
I. Core Function: Investigation and Prosecution of Criminal Offenses

The U.S. Department of Justice (the Department) enforces this Nation's criminal laws through its component organizations and in cooperation with Federal, state, local, and even foreign agencies. These partnerships have made possible comprehensive strategies aimed at such problems as violent crime, juvenile and gang violence, drug trafficking and related crime, domestic and foreign terrorism, and public corruption and fraud. Department attorneys have assisted Federal prosecutors in indicting and prosecuting the gamut of criminal offenses that destroy the fabric of our communities. The Department's prosecutorial arsenal includes racketeering statutes, tough new drug and gun laws, stiff prison sentences, and specialized training for its employees.

Goal 1.1: Reduce Violent Crime, Including Organized Crime, Drug, and Gang Related Violence.

The Department's fundamental strategy for reducing violent crime in America is the Attorney General's Anti-Violent Crime Initiative (AVCI), announced in March 1994. Under the AVCI, the Department has forged partnerships with law enforcement agencies at every level. Since the start of this initiative, the Nation's violent crime rate has declined 14 percent and the homicide rate has dropped 24 percent.

During 1998, the Department continued to prosecute the most violent criminal offenders using ACVI and the enhanced criminal provisions of the Violent Crime Control Act of 1994. During 1998, the U.S. Attorneys filed a total of 6,889 cases against 8,703 violent offenders, representing a 10-percent increase in the number of violent crime cases over the year before. Of those defendants whose cases were terminated during the year, 87 percent were convicted, representing the highest conviction rate in the last several years. Eighty-eight percent of all convicted defendants were sentenced to prison, with 96 defendants receiving life sentences.

“Carried” Weapons Can Be in the Trunk

The Department won a major victory against drug dealers in *United States v. Muscarello*. In *Muscarello*, the Supreme Court considered the meaning of "carry" in 18 U.S.C. 924(c), which makes it a crime to carry a firearm during or in relation to a crime of violence or a drug trafficking offense. The Court rejected the argument that the weapon must be carried on the person or otherwise be readily accessible to the defendant to be "carried." Rather, the Court held that common understanding of the term "carry," as well as the statute's legislative history, indicate that Congress intended the term to encompass carrying a weapon in a vehicle, even if the weapon is locked in the trunk or is otherwise not immediately accessible.

Organized Crime

Organized crime can include violations relating to gambling, extortion, and the infiltration of legitimate businesses. During 1998, enforcement efforts against La Cosa Nostra (LCN) bosses, capos, and soldiers resulted in 42 indictments, 22 convictions, and 208 arrests. In Detroit, Jack Tocco, the longest reigning LCN boss in the Nation, was convicted on charges of racketeering influenced and corrupt organizations (RICO), extortion, and obstruction of justice, along with one of his capos and two associates. In Boston, the entire hierarchy of the LCN family was indicted on RICO-murder charges. A major 1998 case was the indictment of John Gotti, Jr., alleged head of the Gambino LCN family, on racketeering charges. Six other high-ranking members of the Gambino LCN family were also indicted. Gotti, Jr., is the son of convicted LCN boss John Gotti, now in prison. LCN bosses and capos were also charged in New York, Las Vegas, Miami, Cleveland, and other cities.

In addition to pursuing traditional organized crime, the Department investigated and prosecuted the illegal activities of other non-traditional organized crime groups. During the year, it filed a total of 199 cases against 390 organized crime defendants. Additionally, a total of 198 cases against 575 defendants were terminated. Of those defendants whose cases were terminated during 1998, 90 percent were convicted. Sixty percent of the convicted defendants received prison sentences, including three life sentences.

- In Brooklyn, a 63-count RICO indictment was returned charging a Russian organized crime group with numerous acts of extortion, kidnapping, and prostitution. This indictment is the first in the United States to charge a Russian organized crime group as a racketeering enterprise.
- The Department continued to work closely with law enforcement agencies in other countries against organized crime operations in the United States. For example, assistance from the Russian National Police aided the Federal Bureau of Investigation's (FBI's) investigation of Yvacheslov Ivankov, a major Russian organized crime figure operating in New York. Ivankov was convicted and sentenced to 9.5 years in prison.

Operation Button Down Cinches LCN Operations

As part of its aggressive pursuit of LCN operations, the Federal Bureau of Investigation is carrying out Operation Button Down. The program began in March 1996 and achieved these successes by the end of 1998: indictment and/or conviction of 4 bosses, 2 underbosses, 3 consiglieres, 20 capos, 33 soldiers, and 355 associates. Assets seized in LCN cases total \$146 million.

Gang-Related and Other Violence

Members of violent street gangs frequently engage in drug trafficking activities and frequently use firearms in the commission of their crimes. Approximately 10 million firearms are sold annually, and an additional 7 million firearms are pawned and redeemed in the United States each year. Each of these transactions requires a background check to determine whether a purchaser is prohibited from receiving a firearm under Federal or state law. In June 1998,

the Bureau of Justice Statistics (BJS) reported that pre-sale background checks blocked an estimated 69,000 handgun sales during 1997. About 62 percent of the 1997 rejections were based on a prior felony conviction or a current felony indictment.

Federal prosecutors continue to make significant strides in dismantling violent gangs by using tools such as Federal racketeering statutes and stringent narcotics and gun laws. By emphasizing the use of Federal firearms statutes against violent repeat offenders whose criminal behavior has not been deterred by state or local prosecutions, not only are armed criminals brought to justice, but the worst offenders are imprisoned for extended periods of time. In 1998, the U.S. Attorneys charged 4,343 defendants with Federal firearms violations.

Ninety-five percent of the defendants who were sentenced for firearms during the year were sentenced to prison. The average prison sentence was 8 years and 7 months, with 536 defendants receiving sentences of more than 15 years to life. The U.S. Attorneys rely on stiff Federal penalties and the joint efforts of Federal, state, and local law enforcement to prosecute firearms offenders successfully.

Mobile Enforcement Teams

Doing its part to attack drug-related violence in America, the Drug Enforcement Administration's (DEA's) Mobile Enforcement Team (MET) program represents the most ambitious domestic enforcement program that DEA has ever undertaken. It provides Federal investigative assistance to state and local governments, mainly in response to requests from communities to help them with entrenched drug problems. Special agents in charge also sometimes initiate contact with state and local law enforcement to recommend a MET deployment if crime statistics show a nexus between violent drug gangs and rate of crime in a community.

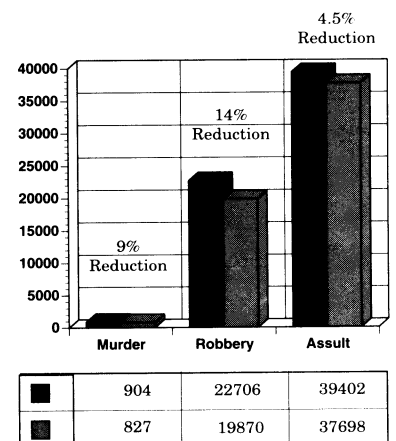
MET concluded 1998 deployments in communities as diverse as Denver, Colorado, and Sierra Vista, Arizona. The examples below represent only two of the many successes of the MET Program during 1998:

- On November 19, 1997, the Atlanta Division MET, working in cooperation with the Kinston, North Carolina Police Department and other Federal, state, and local law enforcement agencies, arrested 31 targeted defendants on drug charges and 4 individuals for nondrug offenses. The deployment also resulted in the seizures of 366 grams of crack cocaine, 626 grams of powder cocaine, and 15 pounds of marijuana. The Kinston Chief of Police and narcotic investigators observed a noticeable drop in drug trafficking activity in the city of Kingston and the surrounding areas as a result of the MET deployment.

Met Has Impact on Violent Crime

MET operations have had a significant impact on violent crime in those communities where they have been deployed. For example, as of August 31, 1998, the program had initiated 172 deployments nationwide, with crime statistics collected for 105 of them. These statistics show the program's aggregate effect on violent crime in communities across the country.

MET's Impact on Crime



MET Program Accomplishments

The MET Program has grown rapidly since its inception. The following statistics clearly show the program's success in 1998: 79 requests, 56 initiated deployments, 46 completed deployments, seizures of 341.6 lbs. of cocaine, 198.7 lbs. of methamphet-amine, 18.1 lbs. of heroin, 646.3 lbs. of marijuana, \$3.67 million in seized assets, and 2,250 arrests.

- On February 5, 1996, the DEA Miami Field Division MET initiated a deployment to Opa Locka, Florida. The primary target of this deployment was the Rickey Brownlee Polydrug Trafficking Organization, responsible for the distribution of significant amounts of marijuana, cocaine, and heroin. The Miami MET conducted a highly successful deployment over a 2-year period, culminating on January 22, 1998, with the arrest of Brownlee and key members of his organization.

Upon the successful completion of the MET deployment in Opa Locka, Florida, the Honorable Robert B. Ingram, Mayor of Opa Locka, in a letter to the Attorney General of the United States, thanked DEA for its dedication and expertise in dismantling one of South Florida's most notorious criminal enterprises. To further show his appreciation, Mayor Ingram, along with the City Commission, proclaimed March 19, 1998, as "Drug Enforcement Administration/Mobile Enforcement Team Day."

Safe Streets

The FBI's Safe Streets program targets violent gangs in city, suburban, and rural areas. It achieved notable results in 1998, with more than 12,000 persons arrested nationwide. Since the program's beginning, some 150,000 persons have been arrested. Major achievements in 1998 include the following:

- FBI Special Agents and police officers in Los Angeles and Little Rock carried out a major Safe Streets operation against the drug trafficking operations of a large gang called the Grape Street Crips. They issued 56 indictments in Little Rock and 17 in Los Angeles. The arrests also disrupted drug trafficking in four other cities: Minneapolis, Cleveland, Jackson, and Memphis.
- Another major case was Operation Crown, in which the FBI and the New York City Police Department targeted the entire top echelon of a major gang, the Almighty Latin King and Queen Nation, and arrested 94 members and associates. The investigation focused on trafficking in firearms and drugs, with felony charges against the defendants ranging from weapons and narcotics possession to conspiracy to commit murder.

Crimes Against Children

The Department has enacted several major programs to combat crimes against children, undertaking efforts in close cooperation with local, state, and Federal law enforcement agencies. The Department also works with the U.S. Customs Service (Customs) and the U.S. Postal Inspection Service to prevent trafficking of child pornography through computers and the mails.

In 1998, the Office of Juvenile Justice and Delinquency Prevention (OJJDP) awarded 10 state and local law enforcement agencies in rural and urban areas \$2.4 million in grants for training and equipment under its Internet Crimes Against Children (ICAC) program. The ICAC program encourages communities to develop regional, multijurisdictional, and multi-agency responses to Internet crimes against children.

Another on-line Department priority is the FBI's "Innocent Images" national initiative, an undercover task force operation targeting persons who use computer on-line facilities to recruit minors into dangerous, illicit sexual relationships and to receive, distribute, or produce child pornography. In 1998, "Innocent Images" investigations resulted in 114 search warrants and 19 consent searches, which led to 81 arrests and 53 convictions. The FBI enhanced its Innocent Images Case Management System with state-of-the-art analytical functions, including geographic and profile analyses and image matching.

Still another new dimension in protecting children is the program that now allows state and local law enforcement agencies to "flag" entries to the computerized National Crime Information Center (NCIC) when a child is missing under suspicious circumstances or may be in danger. NCIC promptly relays this information to the FBI's Child Abduction and Serial Killer Unit and to the National Center for Missing and Exploited Children (NCMEC), a non-Federal agency that has performed landmark work to help endangered children. The FBI in 1998 assigned a full-time special agent to work at the NCMEC, where a new cyber tipline was dedicated in another effort to aid children at risk.

During 1998, the Department continued to support the National Sex Offender Registry (NSOR) by providing a wide range of customer services. A point-of-contact list was developed and distributed to states and territories in support of the notification requirements of interstate moves. Additionally, system changes were made to support the November 1997 amendments to the Jacob Wetterling Crimes Against Children Act, with regard to registration of offenders crossing state borders. As of September 30, 1998, the NSOR contained 48,000 records from 28 contributing states, up from 21,000 records and 15 contributing states a year earlier.

This past fiscal year, the International Criminal Police Organization (INTERPOL)-U.S. National Central Bureau (USNCB)

MET Restores Quality of Life in Benton Harbor, Michigan

Benton Harbor, with a population of 13,000, was experiencing a rapid increase in drug-related violence. With 16.5 crimes per 100 citizens, one reporter dubbed it "the state's most dangerous city." The Benton Harbor Police Department attributed the drug-related violence, which included the murder of two infants, to the Yusef Phillips organization. On June 15, 1998, the Detroit Field Division MET came to town to pursue this violent drug trafficking organization. When it ended on September 24, 1998, the deployment had netted 42 arrests, including Yusef Phillips, and 13 Federal search warrants. The situation in Benton Harbor has greatly improved as a result, with police officials reporting a drastic reduction in all types of crime. The town's Public Safety Director credits the MET philosophy and operation for restoring Benton Harbor's quality of life.

successfully coordinated several efforts in returning internationally abducted children and bringing the parental abductors to justice:

- The USNCB coordinated a successful middle-of-the-night capture in London's Heathrow Airport of a man who had kidnapped his two young children hours before in New Jersey. The coordinated efforts of New Jersey police and prosecutors, the Department's Office of International Affairs (OIA), INTERPOL London, and Scotland Yard returned the little girls to their mother.
- On July 17, the FBI-Washington and Virginia police requested USNCB's assistance in locating a mother and an accomplice who had abducted her 11-year-old child from Virginia. Within 32 hours, a fugitive diffusion, via INTERPOL's dedicated telecommunications network, yielded news that the two had used false documents to enter the island of Malta. The USNCB, U.S. Embassy in Malta, FBI Legal Attache in Rome, and INTERPOL Malta worked together to safely return the child to the United States.

Forfeiture of Criminal Assets and Anti-Money Laundering Efforts

The Department aggressively used asset forfeiture and money laundering statutes to dismantle criminal organizations and to address white-collar fraud and other crimes throughout the United States and abroad. Forfeiture helps to further law enforcement efforts and supports nonprofit community organizations in carrying out drug abuse treatment, crime prevention, job skills programs, and other community-based projects. In 1998, forfeited assets

Management Challenge: Asset Forfeiture Program

The Department had a material issue for several years involving management of assets seized and forfeited in criminal cases. In 1998, the asset inventory exceeded \$1 billion, but for years no effective system existed for tracking and managing the assets from the time they were seized until they were finally sold. To address this need, the Department developed the Consolidated Assets Tracking System (CATS). During 1998, system implementation was completed, along with publication of standard operating procedures to be used by all agencies involved in the program and in development of an early warning system to flag problems before they get out of control.

supported such community-based crime-fighting activities and restored property to victims of crime. Department efforts deprived criminal enterprises of substantial assets that otherwise would have been used to facilitate and reward criminal activity. During 1998, more than \$171 million was returned to state and local law enforcement agencies through equitable sharing of seized assets.

The Department continued its initiative to train its own, state, and local law enforcement officers in promoting forfeiture as a powerful weapon against criminal organizations, while reinforcing the need to preserve basic due process rights of individual citizens. During the past year, more than 1,000 law enforcement officers participated in this training initiative.

Goal 1.2: Reduce the Availability and Abuse of Illegal Drugs through Traditional and Innovative Enforcement Efforts.

In 1998, the Department submitted its Drug Control Strategic Plan to Congress. This plan articulates the Department's objectives and current efforts as well as the performance indicators to be used in evaluating accomplishments. Department priorities are to disrupt and dismantle major drug trafficking organizations, convict their members, and seize their ill-gotten assets. Over the years, the Department has forged a dual approach that includes targeting large, international drug trafficking organizations that rely on high technology and extensive money laundering, as well as individual drug distributors who are frequently violent and who degrade the quality of life in neighborhoods.

Interagency Cooperation

Interagency cooperation is key to successful drug enforcement. Given the sophisticated, multijurisdictional nature of drug trafficking operations—controlled largely by criminal organizations based in Colombia, Mexico, and the Dominican Republic—the Department must gather and integrate information from all available sources. Among these is DEA's Special Operations Division (SOD), a combined DEA, FBI, Criminal Division, Customs, and U.S. Department of Defense (DOD) effort that supports ongoing investigations by producing detailed and comprehensive data analyses of the activities of major drug trafficking organizations. SOD's primary mission is to establish seamless narcotic law enforcement strategies and operations that dismantle entire trafficking organizations. SOD converts the sensitive information it collects into usable leads that are passed to domestic field divisions and foreign country offices for investigative and enforcement activities directed

SOD Gets Results in 1998

During 1998, the DEA's Special Operations Division (SOD) supported 266 methamphetamine cases nationwide, which resulted in 675 arrests and seizures of 1,641 kgs. of methamphetamine; 1,038 gallons of methamphetamine; 180 lbs. of amphetamine; 554 lbs. of ephedrine; 965 lbs. of pseudoephedrine; 345,600 pseudoephedrine tablets; 51 clandestine laboratories; 6.4 lbs. methylenedioxymethamphetamine; \$4.9 million in U.S. currency; 4,498 lbs. of marijuana; 640.7 kgs. of cocaine; 16.5 kgs. of heroin; 88 weapons; 119 vehicles; and 1 boat.

Operation Meta Nets Impressive Results

Total arrests during the entire Operation Meta included 121 defendants. Total seizures resulting from this investigation were: 133 lbs. methamphetamine; 90 gallons methamphetamine solution (which conservatively equates to 270 to 540 lbs. methamphetamine); 3 methamphetamine clandestine labs; 1,100 kgs. of cocaine; 1,765 lbs. of marijuana; and \$2,250,208 U.S. currency. During the course of this operation, DEA domestic offices conducted 28 electronic intercepts, 54 pen registers, and 5 clone pager intercepts.

Preliminary Results for Operation Trinity

- More than 1,260 arrests.
- Drug seizures totaling 12.8 metric tons of cocaine; 63,370 lbs. of marijuana; 25,900 marijuana plants; 3,178 lbs. of methamphetamine; 127 lbs. of heroin; 108 lbs. of amphetamine; and more than 137,600 pseudoephedrine tablets.
- Asset seizures of more than \$59.2 million U.S. currency.

against major trafficking organizations of a regional, national, or international scope.

Another resource is the National Drug Intelligence Center (NDIC). NDIC has greatly improved information sharing across Federal, state, and local law enforcement agencies through its National Drug Intelligence Digest and other drug intelligence products. These products provide strategic analysis of current trends and activity in the counterdrug community and are distributed to law enforcement officials throughout the country.

SOD, NDIC, the Central Intelligence Agency (CIA), the U.S. Department of Treasury's Financial Crimes Enforcement Network, and others collaborate in collecting drug intelligence information. From this integrated information, the Department has tailored action plans and specialized programs to attack all aspects of the drug problem.

- On December 4, 1997, the DEA, along with 7 Federal and 50 state and local law enforcement agencies, successfully concluded the first nationwide multijurisdictional electronic surveillance operation directed against a Mexican-based methamphetamine organization. The immediate result of this enforcement effort, dubbed Operation Meta, was disruption of a significant source of supply of the AMEZCUA-Contreras organization, responsible for smuggling precursor chemicals to Los Angeles to manufacture methamphetamine. The DEA and FBI, along with the California State Bureau of Narcotic Enforcement, the California Highway Patrol, Los Angeles County Sheriff's Office, the Texas Department of Public Safety, and many other local law enforcement agencies took part in Operation Meta.
- In October 1997, Department components, together with Customs and state and local law enforcement agencies, initiated Operation Trinity to combat drug organizations controlled from Colombia, Mexico, and the Dominican Republic. The primary phase of Operation Trinity ended in September 1998, with approximately 250 active investigations and more than 1,260 arrests nationwide. More than 800 of those arrested were members or associates of the five largest drug syndicates based in Mexico and Colombia. Operation Trinity also resulted in the seizure of 12.8 metric tons of cocaine, 63,370 lbs. of marijuana, 25,900 marijuana plants, 3,178 lbs. of methamphetamine, 127 lbs. of heroin, 108 lbs. of amphetamine, and over 137,600 pseudoephedrine tablets. Assets seized total more than \$60 million.
- Through multi-agency cooperation, domestic and foreign, the Department carried out a long-term investigation of an international cocaine trafficking organization that used a fleet of commercial fishing vessels to smuggle multiton shipments of cocaine into the United States for the Colombian Cali cartel. The alleged leader of the gang was arrested by Panamanian

authorities and turned over to the United States. He was indicted in April 1998 and is scheduled to be tried in July 1999.

The El Paso Intelligence Center (EPIC) continued to assist international and domestic drug trafficking investigations by providing query access to more than 100 million member agency computer records. EPIC can run inquiries on persons, vehicles, aircraft, vessels, businesses, addresses, and telephone numbers, and can also post a variety of alerts and lookouts in the national and worldwide lookout systems of member agencies. State and local law enforcement is a primary contributor to and user of EPIC, which during 1998 responded to more than 35,500 inquiries from state and local law enforcement agencies. All 50 States are associate members of EPIC.

International Cooperation

International cooperation was also key to the apprehension of drug offenders. One example is Nathan "Nate" Leo Hill, an alleged drug kingpin accused of supplying more than 3,000 kilograms of cocaine to Chicago street gangs between 1987 and 1996. Hill, who was among the U.S. Marshals Service's (USMS) "Top 15 Most Wanted," was apprehended in Africa, having been a fugitive since January 1996. The Department also worked closely with authorities in Hong Kong, who arrested Tam Kin Yan, accused of heading up a major heroin trafficking ring in New York, Philadelphia, and Detroit. The FBI arrested more than 40 alleged members of this ring.

Southwest Border Initiative

The Southwest Border Initiative is the Department's law enforcement effort to combat and remove the hierarchy and infrastructure of the major cocaine, heroin, methamphetamine, and marijuana trafficking organizations operating along the southwest border. This initiative brought about numerous prosecutions in 1998, which resulted in the seizure of more than 7,876 kilograms of cocaine, 4,583 kilograms of marijuana, 69 kilograms of methamphetamine, and 5 kilograms of heroin. In one particular case, capping a year-long investigation that netted seizures of nearly 4 tons of cocaine and more than \$15 million in narcotics proceeds, a Federal grand jury in Los Angeles indicted a high-ranking member of the Arellano Felix drug trafficking organization in a conspiracy to import and distribute narcotics from Mexico. As part of the investigation of the Felix drug ring, investigators with the Southwest Border Initiative seized a total of 3,494 kilograms of cocaine.

EPIC: a Friend to State and Local Law Enforcement

State and local law enforcement is a primary contributor to and user of EPIC. During 1998, EPIC:

- Responded to 35,542 inquiries from state and local law enforcement agencies.
- Trained, through Operation PIPELINE, 4,170 state and local students in 52 courses.
- Conducted post-seizure analysis of 3,794 state and local seizure incidents.
- Supported 2,341 state and local cases, with information disseminated via 687 teletypes.
- Provided Operation JETWAY information weekly to over 250 Federal, state, and local task forces.
- Processed over 500 statistical requests and 943 publications requests from state and local law enforcement agencies.

The Immigration and Naturalization Service (INS) apprehended more than 1.5 million illegal entrants along the southwest border in 1998, 10.8 percent more than in 1997. The INS' continued presence along the southwest border also resulted in the seizure of much greater amounts of marijuana entering the United States. In 1998, 860,818 pounds of marijuana were seized by Border Patrol Agents compared to 456,908 in 1993— an increase of 88 percent.

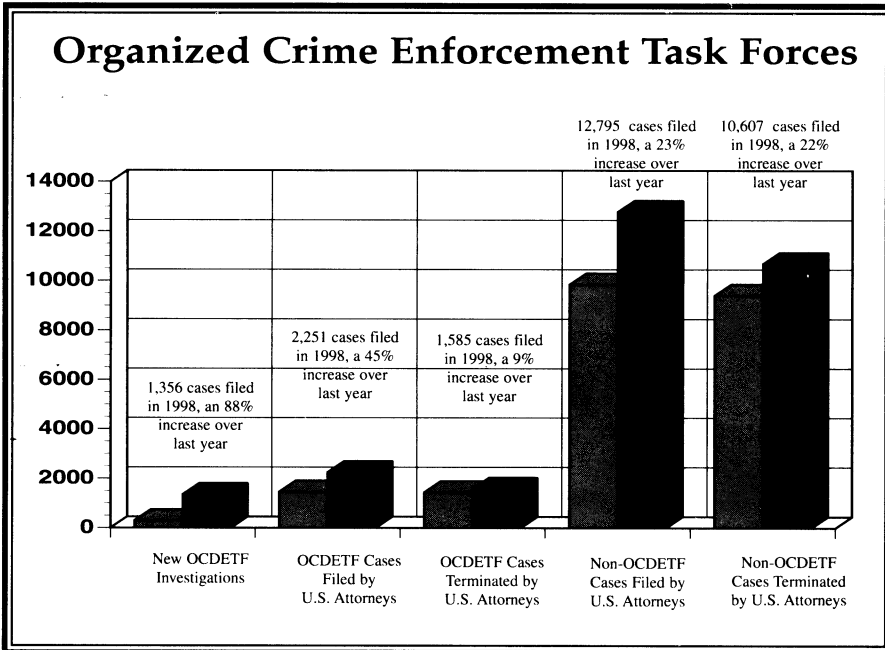
The Department's Mexican Methamphetamine Program, coordinated by DEA's Special Operations Division, continued to be funded as one element of the Southwest Border Initiative. In 1998, the Mexican Methamphetamine Program continued to enhance Federal, state, and local law enforcement participation; develop greater intelligence; identify new trafficking and production organizations; and monitor shipments of methamphetamine and precursor chemicals. DEA's SOD significantly improved program results in 1998 through increased program coordination and liaison and establishment of a methamphetamine section within the Division.

The Office of Intergovernmental Affairs worked with the U.S. Attorneys and state and local prosecutors along the U.S./Mexico border to create a comprehensive plan for prosecuting drug-related cases generated there.

Organized Crime Drug Enforcement Task Forces

The Organized Crime Drug Enforcement Task Forces (OCDETF) program emphasizes a coordinated, interagency task force approach to combating drugs. As depicted in the table below, OCDETF saw substantial increases both in number of new investigations and cases filed. During 1998, 30 percent of all Assistant U.S. Attorneys dedicated to criminal cases across the Nation were involved in drug prosecutions. Taken together, the number of OCDETF and non-OCDETF drug cases that the U.S. Attorneys filed in 1998 represented 32 percent of all criminal cases filed.

The Arellano Felix case cited above was an important OCDETF case. Another notable OCDETF investigation from 1998 was Operation CALI-MAN, an interagency investigation targeting high-level Colombian narcotics traffickers and money launderers, all of whom maintain a Miami-based consortium of Colombian nationals responsible for the collection, transfer, and redistribution of narcotics proceeds on their behalf. Agencies participating in this investigation are DEA; Internal Revenue Service (IRS), Criminal Investigation Division; U.S. Secret Service; U.S. Postal Service, Inspection Division; INS; North Miami Beach Police Department; Metro Dade Department of Public Safety; Aventura Police Department; Indian Creek Police Department; and Homestead Police Department. Interagency cooperation at all levels of law enforcement led to the arrest of reputed Cali cartel leader Jose Castrillon-Henao, who will



face trial for allegedly smuggling tons of cocaine into the United States.

Another main target of Operation CALI-MAN was Carlos Alfredo COCK Cardona, found to be associated with an organization that imported and distributed approximately 5,000 kilograms of cocaine from Colombia to the United States every 6 to 8 weeks. On October 28, 1997, COCK Cardona, was arrested. He pled guilty to money laundering charges and was sentenced in the Southern District of Florida to 24 years in Federal prison.

To date, Operation CALI-MAN has dismantled numerous organizations responsible for laundering hundreds of millions of dollars for Colombian drug trafficking organizations. Through the use of selective undercover currency pickups, Operation CALI-MAN has been able to provide information resulting in 100 electronic intercepts being conducted by various offices throughout DEA. Information obtained from the electronic surveillance has enabled DEA offices to identify and raid locations of distributors working for these organizations, resulting in significant cocaine and currency seizures in many major U.S. urban areas, in Colombia and Panama, and in South and Central America. Operation CALI-MAN has resulted in 125 arrests and seizure of \$32 million, with laundering of less than \$5 million.

Another OCDETF highlight includes the arrest of 23 persons on Federal and local narcotics charges, following the unsealing of a 70-count Federal indictment on March 5, 1998. The indictment charged racketeering, narcotics conspiracy, and murder in running a drug distribution organization known as the "L Street Crew" in

Washington, DC, which distributed thousands of kilograms of marijuana and multiple kilograms of crack cocaine and PCP. The indictment charged the defendants with four murders and two shootings that were committed by hit men.

Anti-Methamphetamine Efforts

The Department's National Methamphetamine Strategy recognizes methamphetamine's emergence as a national threat and a top priority of Federal law enforcement. DEA reports, for example, that in San Diego, 40 percent of all arrestees tested positive for the presence of this drug. Many of the Department's cooperative counter-drug initiatives include a strong anti-methamphetamine component, such as the Southwest Border Initiative, OCDETF operations, and the various programs coordinated by DEA's SOD.

The Department's enforcement efforts, in partnership with state and local agencies, target the highest level and most violent methamphetamine traffickers. Its strategy focuses on Mexican drug trafficking organizations, as well as independent domestic methamphetamine operations and rogue chemical companies responsible for the smuggling, production, and distribution of methamphetamine in the United States. The supply houses for the precursor chemicals required to manufacture methamphetamine usually obtain the precursors from genuine chemical companies under a guise of legitimacy. Operation Chemex specifically targets perhaps the largest of the Mexican methamphetamine drug trafficking organizations, the Amezcua-Contreras organization.

The amount of methamphetamine seized in transit from Mexico to the United States during the first 6 months of 1998 mirrors the record amounts seized in 1996. In addition to large-scale manufacture and distribution of methamphetamine by Mexican organizations, thousands of small, independent organizations operate mini-laboratories. While they account for only a small percentage of methamphetamine seized, these smaller labs make up the vast majority of clandestine laboratories seized; in 1998, the Department seized 1,493 of them. Clandestine laboratories, inherently dangerous because of the explosive and volatile nature of the chemicals involved, require professional services to remove the chemicals and clean up the hazardous waste left behind. DEA spent more than \$6 million on 1,790 cleanup activities in 1998.

DEA provides resource assistance to state and local police through specialized training in handling these dangerous laboratories and the provision of safety equipment needed to enter them. The DEA Clandestine Laboratory Safety School is available for state and local officers. Upon successful completion, officers are equipped to raid, process, and dismantle clandestine laboratories. Students also get the latest intelligence trends, information on chemical diversion, and investigations training. During 1998, 16 state and local certification schools trained a total of 660 students.

Five million dollars in Community Oriented Policing Services (COPS) funding in 1998 allowed DEA to deliver even more training to state and local officers and minimize the environmental costs associated with proper disposal. With this funding, DEA dispatched contractors to 550 cleanup activities at a cost of approximately \$1.4 million.

The COPS Methamphetamine Initiative, launched in July 1998, is providing six cities with grants up to \$750,000 to develop community policing strategies to halt the production and use of this increasingly popular drug. The program provides opportunities for local law enforcement agencies to partner with state and Federal environmental agencies, fire departments, and other local government agencies to develop comprehensive responses to the spread of "crank."

The Methamphetamine Interagency Task Force held its inaugural meeting in May. Its primary mission is to design, implement, and evaluate prevention and treatment strategies used by the Federal Government with respect to methamphetamine and other stimulants.

Goal 1.3: Reduce Espionage and Terrorism (Sponsored by Foreign or Domestic Groups in the United States and Abroad when Directed at U.S. Citizens or Institutions).

The Department remains committed to pursuing the early detection, investigation, and prosecution of terrorist conspiracies, including "cyberterrorism." It has developed a Five-Year

On June 5, 1998, Terry Nichols was convicted and sentenced in connection with the bombing of the Alfred P. Murrah building in Oklahoma City that caused 168 deaths. Judge Richard P. Matsch sentenced Terry Nichols to life imprisonment without the possibility of release for conspiring to use a weapon of mass destruction. "What he did was participate with others in a conspiracy that would seek to destroy all of the things that the Constitution protects," said Judge Matsch on sentencing Nichols. "Terry Nichols has proven to be an enemy of the Constitution, and accordingly the sentence I am going to impose will be for the duration of his life."

FBI Closes Big Investigations in '98

A number of important long-term FBI terrorism investigations came to successful conclusions:

Ramzi Ahmed Yousef, convicted in the World Trade Center bombing that killed six persons and injured hundreds in New York, was sentenced to 240 years in prison, as was a codefendant.

An intensive FBI investigation led to Federal charges being filed against Eric Robert Rudolph, a fugitive, for the bombing at Centennial Olympic Park during the 1996 Olympic Games.

Mir Aimal Kasi was convicted in state court and sentenced to death for killing two CIA employees in Langley, Virginia.

The United States obtained custody of Mohammed Rashed, charged with the 1982 terrorist bombing of Pan American Flight 830 en route from Tokyo to Honolulu. He is currently awaiting trial on murder charges.

Theodore Kaczynski, the "Unabomber," pleaded guilty and was sentenced to life in prison without possibility of parole.

Interagency Counterterrorism and Technology Crime Plan that will serve as a baseline strategy for coordinating national policy and operational capabilities to combat terrorism in the United States and against American interests overseas. The plan reflects the Department's intention to effect a prompt, aggressive, and fully coordinated response to terrorist acts directed against Americans, their interests, or the national information infrastructure, including acts originating from abroad. The Department will continue to aggressively investigate, prosecute, and convict espionage and acts of terrorism by gathering and analyzing counterintelligence information, improving liaison with foreign and domestic counterparts, and coordinating training with international, Federal, state, and local law enforcement organizations.

Preventing Terrorist Acts

During 1998, the Intelligence Analysis Unit (IAU) within the Office of Intelligence Policy and Review (OIPR) prepared daily intelligence summaries for the Attorney General. These summaries provided the most timely information available from the U.S. intelligence community on national security threats. This year, as in the past, the Department's enforcement efforts placed a special emphasis on the continued threat presented by Iraq, Iran, and Libya in the area of nuclear and conventional weapons procurement, chemical and biological weapons endeavors, and efforts to circumvent controls designed to prevent weapons proliferation. OIPR took an active role in coordinating the Department's position on the Chemical Weapons Convention, which is expected to provide law enforcement with additional tools to guard against potential terrorist uses of chemical weapons.

The Department also played a central role in focusing the Counterterrorism Experts Group of the G8 on enhancing international cooperation in the area of terrorist financing. It convened a practitioners meeting of police and security officials to share best practices and to identify practical measures for improved cooperation. The same group also advanced the negotiation within the United Nations of the Russian proposed International Convention on the Suppression of Acts of Nuclear Terrorism. The U.N. General Assembly is likely to adopt the Nuclear Convention this year and to open the treaty for signature in early 1999.

In 1998, OIPR led the Department's efforts to amend the Foreign Intelligence Surveillance Act to enable the FBI to obtain court orders for employing pen register and trap and trace devices against the foreign terrorist and espionage threat.

Investigating and Prosecuting Terrorist Acts

Following terrorist bombings in August 1998, the Department rushed hundreds of FBI personnel to U.S. embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania. Special agents, laboratory experts, and other specialists worked in close harmony with the law enforcement personnel of both African nations. Kenya, Tanzania, and Pakistan helped the FBI identify or detain suspects, two of whom were flown from East Africa to New York, with a third person arrested in Texas. A major indictment charged the two men brought from Africa with murder; the man arrested in Texas was charged with conspiracy in the fatal bombings. Usama Bin Laden, alleged head of the worldwide terrorist organization "al Qaeda," and two other men, all fugitives, were charged with murder.

Domestically, the Department, working closely with DOD, successfully investigated and prosecuted one of the most thorough penetrations yet of DOD computers. The Attorney General also announced the creation of the National Infrastructure Protection Center, an interagency, public-private partnership responsible for protecting the integrity and availability of the Nation's critical information infrastructures. The Center, created by Presidential Decision Directive, was placed within the FBI and became fully operational during 1998.

Improving Response Capability

Most often, local police and firefighters are the first on the scene of incidents of terrorism or other catastrophes. In 1998, the Attorney General notified the Hill of the Department's intent to create within OJP the Office for State and Local Domestic Preparedness Support (OSLDPS) and its national training center, the Center for Domestic Preparedness, at Fort McClellan as part of a government-wide effort to enhance the capabilities of state and local jurisdictions to plan for and respond to acts of terrorism. OJP has provided \$12 million to metropolitan jurisdictions to purchase certain types of emergency response equipment needed by fire services, emergency medical services, hazardous materials response units, and law enforcement agencies to respond to terrorist incidents involving nuclear, chemical, or biological weapons or improvised explosive or incendiary devices. OJP also held 10 training classes for 500 emergency response personnel.

Acting on behalf of the Department, the FBI developed its lead operational response capability to fight domestic terrorism by broadening training and liaison with state and local governments in crisis management and by training with police, fire, and emergency medical/rescue units. Senior Assistant U.S. Attorneys from nearly all U.S. Attorneys' offices attended crisis management training, along with FBI and state and local emergency response officials.

TWA Investigation Completed

The FBI announced that an intensive 16-month investigation produced no evidence of a criminal act or terrorism in the tragic explosion and crash of TWA Flight 800 into the ocean off New York, killing all 230 persons aboard. Hundreds of FBI Special Agents conducted more than 7,000 interviews both in the United States and abroad. Every lead was pursued and every possible criminal act was carefully studied. About 96 percent of the aircraft was recovered, some 1 million pieces in all, and was subjected to careful inspection by bomb technicians and FBI laboratory personnel. Some 3,000 residue examinations were carried out.

The FBI's Critical Incident Response Group (CIRG) integrates tactical and investigative resource expertise to address terrorist activities, hostage taking, barricaded subjects, and other critical incidents that require an immediate law enforcement response. In 1998, CIRG played a significant role in the resolution of the Freeman standoff, which ended with no injuries and with convictions of 17 defendants on Federal offenses. CIRG was responsible for formulating the negotiations strategy, the undercover operation targeting the Freeman leadership, and the postarrest nonconfrontational checkpoint containment plan. Its hostage rescue team arrested the Freeman leaders, and its Crisis Negotiations Unit maintained oversight of negotiations that featured the extensive use of third party and family intermediaries. Its SWAT Training Unit personnel coordinated tactical resources, which included rotation of 35 FBI SWAT teams during the duration of the standoff.

On October 16, 1998, the Attorney General publicly announced her intention to establish the National Domestic Preparedness Office (NDPO) within the FBI. This office would be a focal point for preparedness assistance in the areas of contingency planning, training, equipment, research and development, and public education, staffed in part by a variety of Federal agencies, with direct participation by state and local officials.

Combating Espionage

Among the Department's successes in combating espionage, former Defense Department attorney Theresa Squillacote, her husband Kurt Stand, and co-defendant James Clark were arrested in October 1997 and charged in an espionage conspiracy that began in the 1970s. This first major espionage trial for the Department in 10 years netted convictions of both spouses on four counts of espionage. The 2-week trial, which admitted into evidence records once maintained by the East German intelligence service, demonstrated conclusively the Department's ability to meet the burden of proof in open court without disclosing classified information. The FBI investigation of Squillacote and her husband determined that they were recruited by the former East German Intelligence Service and continued their intelligence activities in the United States following the 1990 German unification.

Other espionage cases of note—

- The FBI arrested 10 persons in Florida on charges of spying on Federal agencies and installations on behalf of the Cuban Government. It was the first time in 38 years that arrests had been made in an espionage case involving Cuba.
- Dr. Peter H. Lee, a former Department of Energy scientist, was sentenced on one count of espionage and one count of making

false statements to the U.S. Government committed on behalf of the Peoples' Republic of China (PRC). This concluded a 7-year investigation by the FBI, which resulted in Lee's interrogation and confession to passing classified information to representatives of the PRC's nuclear weapons development program.

- After a long and complex investigation, the Department arrested David Sheldon Boone for being a KGB agent and for passing on top secret signals intelligence. In an undercover operation in London, conducted with the cooperation of the British Security Service, Boone detailed his prior cooperation with the KGB and agreed to travel to Washington, DC, for a subsequent meeting, where he was arrested.

Goal 1.4: Reduce White-Collar Crime, Including Public Corruption and Fraud.

White-collar crime prosecutions during 1998 included public corruption; health care fraud; computer crime; and telemarketing, financial institution, and other fraud. In all, U.S. Attorneys filed 6,669 cases against 8,518 defendants, representing a 6-percent increase in cases filed over the previous year. The U.S. Attorneys also terminated 6,063 cases against 7,973 defendants. Eighty-nine percent of the defendants whose cases were terminated during the year were convicted, with 56 percent of the convicted defendants sentenced to prison. The 89-percent conviction rate in 1998 represents the highest conviction rate for white-collar crime over the past 6 years.

The Attorney General's Council on White-Collar Crime has made great strides in revitalizing the Department's program to curb crime in this area. For example, it has created web sites that contain information regarding current fraud schemes and a new "Exemplary Practices" project that facilitates nationwide use of successful local programs initiated by an agency or an individual U.S. Attorney's office. An Internet fraud prevention program coordinates Internet fraud prevention activity with several agencies and promotes training initiatives.

Public Corruption

The Department continued to investigate and prosecute public officials and employees who betrayed the public trust through acts of misconduct or abuse of office. These prosecutions included bribery, graft, conflicts of interest, and other violations by Federal, state, and local officials and law enforcement personnel. During 1998, the U.S. Attorneys filed 526 cases charging 813 individuals with public corruption. This represents an 8-percent increase both

Campaign Financing Cases

During 1998, the Department was involved in establishing an unprecedented number of independent counsel and campaign financing cases. Several fundraisers received prison terms for laundering illegal contributions to candidates. A California fruit company agreed to pay a \$400,000 penalty for making illegal conduit contributions. The Department also helped convict two wealthy Seattle businessmen for funneling massive corporate contributions to candidates, for which the defendants paid fines totaling \$5 million.

The Campaign Finance Task Force this year opened a satellite office in Los Angeles, staffed with both prosecutors and FBI agents focusing on charges of fundraising abuse on the West Coast. The millions of pages of documents amassed by the task force were loaded onto a database that is retrievable both in Washington, DC, and on the West Coast.

in cases and defendants from the year before. Eighty-five percent of the 716 public corruption defendants whose cases were terminated during the year were convicted, with 52 percent of the convicted defendants sentenced to prison.

The Department's significant public corruption convictions included the conviction of an FBI agent who received bribes, a DEA employee who embezzled \$120,000, and an FBI headquarters official who converted government property to personal use. The Department handled a number of sensitive public corruption cases around the country as the result of recusal, referrals, or requests for assistance.

- During 1998, the Department handled a number of complex conflicts of interest violations by high-level Federal officials, including the President's National Security Advisor, the Postmaster General, and an Assistant Director of the National Science Foundation. Each case resulted in significant civil settlements.
- An FBI investigation led to the indictment of the now former governor of Arizona on charges of making false statements to lending institutions in connection with a commercial real estate venture. He was convicted of six counts of false statements and one count of wire fraud and was sentenced to 30 months in prison.
- In a period of a few weeks, nearly 80 law enforcement officers were arrested in four separate corruption cases in various parts of the Nation. One case involved the arrest of 42 officers from five law enforcement agencies in Cleveland and its suburbs. All were charged with conspiracy to distribute cocaine.

Health Care Fraud

The Department's attack on health care fraud continued on many levels in 1998. Health care fraud schemes pose a threat to some of the most vulnerable members of society—the elderly and chronically ill. They also squander limited health resources. In 1998, the Department secured \$253 million in judgments and settlements. In addition, the Justice Management Division (JMD) began administering the Health Insurance Portability and Accountability Act of 1996. A new unit created within the Office of Debt Collection Management will partner with the U.S. Department of Health and Human Services (HHS) to track health care fraud collections, in addition to its other oversight and evaluation responsibilities.

Culminating a 3-year Bureau of Justice Assistance (BJA) project, the National Association of Attorneys General (NAAG) in 1998 released the report, "The Health Care Fraud Prosecution Project Demonstration Sites in Minnesota, Wisconsin, and Maryland: The

First Two Years.” The report describes the work completed under its grant to three state attorneys general to establish prototype Health Care Fraud Prosecution Units, identifying investigation and prosecution techniques the state attorneys general used to combat intrastate health care fraud. NAAG also released a more detailed study of the health care fraud efforts of the nation’s state attorneys general, “The States’ Response to Health Care Fraud.”

Other Department successes in countering health care fraud follow:

- On July 16, 1998, the Medicare contractor for Illinois and Michigan entered into an agreement to plead guilty to eight felony counts and pay a \$4 million criminal fine and a \$140 million settlement under the False Claims Act.
- An FBI undercover operation was set up in San Diego to investigate widespread medical fraud against private insurance companies estimated to have caused multimillion-dollar losses. All 23 persons charged in the fraud pleaded guilty, including 17 physicians.
- In New York City, 11 physicians were charged with taking kickbacks in exchange for referring medical patients for medical equipment and other services; in Miami, 7 physicians, 12 nurses, and 20 other persons were indicted for health care fraud offenses.

High Technology/Computer Crime

In the area of cybercrime, the past year was truly historic. In December 1997, the Attorney General hosted the first-ever meeting of the Justice and Interior ministers of the G8, a meeting devoted in large part to crimes involving new technologies. At that meeting, the ministers adopted 10 principles and a 10-point action plan. As a result of this work, all eight countries now have 24-hour points of contact to assist each other in high-tech investigations.

The U.S. Attorneys are addressing the misuse of intellectual property (IP) using the felony provisions of statutes criminalizing unauthorized reproduction and distribution of copyrighted works, trafficking in counterfeit trademarked goods, and theft of trade secrets. In 1998, U.S. Attorneys filed 97 new IP cases charging 132 defendants with IP violations. In 1998, 121 individuals were convicted, an increase of nearly 30 percent over 1997.

Appendix II, “Criminal Caseload Statistical Reports on Intellectual Property Crimes,” contains summaries of available statistics, segregated by statutory provision and preceded by a brief description of each offense. Also included are summaries of overall totals and totals associated with matters and cases referred by Customs to the U.S. Attorneys. Following those items is a comparison of FYs

Important Victory in Securities Fraud

The Solicitor General’s Office won an important victory in *United States v. O’Hagan*. The Supreme Court upheld the so-called “misappropriation theory,” under which a person who trades in securities for personal profit, using confidential information appropriated in breach of a fiduciary duty owed to the information source, may be held liable under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission (SEC). The Court also upheld SEC’s authority to outlaw the use of confidential information about a tender offer to trade in the securities involved in the offer.

1997 and 1998 figures, a list of districts and their abbreviations, a glossary of terms, and the "Criminal Caseload Statistical Reports." The criminal intellectual property statutes surveyed include the following:

- Title 18, United States Code, Section 2318 (18 U.S.C. §2318) - Trafficking in Counterfeit Labels for Phonorecords, and Copies of Motion Pictures or Other Audiovisual Works;
- Title 18, United States Code, Section 2319 (18 U.S.C. §2319) - Criminal Infringement of a Copyright;
- Title 18, United States Code, Section 2319A (18 U.S.C. §2319A) - Unauthorized Fixation of and Trafficking in Sound Recordings and Music Videos of Live Musical Performances; and
- Title 18, United States Code, Section 2320 (18 U.S.C. §2320) - Trafficking in Counterfeit Goods or Services.

The Department also proposed and Congress passed important legislation designed to eliminate a significant loophole under the copyright law. This loophole allowed individuals to use the Internet to reproduce and distribute voluminous amounts of copyrighted material (in one case, approximately \$1 million worth of software) as long as the individuals passed on the software free of charge. Under the "Net Act," such activity is now criminal. Additionally, the Department brought its first prosecutions under the Economic Espionage Act (enacted at the end of 1996), thus proving it will be an effective new weapon against those stealing America's greatest asset: its intellectual ingenuity.

Telemarketing, Financial Institutions, and Other Fraud

Departmental efforts against financial institution fraud yielded impressive results through the 3rd quarter of 1998, the latest quarter for which data is available, with 470 defendants charged and 401 defendants convicted. Of those convicted, three-fourths were sentenced to prison.

A Federal grand jury in Pennsylvania indicted 38 persons on racketeering and bank fraud charges for allegedly attempting to defraud financial institutions of about \$100 million by using counterfeit checks drawn on educational institutions, sports teams, law firms, pension funds, and labor unions. At year's end, 17 of the defendants had pleaded guilty.

In *Hudson v. United States*, the Supreme Court, agreeing with the Solicitor General, held that the Double Jeopardy Clause of the Fifth Amendment does not prohibit the government from bringing a criminal prosecution against bank officers for misappropriating bank funds—after monetary penalties and occupational disbarment have been imposed by the Office of the Comptroller of the Currency.

Goal 1.5: Coordinate and Integrate Department Law Enforcement Activities Wherever Possible, and Cooperate Fully with Other Federal, State, and Local Agencies That Are Critically Linked to Improved Operation of the Nation's Justice System.

Criminal conduct extends beyond borders—of cities, of states, and of countries—making cooperation and coordination of law enforcement activities at the Federal, state, and local levels imperative. Similarly, because the United States and foreign prosecutors often confront the problem of needed evidence and suspects “disappearing” overseas, international cooperation is equally important. The Department has therefore continued its strategy of modernizing the legal framework to more easily accommodate international law enforcement. The Department supported U.S. foreign policy and international and domestic law enforcement priorities by promoting the ability of foreign counterparts to investigate offenses effectively, to prosecute them competently, and to adjudicate them fairly.

In May 1998, the Department worked with the Departments of State and Treasury in developing a comprehensive national strategy to fight international crime. The International Crime Control Strategy (ICCS) is an innovative action plan that will provide a coordinated, effective, long-term attack on international crime. The strategy includes eight broad goals, such as combatting smuggling, countering international financial crime, and responding to emerging threats like high-tech and computer related crime. The ICCS, which includes a legislative component, emphasizes the importance of concerted efforts among law enforcement agencies and close cooperation with our international partners in responding to transnational crime problems.

Examples of international crime-fighting successes in 1998 include the following:

- U.S. INTERPOL's “Project Rockers” initiative protected the safety of U.S. citizens by aiding our law enforcement

INTERPOL Nabs U.K. Fugitive

INTERPOL facilitated the speedy arrest of a dangerous U.K. fugitive who had brutally beaten and fatally stabbed his employer. A trail of credit card charges led U.K. investigators to Colorado. There, the Colorado INTERPOL State Liaison Office issued an immediate, area-wide wanted person bulletin. Within a few hours, a Colorado State Patrolman stopped the speeding suspect, recognized him from the bulletin, and detained him. INTERPOL London cited the excellent cooperation of the Colorado State Patrol and INTERPOL Liaison Office as instrumental in getting a life sentence for the suspect.

intelligence gathering capabilities and by preventing outlaw motorcycle gang members from Canada, Europe, and the Pacific Rim from entering the United States. Under this initiative, INTERPOL obtained gang members' U.S. travel plans and criminal records and shared this information with its law enforcement partners—the Bureau of Alcohol, Tobacco and Firearms (ATF), the INS, and the Department of State. The INS denied them entry, placed them on return flights, and prevented future entry attempts by recording their information in INS databases.

- Transnational exchange of criminal intelligence—made possible through the INS' Visa Waiver Pilot Program and the willingness of U.S. Attorneys in Miami and Los Angeles to prosecute gang members with criminal records who lied to the INS—prevented entry of 35 career criminal outlaw motorcycle gang members, many of them ranking international gang officers.
- In cooperation with the State Department, the Department of Justice negotiated 12 new extradition and mutual legal assistance treaties (MLATs). By the end of 1998, the Department had sent 38 new law enforcement treaties to the Senate for its advice and consent. The Department participated in the negotiation and successful conclusion of multilateral treaties on such topics as the U.N. Convention on Terrorist Bombings, the Organization of Economically Developed Countries, Convention on Bribery of Foreign Officials, and the Organization of American States (OAS) Convention on Unlawful Firearms Trafficking.
- The Department hosted more than 600 international visitors from countries throughout the world who came to the United States to gain an appreciation of our democratic legal system. Visitors often requested meetings relating to issues of money laundering, organized crime, asset forfeiture, narcotics and other dangerous drugs, international judicial assistance and extradition, ethics and public corruption, juvenile justice and delinquency prevention, and civil rights.
- Working with the U.S. Attorney in the Southern District of Texas, the Department surmounted a constitutional challenge to the United States' ability to surrender a person to the Rwandan war crimes tribunal. This case is the first in which a U.S. court has ordered the surrender of a fugitive to one of the war crimes tribunals.
- The Department arranged for the repatriation to the United States of approximately \$12 million in forfeited drug assets from Luxembourg, in connection with the prosecution of Michael Abbell, a former Department employee.

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- The Department worked with the Voice of America (VOA) to bring that agency's weekly International Crime Alert program, previously on radio only, to television. Through VOA's WORLDNET contacts, 1,100 affiliated television stations—broadcasting in more than 50 languages worldwide—are now carrying weekly public service announcements featuring major U.S. fugitives.
 - Fulfilling commitments made at the 1997 United States-Central American Ministerial Conference on Law Enforcement and Public Security, the Department conducted a seminar on asset forfeiture and money laundering in Costa Rica for prosecutors and police officials from eight countries.
 - Continued negotiations for an MLAT to cover tax offenses resulted in Russian agreement to provide assistance, including access to bank records, for all U.S. tax crimes. Other international tax compliance progress includes informal negotiations with France to establish tax crimes as extraditable offenses and with the Royal Canadian Mounted Police to improve mutual cooperation in investigations and prosecutions of tax crimes and money laundering offenses.

OSI Undefeated in Denaturalization Litigation Involving Former Nazis

The Criminal Division's Office of Special Investigations (OSI) was undefeated in denaturalization litigation during 1998, winning four of these uniquely challenging cases, as well as a landmark victory at the Supreme Court. All of the defendants in these civil prosecutions were found to have been complicit in Nazi-sponsored acts of persecution. The Lithuanian Government announced this year that it intends to prosecute former OSI defendant Kazys Gimzauskas on genocide charges on the basis of the documentary evidence found by OSI of his role in helping to send Jewish civilians to their deaths in 1941-42. The Department also played a key role in an historic, multi-agency Federal investigation into the fate of gold and other assets seized by Nazi Germany, Switzerland, and other Nations during and after World War II from Jewish and other civilians.