

something other than business as usual. Every time a DTO changes its operations it creates new opportunities for law enforcement agencies to exploit. These law enforcement actions hit drug trafficking organizations hard, affecting their profitability, and frequently their survival. By disturbing the drug supply chain, particularly at the multi-state or international level, law enforcement affects the drug flow before it reaches the individual user. Law enforcement activities, of course, also have a cost. A key question emerges, therefore, as to how efficiently and effectively public dollars are being spent on these objectives. This Report answers those questions. During this past reporting period, Houston HIDTA Initiatives disrupted the market for illegal drugs through disruption and immobilization of DTOs, arrests of their principals, seizures of drugs and assets, and they did so in a cost effective manner through innovative technical advances and cooperative efforts, or doing more with less. (The flat budget since 1997 represents a loss of almost \$1.49 million in real dollars.) The following highlights illustrate this success:

- To maximize results, the Houston HIDTA facilitates cooperation and collaboration among different law enforcement organizations. About 513 representatives from 34 federal, state and local law enforcement agencies participate in the Houston HIDTA Initiatives and task forces. With support from the Houston Intelligence Support Center, the Texas Narcotic Information System, and the Narcotics Operations Control Center, the Houston HIDTA continues to identify, dismantle or disrupt some of the world's most dangerous and prolific DTOs, drug dealers, money launderers, weapons traffickers, and violent criminals.
- Some of the interagency cooperation and some of the increased efficiency and effectiveness stem from technical advances that the HIDTA Program brings to the law enforcement arena. These innovations are beyond the missions and scope of the individual agencies and likely would not have happened without the HIDTA Program.
 - Because the Houston HIDTA and the South Texas HIDTA have many common interests, the two have joined forces in intelligence sharing, Initiative evaluations, event deconflictions, and electronic communications. The South Texas HIDTA has joined the Houston HIDTA's Wide Area Network (WAN), which enables the two to share information through a secure electronic system. Wire intercepts from S. Texas can be monitored in Houston using this system, potentially saving thousands of dollars.
 - A sophisticated camera system at Border Patrol checkpoints provides real-time and historical information via the WAN regarding vehicles. This system, installed in 2005, and planned for other locations in 2006, has already resulted in successful law enforcement operations. Intelligence sources report that traffickers are changing their transportation methods as a result. Such changes undoubtedly will create new vulnerabilities that law enforcement agencies can exploit. The Houston HIDTA will buy enough electronic memory in 2006 to ensure that a photograph of every vehicle that crosses these checkpoints in either direction will be maintained electronically for years. These records will include most tag numbers and photographs of most drivers. In 2006, a live feed from these cameras will be available to all Initiatives on the WAN.
 - A sophisticated airborne surveillance system provides capabilities to all agencies that no one agency could afford. This system will result in intelligence, drug seizures, and arrests that might not have taken place otherwise. This and other joint intelligence projects save thousands of dollars in avoiding investigative duplication of efforts and diminish prosecutorial time and expenditures.
- Illicit drugs are extremely profitable for the organizations that traffic in them. Removing DTOs' profits significantly disrupts their operations and activities. During CY 2005, Houston

HIDTA Initiatives removed more than 87 million dollars in illicit drug profits from DTO balance sheets. This would be a serious financial blow to even the largest legitimate corporation. Its impact on a DTO is greater yet, and represents the potential for a sizeable reduction in illicit drug availability.

- Fighting the battle against illicit drug trafficking costs money. Taxpayer and legislative concern may be allayed however, by the fact that every Houston HIDTA budget dollar spent on law enforcement and intelligence support activities contributed to the removal of \$7.44 in illicit drugs from the wholesale market and seizure of \$2.53 of drug-related assets. Thus, Houston HIDTA Initiatives achieved a combined Return on Investment (ROI) of nearly \$10.00 for every \$1.00 of Houston HIDTA funds invested.
- HIDTAs exist to disrupt and dismantle DTOs. By the end of 2005, the Houston HIDTA had identified 502 DTOs and money laundering organizations, or nearly nine percent of the total DTOs identified by HIDTAs nationwide. Law enforcement authorities in the Houston HIDTA targeted 346 of those identified, and by the end of the year, had disrupted 218. In addition, 36 DTOs were totally dismantled, a significant achievement. In total, Houston HIDTA Initiatives dismantled or disrupted nearly seventy-three percent of the DTOs they targeted. Two major factors kept these numbers from being even higher: Hurricanes Katrina and Rita; and developments along the SW border.

Hurricanes Katrina and Rita affected Houston HIDTA operations in multiple ways, the most significant being the diversion of manpower from HIDTA investigations to relief operations. The devastation that these storms wreaked upon the Gulf South is well-documented: what is not so well recognized is the relief effort that agencies undertook from late August through early October in New Orleans and east Texas communities. The effect on the city of Houston is larger: more than 250,000 people were evacuated to Houston, of whom more than 100,000 stayed. These people require police services on a priority basis. Crime rates, particularly the murder rate rose, and the trend continued into 2006. For a Police Department with hundreds of vacancies, the rising crime rates take a serious toll.

Escalating violence in Nuevo Laredo, Mexico reportedly has resulted in increased law enforcement pressure in the northern states of Mexico resulting, in turn, in fewer U.S. seizures. Further, internecine struggles involving the Gulf Cartel with its enforcement arm the *Zetas*, and competing groups have caused changes in smuggling patterns. Although it is too early to make a definitive statement, there are indications that the Border Patrol checkpoint camera system mentioned earlier has also sparked changes in the way smugglers operate. Most of the Texas Coastal Corridor Initiative's cases stem from seizures that develop into major investigations. Seizures in the southern part of the Houston HIDTA, though significant, are down.

Because of its role as a distribution and transit center affecting the rest of the country, and because of the sheer numbers it has to deal with, the Houston HIDTA strives to immobilize larger, more complex DTOs where the greatest positive impact can be achieved. Some of these are among the most significant traffickers in the world. Disrupting or dismantling such organizations may take years, but doing so can substantially reduce the drugs in the illicit marketplace. As illustrated by the statistical measures contained throughout this Annual Report, during CY 2005, the Houston HIDTA Initiatives targeted complex cases involving large DTOs. Of the 254 DTOs disrupted or dismantled, 134, more than half, were international in scope. Another 47, or nineteen percent, were multi-state operations. Thus, in keeping with the HIDTA

Program mission, more than seventy-one percent of the DTOs that the Houston HIDTA agencies dismantled or disrupted affected areas outside the Houston HIDTA.

Consolidated Priority Organization Targets (CPOT), Regional Priority Organization Targets (RPOT) and Organized Crime Drug Enforcement Task Force (OCDETF) targets are by definition significant. CPOTs are among the world's most significant. In 2005, Houston HIDTA Initiatives initiated 12 CPOT, 7 RPOT and 21 OCDETF- related cases, bring the total such cases under investigation in 2005 to 74, 26, and 96 respectively.

- Major investigations require major investments of time and resources. It is not unusual for Houston HIDTA cases to take years to complete and to require significant expenditures from multiple jurisdictions. In *Operation End Run*, for example, HIDTA Major Drug Squads H-33 was investigating a major cocaine importation and distribution network with ties to Columbia and Mexico. This organization was directly tied to a CPOT target. Intelligence revealed the organization's center of operations was in Houston, with branches in New Jersey, New York, Georgia and Illinois. MDS identified two separate cell heads in Mexico. In January 2004, a 10,000 kilogram shipment of cocaine was seized in Mexico. This cocaine shipment was destined to members of this organization in Houston for further distribution to Chicago, Illinois. Between December 2004, and October 2005, MDS H-33 initiated 10 Federal Title III wire intercepts on cellular telephones used by members of this organization and passed leads from the Title III intercepts to New York. Based on these leads NY authorities initiated a wire intercept. Leads produced by MDS H-33 and New York led to the DEA Bogotá Country Office initiating 16 wire intercepts in Colombia. This investigation resulted in the December 2005, indictments of 10 members of the organization in the Southern District of Texas, an additional 6 indictments by the Eastern District of New York and the disruption of this organization. This investigation is continuing with additional indictments anticipated.
- The number and significance of the DTOs operating in the Houston HIDTA make collaboration among Initiatives and with other jurisdictions a critical aspect of Houston HIDTA operations. Houston HIDTA Initiatives shared thousands of investigative leads with jurisdictions in nearly every state and in several countries. These numbers, though impressive, are under-reported because Houston HIDTA Initiatives have just begun to track these figures.

- In one such case, the Targeted Narcotics Enforcement Team (TNET) began an investigation into the Houston cell of the Mexican Mafia, a violent prison gang with influence in and out of the prison system. With their virtually unlimited supply of marijuana, cocaine, heroin, and methamphetamine, Mexican DTOs benefit from relationships with gangs, as gangs provide a layer of insulation from U. S. law enforcement and serve as enforcers for DTOs. The Texas Mexican Mafia works directly with the Gulf Cartel, and their enforcement group, the Zetas. TNET identified a Mexican Mafia General controlling the gang's activities in Texas. During January 2005, TNET began "Operation Invicto" and enlisted the aid of HIDTA Major Drug Squads (MDS). TNET and MDS coordinated this investigation with the U. S. Attorney's Office (Houston), U. S. Attorney's Office (San Antonio), Texas DPS, Texas Rangers, Texas State Attorney General's Office, Texas Department of Criminal Justice, HIDTA (Cameron County), DEA

(San Antonio), FBI (San Antonio), DEA (Michigan), DEA (Indiana), DEA (New York), DEA (Ohio) and DEA (North Carolina). Demonstrative of the violence emerging on the Texas-Mexico border, investigators have cleared 3 capital murder cases and 3 additional murder cases while conducting the drug investigation of the DTO. Investigators also discovered the gravesites of two victims that had been reported missing in the Lower Rio Grande Valley since 2003, and these murder investigations are ongoing. Federal indictments related to this DTO in Houston involve the General, a Lieutenant, and 3 soldiers, along with associated family members. San Antonio has also targeted the General and others in a RICO case. To date, investigators have been directly responsible for the seizure of 11 kilos of Cocaine, 7,200 pounds of Marijuana, 78 pounds of Hashish, and U.S. Currency totaling \$138,950.00. Many of the seizures resulted from TNET sharing information with other agencies along the Southwest Border. Additional seizures of 20 kilos of Cocaine by the Ohio DEA and \$1 million dollars in U.S. Currency by New York DEA involved defendants indictable in the TNET/MDS investigation.

- Another prime example of information sharing across jurisdictions is the Truck Air Rail and Port (TARP) Initiative, which is an interdiction initiative that turns drug and money seizures into investigations. In furtherance of this effort, TARP conducted 67 controlled deliveries in 2005, with 49 resulting in arrests. In one such case, a controlled delivery of 8 kg cocaine to Ft. Wayne, Indiana resulted in two arrests there, an additional three arrests in Milford, Indiana and seizures of an additional 3 kg of cocaine, 127 lbs of marijuana and about \$250,000. More importantly, a significant local organization was disrupted. None of this would have happened without aggressive action from TARP. TARP has also worked closely with the Harris County District Attorney's Office to develop money laundering cases under Texas law. This is a significant change in prosecutorial philosophy that would not have happened without the close collaboration between TARP and the DA's Office.
- The Houston HIDTA identified 32 money laundering DTOs and targeted 29 in CY 2005. Of these, 4 were dismantled and 17 were disrupted. HIDTA Initiatives also seized money and property valued at more than \$12.5 million.
 - The Houston Money Laundering Initiative (HMLI) is investigating a DTO involved in the distribution of MDMA-Ecstasy in the Houston metro area and the laundering of the illegal drug proceeds through the organization's business. The organization's activities spanned California, Texas, Canada Vietnam, and Hong Kong. To date, the investigation has identified more than \$32 million in drug proceeds that were funneled through accounts in Vietnam and Hong Kong. Seven (7) principals of the organization were arrested and several of them have pled guilty and are currently cooperating with investigators.
- In addition to its role as a command, control and transit center, the Houston HIDTA has a significant local distribution and violent gang problem. Of the 502 DTOs identified, 237 were local in scope, but many of the gangs in the Houston HIDTA are multi-state or even international. For example, the Gangs and Non-traditional Gangs Squad (GANGS) disrupted 2 international and 2 multi-state DTOs in 2005. Authorities targeted 94 local DTOs in 2005 and 73 were disrupted or dismantled.

- Recognizing the impact of gangs on society, the Houston Police Department created a Gang Division in 2005. 149 of the gangs operating in Houston also qualify as DTOs and GANGS targeted seven of them in 2005. Despite the hurricanes and the energy required to organize a new division, GANGS worked with other agencies to develop cases against gang members of MS-13, the Latin Kings, and other significant DTOs. GANGS has also established liaison with Louisiana agencies through the Gulf Coast HIDTA.
- Ft. Bend County is a large suburban and rural county adjacent to Houston. Traditionally, open-air drug markets have been a major problem, but the Ft. Bend Enforcement Team (FBET) has largely forced them out of business. Accordingly, the FBET raised its focus and in 2005, and disrupted 2 DTOs and dismantled 1.
- One of the TNET squads conducts Long Term Abatement Projects (LTAP) which target chronic, often violent, crime trends in areas where community-level drug dealing created an environment where families/children feared victimization by the criminal element. Although the squad targets neighborhoods rather than DTOs, immobilization of a DTO often may be the by-product of its efforts. These are locations where the end products of the DTOs become very real to the public. In addressing the concerns, TNET used its experience from the HIDTA environment in launching the full-spectrum LTAP attack against the criminals on behalf the community, using a diverse approach including code enforcement, traditional law enforcement and community activism. Highlighting the results of one of the LTAP projects in an inner-city area, drug dealing (and the commensurate other crime categories) declined sharply in the months that followed. Calls for service dropped 60%, assaults dropped 39%, drug arrests dropped 38%, and overall crime dropped 15%. One duplex being used as a den for drug users and dealers was demolished because of the combined efforts of TNET's investigators, attorneys, and inspectors.

Continuing its effort to deal decisively with embedded traffickers and nuisance locations, the LTAP squad targeted several after-hours clubs that were acting as havens for criminals within local communities. One of these locations, the site of a prior murder and numerous other violent crimes, was such a threat to civility that patrol officers could not go to the location without being attacked or threatened. The cooperative effort provided by TNET and its nuisance abatement mechanism resulted in 17 drug arrests, the seizure of \$23,622 and a court-ordered closure of the business for a minimum of 1 year.

- The Houston HIDTA continues to play a leading role in assisting the law enforcement, and investigative support Initiatives with their information sharing and training needs. Information sharing and training support form the “glue” that binds these Initiatives together by promoting and facilitating greater efficiency and effectiveness. A secure wide-area network (WAN), electronically connecting all Initiatives, allows them to share software and sensitive information, which will improve efficiency and save money. Event, case and subject deconfliction has enhanced officer safety and diminished duplication of investigative effort. No officer has been injured as a result of a failure to deconflict an event through the Narcotics Operation Control Center (NOCC).

- In Operation Pi`Pe a cooperating defendant in a North Carolina drug case was referred to TNET, resulting in the seizure of 22 kilograms of cocaine and the identification of a

significant DTO operating in the Houston HIDTA. According to a seized computerized ledger corroborated by debriefings, this DTO had distributed more than 200 kg in the previous two months with cash flow of more than 1.5 million dollars per month. Case and subject deconfliction through the Houston Intelligence Support Center (HISC) linked the case to another DTO targeted by HIDTA MDS. TNET combined forces with the MDS and as a result, several other cells have been identified and targeted. In 2005, the joint investigation resulted in the seizure of more than 100 kilograms of cocaine and about \$500,000 in currency. Members of one cell were found to be in possession of fully automatic weapons and bulletproof vests. The investigation will continue in 2006 with TNET focusing on the regional aspect of the case and MDS focusing on the international aspect.

- The HISC conducted more than 4,500 case and subject deconflictions in 2005, serving as a conduit between agencies that allowed them to avoid duplication of effort and potential hazard to investigators. TNIS conducted another 3,900. The HISC was the HIDTA Program's ISC of the Year in 2004 and continued its outstanding support in 2005. Its proactive squad develops targets and passes cases to other initiatives. It did so 45 times in 2005, many of which have resulted in significant cases. In addition to the tactical and analytical support, the HISC provided three strategic documents in 2005. The first, the annual Threat Assessment, identified intelligence gaps that spawned the other two. The Methamphetamine Threat Assessment provided important information that the Executive Board and member agencies needed to formulate remedies and strategies to combat the methamphetamine threat. The HISC distributed more than 40 copies of the methamphetamine threat assessments. The HISC Strategic Intelligence Team (SIT), in conjunction with the South Texas HIDTA, produced the 2005 Padre Island National Seashore (PINS) Threat Assessment. This report provides succinct intelligence and analysis regarding Mexican drug trafficking organizations' use of the PINS to bring illegal drugs and illegal aliens into the United States of America. The HISC and the South Texas HIDTA distributed this report to regional law enforcement entities and the military. It was used as the starting point for a multi-agency operation, primarily by the U.S. Border Patrol with military support.

The HISC also had the honor and privilege of providing an intelligence/training seminar for active intelligence personnel of the 1st Cavalry Division of the U. S. Army. The training seminar focused on recruiting, maintaining, and handling confidential informants and criminal intelligence research methods and analysis. The participants were intelligence personnel who were veterans of the Iraq war and scheduled for redeployment to Iraq. These soldiers are tasked with recruiting and maintaining Iraqi confidential sources. The HISC brought in experienced law enforcement officers from several Houston HIDTA initiatives to brainstorm and discuss successful law enforcement practices. In addition, the soldiers received one-on-one training with seasoned HISC Intelligence Analysts regarding identifying, targeting, and investigating criminal organizations.

The Houston HIDTA joins the other Texas HIDTAs in support of the Texas Department of Public Safety-led intelligence Initiative in Austin, the Texas Narcotics Information System (TNIS). TNIS' various units provide the full gamut of intelligence support to all the Texas HIDTAs and law enforcement agencies across the state. In 2005, TNIS provided more than 20,000 leads to investigative agencies and supported more than 70 wire intercepts.

On the proactive side, TNIS personnel notify out-of-state authorities each week regarding DPS seizures made involving vehicles or subjects from the different states. These account for a large number of investigative leads being sent out to both HIDTA and non-HIDTA investigative groups for whatever follow-up action the recipients deem appropriate. Information is also routinely shared on a quarterly basis concerning trucking companies believed to be involved in drug trafficking. This list is provided to enforcement personnel across the country. Another widely acclaimed publication is *The PSAT Perspective*. It is a monthly news bulletin highlighting significant seizures, officer safety issues, concealment and trafficking trends, training, and more. It has been heralded as the best such document of its kind in publication.

New ideas fuel success. The HIDTA Program and the Houston HIDTA encourage innovative approaches to counter the increasingly sophisticated measures that traffickers use to avoid detection. The sharing plan with the S. Texas HIDTA, the WAN, and the checkpoint camera system are but a few of the innovations that are helping participating agencies achieve their missions.

II. INTRODUCTION

This Annual Report documents Houston HIDTA activity during the last calendar year. To fully appreciate the Houston HIDTA's achievements, it is important to understand how each HIDTA is structured, and why it exists. The Director, Office of National Drug Control Policy (ONDCP), designates regions with critical drug trafficking problems adversely impacting the United States as High Intensity Drug Trafficking Areas (HIDTAs). By design, HIDTA offices are located in these areas. Thus, the national HIDTA program, composed of 28 individual HIDTAs spread throughout the nation, is uniquely situated to counteract this illicit activity. HIDTAs play a significant role in addressing real world drug and drug-related problems, and offering real world solutions that agencies on their own would not be equipped to implement. The innovations, such as the Wide Area Network or checkpoint camera system, that the HIDTA system brings to the counter drug arena transcends the missions of the individual agencies and their budgets. The Houston HIDTA has fostered cooperative and effective working relationships with more than 34 federal, state and local agencies in its quest to disrupt or dismantle DTOs. These working relationships are embodied in the Houston HIDTA Initiatives. A description of each Initiative is appended to this document.

Houston HIDTA law enforcement Initiatives have established priorities that focus on immobilizing DTOs, including violent gangs. There is also a determined effort to counter drug movement into and through the region, and to arrest those who conceal the proceeds from illegal drug sales. One Initiative has focused on clandestine methamphetamine laboratories for the past few years. Changes in trafficking patterns dictate that this initiative must elevate its focus to DTOs as well.

To achieve meaningful results, each HIDTA needs clear goals (the HIDTA Program Goals); a recognition of the challenges faced (a Threat Assessment); a plan to get there (a Strategy with quantifiable performance targets); and a way to document achievements (an Annual Report). The overall HIDTA mission is embodied by the National Program Mission Statement:

**National HIDTA
Program Mission Statement**

The mission of the High Intensity Drug Trafficking Areas (HIDTA) Program is to disrupt the market for illegal drugs in the United States by assisting federal, state, and local law enforcement entities participating in the HIDTA program to dismantle and disrupt drug trafficking organizations, with particular emphasis on drug trafficking regions that have harmful effects on other parts of the United States.

During the previous calendar year, the Houston HIDTA Director and Executive Board worked closely with law enforcement agencies and local HIDTA staff to develop a vision of the future which clearly reflects what outcomes HIDTA Initiatives seek to achieve.

**Houston HIDTA
Vision Statement**

To integrate all agencies within the geographic boundaries of the Houston HIDTA into the systematic use of its event, case and subject deconfliction services.

Houston HIDTA success is measured in part by its ability to facilitate greater efficiency, effectiveness and cooperation among participating agencies at the local, state and federal level, thus yielding tangible, measurable results. Collocation of different law enforcement agencies to facilitate and enhance resource sharing is a key element of the strategy. The extent of information sharing and inter-agency cooperation fostered by the Houston HIDTA approach proves that separate law enforcement Initiatives are working together effectively and efficiently.

The Houston HIDTA recognizes that without a clear mission, the law enforcement, intelligence and prosecution communities cannot work in concert toward mutual objectives, and success cannot be quantified or measured. The Houston HIDTA fully embraces the following mission in conjunction with the national program objectives.

**Houston HIDTA
Mission Statement**

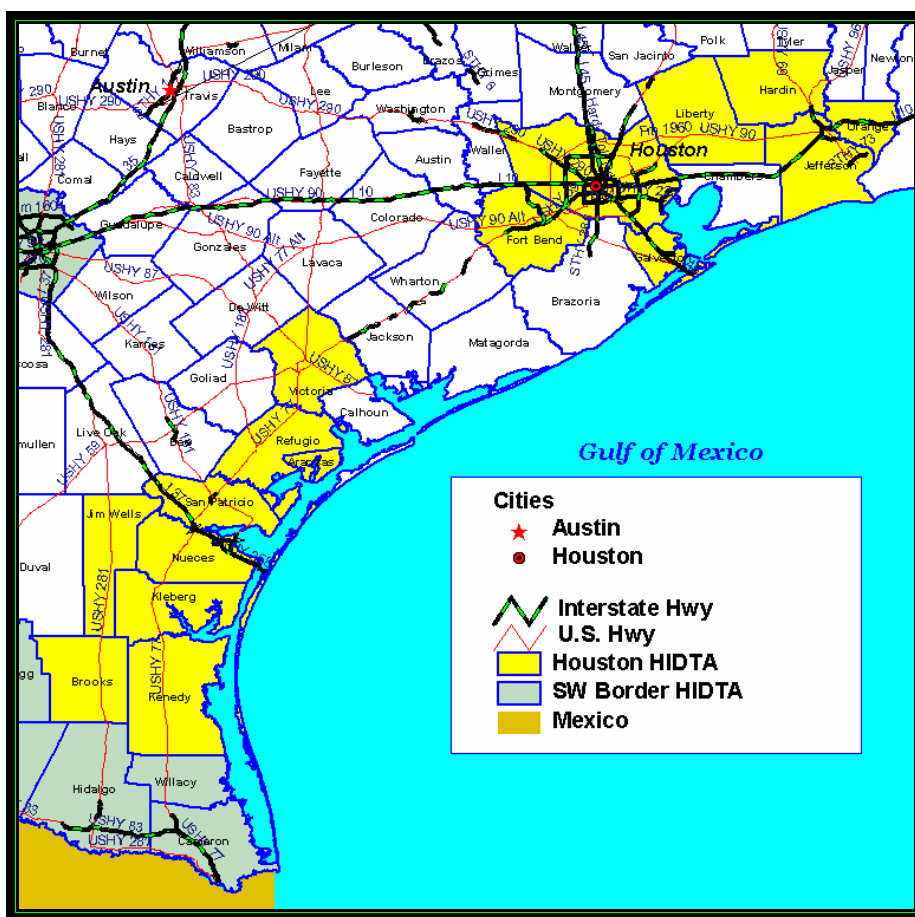
The mission of the Houston HIDTA is to disrupt the drug market through the creation and nurture of intelligence-driven task forces targeting major drug trafficking organizations, money laundering organizations and drug gangs. Further, the Houston HIDTA will enhance and help coordinate efforts among federal, state and local law enforcement agencies.

Reporting Period: This Annual Report covers the reporting period January 1, 2005 to December 31, 2005.

Budget Allocation: During this reporting period, ONDCP allocated a \$8,800,643 budget for Houston HIDTA operations. Houston HIDTA strives to minimize any expenditure that does not directly address achieving its primary objectives. Accordingly, the Houston HIDTA allocates 91% of its allocation directly to its family of Initiatives and their operational support costs. Throughout this Annual Report, the Houston HIDTA reports significant success in achieving its mission, and its performance is trending positive for the future. HIDTA dollars are well spent inasmuch as they are yielding precisely the desired effects.

Geographic Area of Responsibility:

The Houston HIDTA encompasses most of the Texas Gulf Coast. Its geographic area of responsibility now comprises 16 Texas counties: Aransas, Brooks, Fort Bend, Galveston, Hardin, Harris, Jefferson, Jim Wells, Kennedy, Kleberg, Liberty, Nueces, Orange, Refugio, San Patricio, and Victoria. The Capital of Texas and the headquarters for Texas Department of Public Safety are in Austin, in Travis County, outside of all four of the Texas HIDTAs. The Houston metropolitan area is centered in Harris County.



Houston is the nation's fourth largest city, and with its proximity to Mexico, one of the major drug distribution points in the U.S. The area's transportation infrastructure, racial and ethnic diversity, and international trade continue to make the Houston HIDTA region a primary drug distribution hub, as well as a conduit and staging area for the movement of illegal proceeds to drug source countries. Many of the most notorious and profitable international drug trafficking organizations use the Houston HIDTA as a transportation and distribution hub of their U.S. operations. Houston-based cells receive shipments and orders, directly or indirectly, through these cartels. Targets considered by the Department of Justice (DOJ) as the most significant in the world operate from the Houston HIDTA. The southern part of the HIDTA is a major transshipment point both by land and by sea. The HIDTA Initiative in Corpus Christi, Texas spends much of its resources tracing drug seizures to their sources and to their destinations.

III. National HIDTA Goals

HIDTAs nationally have adopted two specific goals to be achieved in meeting the drug challenge. These two national goals guide all HIDTA Initiatives and activities throughout the United States. The Houston HIDTA demonstrates these national HIDTA program goals, plus concise summaries of its Threat Assessment for 2005 and resultant Strategy in the following sections. The Houston HIDTA has fashioned an individual strategy to meet local drug threats according to its individual needs, in conjunction with the national objectives:

NATIONAL HIDTA GOALS

Goal 1: Disrupt the market for illegal drugs by dismantling or disrupting drug trafficking and/or money laundering organizations; and

Goal 2: Improve the efficiency and effectiveness of HIDTA Initiatives.

The HIDTA Goals represent clear targets for Houston HIDTA Initiatives. They also provide the foundation for performance planning and outcome measurement. As the Houston HIDTA develops budget proposals, each Houston HIDTA Initiative must present programmatic and fiscal justifications that are based on the Threat Assessment; must articulate how the Initiative's funding request directly addresses the threat; must set realistic performance measures; and each Initiative must eventually provide specific information on how the funding has allowed the Houston HIDTA to meet its desired outcomes. Houston HIDTA Initiatives are developed within clear national guidelines governing all HIDTA activities and expenditures.

The Houston HIDTA Executive Board is significantly involved in all aspects of the Houston HIDTA Intelligence, Investigation, and Interdiction activities. The Board provides a forum to share important trends in drug trafficking, gathers information on which drugs are being distributed throughout the region, and sets priorities for the HIDTA. The Board also addresses important administrative issues in its oversight capacity. Houston HIDTA success is measured by results, and each Initiative is fully accountable for its success or failure in meeting its objectives.

IV. Summary of Threat Assessment for Budget Year 2005

Recognizing how important it is to maximize operational effectiveness, and to ensure that our citizens get the greatest return for their tax dollars, each year the Houston HIDTA establishes a sound strategic plan and realistic resource requests which emanate from its well-researched and thorough Threat Assessment. *The Houston HIDTA Threat Assessment for Budget Year 2005* provides details on the threats identified. The following summarizes the threat:

- The Houston HIDTA is a national-level distribution center for most illicit drugs, primarily cocaine, marijuana, and Mexican “Ice” methamphetamine due to its proximity to the U.S.-Mexico border and its multifaceted transportation and financial infrastructures.
- Houston has emerged as potentially the most significant cocaine distribution center in the United States. From 2002 to 2004, more cocaine was seized domestically on highways, railways and at airports originating from Houston than from any other U.S. City. Cocaine seizure data show that wholesale quantities of cocaine are distributed from Houston to numerous significant drug markets in most regions of the country including Atlanta, Chicago, Detroit, Kansas City, Miami, St. Louis and New York.
- Mexican DTOs pose the greatest criminal threat to the Houston HIDTA. These organizations use familial ties and long-established relationships to maintain control over transportation and distribution groups. They are among the most significant DTOs in the world.
- Mexican DTOs and criminal groups are the dominant transporters and wholesale distributors of illicit drugs into, through, and from the Houston area. Mexican DTOs and criminal groups serve as transporters and wholesale distributors of cocaine, marijuana, heroin and methamphetamine available in the HIDTA.
- Street gangs and prison gangs dominate retail distribution of illicit drugs in the Houston HIDTA. Much of the violent and property crime in Houston can be attributed to the street gang activities, including drug trafficking.

V. HIDTA Strategy Summary

The reader is referred to *The Houston HIDTA 2005 Strategy* for details on the Houston HIDTA Initiatives. The following summarizes the Strategy:

The primary elements of the Strategy are:

- Cooperative, collaborative, collocated and commingled task forces involving federal, state and local law enforcement officers;
- Intelligence-driven investigations;
- Investigative priorities;
- Innovative approaches; and,
- Accountability and oversight

All Houston HIDTA Initiatives save one are multi-agency. The exception is the event deconfliction initiative, the NOCC, run by Houston Police Department, that provides computerized event deconfliction services to all. It does not require the participation of other agencies.

Two Intelligence initiatives, the Houston Intelligence Support Center and the Texas Narcotics Information System in Austin (TNIS), provide the full range of intelligence services. TNIS' services are shared across the entire state. TNIS also shares highway interdiction information nationally, and enjoys a cooperative relationship with the BLOC/HIDTA Watch Center of the Gulf Coast HIDTA.

In 2004 the Executive Board set the first priority in the Houston HIDTA as cases of national significance, *i.e.*, CPOT, RPOT, OCDETF, and cases with clear potential to fall into these categories. The target-rich environment in the Houston HIDTA makes this the best approach, and the one that best supports the needs of the country.

Major traffickers notwithstanding, Initiatives must address the local threat as well. Since so many drugs transit the Houston HIDTA, Initiatives must work transportation cases, and their impetus is to turn drug seizures into drug investigations, especially when a seizure relates to primary targets. Several national gang sets operate in the Houston HIDTA and many local gangs terrorize neighborhoods. Even in these contexts, the Executive Board expects HIDTA Initiatives to pursue investigations to the highest level that they can, and to pass investigations to other Initiatives when appropriate. The Executive Board evaluates each Initiative to ensure that the majority focus on the first priority.

HIDTA Initiatives combine time-tested methods of operation with innovative approaches like the WAN, which allows agencies to share information and software with economy and efficiency; the checkpoint camera system, and the aerial surveillance platform. These projects transcend the scope of any one agency's mission. Thus, resources provided by HIDTA funds and expertise improve the efficiency and effectiveness of all participating agencies. The Executive Board enthusiastically considers proposals for pilot projects or specialized task forces as agencies develop them.

Finally, the Executive Board has developed an Initiative Review Process that requires continuous evaluation of Initiatives' performance through monthly reports that the Initiatives prepare and site visits by the Director and his staff. Site visits include compliance reviews, fiscal desk audits, and effectiveness evaluations. The Board meets bi-monthly and discusses Initiatives that have been reviewed since the last meeting. The Board is thus able to deal with problems as they arise, and to reallocate resources as they become available or the need becomes apparent.

In an increasingly competitive policy and budget environment, it is critical for the Houston HIDTA to develop strategies and resource requests that will produce positive regional outcomes consistent with the two HIDTA goals. The Houston HIDTA funded 13 Initiatives in CY 2005 distributed as follows:

- 5 Investigative DTO focus (includes interdiction)
- 1 Investigative Money Laundering Focus
- 1 Investigative Methamphetamine
- 1 Gang (drug) focus
- 3 Intelligence Focus (includes event deconfliction)
- 1 Management Operations focus
- 1 Training Initiative (no funding)

(Note - A description of each Initiative can be found in Appendix E.)

During the course of the year, one violent crime Initiative was discontinued, with its personnel redistributed among other Initiatives. An electronic crimes initiative was created, but never became fully operational, so the parent agency absorbed its function. The methamphetamine group is in the process of changing its focus from local labs to DTOs trafficking in methamphetamine. These actions demonstrate the flexibility of the HIDTA program. If an Initiative fulfills its function, or fails to do so, or if trafficking patterns warrant change, the Executive Board will make the appropriate adjustments.

VI. HIDTA Performance Measures

Working hard does not always equal working smart. HIDTAs across the country have instituted procedures aimed at ensuring that HIDTA-sponsored Initiatives work both hard and smart. Flat budgets amid rising costs dictate that they must. Performance measures introduce a capability to quantify and track HIDTA targets and monitor HIDTA results. With application of the Performance Management Process, the Houston HIDTA Annual Report functions as a report card; a barometer of HIDTA efficiency and effectiveness; a source for comparison with previous year efforts; and most importantly, a beacon for future action. The next series of tables and charts present specific outputs and efficiency measures organized in HIDTA Program Goal order. These measurable results reflect a continuing increase in efficiency and effectiveness at lower programmatic costs of about \$1.5 million. More is being accomplished with less...an admirable trend:

A. Performance Measures for Goal 1

Table 1 – DTOs Identified, Targeted, Disrupted, Dismantled

Table 1: Percentage of DTOs and MLOs Disrupted or Dismantled for Year 2005 at Houston HIDTA						
Year	DTOs Identified	Total Targeted	# Disrupted	% of Targeted Disrupted	# Dismantled	% of Targeted Dismantled
Begin 2005	381	232	158	68%	24	10%
During 2005	121	114	60	53%	12	11%
Total 2005	502	346	218	63%	36	10%

Illicit drug trafficking, left unchecked, cuts deeply into the social fabric of our society. Tables 1 through 4 reflect the remarkable impact Houston HIDTA Initiatives had on DTOs, not only within the Houston HIDTA region itself, but also nationally and internationally. At the beginning of each year, Houston HIDTA Initiatives are hard at work investigating DTOs that have been previously identified, many of which will also have been specifically targeted for disruption or total dismantlement. Table 1 shows that as of January 2005, the Houston HIDTA had already identified 381 DTOs and targeted 232 for either disruption or dismantlement. More of these DTOs were targeted during the course of the year. For example, in 2005 the Houston Money

Laundering Initiative extradited the head of a smuggling cell from Colombia to Houston to stand trial on charges related to the group's 2003 activities. During the course of the year, The Houston HIDTA had identified 121 additional DTOs, for a total of 502, of which 346 were targeted. By the end of calendar year 2005, Houston HIDTA authorities had disrupted 218 and dismantled 36 DTOs. This is an outcome of more than 73% efficiency.

Table 2 - Percentage of DTOs Disrupted or Dismantled by Scope

Table 2: Percentage of DTOs and MLOs Disrupted or Dismantled by Scope for Year 2005, at Houston HIDTA [ALL DTOs; MLOs included]								
Scope	# Identified	# Targeted	# Disrupted	% of Targeted Disrupted	# Dismantled	% of Targeted Dismantled	Total Disrupted or Dismantled	Total % Disrupted or Dismantled
International	194	190	110	58%	24	13%	134	71%
Multi-state	71	62	44	71%	3	5%	47	76%
Local	237	94	64	68%	9	10%	73	78%
Total	502	346	218	63%	36	10%	254	73%

Table 2 explains Houston HIDTA success in terms of the operational scope of the DTOs identified and targeted in calendar year 2005. Of the 502 DTOs identified, 265, or more than half, operated beyond the Houston HIDTA region in multiple states, or were involved in international operations. Houston HIDTA Initiatives targeted 252 of these major operations, disrupting 154 and totally dismantling 27 of the larger targeted DTOs. One hundred thirty four international DTOs were either dismantled or disrupted. Through its focus on the more sophisticated targets, the Houston HIDTA has a greater impact on the drug market in the rest of the country.

Table 2 also demonstrates the HOUSTON HIDTA's commitment to reduce retail drug sales by targeting 94 local DTOs. This attention to local DTOs resulted in 64 disruptions and 9 dismantlements. Attacking local DTOs in conjunction with the larger targets has a ripple effect in the drug supply chain. Immobilizing a local DTO, even though the drug quantity seized may be small, affects the ability of international and multi-state DTOs to get their drugs into the hands of drug users, thus helping to reduce the efficiency and effectiveness of this black market industry. By making it more difficult and time consuming for drug buyers to score a local connection, thus making it more difficult for street level dealers to sell their drugs, the local drug markets are not able to move the same volume of drugs with the ease they experienced in prior years. Likewise, every arrest has a disruptive effect on the market. Time after time, a relatively low-level arrest has resulted in the identification and immobilization of higher-level DTOs. One such Houston HIDTA case, Operation Enlightenment, began as a street-level case involving the purchase of a small amount of drugs. Aggressive follow-up identified an international cartel with connections in Asia and Canada which led to a CPOT investigation. It has since spun off to a money laundering investigation and two separate OCDEF cases. Dozens of people have been arrested and millions of dollars in drugs and assets have been seized, with more in the planning stages. It is an accepted premise that most crime is related in some way to the drug traffic. Also, most crime is committed by a relatively small number of offenders. Thus, the disruption of local DTOs tends to have a broad effect on the local community and local crime rates. Further, every time a local DTO is disrupted or dismantled, the traffickers remaining at large must modify their

methods of operations, rendering them more vulnerable to law enforcement operations. Houston HIDTA Initiatives arrested 2154 people in 2005.

Table 3 - Percentage of Money Laundering Organizations Disrupted or Dismantled by Scope

Table 3: Percentage of Money Laundering Organizations Disrupted or Dismantled by Scope for Year 2005, at Houston HIDTA								
Scope	# Identified MLOs	# Targeted	# Disrupted	% of Targeted Disrupted	# Dismantled	% of Targeted Dismantled	Total Disrupted or Dismantled	Total % Disrupted or Dismantled
International	23	21	12	57%	4	19%	16	76%
Multi-state	5	4	2	50%	0	0%	2	50%
Local	4	4	3	75%	0	0%	3	75%
Total	32	29	17	59%	4	14%	21	72%

The drug trade, for the most part, is based on cash sales. Taking the profit out of drug dealing, therefore, is a constructive approach to disrupting the drug market. One way to decrease profits is to identify and target those DTOs engaging predominately in drug money laundering. As reflected in Table 3, Houston HIDTA Initiatives identified 32 money laundering DTOs and targeted 29 in CY 2005. Of these, 4 were dismantled and 17 were disrupted. The Houston Money Laundering Initiative alone accounted for 17 DTOs, 8 of them money laundering organizations, disrupted or dismantled; 43 arrests; cash and asset seizures valued at about \$6 million; and drug seizures of about 500 lbs of cocaine and 14,000 lbs of marijuana. The profit margins of several DTOs suffered as a result of these enforcement actions. The Suspicious Activity Report (SAR) Review Team opened numerous cases based on research of various financial intelligence information systems, and seized more than \$1 million in the process.

Table 4 - Operational Scope of All DTO Cases Initiated

HIDTA Operational Scope, 2005, at Houston HIDTA				
Scope	# CPOT Cases	# RPOT Cases	# OCDETF Cases	% OCDETF of Total Cases
International	11	1	17	9%
Multi-state	1	5	4	6%
Local	0	1	0	0%
Total	12	7	21	6%

The Houston HIDTA strategy requires Initiatives to develop cases that have the potential to qualify for OCDETF, RPOT or CPOT designation. Of the 114 new DTOs targeted in 2005, 12, 7 and 21 respectively received CPOT, RPOT or OCDETF designation. Added to the existing targets being actively investigated at the beginning of the year, the total is 74, 26, and 96 respectively, clearly demonstrating the Houston HIDTA's focus on major investigations.

Tables 1-4 clearly reflect the nature of the Houston HIDTA's enforcement efforts and demonstrate its effectiveness in achieving its targeted outcomes. In every instance, the Houston HIDTA achieved or exceeded its performance targets. In some ways, the targets were based on new ways of measurement and may seem low. The planning process will improve in time.

Table 5 - Drugs Removed from the Marketplace

Table 5: Drugs Removed from the Marketplace for Year 2005, at Houston HIDTA		
Drugs Seized (kg or D.U.)	Amount Seized (kg or D.U.)	Wholesale Value
heroin kg	29.280	\$1,098,000
cocaine HCL kg	1,973.662	\$29,799,437
crack cocaine kg	0	\$0
marijuana kg	38,900.649	\$32,093,035
marijuana plants and grows	0	\$0
methamphetamine kg	180.090	\$2,344,815
methamphetamine ice kg	0	\$0
ecstasy(MDMA)(D.U.s)	13,112.000	\$98,340
Hydrocodone	135.000	\$1,350
Other	0	\$0
Other	0	\$0
Other	0	\$0
Other	0	\$0
Total Wholesale Value		\$65,434,977

*SOURCE – NDIC NATIONAL ILLICIT DRUG PRICES DECEMBER 2005 (mid point between high and low estimates)

Seizing drugs from a DTO is like eliminating inventories from a corporate sales department, leaving it with nothing to market. During CY 2005, the Houston HIDTA had a significant impact on the region's drug trade through its drug seizures. Table 5 lists the **wholesale** values of the respective drugs seized, thus giving a true depiction of the economic impact of removing these drugs from the marketplace. In this fashion, achieving the Houston HIDTA goals is more clearly shown in terms of real dollar outcomes. It should be noted, however, that many of the drugs seized were destined for other parts of the U.S., where the wholesale values are much higher. Thus, the \$65 million price tag is most likely an underestimate.

Table 6 - Return on Investment (ROI) for Drugs Removed from the Marketplace by Law Enforcement Initiatives by year

Houston HIDTA Table 6: Return on Investment (ROI) for Drugs Removed from the Marketplace by Law Enforcement Initiatives by Year					
Year	Budget	Baseline Drug Wholesale Value	Targeted Drug ROI	Drug Wholesale Value Removed From Market	Actual Drug ROI
2004	\$8,872,420	\$90,343,363	\$11	\$130,342,061	\$15
2005	\$8,800,643	\$90,343,363	\$7	\$65,434,977	\$7

Table 7 - Return on Investment (ROI) for Assets Removed from the Marketplace by Law Enforcement Initiatives by year

Houston HIDTA Table 7: Return on Investment (ROI) for Assets Removed from the Marketplace by Law Enforcement Initiatives by Year							
Year	Budget	Baseline Value of Drug Assets	Targeted Asset ROI	Value of Drug Assets Removed from Market			Actual Asset ROI
				Cash	Other Assets	Total	
2004	\$8,872,420	\$17,519,318	\$2	\$0	\$26,298,441	\$26,298,441	\$3
2005	\$8,800,643	\$17,519,318	\$1	\$17,587,644	\$4,641,799	\$22,229,443	\$3

Houston HIDTA Initiatives seized more than \$22,000,000 in drug assets during CY 2005, thereby reducing availability and subsequent use in the illicit economy. This yields an ROI of \$2.53 for every \$1.00 of HIDTA funding invested in Houston HIDTA law enforcement and intelligence Initiatives. It is well recognized, of course, that additional law enforcement dollars from agencies outside HIDTA for such expenses as officer salaries, police overhead and so forth, also contribute to seizures. Tables 5, 6 and 7 do not attempt to calibrate such outside expenses, but focus directly on what HIDTA spends.

Table 8 - Total Return on Investment (ROI) for Drugs and Assets Removed from the Marketplace by Law Enforcement Initiatives

Houston HIDTA Table 8: Total Return on Investment (ROI) for Drugs and Assets Removed from the Marketplace by Law Enforcement Initiatives by Year					
Year	Budget	Drugs and Assets Baseline	Targeted Total ROI	Drugs and Assets Removed from Market	Actual Total ROI
2004	\$8,872,420	\$107,862,681	\$13	\$156,640,502	\$18
2005	\$8,800,643	\$107,862,681	\$8	\$87,664,420	\$10

A modern business corporation is hurt by a reduction in its bottom line profits. A DTO is crippled the same way. Tables 5, 6 and 7 demonstrate the efficiency of the Houston HIDTA insofar as removing illicit drugs and drug profits from the DTOs.

In all, the Houston HIDTA permanently removed \$65 million in illicit drugs and \$22 million in drug profits from the marketplace. When examined in budget terms, these results yield an impressive rate of return (ROI) of \$10.00 for every \$1.00 of HIDTA funding invested in Houston HIDTA law enforcement and intelligence Initiatives. These rates of return compare favorably to the best run businesses in the private sector. Significant benefits were achieved at low cost

Table 9 - Prosecution Initiative Cost per Investigation,
NA-Houston HIDTA does not have a prosecution Initiative

Table 10 - Value of Clandestine Methamphetamine Labs Dismantled, by Size

Table 10: Value of Clandestine Methamphetamine Laboratories Dismantled by Size for Year 2005, at Houston HIDTA			
Meth Cost Per Ounce		\$900.00	
Lab Size	ID/Targeted	Dismantled	Value of Labs Dismantled
A. Less than 2 Oz	16	16	\$28,800.00
B. 2 - 8 Oz	9	9	\$40,500.00
C. 9 - 31 Oz	10	10	\$180,000.00
D. 32 - 159 Oz	1	1	\$86,400.00
E. 10 - 20 Lbs	1	1	\$216,000.00
F. Over 20 Lbs	0	0	\$0.00
Total	37	37	\$551,700.00

Methamphetamine abuse is an escalating drug problem in many HIDTAs across the country, and the Houston HIDTA region is no exception. Using the requisite chemicals and other precursor equipment, almost anyone foolish enough to ignore the dangers associated with methamphetamine production, coupled with the risk of arrest, can open a methamphetamine lab and start production. Fortunately, new legislation in Texas makes it difficult for potential methamphetamine producers to acquire the necessary precursor materials, and set up the labs required to achieve their illegal objectives. Table 10 shows that the MIG dismantled 37 methamphetamine drug laboratories of various sizes. At a local selling price of \$900 per ounce on the street, it conservatively stopped the production of more than \$500,000 worth of raw methamphetamine. These figures are conservatively based on an assumption that each laboratory would have conducted only one production run. This represents a decrease of about 40 percent in the number of labs seized, indicating that the legislation is having the desired effect, at least for the short term. The MIG intends to focus more on mid-level methamphetamine traffickers in 2006 to respond to the increase in Mexican methamphetamine.

Table 11 - Clandestine Laboratory Activities

HIDTA Investigative Activities, 2005					
	Baseline	# Targeted	# Identified	% Identified	Actual Change from Baseline
Suspicious Precursor/Essential Chemical Transactions*					
Laboratory Dump Sites					
Chemical/Glassware Seizures					

The Houston HIDTA did not collect this data in 2005.

B. Performance Measures for Goal 2

Table 12 – Houston HIDTA Training Efficiency by Year and Type of Training

Table 12: HIDTA Training Efficiency by Type of Training for Year 2005, at Houston HIDTA												
Type of Training	# Students Expected for Training		# Students Actually Trained		# Training Hours Actually Provided		Total Training Cost		Training Cost Per Hour			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	% Change 2004-2005	
Analytical/Computer	0	0	542	198	9,073	4,358	\$55,822	\$19,388	\$6.15	\$4.45	-28%	
Investigative/Interdiction	0	0	2,344	843	21,069	7,582	\$7,779	\$4,426	\$0.37	\$0.58	57%	
Management/Administrative	0	0	28	34	206	181	\$395	\$1,818	\$1.92	\$10.04	423%	
Meeting / Conference	0	0	0	650	0	1,211	\$0	\$1,300	\$0.00	\$1.07	0%	
Total	0	0	2,914	1,725	30,348	13,332	\$63,996	\$26,932	\$2.10	\$2.02	-4%	

Training is essential in improving both the efficiency and effectiveness of Houston HIDTA operations. The Houston HIDTA coordinated training for 1,725 students in 2005 for a total of 13,332 classroom hours. The training was designed to improve their computer and analytical skills, bolster their investigative knowledge and develop their managerial abilities. This training, which cost Houston HIDTA on average \$2 per classroom hour, was provided free of charge to Houston HIDTA assigned and participating agency investigators. Most of the training was at no cost to the HIDTA. Some of the courses required travel, which accounts for the average cost per training hour. Most of these training courses would not have been available without Houston HIDTA support and coordination.

Training also offers a special way for officers to network. It is common for classmates to contact one another on investigative matters, which also increases their effectiveness and efficiency.

Table 13 - Percentage of HIDTA Initiatives Using Event and Case Deconfliction Services

Table 13: Percentage of HIDTA Initiatives Using Event and Case Deconfliction Services for Year at Houston HIDTA				
Year	Total HIDTA Initiatives	# Initiatives Targeted to Use Services	# Initiatives Using Services	% Initiatives Using Services
2004	9	0	8	0%
2005	9	8	8	100%
2006	9	0	0	0%
2007	9	11	0	0%

Note: Table 13 creates the impression that more Initiatives are targeted to deconflict than actually exist. This is due to some double reporting. The bottom line is that 100 percent of Initiatives that should use event and case deconfliction services do so.

Table 12 - Percentage of Event and Case Deconflictions Submitted

Percentage of Event and Case Deconflictions Submitted for Year at Houston HIDTA						
Year	Baseline # Deconflictions Submitted	# Deconfliction Submissions Targeted	# Event Deconflictions Submitted	# Case/Subject Deconflictions Submitted	Total Deconflictions Submitted	% Deconflictions Submitted
2004	14973	0	8,277	21,369	29,646	0%
2005	14973	28,177	7,204	8,939	16,143	57%
2006	14973	29,177	0	0	0	0%
2007	14973	25,739	0	0	0	0%

Separate law enforcement Initiatives or groups, while aggressively pursuing suspects or covering an event, can easily cross paths in the field. This can be dangerous if either party is

unaware of the other. At worst, it could cost an officer or bystander his or her life in a dangerous encounter. It could also result in inefficient duplication of effort. Thus, information which can serve to deconflict such potential encounters is vital to well coordinated policing. The Houston HIDTA provides such information through its Intelligence Initiatives to any law enforcement agency that wishes to participate in the process, regardless of HIDTA affiliation. These services promote officer safety, conserve resources and help to coordinate investigations. All of the Houston HIDTA Initiatives eligible to use Houston HIDTA deconfliction services did so. Tables 13 and 14 depict how well Houston HIDTA Initiatives and participating agencies used these services. The Initiatives greatly overestimated the number of deconflictions they would conduct in 2005 because of a misunderstanding of definitions during the planning cycle. Nevertheless, the total number increased by about eight percent over baseline figures. The figures also represent case or subject deconflictions conducted through TNIS, which supports the entire state. Thus, some of the deconflictions were not related to Houston HIDTA investigations.

Table 3 - Percentage of Investigations Provided Analytical Support

Table 15: Percentage of Cases Provided Analytical Support for Year at Houston HIDTA				
Year	Baseline # Cases Receiving Analytical Support	# Cases Targeted for Analytical Support	# Cases Provided Analytical Support	% Targeted Cases Supported
2004	235	175	235	134%
2005	235	175	370	211%
2006	235	175	0	0%
2007	235	280	0	0%

The role of the Intelligence Analyst in major investigations is well established in drug law enforcement. Some of the most significant prosecutions in the world have hinged upon the connections and overt acts that analysts have been able to document through research, telephone analyses, or debriefings of cooperating individuals. The Houston HIDTA has long recognized the importance of intelligence support. Because of TNIS' role in supporting all the Texas HIDTAs and other law enforcement, not all of the above cases were Houston HIDTA cases. Nevertheless, the commitment is apparent, as are the results.

Table 4 - Percentage of HIDTA Initiative Investigations Referred to Other HIDTAs and Other Agencies

Table 16: Percentage of HIDTA Initiative Cases Referred to Other HIDTAs and Other Agencies for Year at Houston HIDTA						
Year	Total HIDTA Initiative Cases	# Initiative Cases Targeted for Referral	# HIDTA Initiative Cases Referred to Other HIDTAs	# HIDTA Initiative Cases Referred to Other Agencies	Total Initiative Cases Referred	% Targeted Initiative Cases Referred
2004	0	105	32	98	130	123%
2005	1840	289	153	289	442	152%
2006	0	59	0	0	0	0%
2007	0	180	0	0	0	0%

Tables 15 and 16 depict the positive outcome achieved by Houston HIDTA Initiatives in the areas of Investigation Support and Affiliated Case Referrals. These activities, which are well over projections, are essential to the Houston HIDTA goal of improving efficiency and effectiveness through information sharing and coordinated intelligence. The Houston HIDTA far exceeded the anticipated number of requests for analytical support. Further, Houston HIDTA investigators and analysts referred at least 442 investigations either to other HIDTA regions or other agencies for closer scrutiny and subsequent action. This does not begin to capture the **thousands** of investigative leads that Houston HIDTA Initiatives pass to other HIDTAs or to non-HIDTA agencies or groups, many of which had positive results.

VII. Conclusions

CY 2005 is only the second year that the Houston HIDTA reported Initiative operational targets and subsequent outcomes using the new Performance Management Process (PMP) efficiency and effectiveness performance measurement tables spread throughout this Annual Report. As in any new project, productivity estimates may be off in the early years, but improve in time. The Houston HIDTA underestimated its DTO and intelligence productivity and overestimated what its seizures would be. The results are nevertheless impressive by any standard. Clear evidence of successful Initiative productivity is present throughout the report, and one must conclude the inescapable . . . , DTOs are being disrupted or dismantled (Goal 1), and these accomplishments are being done efficiently, effectively and at less budgetary cost through HIDTA sponsored training and information sharing (Goal 2).

Cheaper, of course, is not necessarily better. Merely because an Initiative improves its performance without increased funding does not prove efficiency or effectiveness by itself. Positive outcomes can also be illustrated by positive behavioral changes exhibited by Houston HIDTA program participants. Key questions to be asked . . . are law enforcement agencies working together better and more effectively? Is information reaching the people who need it? Have traditional barriers among different law enforcement agencies been eroded sufficiently that these entities can find a common ground to pursue common goals? Are we making REAL progress in addressing illicit drug trafficking? Has the Houston HIDTA contributed to achieving

these outcomes? The results set forth in this CY 2005 Annual Report confirm that all these questions can be answered affirmatively in qualitative and quantitative terms.

Historically, it was uncommon for diverse law enforcement entities to share strategic or operational information, except on a case-by-case basis. Many agencies feared a breach of security or confidentiality if they permitted “outsiders” to look at confidential files. Naturally, this foreclosed many opportunities to avoid duplication of effort, and one can only speculate about how many drug and other violent crimes remain unsolved because information held by one department or agency was never shared with another. Fortunately, in the fifteen years the Houston HIDTA has been in existence, there has been a steady, positive increase in interagency collaboration and cooperation as demonstrated by the number of queries or data elements shared through the Houston HIDTA infrastructure, number of interactions between law enforcement and intelligence activities, and a significant increase in cooperative, efficient and effective interagency effort. Bottom line . . . interagency barriers are gradually but steadily falling. Technology is also facilitating this behavioral transition. Disparate database files that could not be connected in the past can now communicate, over high-speed computer networks to share data and facilitate joint law enforcement and intelligence Initiatives, not only in the Houston HIDTA, but across the country.

With support from the Houston HIDTA Intelligence Initiatives, law enforcement Initiatives continue to make significant progress in identifying, investigating and dismantling some of the most dangerous and prolific drug dealers and money launderers operating in the world. As the tables and charts presented throughout this report clearly attest, Houston HIDTA Initiatives have achieved their primary Goal 1 objectives.

Illicit drug availability has been reduced. Some highlights include seizing 29 kilograms of heroin, nearly 2,000 kilograms of cocaine HCL, nearly 39,000 kilograms of marijuana, approximately 42 kilograms of methamphetamine, plus significant quantities of miscellaneous other drugs. These seizures equated to more than \$65,000,000 in wholesale value . . . a staggering amount removed from the market place. Had the drugs been allowed to reach their final destinations, where drug prices are always higher, the figures would be even more impressive. These seizures, coupled with drug asset seizures exceeding \$12,000,000, have put a major crimp in DTO activities. These DTOs have trafficked in many tons of drugs in the past: they will be unable to do so in the future. The potential impact staggers the imagination. Two hundred fifty DTOs were either severely disrupted or totally put out of business. Overall, the cost of doing business for the Houston HIDTA DTOs has been dramatically increased All this was accomplished with a static budget since 1997, representing a \$1.3 million cut in spending power.

Houston HIDTA is pleased that its Initiatives comply fully with the precepts of Goals 1 and 2. They have been efficient and effective in achieving their results to date, and continue to improve. CY 2005 marked a positive point in the Houston HIDTA history of fighting illicit drug activities.

For several years the Houston HIDTA has been developing the necessary technology and expertise to facilitate strategic planning to maximize its operational results. During CY 2004, the Houston HIDTA Mission was refined, and the organization developed a clear vision of where it wanted to be, and what it wanted to accomplish for the foreseeable future. 2005 marked progress toward that vision. A shift in the organizational paradigm has taken place based on recognizing that operational effectiveness can and should be measured and held up to the light of accountability.

Measurable results for each federal dollar spent . . . this principle has been adopted as a key component of the Houston HIDTA focus on meaningful outcomes. This is one of the principles that guide how every Houston HIDTA Initiative approaches its effort to reduce drug trafficking. Thirty-three federal, state and local agencies in the Houston HIDTA region participate in the Houston HIDTA law enforcement, investigative support, and training Initiatives. Proactive, innovative thinking is also the touchstone of Houston HIDTA local support as staff strives to foster efficiency and effectiveness among the Initiatives under its guidance, through interagency cooperation, collaboration and information sharing.

VIII. Appendices

- A. Table of Organization for the HIDTA.
- B. Table listing composition of Executive Board showing local, state and federal affiliation.
- C. List of participating agencies.
- D. HIDTA PMP Matrix
- E. HIDTA Initiatives - (Optional listing with brief descriptions)

IX. List of Tables and Charts

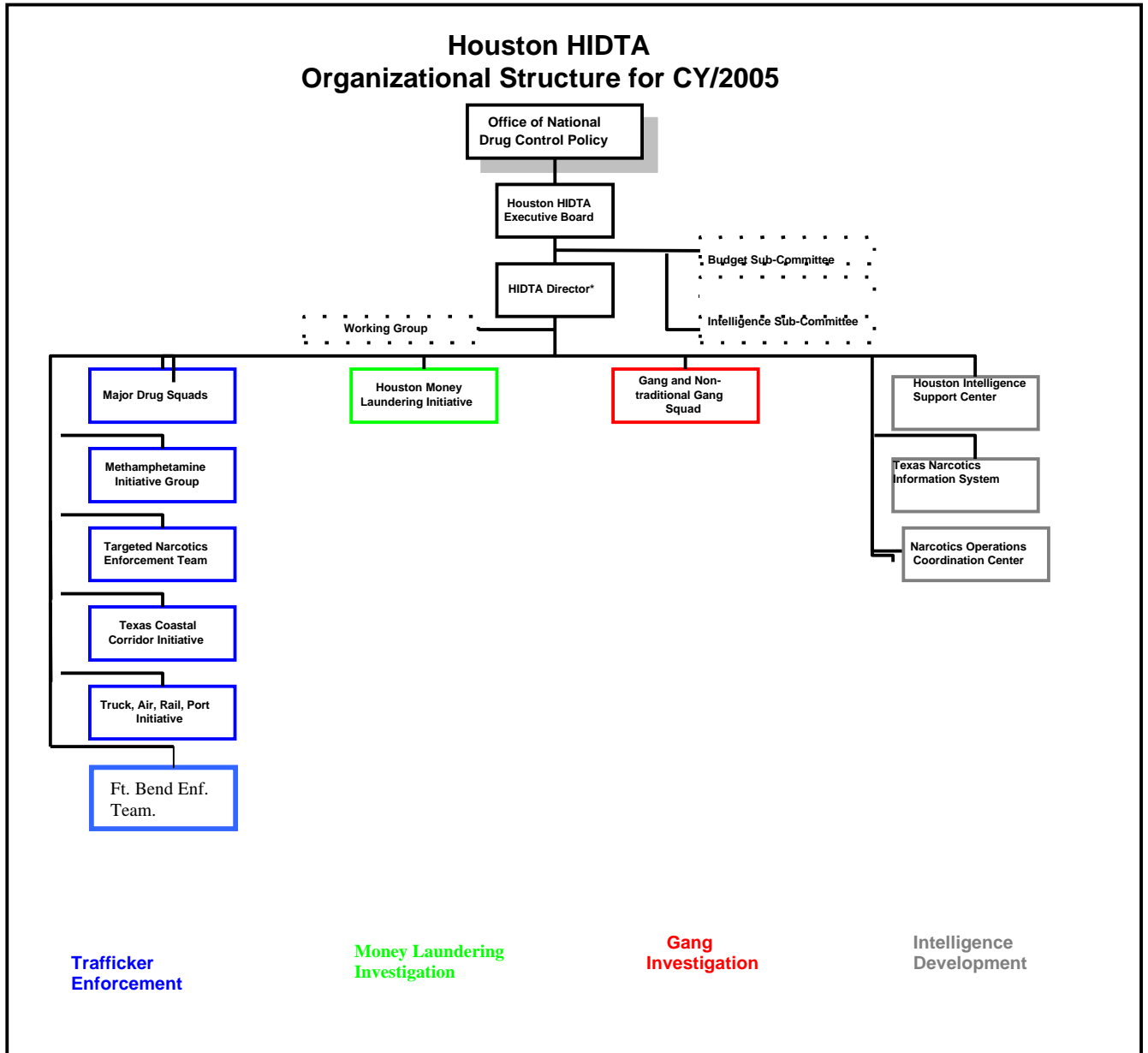
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X. Endnotes - Sources of essential information referenced in this report.

Houston HIDTA Threat Assessment for CY 2005
Houston HIDTA Strategy for 2005
Houston HIDTA Initiatives’ Annual Reports
Houston HIDTA Initiatives’ Monthly Reports
Houston HIDTA 2005 Annual Report

Houston HIDTA Methamphetamine Threat Assessment, October 2005
Padre Island National Seashore Threat Assessment, Houston HIDTA, 2005
Southwest Region Drug Threat Assessment, NDIC, June 2005
Houston Drug Money Laundering: Methods and Organizations Threat Assessment, NDIC, April 2005
Bulk Cash Transportation Threat assessment, NDIC, March 2005
National Illicit Drug Prices, NDIC, December 2005

APPENDIX A



APPENDIX B Houston HIDTA Executive Board

Federal:

- Bureau of Alcohol, Tobacco & Firearms..... Donnie Carter, SA
- Drug Enforcement Administration..... James Craig, SAC, Chair
- Federal Bureau of Investigation..... Rod Beverly, SAC
- Immigration and Customs Enforcement..... Bob Rutt, Acting SAC
- Internal Revenue Service..... Jackie Collins, SAC
- U.S. Attorneys Office..... José Moreno, AUSA
- U.S. Marshals Service..... Ruben Monzon, U.S. Marshall
- U.S. Secret Service..... Dennis Lindsay, SAC

State and Local:

- Texas Department of Public Safety..... James Brubaker, Commander,
Narcotics
- Corpus Christi Police Department..... Brian Uhler, Commander
- Houston Police Department..... Daniel Perales, Assistant Chief
- Harris County Sheriff's Office..... George Sturgis, Major, Detective
Bureau
- Harris County District Attorney's Office..... Ted Wilson, Chief, Special Crimes
- Jefferson County Sheriff's Office..... Mitch Woods, Sheriff
- Ft. Bend County Sheriff's Office..... Milton Wright, Sheriff, Vice Chair
- Pasadena Police Department..... Jack Fry, Assistant Chief

APPENDIX C List of Participating Agencies – Houston HIDTA

Federal

Drug Enforcement Administration
Federal Bureau of Investigation
Immigration and Customs Enforcement
United States Marshal Service
United States Secret Service
Internal Revenue Service
Bureau of Alcohol Tobacco and Firearms
United States Coast Guard
United States Attorney's Office, SDTx
United States Park Service

State

Texas Department of Public Safety
Texas Attorney General's Office
Texas National Guard
Sam Houston State University

Local

City of Baytown
Corpus Christi P.D.
Ft. Bend County Sheriff's Office
Ft. Bend County District Attorney's Office
Harris County District Attorney's Office
Harris County Sheriffs Office
Houston City Attorney's Office
Houston Fire Department
Houston Police Department
Houston Public Works and Engineering
Department
Houston City Attorney's Office
Jefferson County Sheriff's Department
Kingsville P.D.
Meadows Place P.D.
Missouri City P.D.
Nueces County Sheriff's Office
Pasadena Police Department
Richmond P.D.
Rosenberg P.D.
Sugarland P.D.

APPENDIX D HOUSTON HIDTA PMP MATRIX

Electronic Version of this report.....See Attachment

APPENDIX E Houston HIDTA Initiatives

1. Major Drug Squads (MDS): A collocated, commingled, multi-jurisdictional task force, conducting complex investigations of DTOs operating at regional, national and international levels, to disrupt and dismantle those DTOs at their highest levels. The MDS promotes enhanced and coordinated drug control efforts with other local, state and federal entities. All intelligence developed in pursuit of these targets is shared with the major Federal databases, EPIC, TNIS and the HISC.

Participants: Drug Enforcement Administration
Federal Bureau of Investigation
Harris County Sheriffs Office
Houston Police Department
ICE
Internal Revenue Service
Pasadena Police Department
Sam Houston State University
Texas Department of Public Safety
Texas National Guard
United States Marshal Service
United States Secret Service

2. Truck, Air, Rail and Port (TARP): TARP is the evolution of an entity formed in FY/97 as the Currency-Narcotic Transportation Initiative (CNTI). This collocated, multi-agency Initiative attempts to interdict illegal drugs and currency and the traffickers thereof, through investigative enforcement at hubs of distribution, i.e., airports, seaports, rail stations, bus stations, and express mail couriers. Major organizations are the ultimate targets. Supports other Initiatives and conducts controlled deliveries.

Participants:
Houston Police Department
Drug Enforcement Administration
Harris County Sheriffs Office
ICE
Texas Department of Public Safety

3. Targeted Narcotics Enforcement Team (TNET). Restructured and renamed in April 2001, this Initiative was formerly known as the Targeted Offenders Group (TOG). The unit addresses mid-level DTOs, “Club Drugs”, stash houses and informant development. This Initiative enjoys a very close relationship with Major drug Squads and the Houston Intelligence Support Center. One of this Initiative’s squads employs a multi-jurisdictional approach to recapture neighborhoods that includes State and Federal prosecution, building code violations, and the varied enforcement authorities of Federal, State and Local agencies.

Participants: Houston Police Department
Federal Bureau of Investigation
BATF
Houston City Attorney’s Office
Houston Fire Department
Houston Public Works & Engineering Dept.

ICE
Texas Department of Public Safety

4. The Texas Coastal Corridor Initiative (TCCI): Nine Texas counties in and around the City of Corpus Christi were authorized by Congress in April 1997 to become part of the Houston HIDTA. Law enforcement leaders in the area were able to demonstrate that this particular corridor between the United Mexican States and the Houston metropolitan community plays a vital role in the drug threat. This collocated, multi-agency task force effort focuses on three fronts: 1) Identification and targeting of drug trafficking organizations operating in the area; 2) Collection and dissemination of intelligence data acquired from arrestees at the Border Patrol checkpoints located in their area and developing drug investigations from that information; 3) Collection, dissemination and coordination of investigation information emanating from money seizures in the area. The Padre Island National Seashore has developed as a major threat in recent years and the Initiative expends considerable effort investigating DTOs using the PINS.

Participants: Corpus Christi Police Department
Drug Enforcement Administration
ICE
Internal Revenue Service
Kingsville P.D.
BATF
Nueces County Sheriffs Office
Texas National Guard
Sam Houston State University
U.S. Coast Guard
U.S. Park Service

5. The Methamphetamine Initiative Group (MIG): This Initiative was created in 2002 in response to the developing threat of increased trafficking and manufacture of methamphetamine in the Houston HIDTA area. A reallocation and shifting of HIDTA resources was required to initiate this group due to the flat-line nature of the budget. The DPS led squad, formerly assigned to the MDS, was removed and became the basis of the new initiative. As the threat changes from small, local clandestine labs to importation of Mexican methamphetamine, the Initiative will also change its focus. It plans to relocate to DEA space in 2006 and focus on mid-level methamphetamine DTOs. It will respond to local labs as well.

Participants: Texas Department of Public Safety
Drug Enforcement Administration
Harris County Sheriffs Department
Houston Police Department
Sam Houston State University

6. Ft. Bend Enforcement Team: Formed in 2002 to deal with traffickers in Ft. Bend County, which is a large suburban and rural county adjacent and part of the Houston Metropolitan area. This is the only formal drug law enforcement in Ft. Bend County. Initially, the Initiative dealt largely with open-air drug markets. As the open air markets have gone underground, the Initiative has enlarged its focus to include DTOs.

Participants: Ft. Bend County S.O.
Sugarland P.D.
Missouri City P.D.
Meadows Place P.D.
Richmond P.D.
Rosenberg P.D.
DEA
Ft. Bend County D.A.'s Office

b. Money Laundering Initiative:

Houston Money Laundering Initiative (HMLI): A collocated, multi-jurisdictional task force established to intercept narcotic trafficking profits through the identification, arrest and prosecution of money launderers and their organizations. This unit has a dual function of analyzing intelligence data to reveal new trends and methods of money laundering to constantly and effectively readjust its investigative efforts. HMLI was reorganized in January 2002 to include the addition of a Suspicious Activity Report Review Team and an additional ICE investigative group. The HMLI shares its data with all of the major Federal databases, and with NDIC, FINCEN, EPIC, TNIS and the HISC.

Participants: Immigration and Customs Enforcement
Harris County Sheriffs Office
Houston Police Department
Internal Revenue Service
Pasadena Police Department
Texas Attorney General's Office
EOAF

c. Gang Initiative:

Gangs And Non-traditional Gang Squad (GANGS): Identify, monitor, disrupt and dismantle the activities and membership of traditional and non-traditional criminal/drug gangs in the greater Houston area. In 2005, Houston P.D. created a Gang Division to deal with this growing problem. Gangs with multi-state operations are a major focus. The linked utilization of a specifically designed software program, the Gang Tracker, is central to their operation.

Participants: Drug Enforcement Administration
BATF
FBI
ICE
Harris County Sheriffs Office
Houston Police Department
Sam Houston State University

d. Intelligence Initiatives:

1. Houston Intelligence Support Center (HISC): Organized to deliver accurate and timely strategic, organizational, and tactical intelligence on drug related criminal activity

within the Houston HIDTA that is consistent with the goals and objectives of the National Drug Control Strategy, responds to the Houston HIDTA Threat Assessment and provides for the effective and efficient use of counter-drug resources. The HISC is the focal point of all intelligence developed by the other Houston HIDTA Initiatives.

Participants: Federal Bureau of Investigation
Drug Enforcement Administration
Harris County Sheriffs Office
Houston Police Department
ICE
Internal Revenue Service
Texas Department of Public Safety
Texas National Guard
United States Coast Guard
City of Baytown
Sam Houston State University
Texas Office of the Attorney General

2. Narcotics Operation Control Center (NOCC): A deconfliction unit established to coordinate narcotic operations for all agencies involved in drug law enforcement in the Houston area, to promote officer safety and prevent agency overlap or conflict in investigations.

Participant: Houston Police Department (ONDCP has consistently granted a program policy exemption to this initiative.)

3. Texas Narcotic Information System (TNIS): TNIS includes two former separate entities reported and funded as the Texas Narcotic Information System (TNIS) and the Post Seizure Analysis Team (PSAT). The 2002 reorganization and consolidation of the two Initiatives into one created four components making it the *System*. The Narcotics Analytical Team (NAT) provides tactical case support and assistance to interested local, state, and federal law enforcement agencies. Case support includes, but is not limited to, background checks of intelligence data on trafficking suspects and organizations, timelines, charts, pen register and toll analysis, wire intercept analysis, and case support books. NAT analysts supporting narcotics trafficking investigations write reports into the Criminal Law Enforcement Reporting and Information System (CLERIS). CLERIS data is available to registered system users. PSAT, among other functions, collects, analyzes and disseminates data from drug and currency seizures. The maintenance and population of this seizure database in CLERIS enhances efforts to develop conspiracy cases by PSAT personnel and other law enforcement groups. PSAT also assists drug enforcement personnel by responding to requests for assistance in seizure-related matters, by producing and distributing intelligence briefs, and by supporting special programs concerning drug interdiction, domestic marijuana eradication, drug package markings, and the tracking of clandestine laboratories. The Support Service Center (SSC) is the technical staff that installs, maintains, trains and promotes the use of CLERIS, and provides access to the Southwest Border States Anti-Drug Information System (SWBSADIS). The fourth segment of the TNIS is the Texas Narcotics Information Network (TNIN), which is the technology (software, hardware, and dedicated computer networks of data lines) that comprise CLERIS.

Participants: Texas Department of Public Safety
Drug Enforcement Administration
FinCen
ICE
Texas National Guard

e. Management and Coordination Initiative:

Administration Initiative (Includes a separate Training Initiative): Supports the office of the Director in the management of grant funds destined to maintain the administrative office of the Houston HIDTA. Coordinates intelligence and training efforts for the HIDTA. Provides IT support for the HIDTA.

Participants: City of Baytown
Drug Enforcement Administration