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Fiscal Year 2008 Accomplishments

[U] The National Drug Intelligence Center (NDIC) has consistently and effectively supported national policymakers and law enforcement decisionmakers by providing high-quality strategic domestic drug intelligence; facilitating information sharing and liaison between intelligence and law enforcement agencies; providing timely operational support to law enforcement authorities by conducting document and media exploitation of evidence collected during federal, state, and local law enforcement investigations; and providing training in support of the above efforts. NDIC has been a major contributor to our nation's counternarcotics effort and the U.S. Department of Justice (DOJ) Strategic Plan. The following report is a summary of NDIC mission accomplishments during fiscal year (FY) 2008.

[U] In FY2008 the NDIC intelligence analysis staff produced 39 major recurring intelligence assessments and updated two major topical assessments. In November 2007 NDIC published and disseminated the *National Drug Threat Assessment 2008*, a comprehensive account of the threat to the United States posed by the trafficking and abuse of illicit and pharmaceutical drugs. Since then NDIC has completed 29 planned drug market analyses for the High Intensity Drug Trafficking Area (HIDTA) program and 9 regional drug threat assessments for the DOJ Organized Crime Drug Enforcement Task Force (OCDETF) program. These reports have provided a strategic overview of the illicit drug situation in every part of the country by highlighting significant drug trafficking trends and have frequently been used by law enforcement executives in the development of operational strategies and resource allocation. In addition to these recurring assessments, NDIC updated two major, drug-specific assessments: the *National Methamphetamine Threat Assessment 2008* and the *Domestic Cannabis Cultivation Assessment 2008*. These strategic reports have assisted national-level policymakers by providing both a comprehensive review of the current status and predictive analysis regarding the future of these complex drug threats.

[U] In FY2008 NDIC also produced various intelligence products that focused on threats posed by drug trafficking at our nation's borders for, or in partnership with, other members of the counterdrug community. The NDIC assessment of cocaine flows in and through U.S. arrival zones—particularly those along Mexican and Canadian borders—served as the “Arrival Zone” section of the Defense Intelligence Agency (DIA) *Interagency Assessment of Cocaine Movement*. The NDIC report, *Reassessing Southwest Border Bulk Cash Smuggling: Consolidation Points as Trafficker Vulnerabilities*, was produced in response to a tasking from the U.S. Government in its *2007 National Money Laundering Strategy*. That report identified at least five areas where bulk-cash drug proceeds were being consolidated in preparation for shipment across the Southwest Border. At the request of the National Security Council (NSC), NDIC produced a report entitled *Mexican Drug Trafficking Organizations: Predominant Arms Smugglers Along the Southwest Border*, an assessment of the links between drug trafficking and arms smuggling along the U.S.–Mexico border. Other reports produced by NDIC in FY2008 that focused on border threats include *U.S.–Canada Border Drug Smuggling by Noncommercial Aircraft* and *Northern Border Drug Money Laundering Threat Assessment 2008*.

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[U] NDIC regularly provides critical information used by HIDTA officials in the preparation of their programmatic performance reports. *National Illicit Drug Prices, December 2007* presents a compilation of wholesale, midlevel, and retail prices of illicit drugs in 133 U.S. cities and Puerto Rico. This price information enables HIDTA offices to estimate the value of drugs seized within their regions using metrics that are collected in a uniform manner throughout the United States.

[U] The Office of National Drug Control Policy (ONDCP) continues to be a frequent and highly-valued customer of NDIC strategic intelligence products. At the joint request of ONDCP, the White House Law Enforcement Task Force of the Indian Affairs Executive Working Group, and the DOJ Office of Tribal Justice, NDIC prepared the *Indian Country Drug Threat Assessment 2008*. This report provided a strategic assessment of the threat posed to Native American communities by drug trafficking organizations (DTOs) and included both a national-level perspective of drug-related problems facing reservations throughout the country, as well as regional perspectives of drug-related issues that law enforcement, public health, and tribal officials confront in Native American communities. In addition, at the request of ONDCP, NDIC produced quarterly reports entitled *Changes in Illicit Drug Availability* and *Cocaine Availability in U.S. Drug Markets* and subject-specific reports entitled *Decrease in Mexican Methamphetamine Production* and *Predictive Estimate Report: Conditions are Favorable for an Increase in Domestic Methamphetamine Production*. Finally, pursuant to a request from ONDCP, NDIC analyzed and submitted information for the United Nations Annual Reports Questionnaire for its *2007 World Drug Report*.

[U] In FY2008, NDIC prepared numerous other reports on drug and drug-related issues of interest to law enforcement and intelligence officials. In support of the DOJ Anti-Gang Coordination Committee, NDIC produced the *Attorney General's Report to Congress on the Growth of Violent Street Gangs in Suburban Areas* in April 2008. Other special assessments produced in 2008 include: *Asian Drug Trafficking Developments in the United States*, *Potential Increases in U.S. Methamphetamine Distribution by Non-Mexican DTOs*, the *Monthly Money Laundering Intelligence Summary*, and the *Money Laundering in Digital Currencies Assessment*. The latter report provides an overview of the expanding digital currency industry and identifies areas of vulnerability to money laundering. Drug-specific reports produced in FY2008 included: *MDMA Tablets Containing Methamphetamine Smuggled Across the U.S.–Canada Border* and *Methadone Diversion, Abuse, and Misuse: Deaths Increasing at an Alarming Rate*, a groundbreaking report discussed in approximately 100 news articles, including many major news publications, in the week following its November 2007 release.

[U] In addition to its strategic intelligence mission, NDIC has maintained and enhanced its Document and Media Exploitation (DOMEX) program—the only entity of its kind available to U.S. law enforcement agencies. During FY2008, the NDIC DOMEX program made significant contributions to many high-level investigations targeting drug trafficking, money laundering, terrorism, and other criminal activities affecting U.S. national security. The DOMEX Branch completed 67 missions, nearly half of which supported OCDETF investigations. The majority of the missions supported major Drug Enforcement

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Administration (DEA) investigations (49 missions). In addition the DOMEX Branch supported five missions for the Federal Bureau of Investigation (FBI), two missions each for the U.S. Immigration and Customs Enforcement (ICE) and U.S. Attorneys Offices (USAO), two classified missions, and one mission each for OCDETF, DOJ, U.S. Food and Drug Administration, Internal Revenue Service (IRS), and local police departments from Ohio and California. The satellite DOMEX unit at the Utah National Guard Joint Language Training Center conducted 13 of the 67 total missions this FY. Synopses of NDIC contributions to a few of these missions are presented below.

[U] In November 2007 NDIC supported a multinational investigation of a major international money laundering organization with assets and bank accounts in the United States, Mexico, China, and Switzerland. For this investigation, NDIC analysts identified previously unidentified assets valued at over \$5 million.

[U] In November and December 2007 NDIC supported an investigation of a money launderer working on behalf of South American and European DTOs. For this investigation, NDIC analysts were able to confirm that the subject laundered money for DTOs in Europe and in Colombia. NDIC analysts also identified previously unknown cash deposits of \$1.2 million as well as evidence that the subject laundered over \$13 million in a 5-month period.

[U] In December 2007 NDIC supported an investigation targeting a terrorist organization. NDIC ultimately identified 70 individuals with direct connections to the conspirators and provided 92 linked media files—including photo identification—documenting the links. NDIC analysts also identified 4 assets and 41 overt criminal acts conducted in furtherance of the drug conspiracy.

[U] In July and August 2008 NDIC supported a DOJ Criminal Division, Child Exploitation and Obscenity Section, investigation. NDIC identified over 800 suspected child pornography photographs and provided investigators with important information on conspirators' financial assets and leads regarding additional potential targets.

[U] In August and September 2008 NDIC supported an investigation targeting a major South American DTO. For this investigation, NDIC identified previously unknown assets controlled by the DTO including over 300 properties and 100 bank accounts.

[U] In August 2008 NDIC provided support to the United Nations, Office on Drugs and Crime (UNODC), and INTERPOL. NDIC provided Real-time Analytical Intelligence Database (RAID) installation and training for participants from the Narcotics Control Board in Ghana and the Office Central de Répression du Trafic Illicite des Drogues et du Blanchiment in Togo. NDIC efforts supported the INTERPOL, UNODC, and the *European Commission's Law Enforcement and Intelligence Cooperation against Cocaine Trafficking from Latin America to West Africa* project. NDIC also previously participated in other collaborative efforts with UNODC and INTERPOL in Africa, such as in Botswana in April 2008.

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[U] In September 2008 NDIC participated in the DOJ Criminal Division, Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), Litigation Support Seminar in Kampala, Uganda. The seminar was part of the OPDAT ongoing anticorruption program in Uganda. The seminar employed the NDIC-developed RAID software platform to assist Ugandan investigative and prosecutorial agencies to organize and share case information pertaining to corruption cases.

[U] In September 2008 the NDIC DOMEX Branch completed development of a Spanish-language version of the NDIC RAID software with the U.S. Department of Defense (DOD) Counter-Narcoterrorism Technology Program Office at the Naval Surface Warfare Center in Dahlgren, Virginia. The primary task of this effort was to translate the graphical user interface, users' manuals, and training materials into Spanish.

[U] The NDIC Digital Evidence Laboratory (DEL) continued to provide critical and timely assistance to the intelligence and law enforcement communities during FY2008 by forensically examining electronic media in support of 50 cases conducted by DOJ, DEA, FBI, ICE, DOD, IRS, and several state and local agencies. DEL technicians examined 489 computer hard disk drives and 106 mobile phones containing a total of approximately 34 terabytes (34 thousand billion bytes) of data. To put this into perspective, it is estimated that as of May 2008, the Library of Congress has collected more than 82.6 terabytes of data.

[U] In FY2008 NDIC enhanced its information collection and sharing capabilities by expanding our analytical presence in other law enforcement and intelligence agencies; partnering with other agencies to collect human intelligence; participating in community-wide committees that coordinate collection requirements; disseminating raw, unevaluated intelligence collected by our field personnel; and by enhancing technology-based information sharing tools.

[U] In FY2008 NDIC expanded its corps of interagency liaisons by detailing intelligence analysts to the OCDETF Fusion Center, OFAC, and the DIA. These personnel will both contribute to host agency intelligence initiatives and perform liaison duties including the coordination of collaborative projects and the facilitation of data collection and exchange.

[U] The NDIC representative to the Central Intelligence Agency (CIA) Crime and Narcotics Center and the Anti-Drug Intelligence Community Team received the Distinguished Analytic Achievement Award from the Director of National Intelligence. This Senior Analyst was also selected to participate in the 2009 National Security Executive Leadership Seminar. Another of the NDIC Senior Analysts participated in the DOJ Leadership Excellence and Achievement Program.

[U] During FY2008 NDIC continued its partnership with the DIA, gathering strategic drug trafficking intelligence from human sources, including paid informants, defendants, and prisoners. The NDIC debriefers—trained and certified by DIA—participated in 19 debriefings of sources and shared the subsequent reports with the law enforcement and intelligence communities. One example of such NDIC support was an operation that involved the FBI, DEA, and DOD (DIA and Joint Task Force-North [JTF-N]) along the Southwest Border (SWB). In this operation, the debriefing information collected and disseminated by

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NDIC was used to fill intelligence gaps and to corroborate information obtained from other sources in the course of the operation. The resultant data was also analyzed and disseminated to other SWB agencies involved in the operation. The NDIC strategic debriefer received Letters of Appreciation from both JTF-N and DIA for his contribution to this operation.

[U] The Collection Management Group has been aggressively enhancing its open source presence through initiatives that facilitate the sharing of information with the intelligence community and federal, state, and local law enforcement agencies. As a prime example of this effort, the NDIC Collection Manager represents NDIC on the 24-member Office of the Director of National Intelligence Open Source Collection Requirements Management (CRM) Subcommittee. Through this membership, NDIC serves as a conduit, promoting information sharing between its well-established network of federal, state, and local counterdrug law enforcement agencies and the intelligence community. In July 2008 NDIC hosted a CRM Subcommittee meeting in Johnstown, Pennsylvania.

[U] In addition to enhancing its ability to facilitate information exchange, NDIC has continued to expand the availability of the information it collects and enhance the mechanisms used to collect and disseminate it. The NDIC Field Program Specialist (FPS) program continues to provide critical information to support NDIC strategic intelligence initiatives, and in FY2008 the FPSs produced over 1,000 reports in response to NDIC taskings. The FPS program also represents a unique information collection capability of significant value to both law enforcement and intelligence community members. Specifically, FPS reports containing information of potential interagency interest are sanitized by NDIC analysts and distributed electronically as Intelligence Information Reports (IIRs). The FPS IIRs are made available via Law Enforcement Online, Regional Information Sharing System Network, Anti-Drug Network, and DEA WebSter. Over the course of FY2008, NDIC disseminated 78 FPS IIRs.

[U] In FY2008 NDIC unveiled its SENTRY Project, an Internet-based system designed to collect and disseminate synthetic drug-related data in order to identify new trends at an early stage, evaluate their likely importance, and track their development. In August 2008 the external web site portion of SENTRY was deployed. From the SENTRY web site, authorized users can submit information on a new or unusual synthetic drug-related activity via an electronic submission form, link to partner agencies and the NDIC listserv, and search and retrieve NDIC products. Previously reported submissions will be viewable using geographic information system capabilities beginning in early calendar year 2009. NDIC will use the information obtained through SENTRY, in combination with information from other sources, to produce and disseminate Drug Alert Watch and Drug Alert Warning reports. SENTRY is a product of the partnership between NDIC, ONDCP, the Substance Abuse and Mental Health Services Administration, and the National Institute on Drug Abuse, and supports the *National Synthetic Drugs Action Plan*.

[U] In FY2008 a total of 3,049 state and local law enforcement agencies responded to the NDIC annual National Drug Threat Survey (NDTS), an overall response rate of 87.9 percent. To make NDTS data more accessible to the public, NDIC added interactive maps depicting select NDTS data to the NDIC public web site in June 2008. The most significant drug threats identified in 2006 and 2007 are currently posted on the site and

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plans for future expansion include the addition of data collected over a broader time period in order to promote public awareness of the results of our counterdrug efforts.

[U] In FY2008 NDIC continued to provide library and training services to the intelligence and law enforcement communities by producing the *Counternarcotics Publications Quarterly (CPQ)*, an annotated and indexed bibliography of reports, intelligence memoranda, papers, and target studies prepared by federal, state, and local agencies. More than 220 copies of the classified *CPQ* were distributed to federal officials at the headquarters of the DIA, DEA, FBI, U.S. Customs and Border Protection, CIA, National Security Agency, and ONDCP each quarter. In addition NDIC distributed more than 3,800 copies of the sensitive *CPQ* to FBI and DEA field offices as well as USAO district offices, state police headquarters, local police departments, and sheriffs' offices each quarter.

[U] In FY2008 NDIC automated production of the *Unclassified Daily Summary* for The Interdiction Committee (TIC). TIC *Unclassified Daily Summary* captures drug-related news articles that are significant, unique, and of interest to top counterdrug policymakers, as well as counterdrug analysts. Information for this report is derived from the Open Source Center, as well as other open source reporting. Reporting on significant international seizures, arrests, extraditions, international and domestic counterdrug policy, and counterdrug assets and resources are given priority treatment in the summaries.

[U] In FY2008 NDIC continued to produce the *Daily Intelligencer* in partnership with the Federal Bureau of Prisons, and the *Extremism Review*, a collaboration between NDIC and the Simon Wiesenthal Center. The *Daily Intelligencer* is a daily news service compilation covering significant gang activity in the United States, drug seizures around the world, extraditions to the United States, federal indictments, and federal prison sentences greater than 5 years. The *Extremism Review* is a daily news service compilation covering reports of extremism and hate crimes around the world.

[U] In FY2008 NDIC trained 5,053 federal, state, and local law enforcement personnel in 66 training sessions on topics related to basic drug intelligence analysis. NDIC trained 560 law enforcement professionals in 13 DEA-sponsored sessions and 501 law enforcement professionals in 8 sessions sponsored by the HIDTA offices. NDIC also conducted four iterations of the Multiagency Course, an intensive 1-week, video teletraining, entry-level drug intelligence analysis course. Taught by instructors from NDIC and other federal agencies, these four iterations were attended by 247 law enforcement and intelligence professionals.

[U] In addition to training for counterdrug professionals, NDIC also hosted two significant training seminars during FY2008 related to the money laundering mechanism known as the Black Market Peso Exchange. In April 2008 NDIC hosted 56 private banking officials and in September 2008 NDIC hosted over 40 money laundering investigators and analysts from the intelligence and law enforcement communities for 2-day training courses and networking sessions covering the Black Market Peso Exchange problem.

[U] In May 2008 12 NDIC employees were recognized by the Pittsburgh Federal Executive Board as recipients of a 2008 Excellence in Government Award. The

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Excellence in Government Award program honors outstanding federal employees in Southwestern Pennsylvania and Northwestern West Virginia.

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