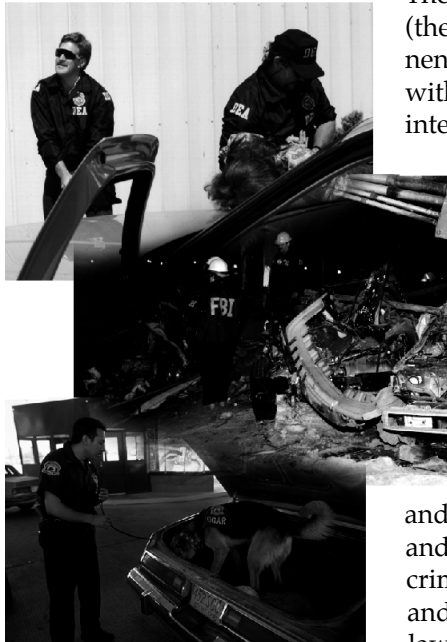


Investigation  
and  
Prosecution  
of Criminal  
Offenses

I

# I CORE FUNCTION ONE: Investigation and Prosecution of Criminal Offenses



The U.S. Department of Justice (the Department) and its component organizations work together with Federal, state, local, and even international agencies to enforce this Nation's criminal laws. These partnerships have made possible comprehensive strategies to address formidable societal problems. The five Strategic Goals under this Core Function target (1) violent crime, including organized crime and drug- and gang-related violence; (2) drug trafficking and related crime; (3) espionage and terrorism; (4) white collar crime, including public corruption and fraud, and (5) coordination of law enforcement activities.

## STRATEGIC GOAL 1.1

Reduce violent crime, including organized crime and drug- and gang-related violence.

Violent crime reduction continues to be a priority of the Administration. While final 1999 data are not yet available, preliminary Federal Bureau of Investigation (FBI) Uniform Crime Report (UCR) data indicate that violent crime rates continued their 7-year declining trend. The first 6 months of 1999 saw a 10-percent decrease in serious crime (all violent and property crime), compared to the same time period last year. Some specific preliminary results include: a 13-percent decrease in the murder rate, a 10-percent decrease in the robbery rate, an 8-percent decrease in the forcible rape rate, and a 7-percent decrease in the aggravated assault rate. The number of Federal bank robbery violations nationwide also declined (see sidebar).

This Strategic Goal includes five FY 1999 Performance Goals, which address traditional and nontraditional organized crime, gang-related violence, crimes against children, and crime in Indian Country.

### Bank Robberies on the Decline

The number of Federal bank robbery violations nationwide declined 20 percent from FY 1997 through FY 1999—from 8,064 to 6,420 violations. Hidden by this downward trend, however, is the recent re-emergence of the serial bank robber, who travels across state lines and commits robberies throughout the United States. Analysis of information being captured in the FBI's Bank Robbery Statistical Application will identify serial bank robbers and bank robbery trends and patterns, as well as areas of the country where bank robberies are on the rise. In FY 1999, the FBI solved 3,113 bank robberies, roughly half (48.5 percent) of the violations.

**Three Youngstown LCN Members Convicted on RICO-Murder Charges**

In the northern district of Ohio, a jury found three defendants guilty on March 12, 1999, in a Racketeering Influence and Corrupt Organizations (RICO)-murder case involving organized crime. The three associates of the Pittsburgh LCN family were convicted of substantive RICO charges. The court sentenced each defendant to life in prison without the possibility of parole. All three were found guilty of participating in the murder of a reputed Youngstown

gambling figure and in the attempted murder of a Mahoning County prosecutor, and of conducting an illegal gambling business. Two of the three defendants were also convicted of engaging in violent crime in aid of racketeering.

**PERFORMANCE GOAL 1.1.1**

**ORGANIZED CRIME - LA COSA NOSTRA (LCN)**

*DOJ will work to restore open and free economic competition in industries influenced by organized crime. DOJ will do this by continuing to reduce the active LCN membership.*

Organized crime can include violations relating to gambling, extortion, and the infiltration of legitimate businesses. The FBI, U.S. Attorneys, and the Criminal Division continued to work cooperatively in 1999 to dismantle traditional organized crime groups, such as the La Cosa Nostra, and to ensure that a new generation of criminals does not emerge. The FBI has especially focused on labor racketeering and on the two largest and most powerful families—the Gambino and Genovese.

The FBI’s long-term campaign, Operation “Button Down,” designed to eliminate the LCN as a significant crime factor in the United States, continued to get results in 1999. FBI investigative efforts, along with aggressive prosecution by the U.S. Attorneys, have made significant inroads in reducing LCN’s membership and influence, with the Department incarcerating 18.4 percent more LCN members in 1999. For example, the Department successfully prosecuted members and bosses of the Luchese LCN, Colombo LCN, and Youngstown faction of the Pittsburgh LCN families (see sidebar).

Performance Goal 1.1.1	Organized Crime			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Percentage reduction in LCN membership* (FBI)	17.4%	19.6%	20.0%	18.4%
*The Department has revised this indicator in the FY 2001 Summary Performance Plan to read, “percent of LCN members incarcerated.”				
<b>Data Source:</b> ISRAA <sup>5</sup>				

**Explanation For Not Meeting Target**

The Department’s actual accomplishment of 18.4 percent fell short of the planned target of 20 percent by only 1.6 percent, a slight deviation. The reported reduction rate of 18.4 percent of LCN members is a conservative performance figure that does not take into account the number of LCN members who, while not yet incarcerated, are in the criminal justice process. The shortfall does not compromise the program or its related activities.

<sup>5</sup> This and all other data source information is described in Appendix E.

## PERFORMANCE GOAL 1.1.2

### ORGANIZED CRIME— NON-TRADITIONAL AND EMERGING GROUPS

*Nationally, DOJ will place priority on identifying high-impact investigative targets and allocating appropriate resources to deal with the problem. DOJ will identify, disrupt, and dismantle emerging organized criminal enterprises, including Asian groups and Russian groups.*

Efforts to counter emerging threats such as Russian, Eastern European, Asian, and other organized crime groups continued in 1999 through a commitment of resources for enforcement efforts and international liaison. According to the FBI, Russian criminal enterprises represent a significant criminal force internationally. Through a worldwide network headquartered in the Russian Federation, these organizations have amassed great wealth, political influence, and economic power. They continue to exert much control over Russia's emerging financial and market structures and seek to establish themselves in the United States through involvement with traditional organized crime activities, such as extortion, murder, prostitution, and drugs. The FBI's goal is to mitigate and counter their efforts to establish a criminal foothold in this country by gathering intelligence and conducting investigations to help disrupt and dismantle identified criminal enterprises. In 1999, the FBI's efforts led to 86 arrests, 66 indictments, and 42 convictions. More critically, FBI efforts led to the disruption of five and the dismantlement of three Russian organizations.

FBI enforcement efforts were also crucial to disrupting and dismantling Asian Criminal Enterprises (ACEs). Many domestically based ACEs have linkages to international Asian syndicates, which use both global financial resources and extensive membership alliances to establish and influence U.S.-based ACEs. The FBI's goal is to identify, target, and dismantle the 12 most significant ACEs operating in the United States. It made much progress toward this goal in 1999 with the benefit of extensive intelligence, achieving 400 arrests, 280 indictments, and 271 convictions. These enforcement efforts were crucial to disrupting 14 and dismantling 4 Asian criminal organizations, the majority of which were connected to international Asian syndicates. A noteworthy example of a Eurasian Organized Crime (EOC) investigation is Operation "Red Hook" (see sidebar).

### Operation "Red Hook"

On December 9, 1998, the FBI's New York Division concluded Operation "Red Hook," an undercover operation that led to the arrests of nine individuals on a 43-count Federal indictment for engaging in a long-term \$2.7-million money laundering scheme. Agents arrested two of the individuals at an undercover meeting where they delivered \$910,000 in cashier checks and money orders as their part in a reverse money laundering deal. Three of the arrests occurred in the Boston Division. In addition, FBI agents executed 6 search warrants and seized 64 bank accounts, 3 residences, and other assets totaling approximately \$2 million. To date, this operation has identified 47 subjects who criminally facilitated reverse money laundering transactions, 64 bank accounts used to launder money considered to be proceeds of drug transactions, and 41 businesses associated with these bank accounts.

#### Performance Goal 1.1.2

#### Organized Crime - Non-Traditional and Emerging Groups

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of emerging criminal enterprises dismantled (FBI)				
Russian	NA	0	4	3
Asian	NA	3	8	4

Data Source: ISRAA.

## Carjacking Statute Revised

In *Holloway v. United States*, the Supreme Court held that the phrase "with the intent to cause death or serious bodily harm" in the Federal carjacking statute does not require the Government to prove that the defendant had an unconditional intent to kill or harm in all events. It merely requires proof that the defendant intended to kill or harm to effect a carjacking. If the defendant had the proscribed state of mind when demanding or taking control over the car "by force and violence or by intimidation," then that satisfies the statute's intent requirement

### Explanation For Not Meeting Target

The Department's actual accomplishments in dismantling three Russian criminal enterprises and four Asian enterprises fell short of planned targets of four and eight, respectively. The difference between actual and planned levels of performance results from the timing and complexity of carrying out case investigations and prosecutions. Because dismantlement data are captured only after the sentencing phase of the legal process, the delay between a suspect's arrest and the final sentencing phase accounts for much of the variance in planned versus actual accomplishment. Given that performance target levels were approximately specified, the shortfall reflects no problems or issues with performance and poses no negative consequences to the program and its related activities.

## PERFORMANCE GOAL 1.1.3

### GANG-RELATED AND OTHER VIOLENCE

*DOJ will target and respond to particular local crime problems involving violence and gang activity, including drug-related crimes. To achieve this, DOJ will strive to reduce the level of violent crime by taking violent criminals and gangs off our streets through cooperative enforcement efforts with state and local law enforcement in programs such as FBI's Safe Streets Task Forces (SSTFs) and the Drug Enforcement Administration's (DEA's) Mobile Enforcement Teams (METs). We will do this to continue our efforts to reduce the population of existing gangs identified as being the most dangerous.*

With a continuing focus on gang violence, gun violence, and juvenile crime in 1999, the Department developed new initiatives that resulted in a cohesive, coordinated effort to reduce violent crime in our Nation's communities. To build on reductions in crime achieved over the last 7 years, the President, on March 20, 1999, issued a Directive to the Attorney General and the Secretary of the Treasury. In response, Attorney General Reno and Treasury Secretary Rubin developed the Integrated Firearms Violence Reduction Strategy, incorporating proven measures and innovative approaches being used throughout the country under the Attorney General's Anti-Violent Crime Initiative (1994). Virtually all the U.S. Attorneys and the Bureau of Alcohol, Tobacco and Firearms (ATF) special agents in charge worked together on this initiative to identify the most threatening gun violence problems in their jurisdictions. They then developed locally coordinated gun violence reduction plans at each judicial district level that describe the problem of firearms violence in the district, summarized the legal tools and firearms-related information resources available there, and described the strategies already in place and those the district intends to pursue. In addition to helping ensure locally coordinated gun violence reduction plans, the Department in FY 1999:

- Continued to assist—with the help of prosecutors working with the National Drug Intelligence Center (NDIC)—Federal, state, and local gang investigators and the

National Alliance of Gang Investigators Association, a group representing 12,000 investigators across the country dedicated to promoting and coordinating anti-gang strategies.

- Continued a partnership with the Department of Housing and Urban Development (HUD) to target violent crime in public housing in 13 cities, and with the Department of Treasury (Treasury) to expand the Youth Crime Gun Interdiction Initiative to a total of 27 cities.
- Won a major victory in the war against violent crime in *Holloway v. United States*, which more broadly defined the legal requirement for malicious intent by carjackers (see sidebar on previous page).

But the violent crime problem cannot be addressed by Federal resources alone, nor can it be solved only by state or local resources. As of September 30, 1999, 785 FBI agents in 52 FBI field offices worked in concert with more than 1,100 other Federal, state, and local law enforcement officers on 170 Safe Streets Task Forces. Forty-five of the SSTFs focused their efforts exclusively on violent gangs (see sidebar).

All approaches to curbing violent crime in this country call for a focus on teamwork and cross-boundary cooperation. Working in concert with other agencies, DEA's program in FY 1999 initiated 53 new and completed 48 deployments with state and local law enforcement agencies. Overwhelmingly positive responses from the law enforcement community and the public have demonstrated the value of the MET program. The more tangible measures of MET's operational effectiveness include: visible reduction of drug use and sales, stability of the target area, community reaction and involvement, and positive assessments by requesting agencies. In areas where DEA has deployed METs, assaults are down by 10 percent, homicides by 14 percent, and robberies by 15 percent. In Coconino County, Arizona, the Phoenix MET worked with the Northern Arizona Street Crimes Task Force to target these organizations. During a 9-month deployment in FY 1999, the Phoenix MET infiltrated these organizations, known for extreme violence and for supplying street-level dealers with large quantities of methamphetamine. The MET resulted in seizures of 7 operational and 3 dismantled methamphetamine labs; seizures of drugs, weapons, vehicles, and cash; and 86 arrests, including those of two primary targets: Jose Francisco Colimas and Ricardo "Duke" Castillo.

The Department is encouraging communities to use information-driven, problem-solving, and multi-agency action to reduce specific crime problems. Under the leadership of the U.S. Attorneys, five pilot sites (Indianapolis, Memphis, New Haven, Portland, and Winston-Salem) are in their second year of a 2-year project called Strategic Approaches to Community Safety Initiative. An important part of the project is to build collaborative partnerships that involve criminal justice agencies, community-based organizations, and researchers. For example, the Portland, Oregon, pilot linked its project to a standing

## National Gang Strategy

During FY 1999, Safe Streets Task Force efforts helped to dismantle 32 gang sets or subsets as well as disrupt 66 gang operations. Two major successes in this area include the Grape Street Crips and the Logan Heights street gangs in San Diego, California.

- For the Grape Street investigation, the FBI used undercover operatives and electronic surveillance, culminating in 73 Federal arrest warrants and five Federal search warrants.
- The investigation of the Logan Heights street gang in San Diego yielded Federal indictments of 12 individuals, including a leader of the Arellano-Felix drug trafficking organization (aka the "Tijuana Cartel"), who was subsequently placed on the "Ten Most Wanted" list.

## Almighty Latin King Nation 'Dethroned'

In a second round of prosecutions against leaders and members of the Almighty Latin King Nation in Bridgeport, New Haven, and Norwalk, Connecticut, several high-ranking gang members were sentenced on racketeering and related charges. The former president of the New Haven

committee—the city's 35-member Public Safety Coordinating Council. The personal and professional relationships already established through the Council helped to formalize and institutionalize collaboration among frontline professionals who deal with crime and street realities every day. Team members target youth offenders to disengage them from gang affiliations and to help them transition from incarceration back into the community.

Efforts by U.S. Attorneys continued to dismantle the operations of violent gangs in 1999, securing convictions for murder, drug, and racketeering offenses (see sidebar). All in all, the U.S. Attorneys removed 6,536 violent criminals from the streets. Guided by its national gang strategy and with the combined efforts of SSTFs and local law enforcement, the FBI achieved a 13-percent reduction in dangerous gangs targeted, exceeding its 10-percent reduction goal.

### Performance Goal 1.1.3

### Gang-Related and Other Violence

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of violent criminals removed from the streets by Federal investigation and prosecutorial efforts (USAs)	5,276	6,115	Not Projected	6,536
(2) Percentage reduction in number of targeted gangs identified as being the most dangerous (FBI)	NA	(Baseline) "Top 30" gangs	10%	13%

**Data Source:** (1) LIONS. (2) ISRAA.

Chapter received five concurrent life sentences for a variety of crimes, including murder, RICO, and drug offenses. The former executive crown vice president got 33 years in prison for a drive-by shooting and other crimes. Another defendant received a 30-year sentence for his role in the largest Latin Kings' heroin operation and for being an accessory to murder. A fourth got a 20-year term for planning and executing acts of violence and retaliation. Thirty-nine Latin Kings have been convicted since March 1997.

## PERFORMANCE GOAL 1.1.4

### CRIMES AGAINST CHILDREN

*DOJ will focus on an improved overall response capability in child abduction cases, including the use of multidisciplinary teams of law enforcement and other professionals, so that the FBI is promptly notified of such incidents and can promptly deploy investigative assistance. DOJ will also increase efforts against those who commit sexual exploitation offenses against children, including those who traffic in child pornography.*

The Department's accomplishments in FY 1999 resulted from stepped-up efforts to reduce crimes against America's children, with special attention given to Internet crimes. The Department improved investigations and prosecutions in child pornography through training law enforcement and facilitating cooperation between domestic and international law enforcement agencies. For example, the Department participated in the Global Conference on Combating Child Pornography on the Internet, held in Vienna, Austria, in September 1999. The conference—co-sponsored by the United States, the European Union, and Austria—brought the on-line computer industry together with law enforcement, government agency representatives, the judiciary, academia, and nongovernmental organizations to protect children on-line.

On-line child pornography and child sexual exploitation is this country's biggest and fastest growing crime problem involving children, reflected by a 1,225-percent increase in the number of these cases initiated by the FBI from FY 1996-99. To counter this problem, the FBI launched the Innocent Images National Initiative, which expanded to 10 operatives as of September 1999. During FY 1999, this effort led to the arrest of 195 individuals and the conviction/pre-trial diversion of 106 individuals (see sidebar for case study).

### Innocent Images Success

Undercover agents began an on-line relationship with Joseph M. Klein, a Broadway musical director alleged to have had a sexual relationship with a

#### Performance Goal 1.1.4

#### Crimes Against Children

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of "sexual exploitation of children" predators arrested and convicted (FBI)		(Baseline*)		
Arrested	Not Projected	98	Not Projected	195
Convicted	Not Projected	77	Not Projected	106

\*FY 1998 data have been updated, based on accomplishments entered since these data were last reported. These additional arrests, convictions, etc., actually occurred in 1998 but were only recently entered into ISRAA.

Data Source: ISRAA.

## PERFORMANCE GOAL 1.1.5

### INDIAN COUNTRY CRIMES

*DOJ will work with tribal authorities to combat and reduce the incidence of violent crime on Indian reservations, especially that related to gang activity, through the use of Safe Trails Task Forces (STTFs) and the identification of particular enforcement priorities. NOTE: This Performance Goal was originally Performance Goal 1.5.3.*

Unfortunately, Indian Country has not shared in the national drop in violent crime. In fact, violent crime has risen in some Indian communities. The homicide rate in Indian Country remains three times the national average, crimes against children continue to pervade, and gangs and drug trafficking are major problems. In 1999, Congress appropriated \$109 million for the President's Indian Country Law Enforcement Initiative.

For its part, the FBI has 32 field offices with some degree of Indian Country investigative responsibility through its SSTFs and STTFs. As of September 1999, 10 STTFs with 145 FBI agent positions in Arizona, Utah, Wyoming, and South Dakota exclusively or primarily worked Indian Country matters. During FY 1999, the FBI either trained or provided funding to train more than 300 law enforcement personnel from 44 tribes, BIA and other Federal agencies, FBI field offices, and state and local police departments on topics applicable to Indian Country investigations. During 1999, FBI efforts led to Federal charges against 387 individuals and indictments against 329.

juvenile attending summer stock theater. Agents arrested Klein on January 28, 1999, after he traveled from New York to Maryland to meet with a 13-year-old boy—actually an agent from the on-line relationship. A search of Klein's Manhattan residence uncovered more than 5,000 pornographic images of children as young as 5 years old engaged in various sexual acts or poses. This material identified 45 potential child victims and numerous subjects who were trading in child pornography or attempting to entice children on-line into illicit sexual conduct. Klein pled guilty to two counts.



**Performance Goal 1.1.5**

**Indian Country Crimes**

<b>Performance Indicator</b>	<b>1997 Actual</b>	<b>1998 Actual</b>	<b>1999 Planned</b>	<b>1999 Actual</b>
[Increase in] cases on Indian lands (USAs, FBI)				
USAs	531	680	680	620
(End of FY pending cases) FBI	1,862	1,830	NA	2,030

**Data Source:** MAR and LIONS.

**Explanation For Not Meeting Target**

The shortfall of 60 cases for this target is considered a slight deviation. Given that performance target levels were approximately specified, the shortfall reflects no problems or issues with performance; neither does it pose any negative consequences to the program and its related activities. The long-term trend shows rising case load, reflecting greater Federal support for investigating violent crime on Indian lands.

**STRATEGIC GOAL 1.2**

Reduce the availability and abuse of illegal drugs through traditional and innovative enforcement efforts.

Today, 6.4 percent of Americans use illegal drugs, down more than 50 percent from 17.5 percent of the population in 1979.<sup>6</sup> While the drop in percentage of users is encouraging, it belies the depth of the problem in the United States. In fact, 39 percent of teenagers surveyed in 1998 responded that drugs were the biggest problem facing people their age today.<sup>7</sup> Indeed, drugs are a major factor in the commission of violent crimes, as well as a burden on the Nation's health care system. We must remain vigilant in the fight to keep drugs out of our communities and, most importantly, away from our children.

In carrying out its counterdrug goal, the Department seeks to stem the flow of illegal drugs into the United States, especially at the southwest border; disrupt and dismantle the major drug trafficking organizations; and reduce the domestic production of illegal substances. It emphasizes the use of coordinated interagency approaches, such as those of the Special Operations Division (SOD) and the Organized Crime Drug Enforcement Task Forces (OCDETFs). It also emphasizes cooperative efforts with foreign governments and continuing efforts to improve the collection, analysis, and dissemination of drug-related intelligence. This Strategic Goal's six FY 1999 Performance Goals specifically address protecting the U.S. borders from illegal drugs, disrupting and dismantling major drug trafficking criminal enterprises, using enforcement strategies to reduce illegal drug production, working with foreign governments to aid

<sup>6</sup> 1999 National Drug Control Strategy, Office of National Drug Control Policy.

<sup>7</sup> 1998 Sourcebook of Criminal Justice Statistics, Bureau of Justice Statistics, from data provided by the New York Times/CBS News Poll.

international drug law enforcement, strengthening investigative intelligence programs to support drug investigations and prosecutions, and reducing the demand for drugs.

## PERFORMANCE GOAL 1.2.1

### PROTECTING U.S. BORDERS FROM THE DRUG THREAT

*DOJ will improve its land border defense against drugs through the deployment of new personnel and advanced technology.*

Virtually all of the cocaine and heroin—and much of the marijuana and methamphetamine—sold and consumed in the United States is produced abroad. Therefore, a primary aim is to strengthen counterdrug border defenses. In the last several years, Department and other law enforcement entities have increased their resources at or near the borders. As part of this enhanced enforcement effort, the INS Border Patrol plays a pivotal role in intercepting illegal substances before they come into the country. The U.S. Customs Service (USCS) and DEA also work to prevent the spread of illegal drugs into the United States.

In FY 1999, the Department's seizures of illegal drugs exceeded FY 1998 seizures in almost all categories. Continued heightened presence along the southwest border and improved interdepartmental coordination efforts contributed to FY 1999 success. In FY 1999, along the southwest border, Immigration and Naturalization Service (INS) Border Patrol agents seized approximately 1.2 million pounds of all drugs (marijuana, cocaine, and heroin), compared to .9 million pounds seized in FY 1998—an increase of 35 percent. Drug cases at the ports-of-entry are transferred to USCS—INS' sister agency in the Federal inspection process for disposition. Along the border between ports-of-entry, such cases are handed over to the DEA. In FY 1999, DEA prevented nearly 90 kilograms of heroin and 535 kilograms of methamphetamine, from crossing the border.

Performance Goal 1.2.1		Protecting U.S. Borders from the Drug Threat			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual	
Quantity of drugs seized at or near the borders (INS, DEA)					
<i>INS:</i>					
All borders	751,810.0 lbs	894,123.0 lbs	Not Projected	1,200,362.0 lbs	
Southwest Border	744,160.0 lbs	878,949.0 lbs	Not Projected	1,188,930.0 lbs	
<i>DEA:</i>					
Heroin	60.8 kgs	100.9 kgs	Not Projected	87.8 kgs	
Cocaine	11,428.8 kgs	8,923.2 kgs	Not Projected	20,832.0 kgs	
Marijuana	205,406.4 kgs	227,368.1 kgs	Not Projected	289,264.4 kgs	
Methamphetamine	386.4 kgs	366.7 kgs	Not Projected	534.5 kgs	
Amphetamine	75.4 kgs	270.6 kgs	Not Projected	108.0 kgs	
<b>Data Source:</b> STRIDE.					

## PERFORMANCE GOAL 1.2.2

### ATTACK ON MAJOR DRUG TRAFFICKING CRIMINAL ENTERPRISES

*DOJ will continue its efforts to disrupt and dismantle the command and control operations of major drug trafficking criminal enterprises responsible for the supply of illicit drugs in the United States. DOJ will continue many focused initiatives and efforts that target major traffickers, including: the Southwest Border Initiative, the Caribbean Initiative, the Source Country Initiative, the Anti-Heroin Strategy, the National Methamphetamine Strategy, and OCDETF cases.*

The Department's primary drug enforcement goal is to disrupt and dismantle major drug operations, both domestic and foreign, through an integrated, multifaceted approach. A key element of the Department's cooperative approach in combating drug trafficking is the Special Operations Division, a multi-agency coordinating entity composed of agents, analysts, and prosecutors from DEA, FBI, USCS, the Criminal Division, and the Internal Revenue Service (IRS). SOD coordinates and supports regional and national investigations and prosecutions against the most significant drug trafficking organizations threatening the United States, particularly major transnational organizations. SOD, a model for law enforcement cooperation, generates information that is shared by all. It performs across investigative agency and district jurisdictional boundaries, providing field offices with actionable tips and leads. As a result of SOD activity in 1999, DEA, FBI, and USCS field offices reported 1,392 arrests and more than \$51 million in seized assets against some of the highest level trafficking organizations in the world.

Also instrumental in the war on drugs is the OCDETF program, which combines the resources and expertise of Federal, state, and local law enforcement agents and Federal prosecutors in conducting concentrated long-term operations to mount intensive and coordinated campaigns against international and domestic drug trafficking organizations. Drug cases filed during FY 1999 (including both OCDETF and non-OCDETF drug cases) made up 33 percent of all criminal cases filed by U.S. Attorneys' offices. OCDETF has been a critical player in dismantling national and transnational drug operations.

Two successful OCDETF prosecutions of major drug trafficking and money laundering organizations in FY 1999 were as follows:

- On April 26, 1999, Juan Bautista Alomia-Torres was sentenced to life in prison following a jury conviction in the western district of North Carolina. He was prosecuted for his role as the leader of a Colombian drug organization known as "The Line" that smuggled 300–400 kilograms of cocaine into Charlotte, North Carolina, from 1989 to 1997. The organization used ports in Charleston, Wilmington, Houston, New York, Tampa, New Orleans, and Baltimore to import cocaine. It employed a fleet of vehicles rigged with hidden compartments to transport drugs and money.

Six co-defendants were sentenced and are serving terms ranging from 4 to 13 years. Three others await sentencing, and four are fugitives.

- On June 18, 1999, Eli Tisona, a former Israeli "jet-setter," was sentenced to 235 months in prison and fined \$50,000 for conspiracy and money laundering. In one of the Nation's largest drug money laundering cases, Tisona was convicted on 146 counts of disguising more than \$45 million in Colombian drug cash profits through a family jewelry business. Among the charges were filing false bank statements and making illegal overseas wire transfers. Tisona owned a fish farm in the Colombian drug capital of Cali and was considered one of Israel's biggest mobsters. His daughter, Kineret Kashti, her husband, Yehuda, and a third co-defendant were charged in the same case, but they jumped bond and fled to Israel in December 1997.

The 2,000-mile border with Mexico has been particularly plagued by transnational drug trafficking, violent crime, and contraband smuggling. By successfully prosecuting major drug trafficking cases along the southwest border, the Department targets the hierarchy and infrastructure of the major cocaine, heroin, methamphetamine, and marijuana trafficking organizations there. The OCDETF program, SOD, and the High Intensity Drug Trafficking Area (HIDTA) program continued to work closely to combat the most significant drug trafficking organizations threatening this and other areas of the United States.

Three multijurisdictional, multi-agency investigations tying U.S. drug trafficking here to the highest levels of the international cocaine trade were Operations "Impunity," "Millennium," and "Southwest Express:"

- Operation "Impunity" dismantled an entire trafficking organization through identifying and arresting major cell heads operating inside the United States. Their arrests and those of 90 subordinates disabled all facets of their organization. As a result, 12,434 kilograms of cocaine and more than 2.4 tons of marijuana were seized, along with \$19 million in U.S. currency and another \$7 million in assets.
- Operation "Millennium" targeted major cocaine suppliers shipping vast quantities of cocaine from Colombia through Mexico into the United States. One targeted drug kingpin had been smuggling 30 tons or 500 million dosage units of cocaine into the United States every month. U.S. law enforcement authorities seized more than 13,000 kilograms of cocaine during the last 2 weeks of August alone.
- Operation "Southwest Express," an OCDETF and HIDTA operation coordinated through SOD, was designed to dismantle a U.S. transportation and distribution network thought to be supplied by the Sotelo-Lopez drug

trafficking organization based in Ciudad Juarez, Mexico. The operation brought a national and strategic perspective to halting drug trafficking activities ranging from street-level distribution to major transportation cells. Drugs were moved by railway, tractor trailer, and other vehicles, often concealed in bundles of used clothing. Federal prosecutors from 10 U.S. Attorneys' offices and 5 Federal law enforcement agencies, in cooperation with more than 20 state and local agencies, brought drug and money laundering charges against 100 people.

**Performance Goal 1.2.2**

**Attack on Major Drug Trafficking Criminal Enterprises**

<b>Performance Indicator</b>	<b>1997 Actual</b>	<b>1998 Actual</b>	<b>1999 Planned</b>	<b>1999 Actual</b>
(1) Number of nationally coordinated investigations that lead to the disruption and dismantlement of multiple "cells" of the major drug trafficking organizations (DEA)*	541.0	NA	NA	NA
(2) Number of indictments and convictions obtained in OCDETF cases involving targeted drug organizations (CRM)**				
Drug cases filed	1,728.0	2,447.0	Not Projected	3,332.0
Defendants filed	5,900.0	6,603.0	Not Projected	9,345.0
Convictions	4,074.0	4,946.0	Not Projected	6,395.0
Conviction Rate	86.9%	87.9%	Not Projected	88.9%

\*DEA discontinued this indicator in FY 1999 and plans to replace it with the "Number and percentage of Major Drug Trafficking Organizations disrupted or dismantled as a result of DEA enforcement activity." All data will be supported by information stored in an automated system in DEA's Headquarters Operations Division. A recent GAO report, *Drug Control: DEA's Strategies and Operations in the 1990s* (GCD-99-108), published July 21, 1999, cited that although DEA's strategic goals and objectives and its enhanced programs and initiatives are consistent with the National Drug Control Strategy, DEA has not developed measurable performance targets for its programs and initiatives consistent with those adopted for the national strategy. In particular, the report cites the need for more meaningful measures to be developed for disrupting and dismantling drug trafficking organizations. It asks DEA to work with the Office of National Drug Control Policy in developing such measures, and DEA is taking steps to do so over the next few years. A copy of the report may be obtained from GAO.

\*\*This indicator is revised because the data being reported in FY 1999 are EOUSA/LIONS data. Previously, data relating to OCDETF performance were reported by OCDETF/MIS. Therefore, data reported by EOUSA/LIONS categorize indictments/information (OCDETF/MIS category) as "cases filed." Defendants indicted (OCDETF/MIS category) are categorized as "defendants filed." In addition, EOUSA/LIONS data for drug cases classified under the Government Regulatory/Money Laundering categories do not designate OCDETF/non-OCDETF cases, and the data being reported do not include Government Regulatory/Money Laundering drug cases.

**Data Source:** (1) NA. (2) LIONS.

## PERFORMANCE GOAL 1.2.3

### REDUCING THE PRODUCTION OF ILLEGAL DRUGS THROUGH ENFORCEMENT EFFORTS

DOJ will continue to reduce significantly the production and quantity of illegal drugs, including methamphetamine and marijuana, in the United States. Through the National Methamphetamine Strategy and multi-agency coordinated efforts with other enforcement agencies, DEA will increase the number of clandestine laboratories seized and the prosecutions of rogue chemical companies that supply the precursors to methamphetamine manufacturers.

The Department's FY 1999 accomplishments in removing illegal drugs—including heroin, cocaine, methamphetamine, and other dangerous drugs—were significant. DEA reports 64 million marijuana plants eradicated through its eradication and suppression program during the first three-quarters of the calendar year. Quantities of drugs removed through other enforcement efforts were significantly higher than in 1998.

Efforts related to methamphetamine production and trafficking and the diversion of controlled substances were particularly effective, leading to greater numbers of arrests and clandestine laboratory seizures in FY 1999 (see Figure 10). DEA initiated nearly 2,900 methamphetamine investigations during the first three quarters of FY 1999. It also seized more than 2,000 clandestine laboratories and arrested close to 7,900 individuals involved in the manufacture, trafficking, or distribution of methamphetamine.

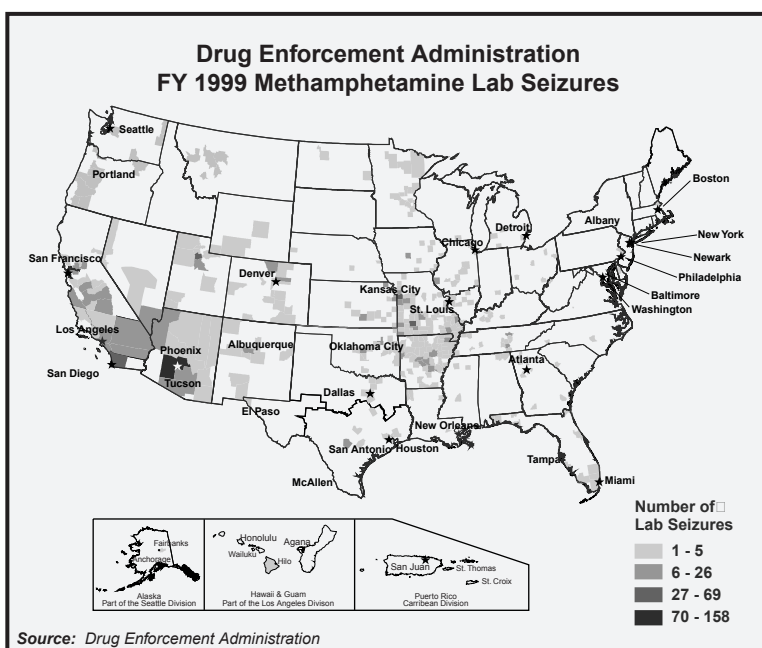


Figure 10

Notwithstanding its impressive accomplishments in 1999, the Department will maintain its stance of vigilantly enforcing drug trafficking laws across this country—as there is much work yet to do. The proliferation of synthetic drugs, for instance, has made the pivotal role of DEA's Office of Diversion Control (OD)

## Operation Purple

Operation "Purple" is an international operation conducted with cooperation from the seven major potassium permanganate-producing countries, significant exporting/transshipment countries, and major cocaine-producing countries of the Andean region. It tracks all shipments of the chemical weighing 100 kilograms or more. During 7 months of operation, investigative efforts have far exceeded initial expectations, having a major impact on the trafficker's ability to obtain the chemical to process cocaine. Of 187 shipments tracked worldwide, 24 were seized or halted during transit, accounting for 1.7 million kilograms of potassium permanganate, which could have been used to process up to 17 million kilograms of cocaine.

**Performance Goal 1.2.3**

**Reducing the Production of Illegal Drugs through Enforcement Efforts**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Quantity of marijuana eradicated through the DEA Domestic Cannabis Eradication and Suppression Program (DCE/SP) (DEA)*	241,200,000 plants	134,900,000 plants	Not Projected	64,000,000 plants
(2) Quantity of drugs removed, including: Preliminary Data (DEA)				
Heroin (kgs)	342.4	372.0	Not Projected	374.0
Cocaine (kgs)	39,387.1	32,413.0	Not Projected	37,468.8
Cannabis (kgs)	231,736.0	242,471.6	Not Projected	322,862.2
<i>Marijuana</i>				322,393.6
<i>Hashish</i>				468.7
Methamphetamine (kgs)	1050.7	1,230.2	Not Projected	1,379.7
Amphetamine (kgs)	156.3	367.1	Not Projected	201.9
Other Dangerous Drugs (dosage units)	6,035,452.0	2,183,951.0	Not Projected	5,074,481.0
(3) Number of chemical distributors diverting precursor and essential chemicals investigated and prosecuted (DEA)	103/27	115/33	12	118/36
(4) Number of clandestine laboratories seized, dismantled, and properly disposed of (DEA)	1,288	1,651	Not Projected	2,024

\*The DCE/SP program is administered on a calendar, not fiscal year, so the 1999 actual data reflect only three-quarters of the calendar year (CY), from 1/1/99 through 9/30/99. Data for the remaining 3 months of CY 1999 have not yet been compiled.

**Data Source:** (1) DEA's State and Local Section monthly statistical reports from state and local law enforcement agencies. (2) STRIDE. (3) DEA Field Division Investigative Reports provided to OD. (4) NCLD.

**Largest Shared Forfeited Assets Ever**

On December 18, 1998, the Attorney General and the Swiss Ambassador to the United States signed a Memorandum of Understanding authorizing the transfer of approximately \$89 million in forfeited drug proceeds to the Government of Switzerland. These funds represent 50 percent of the approximate \$178 million forfeited in the 1995 prosecution of Sheila Arana de Nasser in the southern district of Florida. This forfeiture marks the largest single forfeited assets amount shared with a foreign country.

program—to prevent, detect, and investigate the diversion of controlled substances while also meeting legitimate needs—more keenly recognized than ever. The program's success in diversion activities like Operation "Purple" (see sidebar on previous page) has also brought it more recognition.

**PERFORMANCE GOAL 1.2.4**

**INTERNATIONAL DRUG LAW ENFORCEMENT**

*DOJ will continue to actively cooperate with foreign governments and enlist their support through technical assistance and training to investigate and prosecute major drug traffickers and their organizations, which threaten U.S. interests.*

The support and cooperation of foreign governments is vital to efforts against drug trafficking. To help enlist their support, the Department provides counterdrug training and technical assistance to foreign investigators, prosecutors, judges, and legislators. DEA, for example, conducted 20 schools, training 974 foreign law enforcement officers. The Criminal Division, through its International Criminal Investigative Training Assistance program and Office of Overseas Prosecutorial Development, also provided significant amounts of training for foreign counterparts. As part of this cooperative approach, the Department shared forfeited assets from drug proceeds with other countries (see sidebar).

Performance Goal 1.2.4		International Drug Law Enforcement		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of foreign counterdrug investigators and prosecutors trained (DEA)	2,100	749	NA	974

**Data Source:** DEA's Office of Training.

## PERFORMANCE GOAL 1.2.5

### COMPREHENSIVE INVESTIGATIVE INTELLIGENCE PROGRAM TO EFFECTIVELY SUPPORT INVESTIGATIONS AND PROSECUTIONS

*DOJ will strengthen its various investigative intelligence programs to expand and foster the collection, analysis, and dissemination of drug-related intelligence to Federal agencies about major national and international drug trafficking organizations.*

As stated, interagency cooperation is key to successful drug law enforcement, particularly given the sophisticated, multijurisdictional nature of drug trafficking operations controlled largely by foreign-based criminal organizations. To strengthen its various investigative efforts in this area, the Department must be able to gather and integrate information from all available sources. SOD, NDIC, and the El Paso Intelligence Center (EPIC), together with others, collaborate in collecting drug intelligence information:

- SOD supports ongoing investigations by producing detailed and comprehensive data analyses of the activities of major drug trafficking organizations. It then converts collected information to usable leads that are passed on to domestic field divisions and foreign country offices. SOD supports investigative and enforcement activities directed against major traffickers on a regional, national, or international level.
- NDIC has also greatly improved information sharing, particularly across Federal, state, and local law enforcement agencies. NDIC provides strategic analyses of current trends and activities in the counterdrug community. These products are distributed to law enforcement officials throughout the country.
- EPIC continued to assist international and domestic drug trafficking investigations by providing query access to more than 100 million member agency computer records. State and local law enforcement is a primary contributor to and user of EPIC, and all 50 states are associate members. EPIC can run inquiries on persons, vehicles, aircraft, vessels, businesses, addresses, and telephone numbers. It can also post a variety of alerts and lookouts in the national and worldwide lookout systems of member agencies.



In FY 1999, approximately 194,000 queries and entries were made to EPIC's drug databases, while 160 intelligence analysts received training. Substantial progress in training DEA intelligence analysts will greatly improve the Department's use of intelligence data to support case investigations of major traffickers. Training of analysts will also strengthen investigations by making better use of DEA's automated information system capabilities.

<b>Performance Goal 1.2.5</b>				
<b>Comprehensive Investigative Intelligence Program to Effectively Support Investigations and Prosecutions</b>				
<b>Performance Indicator</b>	<b>1997 Actual</b>	<b>1998 Actual</b>	<b>1999 Planned</b>	<b>1999 Actual</b>
(1) Number of queries and entries to drug databases (DEA)	212,623	205,859	201,696	193,829
(2) Number of intelligence analysts trained (DEA)	103	115	120	160

**Data Source:** (1) EPIC. (2) DEA's Office of Training.

**DEA:  
The MET II Initiative**

The MET II Initiative, started in 1999, helps communities hosting METs develop and implement drug and crime prevention plans to prevent reintroduction of criminal activity. In FY 1999, DEA, along with the Bureau of Justice Assistance and the National Crime Prevention Council, hosted three regional 2-day pilot training seminars for community leaders from 40 MET cities in 23 states. Community leaders learned of strategic drug and crime prevention planning models to help them assess their communities' needs and potential resource partners, apply a disciplined problem-solving process to their challenges, and evaluate their success.

**Explanation For Not Meeting Target**

(1) The Department's 1999 actual accomplishment of 193,829 queries fell short of the planned target of 201,696 queries, a slight deviation. The shortfall does not reflect a performance problem or issue and poses no negative consequences to the program or its related activities.

**PERFORMANCE GOAL 1.2.6**

**REDUCTION OF DEMAND**

*DOJ will intensify its demand reduction efforts through educational outreach to communities, schools, employers, and the public. For example, we will continue our use of the Internet to publicize our anti-drug abuse message, and will pursue more interagency and public/private partnership opportunities, including mentoring and other early intervention strategies. DOJ will place a stronger emphasis on the value of education, treatment availability, and volunteerism in drug prevention.*

In FY 1999, DEA's Demand Reduction Strategy focused on the following four main objectives: raising public awareness, providing support for parents, educating school-aged children, and establishing drug-free work environments. In each of DEA's 22 field divisions, one special agent serving as the demand reduction coordinator provides leadership and support to local agencies and organizations as they develop drug prevention and education programs. DEA Headquarters also coordinates a number of programs, including the MET II Initiative (see sidebar). In FY 1999, DEA reported that more than 786,000 people and 800 organizations received information on prevention programs.

Performance Goal 1.2.6		Reduction of Demand		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of persons and organizations receiving disseminated information regarding prevention programs (DEA)				
Persons	NA	NA	NA	786,118
Organizations	71	121	150	822

**Data Source:** DEA's Office of Congressional and Public Affairs.

### STRATEGIC GOAL 1.3

Reduce espionage and terrorism when directed at U.S. citizens or institutions.

—Sponsored by foreign or domestic groups in the United States and abroad.

This Strategic Goal focuses on national security issues, specifically espionage and terrorism. The FBI's Foreign Counterintelligence (FCI) program helped protect our national security in FY 1999 by achieving several significant successes (see sidebar).

To deal effectively with international and domestic terrorism, the Department focused efforts on both prevention and response, submitting to Congress on December 31, 1998, a Five-Year Counterterrorism and Technology Crime Plan. The plan offers a baseline strategy for coordinating national policy and operational capabilities to combat terrorism in the United States and against American interests overseas. It contains concrete proposals covering a broad range of topics, including prevention, deterrence, and response to terrorist attacks. It also identifies the Nation's present capacity to respond to terrorism, discusses national preparedness goals for dealing with terrorism, and sets forth specific proposals to achieve these objectives.

Four FY 1999 Performance Goals address the Department's role in preventing terrorist acts, investigating and prosecuting terrorist acts, improving response capabilities to these acts, and protecting our critical infrastructure.

#### PERFORMANCE GOAL 1.3.1

##### PREVENTING TERRORIST ACTS

*DOJ, working with other Federal agencies such as the Departments of Treasury and State, will improve the Nation's capability to prevent terrorist acts within the United States and abroad by: improving information gathering and analysis capabilities to evaluate threats and provide early detection of potential terrorist acts; investigating the fundraising activities of terrorist organizations; and planning, coordinating, and conducting training exercises.*

The goal of the FBI's Counterterrorism (CT) program is to prevent, disrupt, and defeat terrorist operations before they occur. The FBI's strategy requires a state-of-the-art capacity to address terrorist threats by successfully identifying, neutralizing,

#### Counterintelligence Results In FY 1999

- The FBI arrested David Sheldon Boone, a retired Army Sergeant, on October 10, 1998, and charged him with three counts of espionage. He was sentenced to 24 years and 3 months for working as an agent of the KGB from 1988 to 1991.
- The FBI identified Theresa Marie Squillacote, Kurt Alan Stand, and James Michael Clark as Americans providing information to a former East German intelligence service. They were sentenced to a total of 52 years for violating U.S. criminal espionage statutes.
- On July 13, 1999, Hsu Kai-Lo pled guilty to attempted theft of trade secrets for trying to purchase Taxol, an ovarian cancer drug treatment, for the Yuen Foong Paper Company. Taxol is the proprietary economic property of the Bristol-Myers Squibb Company.

## Countering Terrorism with Conviction

In FY 1999:

- Seventeen individuals were indicted in connection with embassy bombings in Kenya and Tanzania, nine of them in custody in the United States and London.
- On June 7, 1999, Usama Bin Ladin was added to the FBI's "Ten Most Wanted" list, with a reward of \$5 million dollars offered by the State Department for information leading to his arrest.
- In October 1998, several self-proclaimed members of "The New Order" were sentenced after being charged with conspiracy and/or illegal weapons

and penetrating targeted domestic and international terrorist organizations. Several significant achievements were credited to the CT program in FY 1999 (see sidebar).

The Department also continued to play a leading role in the U.S. effort to disrupt terrorist financing, a major part of prevention. In FY 1999, working with the Department of State, we participated in the Organization of American States' (OAS') Second Inter-American Specialized Conference on Terrorism in Argentina. The conference produced a new Inter-American Committee for Combating Terrorism and endorsed numerous measures designed to impede the financing of terrorist organizations.

Timely, detailed information is crucial to the effective prevention of and response to terrorist incidents. FBI field offices are working to enhance dissemination of pertinent intelligence information to other U.S. Intelligence Community (USIC) and law enforcement entities. FBI's International Terrorism Operations Section (ITOS) is aggressively pursuing efforts to expand its intelligence base and continues to assess each office's capabilities relative to international terrorism threats regionally, nationally, and globally. Additionally, the Department has set specific international terrorism program priorities, articulated recommended reporting procedures, and enhanced efforts to improve the flow of information within the FBI, the USIC, and appropriate foreign services.

### Performance Goal 1.3.1

### Preventing Terrorist Acts

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of terrorist acts prevented (FBI)*	15	12	Not Projected	5

\*An official "terrorist incident prevented" is a documented instance in which a violent act by a known or suspected terrorist group or individual with the means and a proven propensity for violence is successfully interdicted through investigative activity. A specific objective of the Counterterrorism program is to discover any planned terrorist activity by any terrorist organization and interdict the planned intention before it is executed.

**Data Source:** FBI's Counterterrorism Division.

charges. They were conspiring to commit terrorist violence against several prominent targets.

- Several members of the North American Militia, based in Michigan, were convicted of weapons violations and other criminal charges relating to their plot to bomb Federal buildings, destroy major road intersections, and kill Federal agents and suspected informants.

## PERFORMANCE GOAL 1.3.2

### INVESTIGATING AND PROSECUTING TERRORIST ACTS

*DOJ will continue its high rate of success in the investigation and prosecution of terrorist acts and conspiracies. We will respond aggressively to all terrorist acts directed against American nationals and interests at home and overseas through the use of well-trained special response capabilities and joint terrorism task forces.*

In FY 1999, the Department's enforcement efforts with regard to terrorist acts especially emphasized cases involving Iraq, Iran, and Libya. These three countries pose a continuing threat in terms of nuclear and conventional weapons procurement, chemical and biological weapons use, and efforts to circumvent controls to prevent weapons proliferation. An example of foreign terrorism enforcement in FY 1999 includes the case of a

New Jersey aircraft parts broker who pled guilty to 10 felony counts of conspiracy to sell air-to-air and surface-to-air missile parts to Iran. As part of a Government plea agreement, he will serve 57-71 months and pay approximately \$2.6 million in fines and forfeitures.

The single most important factor in the FBI's effective response to acts of terrorism abroad is the willingness of foreign governments to allow FBI personnel on the scene and to facilitate their investigation once they arrive. Toward this end, the FBI established that it must take proactive steps to improve the probability of receiving timely access to and assistance at potential crime scenes. It has identified foreign security and intelligence services whose assistance may be required in the future, and continues to cultivate friendly, mutually supportive relationships with them.

Performance Goal 1.3.2		Investigating and Prosecuting Terrorist Acts		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of terrorist cases investigated (FBI)	7,125	9,046	Not Projected	10,151
(2) Number of terrorists arrested and convicted (FBI)				
Arrests	181	179*	Not Projected	240*
Convictions	122	160*	Not Projected	157*

\*Federal, state, and local figures.

**Data Source:** (1) MAR. (2) ISRAA.

### PERFORMANCE GOAL 1.3.3

#### IMPROVING RESPONSE CAPABILITIES TO TERRORIST ACTS

*DOJ will establish or expand upon partnerships with state, local, and international entities to enhance domestic and international responsiveness to terrorist acts. The FBI will continue its lead responsibility for effectively managing the response to domestic terrorist incidents.*

Because the Department has responsibility to help strengthen our Nation's response to terrorist episodes, we are working to establish or expand partnerships with state, local, and international entities to better respond to domestic terrorist acts, cyberattacks, and other threats. To coordinate the Nation's ability to respond to attacks, including those using weapons of mass destruction (WMD), the Department has established within the FBI a National Domestic Preparedness Office (NDPO). This office is responsible for coordinating and facilitating planning, training, and equipment needed to ensure a robust crisis and consequences management infrastructure.

To ensure effective command and control of a WMD incident, personnel from the FBI's CT program continue to work closely with applicable Federal, state, and local agencies to establish the role these agencies will play in WMD incidents. The FBI has

## Preemptive Strikes in the Cybercrime War In FY 1999

Within hours of learning about the Melissa virus, the NIPC coordinated with key cyber response components of DOD and the Computer Emergency

Response Team at Carnegie-Mellon University to send out

warning messages, which helped to mitigate damage. Information provided by America Online, and a follow-up investigation with the FBI's Newark Field Office, led to the arrest of David L. Smith on April 1, 1999. In December, Mr. Smith pled guilty to affecting 1 million computer systems. He is awaiting sentencing.

In September 1999, two members of the "Phonemasters"—an international group of criminals who penetrated the computer systems of MCI, Sprint, AT&T, Equifax, and the FBI's National Crime Information Center—were sentenced on charges of theft, possession of unauthorized access devices, and unauthorized access to a Federal interest computer.

also bolstered its rapid deployment capabilities by creating a laboratory response system and by enhancing the capabilities of special agent bomb technicians, Evidence Response Teams, Hostage Rescue Teams, and Special Weapons and Tactics Teams.

To establish a framework for responding to terrorist and other critical incidents in their jurisdictions, U.S. Attorneys will develop and refine their Crisis Management Plans. These plans will provide cross-walks to FBI Crisis Response Plans as well as to similarly focused state, local, and regional emergency response plans. By the close of FY 1999, U.S. Attorneys in 20 districts had submitted Crisis Response Plans, an increase of 8 over last year—and twice the targeted number.

### Performance Goal 1.3.3

### Improving Response Capabilities to Terrorist Acts

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Number of additional districts with crisis response plans (CRM)	8	2	5	10

Data Source: Criminal Division, Terrorism and Violent Crimes Section.

## PERFORMANCE GOAL 1.3.4

### PROTECTION OF CRITICAL INFRASTRUCTURE

*DOJ will further its capabilities to coordinate and respond to cyber and physical threats to the Nation's critical infrastructure, including interagency cooperation with the DOD and other responsible Federal agencies. We will identify and eliminate key infrastructure vulnerabilities, provide 24/7 watch and warning capabilities, and improve investigations and protection through training and disseminating information and tools.*

Attacks on the Nation's computer infrastructure are a rising threat. The Department is making progress in disrupting and defeating critical infrastructure threats through the work of the National Infrastructure Protection Center (NIPC). In FY 1999, the FBI continued to bring this program up to full capacity, developing procedures and mechanisms to pass both sanitized and unsanitized warning information about cyber attacks to appropriate Federal agencies and the private sector. In FY 1999, the FBI investigated 1,756 (pending and opened) computer intrusions, achieving significant successes in the war on cybercrime (see sidebar).

Through the key asset program, FBI field agents identify potential key assets in their jurisdictions and consult with the owners about their operations and impact on the localities' critical infrastructure. As each key asset is identified, it is entered into a database from which maps are created that help determine overlapping or secondary key assets that are interlinked.

**Performance Goal 1.3.4**

**Protection of Critical Infrastructure**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Computer intrusions investigated by the FBI (FBI)				
Pending and opened	NA	1,000	Not Projected	1,756
Closed	NA	399	Not Projected	921
(2) Total key assets identified (FBI)*	NA	400	Not Projected	2,745

\*Total "key assets identified" indicates the number of assets within the United States that would have a devastating impact were their operations disrupted. Growth in the number of key assets identified—from 400 at the conclusion of FY 1998 to 2,745 at the end of FY 1999—is the result of NIPC's modification of criteria used by field offices to identify and report these assets. Before this modification, only key assets of national significance were reported. The new guidance allows users to identify and report key assets that are significant on a state and regional level, as well as to identify and characterize true interdependencies between key assets—certain to cause their number on a national level to fluctuate.

**Data Source:** (1) MAR/ACS. (2) NIPC's Key Asset Database.

## STRATEGIC GOAL 1.4

Reduce white collar crime, including public corruption and fraud.

The Department's approach to reducing white collar crime is based on the need for a strong deterrent capability to prevent criminals from defrauding and thereby weakening the Nation's industries and institutions. A pervasive problem, white collar crime originates from many different sources and assumes many different forms. Targets of white collar criminals range from public officials open to corruption to computers storing proprietary information to elderly people vulnerable to telemarketing and retirement schemes. This Strategic Goal includes four FY 1999 Performance Goals, which address public corruption; health care fraud; high technology/computer crime; and financial institutions, telemarketing, and other fraud.

### PERFORMANCE GOAL 1.4.1

#### PUBLIC CORRUPTION

*DOJ will combat corruption through the investigation of alleged wrongdoing by officials and employees at all levels of government, and will take appropriate prosecutorial action.*

Because the investigation of public corruption is often beyond the ability or willingness of state and local law enforcement, the Department, through the FBI, becomes the primary crime-fighting agency in this area. It combats corruption through investigating alleged wrongdoing by officials and employees at all levels of government, prosecuting when appropriate. The Department's strategy focuses on suspicious Federal, state, and local activities involving corrupt members of the legislature, judiciary, and law enforcement. For example in FY 1999:

- A scheme to steal over \$200,000 from the Federal Highway Administration (FHWA) through the use of unlawful gratuities and bogus invoices resulted in the convictions of a senior FHWA official, a subordinate FHWA employee, and an FHWA contractor. The defendants pled guilty to multiple corruption charges.
- Former DEA employee David S. Bowman was indicted on numerous counts of mail fraud, theft of government funds, and money laundering for embezzling more than \$6 million from DEA. The Department obtained summary judgment in a civil forfeiture action against the real and personal property purchased by the Bowman family with Government funds. The family forfeited all of the property sought and, in May 1999, the United States obtained an \$18-million judgment against family members.

Other aspects of the Department's public corruption program concentrated on corruption in major metropolitan cities with a history of such behavior and on emerging law enforcement and judicial corruption in areas of entrenched drug activity, particularly along the U.S. southwest border. FY 1999 accomplishments in terms of investigations and reports and related recoveries and restitutions reflect our continued success in combating abuses of the public trust by government officials.

Performance Goal 1.4.1		Public Corruption		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Investigations and convictions in public corruption (FBI)				
FBI reports cases pending, end of FY	1,371	1,582	Not Projected	1,506
FBI reports convictions and pretrial diversions	493	582	Not Projected	537
FBI reports convictions only*	487	536	Not Projected	527
(2) Recoveries and restitutions resulting from investigations and convictions of public corruption (FBI)				
	\$23,291,000	\$32,311,000	Not Projected	\$25,332,035
*These figures are included in convictions and pretrial diversions and will not be reported separately in future reports.				
<b>Data Source:</b> ISRAA.				

## PERFORMANCE GOAL 1.4.2

### HEALTH CARE FRAUD

*DOJ will work with other Federal agencies to confront the increase in health care fraud by continuing to successfully prosecute and obtain judgments and settlements against providers, carriers, and fiscal intermediaries that defraud Medicare, Medicaid, and other Federal health care programs.*

The Department's health care fraud investigations in FY 1999 targeted excessive fraudulent billings to health care insurance programs, notably Medicare, with great success. FBI efforts to address health care fraud led to hundreds of indictments, convictions, and arrests on various Federal and state charges (see sidebar for example). But the greatest impact of health care fraud investigations concerns their ability to create positive change by restraining further fraud and enhancing internal accountability mechanisms in large-scale health organizations.

FBI investigations of clinical laboratory billings, home health agencies, durable medical equipment, and ambulance services uncovered massive fraud and abuse in FY 1999—to the tune of \$1.16 billion in Medicare savings through goods and services targeted for fraudulent billing. This accomplishment exceeds the FY 1999 target by approximately \$746 million.

Education is another effective approach. In the largest nationwide campaign in history to educate senior citizens about health care fraud, the Department joined with the American Association of Retired Persons (AARP) and the Department of Health and Human Services (DHHS) to increase seniors' awareness of this issue. U.S. Attorneys' offices and their campaign partners provided information to thousands of senior citizens around the country on what to do if they suspect Medicare fraud. The Department will continue education and outreach efforts to this population in the coming year.

### Health Care Fraud Convictions Net Millions

In FY 1999, the FBI's ongoing Columbia/HCA investigation secured the conviction of two former executives and a pretrial diversion agreement with another defendant. A negotiated settlement with health care provider Beverly Enterprises is pending. Meanwhile, the Department won a \$61 million criminal plea and civil settlement with Olsten Corporation and its subsidiary, Kimberly Home Health Care, Inc. The case resulted from kickbacks and false claims to Medicare.

Performance Goal 1.4.2	Health Care Fraud			
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
Medicare cost savings for targeted goods and services where egregious fraudulent billing is suspected (FBI)	\$568,000,000	\$1.8 billion	\$413,923,000	\$1.16 billion*
*Data are current as of June 1999 and will not be complete until FY 2001. The FBI no longer depends on the Health Care Financing Administration (HCFA). HCFA has changed computer systems and reports various lags in its data reporting.				
<b>Data Source:</b> HCFA.				



## NET Act Snares First Conviction

In July 1999, a 22-year-old senior at the University of Oregon pled guilty to illegally posting computer software programs, musical recordings, entertainment software programs, and digitally recorded movies on his Internet web site, allowing the general public to download and copy them. He was convicted under the 1997 NET Act, enacted to punish Internet copyright piracy. The University of Oregon brought the case to law enforcement officials after it noted a particularly large volume of bandwidth traffic being generated from a web site on its server. An investigation by the FBI and Oregon State Police confirmed that thousands of pirated products were available for downloading from the site.

## PERFORMANCE GOAL 1.4.3

### HIGH TECHNOLOGY/"COMPUTER CRIME"

*DOJ will continue its recent efforts to further develop its capacity to respond to cyber-attacks, computer thefts, and intrusions affecting consumers, businesses, and government. We will continue to increase the number of state and local computer crime task forces and increase the capability of the FBI and DEA to acquire, examine, and present computer evidence, so that we can keep pace with and successfully investigate and prosecute the new breed of high-tech criminals.*

In monetary terms, the annual loss to citizens and businesses from intellectual property (IP) theft is conservatively estimated to be in the billions of dollars—not surprising considering the nature of today's businesses and the huge profits they generate. Recent statistics reveal that combined U.S. copyright industries and related businesses account for more than \$433 billion, or about 5.7 percent of our Gross Domestic Product (GDP). Growth in this area over the last 20 years has allowed copyright industry products to surpass agricultural products as the single largest export sector in the Nation's economy. In fact, America's three biggest software companies are now worth more than all of the companies in our steel, automotive, aerospace, chemical, and plastics industries combined.

To help stem the tide of IP theft, the U.S. Attorneys in FY 1999 filed 97 new IP cases charging 132 defendants with criminal IP violations; 121 individuals were convicted, an increase of nearly 30 percent over the previous year's figure (see Appendix B, which contains information provided in response to the statutory mandate that this report contain Department statistics on IP prosecutions). In FY 1999, the Department achieved its first criminal copyright conviction under the No Electronic Theft (NET) Act for unlawful distribution of software on the Internet (see sidebar).

As part of efforts to combat the growing challenge of copyright piracy and trademark counterfeiting, both domestically and internationally, the Attorney General approved the Intellectual Property Enforcement Initiative in August 1999. The Initiative recognizes the explosive growth of the Internet as the primary impetus for increased IP thefts and seeks to counter with increased IP prosecutions. To focus efforts, the Initiative will concentrate on seven districts identified as having the most serious piracy and counterfeiting problems. These districts' efforts will create a "template" for other districts to follow, until the Initiative becomes nationwide. The Department has encouraged all districts to bring meritorious IP cases and, if necessary, to seek the support and assistance of the Criminal Division's Computer Crime and Intellectual Property Section.

To enhance coordination of Internet-related investigations, the FBI recently implemented the Internet Fraud Complaint Center (IFCC), co-sponsored by the FBI and the National White Collar Crime Center. The IFCC is designed as a central repository for Internet fraud complaints. It will identify, track, and facilitate

the prosecution of fraudulent schemes on the Internet on a global level by collecting, analyzing, and disseminating complaints to the appropriate law enforcement agencies. The FBI's White Collar Crime program is developing a new case management system that will track, among other things, the nature of frauds being investigated and the extent to which they involve the use of computers and the Internet. This system will enable future reporting on the success of computer-intensive FBI investigations.

The Department's accomplishments in FY 1999 in training agents and prosecutors to conduct advanced computer fraud investigations were exceptional—with numbers three times greater than the target—and reflect a strong resolve to stop computer crimes.

**Performance Goal 1.4.3 High Technology/"Computer Crime"**

Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of agents and prosecutors trained to conduct advanced computer fraud investigations relating to both Federal crimes and national security (FBI)	NA	180	200	670
(2) Arrests and convictions in computer intrusions [in the National Infrastructure Computer Intrusions program]* (FBI)				
Arrests [and locates]	**NA	71	Not Projected	40
Convictions	NA	***26	Not Projected	50
(3) Number of information technology state and local task forces**** (FBI)	NA	1	4	NA

\*This is an NIPC performance measure and will be reported under Performance Goal 1.3.4 in future reports.

\*\*Correction to clerical error in FY 1999 Summary Performance Plan.

\*\*\*Records have been updated.

\*\*\*\*In FY 1999, the performance indicators were consolidated for this performance goal to more accurately reflect Department achievements specific to curtailing and reducing computer crime. As a result, the data for number of IT state and local task forces are no longer available. This measure will be discontinued and not reflected in the FY 2001 Summary Performance Plan.

**Data Source:** FBI in-service records and ISRAA.

**PERFORMANCE GOAL 1.4.4**

**FINANCIAL INSTITUTIONS, TELEMARKETING, AND OTHER FRAUD**

*DOJ will continue to identify and target fraud schemes, such as financial institution fraud and telemarketing fraud directed against the elderly.*

The advent of on-line banking and e-commerce has enlarged opportunities for financial institution fraud, including industry-wide threats posed by organized criminal groups engaged in a variety of illegal schemes. The elderly are particularly vulnerable to fraud schemes and are frequent targets of telemarketers.

Financial institution fraud still accounts for nearly 40 percent of FBI's white collar crime, with approximately 60 percent of crimes reported by financial institutions now involving external fraud. The Department's efforts to address financial institution fraud in FY 1999 led to the indictment of 4,605 individuals, the conviction of 6,662, and the arrest of 1,607 on various Federal and state charges.

<b>Performance Goal 1.4.4</b>		<b>Financial Institutions, Telemarketing, and Other Fraud</b>			
<b>Performance Indicator</b>		<b>1997 Actual</b>	<b>1998 Actual</b>	<b>1999 Planned</b>	<b>1999 Actual</b>
(1) Indictments and convictions in white collar crimes (FBI)					
	Indictments	4,060	4,318	Not Projected	4,605
	Convictions	6,520	6,078	Not Projected	6,662
(2) Economic loss to financial institutions due to fraud in targeted cities (FBI)					
	Check fraud	\$ 303 million	\$168 million	10% decrease	\$ 213 million
	Mortgage loan	\$ 26 million	\$ 25 million	10% decrease	\$ 41 million

**Data Source:** (1) ISRAA. (2) FBI's Suspicious Activity Reports.

**Explanation For Not Meeting Target**

(2) FBI's investigative efforts identified more crime than originally anticipated.

**STRATEGIC GOAL 1.5**

Coordinate and integrate Department law enforcement activities.

Criminal conduct extends beyond borders—of cities, of states, and of countries—making cooperation and coordination vital to the success of law enforcement efforts. In addition to identifying how all parts of the system can interact more effectively both at national and local levels, the Department continues to promote the ability of foreign counterparts to aid law enforcement efforts. This Strategic Goal addresses two major Performance Goals aimed at ensuring cooperation with overseas and domestic partners.

## PERFORMANCE GOAL 1.5.1

### INTERNATIONAL COOPERATION

*DOJ, in conjunction with states, will continue to enlist the active cooperation of foreign governments in our law enforcement efforts. We will maintain our overseas presence in areas of critical concern (FBI, DEA, CRM); develop bilateral and multilateral agreements (CRM, FBI); provide training and technical assistance to our foreign counterparts, including assistance in money laundering and asset forfeiture law (CRM); and increase our use of INTERPOL in assisting efforts against international crime, including locating fugitives abroad.*

International cooperation is important to the Department of Justice, which is why we have continued a strategy of modernizing the legal framework to more easily accommodate international law enforcement. Through support for U.S. policies and priorities, the Department made it easier for foreign counterparts to investigate offenses effectively, prosecute them competently, and adjudicate them fairly. We continued to enter into new extradition and mutual legal assistance treaties (MLATs) with other countries and took on more than 18,000 INTERPOL (International Criminal Police Organization) cases, exceeding the target by nearly 1,000 cases. The U.S. National Central Bureau facilitates international law enforcement cooperation as the United States' representative with INTERPOL on behalf of the Attorney General.

Performance Goal 1.5.1		International Cooperation		
Performance Indicator	1997 Actual	1998 Actual	1999 Planned	1999 Actual
(1) Number of new extradition treaties with other countries entering into force, with a view toward the extradition of nationals (CRM)	3	1	10	4
(2) Number of new mutual legal assistance treaties with other countries entering into force (CRM)	4	1	10	8
(3) Number of new INTERPOL cases (INTERPOL)	13,079	14,976	17,200	18,100

**Data Source:** (1) and (2) CRM electronic case management tracking systems and manual systems to report workload statistics. (3) Envoy.

#### Explanation For Not Meeting Target

(1), (2) The Department's actual accomplishments in new extradition treaties and new MLATs, 4 and 8 respectively, fell short of the planned targets of 10 new treaties in each category. The Department attempts to provide a best estimate of the number of treaties that will be entered into force during a given fiscal year, with an understanding that many factors can delay that action. One complicating factor is the number of entities—including representatives of foreign governments, the Departments of Justice and State, the White House, and the U.S. Senate—involved in the effort to enter a treaty into force. Actual numbers do not indicate a performance problem or issue, as the shortfall poses no negative consequences to the program or its related activities.

## PERFORMANCE GOAL 1.5.2

### ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE<sup>8</sup>

*DOJ will continue to strengthen the centralized management and coordination of OCDETF activities in order to promote a coordinated drug enforcement effort. Particular emphasis will be placed on coordinating activities among the following entities: OCDETF regions, all Federal drug and drug-related law enforcement agencies, and the U.S. Attorneys' offices, as well as the state and local drug law enforcement and prosecution agencies.*

The OCDETF program joins Federal, state, and local law enforcement, in coordination with U.S. Attorneys, in a comprehensive attack against drug trafficking organizations. The program bridges gaps in enforcement between uniquely Federal efforts and those successfully undertaken by state and local authorities. The OCDETF program's role is clearly drawn as one that targets the highest level traffickers and organizations. The program coordinates the collaborative efforts of nine Federal law enforcement agencies working in conjunction with state, tribal, and local agencies.

Infused with participating agencies' commitment to work together to fight drug-related crime, the OCDETF program has seen significant expansion in recent years. In FY 1999, following a record-breaking year in which it more than doubled the number of investigations begun during the previous 2 years combined, OCDETF realized a further 9-percent increase in the number of new investigations. Further, during FY 1999, more than 800 state/local/county agencies participated in the program, and nearly 8,300 state/local/county officers supported OCDETF investigations.

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<sup>8</sup> This performance goal has been changed in the FY 2001 Summary Performance Plan to read as follows:

Performance Goal 1.5.2 — Organized Crime Drug Enforcement Task Force. DOJ will continue its efforts to effect a coordinated, interagency approach to fight drug trafficking organizations. Particular emphasis will be placed on developing and implementing district and regional plans that target the major drug trafficking organizations and those local organizations that traffic in drugs and cause violence in the community. The OCDETF member agencies, as well as state and local law enforcement agencies, participate in developing and implementing these plans.

**Performance Goal 1.5.2**

**Organized Crime Drug Enforcement Task Force**

<b>Performance Indicator</b>	<b>1997 Actual</b>	<b>1998 Actual</b>	<b>1999 Planned</b>	<b>1999 Actual</b>
Agency participation in OCDETF investigations resulting in criminal charges* (CRM, OCDETF Exec. Office)				
DEA	1,608 (69%)	2,215 (70%)	Not Projected	2,844 (73%)
FBI	1,082 (46%)	1,530 (48%)	Not Projected	1,763 (46%)
IRS	811 (35%)	1,076 (34%)	Not Projected	1,340 (35%)
USCS	472 (20%)	696 (22%)	Not Projected	951 (25%)
BATF	536 (23%)	866 (27%)	Not Projected	822 (21%)
INS	322 (13%)	525 (17%)	Not Projected	749 (19%)
USCG	29 (1%)	27 (1%)	Not Projected	43 (1%)

\*This indicator represents the number of indictments and informations in which each agency participated, either in an investigation or prosecution, with percentages for frequency of participation by each agency. More than one agency is involved in all cases. The USMS and the U.S. Attorneys are assumed to be involved in all cases. These measures will not be included in future reports. The OCDETF Executive Office will only provide this information as a backdrop to new performance measures developed from an OCDETF performance report, to be filed in each investigation closed for FY 2000 onward. These reports will say whether the targeted organization was disrupted or dismantled; if the investigation/prosecution did not result in disruption or dismantlement, the report will detail the circumstances preventing this result. This information is not currently available.

**Data Source:** OCDETF MIS.