Mr. SCHNEEWIND. Right.

Mr. SOUDER. You mentioned about the 23 children. You did not have it in your written statement, but I heard you say three-quarters of the children tested positive for methamphetamine.

Mr. SCHNEEWIND. Recently we have done the——

Mr. SOUDER. Is three-quarters the right number?

Mr. SCHNEEWIND. Yes, sir, in Imperial County. This was a situation that we certainly just recently came on board focusing on the children at the methamphetamine sites. We went a full—our prior year we went with no methamphetamine labs in Imperial County. We did some training. I started training my field deputies, my uniformed deputies, in recognizing what the precursors—what to look for, what is a lab, what can you develop. Well the genie is out of the bag, they started recognizing what they are and starting developing cases. Our local narcotics task force comes in and assists. We have picked up children at each one of these sites and they have all—the vast majority of them, 75 percent at this point, has tested positive for methamphetamines.

Mr. SOUDER. What is the range?

Mr. SCHNEEWIND. We are talking infants up to 5 and 6 year-olds. They are crawling around—when you have in mind—you may think about a methamphetamine lab as being some—like your science lab in high school or something but that is not the case. They may be a vermin-infested trailer that has trash and junk all over the floor and crawling amongst that trash and junk on the floor is some infant. They do not have to take the methamphetamine, they are absorbing it. The methamphetamine is just one of the problems. The other chemicals used to make the methamphetamines are probably more dangerous. Some of these

young folks are not going to have a long life span if they continue to be exposed to this.

Mr. SOUDER. Mr. Moratto, have you seen this in San Diego?

Mr. MORATTO. Yes, we have. In fact, it has been such a problem here and in the entire State of California that we have a program called DEC, the Drug Endangered Children. We work very closely with the courts here in San Diego and the juvenile court system has really taken a hard stance on this. We have trained all of our investigators to the point—I have a person assigned to my office now from the county and that is what she does, work with the endangered children. She is a full-time employee and works in my narcotics unit just on that problem. We are taking children out of drug houses and out of laboratories on a regular basis.

Mr. SOUDER. Mr. Staveley, has that been a pattern state-wide that you have seen? Has the law been effective? Has it at least forced them to separate—some of them out of fear of being prosecuted—their children from the location or what?

Mr. STAVELEY. I am not sure that I would make that conclusion. I can say, as these gentlemen indicated, that this program, DEC, began in Butte County a number of years back. I think there are 12 DEC programs in the State, something like that now. Of that number, I would say—and I am not quoting, I am just estimating—that all of the ones that I read about, they are running between 30 and 40 percent, and 75 or 80 percent of the kids have poison in their blood system when they are tested. I do not think we will know what the end result of that is. The deputy sheriff is no doubt right, it is going to dramatically impact them.

What most jurisdictions seem to be doing about it is that they will put those kids under direct supervision of the court to make sure they are separated from their moms and dads. As to whether we have impact on kids in the future, I do not—I am not sure. We are having an impact on those kids because those kids are being separated from the environment going into foster homes or mom and dad get fixed up and cleaned up. Then they come back together and reunite as a family. But they are being observed and watched to make sure that they are not exposing those children to those poisons again.

Is that responsive?

Mr. SOUDER. Yes. I was up at JIATF West a few weeks ago and the DEA gave me a brief about basically a housing development for producing marijuana. Are you familiar with that? We do not have that in our record. If any of you are familiar here with that—we are going to insert it into the Washington record, but it is a development that they have uncovered and they are starting to prosecute now. What was a phony housing development and they were indoor marijuana development North of San Francisco. It is massive—producing something like 30 or 40 percent of the marijuana for the State.

Mr. STAVELEY. Our colleague from the DEA probably has more management on it but——

Mr. SOUDER. Presumably medicinal marijuana because signs at the gate said that this was medicine, you know, when they went in.

Mr. STAVELEY. It used to be in the Humboldt area there was Emerald triangle.

Mr. HORN. Grandmothers.

Mr. STAVELEY. It used to be almost all outdoor grows and now it is almost all indoor grows and there may actually be a silver lining to our power crisis because they will not be able to get electricity at the prices they have had in the past.

Mr. CHAVEZ. I really do not have any information on that. That is in the San Francisco Field Division and so I am really at a loss to explain it.

Mr. MORATTO. Mr. Souder, I just want to say on the statistics that were quoted about the percentage of people entering our jails here in San Diego County, we have a group here in San Diego called SANDAG, it is the San Diego Association of Governments, and they have an ADAM program and they measure this every year and they have for several years. Those copies of that could be available to you and it might be most helpful in what you see. And they check the population, the men, the women, the juveniles, and they do those surveys in the jail. So that information is available.

Mr. SOUDER. And before giving Mr. Chavez a chance to respond to my earlier question, I want to make a comment with this, because it reflected a frustration that I am having and a number of other people.

Understanding that politics is almost like a seasonal thing in the sense of our interest in different issues and the sustainability of public support, and I have been very aggressive on the prevention/treatment side as well. I am probably the most unpopular Congressman on college campuses right now because it is the Souder amendment that says if you get convicted of a drug crime, you lose your student loans, which every whining newspaper editor in every university in the country has called our office.

But the goal was to get them into treatment, if they go through a treatment program, they get their loan back. The goal is not to have punishment, the goal is to get people cured. And we cannot say that we are really having prevention/treatment if we are not holding people accountable for their behavior.

But we are frustrated. Mr. Horn's question a minute ago about the military, quite frankly, our new Secretary of Defense has some pretty appalling statements on the record about where he sees the drug issues, and hopefully as he comes in, he will start to realize that we need the Defense Department to engage in this. We need a drug czar. Hopefully, by the time this report is printed, we will have a drug czar, but I understand we are in transition and I am a Republican, I am very supportive of this administration, but I am concerned that what you are seeing out of Washington right now is part of this grassroots problem, and what we often hear at our hearings and what the general public hears—I am afraid, as a baby boomer, that it is sounding a little like Vietnam. We get the numbers of the drug busts or we get the numbers of the people that we caught at the border, but the general public says well, they are coming across over here. You know, we got them here, but they just came over here. And then, well, you have got this big bust, but how come if you got this big bust, there are still more drugs in my hometown. And that is the fundamental question that we are hav-

ing to deal with right now, because we are going to have some really hard budget numbers, because back home they are saying we want prescription drugs in Medicare—where are we going to get that money. We need more money for hospitals, we need more money for Head Start, we need 11 percent increase for education, we do not have the right kind of weapons in the military.

I know you are doing everything you can on the front lines, the statistics you gave us today helps, but my question was not asked in an unfriendly way, it is that we have to have this stuff if we are going to engage in the debate and one of the questions is what is their counter-proposal. If we reduce it, what is going to happen at the border, what is going to happen in California if we actually reduce your funding or do not give you the needs, because what you are telling us is you need more and yet that is not what people are telling us.

Mr. Chavez, I cut you off earlier.

Mr. CHAVEZ. I believe we are going to lose vital intelligence, effective law enforcement programs, we are going to lose the initiatives that are the most productive I think on the Southwest border. If 50 percent of the population on the Southwest border is in this area, we should have enough funds to address our problem because of the population.

The intelligence we get is international, we are able to get the technology—I mean get the intelligence through technical intervention such as Title 3 operations, listening to drug traffickers, using informants, paying for information. We are able to multiply our effectiveness by developing programs to share this intelligence with other law enforcement agencies, State and local, get them involved, working with the Border Patrol, trafficking trends. We can send that information to them or we can work with our counterparts in host countries to make the arrests and stop it at the source.

All of this altogether—if we do not share the intelligence, if we do not work together, we do not develop these international programs, State and local programs and initiatives, we are going to lose the battle. We are going to have the traffickers who are criminals recognize our weakness and then just fill the void. They are going to come right in with multi-tons of cocaine, multi-tons of marijuana. It is going to be easier for them to cross the border, easier for them to travel to their distribution networks throughout the United States. We are going to see more drugs—methamphetamine, black tar heroin—coming into the United States, more addicts. It is going to multiply the effect all over the United States.

Mr. HORN. Let me ask you about the forfeiture of assets and how it is utilized to help both State, Federal, local, county people that have been helping us on that. How do you feel, is it OK the way the law is or should some amendments be made to it?

Mr. CHAVEZ. I believe we should amend it. We are suffering, we are not having any kind of effect on the traffickers, they now routinely file to get their property back because there is no real penalty. It is at the expense of the government. And we find ourselves on the defense when we know that there is obviously a violation of law, the traffickers are using the vehicles and conveyances to get the drugs into the United States. We should amend that, it is affecting our operations.

Mr. HORN. Why cannot we just do it and keep it right now? I do not get it, what am I missing in the law now?

Mr. CHAVEZ. What is happening is that the traffickers get attorneys to file and that puts the U.S. Government on the defensive and we have to then fight to prove that the traffickers did in fact have knowledge there were drugs in the cars or using the property to distribute the narcotics. It does penalize the prosecutor and it makes it more costly for the U.S. Government to fight the issue.

Mr. HORN. We have Camp Irving that trains a lot of the U.S. Army. Is it possible that we could dump those cars there and let them use live ammunition? There will not be much of a car to talk about at that point.

Mr. CHAVEZ. I think unless we can prove that the traffickers used those cars, that we are going to have to fight the battle and we will not be able to have those cars available to drop any live ammunition on them. It is routine, these defense attorneys just routinely file.

Mr. VEAL. Mr. Chairman, if I could, the point I was trying to make in my earlier testimony about the impact of the Civil Asset Forfeiture Reform Act [CAFRA] as it is referred to, is that prior to that enactment, most of the agencies had promulgated rules through the Administrative Procedures Act—we were able to forfeit. For example, the Border Patrol, principally what we see are smugglers in cars, whether they are smuggling people or whether they are smuggling drugs, they are in a car. Prior to the Civil Asset Forfeiture Reform Act, whether that person was prosecuted or not, we were able to forfeit that vehicle to the U.S. Government. So at least there was a price to be paid for people who were engaging in that illicit activity. Since the passage of CAFRA, our ability to forfeit vehicles resides in the courts. And as I described to you that we have already overwhelmed the Federal judiciary. Our inability to seize these vehicles and raise the price of being engaged in smuggling has caused a proliferation of small scale people who say, "You know, I really do not have much to lose for me to get involved in a smuggling venture, so why do I not go ahead and try it?"

Mr. HORN. What do you think? You are the authorizing committee. Do you think we can get something done on that?

Mr. SOUDER. Well, one of my questions, what happens right now? In other words, during the appeal process—in other words, before you could just seize the car, sell it and split the assets, because the doubt went to the side of the government. During the time they are filing it, do they get to keep the car and use the car?

Mr. VEAL. Sir, the Border Patrol is effectively no longer in the business of seizing vehicles.

Mr. SOUDER. So in effect you just lost it completely.

Mr. VEAL. Yes, sir.

Mr. SOUDER. Because of the court backup, you do not even bother to—in other words, even if you could seize it and put it in a holding place until you got a court resolution, it would be a deterrence even if they got it back 3 years from now.

Mr. VEAL. Yes, sir.

Mr. SOUDER. In other words, that would be a potential compromise.

Mr. CHAVEZ. But there is a problem, because the U.S. Attorney's Office does not want to get involved because it takes too much of their time and the time of the courts, they would just as soon return the car.

Mr. SOUDER. So that would possibly require a splitting of the—the reason we've gone more to the U.S. attorney is because Federal laws are tougher for prosecution purposes and many times the local law enforcement wants to go to the Federal. But when you do that, the Federal courts, quite frankly—and even if we increase the dollars, they are not going to be able to handle individual car cases. There needs to be—but if somebody in effect has a car tied up for 5 years while they are waiting and the Federal courts do not feel that there is any rush to do it, you de facto do the same thing, do you not?

Mr. CHAVEZ. But it is up to the government to pay the attorney should they lose. So the whole process, the government is losing——

Mr. SOUDER. Wait a second, we do not have a loser pays. We have loser pays for drug dealers but not for anybody else in America?

Mr. CHAVEZ. No, we pay for legal fees if they prevail.

Mr. SOUDER. Do we have that in any other area? We do not have loser pays.

Mr. MORATTO. It also costs money to store cars, to tow the cars and it is a tow contract that is done through the government. So all of that incurs expenses——

Mr. SOUDER. We need to relook at it, there is no question.

Mr. HORN. Boy, I will say. We can be witnesses before your committee. [Laughter.]

I hope we get a pleasant reception, I think we will. You are a former U.S. attorney.

Let me ask a few questions. Apparently we have to be out of here by 1:30.

To the entire panel, why were the problems associated with the combined prosecutions initiative not anticipated? Was there any problem there? And what were the problems?

[No response.]

Mr. HORN. Was that part of the State of California or was it all Federal in terms of the combined prosecutions initiative?

Mr. CHAVEZ. I am at a loss as to which one you are actually talking about.

Mr. HORN. Well, let me pass that over then, because we do not have time for digging it out.

Give me a summary of what you think is the current threshold for the Federal prosecution of drug cases.

Mr. CHAVEZ. That is a very sensitive issue because any comment that we make about the thresholds, the word immediately gets out to the traffickers and they will reduce it by 1 pound if we make reference to it, so it is very serious for us, because we cannot give a number out there and what we do give out there, if the traffickers exceed it, then it overburdens the Federal courts; if it is less, then it overburdens the State courts. It is a very sensitive issue.

Mr. SOUDER. So they should assume it is 1 ounce.

Mr. CHAVEZ. Well, it depends on the drug.

Mr. SOUDER. Or 1 gram.

Mr. HORN. Mr. Staveley, any comment on that question?

Mr. STAVELEY. You know, I am not as familiar with the San Diego issues as these folks are, but that makes perfectly good sense to me. To keep them guessing, I think that is a good idea. I will bet you could get the answer to your question after the meeting.

Mr. CHAVEZ. Probably could, yes.

Mr. HORN. Undersheriff, in your testimony, you say "My final example of Federal/local cooperation is the combined prosecutions initiative which provides funding for cross designated assisted U.S. attorneys and deputy district attorneys and the prosecution of border drug cases in State court. The past 2 years, the San Diego District Attorney's Office handled 3,400 port of entry and other border drug arrests, allowing the U.S. Attorney's Office to concentrate on major violators and conspiracies, while ensuring that lower level violators are prosecuted and a measure of deterrence is maintained. Ironically, the number of cases being handled by the DA's offices has now reached the limits of their capacity." Another example of local impact which you spoke of earlier and what was intended to relieve the Federal prosecutor's burden has now severely impacted local prosecutions in both San Diego and Imperial Counties.

Mr. SCHNEEWIND. Absolutely. And day before yesterday, I spoke with our district attorney in Imperial County and he is at a point where he says I cannot handle any more and I am not going to handle any more, which we call them threshold cases. You reach a threshold and it goes one direction or the other. He has reached a point—again, we are a small county—he has reached a point where either he gets more help, which is a problem because our court system itself at the State level is at its maximum as well, so you start stacking things up and you never get to trial.

Mr. HORN. We will send you some questions on this if that would be helpful, because I realize that one way to wreck our judicial and justice system is when they get overwhelmed with a particular aspect and nobody gives them the resources, be it the State or the Federal Government. If they are doing the Federal Government's duty, they ought to get money from the Federal Government and try to somehow—of course, then some attorney will say, "You are just doing this to get the money, are you not?" And so forth.

Ms. Brown, your testimony notes that the Customs Service is responsible for enforcing 600 Federal laws on behalf of the 60 Federal agencies. How would you grade Custom's success in enforcing all those laws?

Ms. BROWN. I think that we do as well as we can with the resources we have. It is overwhelming, the amount of things that we have to handle. Trade with NAFTA has increased enormously and we need to facilitate that trade, while at the same time keeping the narcotics and other prohibited items out of the country. Narcotics is right now the priority. I think that we do a very good job on that, but it is a resource issue. There are 700 inspectors at the ports here in San Diego and 200-plus agents to do the followup, and there are 31 million cars a year. The volume is enormous.

Mr. HORN. The last 3 years I have held hearings in the Port of New York, hearings in the Port of Los Angeles and the Port of

Long Beach, and the fact is, you are under-funded, under-resourced in this whole area. Commissioner Kelley swore to me that he would sure change it in a few months, in a few months, etc. And nothing has happened and he is no longer Commissioner Kelley.

So what about that system they have got on how you put people in various positions there, based on the load?

Ms. BROWN. We do have a resource allocation model and we are increasing our staffing here. It is a slow process with the hiring and with the numbers of retirements that we are also suffering. We also have the same kind of experience level, it is very low at the moment. But we are increasing—the San Diego office is continuing to increase, there will be a couple more groups of agents here within the next while. The Customs Services I believe is recognizing some of that and doing some resource allocation.

Mr. HORN. Mr. Stavely, what do you think the Federal Government ought to be doing to help the States that go to the front, if you will, of this war?

Mr. STAVELEY. If I have a criticism of the Federal approach, it is one of the things you gentlemen mentioned a few moments ago, and that is throwing the money out and then pulling the money back; throwing it out, pulling it back. Again, it takes 5 to 7 years to make a decent radio car driver—and I know we are not on this subject, but let me just make the point, you eliminate the cops money and all of a sudden how do we find radio car drivers any more, the money is gone.

I think the mistake the Federal Government consistently makes is what you talked to, sir, you jump to this issue and then you jump to that. You are just moving the same dollars back and forth.

I really think, as an example, if the Custom Service is something you really want to devote resources to, give them the dollars, and I hate to say this, but leave them there 10–15 years. When they keep getting pulled back, that is what disrupts the organization.

Mr. HORN. Right.

Mr. STAVELEY. I will speak now for the years I have been involved in it, not the Federal Government. When that funding goes like this, it demoralizes the troops, confuses the vision for what the organization is supposed to be doing, upsets the mission and throws the short and long term goals and objectives into turmoil. And so I think the first thing I would say is make sure you are being steady.

The other thing I would say is that I would ask the question if somebody wanted to do a new drug initiative, how does this fit in with the current initiative? I think the HIDTA is a wonderful example, a very positive thing, but when the HIDTA was funded and brought forth, there was not, I do not believe, adequate forethought given to how it would integrate into the RISS system, as an example. And we wound up, only because we have really good people, we wound up with the ability to navigate that, but there was more than a little bit of confusion and there was some bumping of ships in the night as a result of it.

So I would ask—the second thing I would say, sir, is that I think the integration of new programs has to be carefully thought through, in addition obviously to more resources. The sixth largest economy in the world here is what we are talking about. You have

been here several times and I hope you have had a chance to get down and spend some time on that border.

Mr. HORN. Yeah.

Mr. STAVELEY. I have tried to explain it to people and the only way I can explain it to them is drag them down there and have them look at it. It is just an extraordinary, extraordinary place.

And if I may just take 1 more second of your time, Imperial County is a place that I have spent a lot of time as of late in this job and I have a lot of interest in it. There are 25 deputy district attorneys and the district attorney in Imperial County. It is small enough that the district attorney actually prosecutes spousal abuses because he has to, that is his caseload. 160,000 people in the county, 100,000-plus a day come across the border legally to do business in Imperial County and go back across. So they are resourced for less than 160,000 people but they have a population that is nearly twice that size. It is just an amazing place to go. And maybe it is not replicated anywhere else in this country, I do not know, but to me it feels like Imperial County is really under-resourced as well.

Mr. HORN. Well, I hope I can get there one of these days because it is the only county of the 58 that I have not been in.

Mr. STAVELEY. I would suggest you——

Mr. SCHNEEWIND. Make it this time of the year, not July or August. [Laughter.]

Mr. HORN. Besides the assets bit that I mentioned, I would just like you to name a Federal or a State law that, if amended, would help each of your organizations perform its functions much more effectively. And what changes would you recommend? Let us just go right down the line. Ms. Brown, do you have anything?

Ms. BROWN. No, sir. In fact, both in Los Angeles and San Diego, I had no input from anybody saying that there was anything impeding us with working the State and local.

Mr. HORN. OK, State law or Federal law. OK. Mr. Veal.

Mr. VEAL. Thank you, Mr. Chairman. If I could just reiterate, as I said previously, I think there needs to be some reconsideration of the Civil Asset Forfeiture Reform Act. I would also counsel that you look at the anti-augmentation provision. I think that prevents us from availing ourselves of a cadre of volunteers, folks in the community who would like to provide free services to Federal organizations but cannot do so.

Mr. HORN. And that is barred by law, you are telling me?

Mr. VEAL. Sir, our general counsel tells us that the Anti-Augmentation Act prevents us from availing ourselves of volunteer services.

Mr. HORN. And you feel the Border Patrol could put them through a reasonable training before they go to the border?

Mr. VEAL. Sir, I am not advocating that they would actually be doing the work of Border Patrol agents. But we are a large organization and we have officers who are involved sometimes in ancillary duties and those are the functions that I believe volunteers could do, freeing up Border Patrol agents to do our core law enforcement mission.

Mr. HORN. I agree with you, let us see what we can do about that, I think you are absolutely right.

Mr. Chavez, what would you pick?

Mr. CHAVEZ. Well, the drug of choice in San Diego County and Imperial County is methamphetamine. Ecstacy now is becoming one of our major problems because of the RAVE parties. I would like to see stiffer penalties for both methamphetamine and Ecstacy. I do not think there is an appreciation for the seriousness of the effects of the drug and if we can make it known to the public and there is a stiffer penalty, it most certainly would help us.

Mr. HORN. Very good. Mr. Schneewind.

Mr. SCHNEEWIND. On the local issues, I would address a couple of things for Imperial County and one of them deals directly with INS or U.S. Border Patrol. They have a national policy of non-pursuit, which creates a real tragedy in my county inasmuch as Interstate 8 passes very close to the international border out across the desert. I have load vehicles that load up on the border, line up between the two Immigration officers or Border Patrol officers who are standing watch, and at a high rate of speed jet between them, hits Interstate 8 in the Eastbound lane traveling Westbound. They may have 10, 15, 25 people in a vehicle. The Border Patrol says we cannot pursue. Meanwhile I have folks coming down the freeway that are good taxpaying citizens of the United States and probably out of my community that are in danger. I guess this mentality is well if you cut a tree in the forest and there is nobody there to hear when it falls, there is no problem.

Well, that does not serve well in as much as we have wrecks all over the freeway with these vehicles, even not running into people, just running off the road and crashing. The California Highway Patrol has not done much better in that they are—I believe their stated policy is if the Border Patrol calls and they are not pursuing, we are not getting involved either, which leaves it to me I guess and my coroner's office to clean up the mess down the freeway when we have families that are smeared all over the roadway.

Mr. HORN. This is long before your time I believe, Mr. Staveley, but when did it go where local police could not pick up people that are coming over the border.

Mr. STAVELEY. Actually it was not long before my time, I was actually doing some of that a long time ago.

I think it was in Mr. Nixon's term, his attorney general opined I believe—if memory serves, his attorney general opined that it was in fact a Federal law that only Federal law enforcement officers could enforce. And he forbade us from being so involved, absent a local violation.

Mr. HORN. Well, that is good to know because I never had that pinned down, so it is an AG ruling for the Federal Government.

Mr. STAVELEY. I believe that is correct, sir. At least that is my rather ancient memory.

Mr. HORN. Yeah. Well, that's pretty good memory.

Let me thank you all. You did not get a chance, Mr. Moratto.

Mr. MORATTO. I agree with the Border Patrol, the asset forfeiture would really be a big help. That money that comes back to us helps our resources that we have go directly back into law enforcement activities and help stem the flow.

Also, I would like to see the State government and the Federal Government get together on how they look at Schedule 1, 2, 3

drugs and so forth and have the same kind of matrix, so that if somebody is arrested in Boston for having heroin, it would have the same effect in the courts that it would if they are arrested in San Diego.

What happens is you get this mix and again, drug dealers are not stupid, if they know that they are not going to get prosecuted for bringing over ketamine into San Diego, they are going to bring it into San Diego. If they know they are going to get prosecuted for it in Florida, they are going to come to San Diego. And it is just that simple. We have loopholes in our laws when it comes to things like Ecstacy and ketamine and some of those other things and we have a differential between how the Federal Government looks at it and how the State governments do and I would really like to see it pulled together.

The other area, I would like to see a lot of effort put into what happens with the Ecstacy and the drugs that are used in the culture today for the youth, because we are seeing openly across the United States, and it is here and it is probably going to be our biggest drug problem in San Diego in the coming 2 to 5 years, that is those RAVE drugs, where openly you see 20/20, you see 60 Minutes, you see these people go on and the people line up at tables coming into sponsored parties that are supposed to be closed parties, safe parties. The parents get the flyers, they think their children are going into a safe environment and the kids are lining up to test their Ecstacy to see if it is good Ecstacy before they use it when they go into parties. And the producers of that party have got 1000, to what we had here in Paris in Riverside County, where they had 40,000 people at a RAVE party and they are lining up to test their Ecstacy to make sure it is good Ecstacy before they get in and the producers are making mass amounts of money on these parties, knowing that there is illegal drug stuff going on.

We need penalties for that. We need to fix penalties on people that are facilitating these parties and facilitating the effort to get these drugs to our children.

Mr. HORN. Now this would be a law that said who is going to get the situation, is it the people that put up the party, is it the people that go to the party? Have any dropped dead yet?

Mr. MORATTO. Children?

Mr. HORN. Quite a bit?

Mr. MORATTO. Hundreds and thousands.

Mr. HORN. Right.

Mr. MORATTO. For one thing, until about a year and a half ago, most coroners never even tested for some of these RAVE drugs that kids are dying of. And what they do is they go and they will go onto Ecstacy and the next thing they know, they are inhaling helium and some of these other things, nitrous oxide, and they do it en masse. One thing alone may not cause the problem but when they do two or three different drugs in concert and they cocktail this, then they die. And quite often it is put down as a drug overdose or an accidental death or a heart attack, when we do not even know, we have not got a clue nationwide how many kids have died this way.

Mr. HORN. Well, that is where I am going next. The Centers for Disease Control in Georgia, they are supposed to keep data on a

lot of these things and it seems to me somebody has a record, there is obviously a police record. How about the coroner's record?

Mr. MORATTO. As I mentioned, a lot of times it was not even tested for in the normal coroner's report and a lot of these drugs disappear from the system after a short period of time. For instance, here in this area, the military, they have random testing, they have mandatory testing in the military, but they know they can go out on a Friday night and they can ingest GHB or they can ingest Ecstacy and they know it is going to be out of their system by the time they report to duty on Monday. If they get tested, they are clean.

If you go on the Internet right now, you could probably find 50 companies that have masking chemicals that they sell so if you are going to have a drug test, you ingest the chemicals and you are going to get a clean screen. It is a huge industry that is out there right now around these RAVE drugs and Ecstacy and so forth.

Mr. HORN. You have pointed out a major situation we have obviously got to deal with one way or the other. Before I yield to my colleague, it will mean a lot of people are put into your local jails, which are already stuffed and have State prisoners and sometimes Federal prisoners by contract in your local jails in this State. Why can we not do what the sheriff of Maricopa County does, in Arizona, stick them under a tent and put them say in a place like Barstow or Needles in the summer time and see how long people will start doing some of this nonsense and it will not be watching TV and it will not be lifting barbells, which we have found—finally the police said gee, those people have certainly gotten strength when they have been in the Federal prisons. It seems to me we have got to get away from that one so it does not take six deputies to pin them to the floor as they run out the gate. I think that is another area we have to deal with on the corrections side.

The gentleman from Indiana.

Mr. SOUDER. Just so you know, each of the last 2 years, we have been increasing both our Federal effort and our oversight on the methamphetamine and you are going to see it accelerate more rapidly. At the Anti-Narcotics International meeting in Santa Cruz, Bolivia, the next conference is going to focus worldwide on the synthetic drugs. Netherlands is a big help because they are claiming because they legalized all drugs, they do not have a problem any more. Yeah, that is because they are shipping it here and everywhere else in the world, with Ecstacy. And we are going to continue to try to focus on that and it has been a definite problem in local law enforcement of not even having testing data. but I think the awareness level is going up, that is going to be one of the primary focuses of our committee over the next 2 years, as well.

And we will definitely followup on this question of the different measurements. At the Federal level, There crack and powder differentials on how to compromise this, we are not just going to go down to one or up to the other. There will probably be some kind of compromise. And it is compounded by what you told us here today, which is different districts probably have different thresholds, depending on their caseloads, and unless we can catch the courts and the prisons up in the dollars, we are going to have trouble standardizing but it is still something we ought to focus on.

I have a couple of other questions I may submit in writing if I feel it needs to be in the record, but Mr. Veal, I wanted to ask you this to make sure we get this written more on the volunteers question, the anti-augmentation bill.

What I would like to have for the record, because we are out of time here this afternoon with the room, is what in particular you would have used this before, how you would have used it before we passed the law, how you would use it currently and how to address the following questions where I am sure the objections are coming. We have run into this in youth homes, we have run into this in our Federal offices, we cannot have volunteers in, partly it is that obviously it could not be somebody who had prison time, it could not be a spouse or a family member of an employee because then it would be under duress potentially or it could be part of a bonus system. Clearly the unions and government employee groups are not going to like this because potentially it replaces employees—as if we were going to hire more anyway, you are all short-staffed. But theoretically it does.

So anticipating some of those type of things, how would you exactly use this, how would we amend this to reflect those kind of concerns—coercion, unforced overtime, extended family friends, ways to get bonuses, those types of things. Because we are running into this across our Federal system.

I thank you all for your testimony.

Mr. HORN. This has been a very interesting day as far as I am concerned. I think you people who are on the firing line, you deserve the appreciation of all of the American people. It is tragic what is going on in this country, that too many people turn a deaf ear to it and say oh, well, you know, this is just some wacky person or something.

Well, they are not—when the brains go to pieces and all that we see with the teenagers now, and they do not take any of us parents, one who are parents of a teenager, it is a very tough life. Somebody said you are free once the kids get through college and the dog dies. Pat Leverage, do not write me. I am the humane pet growers No. 1.

So we want to thank each of you and we will—Mr. George, the chief of staff, general counsel of the subcommittee that I chair will be sending you some questions and so will Mr. Souder, and we would appreciate you answering them and we will put it in the record at this point.

So thank you so much for coming. It is wonderful to see you.

[The information referred to follows:]

U.S. Department of Justice
Immigration and Naturalization Service
U. S. Border Patrol
Office of the Chief Patrol Agent
San Diego Sector

SDC 30/2.1-C

2411 Boswell Road
Chula Vista, CA 91914-3519

May 24, 2001

The Honorable Mark Souder
Chairman
Subcommittee on Criminal Justice, Drug
Policy and Human Resources
Committee on Government Reform
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Souder:

Thank you for inviting me to testify at the field hearing in San Diego last month regarding border enforcement. Please note the following additional information which you requested:

- Civil Asset Forfeiture Reform Act (CAFRA)

  As we discussed, CAFRA expanded our authority to seize a broader range of assets involved in alien smuggling violations of Title 8, United States Code, Section 1324. While the CAFRA amendments may strengthen our enforcement posture in long-term or proactive criminal investigations involving major violators, our experience is that CAFRA has resulted in a dramatic reduction in forfeitures of vehicles owned or used by alien smugglers. Under CAFRA, property owners have a right to demand judicial review in every forfeiture case, and they may even have the property back while the forfeiture action is being litigated. Further, in cases that would have otherwise qualified for mitigation (i.e. return of the property in exchange for payment of a fine), CAFRA may require payment of attorney's fees. Finally, given the low dollar value of the vast majority of alien smuggling conveyances, combined with already overcrowded court dockets, CAFRA has effectively suspended the Border Patrol's ability to seize and forfeit conveyances of low-level alien smugglers.

- Volunteer Services

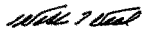
  Enclosed, please find a legal summary regarding the "Anti-Augmentation Principle," which precludes the Border Patrol from accepting volunteer services offered by members of our community. Although we have had repeated offers by civilian volunteers or retirees to perform non-law enforcement services in support of our operations, we have declined to accept such services pursuant to 31 U.S.C. 1342.

- Attrition

  As we discussed, the Border Patrol in San Diego continues to lose many of its agents to other federal or state law enforcement positions with more beneficial compensation packages. Many of the state and local law enforcement agencies have retirement plans that credit officers with 3 percent of their annual salary for every year in service, as opposed to 2.5 percent for federal law enforcement officers. *See* attached charts. Working conditions are often more attractive, such as the normal 10-hour day, 4-day workweek for San Diego police officers. Despite the federal locality pay adjustment for San Diego, our new agents as well as journeyman agents and supervisors are forced to live at a lower standard of living than their counterparts in local law enforcement or in other Border Patrol Sectors.

If you or your staff have any questions about this information, please do not hesitate to contact me at (619) 216-4000.

Sincerely,



William T. Veal
Chief Patrol Agent

Enclosures

GOVERNMENT LIMITATION ON USE OF VOLUNTARY SERVICES

(1)Basis of Prohibition — Anti-Augmentation Principle

Acceptance of voluntary services to perform work the agency is normally required to do would constitute an improper augmentation of the funds that were appropriated by Congress for that particular agency.

The rule that no federal agency may augment its appropriations in any way from outside sources absent specific statutory authority is called the Anti-Augmentation Principle.

(2)Sources of Law for the Anti-Augmentation Principle

a) Separation of Powers

U.S. Constitution, Article I, Section 9, Clause 7

> "No money shall be drawn from the treasury except in consequences of appropriations made by law."

Congress establishes the level it wants each agency to operate at. Permitting an agency to increase that level of operation by supplementing its appropriations through donations or voluntary services would undercut Congress' authority to control operations of the executive branch.

b) Statutes

i) 31 U.S.C. §1342 — Limitation on Voluntary Services

An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. As used in this section, the term "emergencies involving the safety of human life or the protection of property" does not include ongoing, regular functions of government the suspension of which would not imminently threaten the safety of human life or the protection of property.

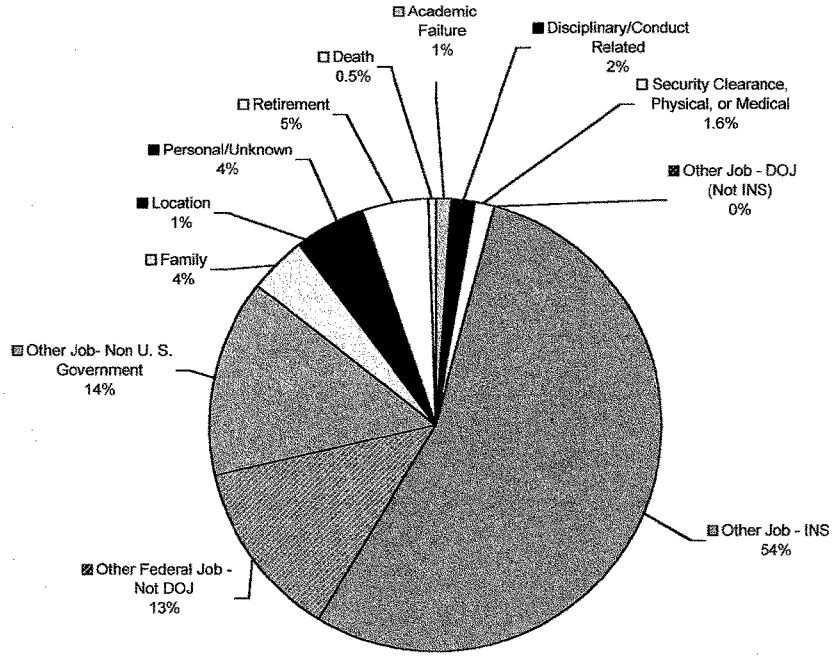
ii) Other Related Statutes

31 U.S.C. §1301 —	restricts use of appropriated funds for their intended purpose
31 U.S.C. §3302 —	all agencies must deposit all miscellaneous receipts (funds from sources other than Congressional appropriations) into the Treasury's general fund unless they have specific statutory authority to retain them
18 U.S.C. §209 —	prohibits federal employees from accepting any augmentation by private sources of their salaries for performance of their official duties

iii) The Comptroller General has reaffirmed these principles in several decisions, i.e. *Matter of Student Volunteers Travel and Lodging Expenses, 60 Comp. Gen 456 (1981).*

SAN DIEGO SECTOR
PERSONNEL TURNOVER
Fiscal Year 2000

Reasons for Departure



SALARY COMPARISONS

Annual Salaries of Law Enforcement Officers 2.5 years after Entry on Duty

RANK	AGENCY	80-HOUR PAY PERIOD	AGENCY	*100-HOUR PAY PERIOD
1	SAN DIEGO PD	$ 55,182	SAN DIEGO PD	$ 75,330
2	CHULA VISTA PD	$ 52,677	CHULA VISTA PD	$ 71,868
3	LOS ANGELES PD	$ 51,568	CA HIGHWAY PATROL	$ 70,408
4	CA HIGHWAY PATROL	$ 51,402	LOS ANGELES PD	$ 69,899
5	NATIONAL CITY PD	$ 49,370	NATIONAL CITY PD	$ 67,614
6	EL CAJON PD	$ 47,582	EL CAJON PD	$ 65,156
7	SAN DIEGO SHERIFF	$ 43,029	LA MESA PD	$ 58,317
8	LA MESA PD	$ 42,576	SAN DIEGO SHERIFF	$ 54,192
9	**US BORDER PATROL (SAN DIEGO SECTOR)**	**$ 39,482**	**US BORDER PATROL (SAN DIEGO SECTOR)**	**$ 52,931**

NOTE: If BPA's are promoted competitively to GS-11 (Step 1) 2.5 years after entry on duty, their annual salary would be $44,787 for an 80-hour pay period, and $60,043 for a 100-hour pay period with AUO/FLSA compensation, moving them from #9 to #7 in the above chart.

*These salary rates are presented for comparison purposes only. Base salaries of other law enforcement gencies have been adjusted to provide compensation for 20 hours of overtime paid at time and one-half to compare with the BPA salary which includes AUO (Administratively Uncontrollable Overtime) and FLSA (Fair Labor Standards Act) compensation for the 100-hour pay period. San Diego Sheriff overtime was based on 15 hours instead of 20, as their pay period is 85 hours instead of 80.

Updated 4/27/01

Mr. HORN. Panel two is Roosevelt "Rosey" Grier, chairman of the board, Impact Urban America; Estean Hanson Lenyoun III, president, chief executive officer, Impact Urban America and Ken Blanchard, chief spiritual officer, the Blanchard Companies.

We will swear in the three witnesses. If you want to raise your right hands.

[Witnesses sworn.]

Mr. HORN. The clerk will note all three witnesses have assumed the oath and we will start with Mr. Grier. We generally—let me repeat the ground rules—some of you do not have written things, if you want to file them later, please do. If you do not, we will give you about 5 minutes of summary because I guess when are we leaving this room? 1:45. So what we have got here is—we only want fast talkers on this particular operation.

Mr. SOUDER. In a positive way.

Mr. HORN. In a positive way.

Mr. SOUDER. We see enough of that in Washington.

Mr. HORN. So, Mr. Grier, a rather well-known figure nationwide and we are glad he is in San Diego. I think he is too.

STATEMENTS OF ROOSEVELT "ROSEY" GRIER, CHAIRMAN OF THE BOARD, IMPACT URBAN AMERICA; ESTEAN HANSON LENYOUN III, PRESIDENT AND CHIEF EXECUTIVE OFFICER, IMPACT URBAN AMERICA; AND KEN BLANCHARD, CHIEF SPIRITUAL OFFICER, THE BLANCHARD COMPANIES

Mr. GRIER. Mr. Chairman, distinguished committee members, I am excited about being here this afternoon and I was listening to the other panel that you had here and it is exciting to meet people like yourself who are concerned about the welfare of our communities, because that is basically what we are about.

I would say these two gentlemen have made a commitment with their lives to serve the community, to help make it better and since I came from football, I believe in the team concept that nothing can get done by one person. You cannot do it, I cannot do it, but we can. And we all have something to give.

When you speak about drugs, I think about why do we have that problem. And then I think do we really have a drug problem or do we really have a people problem. Because why are people on drugs. Of course, I realize that there is a big business going on to make or to grow or to sell drugs and young people realize or think that they cannot find a job, this is the best job they can find. And so we have to change those notions, we have to help and encourage young people to realize that they are very, very important to all of us, they are the ones that are going to make our Nation better and we, the grownups, have to try to live by example, let them see the things that we do to help them.

And that is why when I met Estean Lenyoun and Ken Blanchard—I met Estean first—and we began to look at the community to see how we could help. And we started Impact Urban America. The purpose, we saw whole men, we saw them have spiritual needs, mental and physical needs and how could we meet those needs. And as we search more in urban communities, we began to see that there was no way you could change that community unless the people caught the vision themselves and wanted to make a

change. And when they went for a job, they did not have the skills and talent, they did not have the background to work. So what would we do about that.

So when we met Ken Blanchard, we realized that he had a way of training people that would not only inspire and motivate, so what we figured out was if we join ourselves together, not only with the government, but with the corporate community, with the churches, then we could really effect a change—not individually but as a group working together. And the more people that we could work together, we would find that the way to solve problems is by seeing who is doing what and how we can join ourselves together. The one who found a way of doing it could be the best one to serve. So what we started here in San Diego was a model and that is what we are about here. We figured that if we can get the model working, we would not only help in the drug war, but we could solve many of the other problems and make people feel and know that they are precious and valuable and unique and there is no one in the world like them and that they can win. But we all need to work together to do that.

And so we are just here this afternoon to share with you some of the things that we have been doing and to hope and see how we can work together with you because basically we are set out to serve our fellow men and we are here to help you in your efforts as you will help us in our efforts to do the same thing.

Mr. HORN. Thank you. That is very moving. And now we have the president and chief executive officer of Impact Urban America, which Mr. Grier is chairman of the board. So Estean Hanson Lenyoun III.

Mr. LENYOUN. Thank you very much, Mr. Chairman.

At Impact Urban America, one of the things that we like to say is we take people from dope to hope. We believe that it is a problem that cannot be solved just with economics. We know that the reason that people go to drugs are low self-esteem and as we have set up Impact Urban America, I would like to share a little bit about the organization that took place first, and it was called Rosey Grier's American Neighborhood Enterprises.

Being a native San Diegan and seeing the problems and being a part of the problem in the past within our local community and recognizing them very readily, realized that people needed opportunities, so we set up a community in southeast San Diego, one of the roughest areas in southeast San Diego. In fact, they said that it was the roughest. A community of approximately 300 people initially where there was 1,300 violent police calls a year. When we acquired this community, within 18 months we were able to drive the stats down from 1,300 on a norm annual incidents to just 1. We also found this community had in excess of 98 percent, we think, up to 100 percent, drug addictions with the individuals living within the community. Within 18 months, we were able to take that 98 percent infested community to zero, drug free. Also, we were able to provide job opportunities. One of the stats that was very exciting which we got recognition from our Mayor Golding, was that we had 98 percent welfare, 2 percent were working. Within 18 months, we were able to take this community to 93 percent employment.

People wanted to know how we can make this work. And what we did is we set up a community called No Compromise Communities, no gangs, no drugs and no violence. Found it to be very successful, it was part of the prototype that led us to Impact Urban America. And this model is a faith-based social entrepreneurial model that we believe can revitalize and we can replicate throughout the inner cities and urban communities of this country. The models are a partnership between church, community, corporation, government.

What we are here today to ask you about is how we can be more involved with government to start replicating this model in other parts of San Diego, one; in California; and hopefully nationally. We have had the privilege to be able to put on workshops in the inner cities, targeting not only our unemployed, but our under-employed, and then most recently our youth, so that we do not have a generational concern with our young people not knowing how to deal with these constraints.

We started the first faith-based inner city staffing company and we found that it was not difficult to get people to get a job, the hard part was enabling them to keep the job. And as we delved more into this model, we realized we needed a component with job and life training skills. We believe that people go to drugs and get involved in drugs and stay in drugs because they have no hope and they have no way out. We have found that it is tied back to their assumed constraints.

We were looking at the best model to be able to implement a program on making people more aware of how to not only stay complacent—to get away from that complacency, how to re-enter the mainstream. And we discovered a gentleman here in town with a national organization and I believe even international, that does self-leadership training and that was the Ken Blanchard Companies.

At that point, we were able to put together a relationship and ask Mr. Blanchard to come on our board of directors, which he did, to set up a new model for job and life accountability skills. We find that will drive down the drug dependency, the complacency and give people the opportunity to re-enter the mainstream.

Mr. HORN. Thank you very much.

Dr. Blanchard. He is the chief spiritual officer at the Blanchard Companies. You might tell us what your company does.

Dr. BLANCHARD. Yes, we are a full service human resource development company. We do training for companies in leadership, team building, customer service, and what Estean is talking about, self-leadership. We created a program for students and young people to try to teach them how they can take initiative when they do not have the power; how do they take initiative when they are not in charge. One of the things that happens with violence with kids is that they think there is only one kind of power in the world and that is position power, and if they do not have it, then a gun maybe would give them position power.

A major mantra for our company is people who produce good results feel good about themselves; as Rosey and Estean said, our emphasis is on how do we increase people's self-esteem so that they do not go toward drugs as a way to make them feel good. Because

it is obviously a self-esteem problem because people who feel good about themselves do not need any outside forces to do that. When people do not have hope, they think they have no power. The question then becomes how can they take initiative. We have been working for 25 years on developing programs like these.

My mission statement is to be a loving teacher and example of simple truths, that helps myself and others to awaken the presence of God in our lives. I say "God" because I think the biggest addiction in the world is the human ego. The ego gets played out in bad ways in organizations through false pride, which makes government agencies bureaucratic and everybody is sucking up the hierarchy and the organization serves the people who are elected. And do not serve the customers. So, that is one other aspect of self-esteem.

The one we are talking about here though is people who do not think they have any hope and so we have developed a program, which is a combination of teaching people life skills that they need to get in terms of their own personal hygiene, in terms of their dress, in terms of their attitude, their whole thing, and then combine that with focusing all their energy on how can I make a difference to customers, because if they want to take care of themselves and keep jobs, they need to realize that the customer writes their check. And so we are really getting—we just flew over with a group of people that were just hired to see their enthusiasm and the feedback from the employer saying wow, these people, they know more about serving customers than we have ever seen in anybody. And then we are also teaching them self-leadership which is, you know, how do you ask for what you need rather than complaining and acting like the victim.

So our part of the puzzle, and there is only one part, so we are not saying that the other parts are not important, is how can we help people to have hope rather than do dope as their solution for life. To get the kind of skills that they need to make a difference in their lives because people who produce good results, who have a job they can keep and making an impact, feel good about themselves and that feeds on itself, feeds on their willingness to maintain their family and all. So the piece of the puzzle that we are in is there, we do not know much about, you know, how you prevent them from coming across the border or all those kinds of things, which are major problems that you have been talking about, but we want to be able to impact the human problem and see if we can deal with that as a way to deal with the drug situation and how do we get people that they just would not be into it because it does not make any sense to them. How do we look at their spiritual needs, how do we get them to get out of their own way and realize that God did not make any junk and that they are important and at the same time, how do we give them the skills that they need.

And so we are excited about the potential of teaming up together to create a program where we can go to employers and say here are some under-employed, here are some people whose lives have been at risk in the past, we want you to hire them but here is the kind of training they have been through before they even come to you. You know, these people know about their lives, they know about how to take care of themselves personally, they also know

that without taking care of your customers, they are not going to be of any value to you, and they also are going to be people who are willing and able to take initiative and take responsibility and be empowered. And so that is where our excitement is and we do not hear that shouted out too much when we talk about the drug war, but we think that is a piece that ought to be considered.

Mr. HORN. That is very moving.

How many souls have you saved down there, besides the mayor and the City Council? [Laughter.]

Mr. LENYOUN. We are working on them.

Mr. GRIER. And the church too.

Mr. HORN. And the church.

Mr. GRIER. We have seen a great work on the part of the church because basically we kind of look at it like it that if the inside of the person is not changed, the outside is going to look good but it is going to be messed up inside. So that is where the whole man concept came in. If we can get the church involved in teaching the person about who he really is and that he is not by himself in his struggles and his effort to change his life, but there is a lot of support for him, then we can really see a change when the church is involved. And to sustain that person is not to sustain him on intellect or on philosophy but on the word of God, which does not change. And so that is why we are excited about bringing all these pieces together, because what it really does is let the whole man see the light, that he is an important person.

Mr. LENYOUN. And if I may add, it is that the church has a lot of capabilities to provide for a lot of needs that have been dependent upon the government up until now. Things like clothing, things like helping with a shelter, things like helping with childcare. And we are seeing a partnership and a desire on behalf of the churches to want to take back some of the responsibilities that they advocated and to be able to provide another link with accountability too. If we work with the church and we work with a synagog or we work with a Catholic Church or whether it is any denomination, we have another level, whether it is a rabbi, a priest or a pastor that we can go to and say this person has made an accountability contract and they are having a tough time, would you help us with them. And so I think it is very key that the churches are a major resource, especially in the inner cities. They are the power base. It is a place where people can meet, where they have the capabilities to house a large number of people to get the message out, to get the training programs in place.

In terms of your numbers, our little organization, the first year, we had estimated that if we could affect 100 lives or so in terms of employment, sustainability types of jobs, that would be wonderful. We did 1,000, we did 1,000 the 1st year. This year we will double that in just this prototype and this is the model with church, community, corporation, government.

Corporate America has a tremendous responsibility because they are—we are not asking for a handout, we are asking for them to provide employment opportunities for people to come in and have an opportunity to provide for their families, to be a role model in their communities.

The great part too that we figured out was that it can be a weekend type of training program, because the assumed constraints were acquired over a long period of time, decades, if not generations in some cases, so it became very vital that we had to have ongoing training within corporate America. For the first time, we are seeing corporate America take the initiative and have the desire to have an ongoing training program in place to help people overcome those assumed constraints.

Mr. HORN. As you know, President Bush has a faith-based program that he is sending to Congress. And based on all of your experiences, it seems to me that you have some great ways to put together a pilot program which would give guidance to large groups or medium groups or just 10 or 15 or 20 groups. They need teaching themselves. They might think because they have been doing good deeds over their lives, giving clothes or all those items you mentioned—it is going to be more difficult than that and then you are going to have the problem, and I wonder your reaction to that, that some group will say hey, we are a church, we are this, we are that, let us get that Federal money. How do you deal with that?

Mr. GRIER. I think that you have to look at who and what those people are, I mean what is your track record. If you look at me, I have been working in the inner city since 1971. I made a commitment to gang kids that I would spend the rest of my life until I see that community change. Went from the gang kids to the senior citizens. And so it is about how long have you been doing this, what is your track record, those kinds of things. You cannot just give it to anyone who comes. What are you really doing. And there has to be some oversight, you have got to see what they are doing and take a real look at that and see can this group best serve the community. And find the ones that are doing it, even if you want to put them together so that the umbrella, the management of the whole group is key also. Who is overseeing, who is looking at it. Those are the kinds of things that must be in place in order to make sure that these things are doing what they said.

I noticed when you were talking about lowering the budget and the lady outside in the meeting room asked me, what do you think about that. I said, one, you have got to see what the money is already doing that you are putting in there. Can it be a higher marshalling of that funds, is it doing what you put it in there to do. And those are ways you monitor and see the effect of it.

And we were—Harvard was asking to do a study on what we are doing and we did not say yes yet, because we just want to really take a look at it and see what we are doing and continue to monitor what we are doing to make sure we are being effective, and we think we are.

Mr. LENYOUN. May I add, Mr. Chairman, too, I think we have to look at the hearts of the individuals involved and why they are really doing it. If this is something that is financially lucrative for them, I think that has been a problem in the past. I think that when we see partnerships and what we call the vested interest partner, which is why the church is doing what they are doing, is there any type of gain—no. Is corporate America doing this for gain—yeah, they are looking for good employees and they found

hidden labor pools in the inner cities, not outside the country any more, it is sitting right there if we can identify those diamonds.

I think a classic example has been the relationship with the Ken Blanchard Companies. Very high end managerial expertise, training and development and Fortune 500 types definitely, nothing targeted at the inner city level. When we entered into our relationship, for the first time, Ken took an initiative to come up with a program that was targeted to less fortunate people, inner city, on the street people, which is not going to make them money. And when I talked to Ken about that or when we talked to him about it, it was about to give back to the community.

I think it becomes real clear if you have the real high end types of organizations that are willing to put their reputation and some of their own resources on the line to make something like this work. And I think that the moneys that the government gives will help with just the magnitude, helping to get the prototype to a point where it can be replicated in other parts of the city, the State and the Nation.

Mr. HORN. My colleague from Indiana.

Mr. SOUDER. When did you say this started?

Mr. LENYOUN. This started in November of—Impact Urban America started in November 1998. Rosey and I started with the American Neighborhood Enterprises in the early 1990's. It has been about 10 years since we started initially with the housing model and then we went from housing to staffing to provide jobs and from staffing to training and development.

Mr. SOUDER. And that was also all in San Diego?

Mr. LENYOUN. Absolutely, that is correct.

Mr. SOUDER. First, let me say to Mr. Grier, I believe—in an earlier reincarnation of my life I was actually the Republican staff director of the Select Committee on Children, Youth and Families, and I believe you testified in the mid-1980's, Dan Coats and George Miller were the Members, on alcohol problems and how to reach youth. But what I want to say is that like Chuck Colson, one way you can measure people's lives is whether they have made the statement—and we are really happy for any public figure who jumps in and does that, but when you have done it for 30 years, you know it is a commitment. We really appreciate that and millions of Americans are familiar with you and appreciate your work in different forums and it comes back and different points and in different ways. But I wanted to make sure I got that on record, because we appreciate that very much.

Mr. GRIER. Thank you.

Mr. SOUDER. Not only your commitment, but you are willing to stick to it decade after decade, which we desperately need.

I would encourage you to, in the Harvard or any type of study—I mean I know—make sure that they—we need the data because we have a whole bunch of stories but we do not have the data. And to move to the next level, we need the data. On the other hand—so I encourage you to do that, but make sure they understand and have some sympathy to the complexity of a faith-based mix. Otherwise, if somebody comes in hostile, let us say figures lie and liars figure, that you do not want somebody who is not—you do not want them overly sympathetic so they rig the books your direction; on

the other hand, you do not wand them unsympathetic and do it the other direction. We need real data here if we are going to move to the next level.

Let me ask you a little bit about your faith-based component. Are you affiliated with particular denominations? I take it that you work with different groups at least.

Mr. LENYOUN. The church here in San Diego that was our foundation, that helped us, that supported us with their congregation, which happens to be the largest church in San Diego, is a non-denominational church. And they were fortunate in a suburban area and decided they wanted to help not only all parts of the world, but our problems in our own backyard. And so that is how it came about and they offered all kinds of resources in terms of people within their church that had a heart that wanted to give back, that could not go to other countries, but had a lot of expertise and resources to help here.

So it actually started with a non-denominational, it is not about one church or one type of denomination, it is really an open faith-based——

Mr. SOUDER. What was the name of the church?

Mr. LENYOUN. It is called Maranatha Chapel.

Mr. SOUDER. And in the area that you are working in predominantly, I understood you to say initially there were 300——

Mr. LENYOUN. 1,300.

Mr. SOUDER [continuing]. 1,300 families are in that. Has that community taken over ownership of the project at this point?

Mr. LENYOUN. Has that community taken over ownership?

Mr. SOUDER. Yeah. In other words, or are still most of the volunteers coming from the Maranatha and other churches?

Mr. LENYOUN. No, in fact it has totally reverted to a community organization and we are no longer involved in that. So it is community now.

Mr. SOUDER. One of the things that my friend Bob Woodson has raised over the years that I have thought about attaching to some of our faith-based initiatives questions is a zip code test. Not that everybody who receives the grant has to live in that zip code, but possibly a third do, because I am convinced that a lot of the most effective programs I have seen are people who live in those neighborhoods. Is that something that you would find a problem, or would it be an advantage?

Mr. LENYOUN. We certainly would not be, because that is the neighborhoods we are in. In the zip codes, we find that, you know, you have to be where the action is at and so I think that it should be. That money should be targeted, in my opinion, for the problem area, the more mortgage deficient impacted areas, and so I think it makes a tremendous amount of sense that the money is directed right to those zip codes.

Mr. SOUDER. One of my—it is not just the money, the staffers would have to live there.

Mr. LENYOUN. Uh-huh.

Mr. SOUDER. In other words, up to one-third would have to live in the community they are serving, because these things are not 9 to 5 jobs. I have heard as I have visited urban areas, it is often beltway bandits that know how to get the grants but they often do

not live in the areas. The most effective programs—because the problems do not necessarily come before 5, often they come at 9 p.m. or 1 a.m. And I am just trying to decide how hard to push that. I do not want to hurt programs that could be eligible and effective. At the same time, it seems to me a good idea.

Mr. GRIER. A long time ago, I used to tell my kids that this is 24 hours, just like you said, a lot of the problems occur at midnight. And I have had kids call me at midnight to come out and help them and I have gotten out of bed and gone out to the community and been in houses where there is a whole assembly of kids angry about something. About something the police have done or someone had done something to them and they wanted to react to it. And so yeah, we realize that it is not a 9 to 5 problem, it is around the clock. And so what we try to do always is try to make sure that our people are always available when the problems occur, to be there.

Dr. BLANCHARD. I think you are really onto something. I would put the funding all responsible and maybe even incremented from maybe the beginning 30 percent to eventually almost 100 percent. I did a session one time in Paris for UNESCO and it just blew my mind. I found out that less than 10 percent of the UNESCO projects set up around the world ever survived 2 years after the funding is dropped. And see, what you are trying to do is move people from dependence to independence, from where they are dependent on external funding and all so that they eventually are doing it themselves because the important thing about being a leader is not what happens when you are there, it is what happens when you are not there. Anybody can get anybody to do anything, you know, when you are there. So I think that is one of the things that we really need to do.

One of the things we are also doing——

Mr. HORN. I would just like to put a footnote on your UNESCO thing. When I was a university president, there were a lot of feelings on should we help this group or not. The fact was 60 percent of their high paid executives stayed in Paris, they never went to Africa, they never went to south Asia.

Dr. BLANCHARD. That is right.

Mr. HORN. They did not have the slightest idea but they drew a big salary.

Dr. BLANCHARD. Yeah. I mean that is one of the things—I am kind of in a class by myself, I do not know if you have read Bob Beaufort's book "Half Time," but Bob is a good friend of mine and he says we are all in the locker room at our age and we are trying to decide whether we are going to come out and if we are going to come out, how do we move from success to significance, you know. And so when I turned 60, I celebrated for about 6 weeks, because I was really excited about, you know, what I could do the next 35 or 40. I happened to write a book with Norman Vincent Peale and just had a wonderful time, met him when he was 86 years old, but Norman died quietly in his sleep at 95 on Christmas Eve and I said well, that is a pretty good goal, I have got a lot of time.

So what I am helping facilitate, it is going to be interesting to see what happens in San Diego, what we are calling the San Diego Leadership Initiative, because I have a dream and now a lot of peo-

ple are catching the dream, is that in 5 years my dream is that people will be flying in from all over this country to say what is going on in San Diego, this is a servant leadership town, that people operate differently. And what we are trying to go at is rather than take on issues, I want to take on the leadership. I want people to lead differently. What we are realizing is that when you mention the word servant leadership, start thinking you are talking about, you know, the inmates running the prison or trying to please everybody. That is not what is true. When Jesus washed the feet of the disciples, he was not saying to them go out and help people do anything they want, because what we are arguing in San Diego is two parts of leadership; one is the visionary direction part and the second is the implementation.

And what I recommend that I do not see in like battles on drugs or anything from government, is if you ever want to be effective at anything, you had better first have a clear vision which is what is our purpose. Why are we in business? What are our operating values? We have got to rank order them because values without rank ordering do not mean anything. Then you have to have a clear image which is what will happen if we are doing—so we have people in the city now starting to meet to talk about in 5 years if people flew in here, what would they see, who would they talk to, what would be happening, what would we be doing?

The first year, because it is a 5-year thing, what I am trying to do is get government agencies and businesses and churches and all to get a real clear vision of what business they are in, what they are doing, because servant leadership kicks in after you know where you are going. So one of the things that Estean has helped us with, we started a center for faith-walk leadership, you know, which is to say to people of faith, how do you walk your faith in the marketplace, you know, as a follower of Jesus. He was pretty clear what kind of leadership he wanted, he did not say there was a form B, you know, he said to the gentiles lord power over people.

And one of the problems that happens in government and industry and everything is all of the power, energy, money and everything flows up the hierarchy in organizations, both ones dealing on—causes are set up as if the sheep are there for the benefit of the shepherd, rather than what are we there for, the customer; what are we there for, the problem. I think the customer in the drug war is the people whose minds are blown, being blown, and are losing opportunities to make a difference in the world. But I think we have got to start to get some leadership that focuses on that and does not focus on how can I get the government to give me more money so I can pad all the hierarchy that I have built around that. I would blow up all the damned hierarchies and let us get organizations that are really focused on making a difference.

And these two guys by themselves and with a small group of people have made an incredible impact. They do not have a hierarchy, they are all team in there and they are not there to serve themselves. They are there to serve others and as a result, they are feeling good about themselves. And that is the kind of stuff that I am really excited about getting in.

I am pleased that I am hearing some good things coming from Bush and other people, that maybe they believe a little bit about servant leadership too.

Mr. SOUDER. One thing I would appreciate if, because we are tight on the room here, but as we work through the language, I have carried seven amendments so far on the faith-based stuff that passed the House. We have had two or three become law. But there are real fine lines we are working to here and my question, if you can each give reflection of this and then submit us something in writing of how to work through this. There is a clear question of religious liberty if there is not choice and I as a committed Christian believe that character is a key component to changing lives. And yet at the same time, there is a risk of having the government fund it from two directions. You don't want to get the church sucked into government, nor do we in the reverse situation in an increasingly multi-cultural country, I do not want the only after-school program in my community that my son comes home and says oh, I was in this after-school program and they started with a bowing down to Allah and a little bit later they spent half an hour studying the Koran and they said oh, they did that with the voluntary part of the money. The other part was the government part. If there is not a choice, where are they going to go?

Now the question is if you get government money in your program, are there going to be things you can do and cannot do? And I am very concerned that a lot of the organizations do not have that legal separation of what they can and cannot do. Other groups can do it, you can do work part and religious part after or you can incline a heart toward the teachings without actually doing the cloture which can occur in the non-period of time with the government. But these things have to be sorted through and we are going to have the courts much more on us than they have ever been before in trying to sort this in fairness. And we are having a very difficult time in introducing the bills right now and doing the amendments because of the inter-tanglement. And my fundamental question is can you do your program if you had government funding in it without undermining the religious mission that supplements——

Dr. BLANCHARD. I think the issues from my standpoint, and I hear your comments, is I think the next great movement in religion—we had ritual which we brought all from Europe and then we had a lot of evangelism. I think the next great movement is demonstration. And my feeling is the way we are going at it is we are not leading with faith, we are leading with behavior and if people see us helping as well as teaching other people how to help and then they come and say you guys are amazing. I have been watching what you do, where did you get that. Then we teach them who we follow. I do not think we ought to be leading with trying to convince——

Mr. SOUDER. You know, a lot of churches do not understand that and yet that is what Wyckliff and New Tribes and international missions understand that, help them with the health, the translation, but domestically, we have never——

Dr. BLANCHARD. No, I think we get that all confused and I think we need to lead with, you know, if Allah is your guy or Jesus or Buddha, well, you know, how would he behave, and lead with the

behavior rather than the faith and let the faith follow. I get really thrilled—you know, I have a company of 285 people here and worldwide, and you know, they know what my faith is, but we want to model stuff, so they say wow, that is really interesting, you know, where do you get that from. Well, I happen to have a pretty good model, he was the best in the world. But I do not need to lead with that because I have got enough trouble with Christians without trying to convert other ones, you know. So I don't want any other ones, I have got enough problems with what we have got. [Laughter.]

I had to follow Clinton at a leadership conference. That could be a little aside as we leave here, that was interesting.

Mr. LENYOUN. You know, what we found out in the inner city is what we do reveals what we believe, as much as what we say. We have people that we call chameleons and we have a lot of testiphonies. I am actually a pastor at Maranatha Chapel in Rancho Bernardo, but I came from the inner city, my heart is committed to the inner city, and we are supporting actually and helping the technology in the city of Arial and Summaria, Jewish, total Jewish. And that is what we are supposed to do, we are called to be a life.

So the way we feel about it is we want to give the love to anyone, we want to help them with their life problems and in the process, if we do our jobs, people want to know why we are a little bit special, is the way we look at it.

Mr. GRIER. Yeah, I feel that—I had a young man one time, I came past and he saw me and he said, Rosey Grier, he said man, I like you and I said well come on in my office and he was going to a drug treatment place. So I took him in the office and the first thing I said to him, I said man, you need to know Jesus and he looked at me and he said, you know, what, Rosey, you Christians are always saying that, he said you did not ask me if I was hungry. I said man, let us go eat.

I really discovered that you have to meet the needs of the person first. You are not concerned about what he believes, what he does not believe. You do not know if he is hungry, if he needs water, whatever he needs. Try to meet those needs first and then who you are will come out. Somewhere along the line you will have an opportunity if it comes up. This is not about preaching, we are followers of Christ, we are Christians. But we just happen to be doing a service to mankind. And anyone who wants to come, they can come and we will serve them.

Mr. HORN. Well, let me thank all three of you. This is the most interesting part I have seen of many of our hearings and between the three of you, you might well advise congressional committees in both the Senate and the House as they work their way through this situation. And it is going to take the kind of wisdom you have brought to the table because you have already experienced it, that is important. I thank you all three for being here today. It has been very useful. I remember some of your books, Dr. Blanchard and it is a pleasure to see you. And we all know Rosey and what he has done, and this young man in the middle is the real sort of deputy to get things done.

Mr. GRIER. He sure is.

Mr. HORN. That is impressive.

With that, I want to thank the staff that helped put this hearing together, for the Government Efficiency Subcommittee which I chair, Mr. Russell George, to my right, your left, staff director and chief counsel; Dianne Guensberg is the professional staff on loan from the U.S. General Accounting Office; Bonnie Heald, director of communications; Earl Pierce, professional staff; Matthew Ebert, policy advisor; Grant Newman, assistant to the committee; Brian Hom, intern.

And for my colleague's subcommittee, we have Sharon Pinkerton, who is the staff director and counsel with the Criminal Justice Subcommittee.

And Tatiana Kazavapis is the Office of the Mayor, city of San Diego and Carla Bach, City Council Committee Consultant Secretary, for all they have done to help us in terms of the very nice hearing room. And of course—how he does it, I will never know—but court reporter Bill Warren came out here and has been in all of our last five hearings in the State of California, both for the full committee and my own committee. So thank you very much, Bill, for coming out here. I do not see how you do it, but at least it is your air circulating in the plane and not everybody else it looks like. So there are pluses.

With that, we are going to adjourn this—recess this subcommittee over to next week and the Alameda Corridor to look at what a success can be. So with that, we are going to recess until Long Beach. Thank you very much.

Mr. GRIER. We would like to thank you all for allowing us to come and to share with you and for your work that you are doing to make things better. We sure appreciate your efforts and what you are doing to make our nation a better place.

Mr. HORN. Well, thank you. And coming from you, that is an honor.

[Whereupon, the subcommittees were adjourned at 2:03 p.m.]

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