

II

STRATEGIC GOAL TWO: Enforce Federal Criminal Laws

As a result of the provisions of the Homeland Security Act of 2002 (P.L. 107-296), the law enforcement functions of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms transferred to Department of Justice's (DOJ). The mission of the renamed *Bureau of Alcohol, Tobacco, Firearms, and Explosives* (ATF) is to deter and investigate violations of law relating to alcohol, tobacco, firearms, explosives and arson; areas that could be monitored under Strategic Goal Two. Although ATF is not yet reflected in the Department's Strategic Plan, a separate section (Appendix A) addresses the ATF FY 2003 and FY 2004 performance plan and related resources (budget and personnel).

At the heart of DOJ's mission is our responsibility to enforce the Nation's federal laws through the investigation and prosecution of criminal offenses. The array of areas for which we are responsible are diverse and challenging, including: terrorism, drug related crime, violent crimes, firearms offenses, white-collar crime, child exploitation, cybercrime, and public corruption.

Adding to this challenge is the complexity of the American criminal justice system. The law enforcement responsibility in the United States is shared and addressed cooperatively among DOJ organizations, and other federal, tribal, state, and local agencies. Several DOJ component organizations share primary responsibility for enforcing the Nation's criminal laws. In addition, the increased globalization of crime requires the Department to strengthen cooperation with international law enforcement organizations.

- The *Federal Bureau of Investigation (FBI)* has responsibility to investigate over 200 categories of federal crimes, and monitor activities that threaten the Nation's security. The FBI also provides law enforcement assistance and other specialized support when required.

- The *Drug Enforcement Administration (DEA)* has responsibility to enforce the controlled substance laws and regulations of the United States, and to bring to justice those organizations and individuals who are involved in the growth, manufacture, and distribution of those substances destined for illicit traffic in the United States.
- The *Organized Crime Drug Enforcement Task Force (OCDETF)* program is the cornerstone of the Attorney General's drug strategy to reduce the availability of drugs. The principal mission of the OCDETF program is to disrupt and dismantle the most significant drug trafficking and money laundering organizations and their related enterprises. OCDETF provides the overall strategy and funding to achieve a coordinated approach by federal agents and prosecutors with support from state and local government.
- The *Immigration and Naturalization Service (INS)* is charged with enforcing the Nation's immigration laws. Although Strategic Goal Five focuses on DOJ's immigration efforts, the interrelationship between immigration issues and criminal offenses also makes INS an important contributor to the fight against violent crime, drug related crime, and terrorism.
- The *United States Attorneys (USA)* and the *Criminal Division (CRM)* are also key players in these goals as they prosecute violators of federal criminal law, seek punishment of those guilty of unlawful behavior, and represent the United States in other specialized litigation. Both are committed to dismantling major drug organizations, targeting terrorist acts and violent crime, and prosecuting high priority white-collar crime nationwide. The USA and CRM play key roles in providing leadership and direction to the combined federal, state, tribal, and local law enforcement effort.

In addition, the Antitrust (ATR), Civil (CIV), Civil Rights (CRT), Environment and Natural Resources (ENRD) and Tax (TAX) Divisions perform critical and specialized functions in prosecuting violators of the Nation's antitrust, consumer, civil rights, environmental, wildlife, and tax laws. The priority

performance goals of these divisions are split between Strategic Goals Two and Four, as appropriate.

Lastly, while we continue to focus on violent crime, white-collar crime, and illegal drugs, we must confront the sophistication of criminals that will challenge our ability to prevent and solve crimes, and bring criminals to justice. We will work aggressively to combat gun crimes. We will also face the complexities of fighting cybercrime and international crimes. We will confront these issues recognizing that the Department is a crime-fighting partner with other federal, state, tribal, and local agencies working strategically to define our roles and coordinate our efforts to ensure that our scarce resources provide maximum impact in our crime-fighting efforts.

**STRATEGIC OBJECTIVE &
ANNUAL GOAL 2.1: VIOLENT CRIME**

Reduce the threat, incidence, and prevalence of violent crime, especially as it stems from illegal use of guns or from organized criminal enterprises.

DOJ's principal law enforcement investigative agencies will counter violent crime by emphasizing targeted enforcement strategies. The ultimate goal of the Department's organized crime program is to dismantle the most significant organized crime enterprises through investigation and prosecution. Our principal enforcement efforts are currently directed against: (1) the 22 active La Cosa Nostra (LCN) and native Italian organized crime families operating in the United States; (2) the 21 most significant Russian/Eastern European/Eurasian criminal enterprises (more commonly referred to as the Russian Organized Crime) operating in the United States and elsewhere; and (3) approximately 25 Asian organized crime groups operating in the United States, including Chinese Triads, criminally influenced Tongs and various gangs. The transnational activities of these groups will also be addressed to the extent that such activities impact the United States. A related goal is to undercut the strong financial underpinnings of these large criminal enterprises by placing renewed emphasis on

efforts to prevent the laundering of their illegal proceeds and to forfeit their assets, thereby seeking to permanently cripple their operations.

Continued commitment of resources for international liaison and enforcement efforts will help counter the foreign-based aspect of emerging threats such as Russian, Eastern European, Asian, Italian, and other organized crime groups. The increasing international nexus of this new breed of criminal organization means that the corruption of key officials in major industries, and the operation of large-scale money laundering schemes, through bank stock exchanges and commodities markets, can flourish without regard to national boundaries.

Another growing threat is posed by emerging organized crime enterprises, or so-called "non-traditional" crime organizations, that have rapidly expanding membership, are flourishing in the drug underworld, and often employ violent means to establish themselves. The FBI and the DEA have adopted new technologies to improve analytical support for investigations and have strengthened their intelligence base about these non-traditional groups and their leadership in order to prevent them from gaining a stronger foothold.

Efforts to curtail gang-related violence and the illegal use of firearms are other major features of this plan. In response to a surge in juvenile and gang-related violent crime between 1985 and 1995, the FBI developed its National Gang Strategy. As part of this gang strategy, federal law enforcement agents continue to form multi-agency task forces that include state and local police officers. Collectively, these teams are able to achieve results, which no agency could do on its own.

Similarly, the DEA will deploy its Mobile Enforcement Teams (MET) to help meet emerging drug crises in particular localities and in collaboration with the National Crime Prevention Council and the Bureau of Justice Assistance. DEA will continue to provide anti-drug training to community leaders following their MET deployment where appropriate. The training is a grass-roots effort to help communities plan, organize, implement and evaluate a prevention program. In addition, the National Drug Intelligence Center (NDIC) will update its National Street Gang Survey Report, a key reference for enforcement agencies. At the district and headquarters levels, the EOUSA and CRM play a leadership role in developing and refining the DOJ's violent crime reduction strategies and increasing

cooperation between state, local, and federal enforcement authorities.

Project Safe Neighborhoods is a comprehensive national strategy that has created local partnerships to effectively enforce existing gun laws. The strategy promotes cooperation to determine where gun criminals can be most effectively prosecuted and punished. Project Safe Neighborhoods gives each federal district the flexibility it needs to focus on individual challenges that a specific community faces.

Another on-going initiative will address the rising incidence of crimes against children, including abduction cases, sexual exploitation offenses, and the production of child pornography. DOJ's multi-agency, multi-disciplinary teams address problems, including the growing use of the Internet and commercial on-line subscription services, to pursue related crimes.

Coordinating the Department's law enforcement activities ensure that the objectives of the Department's investigative agencies are fully coordinated and complementary, that intelligence is shared, and that administrative practices are consistent. The Department will develop and implement, under the guidance of each U.S. Attorney, a District Enforcement Strategy that targets both national and local priorities and identifies how all parts of the system can interact more effectively to meet the needs of justice. In addition, the Department will identify and coordinate cases in which a multi-district prosecution effort is needed.

**STRATEGIC OBJECTIVE &
ANNUAL GOAL 2.2: DRUGS**

Reduce the threat, trafficking, and related violence of illegal drugs by identifying, disrupting and dismantling drug trafficking organizations

America faces many challenges due to the trafficking of illegal drugs. Illegal drug trafficking and use weakens our society; violent drug trafficking groups erode the quality of life in our communities; and drug

trafficking provides some terrorist groups a steady source of income to finance their operations. The ultimate goal of law enforcement efforts in this area is to reduce the availability of illicit drugs in the U.S.

This Performance Plan supports the President's Anti-Drug Abuse Policy and is consistent with the general guidance of the Office of National Drug Control Policy (ONDCP) and the Department's Drug Control Strategic Plan. The Organized Crime Drug Enforcement Task Force (OCDETF) program is the vehicle for implementing the Attorney's General's drug strategy to reduce the drug supply available within the United States. These plans articulate that our primary investigative and prosecutorial objective is to curtail the availability of illegal drugs through the disruption and dismantlement of drug trafficking organizations, as well as forfeiting illegal proceeds and their economic foundations at the national and international levels.

DOJ will strengthen its efforts to disrupt and dismantle drug trafficking organizations by continuing to increase the analytical capacity of each investigative agency and the Special Operations Division (SOD). The Department, working with ONDCP and the Intelligence Community, will continue to actively support the work of the National Drug Intelligence Center (NDIC), the El Paso Intelligence Center (EPIC), and the Financial Crimes Intelligence Center (FinCen).

The Department will strengthen its programs to target drug smuggling organizations that traffic across the Southern borders, and from Europe and Asia. Since September 11, 2001, the Department has strengthened its programs focus on targeting drug organizations using the Northern border as their transit zone for drugs and drug proceeds. All of these programs are intended to link federal, state and local investigations domestically and to facilitate multilateral enforcement efforts abroad.

**STRATEGIC OBJECTIVE &
ANNUAL GOAL 2.3: ESPIONAGE**

Combat espionage against the United States by strengthening counterintelligence capabilities

To combat foreign intelligence operations against U.S. interests, DOJ, through the FBI, will emphasize effective intelligence gathering and analytical capability to evaluate foreign intelligence threats. The FBI's counterintelligence program conducts, manages, and supports investigations which collect, analyze, and

exploit intelligence in order to identify and neutralize the intelligence activities of foreign powers and their agents that adversely affect U.S. national security or have a substantial economic impact on the nation.

The 1990's saw great changes in the global intelligence environment, patterned after the changes in the geopolitical environment. There has been an increase in the number of intelligence actors, both at the state and individual levels. To achieve their goals, foreign countries are engaged in long-term efforts designed to gain critical intelligence relating to sensitive U.S. information. Our adversaries will continuously strive to impede investigative operations, obtain sensitive information, initiate and implement reprisal actions against DOJ personnel or facilities, and take illegal advantage of any opportunity presented to them.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.4: WHITE COLLAR CRIME

Combat white collar and economic crime, especially cybercrime

DOJ's plan for reducing white collar crime is based on the premise that a strong deterrent capability is required to prevent criminals from defrauding and thus weakening the Nation's industries and institutions. In monetary terms, the annual loss to American citizens and businesses is conservatively estimated in the billions of dollars.

The criminal threat originates from several sources and may have a variety of purposes and targets including: the financial markets; the health care field; public officials open to corruption; communications facilities; critical infrastructure; computers storing sensitive proprietary, financial and personal data; valuable intellectual properties; international commerce; and telemarketing, insurance, commodities, retirement system, and other businesses susceptible to fraud.

The Department will devote considerable resources to countering white collar crime matters involving corporate fraud. The

President has designated the Deputy Attorney General to lead the inter-agency Corporate Fraud Task Force in order to ensure that this top priority receives the full attention of a vested federal law enforcement community. The Department will also work against health care fraud; financial institution fraud, telemarketing, Internet, and other mass-marketing fraud; public corruption and government fraud; high technology crime; computer crime and the theft of intellectual property; and international price fixing cartels.

The Department also addresses environmental and wildlife crime issues focusing on the endangerment of the environment and public health, fraud in the environmental testing industry, smuggling and poaching of protected species, exploitation and abuse of marine resources through illegal commercial fishing, and related criminal activity.

Violations of the Internal Revenue Code drain the federal fisc and undermine public trust in the voluntary tax system. The Tax Division utilizes criminal prosecutions to ensure that the Nation's internal revenue laws are fairly and uniformly applied and the public complies with the Nation's tax laws. In this way our accomplishments contribute significantly and directly to efforts of the Administration and Congress to protect the federal fisc from intentional false tax returns and evasion schemes. For all stages of case investigation, review, litigation and appeals the Tax Division's attorneys are guided by the principles of fair and uniform treatment for all categories of taxpayers.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.5: CRIMES AGAINST CHILDREN AND THE EXPLOITABLE

Combat crimes against children and other vulnerable victims of violence and exploitation

The Criminal Section of the Civil Rights Division works closely with the Federal Bureau of Investigation, Immigration and Naturalization Service, Department of Labor, the Criminal Division, the U.S. Attorneys Offices, and Non-Government Organizations to identify victims, many of who are women and children of illegal trafficking. The Victims of Trafficking and Violence Protection Act, enacted into law in 2000, expanded the scope of federal enforcement authority over slavery offenses.

PERFORMANCE SUMMARY

| Strategic Objective, Page # | Performance Measure/ Indicator | Was the Target Achieved | | | FY 2002 Performance | | |
|-----------------------------|--------------------------------|-------------------------|----|-----|---------------------|---------------|---|
| | | Yes | No | N/A | Target | Actual | Performance Improvement From FY 2001 |
| 2.1 | 25 | | ■ | | 9 | 7 | Reallocation of resources to CT mission |
| 2.1 | 26 | | ■ | | 8 | 0 | Reallocation of resources to CT mission |
| 2.1 | 28 | ■ | | | 3 | 6 | |
| 2.1 | 31 | | | ■ | N/A | 62,525 | |
| 2.1 | 31 | | | ■ | New for 2002 | N/A | |
| 2.1 | 33 | ■ | | | 4 | 5 | |
| | | | ■ | | 4 | 2 | |
| 2.1 | 34 | | | ■ | New for 2002 | 269 102 | |
| 2.2 | 35 | ■ | | | Baseline | Baseline Est. | |
| 2.2 | 39 | ■ | | | 588 35 | 764 190 | |
| 2.2 | 39 | | | ■ | New for 2002 | 16 92 | |
| 2.2 | 40 | ■ | | | 250 | 253 | DTOs linked to NPTs took priority over non-linked organizations |
| | | ■ | | | 13 | 14 | |
| | | | ■ | | 160 | 105 | |
| 2.3 | 42 | | | ■ | N/A | 1 | |
| 2.4 | 45 | ■ | | | \$69.5 | \$42.2 | |
| | | ■ | | | \$456.5 | \$323.8 | |
| | | ■ | | | \$205.5 | \$151.9 | |
| | | ■ | | | \$415.6 | \$412.9 | |
| 2.4 | 47 | | | ■ | N/A | 5,799 | |

| Strategic Objective, Page # | | Performance Measure/ Indicator | Was the Target Achieved | | | FY 2002 Performance | | |
|--------------------------------|----|--|-------------------------|----|--------|---------------------|------------------|--------------------------------------|
| | | | Yes | No | N/A | Target | Actual | Performance Improvement From FY 2001 |
| 2.4 | 48 | Recoveries, Restitutions & Fines- White Collar Crime (billions) • Recoveries/Restitutions • Fines | | | ■ ■ | N/A N/A | \$9.80 \$0.50 | |
| 2.4 | 50 | Convictions / Pre-Trial Diversions in Public Corruption | | | ■ | N/A | 631 | |
| 2.4 | 51 | Recoveries, Restitutions & Fines- Public Corruption (billions) • Recoveries/Restitutions • Fines | | | ■ ■ | N/A N/A | \$28 \$25 | |
| 2.4 | 52 | High Technology Crime (Fraud) Criminal Case Success Rate | ■ | | | 80% | 100% | |
| 2.4 | 54 | Success Rate for Antitrust Criminal Cases | ■ | | | 90% | 91% | |
| 2.4 | 55 | Savings to U.S. Consumers (millions) | | | ■ | N/A | \$45 | |
| 2.4 | 56 | % of Criminal Environmental and Wildlife Cases Successfully Litigated | ■ | | | 80% | 88% | |
| 2.4 | 57 | \$ Awarded in Criminal Environmental and Wildlife Cases (millions) | | | ■ | N/A | \$26 | |
| 2.4 | 59 | DISCONTINUED MEASURE: # of Request for Litigation Honored, Tax Division | | ■ | | 300 | 269/ 205 | Reporting methodology revised |
| 2.5 | 61 | Convictions/ Pre-Trial Diversions for Crimes Against Children Via Computer Usage | | | ■ | N/A | 646 | |
| 2.5 | 62 | Number of Missing Children Located | | | ■ | N/A | 106 | |
| 2.5 | 63 | Victims Protected from Involuntary Servitude and Human Trafficking | ■ | | | 43 | 54 | |

RESOURCES

| Appropriation | | FY 2002 FTE | FY 2002 Actual \$ (millions) | FY 2003 FTE | FY 2003 Request \$ (millions) | FY 2004 FTE | FY 2004 Request \$ (millions) |
|---------------------|--|----------------|------------------------------------|----------------|-------------------------------------|----------------|-------------------------------------|
| 2.1 | Criminal Division | 174 | 19 | 190 | 20 | 185 | 21 |
| 2.1 | FBI | 8,259 | 1,155 | 10,089 | 1,518 | 10,624 | 1,624 |
| 2.1 | Interpol | 66 | 8 | 64 | 9 | 64 | 11 |
| 2.1 | U.S. Attorneys | 1661 | 219 | 1720 | 228 | 1751 | 238 |
| <i>Subtotal 2.1</i> | | <i>10,160</i> | <i>\$1,401</i> | <i>12,063</i> | <i>\$1,775</i> | <i>12,624</i> | <i>\$1,894</i> |
| 2.2 | Asset Forfeiture Fund (Current Authority) | -- | 18 | -- | 23 | -- | 23 |
| 2.2 | Criminal Division | 200 | 32 | 242 | 33 | 344 | 34 |
| 2.2 | DEA | 7,949 | 1,518 | 8,708 | 1,546 | 8,965 | 1,559 |
| 2.2 | Diversion Control Fee | 644 | 86 | 722 | 114 | 789 | 119 |
| 2.2 | FBI | 2,569 | 280 | 2,743 | 352 | 2,759 | 367 |
| 2.2 | Interagency Crime/Drug | [2,915] | 340 | [2,952] | 362 | [3,907] | 542 |
| 2.2 | National Drug Intell. Center | 217 | 42 | 322 | 34 | 322 | 34 |
| 2.2 | U.S. Attorneys | 2,725 | 359 | 2,869 | 380 | 2,916 | 395 |
| <i>Subtotal 2.2</i> | | <i>14,304</i> | <i>\$2,675</i> | <i>15,606</i> | <i>\$2,844</i> | <i>15,995</i> | <i>3,073</i> |
| 2.3 | Criminal Division | 42 | 9 | 66 | 11 | 72 | 14 |
| 2.3 | General Administration | 16 | 3 | 18 | 3 | 17 | 3 |
| <i>Subtotal 2.3</i> | | <i>58</i> | <i>\$12</i> | <i>84</i> | <i>\$14</i> | <i>89</i> | <i>\$17</i> |
| 2.4 | Antitrust Division | 270 | 40 | 298 | 48 | 298 | 50 |
| 2.4 | Criminal Division | 253 | 42 | 273 | 45 | 275 | 47 |
| 2.4 | Environment & Natural Resources Division | 65 | 7 | 69 | 8 | 73 | 9 |
| 2.4 | FBI-Health Care Fraud | 522 | 101 | 844 | 114 | 834 | 114 |
| 2.4 | FBI | 4,189 | 550 | 5,020 | 758 | 5,113 | 803 |
| 2.4 | Tax Division | 156 | 21 | 147 | 20 | 145 | 20 |
| 2.4 | U.S. Attorneys | 2,644 | 348 | 2,798 | 370 | 2,844 | 384 |
| <i>Subtotal 2.4</i> | | <i>8,099</i> | <i>\$1,109</i> | <i>9,449</i> | <i>\$1,363</i> | <i>9,582</i> | <i>\$1,427</i> |
| 2.5 | Civil Rights Division | 14 | 2 | 21 | 3 | 21 | 2 |
| 2.5 | Criminal Division | 24 | 4 | 30 | 5 | 30 | 5 |
| 2.5 | FBI | 580 | 86 | 736 | 120 | 744 | 122 |
| <i>Subtotal 2.5</i> | | <i>618</i> | <i>\$92</i> | <i>787</i> | <i>\$128</i> | <i>795</i> | <i>\$129</i> |
| TOTAL SG 2 | | 33,239 | \$5,289 | 37,989 | \$6,124 | 39,085 | \$6,540 |

RESOURCE COMPARISON: Strategic Goal to Total DOJ \$ and FTE



| | |
|---|--|
| <p>Required Skills</p> | <p>The Department requires skilled agents, attorneys, analysts, and linguists. Linguists are critical to supporting criminal and national security investigations and intelligence success. This goal requires the skills and abilities of experienced attorneys and law enforcement professionals, DEA relies on experienced prosecutors, agents, investigators, intelligence analysts, and linguists are critical to supporting Major Drug Trafficking Organization investigations. In addition, DEA must have skilled Special Agents, Diversion Investigators, and forensic chemists. The majority of positions require analysis and writing skills.</p> <p>Successful accomplishment of this goal requires highly skilled agents, analysts and engineers with sophisticated knowledge of computer technology and computer systems, as well as an array of highly complex software and hardware systems. The Antitrust Division requires experienced attorneys, economists, paralegals and support staff. Attorneys experienced in complex, international investigations are particularly valued. The Tax Division requires experienced trial and appellate attorneys and support staff. That Division also requires some specialized experience to include substantive tax issues and tax procedures; search warrants of computer stored financial data; sentencing guidelines in financial crimes; obtaining foreign evidence and information and knowledge about international agreements to achieve international tax compliance, such as tax treaties, mutual legal assistance treaties and extradition treaties. The Environment and Natural Resources Division (ENRD) requires attorneys, particularly litigators experienced in criminal and appellate environmental law, in addition to experienced legal support staff.</p> |
| <p>Information Technology Utilized</p> | <p>FBI programs in this area are supported by: the Integrated Statistical Reporting and Analysis Application (ISRAA), a centralized database which tracks statistical case accomplishment from inception to closure; the Automated Case Support System (ACS), a database which captures all information pertaining to the administration of cases; a separate case management system maintained by the Innocent Images National Initiative (IINI); IIA, a centralized database that tracks foreign activity; data collected through the Foreign Intelligence Surveillance Act (FISA); NICS, a national name check system that compares the identity of firearm purchasers against several databases to determine eligibility for firearm purchase; and internal databases that support the National Infrastructure Protection Center (NIPC). ENRD relies upon its version of the DOJ Justice Consolidated Office Network (JCON) and its Case Management System. DEA relies on FIREBIRD, the primary office automation infrastructure that supports the full spectrum of DEA's global operations; and MERLIN, an advanced intelligence system designed to support the classified processing needs of Special Agents and Intelligence Research Specialists operating worldwide.</p> <p>In addition, DEA has developed the Priority Target Activity and Resource Reporting System (PTARRS), a subordinate automated system specifically to link the resources applied and the results achieved against priority targeted organizations. The Organized Crime Drug Enforcement Task Forces (OCDETF) maintains a management information database system that captures information on investigations and prosecutions.</p> <p>The Antitrust Division relies upon its Matter Tracking System and companion user interfaces; office systems, including networks and infrastructure; litigation support tools and applications, including those for courtroom presentations; and data storage capacity related to all of these technologies. The Tax Division relies upon the Justice Consolidated Office Network system and recently implemented TaxDoc Case Management System. ENRD relies upon the Justice Consolidated Office Network system and its Case Management System.</p> |

PROGRAM EVALUATIONS

There are no program evaluations planned for FY 2003.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.1: VIOLENT CRIME

Reduce the threat, incidence, and prevalence of violent crime, especially as it stems from illegal use of guns or from organized criminal enterprises

2.1A Dismantle Targeted Organized Crime Groups

Background/Program Objectives:

The FBI, working closely with DOJ prosecutors, will continue its intensive efforts against the threats of active La Cosa Nostra (LCN), native Italian, and emerging Asian and Eurasian criminal enterprises. The Organized Crime Section, through the use of the Racketeering Influenced Corrupt Organization (RICO) statute, targets the entire entity responsible for the crime problem, *the organization*. This is accomplished by charging the organization's members as a group with a wide range of crimes committed by its members in violation of local, state, and federal laws.

Organized Criminal Enterprises are structured to ensure that their leadership is far removed from the criminal activity, making it difficult to link overt crimes to the leaders of the organization. Moreover, even if key individuals are removed, the strength of these organizations often allows the enterprise to be sustained. This situation requires the FBI to develop strategies targeted primarily at dismantling the organization, as opposed to merely removing key individuals.

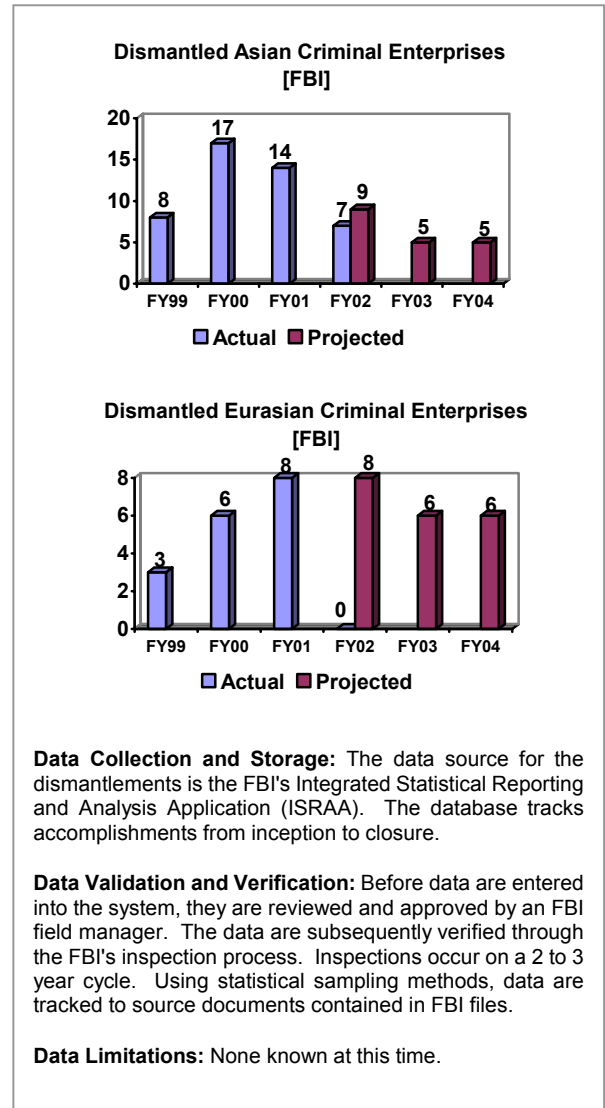
Performance:

Performance Measure: Dismantled Asian Criminal Enterprises (ACE) [FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

FY 2002 Target: 9

FY 2002 Actual: 7

Discussion: The goal of the FBI's ACE subprogram is to reduce the rapid growth and increasingly adverse impact of domestic and international ACEs on the United States, as well as to prevent ACEs from becoming established and entrenched criminal institutions in the United States.



FY 2003 Performance Plan Evaluation:

The events of September 11, 2001, had a significant impact on ACE subprogram performance. Field offices with the largest ACE subprogram, such as New York and Washington Field Office, have

diverted their resources to focus on the prevention of terrorism. Based on performance in FY 2002, we have revised our FY 2003 target downward. The revised FY 2003 target is dismantling 5 ACEs.

FY 2004 Performance Target: 5

Public Benefit: The ACE problem clearly poses a threat to the public safety. Traditional ACEs, such as the Chinese Triads and Japanese Boryokudan, have hundreds of thousands of members worldwide and financial resources equal to some small countries. ACEs continue to pursue profitable criminal activity, including financial crimes, public corruption, alien smuggling and narcotics trafficking. A different but equally alarming threat exists from emerging non-traditional ACEs, such as the violent gangs active in ethnic Asian immigrant communities (i.e., Vietnamese, Laotian, Cambodian, Thai, etc.). In March 2002, FBI agents and detectives from the New York Police Department arrested 5 subjects of a violent ACE in connection with their cross-country armed robbery crime spree. The arrest of these subjects interdicted a planned robbery in the Florida area, which was to occur in the following week. All of the subjects involved in this criminal enterprise originated from the Fujian Province, People's Republic of China. In July 2002, FBI agents made 30 arrests in eight states, culminating a five-year investigation that began when owners of a massage parlor in Blount County, TN tried to bribe public officials, including a judge. The ensuing investigation revealed hundreds of Korean massage parlors in 14 cities throughout the United States engaged in money laundering, prostitution, alien smuggling, and associated criminal activities.

Performance Measure: Dismantled Eurasian Criminal Enterprises (ECE) [FBI]

FY 2002 Target: 8

FY 2002 Actual: 0

Discussion: ECE groups in the United States are engaged in traditional racketeering activity such as extortion, murder, prostitution, and drugs. They are also deeply involved in large scale white collar crimes, such as gasoline excise tax scams, fraudulent insurance claims, stock fraud, and bank fraud.

The mission of the Eurasian Organized Crime Unit is to implement the FBI's Organized

Crime (OC) Program Plan to coordinate and support FBI field offices and local law enforcement agencies in their efforts to reduce the threat posed by Russian/Eastern European Criminal Enterprises.

The fundamental goal of the unit is to assist the field in identifying, disrupting, and dismantling major Russian/Eastern European Criminal Enterprises.

The reallocation of field investigative resources following the events of September 11, 2001, had a significant impact on ECE program performance. Field offices with the largest Eurasian Organized Crime programs, such as New York, Newark, and Miami, were required to shift their focus to the investigative efforts following the terrorist attacks.

FY 2003 Performance Plan Evaluation: Based on performance in FY 2002, we have revised our FY 2003 target downward. The revised FY 2003 target is 6 dismantled ECEs.

FY 2004 Performance Target: 6

Public Benefit: ECE groups are becoming increasingly more sophisticated in their domestic U.S. and worldwide criminal operations. This has become especially apparent in medical insurance fraud, international money laundering, and bank fraud activity. The conclusion of a New York Field Office investigation yielded multiple arrests for criminal violations involving health care fraud through the submission of no-fault claims and developed evidence linking the highest-ranking Russian Organized Crime figure to traditional LCN figures. An international investigation has identified Russian Organized Crime leaders who are involved in prostitution, extortion, bank fraud, and insurance fraud with connections to 33 countries and six cities in the U.S.

Strategies to Achieve the FY 2003/FY 2004 Goal:

The FBI will provide oversight of ACE investigations to ensure that the Enterprise Theory of Investigation and sophisticated investigative techniques are utilized to order to disrupt and dismantle targeted ACEs. Specifically, the FBI will provide appropriate training to field agents working Asian Organized Crime (AOC) cases, monitor and assess investigative progress through regular communications and case meetings among all AOC field staff, initiate undercover operations where

necessary, and participate in multi-agency information sharing sessions. In addition, the FBI will apply the Enterprise Theory of Investigation, an integrated investigative approach that utilizes the entire range of sophisticated investigative techniques to dismantle ECEs.

Crosscutting Activities:

The FBI, U.S. Attorneys and the Criminal Division continue to work together in dismantling traditional organized crime groups and to ensure that a new generation of criminal enterprises does not emerge utilizing more advanced technology and new crime schemes. Law enforcement personnel from DOJ and other federal agencies including: the Bureau of Alcohol, Tobacco and Firearms (ATF); the Internal Revenue Service (IRS); the United States Coast Guard (USCG), and the United States Customs Service (USCS), combine their expertise and resources with state and local investigators to meet these objectives.

2.1 B Reduce the Number of Targeted Gangs

Background/Program Objectives:

The mission of the FBI's Violent Crimes and Major Offenders Program is to reduce the incidence and impact of crimes of violence and of crimes against property that affect individuals, organizations, and communities. The Program's mission involves the proactive identification, disruption, and dismantlement of criminal enterprises, as well as the swift, efficient, and measured response to serious violent criminal acts, which call upon core FBI jurisdiction, responsibilities, and competencies.

Research shows that victimization costs \$105 billion annually in property and productivity losses and for medical expenses. This amounts to an annual "crime tax" of roughly \$425 for each United States citizen. From the business owner who must pay "protection" money to neighborhood gangs; to families who live like hostages within their own homes, afraid to venture out; to the residents of Indian Country, the harmful impact of violent crime on victims and on society collectively is both psychologically and physically debilitating.

The FBI strives to reduce the level of violent crime by dismantling gangs identified as being the most dangerous. The FBI maintains a "Top 30" list of these gangs each year, selected based upon the extent to which each gang's activity is multi-jurisdictional, violent, has a deleterious effect on the community, and is affiliated with a group identified in the FBI's National Gang Strategy. The FBI's objective is to dismantle 15 gangs that appear on this list over a 5-year period (an average of 3 per year).

Performance:

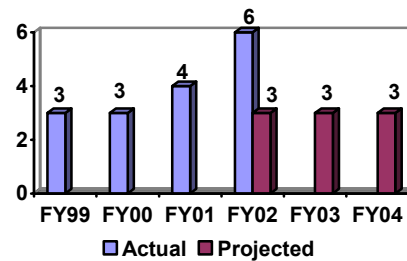
Performance Measure: # Dismantled of the 30 Gangs Targeted by the FBI as the Most Dangerous [FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

FY 2002 Target: 3

FY 2002 Actual: 6

Discussion: The FBI exceeded the target. Highlights for FY 2002 are included below.

Dismantled of the 30 Targeted Gangs Identified as Most Dangerous [FBI]



Data Collection and Storage: FBI's Integrated Statistical Reporting and Analysis Application (ISRAA) tracks statistical accomplishments from inception to closure.

Data Validation and Verification: Before data are entered into the system, they are reviewed and approved by an FBI field manager. They are subsequently verified through FBI's inspection process. Inspections occur on a 2-3 year cycle. Using statistical sampling methods, data in ISRAA is tracked back to source documents contained in FBI files.

Data Limitations: None known at this time.

FY 2003 Performance Plan Evaluation:

Based on performance in FY 2002, we plan to achieve our original FY 2003 target of 3 dismantlements.

FY 2004 Performance Target: 3

Public Benefit: Despite the general decline in violent criminal activity, gangs are still a threat to the nation. The gangs that are emerging are composed of older, more experienced, hardened criminals that engage in a myriad of violent activities as well as thefts of cargo, motor vehicles, and high tech goods. Examples from FY 2002: On September 6, 2001, 29 subjects from the Santana Block Crips (SBC) gang were indicted on charges of drug trafficking, conspiracy, money laundering, and bank fraud. On September 7, 2001, 26 subjects were arrested on these federal charges in a coordinated sweep. Two subjects have passed away since their incarceration and three are being pursued as fugitives. On October 8, 2002, 12 defendants from the SBC pled guilty to charges of drug trafficking, conspiracy, money laundering, and bank fraud in the Central District of California, in Los Angeles, CA. This included a guilty plea of the main target, Frederick Staves. This represents the

complete dismantling of the SBC and its existence as a criminal organization. Additionally, the Bridgeport Safe Streets Task Force (BSSTF) investigated the criminal organization headed by Frankie Estrada, aka "Terminator," which was linked to money laundering, weapon violations, armed robberies, and murders in connection with the operation and protection of a continuing criminal enterprise. Twenty-six subjects were indicted and arrested on drug distribution charges. A superseding indictment in June 2001, added additional subjects, money laundering counts, and a forfeiture count seeking \$10 million in proceeds from Estradas' heroin sales. The BSSTF seized \$750,000 in real estate, cash, cars, and jewelry for forfeiture. Twenty-three subjects were convicted, two were acquitted and one subject is awaiting trial.

On March 18, 2002, the New Haven Division, BSSTF, dismantled the organization.

Strategies to Achieve the FY 2003/FY 2004 Goal:

In FY 2004, DOJ will target and respond to particular local crime problems involving violence and gang activity, including drug-related crimes. To achieve this objective, 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 programs such as the FBI's Safe Streets Task Forces and DEA's Mobile Enforcement Teams (MET). DOJ will accomplish this objective dismantling 15 of the most dangerous gangs over a 5-year period. Cases will be selected based upon the multi-jurisdictional nature, violent activity, affiliation with a group identified in the National Gang Strategy, and/or degree of deleterious effect on the community. These cases are identified at the beginning of each fiscal year and always consist of the 30 most dangerous gangs fitting the criteria above. As cases and investigations are closed, new gangs meeting the established criteria are rotated in to maintain a base of 30.

Crosscutting Activities:

The FBI, USNCB, DEA, USMS, U.S. Attorneys and the Criminal Division work with state and local law enforcement agencies to reduce the level of violent crime associated with these targeted gangs.

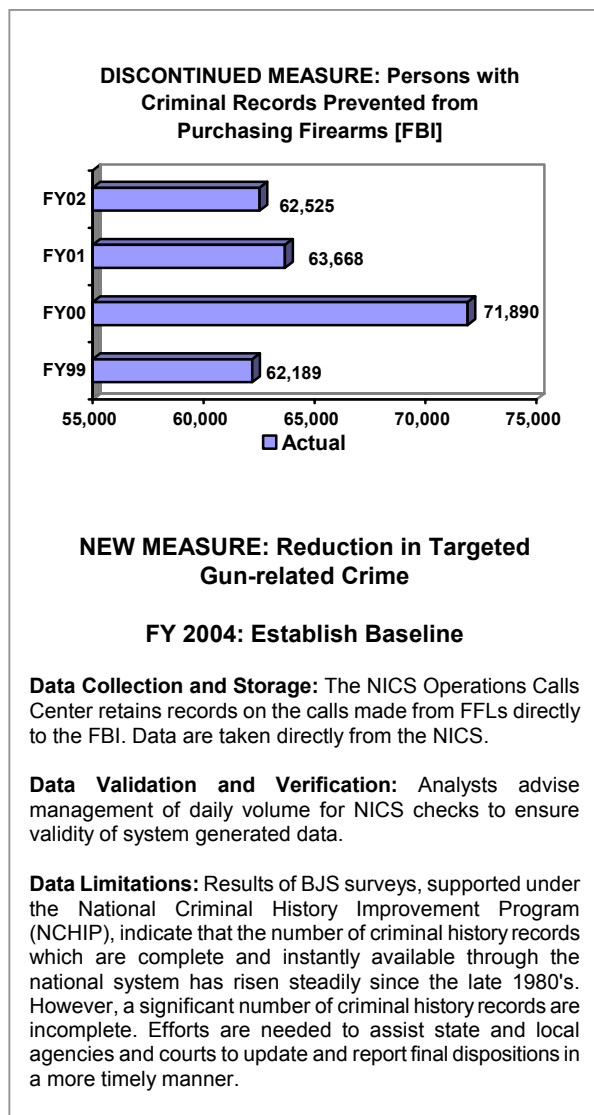
2.1C Implement Gun Violence Reduction Strategies

Background/Program Objectives:

The Department of Justice implements gun violence reduction strategies through its Project Safe Neighborhoods initiative. Project Safe Neighborhoods is a comprehensive national strategy that creates multi-agency partnerships to effectively enforce existing gun laws and reduce the incidence of gun violence across the country. The strategy provides more options to prosecutors, allowing them to utilize local, state, and federal laws to ensure that criminals who commit gun crimes face tough sentences. It is also designed to deter gun crime by publicizing these enforcement efforts in the community. Project Safe Neighborhoods gives each federal district the flexibility it needs to focus on individual challenges that its community faces. Currently each district is in the process of gathering and utilizing relevant crime data to develop a strategic plan to target the illegal use, possession, and trafficking of firearms. Each district is tasked with developing meaningful measurements of the impact of its strategy and will report on both the plan and its impact every 6 months.

In addition to the Project Safe Neighborhoods initiative, the Department is tasked with implementing certain provisions of the Brady Handgun Violence Protection Act. This act requires Federal Firearm Licensees (FFL) to request background checks on individuals attempting to purchase a firearm, and required the establishment of a National Instant Criminal Background Check System (NICS) that any FFL may contact by telephone, or other electronic means, for information to be supplied immediately on whether the receipt of a firearm by a prospective transferee would violate federal or state law. Although NICS provides a definitive response (i.e., “proceed” or “deny”) to 85 percent of inquiries by FFLs within 4 minutes, the Act allows NICS 3 business days to make its determination. If NICS does not contact the FFL before the expiration of the third business day with a definitive response to proceed or deny, the FFL may transfer the firearm without waiting for a response from NICS. If NICS

receives information after the 3 day period has expired that would indicate a prohibited person has acquired a firearm from an FFL, NICS immediately refers this information to the Bureau of Alcohol, Tobacco, and Firearms (ATF) for investigation and possible retrieval of the firearm. All NICS denials (i.e., NICS determinations that receipt of a firearm by the potential transferee would violate state or federal law) are referred to ATF for investigation and, where appropriate, are referred to the United States Attorney’s Office (USAO) for prosecution.



Performance:

Performance Measure: DISCONTINUED
MEASURE: Persons with Criminal Records Prevented From Purchasing Firearms [FBI]
(NOTE: This measure has been discontinued because the total number of persons denied by NICS per year is a factor of the total number of NICS checks performed per year. Accordingly, the measure does not adequately represent the Department's performance. Also, the prior year performance plan incorrectly reflected a target for FY 2002. This measure is not targeted and the figure previously reported was merely an estimate based on historical data.)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 62,525

Discussion: The number of NICS checks performed per year is driven by market demand for firearms. In addition, denial determinations are dependent upon the accessibility of prohibiting records. Consequently, the Department of Justice does not establish a target for denial determinations either by percentage of total background checks or an actual projected number per year.

Public Benefit: NICS is an important tool that allows DOJ to prevent firearms from falling into the wrong hands. NICS' goal is to "Reduce criminal activity by providing data on individuals who are prohibited from purchasing a firearm to FFLs in a timely manner." Potential firearms purchasers who have a criminal history or other background rendering them ineligible are blocked at the point of sale. Since its inception in November 1998 through September 2002, NICS has completed 16,344,895 FBI and call center inquiries and blocked 260,272 gun sales to ineligible persons.

Performance Measure: NEW MEASURE:
Reduction in Targeted Local Gun-related Crime

Discussion: Efforts are underway to capture the progress of the Department in targeting gun-related criminal activities in specific areas. See the strategies section below.

FY 2004 Performance Target: Establish baseline.

Public Benefit: The Department's efforts to design strategies tailored to the challenges of a specific locality, combined with a coordinated multi-agency approach, should yield maximum effectiveness in enforcing existing gun laws thereby reducing the incidence of gun violence across the country. In addition, by publicizing these enforcement efforts in the community, it is anticipated that these strategies will deter gun crime. The ultimate impact will be safer communities and a higher quality of life.

Strategies to Achieve the FY 2003/FY 2004 Goal:

Project Safe Neighborhoods is a comprehensive and strategic approach to reduce gun violence across the country. A centerpiece of this initiative is to create multi-agency partnerships in every district that will effectively enforce existing gun laws, target violent offenders, and deter gun crime by publicizing these enforcement efforts in the community. In every district, the PSN partners have been given resources to assist them in evaluating the nature of the local gun violence problem and to develop meaningful measurements of the impact of the strategies developed. This accountability component is designed to keep the district-based partnership abreast of changes occurring in the community, to assist them in evaluating their efforts in light of those changes, and to provide them with an opportunity to retool their gun plans to address emerging issues. Many of the PSN strategies developed to date have focused on those communities, towns, and cities that have been most affected by gun violence. Thus, in order to measure our performance at the national level, we will report on the change in gun violence in these targeted areas, rather than entire states or districts.

Crosscutting Activities:

Project Safe Neighborhoods brings together the law enforcement community at the local, state, and federal level. Our United States Attorneys' Offices and our federal investigative agencies such as the Bureau of Alcohol, Tobacco and Firearms and the Federal Bureau of Investigation are coordinating their efforts with local police, sheriffs, and prosecutors. Non-law enforcement agencies as well

as community and faith-based organizations are playing active roles in these gun violence reduction partnerships. At the national level, the PSN initiative is coordinated by a team represented by numerous Department components, with input from a number of national organizations.

2.1D Increase Cooperation with Foreign Law Enforcement

Background/Program Objectives:

International law enforcement cooperation is critical to addressing the dramatic growth in the scope of transnational crime such as terrorism, narcotics trafficking, money laundering, fraud, and cybercrime and the immediate threat it poses to the U.S. and the global community. The Department is increasing its emphasis on cooperation with foreign law enforcement and criminal justice officials to make it easier to obtain and provide information and evidence needed to pursue cases against transnational criminals. Working jointly with foreign counterparts is a realistic way to achieve the goals of dismantling international criminal organizations, locating fugitives, and establishing mutually recognized processes for ensuring criminals are brought to justice primarily through the extradition process coordinated and supervised by Criminal Division's Office of International Affairs (OIA).

OIA is the Central Authority for the United States under 40 Mutual Legal Assistance Treaties (MLATs) in force and a number of multilateral conventions. As such, OIA makes and receives all MLAT requests and is responsible for the drafting by federal, state, or local prosecutors of requests for bank records or other evidence abroad. OIA insures that the requests are presented to the proper foreign Central Authority, and presses for the execution of the request in a timely manner. OIA also coordinates the execution in the U.S. of requests from foreign countries under the MLATs.

Performance:

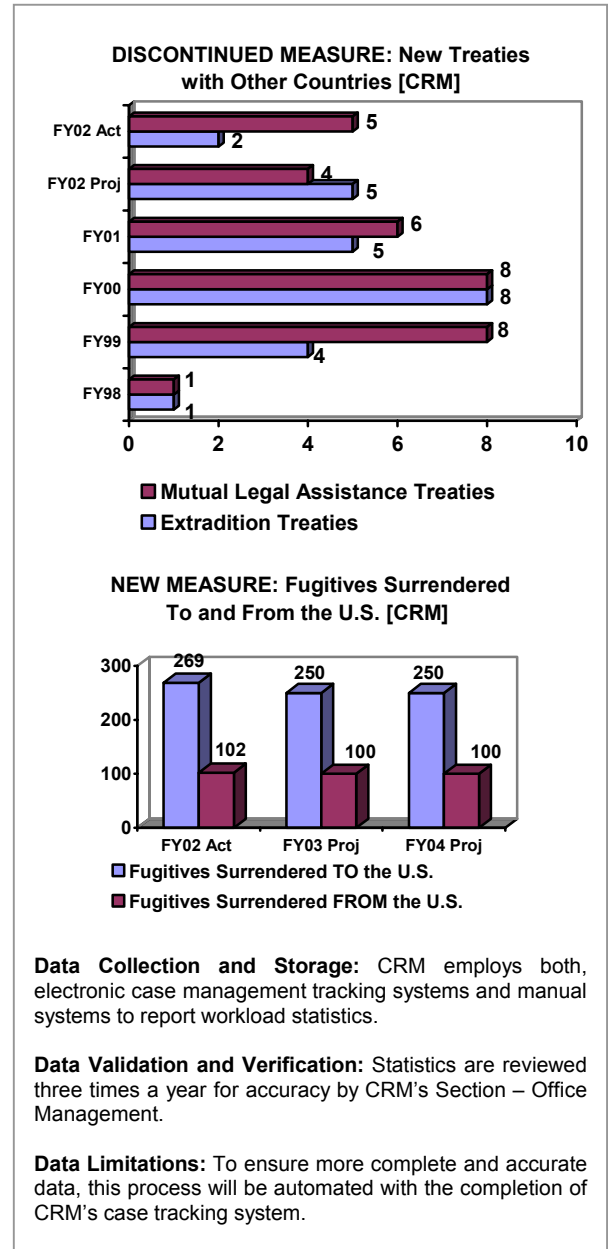
Performance Measure: DISCONTINUED MEASURE: Number of New Treaties with Other Countries Entering Into Force [CRM] (NOTE: This measure is being discontinued as it not outcome oriented.)

FY 2002 Target: (9)

5 Extradition treaties
4 MLATs

FY 2002 Actual: (7)

2 Extradition treaties
5 MLATs



Discussion: We did not meet our target number of new treaties entering into force. Treaties entering into force are dependent on legislative action by the U.S. and the foreign country.

Public Benefit: New extradition and Mutual Legal Assistance Treaties expand the complement of tools available to U.S. and foreign law enforcement officials engaged in the fight

against transnational crime. Such treaties provide the means to bring fugitives to justice and supply evidence necessary to support criminal investigations and prosecutions. These treaties forge strong law enforcement relationships between the U.S. and other countries, and they convey an obligation to assist in international extradition and formal evidence gathering efforts. Equally important is the ongoing effort to implement our existing treaties, with a view to making them as effective as possible.

Performance Measure: NEW MEASURE:
Number of Fugitives Surrendered To and From the U.S. during the FY [CRM]

FY 2002 Actual:

269 fugitives surrendered to the U.S.

102 fugitives surrendered from the U.S.

Discussion: The Office of International Affairs works closely with U.S. federal, state, and local prosecutors, as well as with international law enforcement counterparts, to facilitate the surrender of fugitives wanted both in the U.S. and abroad for prosecution or service of sentence.

FY 2003 Performance Target: Based on performance thus far in FY 2002, we plan to achieve FY 2003 targets of 250 fugitives surrendered to the U.S. and 100 fugitives surrendered from the U.S.

FY 2004 Performance Plan:

250 fugitives surrendered to the U.S.

100 fugitives surrendered from the U.S.

Public Benefit: Facilitating the effective prosecution of fugitives, particularly those charged with the most serious crimes, including murder, narcotics trafficking, offenses related to terrorism, and large-scale financial fraud is a critical element in the fight against transnational crime.

Strategies to Achieve the FY 2003/FY 2004 Goal:

As our network of international law enforcement treaties has grown in recent years, we have begun to focus our efforts on implementing our existing treaties, with a view to making them as effective as possible, rather than on negotiating many new instruments. The legal processes leading up to a fugitive's surrender include extradition and waiver of extradition (the U.S. has extradition treaty

relationships with approximately 120 countries), deportation, expulsion and voluntary return.

Crosscutting Activities:

DOJ works closely with the State Department in negotiating law enforcement related treaties and agreements and pursuing the extradition process. DOJ also deals with Treasury in international money laundering matters and with the Office of National Drug Control Policy in the development of strategies for domestic and transnational drug trafficking.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.2: DRUGS

Reduce the threat, trafficking, and related violence of illegal drugs by identifying, disrupting, and dismantling drug trafficking organizations

2.2A Reduction in the Supply and Use of Drugs within in the U.S.

Background/Program Objectives:

The Department of Justice focuses its drug law enforcement efforts on reducing the availability of drugs by targeting the largest drug supply and money laundering networks for dismantlement of their entire infrastructure, from international supply and national transportation cells, to regional and local distribution organizations. The OCDETF program has been designated by the Attorney General as the centerpiece of his drug strategy. The program coordinates multi-agency and multi-region investigations, targeting the most serious drug trafficking threats. The OCDETF program functions through the efforts of the U.S. Attorneys; elements of the Department's Criminal Division; the investigative, intelligence, and support staffs of DEA, FBI, INS, and USMS; the investigative support of the Bureau of Alcohol, Tobacco and Firearms; the Internal Revenue Service; the U.S. Customs Service; the U.S. Coast Guard; as well as state and local law enforcement agencies. The goal of each OCDETF investigation is to determine connections to related investigations nationwide in order to identify and dismantle the entire structure of the drug trafficking organization (DTO). A major emphasis of OCDETF investigations is to disrupt financial dealings and dismantle the financial infrastructure that supports the DTO. As the Attorney General noted during a national conference in December 2001, "Sophisticated drug trafficking organizations mirror the Fortune 500. They have similar business structures, distribution systems, and profitability - laundering an estimated \$300 - \$500 billion a year. Just as the Department seeks to dismantle terrorist operations by cutting off their access to money, so too must we combat the sophisticated financial infrastructure of drug trafficking operations."

Performance:

Performance Measure: DOJ's Reduction in the Supply of Drugs Available for Consumption Within the U.S. (Formerly Reduction in the Supply of Drugs Entering the U.S.) [DEA] (NOTE: This measure reflects drug enforcement efforts focused on the highest level violators regardless of the drug involved, therefore the target is an overall target and not drug specific.)

FY 2002 Target: Establish Baseline

FY 2002 Actual: Baseline Established, with seizure data for FY 2002

Discussion: During FY 2002, DOJ, in conjunction with the Office of National Drug Control Policy (ONDCP), and an interagency group led by DEA, baseline estimates were developed for the annual amount of cocaine, heroin, methamphetamine and marijuana available for consumption in the U.S. during 2001. These totals include drugs transported into the U.S., as well as drugs produced domestically. These drug availability estimates will be updated annually.

While drug seizure data is readily available, it does not capture the total impact of disrupted or dismantled DTOs. In an effort to evaluate the Department's impact on the availability of drugs entering the U.S. during FY 2003, DEA is developing a methodology to determine the immediate and long term impact on drug trafficking and the drug supply as a result of successfully disrupting and/or dismantling a drug trafficking criminal enterprises. The development of this methodology will be complex due to the data limitations and numerous variables similar to those encountered in the development of the national drug supply estimates. Upon development of these estimates, the methodology will be expanded to determine the impact on drug supply as a result of

the law enforcement efforts of the Departments of Transportation and Treasury.

FY 2003 Performance Plan Evaluation:

Based on FY 2002 performance, we plan to meet our original FY 2003 goal of a 5% reduction in the supply of drugs.

FY 2004 Performance Target: 5%

reduction

Public Benefit: As entire drug trafficking networks, from sources of supply through the transporters/distributors, are disrupted or dismantled, the availability of drugs within the U.S. will be reduced. In addition, as more drug trafficking organizations are dismantled, the crime associated with those infrastructures should also be reduced.

Strategies to Achieve the FY 2003/FY 2004 Goal:

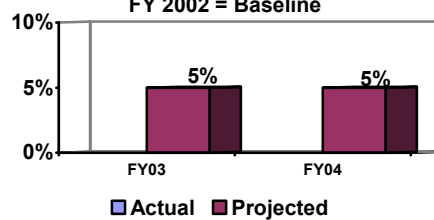
OCDETF has developed and implemented several changes to enhance the program's ability to achieve its goals. These developments include the establishment of a consolidated list of priority drug and money laundering targets, new and revised program guidelines, and new field guidance for agents and prosecutors to enhance effectiveness of OCDETF investigations.

Based on the new guidance, the OCDETF regions are accountable for ensuring that OCDETF resources are used toward the development of coordinated, multi-regional investigations and not for lower priority drug targets that could be investigated by a single federal agency or solely by state and local law enforcement. Thus, street level drug cases, without developed connections to higher-level organizations, are to be addressed by other law enforcement resources. To meet this challenge, each of the nine OCDETF Regions have developed a strategic plan that identifies the major drug trafficking and related money laundering networks operating within its region.

In addition, the Attorney General's drug strategy places increased emphasis on conducting financial investigations as an integral part of each OCDETF investigation. Accordingly, all OCDETF investigations must now include a financial investigation that extends beyond merely the

| DOJ's Reduction in Supply of Drugs Available for Consumption Within the U.S. [DEA] | | | |
|--|------------------|------------------|------------------|
| Drug | FY 2002 Baseline | FY 2001 Seizures | FY 2002 Seizures |
| | Pure Metric Tons | Metric Tons | |
| Cocaine | 260-270 | 35 | 25 |
| Heroin | 13-18 | .6 | .7 |
| Methamphetamine | 110-140 | 2.0 | 1.8 |
| Marijuana | 10,000-25,000 | 646 | 562 |

DOJ'S Reduction in the Supply of Drugs Available for Consumption Within the U.S. [DEA,OCDETF]
FY 2002 = Baseline



Data Definition: Pure metric tons reflects the volume of drugs entering or produced in the U.S. prior to distribution and possible dilution.

Data Collection and Storage: FY 2001 estimates were developed using intelligence data from several sources including but not limited to, the United Nations Office for Drug Control and Crime Prevention; ONDCP; the National Drug Intelligence Center; and the Federal-wide Drug Seizure System. FY 2002 seizure statistics were drawn from FDSS. In addition, a baseline estimate for the amount of illicit drugs consumed in the U.S. was developed by ONDCP based on data from the Substance Abuse and Mental Health Services Administration; National Institute of Justice's Arrestee Drug Abuse Monitoring Program; and the National Institute for Drug Abuse Monitoring the Future Survey.

Data Validation and Verification: An executive-level interagency Steering Committee oversaw this effort and individual interagency working groups were formed to develop availability estimates for each drug type, to include cocaine, heroin, methamphetamine, and marijuana. The working groups met periodically to determine the most appropriate estimation model to be used for each of the drugs and to ensure that all applicable availability data was assessed for inclusion in the estimates. These drug specific working groups then presented their findings to the executive-level Steering Committee for approval.

Data Limitations: The development of credible drug availability estimates was a first-time effort and, thus, there is uncertainty in some of the estimates. The estimates for cocaine are based on several years of research so these figures are more precise. However, due to the wide variance in prices and use behavior of heroin users, the lack of information regarding methamphetamine diversion, and the fact that there are no reliable figures regarding domestic marijuana production, the estimates for these drugs are presented in fairly wide ranges.

seizure of cars or other personal property of the main defendants. Although initiation of the financial investigation is not a prerequisite to OCDETF approval, the supervising AUSA's will be required to certify that financial investigative steps have commenced within 6 months after OCDETF approval.

While OCDETF cases encompass the drug efforts of the FBI and much of DEA, they do not represent the majority of cases worked by law enforcement at various levels throughout the U.S., nor do they represent the sum total of the DOJ effort.

Therefore, it is important to highlight the fact that there are many entities operating simultaneously at various levels, each with their specific area of focus and strategic approach, which contribute to a collective impact on the illicit drug supply within the U.S.

Crosscutting Activities:

Interagency cooperation is key to successful drug enforcement. Given the sophisticated, multi-jurisdictional nature of drug trafficking operations, controlled largely by criminal organizations in Colombia, Mexico and the Dominican Republic, the Department has developed a number of programs through which agencies can coordinate the counter-narcotics investigations with international, federal, state and local counterparts. Among these are the following:

- SOD: A DEA-led national multi-agency program with participation from FBI, Criminal Division, IRS, USCS, and Department of Defense, that supports ongoing investigations by producing detailed and comprehensive data analyses of the activities of Priority Drug Trafficking Organizations (PDTOs) which include CPOT targets.
- OCDETF: A program that joins federal, state and local law enforcement together with the United States Attorneys, in a comprehensive and coordinated attack against the most significant transnational and multi-district drug trafficking organizations.

- The Executive Office for OCDETF and ONDCP work collaboratively to encourage the High Intensity Drug Trafficking Area (HIDTA) task forces to actively participate in OCDETF quality investigations.
- DOJ and the Department of Transportation/U.S. Coast Guard work together to develop evidence to prosecute the maritime drug smuggling cases where U.S. forces have participated in the apprehension of the perpetrators.
- The NDIC assembles and synthesizes intelligence from federal, state, regional, and local law enforcement and the Intelligence Community to prepare its annual "National Drug Threat Assessment."
- EPIC, a national multi-agency intelligence center, acts as a clearinghouse for tactical drug related intelligence to support law enforcement at the federal, state, local and international levels.

2.2B Disrupt and Dismantle Major Drug Trafficking Criminal Enterprises

Background/Program Objectives:

In the past, the drug crime efforts of the DEA and FBI were reported separately, due in part to the size, complexity and significance of the drug trafficking organizations involved. While there were legitimate reasons for separate reporting, it created confusion and lacked Departmental focus. Consequently, in FY 2001, the Attorney General directed the Department to develop a single national list of major drug trafficking and money laundering organizations. In response, DEA, the FBI, and the U.S. Customs Service, with input from the intelligence community and other OCDETF member agencies, identified 53 international command and control organizations representing the most significant drug organizations threatening the U.S. These targets, titled the Consolidated Priority Organization Target (CPOT) list, represent the first time federal agencies have worked together to develop a single target list. This list reflects the most significant international narcotic supply and related money laundering organizations, poly-drug traffickers, clandestine drug manufacturers and producers, and major drug transporters supplying the U.S. The list, as well as linked organizations, will be updated periodically to remain current.

The efforts to disrupt and dismantle the CPOT organizations will be primarily accomplished via multi-agency and multi-regional investigations directed by DEA and the FBI. These investigations focus on the development of intelligence-driven multi-region investigations to identify and target national, international, and regional drug trafficking organizations that play significant roles in the production, transportation, distribution, or financial or other support of large scale drug trafficking. DEA and the FBI's ultimate objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible.

It is important to note that although DEA and FBI have both identified CPOT-linked organizations for dismantlement, their accomplishments are not mutually exclusive. Given the size, complexity, and the numerous linkages associated with these

organizations, it is probable that both the FBI and DEA have contributed to the dismantlement of a CPOT-linked organization.

DEA, through the utilization of its Priority Drug Targeting Organization (PDTO) Program, identifies and targets the most significant drug trafficking organizations operating at the International, National/Regional and Local levels. This is keeping with DEA's mission to combat drug trafficking at all levels. DEA's PDTO program is more expansive than CPOT, since it also includes local and regional drug organizations significantly impacting the drug supply in its 21 nationwide field divisions. PDTO investigations utilize intelligence derived from on-going PDTO and related investigations to identify major drug trafficking organizations to include the organization's distribution network, structure and members in order to target the highest level of the organization.

The objective of each PDTO investigation is to dismantle/disrupt the identified organization, arrest the organization's leaders, distributors, importers, and facilitators, and seize and forfeit all assets associated with the organization. DEA management has directed that all PDTO investigations be coordinated with appropriate DEA Field Divisions, to include the Special Operations Division (SOD), DEA's Country Offices, and other federal, state and local law enforcement agencies.

The FBI also focuses on the domestic cells of international drug trafficking criminal enterprises that have the most adverse impact on U.S. national interests. These criminal enterprises have previously been included on the FBI's National Priority Target List (NPTL), which the FBI will discontinue when it begins to track its targets through the CPOT list. The FBI's contribution to the CPOT will be based upon crime surveys and threat assessments conducted by its field offices. Field offices will be required to expand the scope of their drug investigations and attempt to link them to the criminal enterprises on the CPOT list.

Performance:

Performance Measure: Disrupted/Dismantled Priority Drug Trafficking Organizations (PDTOs) Operating with the U.S. (Formerly Disrupted/Dismantled PDTOs) [DEA] (NOTE: Prior Year actual data has been revised. This data was originally drawn from a new system still in the process of being validated. A thorough review revealed that there had been some inadvertent duplication that has now been eliminated.)

| Disrupted/Dismantled Priority Drug Trafficking Organizations (PDTOs) Operating within the U.S. [DEA] | | | |
|--|-------------|------------|------------|
| PDTOs Targeted | FY01 Actual | FY02 Proj | FY02 Act |
| International | 221 | 240 | 331 |
| National/Regional | 228 | 234 | 298 |
| Local | 117 | 114 | 135 |
| TOTAL | 566 | 588 | 764 |
| PDTOs Disrupted/Dismantled | | | |
| International | 43 | 14 | 70 |
| National/Regional | 38 | 14 | 65 |
| Local | 19 | 7 | 55 |
| TOTAL | 100 | 35 | 190 |

FY 2002 Target:

588 PDTOs targeted
35 PDTOs disrupted/dismantled

FY 2002 Actual:

764 PDTOs targeted
190 PDTOs disrupted/dismantled

Discussion: DEA exceeded both revised targets. The target for PDTOs disrupted or dismantled equated to 6% of targeted PDTOs. The actual accomplishment in this area was 19.9% of targeted PDTOs. In addition, during FY 2002, DEA completed efforts to automate reporting of the PDTO program and is now working to automate the CPOT linkages.

DEA's accomplishments in the latter half of FY 2001 and FY2002 reflect a new program that initially included many PDTOs near completion for dismantlement. In the future, PDTO disruptions and dismantlements will level off.

FY 2003 Performance Plan Evaluation:

Based on FY 2002 performance, we revised the FY 2003 goal upward. The Revised Final FY 2003 goal is 90 drug trafficking organizations disrupted

NEW MEASURE: Dismantled Priority Drug Trafficking Organizations (U.S. and Foreign) [DEA]

| Priority Drug Trafficking Organizations (PDTOs) Disrupted and Dismantled [DEA] | | | | | |
|--|--------------|------------|-----------|------------|------------|
| | | Target | Disrupt | Dismantle | Total |
| FY02 | CPOT-Link | 141 | 5 | 16 | 21 |
| | NonCPOT | 674 | 81 | 92 | 173 |
| | Total | 815 | 86 | 108 | 194 |
| FY03 | CPOT-Link | 155 | 4 | 12 | 16 |
| | NonCPOT | 741 | 36 | 38 | 74 |
| | Total | 896 | 40 | 50 | 90 |
| FY04 | CPOT-Link | 171 | 4 | 13 | 17 |
| | NonCPOT | 815 | 40 | 41 | 81 |
| | Total | 986 | 44 | 54 | 98 |

Data Definition: Disruption occurs when the normal and effective operation of a specific enterprise of the targeted criminal organizations is impacted as a result of an affirmative law enforcement action. Indicators of disruption include changes in organizational leadership, trafficking patterns, drug production methods, and violence within and between organizations. Dismantlement occurs when an identified organization is eviscerated and no longer capable of operating as a coordinated criminal enterprise. The organizations must be impacted to the extent that it is incapable of reforming.

Data Collection and Storage: Each Special Agent in Charge (SAC) nominates priority targets (based on intelligence information). Headquarters staff ensure targets are tracked and nominations are supported by data and information stored in the Priority Target Activity and Resource Reporting System (PTARRS).

Data Validation and Verification: Targets are validated by the Chief, Operations Division at DEA. Headquarters staff ensure the disruptions and dismantlements are supported.

Data Limitations: DEA is currently improving reporting systems that capture investigative work hours and cost data. DEA also recently initiated a Managerial Cost Accounting Study that will eventually allow the agency to capture actual full costs of investigating, disrupting, and dismantling PDTOs.

or dismantled.

FY 2004 Performance Target: 98 drug trafficking organizations disrupted or dismantled

Public Benefit: DEA's PDTOs comprise the most significant investigations in each domestic field division. As these organizations are identified,

disrupted, and dismantled, the investigative intelligence developed will be utilized to identify and target all organizational elements on the drug trafficking continuum. As entire drug trafficking networks, from sources of supply through the transporters/distributors, are disrupted or dismantled, the availability of drugs within the U.S. will be reduced.

Performance Measure: Dismantled Drug Trafficking Organizations (DTOs)[FBI]

FY 2002 Target:

Identify 250 DTOs

Dismantle 13 DTOs linked to NPTs (and CPOT organizations)

Dismantle 160 Other DTOs

FY 2002 Actual:

Identified 253 NPT DTOs

Dismantled 14 DTOs linked to NPTs (and CPOT organizations)

Dismantled 105 Other DTOs.

Discussion: Two targets were exceeded despite a FY 2002 reallocation of 400 agents from the FBI's counterdrug efforts to counterterrorism. The target for dismantling Other DTOs was not met because dismantling DTOs linked to NPTs took priority over dismantling non-linked organizations.

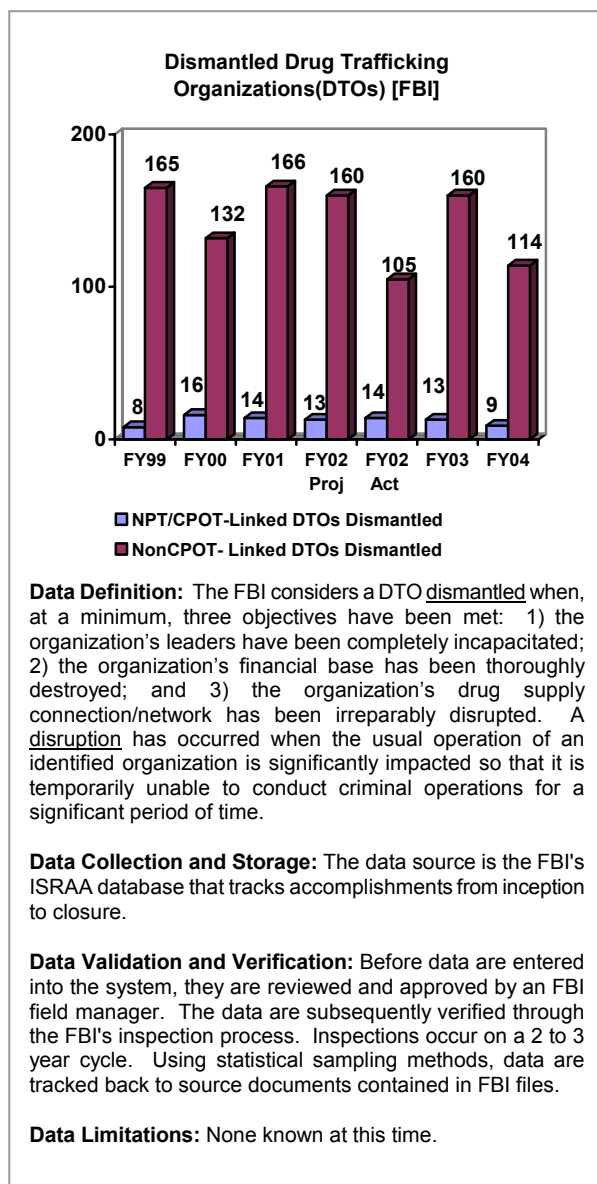
FY 2002 accomplishments included Mexican, Colombian, and Caribbean-based organizations.

FY 2003 Performance Plan Evaluation:

Based on performance thus far in FY 2002, we plan to achieve our original FY 2003 targets: Identify 250 DTOs, Dismantle 13 CPOT-Linked DTOs, and Dismantle 160 Non-CPOT DTOs.

FY 2004 Performance Target: Identify 176 DTOs; Dismantle 9 CPOT-Linked DTOs; Dismantle 114 Other DTOs.

Public Benefit: In order to make the most progress with the resources available, the FBI concentrates counter-narcotics resources against DTOs with the most extensive drug networks in the U.S. As entire drug trafficking networks, from sources of supply through the transporters/distributors, are disrupted or dismantled, the availability of drugs within the U.S. will be reduced.



Strategies to Achieve the FY 2003/FY 2004 Goal:

DEA has developed a strategy for targeting, disrupting and/or dismantling the most significant PDTOs and linked DTOs that present the greatest threat to the U.S. In order to disrupt or dismantle PDTOs, all organizational elements must be identified and targeted, including producers and/or suppliers, transporters, distributors, and facilitators.

Due to the increasing decentralization of drug trafficking, not all organizational elements are usually contained within a single PDTO. A decentralized organizational structure affords a great deal of flexibility and protection. For example, the facilitator generally has little or no

contact with the rest of the organization, so if the money laundering capability is disrupted, those arrested usually have little information about the remainder of the organization.

In order to ensure that resources are aligned against the significant drug trafficking threats to the U.S., DEA recently completed a Domestic Threat Assessment. Based on this assessment, DEA identified four primary illegal drug threat zones in the U.S.: Overland Arrival Zone, Maritime Arrival Zone, Methamphetamine Zone, and Heroin Zone.

- The *Overland Arrival Zone* (e.g., Southwest Border) remains the most vulnerable region of the U.S. Interagency assessments report that more than 60 percent of the cocaine entering the U.S. moves across the Southwest Border. In addition, methamphetamine produced in Mexico and multi-ton shipments of marijuana continue to enter the U.S. through the Southwest Border. *Transportation* PDTOs, which are responsible for moving multi-ton quantities of cocaine and marijuana, and kilogram quantities of heroin and methamphetamine, will continue as a major focus. Major sources of supply in Mexico and Colombia utilize these independent transportation groups, which control smuggling of all drug types within their established corridors, to transport their illicit products to distributors throughout the U.S.
- The *Maritime Arrival Zone* (e.g., Caribbean Corridor) remains a key transit area for cocaine as well as increasing amounts of heroin and MDMA. *Transportation* PDTOs, which utilize aircraft, high-speed boats, Dominican freighters, and containerized cargo to transport drug shipments into the U.S. will remain a major focus.
- The *Methamphetamine Zone*, which includes the West Coast and the Midwest, has the highest concentration of methamphetamine “super labs” and are supplied with Canadian pseudoephedrine PDTOs transiting through Detroit. PDTOs that supply and transport

pseudoephedrine to methamphetamine “super labs” will continue as a major focus.

- The *Heroin Zone* includes the Northeast corridor, with New York remaining the primary heroin entry point on the East Coast. The PRIDE program will continue to identify and target Colombian, Dominican, Asian, and Nigerian heroin PDTOs, particularly those with a Central Asian nexus having suspected linkages to terrorist organizations.

PDTO producer/suppliers and transporters also rely on three other types of independent PDTOs and/or DTOs to further their criminal activities. Distributors provide a portion of the illicit drugs to local organized distributors for retail sale in a specific community, and the remainder distributed in other areas throughout the U.S. Non-Financial Facilitators provide services, including protection (corrupt government officials often ensure the safe passage of drug loads) and storage facilities to conceal the illicit drugs/proceeds. Financial Facilitators provide money-laundering services, arranging for bulk shipments of cash from distributors to transporters and sources of supply, and/or provide front money to PDTOs for the purchase and transportation of drugs.

The FBI’s drug program is being restructured for several reasons. Recent events, primarily the September 11, 2001 attacks, required the FBI to examine current and future investigative priorities and develop organizational changes to accomplish its new objectives. The FBI, with the approval of Congress, has shifted 567 agents (in FY 2002 and 2003) from drug investigations to counterterrorism, counterintelligence, security, and training functions. This reduction will ultimately affect the number of DTOs identified, disrupted, and dismantled by the FBI.

Crosscutting Activities:

Please see Crosscutting Activities under 2.2A.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.3: ESPIONAGE

Combat espionage against the United States by strengthening counterintelligence capabilities

2.3A Identify, Prevent, and Defeat Foreign Intelligence Operations

Background/Program Objectives:

Foreign intelligence operations directed against the United States reflect the complexity and fluidity of the new world order. While the national goals of traditional rivals have changed, their capabilities and willingness to target traditional objectives, such as national defense information, plans and personnel, have not. At the same time, many of these rivals have increased their activities in other sectors affecting our national interests, such as in economic competitiveness. They join a formidable array of other foreign powers jockeying for economic or political preeminence, the success of whom is dependent upon effective intelligence operations directed against the United States.

Foreign intelligence threats can never be eliminated given that their origin and impetus lie primarily with sovereign states. They are planned, authorized, and financed by government entities beyond our boundaries and beyond the reach of our laws. Measures of success in these areas will gauge the FBI's capacity to detect potential hostile activities by foreign powers against the United States. In addition, the FBI will analyze its record at preventing and defeating these hostile activities in comparison to the best available estimates of the magnitude of foreign intelligence operations.

Performance:

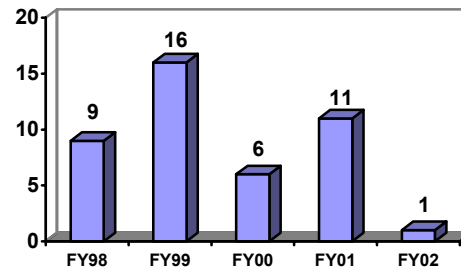
Performance Measure: Defeat Intelligence Operations – Foreign Counterintelligence Convictions [FBI]

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 1

Discussion: The number of convictions indicates only a portion of the success DOJ has had in preventing individuals or groups from

Foreign Counterintelligence Convictions [FBI]



Data Collection and Storage: The data source is the FBI's ISRAA database. The database tracks statistical accomplishments from inception to closure.

Data Validation and Verification: Before data are entered into the system, they are reviewed and approved by an FBI field manager. They are subsequently verified through FBI's inspection process. Inspections occur on a two to three year cycle. Using statistical sampling methods, data in ISRAA are tracked back to source documents contained in FBI files.

Data Limitations: None known at this time.

conducting hostile intelligence activities, because law enforcement methods are only one of several methods used to protect against hostile intelligence activities. Other methods, however, are often classified. Convictions may also serve as a deterrent to other individuals who may be susceptible to participating in foreign intelligence operations. The number of convictions is subject to wide fluctuation based on the nature of the program itself. Such fluctuations do not necessarily indicate a change in the success or effectiveness of the program, as it employs various other methods to prevent and combat hostile intelligence activities.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: Foreign entities frequently attempt to collect sensitive economic intelligence to enhance their military capabilities, as well as their

economic stability and competitiveness. Advanced critical or restricted U.S. technologies, defense-related industries, and critical business trade secret information remain the primary targets of the foreign economic espionage activities. Through the identification and neutralization of such activities, the FBI has deterred foreign efforts to wrongfully obtain critical U.S. Government and private sector data, information and technologies that are critical to maintaining U.S. national security and economic prosperity.

Strategies to Achieve the FY 2003/FY 2004 Goal:

The FBI's Foreign Counterintelligence (FCI) Program has recently completed a thorough and wide-ranging internal review of its operations and, as a result, has developed a comprehensive new Counterintelligence strategy. In the coming months, the FCI program will be developing program plans to carry out this strategy. The strategy is predicated on the need for a centralized national direction that facilitates a focus on common priorities and specific objectives in all areas of the country. It also recognizes the need for collaboration with other members of the U.S. Intelligence Community. This new strategy will enable the program to more effectively combat the intelligence threats facing the United States.

Crosscutting Activities:

DOJ continues to work with the intelligence community and with selected foreign governments to develop the internal and external relationships necessary to support investigations and prevention of intelligence threats and to generate information upon which analysis can be made. Coordination will facilitate long-range analysis of emerging threats.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.4: WHITE COLLAR CRIME

Combat white collar and economic crime, especially cybercrime

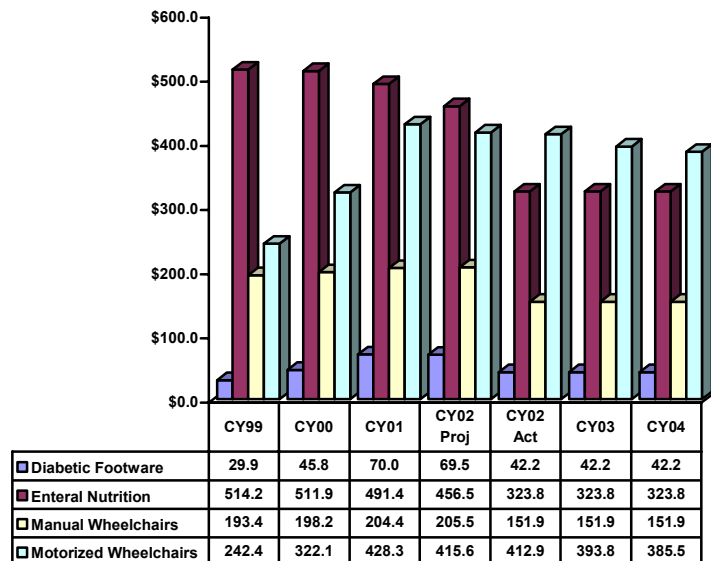
2.4A Reduce Fraudulent Practices in the Health Care Industry

Background/Program Objectives:

According to the Centers for Medicare and Medicaid Services (CMS), spending for health care totaled nearly \$1.3 trillion in 2000, and accounted for 13.2 % of the nation's gross domestic product. Public spending for health care services through the Medicare, Medicaid, and all other government funded health care programs accounted for 45 % of total health care spending in 2000. Medicare spending grew 5.6 % in 2000, following a brief period of slower growth in 1999 (1.5 %) and 1998 (1.0 %). CMS has attributed most of the increased spending to changes in provider payments, particularly those enacted in the Balanced-Budget Refinement Act of 1999 and the Benefit Improvement Protection Act of 2000. Due largely to demographic trends, CMS projects that national health expenditures will more than double to \$2.8 trillion by 2011, growing at a mean annual rate of 7.3 % during the forecast period 2001 to 2011. Due to this expected growth in health care spending, CMS further projects that national health expenditures will constitute approximately 17.0 % of GDP by 2011, a substantial increase from 13.2 % in 2000.

The General Accounting Office (GAO) estimated that as much as 10 % of annual health care costs may be attributable to fraud. The Department of Health and Human Services (HHS), Office of Inspector General's most recent audit of improper payments in the Medicare fee-for-service program shows that the claims payment error rate was 6.3 % (\$12.1 billion) in 2001, which is down from 14% (\$23.2 billion) when the first audit was conducted in 1996. Fraudulent claims submitted to health care insurers

Medicare Billings for Durable Medical Equipment Targeted for Fraud (mil) [FBI]



Data Definition: Enteral Nutrition is defined as the provision of nutritional requirements through a tube into the stomach or small intestine.

Data Collection and Storage: Data are collected from databases maintained by regional carriers and stored by the Centers for Medicare and Medicaid Services (CMS). Durable medical equipment information is collected from the Part B Extract Summary System (BESS).

Data Validation and Verification: Validation and verification of the data are performed by regional carriers and by CMS.

Data Limitations: Claims data from CMS are proved on a calendar year basis. BESS data are adjusted and reflect 95 % reporting of claims for 1999, 2000, and 2001, and 56 % reporting of claims for FY 2002. The figures are adjusted based upon the estimate of claims received for the reporting period. Changes in Medicare payment system due to legislative or regulatory action are taken into account so that comparisons of data from previous years are reliable.

and medically unnecessary services performed simply to generate billings are prevalent in every geographical area in the country. Pending cases demonstrate that fraud exists on a national scale, through either corporate schemes to defraud or systemic abuse by certain provider types. Home health care agencies, medical transport companies,

suppliers of durable medical equipment, and clinical laboratories are particularly susceptible to fraud. Enhanced use of technology to analyze health care billing data will allow law enforcement and health care program agencies to become more proactive in detecting fraud and abuse, identifying systemic weaknesses and closing loopholes in the system before criminals take further advantage of them.

Performance:

Performance Measure: Medicare Billings for Durable Medical Equipment (DME) Targeted for Fraud through FBI Investigations (in millions) [FBI] (NOTE: Prior year actuals have been updated to display the most accurate and current data available.)

CY 2002 Projection (Based on previous estimates for CY 2001):

- Diabetic Footwear - \$69.5
- Enteral Nutrition - \$456.5
- Manual Wheelchairs - \$205.5
- Motorized Wheelchairs - \$415.6

CY 2002 Actual (Full year projections based upon available data):

- Diabetic Footwear - \$42.2
- Enteral Nutrition - \$323.8
- Manual Wheelchairs - \$151.9
- Motorized Wheelchairs - \$412.9

Discussion: Although data collection takes place on a calendar year basis, and thus CY 2002 data are incomplete, so far the data indicate that the expected reduction in Medicare billings will occur. Updated information on CY 2001 Medicare data from CMS showed that previous estimates were reasonably close to more accurate data that are now available. Some of the updated revisions take into account certain DME codes that Medicare no longer services, and thus could not be tracked any further.

FY 2003 Performance Plan Evaluation:

Based on performance thus far in CY 2002, we expect to meet our original performance targets for FY 2003:

- Diabetic Footwear - \$42.2
- Enteral Nutrition - \$323.8
- Manual Wheelchairs - \$151.9
- Motorized Wheelchairs - \$393.8

FY 2004 Performance Target: Targets have been stabilized where estimated billings have already surpassed projections of cost reductions:

- Diabetic Footwear - \$42.2
- Enteral Nutrition - \$323.8
- Manual Wheelchairs - \$151.9
- Motorized Wheelchairs - \$385.5

Public Benefit: The FBI's Health Care Fraud initiative protects the nation's health care system in multiple ways. First, it directly impacts the current operating budget of the Medicare system by preventing criminals from bilking taxpayers for hundreds of millions of dollars. Second, well-publicized and high-impact cases act as a deterrent for future crimes by those sectors of the health care industry that previously felt their activities would go unnoticed. For example:

- On October 3, 2001, TAP Pharmaceuticals (TAP) had entered into the second largest Health Care Fraud settlement agreement in the United States. Investigation revealed that TAP engaged in the paying of kickbacks to urologists. The kickbacks appeared to have been paid in numerous forms, including unrestricted grants and free samples, office equipment, software, and tickets to sporting and cultural events. Four urologists were convicted in connection with this case for the selling of sample products of Lupron. TAP was sentenced to a \$290 million criminal fine and accepted a \$585 million civil settlement. In addition, TAP was required to pay interest of approximately \$10 million as agreed to in the settlement.

- Dr. Niels H. Lauersen and Magda Binion were convicted of 16 counts of health care fraud, mail fraud, and conspiracy in their ten year scheme of defrauding private insurance companies for \$2.5 million. After a six week trial, a Southern District of New York jury found renowned gynecologist, Lauersen, guilty of fraudulently billing insurance companies for covered gynecology procedures when, in fact, he was performing uncovered fertility surgeries, such as in-vitro fertilization.

Strategies to Achieve the FY 2003/FY 2004 Goal:

DOJ will continue to successfully investigate, prosecute and obtain judgments, forfeitures and settlements against providers that defraud health care programs. DOJ will also continue to sponsor training programs for prosecutors, investigators, and program integrity personnel and will collaborate with other federal and state agencies to combat health care fraud. The key performance measure illustrates projected reductions in discrete CMS Medicare expenditures based on recent enforcement initiatives. The relationship between law enforcement efforts targeting health care fraud and the resulting effect on identifiable areas of Medicare billings is implied by reductions in projected health care costs for Medicare expenditures related to services targeted for fraud enforcement. The Department will focus resources on early indicators of potential fraud that are anticipated to lead to high-impact investigations of nationwide health care schemes. Industries and markets that have been identified as potential targets for investigation will be monitored for reductions in economic loss and frequency of fraud.

abuse initiative in October 1998. Since 2000, DOJ and CMS have jointly sponsored one national conference and two regional meetings to enhance the use of technology and high-tech analytic tools to combat health care fraud.

Crosscutting Activities:

DOJ has increased participation on interagency task forces and working groups formed to address health care fraud and abuse issues. In addition to federal law enforcement and health care program agency representatives from the Departments of Justice, HHS, Defense, Labor, Veterans Affairs, and the Office of Personnel Management, such task forces may also include state and/or local law enforcement representatives from the National District Attorneys Association, the National Association of Medicaid Fraud Control Units, and the National Association of Attorneys General. To illustrate, the National Health Care and Managed Care Fraud Working Group was formed in the early 1990s and meets on a quarterly basis. Similarly, numerous United States Attorneys' Offices across the nation chair interagency health care fraud task forces that meet routinely on a local or state basis. DOJ and HHS formed an interagency Nursing Home Fraud and Abuse steering committee, comprised of CMS, HHS-OIG and the FBI, that has met monthly since the agencies launched a nursing home fraud and

2.4B Combat Fraud

Background/Program Objectives:

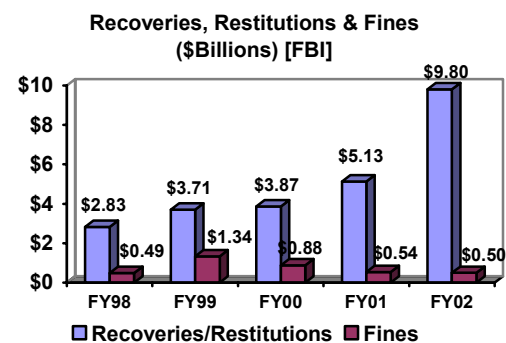
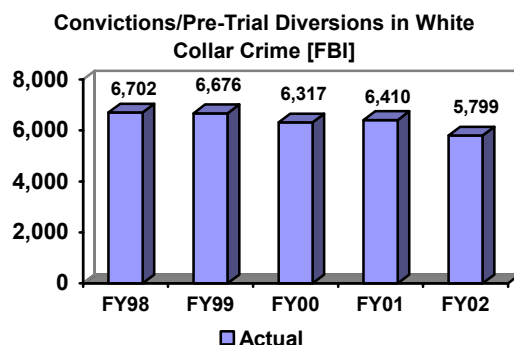
Private industry in the U.S. controls trillions of dollars in assets, an inviting target for criminal schemes ranging from technological attacks on a corporation's intellectual property to more traditional attempts to defraud. The challenge facing the FBI in this area is to create and maintain a strong deterrent capability that will prevent criminal organizations from defrauding, and thereby weakening, U.S. industries. To prevent significant levels of fraud, the FBI must be able to identify emerging trends and industry vulnerabilities and enlist the cooperation of the private sector.

The overwhelming number of frauds committed each year far exceeds the FBI's capacity to investigate and prosecute each individually. Accordingly, the FBI will concentrate on the most significant crime problems, leverage limited resources through cooperative efforts with affected industries and other law enforcement agencies, and implement a preventive strategy that will rely heavily on improved intelligence.

The current focus in the area of fraud revolves around the President's Corporate Fraud Task Force, created by Executive Order, under the direction of the Deputy Attorney General to oversee and coordinate the Department's and the Federal Government's efforts to investigate, prosecute, and punish corporate fraud. The Corporate Fraud Task Force has thus far coordinated hundreds of investigations of accounting misstatements, fraudulent enrichment, and obstruction of justice at companies large and small. These efforts have yielded significant indictments and pleas in matters involving WorldCom, Enron, Adelphia, Homestore.Com, Peregrine Systems, El Paso Corporation, ImClone, Newcom, Commercial Financial Services, and other companies.

Performance:

Performance Measure: Convictions/Pre-Trial



Data Collection and Storage: The data source is the FBI's ISRAA database. The database tracks statistical accomplishments from inception to closure.

Data Validation and Verification: Before data are entered into the system, they are reviewed and approved by an FBI field manager. They are subsequently verified through the FBI's inspection process. Inspections occur on a two to three year cycle. Using statistical sampling methods, data in ISRAA are tracked back to source documents contained in FBI files.

Data Limitations: None known at this time.

Diversions in White Collar Crime [FBI] (NOTE: Prior year data has been updated to reflect the most current and accurate data available. Public Corruption program data are not included, see 2.4C.)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 5,799

Discussion: The FBI is still developing performance measures that will reflect its ability to prevent and deter significant fraud in the U.S.

FY 2003 Performance Target: N/A

FY 2003 Performance Target: N/A

Public Benefit: The FBI targets the most notorious cases of fraud using joint investigations and task forces with other federal, state, and local law enforcement agencies.

The investigation of WorldCom, one of the largest telecommunications providers in the country, has combined the efforts of Corporate Fraud Task Force members, USAOs, the Security Exchange Commission (SEC), and the FBI. WorldCom has to date revealed accounting misstatements in excess of \$9 billion.

The SEC brought swift enforcement action against WorldCom in June 2002, within days of the initial disclosure of massive accounting misstatements. That suit secured an injunction against the dissipation of remaining company assets and the imposition of a corporate monitor to ensure that executive wrongdoers did not remove cash from the company.

Former WorldCom CFO Scott Sullivan and former WorldCom Director of General Accounting Buford Yates were indicated by a federal grand jury on charges of conspiracy and securities fraud charges stemming from their participation in a scheme to defraud the investing public by falsifying the financial condition and operating performance. On October 28, 2002, Yates pleaded guilty.

On September 26, 2002, David Myers, the former comptroller of WorldCom, pleaded guilty to conspiracy, securities fraud, and making false filings with the SEC; and on October 11, 2002, Betty Vinson, the former Director of Management Reporting at WorldCom, and Troy Normand, the former Director of Legal Entity Accounting, pleaded guilty to conspiracy and securities fraud.

Adelphia, one of the largest cable providers in the country, was also a focus of the Corporate Fraud Task Force. The investigation and prosecution of senior executives resulted from the combined efforts of the Task Force, USAOs, the U.S. Postal Inspection Service, the SEC, and the Treasury Department's Internal Revenue Service (IRS).

On September 23, 2002, John J. Rigas, the founder and former Chairman of the Board and CEO of Adelphia Communications Corp., two of

his sons and two other executives were indicted on charges of wire fraud, securities fraud, bank fraud, and conspiracy to commit all of those offenses. The indictment charges that from 1999 through 2002, the defendants participated in a scheme to defraud Adelphia's creditors and investors by making false and misleading statements about Adelphia's debt, operating performance, and basic cable subscriber growth. The indictment also charges that the Rigas family embezzled hundred of millions of dollars in Adelphia's funds and assets.

Additionally, in January 2002, the Department of Justice formed a special Enron Task Force to examine all Enron-related matters. The Task Force is composed of a team of federal prosecutors supervised by the Department of Justice's Criminal Division and agents from the Federal Bureau of Investigation and other agencies.

Based on the work of the Task Force, the investigation already has produced significant results. On April 9, 2002, David Duncan, chief accountant for Arthur Andersen LLP, pleaded guilty to a one count information charging him with obstruction of justice. On June 15, 2002, Arthur Andersen LLP was convicted of an obstruction of justice charge for destroying Enron-related materials. On July 27, 2002, three former British bankers were charged with fraud in a \$7.3 million scheme involving Enron. On August 21, 2002, Michael J. Kopper, a former managing director of the Enron Corporation, pleaded guilty to conspiracy to commit wire fraud and conspiracy to commit money laundering stemming from a scheme to defraud Enron and its shareholders. In pleading guilty, Mr. Kopper agreed to cooperate in the ongoing investigation of the Enron collapse and to pay \$12 million in restitution and forfeiture. On October 31, 2002, Andrew Fastow, former chief financial officer of Enron, was charged in a 78-count indictment in connection with Enron's multi-billion dollar collapse. On November 26, 2002, former Enron executive Lawrence M. Lawyer pleaded guilty pursuant to a cooperation agreement to subscribing to a false tax return. As part of his cooperation agreement, Lawyer agreed to pay \$29,274.73 in back taxes to the IRS and to pay voluntary restitution in the amount of \$79,468.83 to the Enron Ex-Employees Relief Fund.

Performance Measure: Recoveries, Restitutions, and Fines in billions [FBI] (NOTE: Prior year data have been updated to reflect the most current and accurate data available. Public Corruption program data are not included. See 2.4C)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual:
Recoveries and Restitutions: \$9.80 billion
Fines: \$0.50 billion

Discussion: See above.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: See above.

Strategies to Achieve the FY 2003/FY 2004 Goal:

In FY 2004, under the leadership of the Corporate Fraud Task Force, DOJ will continue to identify and target fraud schemes such as corporate fraud. DOJ will also continue to pursue health care fraud, money laundering, financial institution fraud, insurance fraud, securities/commodities fraud, and identity theft, which threaten to undermine our nation's financial institutions. DOJ will aggressively utilize the money laundering and asset forfeiture statutes to ensure that fraudulently obtained funds are located and proper restitution is made to the victims of fraud. DOJ's enforcement strategy is a coordinated approach whereby the Department will continue to work with other Federal agencies to identify and target fraud schemes by successfully investigating, prosecuting, and obtaining judgments and settlements.

Crosscutting Activities:

The President's Corporate Fraud Task Force is a collaborative effort led by the DOJ to root out and eradicate corporate fraud. The Task Force combines the efforts of components across DOJ and the cooperation of SEC, Commodity Futures Trading Commission, the Department of Treasury, the Department of Labor, the Federal Communications Commission, the Federal Energy Regulatory Commission, and the U.S. Postal Inspection Service.

2.4C Combat Public Corruption

Background/Program Objectives:

Public corruption is a serious crime against both the individual and society as a whole. All public corruption offenses, regardless of the type, share a common objective: to pervert our representative system of government and replace it with a government of special interests. Furthermore, the higher the office or level of government tainted by the corruption, the broader the negative effects. The Department, therefore, places a high priority on attacking public corruption by senior government officials. The Public Corruption Unit of the FBI believes a significant amount of corruption is untouched. The FBI addresses this problem, both domestically and internationally, by determining likely points of corruption, and then cultivating an intelligence base within government and/or the business entity and monitoring activity.

Over the past 5 years, there have been more than 600 subjects in law enforcement corruption cases. There is a growing trend of law enforcement corruption cases involving law enforcement officers actively participating in criminal acts, rather than merely protecting such actions. The single greatest obstacle to a law enforcement corruption investigation is the fact that police departments throughout the country regard their own corruption issues as their own "dirty laundry" not to be taken outside the agency.

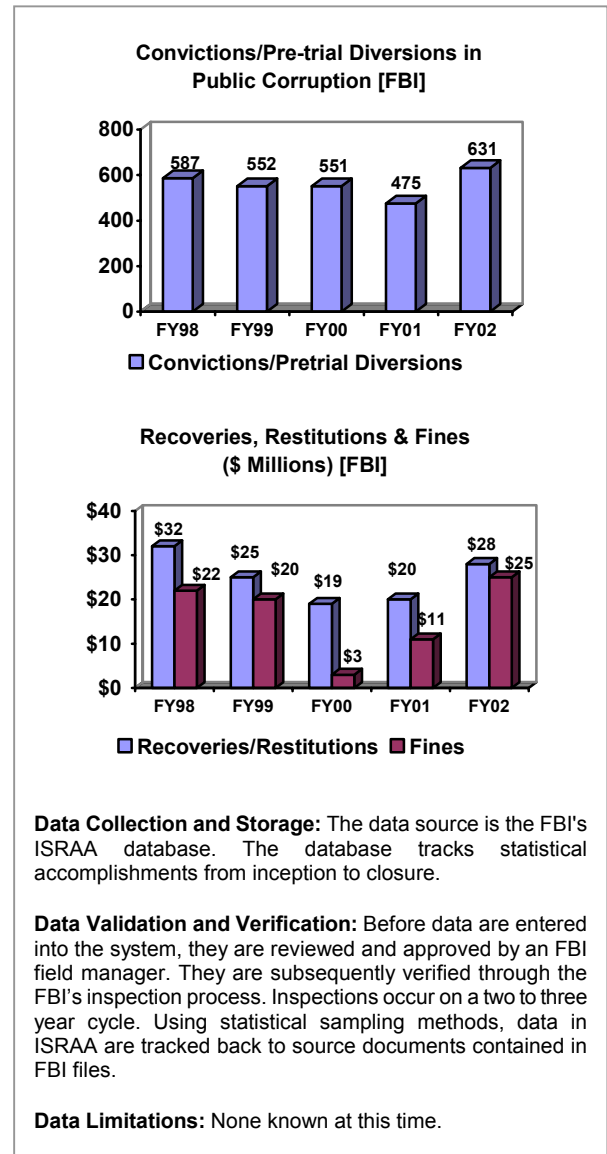
Performance:

Performance Measure: Convictions/Pre-trial Diversions [FBI] (NOTE: Prior year actuals have been updated to provide the most recent and accurate data available.)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 631

Discussion: The FBI is still developing performance measures that will reflect its ability to reduce public corruption in the U.S. At this time, the FBI believes that its strategic emphasis in fighting public corruption will yield greater



statistical accomplishments in the future. However, the measures currently used to report its progress are insufficient to project performance targets by which the FBI's public corruption investigations can be externally evaluated.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: The FBI vigorously pursues public corruption cases at all levels of public life, with almost 1,600 corruption probes pending at the

end of FY 2002. Approximately 30 percent of public corruption convictions are typically associated with law enforcement corruption. These investigations are crucial to ceasing high-impact criminal conduct by the public servants entrusted with the safety and protection of American citizens and public property.

Performance Measure: Recoveries/Restitutions and Fines in million [FBI] (NOTE: Prior year actuals have been updated to provide the most recent and accurate data available.)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual:

Recoveries and Restitutions: \$28 million

Fines: \$25 million

Discussion: See above.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: See above.

Strategies to Achieve the FY 2003/FY 2004 Goal:

The Department will increase its efforts to address public corruption by (1) increasing Department-wide awareness of the significant harm caused by public corruption and the Department's interest in combating it; (2) making public corruption investigations and prosecutions a top priority throughout the Department; and (3) increasing the number and scope of training events for federal prosecutors and investigators focused on corruption cases.

One of the key strategic goals in the FBI regarding public corruption is the increased awareness and pursuit of international matters. The current caseload of investigations is not indicative of the true extent of the problem, but is an indication of the difficulty of pursuing these inquiries. Unfortunately, the U.S. is virtually alone in outlawing corrupt practices by its citizens abroad. As it stands, other nations do not criminalize bribery of foreign public officials, which makes it very difficult for the U.S. to successfully investigate such allegations against its own citizens. However, the FBI is making an effort to gain

intelligence into such activities to support its own investigations.

Crosscutting Activities:

The Department also will continue its participation in training events sponsored by other federal departments and agencies and will continue to instruct the Offices of Inspectors General of the federal agencies on the investigations of conflicts of interest and other corruption allegations. At the international level, the Department will continue to assist in a number of anti-corruption efforts including those of the Council of Europe, the United Nations Crime Prevention and Criminal Justice Commission and the Organization for Security and Cooperation in Europe. The FBI is working with state and local police executives and law enforcement officers in Eastern Europe, the former Soviet Union and Asia, on recognizing and responding to emerging trends in law enforcement corruption.

2.4D Investigate and Prosecute High Technology Crimes

Background/Program Objectives:

With the continuing expansion of the Internet as a global medium for electronic commerce and communications, the type of cybercrime most likely to cause significant harm to consumers and businesses here and abroad, and to undermine consumer confidence, is Internet fraud. There are substantial increases in various fraud schemes involving the Internet, such as online auction fraud, stock manipulation schemes, credit card fraud, false business or investment opportunities, ponzi/pyramid, identity theft, and perjury. One estimate is that online payment-card fraud will increase from \$1.6 billion in 2000 to \$15.5 billion by 2005.

Performance:

Performance Measure: High Technology Crime (Fraud) Criminal Case Success Rate [CRM]

FY 2002 Target: 80%

FY 2002 Actual: 100%

Discussion: Fraud Section exceeded its target for FY 2002.

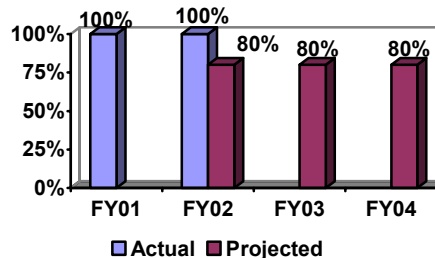
FY 2003 Performance Plan Evaluation:

Based on FY 2002 performance, we plan to meet our original FY 2003 goal of 80%.

FY 2004 Performance Target: 80%

Public Benefit: High Technology has become a weapon used to commit major fraud schemes that traditionally had been committed with the use of the mails and wires. Criminals use computers to solicit, communicate with and receive payments from substantial numbers of victims in a span of a few days by taking advantage of cutting-edge technology to commit identity theft and related crimes, as well as large-scale investment schemes over far greater distances than ever before. Included is the unregulated sale of health care products including prescription drugs over the Internet to unwitting consumers here and abroad. Also included are Internet fraud and Internet related fraud cases, such as securities fraud, consumer fraud and identity theft that exploit the Internet. The Department's objective in combating High Technology crime includes education, coordination

High Technology Crime (Fraud) Criminal Case Success Rate [CRM]



Data Collection and Storage: The Department's measurement for this goal includes data from the Criminal Division's Automated Case Tracking System (ACTS). ACTS is a centralized database used to track the Division's cases from inception to closure.

Data Validation and Verification: Data are provided by trial attorneys and reviewed by the overseeing Deputy Chief/Chief prior to being entered into the tracking system. All case information is reviewed and updated on a monthly basis by the assigned attorneys.

Data Limitations: None known at this time.

and cooperation at the federal, state, local and international law enforcement levels; public education and prevention; detection; prosecution; and deterrence.

On May 17, 2002, the Fraud Section, in coordination with the U.S. Attorney's Offices in Pennsylvania and South Carolina, obtained the conviction of David Allen Sussman in connection with an online auction fraud. Sussman pleaded guilty to two counts of wire fraud in connection with a scheme to defraud users of eBay and other online auction sites. Sussman adopted multiple false names, established multiple Web-based e-mail accounts under those names, and used them to conduct fraudulent eBay auctions and to bid in others' eBay auctions for high-priced watches, jewelry, and other items of value. Sussman's scheme caused total losses of at least \$85,894.

Strategies to Achieve the FY 2003/FY 2004 Goal:

DOJ will increase the quality and variety of Internet fraud related training, to ensure that prosecutors and agents are fully conversant with changing trends. To effectively manage the increase in prosecution of cases such as securities fraud, consumer fraud, and identity theft that exploit the Internet, including those cases that may operate in multiple jurisdictions and use sophisticated techniques for concealing and laundering criminal proceeds, the Fraud Section will plan for appropriate investigative, prosecutorial, financial and technical support.

CRM's Computer Crime and Intellectual Property Section's (CCIPS) dedicated team of prosecutors will continue to build relations with various computer crime squads; respond to requests for training, advice, and review of proposed legislation; and coordinate international efforts (such as investigating the denial of service attachment and Love Bug virus). In addition, CCIPS will increase assistance with wiretaps over computer networks, as well as taps and traces that require agents to segregate Internet headers.

CCIPS will also assist in the prosecution of crimes involving unlawful conduct on the Internet to include Internet gambling, online drug sales, child pornography and fraud; and will maintain primary responsibility for the prosecution of criminal intellectual property violations.

Crosscutting Activities:

As part of the Department's Intellectual Property Initiative, CCIPS will continue to work with USCS, EOUSA and the FBI on prosecuting intellectual property cases. In addition, CCIPS will continue to coordinate approval for, as well as prosecute, all the charges under the theft of trade secret provisions of the Economic Espionage Act.

International coordination will occur through direct bilateral consultation and discussion with G-8 and other countries.

2.4E Prosecute International Price Fixing Cartels

Background/Program Objectives:

The Antitrust Division (ATR) decreases and deters anticompetitive behavior affecting U.S. businesses and consumers by investigating and prosecuting violations of our Nation's antitrust laws. While DOJ remains vigilant in the face of all criminal antitrust activity, DOJ has placed a priority on the successful prosecution of international price fixing cartels. These cartels pose a number of challenges in that they are highly sophisticated; significant for the large volumes of commerce involved; and extremely broad in terms of the number of businesses and consumers affected. ATR is committed to meeting these challenges in order to ensure the arrest of unlawful conduct, wherever it occurs, that causes injury in the United States. Successful enforcement of these laws decreases and deters anticompetitive behavior which saves U.S. consumers millions of dollars, allows them to receive goods and services of the highest quality at the lowest price, and enables U.S. businesses to compete on a level playing field nationally and internationally.

Performance:

Performance Measure: Success Rate for Antitrust Criminal Cases [ATR]

FY 2002 Target: 90%

FY 2002 Actual: 91%

Discussion: ATR's goal is to achieve a successful outcome in every case it tries. ATR has been aggressive in its pursuit of criminal anticompetitive behavior, exceeding its targeted 90% success rate in FY 2002.

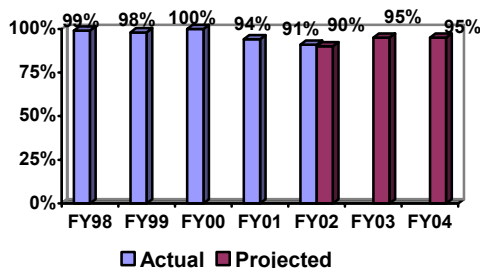
FY 2003 Performance Plan Evaluation:

Based on FY 2002 performance, we plan to meet our original FY 2003 goal of 95%.

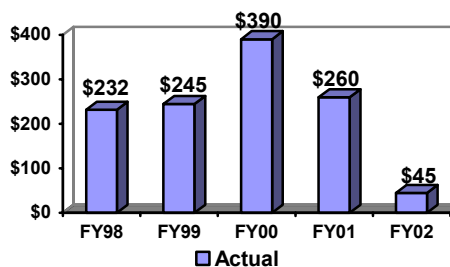
FY 2004 Performance Target: 95%

Public Benefit: In recent years, ATR has enjoyed remarkable success in terms of fracturing international cartels, securing the convictions of major conspirators, and obtaining record-breaking fines. The benefits that accrue to U.S. consumers and businesses as the result of these efforts are considerable. Criminal enterprises encountered by ATR are increasingly large and global in scope, and

Success Rate for Antitrust Criminal Cases [ATR]



Savings to U.S. Consumers (\$Mil) [ATR]



Data Collection and Storage: Data is collected and stored in ATR management information systems, primarily in the Matter Tracking System and its companion user interfaces.

Data Validation and Verification: User training and software guides encourage accurate data entry. Instantaneous online data validations include inter-element cross-checks, numeric range checks, single element list-of-values checks and mandatory data element checks. In addition, batch data analysis and ad hoc reviews are conducted periodically. Finally, programmatic review of data helps assure the quality.

Data Limitations: Savings to U.S. consumers uses the volume of commerce affected by the conspiracy and the estimated price effect of the conspiracy. Volume of commerce is based on the best available information from investigative and public sources. We are limited in our ability to estimate the price effect, and thus in most cases rely on the 10 % figure cited in the U.S. Sentencing Guidelines Manual as the average gain from price fixing. A 1-year estimate of savings may be significantly underestimated as many conspiracies exceed 1 year.

their impact on international commerce is significant, raising prices and thwarting innovation around the globe. Since the beginning of FY 1997, ATR has prosecuted international cartels affecting well over \$10 billion in U.S. commerce and collected fines exceeding \$2 billion. It is clear that

the termination of cartel activity in these cases will save U.S. businesses and consumers many hundreds of millions of dollars annually.

Performance Measure: Savings to U.S. Consumers (as a result of the Antitrust Division's Criminal enforcement efforts) [ATR]

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: \$45 million

Discussion: In the criminal enforcement area, ATR continued to provide economic benefits to U.S. consumers and businesses in the form of lower prices and enhanced product selection by dismantling international private cartels and restricting other criminal anticompetitive activity. The estimated value of consumer savings generated by our criminal efforts is contingent upon the size and scope of the matters encountered and thus varies significantly.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: ATR has moved forcefully against price-fixing, bid-rigging, and market-and custom-allocation conspiracies in both international and domestic markets. In some matters, the volume of commerce affected by the suspected conspiracy exceeds \$1 billion per year per matter; and in over half of ATR's investigations, the volume of commerce affected exceeds \$100 million.

Strategies to Achieve the FY 2003/FY 2004 Goal:

When businesses are found to be actively engaged in bid rigging, price fixing, and other market allocation schemes that negatively affect U.S. consumers and businesses (no matter where the illegal activity may be taking place), ATR pursues criminal investigations and prosecutions. ATR's Individual and Corporate Leniency Programs, revised in recent years for greater effectiveness, have proven critical in uncovering criminal antitrust violations. Increasingly, ATR is relying on formal international cooperation agreements or informal consultations with foreign antitrust authorities in pursuit of the companies and individuals involved, whether those companies come to our attention via the Leniency Programs, or through other channels.

Greater time and resources are devoted to investigation-related travel and translation, given the increasingly international operating environment of the criminal conspiracies being encountered. In all instances, if ATR ultimately detects market collusion and successfully prosecutes, ATR may obtain criminal fines or injunctive relief.

Crosscutting Activities:

The Antitrust Division maintains relationships with the FBI and the U.S. Attorneys, largely in support of the criminal enforcement strategy. Activities in this area are typically coordinated on a case-by-case basis, and program performance is assessed in terms of successful prosecutions of unlawful conduct.

2.4F Prosecute Environmental and Wildlife Crimes

Background/Program Objectives:

Vigorous prosecution remains the cornerstone of the Department's integrated approach to ensuring broad-based environmental compliance. It is the goal of investigators and prosecutors to discover and prosecute criminals before they have done substantial damage to the environment (including protected species), seriously affected public health, or inflicted economic damage on consumers or law-abiding competitors. The Department's environmental protection efforts depend on a strong and credible criminal program to prosecute and deter future wrongdoing. Highly publicized prosecutions and tougher sentencing for environmental criminals are spurring improvements in industry practice and greater environmental compliance. Working together with federal, state and local law enforcers, DOJ is meeting the challenges of increased referrals and more complex criminal cases through training of agents, officers and prosecutors; outreach programs; and domestic and international cooperation.

Performance:

Performance Measure: Percent of Criminal Environmental and Wildlife Cases Successfully Litigated [ENRD]

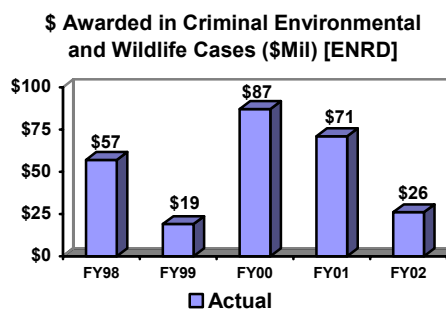
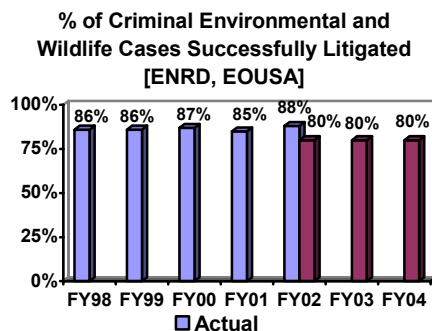
FY 2002 Target: 80%

FY 2002 Actual: 88%

Discussion: FY 2002 successes include a guilty plea and an \$18 million fine from a major passenger cruise line which was falsifying records of oil contaminated discharges to the sea. A portion of the fine will be paid to environmentally focused organizations. In another success, a defendant pled guilty to intentionally draining two ponds that contained a protected species thereby making way for a housing development. The judgment included fines and payments to environmentally focused organizations totaling \$1 million, and an agreement to preserve a 640-acre parcel for the protected species.

FY 2003 Performance Plan Evaluation:

Based on FY 2002 performance, we plan to meet our original FY 2003 goal of 80%.



Data Collection and Storage: A majority of the performance data submitted by ENRD are generated from the division's Case Management System (CMS). Similarly, EOUSA data are extracted from their CMS.

Data Validation and Verification: ENRD has instituted a formal data quality assurance program to ensure a quarterly review of the Division's docket. The case systems data are monitored by the Division to maintain accuracy.

Data Limitations: Timeliness of notification by the courts.

FY 2004 Performance Target: 80%

Public Benefit: The Department continues to produce successful criminal prosecutions relating to environmental and wildlife statutes. These successes ensure compliance with the law and lead to specific improvements in the quality of the environment of the United States, and the health and safety of its citizens. Additionally, the Department has had numerous successes in prosecuting vessels for illegally disposing of hazardous materials into United States' waterways. These successes have improved the quality of our waterways and promote compliance with proper disposition of hazardous materials.

Performance Measure: \$ Awarded in Criminal Environmental and Wildlife Cases [ENRD] (ENRD data only)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: \$26 million

Discussion: FY 2002 successes include the \$18 million dollar fine from a major passenger cruise line mentioned above, and a fuel supplier that was ordered to pay a total of \$471,000 and spend 2 years on probation for conspiring to falsify reformulated gas testing results in order to meet EPA standards. In addition, a shipping company and its owner pled guilty to the crime of distributing caviar from protected species. The two defendants were fined a total of over \$111,000 and ordered to pay total restitution of \$48,000 split between the Fish & Wildlife Foundation and the Fish & Wildlife Service.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: The Department continues to yield criminal fines from violators, thereby removing any economic benefits of non-compliance and leveling the playing field for companies that comply with environmental laws. Additionally, the Department's prosecution efforts, and resulting criminal fines, deter others from committing such crimes and promote adherence to environmental and natural resource laws and regulations. These efforts result in the reduction of hazardous materials and wildlife violations thereby improving the quality of the United States' waterways, airways, land, and wildlife, resulting in improved public health and safety.

Strategies to Achieve the FY 2003/FY 2004 Goal:

In FY 2003, the Department will continue its efforts to convict and deter environmental crimes through initiatives focused on laboratory fraud, chlorofluorocarbon (CFC) smuggling, water pollution, leaking underground storage tanks, and the transportation of hazardous materials. For example, the Laboratory Fraud Initiative centers on ensuring that businesses and environmental enforcement agencies at the federal, state and local levels can rely on the accuracy of analyses

performed by commercial laboratories. Investigations will examine fraudulent practices, target companies suspected of committing laboratory fraud, and identify common investigative and prosecutorial issues in these cases. The CFC Smuggling Initiative has led to a dramatic decline in CFC trafficking, although the Department expects that smuggling may rise as the shortage of CFC-12, a type of ozone depleting chemical, becomes more acute. The Water Pollution Initiative is aimed at investigating and prosecuting cases involving the discharge of illegal pollutants into the nation's sewers and public wastewater treatment facilities. More than 100 million pounds of toxic industrial compounds annually pass untreated through the nation's publicly owned treatment works, only to be discharged into rivers and lakes. The focus of the Leaking Underground Storage Tanks initiative is uncovering widespread fraud by firms that fail to lawfully test and analyze underground tank systems. Such testing is critical to the protection of the nation's drinking water. The Department will work to identify the companies involved in these schemes and to develop criminal investigations and prosecute them. The "Hazmat" or Hazardous Material Enforcement Initiative focuses on violations of the laws in connection with the transportation and handling of toxic and flammable substances. Experts have identified the nation's Hazmat transportation & handling system as a vulnerable area for terrorist attacks. For example, thousands of deaths could result from a terrorist with a fraudulent HazMat license commandeering a tractor-trailer or a vessel laden with hazardous materials. The Department will work to ensure the environmental HazMat laws are enforced and will identify and prosecute violators, resulting in the strengthening of our homeland security.

In addition, the Department will continue to battle international trafficking of protected species of fish, wildlife, and plants with a host of international treaty partners. International trade in wildlife is second in size only to the illegal drug trade, and our criminal prosecutors work directly on these cases, as well as assist the U.S. Attorneys' Offices, and share their expertise nationwide with state and

federal prosecutors and investigators. We will also focus on both interstate trafficking and poaching cases on federal lands, and seek to insure that our wildlife laws are uniformly applied and enforced across the country, seeking consistency in the U.S. position in these criminal prosecutions and a vigorous enforcement program that is an international role model.

Crosscutting Activities:

ENRD, the FBI and the U.S. Attorneys' Offices are working collectively with other federal agencies (including EPA and the Department of the Interior (DOI), and state and local governments to strengthen enforcement of environmental criminal cases. The Department is involved in the U.S./Canadian CFC Enforcement Work Group; eradicating clandestine drug labs; supporting enforcement of the lead-based paint disclosure rule in collaboration with DOI, state and local prosecutors, the Department of Housing and Urban Development (HUD) and EPA; and improving the quality of our costal waters through multi-agency efforts. In addition, the Department is focusing increased attention on training federal, state and local investigators and prosecutors, as well as their counterparts in neighboring Canada, Mexico, and other countries under sponsorship by other agencies or organizations.

2.4G Prosecute Tax Fraud

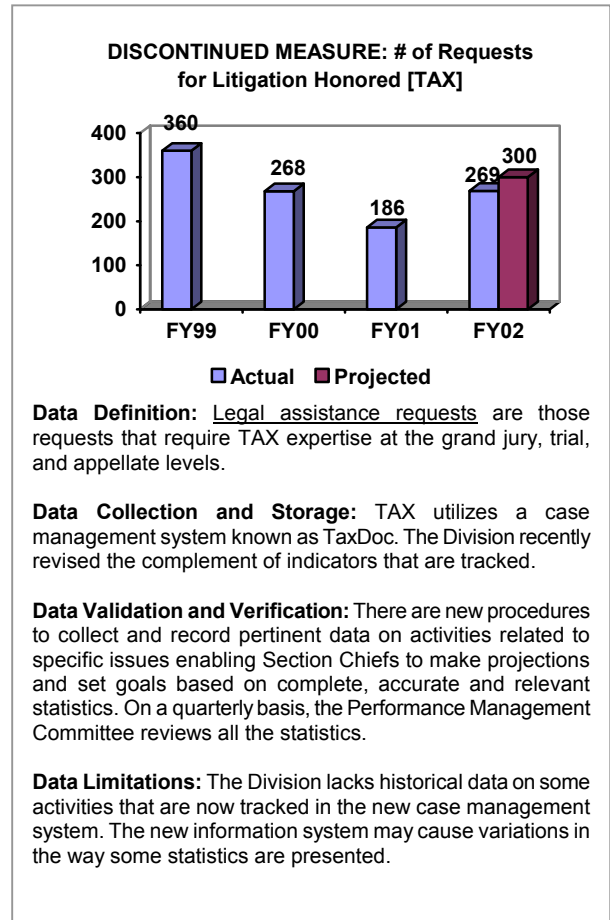
Background/Program Objectives:

The Tax Division's (TAX) criminal enforcement objective is to deter taxpayers from illegal conduct that drains the Treasury through the consistent and uniform enforcement of the criminal tax laws. TAX accomplishes this goal through the nationwide review of requests to prosecute criminal tax violations and, upon specific request, through litigation assistance in the investigation and prosecution of criminal tax cases. In addition, TAX provides assistance in treaty negotiations and foreign evidence gathering in criminal tax matters.

TAX reviews cases to ensure that these prosecutions meet national federal criminal tax enforcement standards. The matters reviewed cover the full range of criminal charges found in the IRS code as well as associated offenses found in Titles 18, 21, and 31 of the United States Code. The case review process is essential to Tax Division's supervisory oversight of criminal tax matters as it enables TAX to provide critical guidance to the Executive Office for United States Attorneys (EOUSA) on complex federal substantive and procedural tax issues, difficult requirements encountered in indirect methods of proof, and unique evidentiary and sentencing problems found in criminal tax cases. As a result, the national average of convictions in indicted criminal tax trials continues to be very high and thereby advances one of the TAX goals of establishing overall general deterrence through carefully selected prosecutions.

Each year TAX also successfully handles a substantial number of criminal tax investigations and prosecutions. These are primarily undertaken at the request of various EOUSAs who either lack resources or do not have the expertise specific to the case. Cases having significant regional or national scope are undertaken as part of TAX's priority initiatives. The nature of cases range from illegal tax protest to complex white collar fraud cases involving illegal international business transactions, complex tax issues, and foreign evidence gathering problems. TAX also focuses on

the prosecution of legal source income cases, defined as those cases where the source of the proposed criminal tax charges is income that is legally produced as distinguished from income earned as a result of illegal conduct. As the vast majority of the taxpaying public earns its income from legal sources, legal source income prosecutions have a significant deterrent effect.



Performance:

Performance Measure: DISCONTINUED MEASURE: Number of Requests for Litigation Honored [TAX] (NOTE: This measure is being discontinued as TAX is developing a measure that more accurately reflects its key missions of reviewing all criminal tax cases for fairness and nationwide uniformity, and trying the most complex or specialized cases itself.)

FY 2002 Target: 300

FY 2002 Actual: 269 (NOTE: Both the

target and actual numbers for this performance indicator reflect what may be considered double counting, because those figures reflect the total number of grand jury investigations and trial assignments for which TAX attorneys accepted litigation responsibility, either as sole counsel or as co-counsel with Assistant U.S. Attorneys. Under this methodology, a case in which TAX handled both the grand jury and trial phases was counted as two cases. In planning performance for future years, double counting will be eliminated. Had the revised methodology been used this year, the target would have been 209, and the actual figure achieved would have been 205.)

Discussion: As a result of TAX's litigation efforts and its revised methodology to more accurately report its performance, the government succeeded in securing 127 guilty pleas and returning 65 indictments.

Public Benefit: Monitoring performance is a high priority of TAX. The criminal enforcement attorneys review over 1,000 cases a year and directly prosecute about 200 cases a year. While TAX is very proud of its conviction rate and significant revenue collection, the emphasis is on uniform and fair enforcement of the tax laws.

Strategies to Achieve the FY 2003/FY 2004 Goal:

The Tax Division coordinates nationwide criminal investigations and prosecutions of illegal tax protest groups using new and emerging schemes and combats abusive international tax evasion schemes before they cause significant damage to the tax system. TAX efforts stop the proliferation of regional and nationwide tax evasion schemes using illegal trusts. TAX prosecutes legal source income cases and prosecutes drug cases involving tax crimes. In addition, TAX conducts training and provides expert technical assistance to EOUSA. Assistance is also provided in treaty negotiations and foreign evidence gathering in criminal tax matters. Initiatives concerning legislative and policy matters involving the sentencing guidelines, the federal rules of evidence and criminal procedure, and substantive criminal law are also provided by TAX.

Crosscutting Activities:

Criminal tax enforcement requires the cooperation of the IRS, USAs, and other federal government agencies. Recently, the Tax Division has worked closely with the IRS in its on-going reorganization of its criminal investigation function and to develop plans for an enhanced working relationship between the IRS and DOJ.

Representatives of the Tax Division are also liaison attorneys with the various regions of the Organized Crime Drug Enforcement Task Force (OCDETF) and are formal members of its policy formation body. In addition, the Tax Division is represented on the Domestic Terrorism Task Force chaired by the Terrorism Violent Crimes Section of the Criminal Division. Participation in these and other joint task forces enables the Tax Division to help formulate national programs, strategy and procedures in cooperation with other law enforcement components in a coordinated attack on financial crime.

STRATEGIC OBJECTIVE & ANNUAL GOAL 2.5: CRIMES AGAINST CHILDREN AND THE EXPLOITABLE

Combat crimes against children and other vulnerable victims of violence and exploitation

2.5A Identify and Apprehend Child Predators and Locate Children

Background/Program Objectives:

The FBI's Crimes Against Children (CAC) program in coordination with the Criminal Division's Child Exploitation and Obscenity Section work to reduce the vulnerability of children to acts of sexual exploitation and abuse; develop a nationwide capacity to provide a rapid, effective investigative response to reported crimes involving the victimization of children; and strengthen the capabilities of state and local law enforcement investigators through training programs and investigative assistance.

CAC impacts not only the victims, but also their families, communities and law enforcement. Although the impact cannot be quantified, crimes against children clearly raise safety concerns for our citizens within their communities. Subjects who prey on children typically are not first time offenders, but rather are serial offenders who may have traveled interstate during the commission of multiple offenses targeting children. Most importantly, a rapid, effective response to CAC incidents could literally mean life or death for a victim.

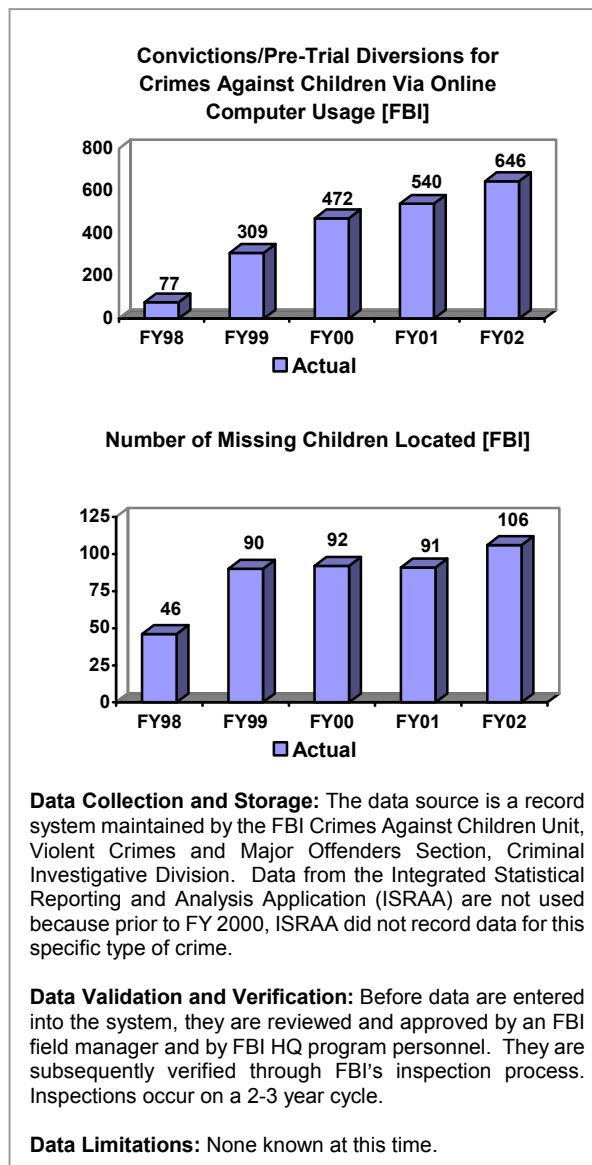
Performance:

Performance Measure: Convictions/Pre-Trial Diversions for Crimes Against Children Via online Computer Usage [FBI] (NOTE: Prior year actuals have been updated to reflect the most current and accurate data available.)

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 646 Convictions/Pre-Trial Diversions

Discussion: The strategy for combating crimes against children committed through the medium of the Internet is still valid and effective.



The FBI has remained consistent in its role as primarily assisting state and local authorities in the location of missing children.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: The FBI is the primary investigative agency for on-line child pornography. Its Innocent Images National Initiative (IINI) program is responsible for a growing number of arrests and convictions in this crime area. Any reported child abduction or mysterious disappearance of a child receives an immediate and aggressive response from the FBI. This immediate response may be in the form of a full investigation based on a reasonable indication that a violation of the federal kidnapping statute has occurred, or it may take the form of a preliminary inquiry in order to determine if the federal kidnapping statute has been violated.

Performance Measure: Number of Missing Children Located [FBI]

FY 2002 Target: In accordance with Department guidance, targeted levels of performance are not projected for this indicator.

FY 2002 Actual: 106 children located

Discussion: See above.

FY 2003 Performance Target: N/A

FY 2004 Performance Target: N/A

Public Benefit: See above.

forces are comprised of representatives from the FBI, U.S. Customs Service, and USAs, as well as state and local law enforcement offices. In addition, the USCS and the U.S. Postal Service manage their own national initiatives to combat child pornography. The Department coordinates with the respective agencies on these programs.

Strategies to Achieve the FY 2003/FY 2004 Goal:

DOJ will continue to make efforts to apprehend those who commit sexual exploitation offenses against children, including those who traffic in child pornography. The objective of the strategy is to reduce the number of victimized children and to increase the rate of identification and apprehension of child pornographers. Facilitation of crimes against children through the use of a computer and the internet is a national crime problem that is growing dramatically. Statistics in this area have recently doubled annually. The FBI targets individuals involved in sexual exploitation of children by focusing its investigative efforts towards travelers/enticers (i.e. those who entice minors to meet them in order to engage in sexual acts), and enterprises involved in the manufacture and distribution of child pornography.

Crosscutting Activities:

The Criminal Division works closely with the 24 FBI regional Innocent Images Task Forces. Task

2.5B Enforce the Victims of Trafficking and Violence Protection Act

Background/Program Objectives:

The Civil Rights Division's (CRT) Criminal Section works closely with the FBI and the INS to identify victims, many of whom are women and children, of illegal trafficking and to investigate and prosecute incidents involving criminal violations of federal civil rights crimes. The Victims of Trafficking and Violence Protection Act of 2000 expanded the scope of the federal enforcement authority over slavery offenses. This new law strengthened our ability to investigate and prosecute slavery offenses. We are continuing our outreach programs in this area in an effort to coordinate slavery and trafficking enforcement efforts throughout the nation.

Performance:

Performance Measure: Victims Protected from Involuntary Servitude and Human Trafficking (as a result of federal prosecutions) [CRT]

FY 2002 Target: 43

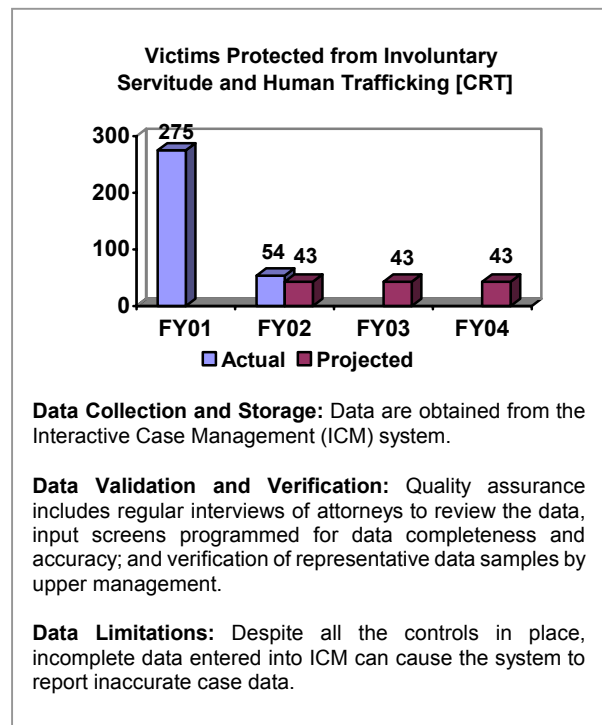
FY 2002 Actual: 54

Discussion: CRT's Criminal Section surpassed its target for FY 2002. 54 victims were protected as a result of federal charges filed against perpetrators engaging in human trafficking and holding persons in involuntary servitude. Many of these victims were women and children. In addition to protecting these 54 victims, the section filed 10 cases charging 41 defendants with human trafficking and servitude-related crimes in FY 2002.

FY 2003 Performance Plan Evaluation: Based on FY 2002 performance, we plan to meet our original FY 2003 goal of 43 victims protected.

FY 2004 Performance Target: 43 victims protected

Public Benefit: The Justice Department devotes substantial attention to combating human trafficking as well as continuing its efforts to deter the victimization of migrant workers and other minorities in violation of the involuntary servitude and peonage statutes. Examples of several prosecutions handled this year include guilty pleas



by a wealthy Berkeley, California landlord and his three associates for trafficking women and girls into the United States to force them into sexual servitude; the conviction of three defendants in Miami on criminal asset forfeiture charges and the coercion of approximately 50 victims into performing agricultural work. Lastly, two defendants were sentenced to serve 108 months imprisonment following convictions on servitude and related charges for holding an illegally smuggled 14-year-old Cameroonian girl in involuntary servitude. The victim was effectively imprisoned in their home where she was forced to act as their domestic servant and subjected to physical and sexual abuse.

Strategies to Achieve the FY 2003/FY 2004 Goal: The Criminal Section's Worker Exploitation Task Force brings together DOJ and the Department of Labor (DOL), Department of State and Health and Human Services (HHS) to address involuntary servitude, slavery, trafficking and other criminal

violations involving undocumented workers and others held in bondage. DOJ works closely with DOL, local authorities and the Non-Governmental Organization (NGO) community to identify, investigate and prosecute incidents of servitude and human trafficking. Once victims are identified and certified, we work with several agencies to secure available assistance and benefits to victims (e.g., the Section works with HHS to access refugee-type benefits; with HUD to locate possible housing; with the Social Security Administration (SSA) to ensure victims who get a work permit also receive a social security number; with the Department of Agriculture to obtain food stamps available to certified victims). We also consult with the Department of State, and the National Security Agency to locate language interpreters. Additionally, the Section has spearheaded formal training of local and federal investigators and prosecutors in the techniques of investigating and prosecuting slavery cases and to provide expert guidance on the newly enacted Trafficking Victims Act. Training and outreach efforts continue in this area.

Crosscutting Activities:

Crosscutting activities for this activity are detailed in the strategies section above.