

# DEPARTMENT OF HOMELAND SECURITY

---



**DEPARTMENT OF HOMELAND SECURITY**  
Customs and Border Protection

## Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2006 Final	FY 2007 Enacted	FY 2008 Request
<b>Drug Resources by Function</b>			
Intelligence	212.594	243.698	256.145
Interdiction	1,422.744	1,630.906	1,714.200
<b>Total Drug Resources by Function</b>	<b>\$1,635.338</b>	<b>\$1,874.604</b>	<b>\$1,970.345</b>
<b>Drug Resources by Decision Unit</b>			
<b>Salaries and Expenses</b>			
National Programs			
Border Security and Trade Facilitation at POEs	481.535	558.147	617.206
Border Security and Control between POEs	317.290	341.627	455.585
HQ Management and Administration	288.911	274.646	281.030
Air and Marine Operations - Salaries	168.005	158.216	186.966
Air and Marine Operations	379.597	541.968	429.558
<b>Total Drug Resources by Decision Unit</b>	<b>\$1,635.338</b>	<b>\$1,874.604</b>	<b>\$1,970.345</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	7,335	7,937	8,847
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$6,750.259	\$8,036.357	\$8,783.292
Drug Resources Percentage	24.23%	23.33%	22.43%

## Program Summary

### Mission

CBP is the federal agency principally responsible for security of the Nation's borders, both at and between the ports of entry (POE). Titles 18 U.S.C. and 19 U.S.C. authorize U.S. Customs and Border Protection (CBP) to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that CBP plays a key role in the overall anti-drug effort at the border. CBP's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority

of the Bank Secrecy Act, "USA PATRIOT Act," Money Laundering Control Act, and other CBP laws.

### Methodology

#### Border Security and Trade Facilitation at POEs Office of Field Operations

The Office of Cargo Conveyance and Security/Non-Intrusive Inspection Division of the Office of Field Operations estimates that, as of December 2006, there were 2,600 CBP Officer positions, or Enforcement Team Officers, related to drug enforcement. In August 2003, CBP established a Consolidated National Inspectional

Anti-Terrorism Contraband Enforcement Team (A-TCET) Policy. Under A-TCET, the former Contraband Enforcement Team (CET), Manifest Review Unit, Non-Intrusive Inspection, Canine, and Outbound teams will be united to form a single enforcement team. The A-TCET also works closely with the Passenger Enforcement Rover Team and Passenger Analytical Unit teams to coordinate all enforcement activities. Although the primary mission of the A-TCET teams is anti-terrorism, they will also focus on all types of contraband, including narcotics. It is estimated that 85 percent of the A-TCET is devoted to drug enforcement. The smuggling methodologies and their indicators are believed to be similar for both narcotics and anti-terrorism activities.

As of December 2006, there was a total of 574 Canine Enforcement Officers. Included in the total were 320 Narcotics Detection Teams, 10 Currency Detection Teams and 138 Narcotics/Human Smuggling Detection Teams that were nearly 100 percent devoted to smuggling interdiction. Also included in the total, but not scored for narcotics enforcement are 82 Agricultural Teams and 24 Explosive Detection Teams.

As of December 2006, there were also 14,573 other CBP Officers, that in addition to the interdiction of contraband and illegal drugs, enforce hundreds of laws and regulations of many other federal government agencies. For example, these agencies include the U.S. Fish and Wildlife Service, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Bureau of Export Administration, among many others. CBP subject matter experts estimate that roughly 30 percent of these officers' time is devoted to drug-related activities.

### **Border Security and Control Between POEs Office of Border Patrol**

There are over 12,000 Border Patrol agents that are assigned the mission of detecting and apprehending illegal entrants between the ports of entry along the over 8,000 miles of land and coastal border. These illegal entries include aliens and drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry. It has been determined that 15 percent of the total agent time nationwide is related to drug interdiction activities. These activities include staffing 26 permanent border traffic checkpoints nationwide, at which 529 canine units are trained in the detection of humans and certain illegal drugs concealed within cargo containers, truck

trailers, passenger vehicles, and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

### **HQ Management and Administration Office of Information Technology**

The Office of Information Technology (OIT) supports the drug enforcement mission through the acquisition, support, and maintenance of technology, such as non-intrusive inspection systems and mission critical targeting software systems. Of OIT's spending, 30 percent of the Enforcement Technology Center's base, 100 percent of ATS-Narcotics systems software costs, 50 percent of the Treasury Enforcement Communications System (TECS) and ATS-Passenger software costs, and 10 percent of data center operations costs are estimated to support the drug mission.

### **CBP Air and Marine**

CBP Air and Marine's (A&M) core competencies are air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, CBP A&M targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the source, transit, and arrival zones. In support of source and transit zone interdiction operations, the CBP A&M's P-3 program has dedicated a minimum of 7,200 hours a year in support of Joint Interagency Task Force – South. This support has been instrumental in record seizures over the past two years.

Although 90 percent of the resources that support CBP A&M are considered to be drug-related, since September 11, 2001, the office has steadily increased its support to counterterrorism by developing a more cohesive and integrated response to national security needs, as well as more emphasis on illegal immigration.

### **HQ Management and Administration Office of Training and Development**

The Office of Training and Development (OTD) arrived at its estimates by reviewing all courses. If the course was found to contain drug-related material, the funding attributed to the course was then multiplied by the drug content percentage. Other resources are attributed to drug enforcement activities at a rate of 31 percent based on the diverse nature of OTD's programs such as anti-terrorism, career development, and transition training of the legacy workforce.

## Budget

In FY 2008, CBP requests \$1,970.4 million in drug-related resources, which is an increase of \$95.7 million from the FY 2007 enacted level. These resources support CBP as America's frontline border agency. CBP employs over 43,000 highly trained personnel to not only prevent terrorists and terrorist weapons from entering the United States, but also to perform its traditional missions, which include stemming the flow of illegal drugs and other contraband. CBP is determined to improve security at and between the Nation's ports of entry along the entire length of land and maritime borders, and extend the zone of security beyond the physical borders.

### Salaries and Expenses

**Total FY 2008 Request: \$1,540.8 million**  
**(Includes +\$208.2 million in program changes)**

Salaries and Expenses fund CBP's primary field occupations including CBP Officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. The agency's field organization is comprised of 20 Border Patrol Sectors with 32 permanent border and 69 tactical checkpoints between the ports of entry; 142 stations and substations; and, 20 Field Operations Offices and 326 associated ports of entry, of which 15 are pre-clearance stations. Field personnel use a mix of air and marine assets, non-intrusive technology such as large-scale x-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade.

### Border Security and Trade Facilitation at the POEs

**FY 2008 Request: \$617.2 million**  
**(Includes +\$59.1 million in program changes)**

The FY 2007 resources of \$558.2 million fund border security and trade facilitation at the POEs. Specifically, CBP will use these resources to support its aggressive border enforcement strategies that are designed to interdict and disrupt the flow of narcotics and ill-gotten gains across our Nation's borders and dismantle the related smuggling organizations. CBP narcotics interdiction strategies are designed to be flexible so that they can successfully counter the constantly shifting narcotics threat at, and between, the ports of entry, as well as in the source and transit zones.

CBP is intent on using resources to develop and implement security programs that safeguard legitimate trade from being used to smuggle implements of terror and other contraband, including narcotics. Under Customs-Trade Partnership Against Terrorism (C-TPAT), CBP works closely with importers, carriers, brokers, freight forwarders, and other industry sectors to develop a seamless, security-conscious trade environment resistant to the threat of international terrorism. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the factory floor to U.S. ports of entry. Under C-TPAT, the Americas Counter Smuggling Initiative (ACSI), Carrier Initiative Program (CIP), and Business Anti-Smuggling Initiative (BASC) remain instrumental in expanding CBP's counternarcotics security programs with trade groups and government throughout the Caribbean, Central and South America, and Mexico.

CBP has implemented the Field Operations Intelligence Program, which provides support to CBP inspection and border enforcement personnel in disrupting the flow of drugs through the collection and analysis of all source information and dissemination of intelligence to the appropriate components. In addition, CBP interdicts undeclared bulk currency, cutting off funds that fuel terrorism, narcotics trafficking, and criminal activities worldwide. CBP Officers perform Buckstop Operations, which involve screening outbound travelers and their personal effects. CBP also supports Cashnet Operations that focus on interdicting bulk currency exported in cargo shipments. CBP uses mobile X-ray vans and specially trained currency canine teams to efficiently target individuals, personal effects, conveyances, and cargo acting as vehicles for the illicit export of undeclared currency.

---

#### **FY 2008 Program Changes (+\$59.1 million)**

The Budget includes a \$59.1 million increase in the drug-related resources associated with border security and trade facilitation at the POEs. Resources will support, in part, CBP's Secure Freight Initiative, which will merge existing and new information regarding a container transiting through the supply chain to create a detailed record. This provides more knowledge about a shipment, its routing, and its handling, and thereby increases CBP's confidence that the shipment is legitimate and has retained its integrity throughout its voyage.

---

## **Border Security and Control Between the POEs**

**FY 2008 Request: \$455.6 million**

**(Includes +\$114.0 million in program changes)**

The FY 2007 resources of \$341.6 million fund Border Security and Control Between the POEs. The Border Patrol has primary responsibility for drug interdiction between the land ports of entry. In pursuit of drugs, Border Patrol agents engage in surveillance activities supported by computer-monitored electronic ground sensors. Traffic check operations are also conducted along major routes of travel to restrict access to drug and alien smugglers. Transportation centers are placed under surveillance for the same reason.

In addition, the Border Patrol canine program was implemented in 1986 in response to escalating alien and drug smuggling activities along the Mexican and Canadian borders. The canines are trained at the Border Patrol National Canine Facility in El Paso, Texas, to locate hidden persons, marijuana, heroin, and cocaine. The canines are used in nearly every enforcement activity of the Patrol including line watch, traffic check operations, and train and bus checks. The canine program is responsible each year for the detection of record numbers of smuggled aliens and large narcotic loads, including the arrest of the criminals involved in smuggling activities.

The Border Patrol also participates in numerous interagency drug task force operations with other federal, state, and local law enforcement agencies through Operation Alliance along the southern border. The Border Patrol is also an active participant in the Southwest Border HIDTA in Texas, New Mexico, Arizona, and California. To further assist the Border Patrol in this endeavor, all Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designated authority as part of their basic training.

---

### **FY 2008 Program Changes (+\$114.0 million)**

The Budget includes a \$114.0 million increase in the drug-related resources associated with Border Security and Control Between the POEs. This increase is largely related to a program expansion of the Border Patrol. In FY 2008, CBP requests an additional \$604.3 million to hire, train, and equip 3,000 new Border Patrol Agents and 688 operational/mission support personnel. Border Patrol determines that 15 percent of staff time is

devoted to counternarcotics activities. As such, the drug attribution associated with this proposal is \$90.6 million, 450 agents, and 103 support personnel.

---

## **Air and Marine Operations—Salaries**

**FY 2008 Request: \$187.0 million**

**(Includes +\$28.8 million in program changes)**

The FY 2007 resources of \$158.2 million fund personnel compensation and benefits related to A&M Operations. CBP A&M salaries support a staff of over 1,200 air interdiction officers/pilots, marine enforcement officers, operational support and administration positions. If available, resources also cover expenses such as Permanent Change in Station moves, ammunition, firearms, administrative training and travel, and school tuition for dependents of employees in foreign countries.

CBP Air and Marine secures the borders against terrorists, acts of terrorism, drug smuggling, and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying, and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers.

CBP Air and Marine partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit, and arrival zone operations, interior law enforcement support, and support to other agencies. In fulfilling the priority mission to protect the borders, CBP A&M's geographical mission has a strong focus along the southern border, with a recent expansion of coverage on the northern border.

---

### **FY 2008 Program Changes (+\$28.8 million)**

The Budget includes a \$28.8 million increase in drug-related resources associated with CBP's A&M – Salaries. The increase will provide staffing at field and headquarters locations as CBP expands support for border security operations consistent with the Secure Border Initiative (SBI) and the CBP Air Strategic Plan.

---

## Headquarters Management and Administration

**FY 2008 Request: \$281.0 million**

**(Includes +\$6.4 million in program changes)**

The FY 2007 resources of \$274.7 million provide critical policy and operational direction, mission support, and technical expertise to CBP front-line personnel. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

---

### **FY 2008 Program Changes (+\$6.4 million)**

The Budget includes a \$6.4 million increase in the drug-related resources associated with HQ Management and Administration. The requested increase will provide for additional personnel to create and staff a strong, proactive internal affairs capability within CBP.

---

## Air and Marine

**Total FY 2008 Request: \$429.6 million**

**(Includes -\$112.4 million in program changes)**

CBP Air and Marine's interdiction assets are deployed throughout the Western Hemisphere. By the end of FY 2007, mission critical assets will consist of 263 aircraft (including fixed wing, rotary helicopters, and unmanned aircraft systems) and 190 marine vessels located along all the Nation's borders and at key interior support locations.

The President has authorized the Department of State to continue assistance to Colombia in carrying out an "Airbridge Denial Program" against civil aircraft suspected of trafficking in illicit drugs. CBP A&M's P-3 aircraft are the primary U.S. Government aircraft used to fly in and over Colombia in support of this Presidential Determination and Directive. The P-3 Airborne Early Warning (AEW) and slick aircraft are critical to interdiction operations in the source and transit zones because they provide vital radar coverage in regions where mountainous terrain, expansive jungles, and large bodies of water limit the effectiveness of ground-based radar. Because the P-3 AEW is the only Detection and Monitoring asset solely dedicated to the counter-drug mission, it is a critical component of the National Drug Control Strategy.

In the transit zone, CBP A&M crews work in conjunction with the law enforcement agencies and military forces of other nations in support of their counternarcotic programs. Counterdrug missions

include detection and monitoring, interceptor support, and coordinated training with military and other law enforcement personnel.

CBP A&M aviation assets include: sensor-equipped, detection and monitoring jet interceptors, long-range trackers, maritime patrol aircraft; high performance helicopters; and single/multi-engine support aircraft. CBP A&M's range of maritime assets includes interceptor, utility, and blue water-type vessels.

---

### **FY 2008 Program Changes (-\$112.4 million)**

The Budget includes a net reduction of \$112.4 million. This includes an adjustment for non-recurring expenses offset by two program increases highlighted below.

The budget includes an increase of \$36.7 million in resources for A&M's Air Maintenance Contract. These funds support program goals, which include maintaining an operational readiness rate of 80 percent or greater for the fleet of rotary and fixed winged aircraft; incurring zero safety incidents; minimizing deficiency reports and maintenance incidents; and providing services in the most cost effective manner.

Also included in the request is an \$18.0 million increase for the P-3 Service Life Extension Program (SLEP). This request provides for planning and implementation efforts (service life assessment plans, project planning, etc.) to support the intended service life extension of 16 P-3 long range and AEW aircraft that are part of A&M's aircraft inventory. Service life extension refers to all processes necessary to extend the life of the aircraft.

---

## Performance

### Introduction

This section on the FY 2006 performance of the CBP program is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table on the next page includes conclusions from the PART assessment, as well as performance measures, targets and achievements for the latest year for which data are available.

The Office of Field Operations' drug control efforts were included in the 2005 PART assessment of Border Security, Inspections, and Trade Facilitation (BSITF) at the Ports of Entry program. The program received an overall rating of "Effective." OFO drug control efforts were not rated separately.

CBP A&M drug efforts were included in the 2006 PART assessment of the program. The program received an overall rating of "Moderately Effective." The Office of Border Patrol's drug efforts have not yet been rated through PART.

The FY 2006 Performance and Accountability Report (PAR) highlights the achievements of CBP's drug control programs – OFO, OBP, and A&M – at the ports of entry as indicated in the table below. CBP currently has performance targets only for OFO. As a result, no aggregate targets are presented in the table.

## Discussion

One of CBP's strategic goals, "Contribute to a safer America by prohibiting the introduction of illicit contraband into the United States," has as its performance objective to "reduce the importation of all prohibited or illegal drugs and other materials that are harmful to the public or may damage the American economy." Measures focus on the amounts of cocaine, marijuana, and heroin seized at the ports of entry by or with the participation of CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo, and railcars entering the United States.

CBP's OFO has FY 2006 performance targets and actual results (thousands of pounds at ports of entry) as presented in the DHS FY 2006 PAR: their cocaine seizure target is 34.4 compared to the actual of 53.7;

heroin target is 2.4 with an actual of 2.5; and marijuana target is 478 with an actual of 489. The number of narcotics seizures based on their random sampling of incoming vehicles has decreased over the last few years indicating that, overall, fewer narcotics are actually entering via vehicles.

CBP OFO targets are forecasted using statistical analysis of trend data – OFO has met all its drug targets in FY 2006. ONDCP is working with CBP to determine the best method of developing targets that will reflect the efforts of all CBP components.

Customs and Border Protection		
PART Review		
Year of Last Review: 2005	Reviewed as part of BSITF	
Year of Last Review: 2006	Reviewed as part of CBP Air and Marine	
Selected Measures of Performance	FY 2006 Target	FY 2006 Achieved
» Amt of Inspection Narcotics Cocaine Seizures (thousands of pounds).	NA	133.2
» Amt of Inspection Narcotics Marijuana Seizures (thousands of pounds).	NA	1,949.3
» Amt of Inspection Narcotics Heroin Seizures (thousands of pounds).	NA	54.2

**DEPARTMENT OF HOMELAND SECURITY**  
Immigration and Customs Enforcement

## Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2006 Final	FY 2007 Enacted	FY 2008 Request
<b>Drug Resources by Function</b>			
Intelligence	3.066	3.092	3.117
Investigations	379.232	419.753	447.081
<b>Total Drug Resources by Function</b>	<b>\$382.298</b>	<b>\$422.845</b>	<b>\$450.198</b>
<b>Drug Resources by Decision Unit</b>			
Salaries and Expenses	382.298	422.845	450.198
<i>Interagency Crime and Drug Enforcement (non-add)</i>	<i>41.840</i>	<i>42.760</i>	<i>43.700</i>
<b>Total Drug Resources by Decision Unit</b>	<b>\$382.298</b>	<b>\$422.845</b>	<b>\$450.198</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	2,144	2,372	2,446
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$3,575.162	\$4,472.292	\$4,781.000
Drug Resources Percentage	10.69%	9.45%	9.42%

## Program Summary

### Mission

Immigration and Customs Enforcement (ICE) uses aggressive border enforcement strategies to investigate and disrupt the flow of narcotics and ill-gotten gains across the Nation's borders, and dismantle the related smuggling organizations. ICE achieves these objectives with approximately 1,475 Title 21 cross-designated Special Agents and a multi-disciplined money laundering control program to investigate financial crimes and interdict bulk currency shipments exported out of the United States.

### Methodology

#### Investigations Program

The methodology for the Office of Investigations (OI) is based on investigative case hours recorded in ICE's automated Case Management System. ICE officers record the type of work they perform in this system.

Following the close of the fiscal year, a report is run showing investigative case hours that are coded as general narcotics cases and money laundering narcotics cases. A second report is run showing all investigative case hours logged. A percentage is derived by dividing the number of investigative case hours linked to drug control activities by the total number of investigative case hours. This percentage may fluctuate from year to year. For FY 2006, the percentage was 30.2 percent. To calculate a dollar amount, this percentage is applied to actual obligations incurred by OI against budget authority in FY 2006, excluding reimbursable authority. This percentage was then applied to the FYs 2007 and 2008 figures for OI to determine the appropriate drug control resource levels.



## Intelligence Program

ICE employs the same methodology as OI for calculating all drug control activities within the Office of Intelligence's (Intelligence) budget. For FY 2006, 8.2 percent of the total case hours for Intelligence were found to support drug control activities. This percentage was applied to actual obligations against budget authority gained in FY 2006. This percentage was then applied to the FYs 2007 and 2008 figures for Intelligence to determine the appropriate drug control resource levels.

## Budget

In FY 2008, ICE requests \$450.2 million, which is an increase of \$27.4 million from the FY 2007 enacted level. ICE drug control resources fund personnel costs associated with investigative and intelligence operations.

## Salaries & Expenses

**Total FY 2008 Request: \$450.2 million**

**(Includes +\$27.4 million in program changes)**

Salaries and Expenses (S&E) programs contribute to the ICE mission of bringing a unified and coordinated focus to the enforcement of federal immigration and customs laws. S&E resources are used to combat terrorism, illicit drugs, and illegal immigration activities through the investigation, detainment, and prosecution of criminal aliens and other aliens, domestic gangs, as well as those participating in organized criminal activities that are intended to do harm to the infrastructure and/or inhabitants of the United States.

## Investigative Activities

**FY 2008 Request: \$447.1 million**

**(Includes +\$27.3 million in program changes)**

The FY 2007 resources of \$419.8 million support OI's drug-related activities. Trafficking organizations continue to develop new and sophisticated methods to smuggle drugs into the country. To overcome these challenges, ICE not only uses its capabilities, but also those of a variety of federal, state, and local law enforcement agencies through participation in important programs such as the Organized Crime Drug Enforcement Task Force (OCDETF) and Border Enforcement Security Task Forces (BEST). Further, ICE also targets the proceeds that are vital to the sustainability of drug trafficking organizations by conducting extensive financial investigations and training.

ICE's membership in OCDETF is an important factor in the agency's success in dismantling drug trafficking organizations. ICE OCDETF Coordinators sit on each of OCDETF's nine regional task forces and actively interact with other federal law enforcement agencies, local police chiefs, and state and local prosecutors. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations such as Operation Panama Express, which is a federally approved OCDETF investigation targeting Colombian narco-trafficking organizations.

Resources also support ICE's leadership in BEST. With BEST, DHS law enforcement agencies work cooperatively with other law enforcement entities to develop a comprehensive approach that identifies, disrupts, and dismantles criminal organizations posing significant threats to border security. BEST was developed in response to the increased threat from cross-border smuggling and trafficking organizations operating along our Nation's borders. Since January 2006, the BEST concept has been implemented in Laredo, Texas and Arizona.

ICE is also an active participant in the Special Operations Division (SOD), a multi-agency coordination unit consisting of representatives from several federal agencies that include DEA, FBI, and IRS. The ICE Special Operations Unit (SOU) is part of SOD. The primary mission of SOU is to target the command and control communication devices employed by criminal organizations operating across jurisdictional boundaries on a regional, national, and international level. SOU personnel focus on communications information generated during ICE field investigations and coordinate this information among law enforcement agencies, foreign and domestic, to maximize efforts to disrupt and dismantle targeted organizations.

With regard to financial investigations, ICE resources fund operations that target the systems used by international criminal organizations to launder the proceeds of their criminal activities. Through its Cornerstone program, ICE builds partnerships between law enforcement and the private sector to identify and eliminate systems vulnerabilities that criminal organizations exploit to fund their illegal operations and launder illicit funds. ICE shares intelligence and typologies with financial and trade industries that manage the very systems that terrorists and drug trafficking

organizations seek to exploit. In return, ICE receives information and insights to more effectively investigate these complex and sophisticated criminal schemes.

Finally, resources allow ICE to conduct specialized investigative training focused on bulk cash smuggling for state and local police officers and Assistant U.S. Attorneys. In addition, ICE conducts comprehensive financial investigations training for foreign law enforcement officers.

---

#### **FY 2008 Program Changes (+\$27.3 million)**

The Budget includes an increase of \$27.3 million in resources that support OI activities. The request includes an expansion of ICE's participation in the Bulk Cash Smuggling Center, BEST, and Operation Community Shield (ICE's anti-gang initiative). This increase also reflects an upward adjustment for inflation and technical adjustments to the base.

---

### **Intelligence Activities**

#### **FY 2008 Request: \$3.1 million (Includes no program changes)**

The FY 2007 resources of \$3.1 million support the Office of Intelligence's drug-related operations. Intelligence provides support to all ICE investigative, detention and removal components, as well as many other departmental entities, in disrupting the flow of drugs by collecting and analyzing all source information and disseminating tactical intelligence to the appropriate operational component.

---

#### **FY 2008 Program Changes (none)**

The Budget includes no program changes for ICE's drug-related Intelligence operations.

---

## **Performance**

### **Introduction**

This section on the FY 2006 performance of ICE is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The tables include conclusions from the PART assessment, as well as performance measures, targets and achievements for the latest year for which data are available.

ICE has two major foci – investigations and intelligence. ICE's Office of Investigations and Office of Intelligence have separate counterdrug responsibilities; however, ICE Intelligence supports OI and other agency partners and task forces. There is, therefore, some overlap in the seizure amounts shown in the two tables on the following pages.

ICE Office of Investigations		
PART Review		
Year of Last Review: 2004	Reviewed as part of Office of Investigations Programs	
Selected Measures of Performance	FY 2006 Target	FY 2006 Achieved
» Thousands of pounds of cocaine seized	*	176
» Number of cocaine seizures	*	1,726
» Thousands of pounds of marijuana seized	*	875.6
» Number of marijuana seizures	*	4,510
» Thousands of pounds of heroin seized	*	2.6
» Number of heroin seizures	*	547
» Percentage of closed investigations that have an enforcement consequence defined as an arrest, indictment, conviction, seizure, or penalty (for OI as a whole)	38.5%*	36.40%

\*Target values invalidated because of data issues

Note: Seizures include those based on ICE Intelligence

## Investigations

ICE OI was rated “Adequate” through the PART process in 2004. However, individual components, such as the drug control functions, were not reviewed separately. Thus, there are no separate findings for the drug control portion of OI’s mission.

OI has constructed a new performance measure that will tie drug control efforts to impacts on the systems by which drugs and drug money are moved and stored. In addition, OI tracks seizures, as indicated in the table. The value of currency and monetary instruments seized in FY 2006 from drug operations totaled \$85.6 million. The value of real or other property seized in FY 2006 totaled \$52.3 million.

On October 1, 2006, an enhancement of the data system was made to accommodate, and separately account for, both criminal and administrative arrests. OI will revisit the data elements that should be included in the data computation of the performance measure and adjust future targets as needed. OI will also continue to develop additional performance measures as appropriate to demonstrate program effectiveness.

## Discussion

The targets that were identified for FY 2006 are no longer comparable with data on actual achievements because of data collection discrepancies discovered during the last quarter. Some field offices had erroneously included administrative arrest data in the database, thus affecting a number of investigative cases with enforcement consequences. OI initiated a data certification process to correct the error. This change necessitated the recalculation of actual achievements for each quarter. Since the targets were based on the previous year’s incorrectly collected data, the targets are no longer valid.

ICE Office of Intelligence		
No PART Assessment Made		
Selected Measures of Performance	FY 2006 Target	FY 2006 Achieved
» Thousands of pounds of cocaine seized	*	185.9
» Number of cocaine seizures	*	24**
» Thousands of pounds of marijuana seized	*	45.3
» Number of marijuana seizures	*	48
» Thousands of pounds of heroin seized	*	0.074
» Number of heroin seizures	*	1

\*Target formulation pending finalization of modified performance measurement process

\*\*72 tracking events resulted in 24 seizures

## Intelligence

ICE Intelligence is modifying its approach to performance measurement while continuing to monitor drug seizures. The outcome-oriented measures under development will relate to the disruption of trafficking organizations, their smuggling routes, and their methods of operation.

## Discussion

The data in the table represents conservative estimates. Some drug loads are partially or totally destroyed due to burning or sinking by traffickers. The Intelligence target-and-vector process sometimes results in traffickers fleeing back to their home ports with their loads to avoid capture. Such results of intelligence/interdiction activity cannot be accounted for in seizure statistics.

ICE Intelligence drug enforcement activities function in cooperation with partner agencies, task forces, and other joint endeavors. The Tactical Intelligence Center (TIC), both individually and as part of the SANDKEY intelligence consortium, was responsible in some cases entirely, others partially, for the cocaine and heroin performance aggregated in the table. The Albuquerque Special Operations Center (ASOC) provided tactical level intelligence that directly resulted in ICE, CBP/Border Patrol, and task force seizures of the bulk of the marijuana cases cited in the table.

# DEPARTMENT OF HOMELAND SECURITY

## United States Coast Guard

### Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2006 Final	FY 2007 Estimate	FY 2008 Request
<b>Drug Resources by Function</b>			
Interdiction	1,224.500	1,139.436	1,072.208
Research and Development	0.955	0.759	0.985
<b>Total Drug Resources by Function</b>	<b>\$1,225.455</b>	<b>\$1,140.195</b>	<b>\$1,073.193</b>
<b>Drug Resources by Decision Unit</b>			
Acquisition, Construction, and Improvements	434.985	355.815	234.896
Operating Expenses	773.206	766.487	819.676
<i>Interagency Crime and Drug Enforcement (non-add)</i>	<i>0.626</i>	<i>0.640</i>	<i>0.655</i>
Research and Development	0.955	0.759	0.985
Reserve Training	16.309	17.134	17.636
<b>Total Drug Resources by Decision Unit</b>	<b>\$1,225.455</b>	<b>\$1,140.195</b>	<b>\$1,073.193</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	6,333	6,268	6,300
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$8,675.119	\$8,626.864	\$8,726.302
Drug Resources Percentage	14.13%	13.22%	12.30%

### Program Summary

#### Mission

The United States Coast Guard (Coast Guard) enforces federal laws in the transit and arrival zones as the Nation's principal maritime law enforcement agency with jurisdiction on, under and over the high seas and U.S. territorial waters. As part of its strategic goal in maritime security, Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers their maritime routes.

Coast Guard has developed a ten-year counterdrug strategic plan, Campaign STEEL WEB. This plan is a comprehensive approach to maritime counterdrug law enforcement in the transit and arrival zones. The cornerstones of this plan are: (1) maintain a strong

interdiction presence to deny smugglers access to maritime routes and deter trafficking activity; (2) strengthen ties with source and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas; (3) support interagency and international efforts to combat drug smuggling through increased cooperation and coordination; and, (4) promote efforts to reduce illegal drug use in the maritime environment.

## Methodology

Coast Guard does not have a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, reserve training, and research and development activities are funded out of the appropriations specified herein.

Reflecting the multi-mission nature of Coast Guard units, the accounting system is keyed to operating and support facilities, rather than to specific missions. Consistent with that approach, personnel and other costs are administered and tracked along operational and support capability lines requiring sophisticated cost accounting techniques.

Coast Guard uses a Mission Cost Model (MCM) methodology to compute its drug attribution. The MCM allocates funding across Coast Guard missions in the Performance-Based Budget (PBB) presentation. The MCM allocates all direct and support costs to mission-performing units (e.g., a 378-foot cutter). Established baselines of operational activity are used to further allocate those costs to the various missions.

### Operating Expenses (OE)

OE funds are used to operate facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain all active duty military and civilian personnel. Budget presentations for current and future years use the most recent OE asset cost data. The MCM systematically allocates all OE costs in the following way:

- » **Direct Costs:** Applied directly to the operating assets (high endurance cutter, HC-130 aircraft, 41” utility boat) that perform missions;
- » **Support Costs:** Applied to assets for which cost variability can be specifically linked to operating assets (based on carefully-developed allocation criteria); and,
- » **Overhead Costs:** Applied to assets based on the proportion of labor dollars spent where cost variability cannot be specifically linked to operating assets. This is a standard industry approach to overhead allocation.

Once all operating expense costs are fully loaded on mission-performing assets, those costs are further allocated to Coast Guard missions (drug enforcement, search and rescue, etc.) using actual or baseline projections for operational employment hours.

### Acquisition, Construction and Improvements (AC&I)

The MCM model is used to develop an allocation of costs by mission areas for proposed AC&I projects. For example, if a new asset is proposed for commissioning through an AC&I project, costs would be applied to missions using the operational profile of a comparable existing asset.

### Research, Development, Test and Evaluation (RDT&E)

The MCM model is used to develop an allocation of costs by mission areas for proposed Research, Development, Test, and Evaluation projects. Scoring of drug interdiction funding is accomplished within the zero-based RDT&E decision unit and every line item requested in the RDT&E budget was evaluated for its anticipated contribution to drug interdiction efforts. Generally, each RDT&E project has a discrete driver that is selected to allocate the funding for that project to the various mission areas of Coast Guard. These drivers are based upon experienced professional judgment. Once the unique program driver is determined the program percentage spreads for each of these drivers are extracted from the mission cost model.

### Reserve Training (RT)

A portion of the funds available to the drug control mission areas are included in the RT appropriation. RT funds are used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations. In the RT budget, allocating a share of budget authority using the same methodology used for OE derives the amount allocated to the drug control mission area.

## Budget

The FY 2008 Budget includes initiatives that will enhance Coast Guard’s ability to stop the flow of illegal drugs in both the transit and arrival zones. In FY 2008, Coast Guard requests \$1,073.2 million to fund drug control operations including acquisition, construction

and improvements, operating expenses, research and development, and reserve training. This level represents a \$67.0 million reduction from the FY 2007 enacted level.

## Acquisition, Construction, and Improvements

**Total FY 2008 Request: \$234.9 million**  
**(Includes –\$120.9 in program changes)**

Acquisition, Construction, and Improvements finance the acquisition of new capital assets, construction of new facilities, and physical improvements to existing facilities and assets. The funds cover Coast Guard-owned and operated vessels, shore facilities and other equipment, such as computer systems. Resources will ensure Coast Guard is properly equipped and outfitted to meet the Campaign STEEL WEB objectives.

### Integrated Deepwater System

**FY 2008 Request: \$788.1 million**  
**(\$215.4 million drug-related)**  
**(Includes –\$120.9 million in program changes)**

Coast Guard's greatest threat to mission performance continues to be the fact that its aircraft, cutters, boats, shore facilities and communications systems are aging and technologically obsolete. The majority of Coast Guard's operational assets will reach the end of their service life by 2008. Increasing operational demands, rising maintenance costs, and declining readiness levels due to the condition of aging assets result in loss of mission performance and effectiveness.

The FY 2007 enacted resources of \$1,045.9 million (\$312.1 million drug-related) represent a milestone in IDS acquisition. The IDS acquisition program remains the centerpiece of a more ready, aware, and responsive 21st-century Coast Guard. Resources provided for the construction of the third National Security Cutter (NSC), advanced delivery of the Fast Response Cutter, and additional Maritime Patrol Aircraft (MPA) and equipment to outfit a second CASA CN-235 Air Station. Further, funds will support the manned and unmanned aircraft programs, as well as Deepwater's systems for integrated logistics support and C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance).

---

#### **FY 2008 Program Changes (–\$120.9 million)**

Coast Guard uses a zero-based budget approach in developing its request for AC&I. Program changes in the AC&I account from year to year

may vary significantly depending on the specific platforms or construction projects being sought. The \$120.9 million reduction is a reflection of the project mix proposed for FY 2008. The FY 2008 Budget provides resources for the acquisition of a number of important assets, some of which are identified below. The budget figures associated with these assets include both drug and non-drug resources.

**Maritime Patrol Aircraft (\$170 million)** This request will fund four MPA, CASA CN-235 300Ms, as well as the missionization and required logistics to outfit these aircraft for "mission ready" status to fully execute assigned Coast Guard missions. These funds will help address Coast Guard's MPA flight hour gap by providing 3,200 additional MPA hours every year.

#### **C-130J Fleet Introduction (\$5.8 million)**

This request provides funding to continue missionization of Coast Guard's six C-130J aircraft. This project outfits these aircraft with improved sensors, communications, computer, and other systems to make the C-130J suitable for Coast Guard MPA operations.

#### **Armed Helicopter (Airborne Use of Force)**

**(\$24.6 million)** This request will complete Coast Guard's Airborne Use of Force (AUF) initiative and provide regional Coast Guard AUF capability and surge capacity throughout the United States. Specifically, this request will outfit 42 MH-65C helicopters at 10 air stations and seven MH-60J support helicopters at Coast Guard's Aviation Repair and Support Center (ARSC) with Personal Protective Equipment (PPE), weapons, mounts and armory support.

---

## Operating Expenses

**Total FY 2008 Request: \$819.7 million drug-related**  
**(Includes +\$53.2 million in program changes)**

The FY 2007 resources will support the operation and maintenance of Deepwater assets, including the second National Security Cutter and helicopters armed with AUF. Funding will also support additional flight hours associated with the HC-130J fixed wing aircraft, as well as non-Deepwater enhancements, such as operating funds for the Response Boat Medium, National Capital Region Air Defense and Rescue-21 National Distress Response System.

The FY 2007 resources will also support the continued deployment of AUF assets designed to stop the go-fast boat smuggling threat. Funding provides for an interdiction presence for Operation FRONTIER SHIELD and other interdiction pulse operations in the Caribbean transit zone and in the maritime regions along the Southwest Border. Coast Guard maritime interdiction efforts off the coast of south Texas and the coast of Southern California are designed to complement the combined efforts of federal, state, and local law enforcement agencies to reduce trafficking across the Southwest Border. As part of the Southwest Border Initiative, Coast Guard will continue efforts to enhance international cooperation through its relationship with the Mexican Navy.

Resources will also support Coast Guard as a principal participating agency within OCEDEF. Coast Guard has the unique capability to conduct drug interdiction on the high seas, and to find multi-ton quantities of cocaine and marijuana on board vessels and go-fast boats. Coast Guard also provides critical intelligence about the maritime smuggling of drugs entering the U.S. through maritime post-seizure analysis, reporting by Coast Guard intelligence personnel, and the development of cooperating sources.

---

#### **FY 2008 Program Changes (+\$53.2 million)**

The Budget includes an increase for Coast Guard's operating expenses representing both base adjustments and program enhancements. Specific highlights from the FY 2008 budget include (figures represent both drug and non-drug resources):

#### **HC-130J Operations (\$5.2 million)**

This request provides operation and maintenance funding for 800 annual flight hours for Coast Guard's HC-130J aircraft. These 800 flight hours, combined with the 3,200 flight hours already appropriated, will enable Coast Guard to meet its full operating capability requirement of 4,000 flight hours for five HC-130J operational aircraft. Coast Guard's HC-130J aircraft were initially acquired in the FY 2001 Military Construction (MILCON) Appropriation and delivered in FY 2003 and FY 2004.

#### **Armed Helicopter Follow-On / Atlantic Area (LANTAREA) Aviation Deployment Center (\$6.9 million)**

This request provides funding for the maintenance and upkeep of AUF equipment including Personal Protective Equipment, weapons, mounts and armory support for the LANTAREA Aviation Deployment Center helicopters. In addition, this funding will provide additional flight hours and range costs to support AUF training, and the maintenance and recapitalization of deployable helicopter support kits. The LANTAREA Deployment Center will serve as the capability replacement for Coast Guard's Helicopter Interdiction Squadron (HITRON).

---

### **Research and Development**

#### **Total FY 2008 Request: \$0.99 million (Includes +\$0.2 million in changes)**

Research, Development, Test and Evaluation allows Coast Guard to maintain its non-Homeland Security research and development capability, while also partnering and leveraging initiatives identified by the Department of Homeland Security and the Department of Defense. The RDT&E funding requested will support all 11 statutorily mandated Coast Guard mission-programs.

FY 2007 resources will support the development of technologies to improve detection of hidden contraband in locations that were previously impossible to search; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give commanders a wider range of options to stop fleeing vessels.

---

#### **FY 2008 Changes (+\$0.2 million)**

The Budget includes a modest increase for inflation.

---

### **Reserve Training**

#### **Total FY 2008 Request: \$17.6 million (Includes +\$0.5 million in changes)**

Reserve Training is critical in providing Coast Guard the flexibility to meet its maritime safety and security missions. Reserve Training allows trained units and qualified personnel to be available for service in the Coast Guard in time of war or national emergency. In addition, the Coast Guard Reserve may be called upon to provide units and personnel to fill the needs of the agency at



such times as national security requirements exceed the capacity of Coast Guard's active duty force.

Reserve Training funds will be used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations. In the RT budget, funding assumes a drug control allocation equivalent to that of the OE program costs since RT personnel augment OE program functions.

---

#### **FY 2008 Changes (+\$0.5 million)**

The Budget includes a modest increase for inflation.

---

## **Performance**

### **Introduction**

This section on the FY 2006 performance of the Coast Guard program is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table on the next page includes conclusions from the PART assessment, as well as performance measures, targets and achievements for the latest year for which data are available.

The 2002 PART review found that the program was "generally well-managed" but needed to address some strategic planning issues – long-term performance targets were needed as were regular comprehensive evaluations. The program was rated "Results Not Demonstrated." Coast Guard has since established long-term performance targets out to FY 2011 and is actively engaged in undertaking program evaluations through the Center for Naval Analyses (CNA). CNA will complete its evaluation of the program in the spring of 2007.

### **Discussion**

Coast Guard's illegal drug interdiction Strategic Goal focuses on securing maritime routes by halting the flow of illegal drugs, aliens and contraband, preventing illegal incursions of the U.S. Exclusive Economic Zone, and suppressing maritime federal law violations. This Strategic Goal is monitored by the long-term performance goal of reducing the flow of illegal drugs

into the U.S. via maritime routes. A 35 percent to 50 percent disruption rate would significantly affect the profitability for smugglers, the removal rate measure allows for a direct evaluation of Coast Guard's efforts in disrupting the market as prescribed by National Priority III of the National Drug Control Strategy.

The Removal Rate is defined as the amount of cocaine lost to the smuggler (through seizures, burning, jettison, and other non-recoverable events) and is based upon values vetted through the Consolidated Counter-Drug Database (CCDB). This new measure records drugs removed from the market, reflecting Coast Guard counterdrug efforts and results. For the FY 2006 outcome measure, total non-commercial maritime flow data will not be available until summer 2007 when the Interagency Assessment of Cocaine Movement (IACM) is published. At that time, an actual cocaine removal rate will be published for FY 2006. However, FY 2006 seizure and removal data to date strongly suggest that Coast Guard will meet its FY 2006 target of a 22 percent cocaine removal rate.

While Coast Guard's FY 2006 performance results are attributable to a host of factors, three stand out as particularly noteworthy. The continued availability of actionable intelligence (i.e., raw intelligence coupled with necessary analytical capabilities) allowed for rapid and thorough sorting of targets, and more efficient use of surface and air resources. Second, fielding an optimal force package of flight deck equipped ships with armed helicopters and long range surveillance aircraft, contributed to the surveillance, detection, classification, identification, and prosecution of narcoterrorist threats, including high-speed go-fast vessels. Third, the International Maritime Interdiction Support provisions in several of Coast Guard's bilateral counterdrug agreements, coupled with outstanding interagency post-seizure coordination, were instrumental in conveying detainees and evidence to the U.S. for prosecution while keeping assets in theater for continued interdiction.

US Coast Guard			
PART Review			
Year of Last Review: 2002		Rating Received: Results Not Demonstrated	
<b>Evaluation Area</b>	<b>Score</b>	<b>Review Highlights Below:</b>	
Purpose	100	The program was found to be generally well-managed but faced challenges in strategic planning and performance. In the four years that have passed since the FY 2004 review, the program has made great progress toward addressing OMB's recommendations.	
Planning	65		
Management	83		
Results	25		
Selected Measures of Performance			FY 2006 Target
» Non-commercial maritime cocaine removal rate.			22.0%
			FY 2006 Achieved
			April 2007