



FY 2009 PERFORMANCE BUDGET

DRUG ENFORCEMENT ADMINISTRATION

U.S. Department of Justice

Congressional Budget Submission

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I. Overview for the Drug Enforcement Administration

Introduction

The Drug Enforcement Administration (DEA) is the world's leading drug enforcement agency with over 10,000 employees, including more than 700 stationed in 62 countries around the globe. As the only single-mission federal agency dedicated to drug law enforcement, DEA developed a FY 2009 budget request with the goal of providing the critical resources necessary to reduce the availability of illicit drugs and the diversion of licit drugs and precursor chemicals in America. To accomplish this, DEA requests 9,379 positions (including 4,198 Special Agents), 9,271 Full-Time Equivalents (FTE),¹ and \$2,181,034,000. Electronic copies of this document are available on the Internet at <http://www.usdoj.gov/jmd/2009justification>

DEA wages a battle that involves disrupting² or dismantling³ significant drug trafficking and money laundering organizations, attacking the economic basis of the drug trade, and contributing to counterterrorism activities. These efforts in the fight against drug trafficking have paid large dividends. In FY 2007, DEA reported several significant accomplishments. In March 2007, the



DEA/Coast Guard record 21 ton cocaine seizure

U.S. Coast Guard—as a result of joint DEA and Panama law enforcement intelligence—made the largest maritime seizure of recovered drugs the world has ever seen. On the high seas of the eastern Pacific bound for Mexico, the freighter *Gatun* was stopped before it could deliver 21 tons of cocaine. This denied Mexican drug lords \$300 million in drug revenue and severely disrupted their transportation organization. In the same month, Mexican law enforcement partners, working closely with DEA, seized \$207 million in cash from methamphetamine chemical traffickers. This was the largest drug

cash seizure ever made. Finally, 10 Mexican drug traffickers, including leaders from all four of Mexico's major drug cartels, were extradited to the U.S. in January 2007.

¹ FTE amount does not include an anticipated 1,435 reimbursable FTE (including 1,054 Special Agents) for FY 2009.

² Disruption occurs when the normal and effective operation of a targeted organization is impeded, as indicated by changes in organizational leadership and/or changes in methods of operation, including financing, trafficking patterns, communications, or drug production.

³ Dismantlement occurs when the organization's leadership, financial base, and supply network are destroyed, such that the organization is incapable of operating and/or reconstituting itself.

These accomplishments clearly demonstrate DEA's ability to attack major drug trafficking organizations. Equally important is the effect DEA's Drug Flow Attack Strategy enforcement operations have on preventing associated drug crime and violence from spilling over the Southwest Border into the United States.

Leveraging interagency partnerships with organizations such as the Department of Homeland Security, DEA participates in several joint initiatives including the Border Enforcement Security Task Force and the Tunnel Task Force. These task forces target human and violent drug smuggling organizations that provide fuel for violence along the Southwest Border. These initiatives increase the flow of information between participating agencies regarding violent criminal organizations and gangs operating on both sides of the border.



\$207 million cash seizure in Mexico City

In addition to keeping drugs and violence out of the U.S., DEA plays a vital role in the areas of national security, border security, and immigration. Since FY 2005, more than 15 percent of DEA's domestic arrests have been illegal aliens. Furthermore, DEA has identified the Southwest Border as an area of interest because the possibility exists for terrorist organizations to use established drug smuggling routes to smuggle dangerous individuals or weapons of mass of destruction into the United States. With this added threat from terrorist organizations, the Drug Flow Attack Strategy and DEA's El Paso Intelligence Center (EPIC) are now more critical than ever to maintaining national security. EPIC is DEA's long-standing and most important intelligence sharing initiative that focuses on the Southwest Border. A recent example of EPIC's contribution is its Gatekeeper Assessment. This project developed a comprehensive, multi-source assessment of trafficking organizations that smuggle illegal contraband -- be it drugs, guns or illegal immigrants -- through "entry corridors" along the Southwest Border.

DEA's large-scale Drug Flow Attack enforcement operations have had a major impact on the domestic drug markets. During the first three quarters of 2007, the average price per pure gram of all domestic cocaine purchases increased 44 percent, while average purity fell 15 percent. During the same time period, the price of all domestic methamphetamine purchases increased by 73 percent, while purity declined by 31 percent. DEA's **Operation All Inclusive**, the centerpiece of DEA's Drug Flow Attack Strategy, has caused major disruption in the flow of cocaine, money, and chemicals between source zone areas and the U.S. **Operation All Inclusive 2007** resulted in the seizure of 115 metric tons of cocaine which is 12 to 28 percent of the estimated quantity of cocaine transported through the transit zones to the U.S. during 2006. Also, in comparing the three month periods before and after **Operation All Inclusive 2005**, the average price per pure gram of cocaine increased 43 percent.

Subsequent to these price and purity impacts, intelligence indicates that these large-scale operations significantly disrupt the transportation and distribution networks of drug trafficking organizations. After the \$207 million seizure in March 2007, initial wire traffic indicated that this take-down reduced the availability of methamphetamine along the Southwest Border. In February 2007, *Operation Imperial Emperor* disrupted the networks of CPOT Victor Emilio Cazares-Salazar. Since the domestic takedown, the organization has reportedly resorted to smuggling smaller cocaine shipments due to transportation difficulties and increased the wholesale price of cocaine by \$1,100 per kilogram. Reports also indicate that some cocaine trafficking organizations in the Los Angeles area are experiencing difficulty in acquiring cocaine from sources of supply in Latin America.

While these accomplishments are encouraging, drug abuse remains a very serious problem in the U.S. According to the Centers for Disease Control and Prevention, 33,541 Americans died from drug-induced causes in 2005, almost 3,000 more deaths than in 2004.⁴ Compounding this loss of life is the damage from increased crime and violence, the powerful grip of addiction, lower productivity in the workforce, child abuse and neglect, environmental impacts, and the grief of lost promise. The current illegal drug usage rate in the U.S. workforce is 8.2 percent.⁵ Additionally, in a survey of 500 sheriffs in 44 states, 48 percent report that up to one in five inmates are incarcerated for methamphetamine related crimes; 17 percent report that one in two are incarcerated for methamphetamine related crimes.⁶ To rid this country of these tragic impacts, in FY 2009 DEA requests the following enhancement:

1) Drug Flow Attack: Resources are requested to fully implement DEA’s Drug Flow Attack Strategy, an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. This strategy promotes the security of our nation and its borders through aggressive, well-planned, and coordinated enforcement operations with host-nation counterparts in global source countries, transit zones, and arrival zones. These operations act as a forward defense of the United States by interdicting the flow of illegal drugs and the traffickers who smuggle them northward before they reach Mexico or the Southwest border. They target the command and control structures of foreign-based DTOs responsible for violence in Mexico’s border areas where they extend across our frontiers and operate in the U.S. heartland.

FY 2009 Enhancements by Strategic Goal

Strategic Goal	Item	Dollars	Pos	Agent	FTE
1.2 , 2.4	Drug Flow Attack	\$21,073,000	41	30	21

⁴ The category “drug-induced” includes not only deaths from dependent and nondependent use of drugs (legal and illegal use), but also poisoning from medically prescribed and other drugs. It excludes unintentional injuries, homicides, and other causes directly related to drug use. Also excluded are newborn deaths due to mother’s drug use. Source: Centers for Disease Control and Prevention, “Deaths: Final Data for 2005,” *National Vital Statistics Report*, Volume 56, Number 10, January 2008.

⁵ U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA). *Worker Substance Abuse and Workplace Policies and Programs*, June 2007.

⁶ National Association of Counties. *The Criminal Effect of Meth on Communities*, July 2006.

Mission

DEA's mission is to enforce the controlled substances laws and regulations of the United States and bring to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States; and to recommend and support non-enforcement programs aimed at reducing the availability of illicit controlled substances on the domestic and international markets.

Strategic Goals

The President and the Attorney General have implemented national strategies to reduce the use and availability of illicit drugs in America. DEA's FY 2009 request is in support of the following strategic goals:

- **“Prevent Terrorism and Promote the Nation’s Security; Strengthen partnerships to prevent, deter, and respond to terrorist incidents”**. Strategic Goal I; Strategic Objective 1.2; Department of Justice (DOJ) Strategic Plan.
- **“Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People; Reduce the threat, trafficking, use, and related violence of illegal drugs”**. Strategic Goal II; Strategic Objective 2.4; DOJ Strategic Plan.
- **“Disrupting the Market for Illicit Drugs”**. Chapter III; National Drug Control Strategy.
- **“Engage the Opportunities and Confront the Challenges of Globalization”**. Chapter X; National Security Strategy.
- **“Stem the flow of illicit bulk cash out of the United States”**. Goal 3; National Money Laundering Strategy.
- **“Support global anti-money laundering capacity building and enforcement efforts”**. Goal 8; National Money Laundering Strategy.

Last year, DOJ released its new FY 2007-FY 2012 Strategic Plan, *Stewards of the American Dream*, which revises its long-term outcome goals. Concerning drug availability, DOJ created a two part long-term outcome goal. The first part focuses on the development of meaningful baselines for the supply of drugs available for consumption in the U.S. between FY 2007 and FY 2009. The second part focuses on achieving a six percent reduction against the established baselines between FY 2010 and FY 2012.

In regards to targeting the 46 organizations on the FY 2008 Consolidated Priority Organization Target (CPOT) list – the “Most Wanted” drug trafficking and money laundering organizations believed to be primarily responsible for the Nation’s illicit drug supply – DOJ’s long-term outcome goal is to dismantle 1,260 and disrupt 810 CPOT-linked drug trafficking organizations by FY 2012. The Organized Crime Drug Enforcement Task Force (OCDETF) Program, with its seven participating federal law enforcement agencies, is the centerpiece of the Department’s

drug strategy. OCDETF's principal mission is to identify, disrupt, and dismantle the most serious drug trafficking and money laundering organizations and those primarily responsible for the nation's drug supply. DEA is a leading participant in OCDETF. As of September 30, 2007, DEA participated in 90 percent of all OCDETF cases, and led or co-led 81 percent of OCDETF investigations.

Recent Accomplishments

This section addresses the current challenges faced by DEA, while demonstrating our numerous accomplishments and our commitment to DOJ's FY 2007–FY 2012 Strategic Plan and other national strategies.

Counterterrorism

DEA's drug trafficking and money laundering enforcement initiatives also support and augment U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes to foreign terrorist organizations, as well as the use of illicit drugs as barter for munitions to support terrorism. Although traditional criminal organizations continue to dominate the international drug trade at all levels, drug income is a source of revenue for some international terrorist groups. DEA investigations have identified links between terrorist organizations and groups and/or individuals under investigation for drug violations.

Drugs and terror are often joined in a marriage of convenience. For example, as stated in the 9/11 Commission Report and corroborated by a significant body of DEA reporting, drug trafficking has always been a source of revenue for the Taliban, which stockpiled, controlled, and taxed Afghanistan's opium trade during their regime. This association continues today as the Taliban use proceeds from the Afghan drug trade as a source of revenue for Anti-Coalition activities. Taliban drug-related activities include, but are not limited to: taxing opium poppy farmers, processing laboratories, and narcotics transporters passing through Taliban checkpoints and/or Taliban controlled

SUCCESS STORY: COUNTERTERRORISM

On June 7, 2007, Monzer al Kassar, an international arms dealer charged with conspiring to sell millions of dollars worth of weapons to the Revolutionary Armed Forces of Columbia (FARC) was arrested in Madrid, Spain. Since the early 1970s, Kassar has been a ready source of weapons and military equipment for armed factions engaged in violent conflicts in Nicaragua, Brazil, Cyprus, Bosnia, Croatia, Somalia, Iran, and Iraq. Some of these factions have included known terrorist organizations, such as the Palestinian Liberation Front (PLF). During a series of recorded telephone calls, emails, and in-person meetings, Kassar and co-defendants Tareq Mousa al Ghazi and Luis Felipe Moreno-Godoy agreed to sell the weapons to two confidential sources working with DEA. It was understood that the weapons were to be used to attack United States helicopters in Colombia. In addition, Kassar offered to send a thousand men to fight with the FARC against United States military officers in Colombia.

territory; providing security to poppy fields and opium bazaars; and collecting “donations,” both monetary and supplies, such as vehicles, from wealthy drug traffickers to support the Taliban cause.

SUCCESS STORY:
COUNTERTERRORISM

From 1990 until June 2004, CPOT Haji Baz Mohammad and his associates were responsible for producing and transporting hundreds of kilograms of Southwest Asian heroin from Afghanistan and Pakistan to distribution cells in Europe and the U.S. In November 2004, Baz Mohammad was indicted as the result of an OCDETF investigation conducted by DEA New York. The investigation concluded in January 2005 with Baz Mohammad’s arrest in Kandahar, Afghanistan and the dismantlement of his organization. On June 1, 2005, President Bush designated Baz Mohammad as a foreign narcotics kingpin pursuant to the Foreign Narcotics Kingpin Designation Act, which identifies significant foreign narcotics traffickers, their organizations, and operatives for financial penalties and prohibits U.S. entities from doing business with those kingpins in an effort to deny traffickers access to their assets. On October 21, 2005, Baz Mohammad became the first Afghan narcotics trafficker extradited from Afghanistan to the U.S. Four days later, he was arraigned in the Southern District of New York on charges of conspiracy to distribute and possession with intent to distribute heroin. On July 11, 2006, Baz Mohammad pled guilty to conspiracy to import heroin into the U.S. He was sentenced to 188 months in prison on October 5, 2007.

To combat this activity, DEA operations in Afghanistan are attempting to prevent the country from returning as a major supplier of heroin to the United States, as it was in the 1970s and 1980s. As a corollary, DEA operations are helping to stabilize the Afghanistan government as it battles Taliban terrorists and powerful drug warlords for control of portions of the country. DEA’s Foreign-deployed Advisory Support Teams (FAST) in Afghanistan play a pivotal role in protecting the lives of both our U.S. military and our coalition partners. The teams have identified narcotics traffickers involved in targeting U.S. forces with improvised explosive devices and have provided critical information obtained from DEA Human Intelligence sources to U.S. Army Special Forces Operational Detachments. In fact, on several occasions after DEA shared its source information, the Special Forces successfully intervened and seized improvised explosive devices, other bomb-making materials, and weapons caches.

In FY 2008, 18 of the 46 organizations on the CPOT list are linked to investigations with a validated terrorist link. Additionally, DEA has identified

43 percent (18 of 42) of the organizations on the Foreign Terrorist Organizations list as having possible ties to the drug trade. Terrorist-linked DEA Priority Target Organization (PTO) investigations increased from 55 cases in FY 2004 to 99 at the end of FY 2007, an 80 percent increase.

International Partnerships

Experience has shown that strong international partnerships are vital in the drug law enforcement arena. A robust U.S./Mexico partnership, for example, is essential if DEA is to significantly reduce the flow of drugs to the United States from Mexico and halt the smuggling of bulk cash into Mexico that was generated from the sale of billions of dollars worth of illicit drugs in the United States. The 2007 National Drug Threat Assessment, prepared by DOJ's National Drug Intelligence Center, states that "Mexican and Colombian Drug Trafficking Organizations (DTOs) together generate, remove, and launder between \$8.3 billion and \$24.9 billion in wholesale distribution proceeds from Mexico-produced marijuana, methamphetamine, and heroin and South American cocaine and heroin annually." Working with both the Mexican and Colombian governments will help address this major problem.

"The Southwest Border remains a serious area of concern for U.S. drug money laundering."

2007 National Drug Threat Assessment,
National Drug Intelligence Center

SUCCESS STORY:

INTERNATIONAL PARTNERSHIPS

The January 2007 extradition of 15 violent Mexican criminals, including the leaders from all four of Mexico's major drug cartels, was a watershed event in the annals of U.S./Mexico relations. The extraditions mark the reversal of a long-standing Mexican government policy of not extraditing jailed citizens until the sentences handed down by Mexican courts had been served. One of the extradited kingpins commanded a drug cartel considered to be among the most brutal and powerful in the world. He directed the smuggling of between four and six tons of cocaine per month over the U.S. border.



In May 2006, to further cooperative efforts between the U.S. and Mexico, the Department of Justice announced anti-methamphetamine initiatives aimed to improve enforcement and information sharing and to increase law enforcement training and public awareness, both domestically and internationally. As part of this announcement, DEA and the Government of Mexico agreed to establish specialized methamphetamine enforcement teams on both sides of the border as part of a partnership to fight methamphetamine trafficking. In Mexico, these teams are focused on investigating and targeting the most wanted Mexican methamphetamine trafficking organizations, while DEA efforts on the U.S. side focus on the methamphetamine traffickers and organizations transporting and distributing finished product. The partnership between the U.S. and Mexico also involves expanded drug intelligence sharing. Additionally, during 2006 and 2007 DEA and the Department of State, Bureau of International Narcotics and Law Enforcement Affairs have provided training to more than 4,000 Mexican officials on a variety of investigative,

enforcement, and regulatory methods related to methamphetamine trafficking and enforcement. This training includes instruction on clandestine laboratory investigations, precursor chemical investigations, and drug identification. In conjunction with the May 2006 announcement, DEA also donated eight refurbished trucks used in clandestine laboratory enforcement operations to Mexico.

The International Drug Enforcement Conference (IDEC) is also an example of DEA's international partnerships. IDEC is a global forum established in 1983 to bring together high-level drug law enforcement officials from throughout the Western Hemisphere. Its purpose is to share drug-related information and to develop a coordinated approach to law enforcement efforts against international drug organizations. The DEA Administrator is the Co-President of IDEC, which has grown to include representatives from 84 nations (62 member countries and 22 observer countries) located in both hemispheres. The Twenty-fifth IDEC took place May 8-10, 2007, in Madrid, Spain. This was the first time the conference was held outside of the Americas.

Financial Investigations

Drug trafficking organizations are big businesses, and DEA has reenergized its attack on the financial infrastructure of drug cartels. DEA's Office of Financial Operations and the specialized Money Laundering Groups in DEA's 21 field divisions focus on drug proceeds that flow back to the sources of drug supply, and how they can be identified and seized.

SUCCESS STORY:

FINANCIAL INVESTIGATIONS

*On January 23, 2008, Juan Carlos Ellis, Gerardo Palma, and Giovanni Di Rienzo were extradited from Canada to New York to face criminal charges in **Operation White Dollar**, an international money-laundering case that targeted the Colombian Black Market Peso Exchange (BMPE). This operation has led to the indictment of 34 defendants in the U.S., Canada, and Colombia, and the forfeiture of more than \$20 million in Colombian drug proceeds from bank accounts around the world. The BMPE is an informal currency exchange system in which "peso brokers" serve as middle-men between narcotics traffickers, and companies and individuals in Colombia. The peso brokers arrange for the collection and accumulation of drug dollars in the U.S. and elsewhere outside of Colombia, and then arrange for the funds to be deposited into the U.S. banking system. Finally, the peso brokers sell the drug dollars to companies and individuals in Colombia seeking to avoid the payment of taxes, import duties, and transaction fees owed to the Colombian government. During **Operation White Dollar**, law enforcement officers successfully penetrated an extensive BMPE operation based in Colombia by posing as money launderers in the U.S. and Canada who could receive vast sums of drug proceeds and deposit the money into the U.S. banking system. During the investigation, Ellis, Palma, and Di Rienzo together provided more than \$2.5 million in drug proceeds to undercover officers in Montreal to be laundered through the BMPE.*

In FY 2005, DEA established a five-year plan with annual milestones through FY 2009 to meet the challenge of crippling drug cartels so that they are unable to reconstitute their operations with new leadership. DEA plans to continue increasing its asset and drug seizures until it achieves an annual goal of \$3 billion in revenue denied to drug trafficking organizations through new domestic and international seizure strategies. The cumulative targets over this five year period total \$10 billion. In the first year under this plan, DEA exceeded its FY 2005 goal of \$1 billion in revenue denied by 110 percent. In FY 2006, DEA denied \$1.6 billion in revenue, surpassing its original FY 2006 milestone of \$1.5 billion. In FY 2007, DEA again exceeded its goal by denying drug traffickers \$3.5 billion in revenue, 75 percent more than the goal of \$2 billion for the year. DEA's revenue denied seizure goals for FY 2008 and FY 2009 are \$2.5 billion and \$3 billion, respectively.

Four of the 46 organizations on the FY 2008 CPOT list (9 percent) are financial targets. At the end of the fourth quarter of FY 2007, DEA had 188 open financial PTO investigations, of which 5 were linked to the four financial CPOTs and 33 were linked to 24 other CPOTs. Since the inception of the PTO program in FY 2001, and as of the end of the fourth quarter of FY 2007, DEA has disrupted 155 and dismantled 48 financial PTO investigations.

Online Investigations

SUCCESS STORY: ONLINE INVESTIGATIONS

*Between January 22 and February 21, 2007, DEA executed search warrants and administrative inspection warrants on eight Internet pharmacies in the Tampa, Florida area that illegally distributed controlled pharmaceuticals for rogue Internet pharmacy-websites. As a result, DEA registrations were suspended for all eight pharmacies. This initiative, dubbed **Operation Lightning Strike**, has resulted in the seizure of 907,328 dosage units of hydrocodone, and enough bulk hydrocodone with the potential to yield an additional 600,000 dosage units. Furthermore, two other pharmacies voluntarily terminated their DEA registration. In 2006, these ten pharmacies together purchased 35 million dosage units of hydrocodone, which is nearly 400 times the amount an average pharmacy would dispense in a year. The DEA is conducting this operation with the Florida Department of Health.*

DEA combats trafficking of prescription drugs over the Internet and use of the Internet as a communication tool for drug trafficking organizations of illicit drugs. Non-medical use of addictive prescription drugs has been increasing throughout the United States at alarming rates. In CY 2006, an estimated 7.0 million Americans aged 12 or older (2.8 percent of the population) used prescription-type psychotherapeutic drugs nonmedically in the past month. Of these, 5.2 million used pain relievers, an increase from 4.7 million in 2005.⁷

The Internet is becoming an increasingly popular method of acquiring prescription drugs. Schedule III and Schedule IV drugs (e.g., anti-anxiety medications, hydrocodone, and anabolic steroids)

⁷ U.S. Department of Health and Human Services, SAMHSA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

are often purchased through the Internet. Many of these e-pharmacies are foreign-based and expose the purchaser to potentially counterfeit, contaminated, or adulterated products. To deal with the increasing opportunities for diversion created by the Internet, DEA has developed an Online Pharmacy Strategy. This strategy utilizes a combination of enforcement, regulatory, and technological efforts to detect and prevent diversion, and requires the coordination of multi-agency resources and industries. Specifically, DEA coordinates Internet investigations with federal, State, and local agencies to maximize investigative resources and prosecution.

DEA also provides training and educational seminars to investigators, prosecutors, industry representatives, DEA registrants, and the public regarding online pharmacies. Additionally, DEA supports legislation and regulatory initiatives that propose to curtail and prevent diversion of controlled substances over the Internet. Finally, DEA coordinates the introduction of new technology to the field, and will be at the forefront in discovering and exploiting new trends in technology.

In FY 2007, DEA initiated 128 Internet investigations, a 13 percent increase over the 113 Internet investigations initiated in FY 2006. As a result of Internet investigations, DEA seized approximately \$39 million in cash, bank accounts, property, and computers during FY 2007, a 225 percent increase over the \$11.9 million seized in FY 2004.

Gangs

Gangs have become an increasing threat to our nation's security and the safety of our communities. Seventy five percent of the United States Attorneys report a moderate or significant gang problem. Gangs commonly use drug trafficking as a means to finance their criminal activities. Furthermore, many have evolved from turf-oriented entities to profit-driven, organized criminal enterprises whose activities include not only retail drug distribution but also other aspects of the trade, including smuggling, transportation, and wholesale distribution.

Criminal street gangs, outlaw motorcycle gangs, and prison gangs are the primary retail distributors of illegal drugs on the streets of the United States and the threat of these gangs is magnified by the high level of violence associated with their attempts to control and expand drug distribution operations. Gangs primarily transport and distribute cocaine, heroin, marijuana, and methamphetamine. Authorities throughout the country report that gangs are responsible for most of the serious violent crime in the major cities of the United States.

SUCCESS STORY: GANGS

In February 2007, DEA arrested 47 individuals, resulting in the disruption of the Laton Spurgeon crack cocaine and heroin trafficking organization. Since August 2005, the Spurgeon organization distributed one kilogram of crack cocaine and six ounces of heroin per month at the Hamel Housing Projects, a New York City Housing Authority complex in Queens, New York. Sixteen of the defendants were charged with at least one count of selling drugs within a drug-free school zone. In addition to the arrests, this four-month PTO investigation resulted in the seizure of two firearms.

DEA is committed to helping combat the gang problem within the United States. For example, DEA targets gang drug trafficking activity through participation in a number of anti-gang initiatives with other law enforcement components, such as Violent Crime Impact Teams, Project Safe Neighborhoods, the Weed and Seed Program, Safe Streets and Safe Trails Task Forces, the National Gang Intelligence Center, and the National Gang Targeting, Enforcement and Coordination Center. Through these partnerships, DEA is able to target violent drug trafficking organizations in areas where State, local, and tribal law enforcement is challenged.

Performance Measurement

DEA has successfully integrated budget and performance information. Specifically, the FY 2006 President's Budget recognized DEA as a notable example of success for integrating budget and performance information: "The Drug Enforcement Administration (DEA) has demonstrated proficiency at quantifying the impact of funding increases (or decreases) on its performance measures relative to targets established from the PART process. DEA is capable of translating a budget increase for additional drug enforcement agents into a specific number of additional drug trafficking organizations that will be either disrupted or dismantled in the fiscal year."⁸ In addition, the Government Accountability Office (GAO) acknowledged DEA's significant progress and commitment to developing measurable performance targets for reducing illegal drugs in its January 2003 report, *Major Management Challenges and Program Risks for the Department of Justice*.

In terms of the Program Assessment Rating Tool (PART), DEA was among the 20 percent of federal agencies reviewed in the Office of Management and Budget's (OMB) first-year effort to assess and improve program performance. This first year, DEA was assessed as a single counterdrug program and earned a rating of "results not demonstrated." The following year, OMB reassessed DEA in November 2003. This time, DEA earned a rating of "adequate," an acknowledgement of progress. OMB determined that DEA had made progress and doubled its score in the PART's four sections.⁹ Specifically, OMB recognized DEA for the following five accomplishments:

- Revising budget submissions to track performance;
- Developing appropriate long-term and annual goals;
- Revising the strategic plan to encompass a focus that reflects all of DEA's programs;
- Implementing targeting and reporting systems to enable DEA Headquarters to review and decide upon the allocation of investigative resources; and
- Receiving an unqualified opinion for the FY 2002 and FY 2003 financial statements with no internal control weaknesses reported and no reportable conditions related to financial management.

OMB identified a couple areas for improvement, including a formalized system of accountability for program performance in individual performance plans and DEA's need for an independent

⁸ Executive Office of the President. *FY 2006 Budget: Analytical Perspectives*, 2005.

⁹ The PART's four sections include: Program Purpose and Design, Strategic Planning, Program Management, and Program Results.

evaluation of its programs. In response to these findings, DEA has modified its annual performance work plans to include specific performance tasks that link to the President's Management Agenda, the Attorney General's Management Goals, and the DEA Administrator's Vision. This involved tying Senior Executive Service (SES) performance standards, which include standards for all Special Agents in Charge (SACs), country attachés, and administrative managers, to relevant strategic plans. DEA also revised its Field Management Plans and Foreign Region Management Plans to incorporate specific performance measures linked to DEA's Strategic Goals.

DEA is continually working to meet the PART requirement that agencies conduct non-biased evaluations to fill gaps in performance information. DEA has worked on a coordinated effort with the Office of National Drug Control Policy (ONDCP) and the CNA Corporation to develop a model to determine the impact of law enforcement operations on the cocaine market. The results of the 16 month study showed that while DEA enforcement operations did have a short term impact on cocaine availability as measured by price and purity, there was no single model that could measure the impact on a national level. Other independent evaluations included the Office of the Inspector General audit of DEA's International Operations in FY 2007 and a Follow-Up Review of the DEA's Efforts to Control the Diversion of Controlled Pharmaceuticals in FY 2006.

Finally, DEA is working to improve its methodology for projecting long-term performance. For example, DEA has refined its Priority Target Organization (PTO) projection methodology by using regression analysis to determine the significance of a number of variables in the model and their ability to forecast the number of PTOs disrupted and dismantled in a year. DEA is scheduled to be reassessed by OMB during the FY 2012 budget process.

Last year, DOJ released its new FY 2007-FY 2012 Strategic Plan, *Stewards of the American Dream*. In recognition of the challenges encountered in developing a reliable methodology for estimating the amount of drugs available for consumption in the U.S., DOJ revised its drug-related, long-term outcome goal. Specifically, DOJ created a two part outcome goal. The first part focuses on the development of meaningful baselines for the supply of drugs available for consumption in the U.S. between FY 2007 and FY 2009. The second part focuses on achieving a six percent reduction against the established baselines between FY 2010 and FY 2012.

In support of this goal, ONDCP, in consultation with DOJ, continues to develop estimates of availability for the four major drug categories: cocaine; heroin; marijuana; and methamphetamine. The most recent models for cocaine, heroin, and marijuana provide broad availability ranges, which are difficult to use for targeting. In addition, an estimate for methamphetamine availability is not available due to inadequate data. To enhance price and purity data, DEA established a drug buy program for cocaine and methamphetamine funded by ONDCP in FY 2007.

In terms of proxy measures, DEA is looking at the average price per pure gram of cocaine purchased domestically. According to DEA's System to Retrieve Information on Drug Evidence

(STRIDE)¹⁰ data for all domestic cocaine purchases during the first three quarters of 2007 show a 44 percent increase in average price per pure gram and a 15 percent decline in average purity. DEA is also analyzing the average price per pure gram of methamphetamine purchased domestically. STRIDE data for all domestic methamphetamine purchases during the first three quarters of 2007 show a 73 percent increase in average price per pure gram and a 31 percent decline in purity. DEA is continuing to monitor these indicators and is considering extending them to include heroin and marijuana. In addition, DEA is analyzing other positive law enforcement outputs to identify meaningful trends to measure its impact on the drug market.

In the meantime, DEA reports the following drug seizures based on data recorded in its drug seizure reporting systems. The table below shows a significant increase in cocaine, heroin, and marijuana seizures from FY 2005 to FY 2007, in part due to continued success with foreign seizures.

**DEA's Drug Seizures
Weight Reported in Metric Tons ***

	FY 2005 Domestic Seizures	FY 2005 Foreign Seizures	FY 2005 Total Seizures	FY 2006 Domestic Seizures	FY 2006 Foreign Seizures	FY 2006 Total Seizures	FY 2007 Domestic Seizures	FY 2007 Foreign Seizures	FY 2007 Total Seizures
Drug									
Cocaine	174.19	103.24	277.43	136.43	212.01	348.44	140.95	437.75	578.70
Heroin	0.90	12.58	13.48	1.30	11.91	13.21	0.99	27.50	28.49
Methamphetamine	3.17	1.18	4.35	2.11	1.84	3.95	2.45	2.07	4.52
Marijuana **	624.16	117.40	741.56	529.60	119.21	648.81	959.59	329.01	1,288.60

* Conversion applied : Kilos / 1,000 = MT

** Does not include Hashish

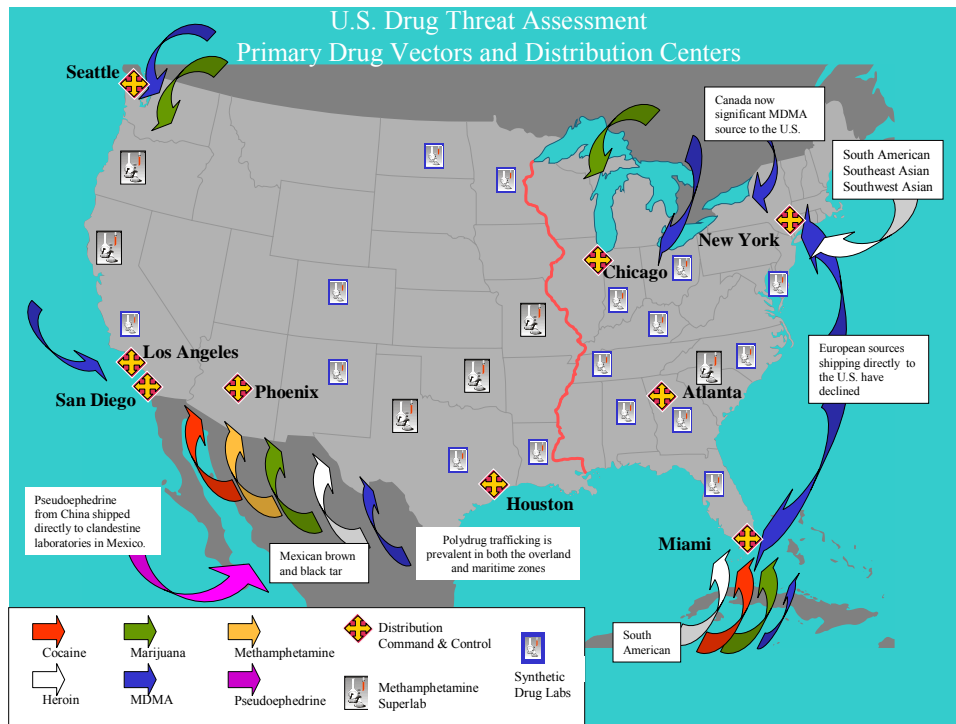
All seizure data are based on INFO 7 and STRIDE as of January 18, 2008.

Drug Threats to the United States

The *National Drug Control Strategy* set a two-year goal to reduce the use of illicit drugs among youth and adults by 10 percent in the United States between CY 2001 and CY 2003.¹¹ This goal has been exceeded, as drug use among youth decreased 11 percent over that time period. However, significant challenges remain.

¹⁰ The STRIDE data set contains information on the total cost, weight, and purity or potency of illicit drugs purchased, as well as the date and location of the purchase.

¹¹ Executive Office of the President. Office of National Drug Control Policy. *National Drug Control Strategy 2005*, 2005.



In CY 2006, an estimated 20.4 million Americans – 8.3 percent of the population age 12 or older – were current¹² illicit drug users.¹³ It is estimated that drug abuse costs the U.S. economy over \$180 billion annually¹⁴ – approximately \$1,600 a year to every American family – in lost earnings, health care costs, social welfare costs, and the loss of goods and services to crime. DEA’s most recent Domestic Threat Assessment highlights the challenges we still face in reducing the illicit drug supply in America. The Enforcement-Based Domestic Drug Threat Assessment map (shown above) provides a snapshot of the highly dynamic drug trafficking environment in the U.S.¹⁵ The following sections provide further information on the top drug threats facing our Nation.

¹² Current drug use means use of an illicit drug during the month prior to the NSDUH survey interview.

¹³ U.S. Department of Health and Human Services, SAMSHA. *Results from the 2006 National Survey on Drug Use and Health: National Findings*, September 2007.

¹⁴ Executive Office of the President, Office of National Drug Control Policy, 2004. *The Economic Cost of Drug Abuse in the United States, 1992-2002*.

¹⁵ DEA’s Enforcement-Based Domestic Drug Threat Assessment map, as of August 2007, is based on intelligence relating to the demand for illegal drugs and their suppliers and distributors. The threat assessment encompasses data findings from DEA field division assessments, open-source reports, drug abuse indicators, reports from DEA’s El Paso Intelligence Center and the Joint Interagency Task Force West, and information on PTOs. This assessment identifies the primary illicit drug distribution patterns and the major organizations involved, as identified through DEA enforcement and intelligence collection activities.

Methamphetamine



Methamphetamine is the most widely abused and most frequently clandestinely produced synthetic drug¹⁶ in the United States. It appeals to people across all genders, ages, and socio-economic levels. Methamphetamine has a high rate of addiction, a low rate of sustained recovery, and is cheap to manufacture. It devastates users, their families, and local communities. According to the 2006 *National Survey on Drug Use and Health* (NSDUH), 713,000 persons 12 and older, or 0.3 percent of the population, used methamphetamine during the past 30 days.¹⁷

State legislation, the Combat Methamphetamine Epidemic Act, and law enforcement efforts have all contributed to a significant decline in methamphetamine labs inside the United States. The number of methamphetamine laboratory incidents reported in the United States has decreased from 17,775 in CY 2004 to 8,169 in CY 2006, a 54 percent decrease. The number of "super labs" seized in the United States has also dropped from 143 in CY 2002 to 20 in CY 2006.

Most of the methamphetamine consumed in the United States is produced by Mexican traffickers based in Mexico and California. These drug trafficking organizations have distribution networks throughout the United States, as well as access to drug transportation routes to smuggle the methamphetamine from Mexico into the United States. These Mexican methamphetamine distribution groups are often more difficult for local law enforcement agencies to identify, investigate, and dismantle because they typically are much more organized and experienced than local independent producers and distributors. Moreover, these Mexican criminal groups typically produce and distribute high purity ice methamphetamine that usually is smoked, potentially resulting in a more rapid onset of addiction to the drug.¹⁸ Current drug and lab seizure data suggests that approximately 80 percent of the methamphetamine used in the United States originates from larger laboratories operated by Mexican-based syndicates on both sides of the border, and that approximately 20 percent of the methamphetamine consumed comes from small toxic labs in the United States.

Non-medical use of prescription drugs



Non-medical use of addictive prescription drugs has been increasing throughout the United States at alarming rates. In CY 2006, an estimated 7.0 million Americans aged 12 or older (2.8 percent of the population) used prescription-type psychotherapeutic drugs nonmedically in the past month. Of these, 5.2 million used pain relievers, an increase from 4.7 million in 2005.¹⁹

¹⁶ The term 'synthetic drugs' refers to controlled substances such as methamphetamine, MDMA "ecstasy" (and its analogues), GHB (and its analogues), ketamine, and other substances, which are not of primarily organic origin and are usually associated with clandestine manufacture.

¹⁷ U.S. Department of Health and Human Services, SAMSHA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

¹⁸ National Drug Intelligence Center, *2007 National Drug Threat Assessment*, October 2006.

¹⁹ U.S. Department of Health and Human Services, SAMSHA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

Individual users can easily acquire prescription drugs through a variety of means, generally dependent on the type of drug. DEA and other data sources reveal that OxyContin[®] and other Schedule II drugs are most commonly obtained illegally through “doctor shopping” or are sold illegally by registrants (e.g., doctors/pharmacists). On the other hand, Schedule III and Schedule IV drugs (e.g., anti-anxiety medications, hydrocodone, and anabolic steroids) are often purchased through the Internet. Many of these pharmacies are foreign-based and expose the purchaser to potentially counterfeit, contaminated, or adulterated products.

DEA targets its investigations on domestic Internet pharmacies using data from available data bases, such as the Automation of Reports and Consolidated Orders System (ARCOS), to determine which retail pharmacies are most likely involved in the distribution of large quantities of controlled substances over the Internet. During FY 2007, 17.1 percent of Diversion Control Program case work hours supported Internet cases. This represents an increase of 10 percent from FY 2006 and an increase of 50 percent from FY 2005.

Cocaine



Cocaine remains a major illegal drug of concern throughout the United States based upon abuse indicators, violence associated with the trade, and trafficking volume. The 2006 NSDUH found that 2.4 million Americans used cocaine within the past 30 days.²⁰ According to a 2005 Drug Abuse Warning Network (DAWN) report, cocaine is the most frequently reported illegal drug in hospital emergency room visits, accounting for 1 in 3 drug misuse/abuse emergency room visits in CY 2005.²¹

Colombia continues to dominate the international cocaine trade, producing at least 70 percent of the world's cocaine hydrochloride (HCl), and approximately 90 percent of the cocaine HCl smuggled into the United States.²² Although Colombia is the principal source of cocaine distributed in the United States, most of the wholesale cocaine distribution in the United States is controlled by Mexican drug trafficking organizations and criminal enterprises. Even in areas dominated by Colombian and Dominican drug trafficking organizations, such as the Northeast and Caribbean regions, the influence of Mexican drug trafficking organizations is increasing.

²⁰ U.S. Department of Health and Human Services, SAMHSA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

²¹ U.S. Department of Health and Human Services, SAMHSA. *Drug Abuse Warning Network, 2005: National Estimates of Drug-Related Emergency Department Visits*, March 2007.

²² Each year DEA forensic chemists analyze over 2,000 cocaine HCl exhibits obtained from bulk seizures throughout the United States to determine cocaine purity and the geographical origin of the cocaine. Using state-of-the-art methods, DEA chemists can determine the geographic origin of the coca leaf used to produce a cocaine sample with a confidence level exceeding 95 percent. Over 90 percent of all the cocaine HCl samples seized by federal authorities and analyzed by DEA since 1998 were of Colombian origin.

Heroin



The overall demand for heroin in the United States is lower than for other major drugs of abuse such as cocaine, marijuana, and methamphetamine. According to the 2006 NSDUH, 338,000 people aged 12 and older reported using heroin during the past 30 days in CY 2006; an increase from 136,000 in CY 2005.²³ Heroin remains readily available in major metropolitan areas and is the third most frequently reported illegal drug in emergency department visits after cocaine and marijuana, accounting for 164,572 visits in CY 2005.²⁴

The majority of the heroin entering the United States is produced in Colombia and Mexico. South American white heroin dominates the heroin market east of the Mississippi River. The heroin market west of the Mississippi River is dominated by Mexican black tar heroin. Although Mexico and Colombia combined account for less than five percent of the world's heroin production, this amount is believed sufficient to meet most of the U.S. demand. In 2006, Afghanistan was responsible for more than 90 percent of the world's potential heroin production.²⁵ However, all available DEA information indicates Afghanistan is not currently a major heroin supplier to the United States. It is estimated that Southwest Asian heroin comprises less than 10 percent of the heroin available in the United States.

Marijuana



Marijuana continues to be a significant threat. The 2006 NSDUH found that marijuana was the most commonly used illicit drug with 14.8 million users (6 percent of the population 12 and older) during the past month in CY 2006 – a similar rate to earlier years going back to 2002.²⁶ More teens seek treatment for marijuana dependency than for all other drugs combined including alcohol, and marijuana was involved in 242,200 emergency department visits in CY 2005, second only to cocaine among drug-related visits.²⁷

Marijuana trafficking is prevalent across the nation, with both domestic and foreign sources of supply. In 2006, California, Hawaii, Kentucky, Oregon, Tennessee, Washington, and West Virginia were the top seven states for marijuana cultivation. The primary source countries for *foreign* marijuana destined for the United States are Mexico, Canada, Colombia, and Jamaica. The most recent supply availability estimates indicate that between 10,000 and 24,000 pure

²³ U.S. Department of Health and Human Services, SAMHSA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

²⁴ U.S. Department of Health and Human Services, SAMHSA. *Drug Abuse Warning Network, 2005: National Estimates of Drug-Related Emergency Department Visits*, March 2007.

²⁵ U.S. Department of Justice, National Drug Intelligence Center. *2008 National Drug Threat Assessment*, October 2007.

²⁶ U.S. Department of Health and Human Services, SAMHSA. *Results from the 2006 National Survey on Drug Use and Health*, September 2007.

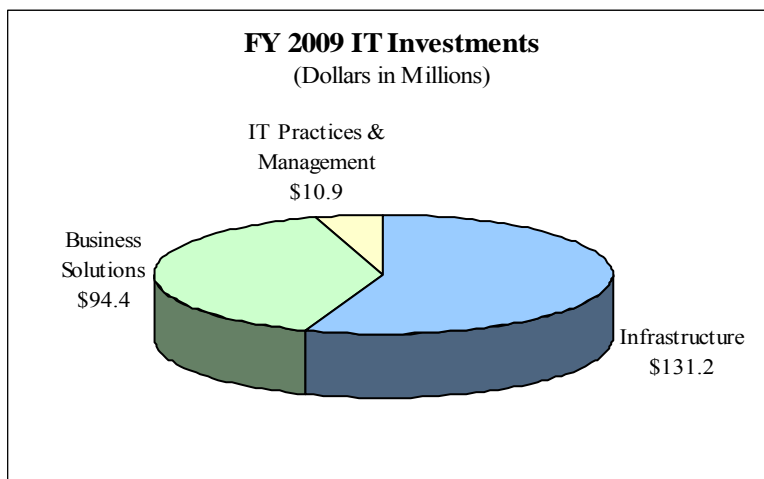
²⁷ U.S. Department of Health and Human Services, SAMHSA. *Drug Abuse Warning Network, 2005: National Estimates of Drug-Related Emergency Department Visits*, March 2007.

metric tons of marijuana are available in the United States,²⁸ and that Americans spend more than \$10.4 billion every year on marijuana.²⁹ Since the demand for marijuana far exceeds that for any other illegal drug and the profit potential is so high, some cocaine and heroin drug trafficking organizations traffic marijuana to help finance their other drug operations.

Mexican drug trafficking organizations dominate the transportation and wholesale distribution of the majority of foreign-based marijuana available in the United States and cultivate marijuana on U.S. public lands throughout California. High grade marijuana from Canada, commonly referred to as “BC Bud,” is also available in every region of the United States.

Information Technology Investments

Information technology (IT) resources are an important component in DEA’s efforts to fulfill its mission. In addition, information sharing with other law enforcement agencies and the Intelligence Community is only possible with an adequate IT infrastructure. In FY 2009, DEA will dedicate approximately \$236,500,000 and 144 FTE to IT:

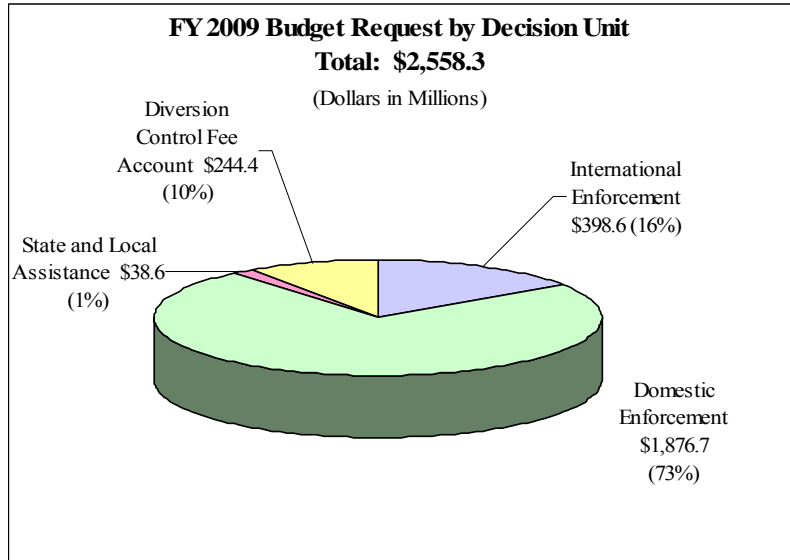


Full Program Costs

DEA’s budget integrates its own priorities together with DOJ’s Strategic Goals and Objectives to ensure that each performance objective is linked to the costs of critical strategic actions. This request supports DEA’s Strategic Plan, which divides DEA’s resources (including reimbursable funds) into four strategic focus areas to achieve the maximum enforcement impact across the full spectrum of drug trafficking activity.

²⁸ Drug Availability Steering Committee, *Drug Availability Estimates in the United States*, December 2002.

²⁹ Executive Office of the President, Office of National Drug Control Policy. *What Americans Spend on Illegal Drugs 1988-1998*, December 2000.



Note: This chart reflects all DEA resources including the Salaries and Expenses Account, the Diversion Control Fee Account, and \$377.3 million in reimbursable resources.

Requested enhancements are designed to support DEA’s four specific strategic focus areas. This strategy takes into account the current drug trafficking situation affecting the United States and identifies the drug trade’s characteristics and vulnerabilities at all levels, targeting each of them simultaneously. DEA’s resources in support of DOJ Strategic Goal II and Objective 2.4, and Strategic Goal I and Objective 1.2, are provided in each decision unit justification in Section II.

For FY 2009, approximately 73 percent of DEA’s budgetary resources (including \$377.3 million in reimbursable funds) are associated with Domestic Enforcement, 16 percent with International Enforcement, one percent with State and Local Assistance, and 10 percent with the Diversion Control Fee Account. The activities and initiatives in each of DEA’s programs play a crucial role in accomplishing DEA’s overall strategy. Total costs include:

- Direct costs of all outputs;
- Indirect costs; and,
- Common administrative systems.

Some programs, as well as management and administration costs, cross decision units. Both performance and resource tables within each decision unit justification define the total costs of achieving the strategies DEA will continue in FY 2009. The resource and performance charts include the costs of lower level strategies, which also contribute to achieving the objectives. The indirect costs of continuing activities, which are central to each DEA decision unit’s operations, are also included.

Performance Challenges

The challenges that impede progress towards achieving DEA's goals are complex and ever changing. Marketplace dynamics, global politics, technological developments, and criminal behavior are only a few factors that can impact law enforcement practices and pose challenges that demand attention. DEA faces the following potential obstacles to meeting its performance objectives:

External Challenges: There are many external challenges that DEA has to address to meet its goals successfully. While these factors are beyond its control, DEA can provide tools and assistance to Headquarters and field personnel, as well as its federal, State, local, and international partners, to minimize dangers. External challenges include the following:

- The smuggling, money remittance, and communications infrastructures utilized by international drug and chemical trafficking organizations will continue to provide an operational template that can be readily exploited by terrorist organizations. For example, drug income is among the sources of revenue for some international terrorist groups, most notably the Revolutionary Armed Forces of Columbia (FARC) and the United Self-Defense Forces of Colombia (AUC).
- Many international drug laws are inadequate to address counter-drug efforts. Furthermore, many countries lack effective legislative measures and the judicial means necessary to effectively thwart production, diversion, transportation, communications, finance, or distribution of drugs in their countries.
- Source countries, drug traffickers, methods of operations, and production are constantly changing.
- Corruption can stymie DEA's efforts to affect international enforcement. Developing nations face an inordinate amount of problems (including indebtedness, insurgency, corruption, and underdevelopment) in conjunction with drug production and trafficking.
- As DEA identifies and infiltrates drug trafficking organizations, the leaders of those organizations are finding more sophisticated ways to insulate themselves from the criminal justice system. For example, they are using long and complex chains of delivery systems and state-of-the-art technology to keep their operations clandestine.
- Newly emerging drug threats continue to affect the United States and the world.
- Technological advancements in communications require vigilance and technical competency on the part of law enforcement. Internet, banking methods, and other sophisticated uses of equipment, such as instant messaging (instant two-way communications using the Internet), BlackBerry devices, Hush Mail (free online encryption tool), and VoIP (which provides push to talk, email, and picture capability to wireless phones), all present challenges to law enforcement.

- The globalization of the social, technical, and economic environments of the United States and other nations creates new venues for drug production, transportation, diversion, and money laundering techniques.
- Legalization in any form would likely: 1) reduce the perception of the risks and costs of use; 2) increase availability and access to harmful drugs; 3) increase demand, abuse, and addiction; and 4) remove the social sanction against drug abuse that is reinforced by legislation. Legalization would increase risks and costs to individuals, families, and communities.
- Changes in laws could affect the closed system of distribution and would allow distribution of foreign-sourced controlled substances.
- Continued growth in preference in the abuser population for legitimate controlled substances to replace or supplement illicit drugs.
- Growing DEA registrant population increases legal access to controlled substances and the opportunity for their diversion.

Internal Challenges: DEA faces many internal challenges in FY 2009, such as:

- Addressing critical infrastructure requirements.
- Ensuring operational agility. DEA must be able to shift resources, personnel, and enforcement pressure in order to rapidly exploit trafficker vulnerabilities. To attack the flow of drugs, DEA requires end game capabilities to operate on land, sea, or in the air - day or night. These capabilities rely heavily on the availability of aviation and travel resources to move DEA personnel and foreign counterparts to the right location at the right moment.
- Enhancing career development opportunities to ensure effective succession planning in DEA's leadership, since 49 percent of DEA's Senior Executives were eligible for retirement at the end of FY 2007.
- Complete and timely sharing of information and intelligence.
- Strengthening existing partnerships and building new ones with federal, State, local, and international counterparts.

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II. Summary of Program Changes

Item Name	Description				Page
		Pos.	FTE	Dollars (\$000)	
Drug Flow Attack	To fully implement the Drug Flow Attack strategy, an innovative multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States.	41	21	\$21,073	43
Total		41	21	\$21,073	

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III. Appropriations Language

Appropriations Language

DRUG ENFORCEMENT ADMINISTRATION SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed \$70,000 to meet unforeseen emergencies of a confidential character pursuant to 28 U.S.C. 530C; and expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs, [*\$1,855,569,000*] *\$1,936,584,000*; of which not to exceed \$75,000,000 shall remain available until expended; and of which not to exceed \$100,000 shall be available for official reception and representation expenses.

[For an additional amount for ``Drug Enforcement Administration, Salaries and Expenses'', \$2,000,000 for a communications intercept initiative in Afghanistan: Provided that the amount provided by this paragraph is designated as described in section 5 (in the matter preceding division A of this consolidated Act).] (Department of Justice Appropriations Act, 2008.)

Analysis of Appropriations Language

No substantive changes proposed.

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IV. Decision Unit Justification

A. International Enforcement

International Enforcement Total	Perm. Pos.	FTE	Amount (\$000)
2007 Enacted with Rescissions	1,036	989	\$340,636
2007 Supplementals	0	0	8,468
2007 Enacted w/Rescissions and Supplementals	1,036	989	349,104
2008 Enacted	1,036	992	354,823
Adjustments to Base and Technical Adjustments	0	0	23,196
2009 Current Services	1,036	992	378,019
2009 Program Increases	23	11	17,897
2009 Request	1,059	1,003	395,916
Total Change 2008-2009	23	11	\$41,093

1. Program Description

The main focus of DEA's International Enforcement program is the disruption or dismantlement of drug trafficking organizations identified as the most significant international drug and chemical trafficking organizations, also known as Priority Targets. Specifically, DEA Special Agents, Intelligence Analysts and Diversion Investigators assigned to DEA's foreign country offices, focus their investigative efforts on Priority Targets with a direct connection to DOJ's CPOT targets, which include the most significant international command and control organizations threatening the United States as identified by OCDETF member agencies. The International Narco-Terrorism Provisions in the USA Patriot Improvement and Reauthorization Act of 2005 have enhanced DEA's investigative authority overseas. In March 2006, the re-authorization of the Patriot Act amended Title 21 USC 960a to address narco-terrorism offenses. This new law gives DEA the authority to investigate international criminal organizations that use illicit drug proceeds to promote and finance foreign terrorist organizations and acts of terror. With the implementation of the amended 21 USC 960a, DEA's role in narco-terrorism investigations and prosecutions expanded significantly. This statute provides DEA with another effective tool to prosecute, disrupt and dismantle narco-terrorist groups worldwide.

As the U.S. government's single point of contact for coordinating international drug and chemical investigations, DEA provides interagency leadership in the effort to disrupt or dismantle drug trafficking organizations. Under the policy guidance of the Secretary of State and U.S. Ambassadors, DEA coordinates all programs involving drug law enforcement in foreign countries. In addition, DEA provides intelligence to assist the interagency community in determining future trends in drug trafficking and evaluating these trends to determine their long-term impact on drug trafficking. DEA also works closely with the United Nations, Interpol, and other organizations on matters relating to international drug and chemical control programs.

In addition to collaboration with its foreign counterparts, significant international enforcement efforts require coordination with DEA's domestic offices. These enforcement efforts require a system of well-coordinated international and domestic investigations that combine elements of

all operational, regulatory, and intelligence resources of the United States. DEA targets the most significant domestic surrogates of the international drug and chemical trafficking organizations, and sustains a long-term effort designed to dismantle these targeted organizations. This coordination, both international and domestic, ultimately leads to the disruption or dismantlement of organizations that provide raw materials and chemicals used for the production of illicit drugs, launder narcotics proceeds worldwide, and direct the operations of their surrogates in the United States.

International Drug Flow Attack Strategy

To attack the vulnerabilities of major international drug and chemical trafficking organizations, DEA is working to strengthen partnerships with its international law enforcement counterparts worldwide. With the International Drug Flow Attack Strategy, DEA is implementing an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply, transportation systems, and financial infrastructure of major drug trafficking organizations. This new strategy calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones.

DEA's foreign operations address the problem of U.S.-bound drugs in many ways, but share the common theme of supporting proactive and successful bilateral investigations in partnership with nations committed to combating a problem that undermines their societies and whose law enforcement agencies welcome the expertise and enhanced capabilities DEA imparts to them. Therefore, the International Drug Flow Attack Strategy will have a broader impact on the drug flow into the United States and will augment U.S. efforts against terrorism by depriving criminal organizations of drug proceeds that could be used to fund terrorist acts.

On August 5, 2005, the DEA implemented the first initiative of the strategy, *Operation All Inclusive 2005-1*, throughout Central America. *Operation All Inclusive 2005-1* was a multi-agency international drug flow prevention strategy designed to significantly disrupt the flow of drugs, money, and chemicals between Mexico, Central America, and the United States by attacking vulnerabilities in the supply and transportation systems, and the financial infrastructure of major drug trafficking organizations. The strategy included aggressive, well-planned and coordinated enforcement operations with host-nation counterparts in Mexico and Central America. From March through April 2006, building upon the lessons learned from *Operation All Inclusive 2005-1*, the second initiative under the highly effective International Drug Flow Attack Strategy, *Operation All Inclusive 2006-1*, was conducted. *Operation All Inclusive 2006-1* was a combination of staggered and simultaneous land, air, maritime, and financial attacks involving synchronized interagency counter drug operations designed to influence illicit trafficking patterns and increase disruptions of drug trafficking organizations. During the course of both initiatives, DEA was able to determine through intelligence sources that traffickers postponed or canceled their operations, modified their methods of conveyance, varied smuggling routes, and jettisoned loads as a result of enforcement efforts.

On January 8, 2007, *Operation All Inclusive 2007-1* commenced and continued through July 31, 2007. This operation consisted of a series of intelligence and operational components designed

to integrate and leverage ongoing, specialized efforts in the source and transit zones. DEA conducted this operation in conjunction with JIATF-South (JIATF-S). The area of operation included transit zones in Mexico and Central America as well as parts of South America and the Caribbean. *Operation Rum Punch*, an initiative included under *Operation All Inclusive 2007-1* is based in Santo Domingo, Dominican Republic and Port au Prince, Haiti and is supported by Special Agents from the DEA Caribbean and Aviation Divisions. *Operation Rum Punch* seeks to disrupt or deny the movement of drugs via small aircraft from Colombia and Venezuela to the island of Hispaniola.

Counter narcotics Strategies in Afghanistan

Combating the world-wide threat posed by heroin production in Afghanistan is a major challenge. In response to this threat, DEA has initiated several partnering efforts in Afghanistan. For example, DEA initiated Operation Containment in February 2002 in response to the growing threat of Afghan opium. Through Operation Containment, DEA is implementing a series of administrative, diplomatic, and investigative measures needed to reduce the flow of Afghan heroin into world markets and prevent Afghanistan from becoming a major supplier of illicit drugs to U.S. markets. These measures are essential to prevent the billions of dollars generated by the drug trade from reaching people who seek to return the ousted Taliban to power, or those financing terrorist organizations. In support of Operation Containment, DEA collaborates with 18 countries from Central Asia, the Caucasus, Europe and Russia.

Another example of DEA's partnering efforts with the Government of Afghanistan was the extradition of CPOT fugitive Haji Baz Mohammad to the United States for prosecution. This was the first ever extradition from Afghanistan to the United States. On July 11, 2006, he pled guilty in the U.S. District Court for the Southern District of New York to conspiracy to import hundreds of kilograms of heroin into the United States. He faces a mandatory minimum of ten years imprisonment and up to a life sentence.

DEA continues to work with the government of Afghanistan to assist in building narcotic enforcement initiatives and protocols. DEA's Kabul Country Office is participating in the training of the Counter Narcotics Police – Afghanistan (CNP-A), National Interdiction Unit (NIU). The NIU of the CNP-A is being trained to target and dismantle drug trafficking organizations and conduct interdiction and laboratory destruction operations. In addition, DEA is developing a clandestine laboratory and drug identification awareness course for U.S. military forces operating in Afghanistan.

In support of the *Counter narcotics Strategy for Afghanistan*, developed by the U.S. Embassy Kabul in conjunction with the Government of Afghanistan to reduce heroin production and contribute to the stabilization and rebuilding of the country, DEA created the Foreign-deployed Advisory Support Teams (FAST). The FAST provide guidance to DEA's Afghan counterparts and conduct bilateral investigations that identify, target, and disrupt illicit drug trafficking organizations. The FAST program directly strengthens DEA's capabilities in Afghanistan by enhancing connectivity with DEA's Afghan counterparts to identify, target, investigate, disrupt, or dismantle transnational drug trafficking operations in the region.

DEA's ultimate goal in Afghanistan is to conduct operations in conjunction with the newly established NIU of the CNP-A. DEA will assist the NIU by supporting the U.S. Embassy's plan to destroy clandestine labs and seize precursor chemicals, opium, and drug stockpiles. With DEA advisory assistance, training, and mentoring, the NIU will be made increasingly proficient in the conduct of drug enforcement operations. Overall, the FAST training program has proven to be valuable and directly supports counter terrorism activities in the region.

The initiatives requested within this decision unit support more than just International Enforcement; therefore, only a share of the requested enhancements is scored to this decision unit.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: International Enforcement

DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security

Strategic Objective 1.2: Strengthen partnerships to prevent, deter, and respond to terrorist incidents

WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)			
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request			
Workload Measure	Number of Foreign Investigative Cases Worked in the Middle East, Central Asia, and Southwest Asia Regions	270		245		275		5		280			
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000		
		83	\$ 49,687 [S0]	83	\$ 49,687 [S0]	83	\$ 41,896 [S0]	0	\$ - [S0]	83	\$ 41,896 [S0]		
TYPE/ STRATEGIC OBJECTIVE		PERFORMANCE		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000		
Program Activity	International Operations	83	\$ 49,687 [S0]	83	\$ 49,687 [S0]	83	\$ 41,896 [S0]	0	\$ - [S0]	83	\$ 41,896 [S0]		
Performance Measure	% of Bilateral Investigations Initiated in the Middle East, Central Asia, and Southwest Asia Regions ¹	15%		17%		16%		1%		17%			
Performance Measure	# of counternarcotics operations conducted by the Foreign-deployed Advisory and Support Teams (FAST) in conjunction with the Afghan Counter Narcotics Police-National Interdiction Unit (NIU) ²	††		30		††		-		††			
Performance Measure	# of Afghan NIU officers trained by FAST agents and deployed ³	175		145		200		-		216			

†† In accordance with Department guidance, targets are not established for this performance indicator.

¹ The percentage of Bilateral Investigations Initiated in the Middle East, Central Asia and Southwest Asia regions is a subset of the total number of bilateral investigations initiated with host nation counterparts.

² Activities associated with joint FAST/NIU counternarcotics operations include: drug laboratory and precursor chemical site raids; destruction of opium storage sites; arresting drug traffickers with ties to the Taliban; conducting roadblock operations; executing search warrants; confiscating weapons/equipment and documents; seizing chemicals and drugs; conducting undercover drug purchases; and, coordinating with Confidential Sources. Due to the large number of external and uncontrollable factors influencing counter narcotics operations, DEA cannot project the number of counternarcotics operations to be conducted.

³ Under the recently approved *Afghan Police Reorganization*, signed by Afghanistan President Karzai, the current authorized manpower level of the NIU is 216.

2. PERFORMANCE AND RESOURCES TABLE (Con't)

Decision Unit: International Enforcement											
DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People											
Strategic Objective 2.4: Reduce the threat, trafficking, use, and related violence of illegal drugs											
WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes¹⁰		FY 2009 Request	
Workload Measure	Number of Foreign Investigative Cases Worked ^{4,7}	1,760		2,051		1,740		87		1,827	
Workload Measure	Active PTOs Linked to CPOT Targets ⁵	90		104		120		10		130	
Workload Measure	Active PTOs Not Linked to CPOT Targets ⁵	150		222		220		20		240	
Total Costs and FTE		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		906	\$ 299,417 [\$2,653]	906	\$ 299,417 [\$2,653]	909	\$ 312,927 [\$2,653]	11	\$ 41,093 [\$0]	920	\$ 354,020 [\$2,653]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2007		FY 2007		2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Program Activity	International Operations	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		906	\$ 299,417 [\$2,653]	906	\$ 299,417 [\$2,653]	909	\$ 312,927 [\$2,653]	11	\$ 41,093 [\$0]	920	\$ 354,020 [\$2,653]
Performance Measure	Active PTOs Linked to CPOT Disrupted Pending Dismantlement ⁶	10		18		20		5		25	
Performance Measure	PTOs Linked to CPOT Targets Disrupted or Dismantled	5/10		4/10		10/20		15/0		25/20	
Performance Measure	Active PTOs Not Linked to CPOT Disrupted Pending Dismantlement ⁶	15		47		35		5		40	
Performance Measure	PTOs Not Linked to CPOT Targets Disrupted or Dismantled	15/25		13/29		40/30		10/10		50/40	
Performance Measure	# of Bilateral Investigations Initiated with Host Nation Counterparts ⁷	950		1,296		950		48		998	
Performance Measure	Number of International Training Classes/Number of International Students Trained ⁸	83/2,954		74/2,575		65/2,300		-		65/2,300	
Outcome	Contribution to DOJ's Goal to reduce the availability of drugs in America ⁹	TBD		TBD		TBD		TBD		TBD	

⁴ This workload measure has been modified since the FY 2007 Congressional budget submission. Number of foreign investigative cases worked is a better reflection of DEA's overall workload in the foreign arena.

⁵ Reflects active PTO investigations as of the end of the specified fiscal year.

⁶ DEA, along with the FBI, contributes to the Department's consolidated performance measure, "Consolidated Priority Organization Target-linked drug trafficking organizations, Disrupted/Dismantled." For purposes of consolidated reporting, "Active PTOs disrupted pending dismantlement (Domestic and International)," are added to "PTOs disrupted closed (Domestic and International)" to obtain DEA's total disruptions. PTOs disrupted pending dismantlement are active PTO investigations that have been successful at impeding the normal and effective operation of the targeted PTO, but are continuing towards the PTO's complete evisceration such that it is incapable of operating and/or reconstituting itself. For internal reporting purposes, DEA considers PTOs disrupted pending dismantlement a component of active PTOs. DEA began reporting disruptions pending dismantlement in FY 2004 to be consistent with Departmental guidance. Prior to FY 2004, DEA limited its reported disruptions to Priority Target investigations that had been closed. As a result, DEA underreported its Priority Target disruptions.

⁷ As DEA focuses on more complex investigations that target the command/control and financial components of drug trafficking organizations, the number of open investigations decreases. DEA is focusing on the quality of open investigations instead of the quantity. Also, DEA cannot operate unilaterally in the foreign arena, DEA is constantly faced with complex external challenges. These challenges can impede progress towards achievement of agency goals. For example, most international drug laws are inadequate to address counter drug efforts. Many countries lack effective legislative measures and the judicial means to effectively impede illicit drug production, diversion, transportation, or distribution in their countries. In addition, changes within foreign government administrations may decrease cooperation in host countries in the areas of drug and chemical control.

⁸ The FY 2008 projection was modified as a result of the dismantlement of the fourth International Training Team comprised of Special Agent Course Developers/Instructors from the Domestic Training Section.

⁹ As indicated in the DOJ's new Strategic Plan for FY 2007 - FY 2012, Stewards of the American Dream, one of DOJ's Goals will be to develop meaningful baselines for the supply of drugs available for consumption in the United States (FY 2007-2009) and achieve a 6 percent reduction in the supply of illegal drugs available for consumption in the U.S. (using the established baseline - FY's 2010 - 2012).

¹⁰ Current services positions and FTEs by specific program within each decision unit reflect estimates that may change once final staffing decisions have been determined.

Data Definition: Disruption means impeding the normal and effective operation of the targeted organization, as indicated by changes in organizational leadership and/or changes in methods of operation, including, for example, financing, trafficking patterns, communications or drug production. Dismantlement means destroying the organization's leadership, financial base and supply network such that the organization is incapable of operating and/or reconstituting itself. Disruption Pending Dismantlement is an active PTO investigation that has been successful at impeding the normal and effective operation of the targeted PTO, but is still working towards the PTO's complete evisceration such that it is incapable of operating and/or reconstituting itself.

Data Validation and Verification: PTARRS provides a means of electronically validating and verifying PTO data through the following approval chain:

- * Case Agent - Through PTARRS, the Special Agent (SA) or Diversion Investigator (DI) begins the process by creating and proposing a PTO.
- * Group Supervisor (GS) – The GS reviews the PTO proposed by the SA/DI and approves it or sends it back to the SA/DI for additional information/clarification.
- * Country Attache (CA) - The CA reviews the PTO approved by the GS. If all of the necessary information included in the proposal meets the established criteria for a PTO, the CA approves the PTO.
- * Regional Director - The Regional Director reviews the PTO approved by the CA and provides a case assessment for, or against, the nomination of the PTO. Once nominated by the Regional Director, PTARRS generates and saves a unique identification number for the nominated PTO.
- * Headquarters – At Headquarters, PTOs nominated by the Regional Directors are assigned to the appropriate section within DEA's Office of Enforcement (OE). Once assigned, the corresponding OE Staff Coordinator validates all information reported on the PTO nomination. The validation process includes a review of the PTO nomination for completeness, compliance with established criteria, and confirmation of all related case linkages, including links to CPOT targets. Staff Coordinators coordinate with DEA's Special Operations Division and Intelligence Division to ensure that available facts exist to support all case linkages. In the unlikely event the documentation submitted is insufficient to validate the reported links, the Staff Coordinator will coordinate with the submitting GS to obtain the required information.

Data Limitations: DEA is currently improving reporting systems that capture investigative work hours and cost data. DEA also recently initiated a Managerial Cost Accounting project that will eventually allow the agency to capture actual full costs of investigating, disrupting, and dismantling PTOs. All statistics are limited by a lack of a relational link between case files and enforcement outputs (e.g. arrest, seizure, and work hour data). The link is inferred through data manipulation, but some areas are prone to error until all data systems are linked in a relational manner, and errors are prevented through data validation and referential integrity.

PERFORMANCE MEASURE TABLE

Decision Unit: International Enforcement											
Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	% of Bilateral Investigations Initiated in the Middle East, Central Asia and Southwest Asia Regions	N/A	N/A	N/A	N/A	17%	14%	15%	17%	16%	17%
Performance Measure	Number of counternarcotics operations conducted by the Foreign-deployed Advisory and Support Teams (FAST) in conjunction with the Afghan Counter Narcotics Police-National Interdiction Unit (NIU)	N/A	N/A	N/A	N/A	19	33	††	30	††	††
Performance Measure	Number of Afghan NIU officers trained by FAST agents and deployed	N/A	N/A	N/A	N/A	109	126	175	145	200	216
Performance Measure	Active PTOs Linked to CPOT Disrupted Pending Dismantlement*	N/A	N/A	N/A	15	8	8	10	18	20	25
Performance Measure	PTOs Linked to CPOT Targets Disrupted or Dismantled	N/A	10/3	4/2	2/3	4/8	9/9	5/10	4/10	10/20	25/20
Performance Measure	Active PTOs Not Linked to CPOT Disrupted Pending Dismantlement*	N/A	N/A	N/A	21	16	18	15	47	35	40
Performance Measure	PTOs Not Linked to CPOT Targets Disrupted or Dismantled	0/0	4/4	8/4	9/10	13/15	18/26	15/25	13/29	40/30	50/40
Performance Measure	Number of Bilateral Investigations Initiated with Host Nation Counterparts	2,330	1,913	1,413	1,279	1,129	1,191	950	1,296	950	998
Performance Measure	Number of International Training Classes/Number of International Students Trained	54/1,871	56/1,950	61/2,252	71/2,582	69/2,384	83/2,954	83/2,954	74/2,575	65/2,300	65/2,300
OUTCOME Measure	Contribution to DOJ's Goal to reduce the availability of drugs in America	N/A	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

†† In accordance with Department guidance, targets are not established for this performance indicator.

* DEA, along with the FBI, contributes to the Department's consolidated performance measure, "Consolidated Priority Organization Target-linked drug trafficking organizations, Disrupted/Dismantled." For purposes of consolidated reporting, "Active PTOs disrupted pending dismantlement (Domestic and International)," are added to "PTOs disrupted closed (Domestic and International)" to obtain DEA's total disruptions.

3. Performance, Resources, and Strategies

The International Enforcement Decision unit primarily contributes to DOJ's Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the People. Within this Goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs."

The International Enforcement Decision Unit also contributes to Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security. Within this Goal, the resources specifically address DOJ's Strategic Objective 1.2: "Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents."

a. Performance Plan and Report for Outcomes

Strategic Objective 1.2 – Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents

Bilateral Investigations

DEA has included three performance measures related to the counterterrorism activities carried out in specific DEA foreign offices. As there has been a link established between terrorists and drug trafficking organizations, DEA is engaging in proactive enforcement and intelligence gathering operations with its host nation counterparts by targeting the command and control structure of heroin trafficking organizations operating in the Middle East, Central Asia, and Southwest Asia region.

As of September 30, 2007, 17 percent of bilateral investigations were initiated in the Middle East, Central Asia and Southwest Asia regions. DEA exceeded its FY 2007 target of 15 percent. Although DEA exceeded its established target for FY 2007, the number of bilateral investigations will continue to fluctuate as DEA works to establish a permanent presence in various countries and develop strong relationships with its host nation law enforcement counterparts in countries located in these regions. In FY 2008, DEA will focus on financial operations and intelligence gathering capabilities in Dubai, United Arab Emirates and Dushanbe, Tajikistan. Also, through *Operation Containment*, DEA will continue to work with 18 countries from Central and Southwest Asia to reduce the heroin flowing out of Afghanistan. Therefore, DEA predicts meeting the FY 2008 target of 16 percent of bilateral investigations. In FY 2009, DEA is seeking to expand its overseas presence; therefore, DEA also anticipates meeting the FY 2009 target of 17 percent of bilateral investigations.

DEA cannot operate unilaterally in the foreign arena and is constantly faced with complex external challenges that impede progress towards achievement of agency goals. For example, most international drug laws are inadequate to address counter drug efforts. Many countries lack effective legislative measures and the judicial means to effectively impede illicit drug production, diversion, transportation, or distribution in their countries. In addition, changes within foreign governments may decrease cooperation in host countries in the areas of drug and chemical control.

Foreign-deployed Advisory Support Teams (FAST)

Two counterterrorism-related performance measures have also been developed for DEA's FAST teams. The main focus of the FAST teams is to provide guidance, training, and mentorship to Afghanistan's Counter Narcotics Police, National Interdiction Unit (NIU) so that they will become a self-sustaining narcotics police institution capable of identifying and disrupting heroin trafficking organizations linked to terrorists in Afghanistan. The following measures, which are relevant to the core mission of this program, have been established and will demonstrate the results the program is intended to achieve.

The first measure is the number of counter-narcotics operations conducted by the FAST in conjunction with the Afghan NIU. As of September 30, 2007, there were 30 counter-narcotics operations conducted by the FAST in conjunction with the Afghan NIU. Since April 2005, FAST, the DEA Kabul County Office, and the NIU have worked all investigations and operations as one unit. Periodically, joint counter-narcotics operations are conducted with various British counter-narcotics units. Some examples of counter-narcotics operations include: drug laboratory and precursor chemical site raids; destruction of opium storage sites; arresting drug traffickers with ties to the Taliban; conducting roadblock operations; executing search warrants; confiscating weapons/equipment and documents; seizing chemicals and drugs; conducting undercover drug purchases; and, coordinating with Confidential Sources. DEA cannot project the number of counter-narcotics operations conducted since Afghanistan is a combat zone and enforcement operations entail a higher level of risk. Overall, Afghanistan poses significant health, environmental and operational risks to all personnel operating in country which makes it difficult to conduct enforcement operations on a consistent basis. Therefore, DEA has not established FY 2008 and 2009 targets for the projecting the number of counter-narcotics operations conducted by the FAST in conjunction with the Afghan NIU.

The second measure is the number of Afghan NIU officers trained and deployed by FAST agents. As of September 30, 2007, 145 NIU officers were trained by DEA's FAST agents and deployed. The number of NIU officers trained and deployed will fluctuate due to attrition as officers are reassigned out of their unit by DEA and NIU supervisors if their work performance does not meet appropriate standards. Also, a certain percentage of NIU officers resign, transfer out of the unit to pursue other employment or are killed in the line of duty. Further, DEA receives funding from the Department of Defense (DOD) to train Afghan NIU officers; therefore, the projected number of officers trained in fiscal years 2008 and 2009 is contingent upon the availability of DOD funding. DEA anticipates that by FY 2008, 200 Afghan NIU Officers will be trained by FAST agents and deployed, and 216 in FY 2009. Under the recently approved *Afghan Police Reorganization*, signed by Afghanistan President Karzai, the current authorized manpower level of the NIU is 216; however, this reorganization plan will be assessed annually and the authorized level could potentially be increased. Overall, training and deployment of the NIU has proven to be valuable in that the NIU have seized drugs and munitions that belonged to anti-coalition forces, including the Taliban. In addition, through these training initiatives, DEA is implementing diplomatic measures to reduce the flow of Afghan heroin into world markets, prevent Afghanistan from becoming a major heroin supplier to the United States, and disrupt drug-related terrorist activities.

Strategic Objective 2.4 – Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs

Although DEA is involved in counterterrorism, DEA's primary mission is drug enforcement and DEA's long-term goal is to contribute to DOJ's goal of reducing the availability of drugs in America.

Drug Availability

Last year DOJ released its new FY 2007-2012 Strategic Plan, *Stewards of the American Dream*. In recognition of the challenges encountered in developing a reliable methodology for estimating the amount of drugs available for consumption in the U.S., DOJ revised its drug-related, long-term outcome goal. Specifically, DOJ created a two part outcome goal. The first part focuses on the development of meaningful baselines for the supply of drugs available for consumption in the U.S. between FY 2007 and FY 2009. The second part focuses on achieving a 6 percent reduction against the established baselines between FY 2010 and FY 2012.

In support of this goal, the Office of National Drug Control Policy (ONDCP), in consultation with DOJ, continues to develop estimates of availability for the four major drug categories: cocaine; heroin; marijuana; and methamphetamine. The most recent models for cocaine, heroin, and marijuana provide broad availability ranges, which are difficult to use for targeting. In addition, an estimate for methamphetamine availability is not available due to inadequate data.

Since drug price and purity are some of the more obvious proxies for drug availability, DEA's Intelligence Division is actively developing initiatives to better collect these data. Currently, DEA's Intelligence Division manages the Heroin Domestic Monitor Program, which provides data on the source, cost, and purity of heroin being sold at the retail level in 25 U.S. cities. In FY 2007, DEA, in coordination with ONDCP, began the management of similar monitoring programs for methamphetamine and cocaine.

In an effort to evaluate DEA's impact on drug availability, DEA continues to pilot the *Significant Investigation Impact Measurement System* (SIIMS) to assess the impact that selected disruptions and dismantlements of major drug trafficking organizations has on a wide range of variables such as drug availability, crime statistics and other quality of life factors. Under SIIMS, DEA collects and analyzes enforcement, public health and social service statistics before the takedown of the targeted organization and for six months afterwards. Most recently, DEA conducted a SIIMS assessment for *Operation All-Inclusive 2006-1*, which took place from March 4 through April 26, 2006. *Operation All Inclusive 2006-1* was part of the DEA-led Drug Flow Attack Strategy that combined and coordinated resources from many federal and foreign law enforcement agencies to use predictive intelligence to cause major disruption to the flow of drugs, money and chemicals between the source zones and the United States.

The impact is as follows:

- *Operation All Inclusive 2006-1* resulted in the seizure of 44 metric tons of cocaine, which is five to ten percent of the estimated quantity of cocaine transported through the transit zones

to the United States during 2005. These seizures were six to eight percent of the 2005 estimated amount of cocaine available to the United States (2005 estimated availability was 517 to 732 metric tons).

- For the month following *Operation All Inclusive 2006-1*, there was a reported reduction in cocaine seizures of 82 percent.
- There was a 23 percent reduction in cocaine flow to the United States from the two months preceding *Operation All Inclusive 2006-1* to the two months following (155,452 kilograms in January and February to 122,029 kilograms in May and June.)
- Increase in price of cocaine from an average of \$35.93 per pure gram for January to April, to \$39.10 for the eight months following *Operation All Inclusive 2006-1*, May to December, representing a 9 percent increase. For the same periods, purity fell from 71.3 to 68.3 percent, a decrease of 4 percent.
- There was a 29 percent decrease of seizures in the two months following *Operation All Inclusive* in 2006, compared to the same two months in 2005.
- In addition to cocaine seizures, 19.65 metric tons of marijuana, 83.6 kilograms of heroin, 92.6 metric tons of precursor chemicals, and \$4,079,894 in U.S. currency were seized.

Currently, DEA is analyzing the average price per pure gram of cocaine purchased domestically. STRIDE data for all domestic cocaine purchases during the first three quarters of 2007 show a 56 percent increase in average price per pure gram and a 19 percent decline in average purity. Given simultaneous declines in Quest Data urinalysis positives for cocaine metabolite, such cocaine price/purity movement may indicate a reduction in the availability of cocaine to the U.S. market. DEA is also analyzing the average price per pure gram of methamphetamine purchased domestically. STRIDE data for all domestic methamphetamine purchases during the first three quarters of 2007 show a 105 percent increase in average price per pure gram and a 32 percent decline in purity. DEA is continuing to monitor these indicators and is considering extending them to include heroin and marijuana.

Priority Targeting Program

DEA's international investigative efforts focus primarily on CPOT targets. The objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible and the source of the drug is eliminated. The disruption or dismantlement of CPOT organizations is accomplished primarily via multi-agency investigations. These investigations emphasize developing intelligence-driven, multi-regional efforts to identify and target international drug trafficking organizations that play significant roles in the production, transportation, distribution, financing, or other support of large scale drug trafficking.

DEA's first two drug-related performance measures on the Performance and Resources Table relate to the disruption, disruption pending dismantlement, and dismantlement of Priority Targets linked to CPOT targets. The FY 2007 target for the disruption, disruption pending dismantlement, and dismantlement of Priority Targets linked to CPOT targets is five, 10, and 10 respectively. As of September 30, 2007, DEA disrupted four, disrupted pending dismantlement 18, and dismantled 10 Priority Targets linked to CPOT. DEA exceeded its overall FY 2007

targets as a result of multi-agency investigations and close collaboration with foreign counterparts.

DEA's third and fourth drug-related performance measures on the Performance and Resources Table are the disruption, disruption pending dismantlement, and dismantlement of Priority Targets not linked to CPOT targets. The FY 2007 targets for the disruption, disruption pending dismantlement, and dismantlement of Priority Targets not linked to CPOT targets are 15, 15, and 25 respectively. As of September 30, 2007, DEA disrupted 13, disrupted pending dismantlement 47, and dismantled 29 Priority Targets not linked to CPOT. DEA exceeded its overall FY 2007 targets through coordination with foreign counterparts and DEA domestic offices. The current emerging drug trafficking trends necessitates a focused approach, and DEA must respond globally and strategically as well as strive to ensure that resources are deployed to the highest priority overseas locations to maximize DEA's impact on the global narcotics trade.

The effectiveness of DEA's international enforcement efforts is measured not only by the number of Priority Target disruptions, disruptions pending dismantlement, or dismantlements, but also by the number of bilateral investigations conducted with host nation law enforcement counterparts and the number of DEA-sponsored international training courses conducted. As of September 30, 2007, the total number of bilateral investigations initiated with host nation counterparts was 1,296. DEA surpassed its FY 2007 target of 950 as it seeks to address understaffing in existing foreign offices. As an external challenge, DEA's success is contingent upon host nation law enforcement cooperation and participation. Without continued host nation cooperation and participation, DEA cannot achieve internally developed agency goals and objectives.

As of September 30, 2007, DEA conducted 74 international training classes with 2,575 participants. DEA did not meet its established FY 2007 target of 83 classes and 2,954 participants. These targets were established prior to the dissolution of the fourth training team, comprised of Special Agent Course Developers and Instructors from the Domestic Training Section. The FY 2008 and FY 2009 projections were modified to reflect this new development.

b. Strategies to Accomplish Outcomes

DEA collaborates and supports its foreign counterparts on investigations leading to the arrest and prosecution of major international drug traffickers around the world. Specifically, DEA works with its foreign counterparts to disrupt or dismantle international Priority Targets, which includes:

- Identifying, prioritizing, and targeting the most significant international drug and chemical trafficking organizations;
- Disrupting the networks, financial infrastructures, operations, and the resource bases of targeted international drug and chemical trafficking organizations; and
- Dismantling those international organizations that have a nexus to domestic organizations.

DEA has proposed to enhance specific regions in FY 2009 that are considered to be the highest priority locations in order to pursue the following objectives:

1. Provide an operational focus that ensures the conduct of long-term bilateral investigations with foreign counterparts against significant international drug and chemical trafficking organizations and their major affiliates and facilitators.

DEA Special Agents assigned to DEA foreign offices conduct bilateral investigations with foreign counterparts in countries that have demonstrated the commitment to proactively combat drug trafficking organizations. In this vein, DEA seeks to expand its FAST program in FY 2009 in support of the International Drug Flow Attack Strategy's central goal of disrupting the flow of drugs, money and chemicals. Two new FAST teams will be regionally oriented to assist DEA host nation counterparts in Central and South America and the Caribbean. This expansion will allow DEA to interact with foreign law enforcement counterparts and conduct long-term bilateral investigations to improve drug enforcement efforts against emerging heroin, cocaine, and synthetic drug threats and the diversion of precursor chemicals.

2. Continue to deny safe havens to criminal organizations involved in drug trafficking, drug-related terrorist and money laundering activities and deprive these organizations of the financial basis for their activities.

DEA will continue to implement administrative, diplomatic, and investigative measures to reduce the flow of drugs into world markets and disrupt drug-related terrorist activities in the Middle East, Central Asia and Southwest Asia regions. DEA is currently engaging in proactive enforcement and intelligence gathering operations targeting the command and control structure of heroin trafficking organizations in Afghanistan and the Central and Southwest Asia regions. DEA has expanded its operations in these regions by opening Country Offices in Dushanbe, Tajikistan and in Dubai, United Arab Emirates, where DEA will address the growing problem of money laundering of drug proceeds.

3. Continue DEA's leadership role and promote cooperation among all domestic and foreign agencies involved in international drug enforcement programs.

DEA's foreign offices support domestic investigations. This coordination between international and domestic offices extends to evidence sharing, extradition, controlled deliveries, and other programs having the potential to assist ongoing investigations or lead to the initiation of new cases in the United States.

Because they are interdependent and intertwined, the international aspects of drug trafficking cannot be separated from the domestic aspects. The drug trafficking industry begins abroad and ends in the cities, towns, and communities of America. Although the heads of drug trafficking organizations remain ensconced in foreign countries, they are deeply involved in the day-to-day operations of their surrogate organizations, which carry out their instructions and orders. These organizations employ thousands of workers within the United States who are sent into our communities to ensure a continuous influx of drugs and a corresponding return of profits to the organization.

4. Lead and influence international counterdrug and chemical policy and support institution building in host nations.

Institution building is a critical component of DEA's overseas success, and DEA Special Agents are expected to aggressively carry out these activities with their counterparts. Increasing DEA's overseas presence will allow Special Agents to establish close relationships and networks with their counterparts that foster cooperation in international drug law enforcement. The additional Special Agents placed in areas where there are emerging drug threats will work with their foreign counterparts on policy and legislative issues and provide assistance in developing drug control laws and regulations as well as work to establish specialized units in support of drug investigations.

Through *Project Prism*, DEA is working with global partners to target international methamphetamine traffickers and to increase chemical control efforts abroad. Since March 2004, *Project Prism* has used pre-export notifications to monitor shipments of methamphetamine precursor chemicals. With DEA encouragement, Mexico has recently instituted voluntary controls on pseudoephedrine in cooperation with industry, and has imposed a policy limiting imports of pseudoephedrine and ephedrine to manufacturers only.

In addition to meeting with foreign counterparts on legislative issues, DEA also plays a significant role by providing investigative equipment and training. An important contribution to this end is the establishment of Sensitive Investigative Units (SIUs) in selected countries. SIUs are groups of host nation investigators that are polygraphed, trained, equipped, and guided by DEA. The SIU program seeks to create focused and well-trained drug investigative and intelligence units of high moral character and integrity in selected nations. Eleven SIUs have been approved by Congress. Investigations are ongoing, and cases, particularly those involving sensitive and high-level targets, are being developed by these units.

5. Maintain an intelligence program that drives international enforcement operations and analyzes information to identify trends.

DEA coordinates intelligence worldwide that assists in disrupting or dismantling international drug trafficking organizations. DEA coordinates intelligence on the cultivation and manufacture of illicit substances, the sale of precursor chemicals for illegal drug production, and the transportation routes of these drugs into the United States. DEA's foreign offices share intelligence they have collected with relevant U.S. federal agencies to augment both foreign and domestic investigations. DEA's personnel abroad work closely with their domestic counterparts to investigate leads and dismantle international drug trafficking organizations that target American citizens.

Further, to assist host nation counterparts with the exchange of information, DEA established regional Centers for Drug Information (CDIs). To date, five regional Intelligence Centers have been established in the following countries: the Dominican Republic, Colombia, Mexico, Bolivia, and Afghanistan. These CDIs provide the facilities and capability to share tactical and investigative information in a timely manner. The equipment and connectivity provided though

the CDIs affords participating countries the capability to exchange near real-time information regarding ongoing investigations, drug movements and seizure, alien smuggling, money laundering, weapons trafficking, and clandestine drug laboratories.

6. Provide training and assistance in developing the basic legal framework in support of foreign counterparts' efforts to dismantle drug and chemical trafficking organizations and their financial affiliates.

DEA's International Training Program, with funding from the Department of State's Bureau of International Narcotics and Law Enforcement, focuses directly on establishing international cooperative law enforcement efforts and approved judicial training programs. These programs are tailored to provide narcotics-related enforcement expertise to foreign governments and are offered on a country or regional basis.

For the period covering October 1, 2006 through September 30, 2007, DEA administered 74 training seminars with a total of 2,575 participants as detailed below:

- 6 International Asset Forfeiture Seminars with 214 participants;
- 10 SIU Seminars with 372 participants;
- 21 Supervisory and Specialized training programs at the ILEAs with 841 participants; and,
- 37 Specialized Bilateral training programs worldwide with 1,148 participants.

C. Results of Program Assessment Rating Tool (PART) Reviews

Under PART, DEA was reviewed as a single program including activities that support each of DEA's three decision units and the Diversion Control Program. As a result, there are no specific findings or recommendations to report for International Enforcement. However, OMB did identify a few overall areas for improvement, including DEA's lack of a formalized system of accountability for program performance in individual performance plans and DEA's need to plan for an independent evaluation of its programs. For an overall discussion of DEA's progress against these PART findings, please refer to page 11 in the Overview. DEA is scheduled to be reassessed by OMB during the FY 2012 budget process.

4. Program Increases

Item Name: Drug Flow Attack

Budget Decision Unit(s): Domestic Enforcement
International Enforcement
Diversion Control Fee Account

Strategic Goal & Objective: Goal II; Objective 2.4

Organizational Program: Operations Division and Intelligence Division

Program Increase: Positions 41 Agents 30 FTE 21 Dollars \$21,073,000

Description of Item

DEA requests \$21,073,000 (including \$498,000 in DCFA funding) to implement its Drug Flow Attack Strategy, an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. This strategy promotes the security of our nation and its borders through aggressive, well-planned and coordinated enforcement operations with host-nation counterparts in global source countries, transit zones, and arrival zones. These operations act as a forward defense of the United States by interdicting the flow of illegal drugs and the traffickers who smuggle them northward before they reach Mexico or the Southwest border. They target the command and control structures of foreign-based DTOs responsible for violence in Mexico's border areas where they extend across our frontiers and operate in the U.S. heartland. There is also significant convergence between DEA's overall enforcement efforts and border security and immigration enforcement in that, since FY 2005, approximately 15 percent of DEA's arrests have been of illegal aliens. Key components of the Drug Flow Attack Strategy include intelligence-driven enforcement, multilateral cooperation, sequential enforcement operations, and end-game capability.

Intelligence-Driven Enforcement - Intelligence provided by an interagency working group is used to target threats and their vulnerabilities for enforcement action.

Complete and timely information sharing of intelligence, analytic approaches and trafficker organizational dynamics drives future operations and invites reciprocity on the part of other agencies. This sharing is achieved through the connectivity of communications and IT systems and the fusion of intelligence resources. A recent example of this information sharing is DEA's Gatekeeper Assessment released in April 2006. The Gatekeeper Project was initiated by DEA's El Paso Intelligence Center (EPIC) to research, analyze, and report information on the Mexican drug-trafficking organizations controlling entry corridors along the United States-Mexico border through which drugs and illegal immigrants are smuggled north. The assessment is the first in a series of publications designed to provide investigative leads and strategic forecasting with applications to drug enforcement, human trafficking, and border security.

Predictive intelligence provides law enforcement with the ability to forecast the traffickers' actions and reactions to synchronized operations. It makes it possible to forecast the actions of drug trafficking organizations in response to enforcement activity, thus providing law enforcement with a unique tactic - the ability to out-plan and out-maneuver their adversaries before operations even commence.

Multilateral Cooperation - Multi-Agency Campaign Planning provides an orderly schedule of strategic decisions and ensures synchronization and integration of air, land and sea efforts into a synergistic whole. The result is coordinated, multi-agency drug enforcement operations that bring to bear the strengths and resources of the various agencies and are effective in limiting the trafficker to courses of action for which law enforcement has prepared. Enlisting the support of DEA's domestic and foreign law enforcement partners leverages and extends DEA's investigative, intelligence, and enforcement resources.

Sequential Enforcement Operations - Innovative, well-planned, synchronized, multi-agency operations that incorporate sequential interlocking and complimentary operations. Rather than conducting periodic surge operations, this strategy calls for a series of operations based on the effective use of predictive intelligence. These operations are conducted in the source, transit, and arrival zones - including our nation's Southwest border. The result is a higher operational tempo creating a level of enforcement pressure to which drug trafficking organizations cannot successfully adapt.

End-game Capability - Synchronized operations must be flexible and mobile to have impact. Programs such as Foreign-deployed Advisory and Support Team (FAST) and *Operation All Inclusive* allow DEA the flexibility to shift resources, personnel, and enforcement pressure in order to rapidly exploit trafficker vulnerabilities. To attack the flow of drugs, DEA requires end-game capabilities to operate on land, sea, or in the air - day or night. These capabilities rely heavily on the availability of aviation and travel resources to move DEA personnel and foreign counterparts to the right location at the right moment.

Justification

Foreign-deployed Advisory and Support Team (FAST) Expansion: 20 positions (18 Special Agents and 2 Intelligence Analysts) and \$7,000,000, including \$3,121,000 in non-personnel funding, to establish two additional teams for the Western Hemisphere and other locations, and funding to deploy them for up to six months annually. The current FAST organization consists of five teams focused on operations in Afghanistan. These teams are being consolidated into three larger, more robust teams tailored to incorporate the lessons learned during the past two years of deployments to Afghanistan. The two new teams will follow the revised model and will each include nine special agents and one intelligence analyst.

The two new teams will be regionally oriented to assist DEA's host nation counterparts in the Central America, South America, and the Caribbean, where drugs flowing to the United States are produced or transited as part of DEA's Drug Flow Attack Strategy to support the DEA Country Offices in the Western Hemisphere and elsewhere. These teams will provide the

expertise, equipment, and personnel to augment DEA Country Offices targeting the most significant violators, Priority Organizational Targets (PTOs), and Consolidated Priority Organizational Targets (CPOTs). FAST will support Country Offices' efforts to advise, assist, train, and mentor their host country counterparts and Sensitive Investigative Units (SIUs).

Strategic Drug Flow Enforcement Operations: \$2,000,000 in non-personnel funding is requested to conduct one additional *Operation All Inclusive* (OAI) deployment each year. OAI is DEA's primary large-scale Drug Flow Attack enforcement operation in the source, transit, and arrival zones. Each iteration of OAI requires \$2,000,000 for travel, aviation support, intelligence collection, and host nation support.

The United States cannot control its borders by merely securing the border itself; the Drug Flow Attack Strategy incorporates a "defense in depth" component by attacking the source and transit zone simultaneously. OAI is the enforcement arm of the Drug Flow Attack Strategy. Four successful iterations of *Operation All-Inclusive* (OAI) have been completed. The first three iterations took place internationally while the fourth iteration had a new domestic component and targeted areas of the Southwest Border. OAI is planned and executed as a series of sequential operations based on predictive intelligence and employs both direct enforcement measures and deception campaigns to counter the threats, anticipate their reactions to enforcement pressure, and carry out effective follow-on operations.

OAI was developed to attack the flow of drugs on a regional scale with the objective of not simply displacing cartels, but dismantling them. OAI causes major disruption to the flow of drugs, money, and chemicals between the source zones and the United States. This strategy is complimented by other, related DEA enforcement and intelligence operations, including the FAST program, the Special Operations Division, El Paso Intelligence Center and *Operation Panama Express*.



Tactical Aircraft Section: 3 Special Agent Pilots and \$8,897,000, including \$8,286,000 in non-personnel funding to support interdiction operations in the transit zone, including FAST deployments, and address air, maritime, and land drug trafficking threats. Because these operations often take place over water or in remote jungle regions, DEA must use twin engine-helicopters to support these operations. The non-personnel funding would allow DEA to purchase, operate, and maintain one new Bell 412 twin-engine helicopter. Other resource requirements include \$630,000 for equipment and travel funds for pilot TDY in support of transit zone enforcement operations.

Southwest Border: 16 positions (including 9 domestic Special Agents and 2 Intelligence Analysts) and \$2,528,000 to prevent the flow of drugs across our Southwest border, which remains a critical front in our Nation's defense against both illegal drug trafficking and terrorism. This request also includes appropriate technical and administrative positions needed to support the investigative activities of the requested Special Agents.



Traffickers used this sandbag bridge to transport drugs across the U.S.-Mexico border.

Additional positions concentrated in the Southwest Border region will enable DEA to carry out well-planned and coordinated enforcement operations in arrival zone areas. Increases in Border Patrol Agents will increase the investigative hours worked by DEA Special Agents through increased referrals of drug cases. DEA projects that in FY 2008 it will dedicate nearly 100 investigative work years to border referrals. Further, DEA's FY 2008 Enacted Appropriation included funding for investigative tools related to Southwest Border operations. The Special Agent

positions in this FY 2009 initiative complement the additional resources provided in FY 2008. This request also includes appropriate technical and administrative positions needed to support the investigative activities of the requested Special Agents. These positions are requested for locations such as Los Angeles, San Diego, Houston, Phoenix, El Paso, and EPIC. When making final FY 2009 position allocations, the most recent Drug Threat Assessment will be considered.

Transit Zone Precursor Chemicals: 1 Diversion Investigator position and \$498,000 for DEA's Guatemala City Country Office. This position will be funded by the Diversion Control Fee Account. This enhancement directly supports DEA's Drug Flow Attack Strategy's central goal of significantly disrupting the flow of pharmaceutical controlled substances and precursor chemicals between the source zones and the United States. Within the last few years, Guatemala passed legislation relating to the regulation, monitoring, and control of precursor chemicals transiting through Guatemala. Due to Guatemala's location, drug traffickers routinely divert chemicals originating in Asia and Europe through Guatemala to methamphetamine super labs located in Mexico and the United States. The addition of a Diversion Investigator position in Guatemala would greatly benefit DEA's operations in Guatemala and the host nation government by providing the leadership, expertise, and knowledge necessary to target and disrupt those organizations involved in the diversion of precursor chemicals through Guatemala.

Open Source Analysis: 1 position and \$150,000 to improve DEA's open source intelligence capabilities. Open source intelligence is intelligence derived from publicly available sources, such as books, newspapers, magazines, academic journals, government documents, radio, television, and the Internet. This position will manage DEA's open source intelligence requirements and liaison with other agencies to determine how open source information should be exploited and integrated into shared intelligence for the Intelligence Community and how

open source information can be better utilized to support DEA investigations and other information requirements.

Impact on Performance

DEA's Drug Flow Attack strategy directly addresses DOJ's Strategic Objective 2.4, "Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People; Reduce the threat, trafficking, use, and related violence of illegal drugs" by focusing intelligence and enforcement resources to disrupt and dismantle international PTOs. This initiative will enable DEA to respond to changing trends in drug trafficking by focusing investigative resources on critical overseas investigations in regions where the drugs are produced and trafficked, and where the majority of PTOs and CPOTs operate, to achieve three objectives:

- Identify, prioritize, and target the most significant international drug and chemical trafficking organizations.
- Disrupt the networks, financial infrastructures, operations, and the resource bases of targeted international drug and chemical trafficking organizations.
- Dismantle those international organizations that have a nexus to domestic organizations.

DEA's performance and the overall impact of the strategy will be defined by the disruptions and dismantlements of PTO and CPOT DTOs pursuant to major enforcement operations and international drug investigations.

In FY 2007, Mexican law enforcement, with DEA's assistance, seized \$207 million in cash from methamphetamine chemical traffickers; the U.S. Coast Guard - using joint DEA and Panama law enforcement intelligence - seized 21 tons of cocaine from a vessel in the Eastern Pacific; and 10 Mexican drug traffickers, including leaders from all four of Mexico's major drug cartels, were extradited to the United States. These accomplishments represent the largest drug cash seizure ever made, the largest maritime seizure of recovered drugs the world has ever seen, and an unprecedented level of cooperation between Mexico and the United States.

These record-breaking accomplishments demonstrate DEA's ability to attack major drug trafficking organizations. Equally important is the subsequent effect large-scale Drug Flow Attack enforcement operations have on the domestic drug markets. DEA's *Operation All Inclusive* is the centerpiece of DEA's Drug Flow Attack Strategy and each operation has impacted the domestic cocaine market. In *Operation All Inclusive 2005*, the average price per pure gram of cocaine increased 43 percent for the three months before and after the operation. Results from *Operation All Inclusive 2006* indicate the price per pure gram of cocaine rose 9 percent in the eight month period after the operation. Furthermore, *Operation All Inclusive 2007* resulted in the seizure of 115 metric tons of cocaine which is 12 to 28 percent (per the CCDB¹) of the estimated quantity of cocaine transported through the transit zones to the U.S. during 2006.

¹ CCDB is an interagency database of cocaine coming from Colombia that has been seized and lost (dumped overboard), or otherwise estimated from informant information.

DEA-led *Operation All Inclusive 2006* combined resources from the Departments of Defense and Homeland Security, Customs and Border Protection, and the intelligence community with those of Guatemala, Belize, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia and Ecuador, in an intelligence-driven campaign that significantly disrupting the flow of drugs, precursor chemicals and drug proceeds. Analyses of the results of the operation indicate significant impacts on the transit zone drug flow.

- There was a reduction in cocaine seizures for the month following *Operation All Inclusive 2006* compared to the preceding month reported in three databases - 82 percent in STRIDE² (9,564 kilograms to 1,758), 68 percent in FDSS³ (16,235 kilograms to 5,187) and 57 percent in CCDB (22,196 kilograms to 9,594).
- For the two-month period before and after *Operation All Inclusive 2006*, the reduction is 57 percent in STRIDE, 51 percent in FDSS, and 50 percent in CCDB, suggesting a sustained impact for the time frame indicated.
- There was a 23 percent reduction in cocaine flow to the United States from the two months preceding *Operation All Inclusive 2006* to the two months following (155,452 kilograms in January and February to 122,029 kilograms in May and June.)
- Per the CCDB, seizures decreased by 29 percent in the two months following *Operation All Inclusive 2006*, compared to the same two months in 2005.
- The price of cocaine according to STRIDE rose from an average of \$35.93 per pure gram for January to April, to \$39.10 for the eight months following *Operation All Inclusive 2006*, May to December. For the same periods, purity fell from 71.3 to 68.3 percent.
- During the first three quarters of 2007, the average price per pure gram of all domestic cocaine purchases increased 44 percent, while average purity fell 115 percent.

DEA's foreign operations address the problem of U.S.-bound drugs in many ways, but share the common theme of supporting proactive and successful bilateral investigations with nations whose law enforcement agencies welcome the expertise and enhanced capabilities DEA imparts to them.

DEA's Drug Flow Attack Strategy intercepts the drugs while they are still hundreds or thousands of miles from our country, and as a result, the impact is much greater. While the average border seizure is in the 40 kilogram range, our seizures in Central and South American are routinely in ton and multi-ton quantities. DEA attributes the Drug Flow Attack Strategy as the principal reason for the dramatic shifts in price and purity of cocaine and methamphetamine mentioned earlier.

² STRIDE is a database of drug exhibits sent to DEA laboratories from the DEA, FBI, CBP, ICE and USCG. STRIDE is not a representative sample of drugs available in the United States. STRIDE data used is not collected to reflect national level market availability trends; however, this data reflects the best available information on domestic cocaine seizures for the time periods stated.

³ FDSS is a database of drug seizures, including five kilograms or more of cocaine, reported to the El Paso Intelligence Center by federal agencies.

By implementing the Drug Flow Attack Strategy (intelligence-driven enforcement, multilateral cooperation, and sequential enforcement operations), DEA is achieving record results. For FY 2009, DEA requests additional resources to provide end game capabilities to operate by land, sea, or air – day or night. FAST teams and tactical aircraft support directly provide the end game capability DEA needs to execute the Drug Flow Attack Strategy with its greatest impact. Without the requested funding for these enhancements, the frequency of large-scale regional enforcement operations will be insufficient to continue our efforts to disrupt and dismantle drug cartels.

Funding Table

Base Funding

FY 2007 Enacted (w/resc./supps)				FY 2008 Enacted				FY 2009 Current Services			
Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)	Pos	Agt	FTE	\$(000)
14	0	14	\$3,732	15	0	15	\$4,527	15	0	15	\$5,691

Personnel Increase Cost Summary

Type of Position	Modular Cost per Position (\$000)	Number of Positions Requested	FY 2009 Request (\$000)	FY 2010 Net Annualization (change from 2009) (\$000)
Special Agent	\$204	30	\$6,112	\$115
Intelligence Analyst	\$106	4	\$424	\$124
Open Source Analyst	\$150	1	\$150	\$59
Chemist	\$247	1	\$247	(\$61)
Professional / Administrative	\$63	2	\$125	\$78
Technical / Clerical	\$55	2	\$110	\$65
Diversion Investigator (Foreign)	\$498	1	\$498	(\$91)
Total Personnel		41	\$7,666	\$289

Non-Personnel Increase Cost Summary

Non-Personnel Item	Unit Cost	Quantity	FY 2009 Request (\$000)	FY 2010 Net Annualization (Change from 2009) (\$000)
FAST	\$1,561	2	\$3,121	\$0
Strategic Drug Flow Enforcement Operations	\$2,000	1	\$2,000	\$0
Twin- Engine Helicopter	\$7,500	1	\$7,500	(\$5,250)
Aviation Equipment and Pilot TDY	\$786	1	\$786	(\$138)
Total Non-Personnel			\$13,407	(\$5,388)

Total Request for this Item

	Pos	Agt	FTE	Personnel (\$000)	Non-Personnel (\$000)	Total (\$000)
Current Services	15	0	15	\$5,691	\$0	\$5,691
Increases	41	30	21	\$7,666	\$13,407	\$21,073
Grand Total	56	30	36	\$13,357	\$13,407	\$26,764

B. Domestic Enforcement

Domestic Enforcement Total	Perm. Pos.	FTE	Amount (\$000)
2007 Enacted with Rescissions	6,990	6,930	\$1,377,302
2007 Supplementals	0	0	3,698
2007 Enacted w/Rescissions and Supplementals	6,990	6,930	1,381,000
2008 Enacted	7,087	7,042	1,496,373
Adjustments to Base and Technical Adjustments	0	7	35,109
2009 Current Services	7,087	7,049	1,531,482
2009 Program Increases	17	9	2,678
2009 Request	7,104	7,058	1,534,160
Total Change 2008-2009	17	16	\$37,787

1. Program Description

The Domestic Enforcement Decision Unit comprises the majority of DEA's investigative and support resources. These resources, in conjunction with DEA's foreign offices, create a seamless intelligence and investigative web to pursue drug trafficking organizations, from multi-national and poly-drug conglomerates, to independent specialty one-function cells.

DEA continues an aggressive and balanced domestic enforcement program with a multi-jurisdictional approach designed to focus federal resources on the disruption or dismantlement of drug trafficking organizations that control the illegal drug trade, and the seizure of the proceeds and assets involved in the illegal drug trade. Similar to legitimate businesses, drug trafficking organizations have corporate leaders, employees, chemical suppliers, transporters, financial service providers, communication needs, infrastructure, and assets. The drug trafficking business is therefore subject to market forces.

Consistent with the President's National Drug Control Strategy, DEA focuses on finding and exploiting strategic vulnerabilities in the drug market. DEA's strategy relies heavily on intelligence and investigative capabilities to identify significant domestic drug trafficking organizations and drug facilitators, collect and maintain in-depth information concerning their leadership and operations, and assist field offices in establishing priorities and developing targets. This strategy emphasizes the disruption or complete dismantlement of the organizations targeted by DEA domestic field offices.

Priority Targeting Program

The Priority Targeting program is DEA's flagship initiative for meeting its enforcement goals. This program was implemented in April 2001 to identify, target, investigate and disrupt or dismantle those international, national, regional, and local impact drug trafficking and/or money laundering organizations having a significant impact on drug availability within the United States. DEA domestic field divisions, under the supervision of Special Agents in Charge (SACs), identify and target major drug threats within their areas of responsibility. These identified Priority Targets are then tracked using the Priority Target Activity Resource Reporting

System (PTARRS). Through PTARRS, DEA is able to assess and link Priority Target Organizations (PTOs) while addressing the entire continuum of the drug trade. The Priority Targeting program focuses on dismantling the drug networks most responsible for the supply of drugs in America by targeting their leaders for arrest and prosecution, confiscating the profits that fund continuing drug operations, and eliminating their international supply sources.

Organized Crime Drug Enforcement Task Force (OCDETF)

DEA is also a leading participant in the Organized Crime Drug Enforcement Task Force (OCDETF). OCDETF was established in 1982 to conduct comprehensive, multi-level attacks on major drug trafficking and money laundering organizations. Today, OCDETF's principal mission is to identify, disrupt, and dismantle the most serious drug trafficking and money laundering organizations and those primarily responsible for the nation's drug supply.

OCDETF contributes to DOJ's Strategy to reduce our nation's drug supply by targeting the 46 organizations on the FY 2008 Consolidated Priority Organization Target (CPOT) list – the "Most Wanted" drug trafficking and money laundering organizations believed to be primarily responsible for the Nation's illicit drug supply. OCDETF's attack on the related components of these major trafficking organizations will not only disrupt the drug market, resulting in a reduction in the drug supply, but will also bolster law enforcement efforts in the fight against those terrorist groups supported by the drug trade.

As of September 30, 2007, DEA participated in approximately 90 percent of all OCDETF cases, and led or co-led approximately 81 percent of OCDETF investigations. As of September 30, 2007, 48 of the 50 identified FY 2007 CPOT targets had validated DEA Priority Target investigations linked to them. In addition, there were 265 active domestic DEA Priority Target investigations directly linked to at least one CPOT target.

Financial Investigations

DEA is also working to strengthen financial drug investigations by targeting the financial infrastructure of major drug trafficking organizations and members of the financial community who facilitate the laundering of their proceeds. Through DEA's Office of Financial Operations and specialized money laundering groups in each DEA field division, DEA uses its drug intelligence information, technology, and agent resources to aggressively address the drug trade business. In this effort, DEA works closely with elements of the private sector financial community to include federal and State regulators who oversee the industry. This concentrated enforcement effort will disrupt the drug market and cause organizations to lose personnel and/or profits to the point at which drug trafficking is no longer profitable.

Targeting the financial infrastructures of major drug trafficking organizations and members of the financial community who facilitate the laundering of their proceeds is a vital component of DEA's overall strategy. In FY 2005, DEA established a five-year plan with annual milestones through FY 2009 to meet the challenge of crippling drug cartels so that they are unable to reconstitute their operations with new leadership. DEA plans to continue increasing its asset and drug seizures until it achieves an annual goal of \$3 billion in revenue denied to drug trafficking

organizations through new domestic and international seizure strategies. The cumulative targets over this five year period total \$10 billion. In the first years under this plan, DEA exceeded its FY 2005 goal of \$1 billion in revenue denied by 90 percent. In response to this success, DEA increased its FY 2006 milestone from \$1.5 billion to \$2.5 billion and achieved \$1.6 billion in revenue denied, exceeding the original goal. DEA's revenue denied seizure goals for FY 2007, FY 2008, and FY 2009 are \$2 billion, \$2.5 billion, and \$3 billion, respectively. As of September 30, 2007, DEA seized a combined total of \$3.5 billion in drugs and assets. Therefore, DEA surpassed its goal of \$2 billion for FY 2007 by 150 percent.

Intelligence Program

DEA's intelligence program is comprised of several components that are responsible for collecting, analyzing, and disseminating drug-related domestic intelligence. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based. DEA's intelligence units are located in all domestic field divisions. In addition, DEA's intelligence program supports the El Paso Intelligence Center (EPIC), a multi-agency facility that serves as a clearinghouse for tactical intelligence and a central point for the collection, analysis, and dissemination of information related to worldwide drug movement and alien smuggling. EPIC provides support for all drug law enforcement interdiction operations and is accessible 24 hours a day/7 days a week.

DEA's Special Operations Division (SOD) supports domestic enforcement by providing vital information for investigative and enforcement activity directed against major national or international trafficking organizations. Specifically, SOD manages special operations and projects within DEA that target trafficker command and control communications. Additionally, SOD manages and develops programs and procedures which ensure discrete and timely distribution of sensitive and vital intelligence data to DEA, the Federal Bureau of Investigation (FBI), Bureau of Immigration and Customs Enforcement (ICE), and the Internal Revenue Service (IRS) field units. SOD provides guidance and technical assistance to all divisions that have domestic Title III operations involving drug trafficking. SOD also coordinates international conspiracy investigations for the importation of narcotics to ensure that these cases result in suitable evidence presentation in court. The staff at SOD specializes in areas such as electronic surveillance and international criminal conspiracy laws, while responding to specialized linguistic needs for international cases.

The OCDETF Fusion Center (OFC) is another source responsible for collecting, analyzing and sharing drug intelligence. As DEA is a leading OCDETF participant, DEA personnel assigned to the OFC participate in the collecting, analyzing and disseminating of all-source drug and related financial investigative information and intelligence to support coordinated, multi-jurisdictional investigations. These investigations are focused on the disruption and dismantlement of the most significant drug trafficking and money laundering enterprises.

DEA's Office of National Security Intelligence's Counterterrorism Efforts

DEA's drug trafficking and anti money laundering initiatives support and augment U.S. efforts against terrorism by denying drug trafficking and/or money laundering routes utilized by foreign terrorist organizations and proceeds from illicit drug trafficking that support terrorism. Although traditional criminal organizations continue to dominate the international drug trade at all levels, drug income is a source of revenue for some international terrorist groups. DEA investigations have identified links between groups and individuals under investigation for drug violations and terrorist organizations.

Since September 11, 2001, DEA's intelligence sharing in the war on terror has increased. Specifically, as of September 30, 2007, DEA's Office of Special Intelligence and Special Operations Division completed over 31,524 counterterrorism products since the September 11, 2001 attacks, including 309 in the first three weeks following the attacks. This total also includes 5,409 counterterrorism products in FY 2006 and 2,059 products completed in FY 2007.

In recognition of the national security threat that illegal drugs pose to the United States, the contributions that DEA makes in the area of national security, and the continued mandate for increased intelligence sharing between law enforcement and intelligence agencies, the Office of National Security Intelligence (NN) of the DEA was designated a member of the Intelligence Community (IC) in February 2006. In the last year, DEA has enhanced its ability to target and focus its Human Intelligence resources on national security issues and established procedures that facilitate information sharing with the IC and other law enforcement agencies.

NN is a component of DEA's Intelligence Division (NC) within DEA Headquarters. NN conducts exclusively the operational responsibilities of the NC in order to ensure separation of DEA's intelligence and law enforcement functions. The objective of NN is to maximize DEA's contribution to national security, while protecting the primacy of its law enforcement mission. Through the efforts of NN, DEA fulfills the requirement to share intelligence mandated by the USA Patriot Act and the Attorney General's guidelines to share information.

NN has developed the Central Tasking Management System (CTMS), which is a set of procedures designed to elicit information in response to customer needs in a structured way that maximizes the application of collection capabilities against priority and informational requests. The system refines requests for information, validates the requests, tasks them for immediate action, and provides feedback to the requestor and evaluations to the collector. The CTMS provides the nexus for satisfying internal DEA customer requests for intelligence information, as well as intelligence requirements from the law enforcement community, the IC, and other information sharing partners. The CTMS serves as the primary interface and liaison for the dissemination and reception of intelligence information with the IC and DEA's law enforcement component.

Reprogramming from State and Local Assistance Decision Unit

In FY 2007, State and Local Law Enforcement Officer Training and the Demand Reduction program were moved from the State and Local Assistance Decision Unit to the Domestic Enforcement Decision Unit to better align programs within DEA's decision units.

State and Local Law Enforcement Officer Training

As the nation's preeminent drug law enforcement organization, DEA has the responsibility to respond to the drug enforcement training needs of the U.S. law enforcement community. This is executed through the State and Local Training Program, which provides law enforcement officers with essential skills needed to conduct narcotics investigations and contribute to the nationwide counterdrug effort. DEA offers an array of classes to State and local officers to include Drug Diversion training, Drug Enforcement Unit Commander training (DUCA), Federal Law Enforcement Analysis Training (FLEAT), and Narcotics Supervisory Leadership training. By teaching others the methodologies and techniques of drug enforcement, DEA is able to expand drug enforcement across the United States in a very cost-effective manner.

Demand Reduction

As a result of the Joint Resolution and Public Law 110-5 dated February 15, 2007, the field portion of the Demand Reduction Program (31 Demand Reduction Coordinators) was eliminated. With the remaining Headquarters positions, DEA will continue to engage in aggressive public messaging campaigns to illustrate the consequences of drug use, particularly for non-users who suffer collateral damage as a result of the illegal drug trade. The Just Think Twice Website continues to be a source of reference for the general public with over 200 million "hits." The Demand Reduction Section is also in the process of developing an informational website for parents (www.GetSmartAboutDrugs.com) that will be launched in 2008. In addition, a publication will accompany the website, *Prescription for Disaster: How Teens Abuse Medicine*. This publication is currently in the review stage. Overall, DEA is committed to the principle that reducing the demand for drugs is a critical complement to its primary supply reduction mission.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Domestic Enforcement											
DOJ Strategic Goal 1: Prevent Terrorism and Promote the Nation's Security											
Strategic Objective 1.2: Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents											
WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Workload: Total Number of Counterterrorism-Related Products Completed by DEA's Office of Special Intelligence and SOD		††		2,059		††		-		††	
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		74	\$ 12,353 [S0]	74	\$ 12,353 [S0]	74	\$ 19,021 [S0]	1	\$ 332 [S0]	75	\$ 19,353 [S0]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Program Activity	Domestic Enforcement	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		74	\$ 12,353 [S0]	74	\$ 12,353 [S0]	74	\$ 19,021 [S0]	1	\$ 332 [S0]	75	\$ 19,353 [S0]
Performance Measure	Percent of Counterterrorism-Related Products Completed by DEA's Office of Special Intelligence and SOD	††		3%		††		-		††	

†† DEA's performance is based on requests generated by external agencies; therefore, targets for the percent and number of CT-related products cannot be established.

2. PERFORMANCE AND RESOURCES TABLE (Con't)

Decision Unit: Domestic Enforcement											
DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interest of the American People											
Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs											
WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Workload: Number of Domestic Investigative Cases Worked ¹		29,000		29,446		29,000		0		29,000	
Workload: Active PTOs Linked to CPOT Targets ²		400		265		300		100		400	
Workload: Active PTOs Not Linked to CPOT Targets ²		1,440		1,950		1,900		0		1,900	
Total Costs and FTE		FTE		\$000		FTE		\$000		FTE	
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		8,292		\$ 1,368,647 [\$338,351]		8,292		\$ 1,368,647 [\$338,351]		8,401	
										\$ 1,477,352 [\$333,024]	
										14	
										\$ 664 [\$9,507]	
										8,415	
										\$ 1,514,807 [\$342,531]	
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Program Activity	Domestic Enforcement	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		8,292	\$ 1,368,647 [\$338,351]	8,292	\$ 1,368,647 [\$338,351]	8,401	\$ 1,477,352 [\$333,024]	14	\$ 664 [\$9,507]	8,415	\$ 1,514,807 [\$342,531]
Performance Measure	Active PTOs Linked to CPOT Targets Disrupted Pending Dismantlement ³	70		51		80		20		100	
Performance Measure	PTOs Linked to CPOT Targets Disrupted or Dismantled	95/110		51/61		80/80		10/0		90/80	
Performance Measure	Active PTOs Not Linked to CPOT Targets Disrupted Pending Dismantlement ³	245		478		465		45		510	
Performance Measure	PTOs Not Linked to CPOT Targets Disrupted or Dismantled	305/365		340/435		360/460		40/60		400/520	
Efficiency Measure	% of Special Agent Investigative Work Hours Dedicated to PTO Investigations	65%		67%		67%		0%		67%	
Performance Measure	# of State and Local Law Enforcement Officers Trained ⁴	36,000		41,252		35,780		0		36,000	
OUTCOME	Contribute to the reduce in the supply of illegal drugs available for consumption in the U.S. by 6 percent ⁵	TBD		TBD		TBD		TBD		TBD	

¹ This workload measure has been modified since the FY 2007 Congressional budget submission. Cases worked is a better reflection of DEA's overall workload in the domestic arena. As DEA continues to focus on more complex and challenging cases, like Priority Targets and Financial investigations, the overall number of worked investigations will continue to decrease.

² Reflects active PTO investigations as of the end of the specified fiscal year.

³ DEA, along with the FBI, contributes to the Department's consolidated performance measure, "Consolidated Priority Organization Target-linked drug trafficking organizations, Disrupted/Dismantled." For purposes of consolidated reporting, "Active PTOs disrupted pending dismantlement (Domestic and International)," are added to "PTOs disrupted closed (Domestic and International)" to obtain DEA's total disruptions. PTOs disrupted pending dismantlement are active PTO investigations that have been successful at impeding the normal and effective operation of the targeted PTO, but are continuing towards the PTO's complete evisceration such that it is incapable of operating and/or reconstituting itself. For internal reporting purposes, DEA considers PTOs disrupted pending dismantlement a component of active PTOs. DEA began reporting disruptions pending dismantlement in FY 2004 to be consistent with Departmental guidance. Prior to FY 2004, DEA limited its reported disruptions to Priority Target investigations that had been closed. As a result, DEA underreported its Priority Target disruptions.

⁴ This performance activity and performance measure does not include State and Local Clandestine Laboratory Enforcement training.

⁵ As indicated in the DOJ's new Strategic Plan for FY 2007 - FY 2012, Stewards of the American Dream, one of DOJ's Goals will be to develop meaningful baselines for the supply of drugs available for consumption in the United States (FY 2007-2009) and achieve a 6 percent reduction in the supply of illegal drugs available for consumption in the U.S. (using the established baseline - FY's 2010 - 2012).

⁶ Current services positions and FTEs by specific program within each decision unit reflect estimates that may change once final staffing decisions have been determined.

Priority Targeting Program

Data Definition: Disruption means impeding the normal and effective operation of the targeted organization, as indicated by changes in organizational leadership and/or changes in methods of operation, including, for example, financing, trafficking patterns, communications or drug production. Dismantlement means destroying the organization's leadership, financial base and supply network such that the organization is incapable of operating and/or reconstituting itself. Disruption Pending Dismantlement is an active PTO investigation that has been successful at impeding the normal and effective operation of the targeted PTO, but is still working towards the PTO's complete evisceration such that it is incapable of operating and/or reconstituting itself.

Data Validation and Verification: PTARRS provides a means of electronically validating and verifying PTO data through the following approval chain:

- * Case Agent - Through PTARRS, the Special Agent (SA) or Diversion Investigator (DI) begins the process by creating and proposing a PTO.
- * Group Supervisor (GS) – The GS reviews the PTO proposed by the SA/DI and approves it or sends it back to the SA/DI for additional information/clarification.
- * Assistant Special Agent in Charge (ASAC) - The ASAC reviews the PTO approved by the GS. If all of the necessary information included in the proposal meets the established criteria for a PTO, the ASAC approves the PTO.
- * Special Agent in Charge (SAC) - The SAC reviews the PTO approved by the ASAC and provides a case assessment for, or against, the nomination of the PTO. Once nominated by the SAC, PTARRS generates and saves a unique identification number for the nominated PTO.
- * Headquarters – At Headquarters, PTOs nominated by the SAC are assigned to the appropriate section within DEA's Office of Enforcement (OE). Once assigned, the corresponding OE Staff Coordinator validates all information reported on the PTO nomination. The validation process includes a review of the PTO nomination for completeness, compliance with established criteria, and confirmation of all related case linkages, including links to CPOT targets. Staff Coordinators coordinate with DEA's Special Operations Division and Intelligence Division to ensure that available facts exist to support all case linkages. In the unlikely event the documentation submitted is insufficient to validate the reported links, the Staff Coordinator will coordinate with the submitting GS to obtain the required information.

Data Limitations: DEA is currently improving reporting systems that capture investigative work hours and cost data. DEA also recently initiated a Managerial Cost Accounting project that will eventually allow the agency to capture actual full costs of investigating, disrupting, and dismantling PTOs. All statistics are limited by a lack of a relational link between case files and enforcement outputs (e.g. arrest, seizure, and work hour data). The link is inferred through data manipulation, but some areas are prone to error until all data systems are linked in a relational manner, and errors are prevented through data validation and referential integrity.

State and Local Training

Data Definition: The DEA Training Academy receives quarterly training data from the field on training provided by Division Training Coordinators. The field data is combined with the data generated by the DEA Training Academy and reported quarterly based on the fiscal year.

Data Validation and Verification: Data is reviewed upon receipt, but only technical or unusual deviations are checked.

PERFORMANCE MEASURE TABLE											
Decision Unit: Domestic Enforcement											
Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Percent of Counterterrorism-Related Products Completed by DEA's Office of Special Intelligence and SOD	N/A	N/A	13%	17%	18%	9%	††	3%	††	††
Performance Measure	Active PTOs Linked to CPOT Targets Disrupted Pending Dismantlement	N/A	N/A	18	94	99	68	70	51	80	100
Performance Measure	PTOs Linked to CPOT Targets Disrupted or Dismantled	N/A	7/10	17/11	24/22	69/95	69/68	95/110	51/61	80/80	90/80
Performance Measure	Active PTOs Not Linked to CPOT Targets Disrupted Pending Dismantlement	N/A	N/A	135	210	255	322	245	478	465	510
Performance Measure	PTOs Not Linked to CPOT Targets Disrupted or Dismantled	43/51	84/100	120/139	102/194	233/337	298/392	305/365	340/435	360/460	400/520
Efficiency Measure	% of Special Agent Investigative Work Hours Dedicated to PTO Investigations	N/A	26%	35%	45%	59%	64%	65%	67%	67%	67%
Performance Measure	# of State and Local Law Enforcement Officers Trained ¹	43,760	36,110	39,552	33,358	40,810	40,236	36,000	41,252	35,780	36,000
OUTCOME Measure	Contribution to DOJ's Goal to reduce the Availability of Drugs in America	N/A	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

†† DEA's performance is based on requests generated by external agencies; therefore, targets for the percent and number of CT-related products cannot be established.

3. Performance, Resources, and Strategies

The Domestic Enforcement Decision Unit primarily contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People." Within this Goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs."

In FY 2007, a portion of the Domestic Enforcement decision unit was relocated to Strategic Goal 1: "Prevent Terrorism and Promote the Nation's Security". Within this Goal, the resources specifically address DOJ's Strategic Objective 1.2: "Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents."

a. Performance Plan and Report for Outcomes

Strategic Objective 1.2 – Strengthen Partnerships to Prevent, Deter, and Respond to Terrorist Incidents

Currently, DEA has one performance measure related to its counterterrorism activities, which is reflected under DOJ's Strategic Goal 1 on the Performance and Resources Table. DEA is in the process of finalizing performance measures for the newly established Office of National Security Intelligence (NN) and plans to add these measures to the Performance and Resources Table once completed.

In the meantime, DEA reports the percent of counterterrorism-related products completed by DEA's Office of Special Intelligence and SOD. As of September 30, 2007, 3 percent of DEA's total products were related to counterterrorism. DEA fell short of its FY 2007 target of 10 percent. Since DEA's performance, as it relates to completing counterterrorism-related products, is directly tied to requests generated by external agencies, targets for FY 2008 and FY 2009 cannot be established.

Strategic Objective 2.4 – Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs

Although DEA is involved in counterterrorism, DEA's primary mission is drug enforcement and DEA's long-term goal is to contribute to DOJ's goal of reducing the availability of drugs in America.

Drug Availability

Please refer to the discussion on page 37 of the International Enforcement Decision Unit justification.

Priority Targeting Program

DEA's first two drug-related performance measures under DOJ's Strategic Goal 2 on the Domestic Enforcement Performance and Resources Table relate to the disruption, disruption pending dismantlement or dismantlement of Priority Targets linked to CPOT targets. The efforts to disrupt or dismantle Priority Targets linked to CPOTs are accomplished primarily via multi-agency and multi-regional investigations. These investigations are intelligence-driven and identify and target national, regional, and international drug trafficking organizations that play significant roles in the production, transportation, distribution, financing or other support of large scale drug trafficking.

The goal is to dismantle these organizations so that reestablishment of the same criminal organization is impossible. DEA's Priority Targets comprise the most significant investigations in each domestic field division. As these organizations are identified, disrupted, or dismantled, the investigative intelligence developed is utilized to identify and target all organizational elements on the drug trafficking continuum. As entire drug trafficking networks, from sources of supply to the transporters/distributors, are disrupted or dismantled, the availability of drugs within the United States will be reduced.

DEA's targeted level of performance for FY 2007 was the disruption of 95, the disruption pending dismantlement of 70, and the dismantlement of 110 Priority Targets linked to CPOTs. As of September 30, 2007, DEA reported 51 disruptions, 51 disruptions pending dismantlement, and 61 dismantlements of CPOT-linked Priority Targets reported, which is 41 percent below the overall FY 2007 target.

The FY 2007 targets for CPOT-linked PTO disruptions and dismantlements were influenced by the actual results reported in FY 2005, which represented a 33 percent increase over FY 2004 disruptions and a 312 percent increase over FY 2004 dismantlements. While DEA did not meet the expected targets in FY 2007, it still achieved significant results against these CPOT-linked PTOs. In fact, the FY 2007 CPOT-linked dismantlements are more than double the number achieved in FY 2004, and historically unprecedented successes were recorded in FY2007 against the leaders of some of the world's most powerful drug-trafficking organizations, including the Gulf Cartel, the Tijuana Cartel, and the Norte Valle Cartel.

DEA attributes the decline in this performance measure to four factors. First, the 46 targets on the FY 2007 CPOT List represent a much different group of organizations than was first placed on the list in FY 2003. When the CPOT List was first established, it contained many organizations that had been known to law enforcement for decades. Investigations of these organizations were already quite mature. As a result of the DEA investigative successes, only 18 of the original 53 targets remain on the FY 2007 CPOT List. The FY 2007 CPOT List consists largely of targets that have been more recently identified by law enforcement.

Second, the investigations against these targets have become more complex. CPOT level organizations have learned from law enforcement's past successes, and have adjusted their operations to thwart law enforcement efforts. Law enforcement has been forced to pursue more complex investigative techniques to achieve a lasting impact against these organizations. This

inherently takes more time. Pursuing such things as electronic surveillance and in-depth financial investigations has permitted the DEA to improve upon its success in permanently dismantling major drug trafficking organizations. However, these sophisticated techniques are more time intensive. For instance, looking at the age of DEA's current inventory of CPOT-linked Priority Targets, the average number of days an investigation has been open has increased by 67 percent since FY 2005.

Third, the number of Special Agent investigative work hours dedicated to Priority Target investigations linked to CPOT has decreased by 22 percent between FY 2006 and FY 2007 leading to a 56 percent drop in the number of CPOT-linked Priority Targets identified since FY 2005. The reduction in work hours is related to efforts by DEA to realign priorities with resource demands which necessitated a hiring freeze from FY 2006 through December 2007.

Fourth, OCDETF reviewed the criteria used to link investigations to CPOT targets in FY 2005, which resulted in the more stringent review of nominated CPOT linkages in DEA. This stringent review has also contributed to the decrease in the number of CPOT-linked Priority Targets identified each year. Although it cannot be statistically documented, it is believed that the identification of CPOT linkages is occurring later in the life cycle of a Priority Target investigation. DEA is continuing to review this performance trend.

DEA's third and fourth performance measures under DOJ's Strategic Goal 2 on the Domestic Enforcement Performance and Resources Table relate to the disruption, disruption pending dismantlement or dismantlement of Priority Targets not linked to CPOT targets. The targeted level of performance in FY 2007 for Priority Targets not linked to CPOT targets is 305 disruptions, 245 disruptions pending dismantlement, and 365 dismantlements. As of September 30, 2007, DEA reported 340 disruptions, 478 disruptions pending dismantlement, and 435 dismantlements of Priority Targets not linked to CPOT targets reported. DEA has exceeded its FY 2007 targets primarily as a result of the focused enforcement efforts of junior Special Agents

To measure the level of effort concentrated on Priority Targets, DEA also tracks the percentage of total Special Agent investigative work hours spent investigating Priority Targets. As of September 30, 2007, approximately 67 percent of total Special Agent investigative work hours were committed to PTO investigations. Based on this performance, DEA exceeded its FY 2007 target of 65 percent. This is a result of DEA's continued focus on disrupting and dismantling the most prolific and violent drug trafficking organizations that threaten the health and well being of the United States – DEA's Priority Targets. DEA's historical performance against this measure is depicted in the table below:

Fiscal Year	Actual % of Total Special Agent Work Hours Dedicated to Investigations ¹	Performance Goal	Actual % of Total Special Agent Work Hours Dedicated to Priority Investigations ²	Performance Goal
2001	63.6	N/A	N/A ³	N/A
2002	63.2	N/A	23.0	N/A
2003	63.6	63	31.2	35
2004	65.0	65	41.3	37
2005	70.1	67	56.4	45
2006	71.4	70	62.5	62
2007	72.3	70	67.1	65
2008	N/A	72	N/A	67
2009	N/A	72	N/A	67

¹ Workhours are based on data retrieved from WRS/SMARTS on January 7, 2008 for Domestic Divisions only (excludes foreign offices reporting to the Caribbean and Miami Divisions). The investigative work hours reflected do not include the work hours associated with "other criminal cases".

² Workhours are based on data retrieved from WRS/SMARTS on January 7, 2008 for Domestic Divisions only (excludes foreign offices reporting to the Caribbean and Miami Divisions). The work hours available in WRS/SMARTS for Priority Targets only include the workhours associated with the identified lead case for each Priority Target.

³ Since the Priority Targeting program was implemented during FY 2001, complete data on the percent of Special Agent workhours dedicated to Priority Targets is not available for FY 2001.

State and Local Law Enforcement Officer Training

DEA's State and Local Law Enforcement Officer Training program has one primary performance measure – the number of State and local law enforcement officers trained. Based on an analysis of prior year performance data, existing training capacity, and available funding, the FY 2007 annual target for the number of State and local officers trained was 36,000. As of September 30, 2007, DEA trained 41,252 State and local officers and exceeded its FY 2007 target. This performance measure does not include the number of State and local law enforcement officers who attended the DEA-sponsored Clandestine Laboratory Enforcement training courses. DEA's target for 2008 is 35,780 State and local officers trained and 36,000 in 2009.

Mobile Enforcement Teams (MET)

In DEA's FY 2008 appropriation, \$20.6 million and 83 positions for the MET program were funded. DEA is evaluating how best to use these resources to address drug trafficking that involves criminal street gangs and violent crime. With this funding and these positions, DEA will continue the Administration's efforts against gangs and violence.

b. Strategies to Accomplish Outcomes

To fulfill the critical mission of reducing drug use in the U.S., DEA devotes resources to the disruption or dismantlement of domestic Priority Targets. DEA's strategy is to attack entire drug trafficking organizations, from their international command and control, through their smuggling and transportation systems, down to their distribution cells that are networked throughout the United States. DEA's Priority Targets represent the major drug trafficking organizations

responsible for the production, transportation, and distribution of illegal drugs destined for consumption in the United States and the recovery of profits from the sale of those illegal drugs. DEA accomplishes its strategy by:

- Exploiting drug trafficking organization vulnerabilities;
- Employing traditional and creative enforcement methods that lead to the disruption or dismantlement of targeted organizations and the incarceration of their leaders; and,
- Assessing the financial underpinnings of each organization and its key leaders to disrupt or dismantle financial organizations responsible for the control of capital belonging to the targeted organizations.

To achieve the strategic goal of contributing to DOJ's goal of reducing drug supply, DEA:

- Systematically disrupts or dismantles targeted organizations by arresting/convicting their leaders and facilitators, seizing and forfeiting their assets, targeting their money laundering operations, and destroying their command and control networks;
- Works with international offices to disrupt or dismantle domestic organizations directly affiliated with international cartels; and,
- Identifies and targets the national/regional organizations most responsible for the domestic distribution, manufacture, and diversion of precursor chemicals.

The following strategies outline DEA's plan to achieve the Domestic Enforcement objectives in FY 2009:

1. Reduce the flow of illicit drugs, money, and chemicals between the source zones and the United States.

DEA developed an International Drug Flow Attack Strategy, which is a multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between the source zones and the United States by attacking vulnerabilities in the supply, transportation systems, and financial infrastructure of major drug trafficking organizations. This strategy calls for aggressive, well-planned and coordinated enforcement operations with host-nation counterparts in global source, transit zones, and arrival zones. The strategy is supported by four pillars:

Intelligence-Driven Enforcement - Intelligence provided by an interagency working group is used to target threats and their vulnerabilities for enforcement action.

Complete and timely information sharing of intelligence, analytic approaches and trafficker organizational dynamics drives future operations and invites reciprocity on the part of other agencies. This sharing is achieved through the connectivity of communications and IT systems and the fusion of intelligence resources.

Predictive intelligence provides law enforcement with the ability to forecast the traffickers' actions and reactions to synchronized operations. It makes it possible to forecast the actions of drug trafficking organizations in response to enforcement activity, thus providing law

enforcement with a unique tactic - the ability to out-plan and out-maneuver their adversaries before operations even commence.

Perception Management, based on intelligence, makes traffickers believe that law enforcement is operating in areas or are involved in activities that cause the traffickers to alter their methods rendering them vulnerable to enforcement action. Perception management is applied strategically to direct traffickers towards chokepoints where they are most vulnerable.

Multilateral Cooperation - Multi-Agency Campaign Planning provides an orderly schedule of strategic decisions and ensures synchronization and integration of air, land and sea efforts into synergistic whole. The result is coordinated, multi-agency drug enforcement operations that bring to bear the strengths and resources of the various agencies and are seamless in terms of limiting the trafficker's options to courses of action that law enforcement has predicted and prepared against. Enlisting the support of DEA's domestic and foreign law enforcement partners leverages and extends DEA's investigative, intelligence, and enforcement resources.

Sequential Enforcement Operations - Well-planned, coordinated and synchronized multi-agency operations that incorporate sequential interlocking and complimentary operations. Rather than conducting periodic surge operations, this strategy calls for a series of operations based on the effective use of predictive intelligence. These operations are conducted in the source, transit, and arrival zones - including our nation's Southwest and Northern borders. The result is a higher operational tempo creating a level of enforcement pressure that drug trafficking organizations cannot successfully adapt to.

Operational Agility - Synchronized operations must be flexible and mobile to have impact. In the execution of drug enforcement operations, the ability to shift resources, personnel, and enforcement pressure are essential to rapidly exploit trafficker vulnerabilities. This pillar requires the ability to operate on land, sea, or in the air - day or night - and relies on the availability of substantial aviation and travel resources.

2. Strengthen counternarcotics efforts to combat illicit drug trafficking along the Southwest Border.

Narcotics smuggling along the Southwest Border poses a significant national security issue for the United States. The Southwest Border provides hundreds of miles of open areas, which are an ideal environment for cross-border drug trafficking and money laundering activities. In FY 2009, the resources dedicated to DEA's Southern Frontier Initiative will serve to enhance the collection of intelligence on cross-border trafficking activities; improve information sharing among U.S. and Mexican agencies; disrupt and dismantle trafficking organizations; interdict illegal bulk currency movements and electronic currency transfers; and enhance Mexico's counterdrug capabilities.

3. Disrupt and dismantle Consolidated Priority Organization Targets (CPOTs).

The OCDETF Program, of which DEA is a leading participant, contributes to DOJ's Strategic Goal to reduce the drug supply by targeting organizations on the CPOT list

– the “Most Wanted” drug trafficking and money laundering organizations believed to be primarily responsible for the nation’s illicit drug supply. The objective is to dismantle these organizations so that reestablishment of the same criminal organization is impossible and the source of the drug is eliminated. The disruption or dismantlement of CPOT organizations is accomplished primarily by multi-agency investigations. These investigations emphasize developing intelligence-driven operations to identify and target international drug trafficking organizations that play significant roles in the production, transportation, distribution, financing, or other support of large scale drug trafficking.

4. Deny drug revenues to drug trafficking organizations in order to disrupt trafficking activities and reduce drug availability.

The DEA Anti-Money Laundering Strategy is designed to reduce the threat, trafficking, use, and related violence of illegal drugs. DEA’s perspective on the money laundering threat to the United States is two-fold. First, DEA is solely focused on proceeds generated by the illegal drug industry and the devastating effect this money has on the American public and financial services industry, as well as other governments and societies around the world. Second, DEA is addressing the threat that drug proceeds represent as a means of financing terrorist organizations. Due to the nature and scope of DEA’s investigations and its global presence, evidence and intelligence gleaned from its investigations often provide critical information on terrorist financing, which is immediately shared through established protocols with those agencies charged with counter terrorism responsibilities. DEA’s Anti-Money Laundering Strategy targets the flow of drug money back to sources of drug supply because these funds are destined to finance the next cycle of illegal drugs to be sent to the U.S. consumer market.

5. Utilize intelligence to support counternarcotics strategies and stop drug-related terrorist activities.

DEA’s Intelligence Program has been refocused on the concept of predictive intelligence to identify trends and vulnerabilities and then direct limited enforcement resources to those areas. In addition to its traditional drug law enforcement mission, DEA has assumed new intelligence responsibilities and functions in 2006 to support the global war on terror. DEA has expanded its Intelligence Program and is currently implementing the following initiatives: a new DEA Office of National Security Intelligence; a new Representation in the National Security Council Office for Combating Terrorism; an Organized Drug Enforcement Task Force Fusion Center (OFC); a National Virtual Pointer System (an information system that provides federal, State and local law enforcement agencies with a target deconfliction capacity for all crimes); and the Centers for Drug Intelligence Program.

6. Disrupt and dismantle violent gangs involved in drug trafficking.

Major violent street gangs have become an increasing threat to the safety and security of our domestic communities. Law Enforcement authorities throughout the country report that gangs are responsible for most of the serious violent crime in the major cities of the United States. They commonly use drug trafficking as a means to finance their criminal activities. These gang

drug trafficking organizations are often well organized, have an identifiable hierarchy with organized levels of command and control, and utilize sophisticated techniques and organizational processes to further their drug trafficking efforts. DEA will be dedicating the restored MET resources in order to address drug trafficking that involves criminal street gangs and violent crime.

7. Reduce the threat, trafficking, and use of methamphetamine.

Methamphetamine is a continuing problem in the United States. Once confined primarily to the west and mid-west, it is now spreading across the eastern half of the United States. Because of the unique characteristics of methamphetamine, fighting the drug demands aggressive and collaborative efforts. The Administration is focused on the following six methods to combat methamphetamine: increase DEA's enforcement operations and arrests; make methamphetamine prosecutions a priority for U.S. Attorneys; work with state and local law enforcement; provide information and awareness training; strengthen international partnerships, specifically between the U.S. and Mexico; and use additional tools to target methamphetamine traffickers, such as the Combat Methamphetamine Act contained in the Patriot Act.

8. Provide training to State and local law enforcement officers to improve the capabilities of State and local law enforcement agencies and their ability to enforce state drug laws.

The DEA Training Academy currently offers the following training opportunities for State and local law enforcement officers:

- One-week regional Diversion State and Local Training
- State and local training through its Domestic Field Division Offices / DTCs
- Two-week training at DEA's Drug Unit Commander Academy (DUCA)
- Intelligence training at the Federal Law Enforcement Training Center (FLETC)
- A one-week Narcotics Supervisory Leadership Program

9. Provide educational resources through the Headquarters' Demand Reduction Program sponsorship of National Red Ribbon Week.

National Red Ribbon Week serves as a tribute to Special Agent Camarena, who was kidnapped and brutally tortured and murdered by drug traffickers in Mexico. This tragic event produced an immediate outpouring of grief, but over time has generated a sense of hope across America. This hope is being kept alive through the hard work of thousands of Americans - particularly our young people - who participate in Red Ribbon events during the last week in October. National Red Ribbon Week is the most far-reaching and well-known drug prevention event in America. The National Family Partnership, which coordinates Red Ribbon activities nationally, estimates that over 80 million Americans participate in Red Ribbon events. During this period, events are held throughout the country and serve as prevention and educational resources for young children and their communities.

c. Results of Program Assessment Rating Tool (PART) Reviews

Under PART, DEA was reviewed as a single program including activities that support each of DEA's three decision units and the Diversion Control Program. As a result, there are no specific findings or recommendations to report for Domestic Enforcement. However, OMB did identify a few overall areas for improvement, including DEA's lack of a formalized system of accountability for program performance in individual performance plans and DEA's need to plan for an independent evaluation of its programs. For an overall discussion of DEA's progress against these PART findings, please refer to page 11 in the Overview. DEA is scheduled to be reassessed by OMB during the FY 2012 budget process.

C. State and Local Assistance

State and Local Assistance Total	Perm. Pos.	FTE	Amount (\$000)
2007 Enacted with Rescissions	111	106	\$26,951
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	111	106	26,951
2008 Enacted	28	26	6,373
Adjustments to Base and Technical Adjustments	0	0	135
2009 Current Services	28	26	6,508
2009 Program Increases	0	0	0
2009 Request	28	26	6,508
Total Change 2008-2009	0	0	\$135

1. Program Description

Through its expertise and leadership, DEA continues to support State and local efforts with specialized programs aimed at reducing the availability of drugs. In DEA's FY 2007 spending plan, the Headquarters' Demand Reduction Program and the State and Local Law Enforcement Officers Training Program were moved from the State and Local Assistance Decision Unit to the Domestic Enforcement Decision Unit to better align programs within DEA's decision units. In FY 2009, DEA will provide direct assistance to State and local law enforcement through its Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), State and Local Law Enforcement Clandestine Laboratory Training, and the Domestic Cannabis Eradication/Suppression Program (DCE/SP).

As the nation's drug law enforcement organization, DEA has the responsibility to respond to clandestine laboratory training requirements, hazardous waste cleanup, and cannabis eradication/suppression needs of the U.S. law enforcement community. By teaching and assisting others in the techniques of clandestine laboratory drug enforcement, hazardous waste cleanup, and cannabis eradication/suppression, DEA is able to expand drug enforcement across the United States in a very cost-effective manner.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: State and Local Assistance										
DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People										
Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs										
WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes⁶		FY 2009 Request
Workload: Varies by Program										
Total Costs and FTE		FTE		\$000		FTE		\$000		FTE
(reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		120		\$ 26,951 [\$35,776]		120		\$ 26,951 [\$35,776]		29
						29		\$ 6,373 [\$32,138]		0
								\$ 135 [\$0]		29
										\$ 6,508 [\$32,138]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2007		FY 2007		FY 2008		FY 2009 Program Changes		FY 2009 Request
Program Activity	1. Hazardous Waste Program/State and Local Clandestine Laboratory Training/DCE/SP	FTE		\$000		FTE		\$000		FTE
		120		\$ 26,951 [\$35,776]		120		\$ 26,951 [\$35,776]		29
						29		\$ 6,373 [\$32,138]		0
								\$ 135 [\$0]		29
										\$ 6,508 [\$32,138]
Performance Measure	# of State and Local Law Enforcement Officers Trained in Clandestine Laboratory Enforcement	1,000		952		1,000		0		1,000
Performance Measure	# of Clan Lab Cleanups (DEA/S&L)	††		74/3,300		††		-		††
Performance Measure	# of Marijuana Plants Eradicated (Includes Plants Cultivated Indoors and Outdoors) ¹	3,600,000		6,800,000		6,000,000		0		6,000,000
OUTCOME	Contribution to DOJ's Goal to Reduce the Availability of Drugs in America ²	TBD		TBD		TBD		-		TBD
†† Since performance for DEA's Hazardous Waste Program is reactive, it is difficult to target; therefore no targets are included.										
¹ Actual performance for the DCE/SP is reported on the calendar year. Actual figures for CY 2007 are as of December 1, 2007. CY 2008 and 2009 targets assume continuing National Guard Bureau / DoD support and no change to the current marijuana threat. Beginning in FY 2006, the DCE/SP is funded through a reimbursable agreement with the Office of Justice Programs (OJP).										
² One of DOJ's Goals is to reduce drug availability in America by 6% by 2012. DEA is developing a methodology to determine its contribution as discussed in section 3.a. of Performance, Resources, and Strategies.										

State and Local Clandestine Laboratory Training
Data Definition: The DEA Training Academy receives quarterly training data from the field on training provided by Division Training Coordinators. The field data is combined with the data generated by the DEA Training Academy and reported quarterly based on the fiscal year.
Data Validation and Verification: Data is reviewed upon receipt, but only technical or unusual deviations are checked.
Hazardous Waste Program
Data Definition: DEA's Hazardous Waste Unit tracks the number of DEA funded state/local cleanups and federal cleanups
Data Validation and Verification: Data is reviewed upon receipt, but only technical or unusual deviations are checked.
Domestic Cannabis Eradication/Suppression Program
Data Definition: DCE/SP participants submit data monthly to DEA's DCE/SP coordinators in the field. This data is compiled by DEA's DCE/SP coordinators and submitted to Headquarters in a monthly report. Data is tabulated for publication annually based on the calendar year. Final CY figures are normally available in the March/April timeframe.
Data Validation and Verification: Data is reviewed upon receipt, but only technical or unusual deviations are checked.

PERFORMANCE MEASURE TABLE

Decision Unit: State and Local Assistance

Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	# of State and Local Law Enforcement Officers Trained in Clandestine Laboratory Enforcement	1,049	1,275	1,573	1,029	1,043	1,077	1,000	952	1,000	1,000
Performance Measure	# of Clan Lab Cleanups (DEA/S&L)	724/5,949	571/6,936	437/8,174	323/9,443	218/8,638	133/4,597	††	74/3,300	††	††
Performance Measure	# of Marijuana Plants Eradicated (Includes Plants Cultivated Indoors and Outdoors) ¹	3,304,760	3,341,840	3,651,106	3,200,121	4,209,086	5,029,317	3,600,000	6,800,000	6,000,000	6,000,000
OUTCOME Measure	Contribution to DOJ's Goal to Reduce the Availability of Drugs in America	N/A	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

†† Since performance for DEA's Hazardous Waste Program is reactive, it is difficult to target; therefore no targets are included.

¹ Actual performance for the DCE/SP is reported on the calendar year. Actual figures for CY 2007 are as of December 1, 2007. Final CY figures are normally available in the March/April timeframe. CY 2008 and 2009 targets assume continuing National Guard Bureau/DoD support and no change to the current marijuana threat. Beginning in FY 2006, the DCE/SP is funded through a reimbursable agreement with the Office of Justice Programs (OJP).

3. Performance, Resources, and Strategies

The State and Local Assistance Decision Unit contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws, and Represent the Rights and Interests of the American People." Within this Goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs."

a. Performance Plan and Report for Outcomes

DEA's State and Local Assistance Decision Unit consists of three areas: DEA's Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), State and Local Law Enforcement Clandestine Laboratory Training courses, and the Domestic Cannabis Eradication/Suppression Program (DCE/SP). Since each program area has identified unique performance measures related to their specific activities, they are addressed separately below.

Hazardous Waste Program (Clandestine Drug Laboratory Cleanup)

Since 1980, the Environmental Protection Agency's hazardous waste regulations (under the Resource Conservation and Recovery Act) have required generators of hazardous waste to properly manage their waste. Thus, DEA along with State and local law enforcement agencies become the "generator" of hazardous waste when a clandestine drug laboratory is seized.

The DEA Laboratory System established a program in 1990 to address environmental concerns from the seizure of clandestine drug laboratories. The amount of waste material and chemicals taken from a clandestine drug laboratory may vary from a few pounds to several tons, depending on the size of the laboratory and its manufacturing capabilities. Wastes may be highly toxic, flammable, corrosive, reactive and, in some cases, radioactive. These wastes have caused injury and death to laboratory operators, and fires and explosions that have contaminated the interior of homes, apartments, motels, etc. In some instances, these wastes have been indiscriminately dumped in pits, streams, lakes, septic tanks, and along the roadside.

Cleaning up a seized clandestine drug laboratory is a complex, dangerous, and expensive undertaking. However, the DEA Hazardous Waste Program has been successful in promoting the safety of law enforcement personnel and the public, protecting the environment, and minimizing the agency's liability.

DEA's program promotes the safety of law enforcement personnel and the public by using highly qualified companies with specialized training and equipment to perform the removal of the wastes at the seized laboratory. DEA's Hazardous Waste Cleanup and Disposal Contract (HWDCD) is serviced by numerous contractors. Using these contractors reduces the risk of injury to law enforcement personnel and the public from the cleanup of the seized laboratory and, due to the nationwide network of contractors, the response time is reduced.

The use of highly qualified contractors also helps to protect the environment by ensuring strict adherence to the applicable environmental laws and regulations, including safe transportation to storage and disposal facilities. Compliance with applicable laws and regulations not only

reduces the probability of indiscriminate contamination of the environment from hazardous wastes at clandestine drug laboratories, but also minimizes DEA's liability.

DEA's Hazardous Waste Program (Clandestine Drug Laboratory Cleanup) has one primary performance measure – the number of Clandestine Drug Laboratory Clean Ups funded by DEA. Based on data provided by DEA's Hazardous Waste Unit, as of September 30, 2007, DEA funded 3,300 state/local cleanups and 74 federal cleanups. Since program performance is reactive, it is difficult to target; therefore no targets are included for FY 2008 and FY 2009.

State and Local Law Enforcement Clandestine Laboratory Training

DEA continues to conduct one of the most critical, specialized training programs offered to State and local law enforcement officers in the area of Clandestine Laboratory Training. DEA trains these officers on the latest safety techniques and methods in detecting and investigating clandestine methamphetamine labs. Often, it is the State and local police who first encounter these small toxic labs and must ensure that they are investigated, dismantled, and disposed of appropriately.

DEA offers three Clandestine Laboratory Training courses (State and Local Clandestine Laboratory Certification, Clandestine Laboratory Site Safety, and Clandestine Laboratory Tactical training). The first two courses provide detailed information regarding Occupational Safety and Health Administration (OSHA) regulations and standards. Officers are informed of the hazards that they are likely to encounter and how to handle these hazards. For example, during training, officers become familiar with the personal protective equipment that must be worn when dismantling a clandestine lab. During the third course, officers are taught the difference between traditional drug investigations and clandestine laboratory investigations.

In FY 2004 Congress approved the use of \$8,100,000 from DEA's prior year unobligated balances for the design, construction, and ownership of a clandestine laboratory training facility to continue the support of Clandestine Laboratory training. Subsequently, DEA has received an additional \$8,000,000 to complete the construction. The current target for completion is July, 2008.

Since FY 1999, DEA has trained over 10,000 State and local law enforcement officers in identifying and processing clandestine laboratories. Teaching others the techniques used to investigate and dismantle small toxic labs acts as a force multiplier for DEA. DEA's targeted level of performance for FY 2007 was to train 1,000 State and local officers. As of September 30, 2007, DEA trained 952 State and local officers.

Domestic Cannabis Eradication/Suppression Program (DCE/SP)

The DCE/SP is a nationwide law enforcement program that exclusively targets marijuana. DEA administers the program through Reimbursement Agreements with OJP and AFF to fund operational plans for eradication campaigns and suppression programs. DEA's current performance measure for the DCE/SP is the Number of Marijuana Plants Eradicated (Including Plants Cultivated Indoors and Outdoors).

Since eradication is based on the growing season, all DCE/SP performance data is collected and reported on the calendar year with performance weighted towards the end of the year. Domestically cultivated marijuana is dependant on climatic conditions, therefore, extreme circumstances such as flood, drought, and fire can dramatically impact the amount of product cultivated and therefore seized. Taking these uncontrollable factors into consideration, DEA estimated that in CY 2007, 3,600,000 cannabis plants would be destroyed. As of December 1, 2007, DEA exceeded its CY 2007 targets for the number of plants eradicated with 6,800,000 plants eradicated. DEA has established the target of 6,000,000 marijuana plants eradicated for CY 2008 and will work diligently to meet or exceed this target.

b. Strategies to Accomplish Outcomes

To fulfill the critical mission of reducing drug availability in the United States, DEA devotes the resources necessary to assist State and local agencies with drug enforcement efforts. Part of DEA's overall strategy is to complement State and local efforts with specialized programs aimed at reducing the availability of drugs through DEA's expertise and leadership. To achieve this goal, DEA:

- Improves the capabilities of State and local enforcement efforts with specialized clandestine laboratory training programs that improve their abilities to enforce State drug laws;
- Assists state and local law enforcement efforts to cleanup hazardous wastes produced from seized clandestine drug laboratories; and
- Assists state and local efforts to control the production of cannabis through the Domestic Cannabis Eradication/Suppression Program (DCE/SP).

The following strategies outline DEA's plan to achieve the State and Local Assistance objectives:

1. Provide clandestine laboratory training to State and local law enforcement officers to improve the capabilities of State and local law enforcement agencies and their ability to investigate, dismantle, and dispose of "small toxic labs".

State and local law enforcement officers are taught the procedural differences between traditional drug investigations and clandestine laboratory investigations and how to handle the hazards they will encounter in these laboratories. They also receive familiarization training on the personal protective equipment that must be worn when dismantling a clandestine laboratory. The U.S. Code of Federal Regulations mandates that all federal, state, and local law enforcement officers receive at least 24 hours of hazardous chemical handling training prior to entering a clandestine drug laboratory.

2. Assist state and local law enforcement efforts to cleanup hazardous wastes produced from seized clandestine drug laboratories.

DEA's program promotes the safety of law enforcement personnel and the public by using highly qualified companies with specialized training and equipment to perform the removal of hazardous wastes generated by seized clandestine drug laboratories.

3. Assist local efforts to control the production of cannabis.

The DCE/SP assignments include providing operational and training assistance to state/local agencies, monitoring activities, and acting as a conduit for intelligence and information with DEA Headquarters. This assistance and joint cooperation allows for the enhancement of already aggressive eradication enforcement activities throughout the nation. However, the success of the DCE/SP is directly attributed to the decision of the participating agencies to share intelligence, technology, and manpower.

c. Results of Program Assessment Rating Tool (PART) Reviews

Under PART, DEA was reviewed as a single program including activities that support each of DEA's three decision units and the Diversion Control Program. As a result, there are no specific findings or recommendations to report for State and Local Assistance. However, OMB did identify a few overall areas for improvement, including DEA's lack of a formalized system of accountability for program performance in individual performance plans and DEA's need to plan for an independent evaluation of its programs. For an overall discussion of DEA's progress against these PART findings, please refer to page 11 in the Overview. DEA is scheduled to be reassessed by OMB during the FY 2012 budget process.

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D. Diversion Control Fee Account

Diversion Control Fee Account Total	Perm. Pos.	FTE	Amount (\$000)
2007 Enacted with Rescissions	1,172	1,152	\$212,078
2007 Supplementals	0	0	0
2007 Enacted w/Rescissions and Supplementals	1,172	1,152	212,078
2008 Enacted	1,187	1,176	239,249
Adjustments to Base and Technical Adjustments	0	7	4,703
2009 Current Services	1,187	1,183	243,952
2009 Program Increases	1	1	498
2009 Request	1,188	1,184	244,450
Total Change 2008-2009	1	8	\$5,201

1. Program Description

DEA's Diversion Control Program is designed to achieve the mandates of the Comprehensive Drug Abuse Prevention and Control Act of 1970, also known as the Controlled Substances Act (CSA) and the Chemical Diversion and Trafficking Act (CDTA). As such, the mission of the Diversion Control Program includes responsibility for all activities related to the regulation and enforcement of controlled substances and chemicals.

The Diversion Control Program provides regulatory guidance and support to over one million legitimate handlers of controlled substances and chemicals. Keeping legitimate importers, exporters, manufacturers, retailers, and practitioners compliant with CSA and CDTA regulations contributes significantly toward the reduction in the diversion of controlled substances and chemicals. The Diversion Control Program's regulatory protocols mandate reporting and accounting practices that track and monitor the production and distribution of licit drugs, precursor chemicals, and their analogues among all of its registrants. Any organization or individual operating outside of this closed system of regulation is in violation of the law and is therefore subject to administrative, civil, and criminal action.

The Diversion Control Program's goal is to prevent, detect, and eliminate the diversion of pharmaceutical controlled substances and List I chemicals into the illicit market while ensuring adequate supplies are available to meet legitimate medical, scientific, industrial, and export needs. In order to achieve this goal, the Diversion Control Program focuses its investigative resources on identifying, targeting, disrupting or dismantling diverters of licit controlled substances and chemicals at the domestic and international level. These efforts include:

- Drug and chemical diversion complaint and criminal investigations;
- Cyclic investigations of CSA non-practitioner (Type B) and List 1 Chemical registrants;
- Pre-registrant investigations of manufacturers, distributors and list 1 chemical registrants;
- Operational support activities essential to the operation of the above priorities including registration and regulatory support, Diversion Investigator recruitment, training, and drug/chemical surveys; and,

- Drug and chemical liaison with international representatives, State and local officials and industry.

The diversion and abuse of pharmaceutical controlled substances have long been a problem, but these problems have become more acute in recent years. There are many factors contributing to the increased abuse of prescription drugs. Many mistakenly believe that abusing prescription drugs is safer than using illicit street drugs. Prescription drugs are easily attainable from friends and family. Moreover, many people are not aware of the potentially serious consequences of using prescription drugs non-medically.

SAMHSA first reported on prescription drug abuse in 2002, and it found that past-year initiation of prescription drugs exceeded that of marijuana. The abuse of prescription drugs among 12 and 13-year olds now exceeds marijuana use, and among 18-25 year olds, it has increased 17 percent over the past three years. Due to a steady rise in the number of youth admitted to treatment facilities for addiction to prescriptions drugs, it is now ranks third among addictive substances behind marijuana and alcohol. Additionally, admissions to emergency departments for drug overdoses have increased during this period. Most diversion of legitimate controlled substances occurs at the retail level as a result of illegal or improper prescribing, prescription forgery, or “doctor shopping.” The DEA is also seeing a rise in the number of individuals who divert controlled substances by placing orders via the Internet without establishing a legitimate doctor/patient relationship. Another factor contributing to the abuse problem has been the introduction of increasingly potent opioid medications. The term opioid refers to any drug that acts on opiate receptors in a similar way to opium. Abuse of opioid pain-killers is of particular concern, because of the large number of users, the high addictive potential, and the potential to induce overdose or death. As efforts to publicize and ameliorate the under treatment of pain have increased, the availability of these products for both legitimate and illicit uses has also increased.

In 2004, the DEA joined the ONDCP and the Food and Drug Administration (FDA) in launching a comprehensive, multi-faceted *Prescription Drug Strategy* that focuses on all areas of concern and all sources of diversion. The *Prescription Drug Strategy*, a component of the *National Drug Control Strategy*, was updated in 2005 and emphasizes the importance of State-level Prescription Drug Monitoring Programs (PDMPs) in detecting and deterring the diversion of prescription controlled substances, including OxyContin® and Vicodin®. PDMPs track controlled substances, and are implemented at the State level. At the end of 2007, 35 States had enacted enabling legislation to create or have already created PDMPs. Federal assistance to PDMPs is also available. States may apply to the Department of Justice for federal grant funding to set up PDMPs. In many cases, members of both the law enforcement and the medical communities may access a State’s database, providing important safeguards to pharmacists at the point of sale to prevent prescription fraud and doctor-shopping

In recognition of the potential for criminal entities to use the Internet to purchase pharmaceuticals without a valid prescription, obtain drugs that are illegal to possess in the United States, and bypass traditional means established to protect consumers against the harmful use of controlled substances and chemicals, DEA has implemented the cyber crime initiative known as the Internet Online Investigations Project (OIP). The OIP detects, attacks, and dismantles the

infrastructure of those organizations or entities that use electronic media (e.g., the Internet) to covertly bring drugs into the United States or divert licit drugs domestically. The OIP has contracted with an Internet search and analysis company that explores the Internet to locate and evaluate websites, identify information of interest, and store the information in a data warehouse regarding the diversion of controlled substances.

Through the Electronic Commerce (E-Commerce) Initiative, the Office of Diversion Control is providing alternative information technologies to improve its efficiency and responsiveness to the public. Working with over one million legitimate handlers of controlled substances and chemicals, the Diversion Control Program initiatives, such as the Controlled Substances Ordering System (CSOS), improve data quality and offer a higher degree of security and integrity to replace manual paper versions of required documents to transfer licit drugs. Furthermore, in support of the Diversion Control Program's mission to ensure an adequate and uninterrupted supply of controlled substances to meet legitimate medical and scientific needs, the Diversion Control Program is working to develop regulations that implement performance standards to permit the electronic transmission of controlled substance prescriptions. This voluntary system, known as Electronic Prescriptions for Controlled Substances (EPCS), would serve as an electronic alternative to paper prescriptions and allow DEA registrants to satisfy the legal requirements for prescriptions and reduce the potential for prescription errors, forgery, and theft.

All of the goals, strategies and initiatives supported by the Diversion Control Program will deter the diversion of pharmaceutical controlled substances and chemicals and enhance public safety by building greater accountability and qualitative reporting requirements into its network of compliance indicators.

2. PERFORMANCE AND RESOURCES TABLE

Decision Unit: Diversion Control											
DOJ Strategic Goal 2: Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People											
Strategic Objective 2.4: Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs											
WORKLOAD/ RESOURCES		Final Target		Actual		Enacted		Changes		Requested (Total)	
		FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
Workload Measure	Number of Drug and Chemical Registrants (On Board as of October 1st) ¹	1,276,000		1,274,332		1,306,600		30,000		1,336,600	
Workload Measure	Number of Drug and Chemical Applicants and Renewals Processed (throughout the FY) ¹	70,450		71,949		71,500		10		71,510	
Total Costs and FTE (reimbursable FTE are included, but reimbursable costs are bracketed and not included in the total)		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
		1,152	\$ 212,078 [S0]	1,152	\$ 212,078 [S0]	1,176	\$ 239,249 [S0]	8	\$ 5,201 [S0]	1,184	\$ 244,450 [S0]
TYPE/ STRATEGIC OBJECTIVE	PERFORMANCE	FY 2007		FY 2007		FY 2008 Enacted		FY 2009 Program Changes		FY 2009 Request	
		FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000	FTE	\$000
Program Activity	Diversion of Licit Drugs and Chemicals	1,152	\$ 212,078 [S0]	1,152	\$ 212,078 [S0]	1,176	\$ 239,249 [S0]	8	\$ 5,201 [S0]	1,184	\$ 244,450 [S0]
Performance Measure	Number of Active Controlled Substance Act (CSA) and Chemical Diversion & Trafficking Act (CDTA) Complaint, Criminal & Scheduled Investigations Worked ^{1,2}	5,140		5,319		5,140				5,150	
Performance Measure	Number of Administrative/Civil Sanctions (Disrupt) ¹	505		518		510				510	
Performance Measure	Number of Administrative/Criminal Sanctions (Dismantle) ¹	670		743		730				730	
Performance Measure	List I Chemical Scheduled Investigations for CDTA Compliance Initiated as a Percentage of Diversion Investigators (Non-Supervisory) On-Board (%)	100.00%		90.00%		100.00%				100.00%	
Performance Measure	Percentage of Adjusted Type B Scheduled Investigations for CSA Compliance Initiated ³	100.00%		105.00%		100.00%				100.00%	
Efficiency Measure	Number of Registrations Processed per FTE ⁴	28,000		34,219		34,500		500		35,000	
Efficiency Measure	Percent of CSA and CDTA Registrations (Applications and Renewals) Processed Electronically	57.0%		57.9%		58.0%		1.0%		59.0%	
OUTCOME	Ensure Registrant Compliance with the CSA - Adjusted Type B Registrant Compliance Indicator (%)	98.00%		97.10%		98.00%				98.00%	

¹ Now that both Drug and Chemical related activities are funded through the Diversion Control Fee Account (DCFA), drug and chemical specific performance measures have been consolidated in DEA's FY 2008 Budget Submission.

² The performance measures for the Number of Complaint (Complaint and Criminal) Investigations and the Number of Scheduled Investigations have been consolidated into one performance measure due to the complimentary nature of each type of investigation and their concurrent priorities.

³ This measure was previously reported as the actual percentage attained. In FY 2007, it will be reported as a relative percentage (100%) that reflects the percentage achieved toward the targeted goal of 20%.

⁴ The performance measure for the Number of Registrations Processed per FTE was initially changed in FY 2006 to the Number of Registrations Processed per Position to include both contractor and DEA positions; However, a subsequent review of the workload indicated that measuring activity by FTE vise position was more relevant for evaluating the processing of registrations (applicant and renewal) and thereby more adequately reflects the overall efficiency or savings achieved.

Note: The performance measure for the "Number of On-line Controlled Substances Ordering System / Electronic Prescribing of Controlled Substances (CSOS/EPCS) Digital Certificates (D.C.s) Issued" was removed from DEA's Performance and Resources Tables in the FY 2008 Budget Submission as part of a Department-wide effort to streamline performance measures.

Data Definitions:

Types of Registrants:

* Type A Registrants dispense controlled substances at the retail level. These include pharmacies, hospitals, clinics, practitioners, teaching institutions and mid-level practitioners (nurse practitioners, physician assistants, etc.).

* Type B Registrants manufacture and distribute controlled substances at the wholesale level. These include manufacturers, distributors, analytical labs, importers/exporters and narcotic

* Chemical Registrants manufacture and distribute chemicals at the wholesale and retail level. These include retail distributors, manufacturers, distributors, importers and exporters.

Complaint Investigation on CSA/CDTA Registrants: All non-scheduled regulatory investigations of CSA/CDTA violations/violators. These include: Priority Target Organizations (PTOs); criminal investigations; administrative investigations; Drug Oriented Investigations (DOIs); and, civil investigations.

Sanction Categories:

* Disrupt: Consists of civil fines, administrative hearings, letters of admonition, administrative code 9 (suspension) and code R (restriction). Registrants usually retain the DEA Registration with restrictions and/or financial penalty. Registrants may be temporarily denied access to controlled substances/chemicals.

* Dismantle: Consists of administrative code 1 (surrender for cause), code 2 (revocation) and code D (denial). Registrants lose or forfeit the DEA Registration or are convicted of a drug felony. Registrants are permanently denied access to controlled substances/chemicals pending a reversal of circumstances.

List I Chemical Investigations (%): The Number of List I Chemical Investigations (fiscal year target) is pre-determined by the on-board strength of non-supervisory Diversion Investigators (DI) at the beginning of the fiscal year. Each non-supervisory DI is required to conduct at least one, but no more than two, List I regulatory investigations per fiscal year. Thus, the annual target or goal is one investigation per non-supervisory DI and it is expressed as a percentage of non-supervisory DIs on-board or 100%.

Adjusted Type B Compliant Indicator (%) = (Adjusted Number of Type B Registrants – Adjusted Number of Non-Compliant Type B Registrants) / (Adjusted Number of Type B Registrants)

* Note: The Adjusted Number of Type B Registrants excludes researchers and analytical labs because the amount of controlled substances maintained or supplied to these type B registrants is minimal and the risk to public safety nominal, relative to the vast amount of controlled substances handled by manufacturers, distributors, importer/exporters and narcotic treatment programs.

Data Collection and Storage: Two to three weeks after the end of each quarter, approximately 70 diversion field offices submit a report to the Office of Diversion Control to identify levels of activity in each of the following areas: investigations, indictments, arrests, prosecutions, assets seized, criminal fines, civil fines, progress toward work plan accomplishment, and administrative actions. This data is maintained by the Office of Diversion Control and compiled into an internal publication, which is made available to field and headquarters personnel. Also included in these quarterly reports is information concerning trends in drug abuse, methods of diversion, and current illicit street prices for pharmaceutical controlled substances. This information is also compiled and disseminated to all diversion field offices, which may then share the data with State & local authorities to aid in diversion investigations.

Data Validation and Verification: At this time, this data is not verified. Data is reviewed upon receipt, but only technical or unusual deviations are checked.

Data Limitations: The content of the quarterly reports is restricted to drug/chemical activity and makes no mention of budgetary information. Timeliness is not considered a limitation since the data is collected and submitted at quarter's end.

PERFORMANCE MEASURE TABLE											
Decision Unit: Diversion Control											
Performance Report and Performance Plan Targets		FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007		FY 2008	FY 2009
		Actual	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Performance Measure	Number of Active Controlled Substance Act (CSA) and Chemical Diversion & Trafficking Act (CDTA) Complaint, Criminal & Scheduled Investigations Worked ^{1,2}	2,962	2,974	4,861	2,774	2,864	5,137	5,140	5,319	5,140	5,150
Performance Measure	Number of Administrative/Civil Sanctions (Disrupt) ¹	440	528	492	504	510	501	505	518	510	510
Performance Measure	Number of Administrative/Criminal Sanctions (Dismantle) ¹	573	495	548	618	628	711	670	743	730	730
Performance Measure	List I Chemical Scheduled Investigations for CSA Compliance Initiated as a Percentage of Diversion Investigators (non-supervisory) On-Board (%)	118%	139%	119%	90%	98%	85%	100%	90%	100%	100%
Performance Measure	Percentage of Adjusted Type B Scheduled Investigations for CSA Compliance Initiated ³	21.15%	21.97%	19.60%	19.90%	18.85%	25.30%	100.00%	105.17%	100.00%	100.00%
Efficiency Measure	Number of Registrations Processed per FTE ⁴	N/A	N/A	N/A	22,004	23,846	27,974	28,000	34,219	34,500	35,000
Efficiency Measure	Percent of CSA and CDTA Registrations (Applications and Renewals) Processed Electronically	N/A	N/A	N/A	11.7%	40.9%	56.0%	57.0%	57.9%	58.0%	59.0%
OUTCOME Measure	Ensure Registrant Compliance with the CSA - Adjusted Type B Registrant Compliance Indicator (%)	95.38%	95.80%	97.70%	96.83%	97.04%	95.66%	98.00%	97.10%	98.00%	98.00%

3. Performance, Resources, and Strategies

The Diversion Control Program Decision Unit contributes to DOJ's Strategic Goal 2: "Prevent Crime, Enforce Federal Laws and Represent the Rights and Interests of the American People." Within this goal, the resources specifically address DOJ's Strategic Objective 2.4: "Reduce the Threat, Trafficking, Use, and Related Violence of Illegal Drugs." Diversion Control resources ensure a strong deterrence against the diversion and illegal prescribing of controlled substances and chemicals.

Along with the consolidation of its drug and chemical activities under the DCFA in FY 2006, the Diversion Control Program has elected to streamline and consolidate its workload and performance measures. The consolidated reporting of drug and chemical measures will help to condense and simplify the presentation of the Diversion Control Program's regulatory and enforcement efforts. The Diversion Control Program will continue to independently track and monitor each of its individual programmatic elements internally in order to foster greater managerial accountability and enhance its ability to meet qualitative reporting requirements now and into the future.

a. Performance Plan and Report for Outcomes

The Total Number of Drug and Chemical Registrants and Applications Processed are the overall workload measures for the Diversion Control Program, and the performance outcome measure for this decision unit is the Adjusted Type B Registrant Compliant Indicator.

Adjusted Type B Registrant Compliant Indicator

The workload measures on the drug side of the Diversion Control Program consist of two distinct groups: Type A registrants/applicants (retailers) and Type B registrants/applicants (wholesalers). While the majority of DEA registrants are Type A registrants (e.g., pharmacies, hospitals, and practitioners), the Type B registrants (e.g., manufacturers, distributors, importers and narcotic treatment programs) are considered the sources of supply for controlled pharmaceutical products; and, therefore represent a higher level of risk. Due to the enormous quantities of controlled substances that Type B registrants handle, their level of compliance with DEA regulations significantly impacts the integrity of the closed system of distribution. A compliant Type B registrant ensures, as best as possible, that their products remain within the legitimate distribution chain, while a non-compliant Type B registrant has the potential of allowing millions of dosage units of finished product or raw material into the illicit market. A scheduled investigation of a Type B registrant that results in no action indicates that the registrant is compliant with DEA regulations.

A component of Type B Registrants that is closely monitored is Adjusted Type B Registrants. Adjusted Type B Registrants exclude researchers and analytical labs because the amount of controlled substances maintained or supplied to these Type B registrants is minimal, and the risk to public safety is nominal relative to the vast amount of controlled substances handled by manufacturers, distributors, importer/exporters, and narcotic treatment programs. Adjusted Type

B registrants are often referred to as the wholesale population or bulk handlers of controlled substances.

Therefore, the outcome measure, Adjusted Type B Registrant Compliant Indicator, which is defined as the adjusted number of compliant Type B registrants divided by the total number of adjusted Type B registrants, provides a good measure of DEA's regulatory activity and effectiveness among its registrants who pose a higher risk to public safety. This performance measure tracks the percentage of the wholesale population or "bulk handlers" of controlled substances who are compliant with the CSA and it represents a key measure of the agency's effort to safeguard the public.

General compliance among Diversion Control Program registrants is very high. The potential explanation for such high levels of compliance is rooted in the fact that each registrant functions as a business entity, and as such, has Federal, State and local licensing requirements that criminal entities circumvent. The degree of noncompliance and the corresponding action taken by the Diversion Control Program runs the gamut. However, at the most egregious level, the violators are subject to administrative, civil, and criminal sanctions. These sanctions include, but are not limited to, civil fines, administrative hearings, letters of admonition, restricted use, suspensions, surrenders for cause, revocations, and denials.

The Adjusted Type B Compliance Indicator is a "negative" or "inverse" measure that demonstrates DEA's effectiveness in identifying the diversion of controlled substances and applying sanctions against CSA violators. A decline in the Compliance indicator is indicative of Diversion's increased vigilance and success against the most prevalent threats (e.g., the diversion of OxyContin[®] and its analogues) and other pervasive violators (e.g., illegitimate online pharmacies).

The Diversion Control Program has established a goal of 98 percent compliance among its bulk handlers of controlled substances. Data from FY 2003 through FY 2006 demonstrate that relatively small, temporal fluctuations in the level of CSA compliance can be expected as CSA violators are identified, sanctioned and eventually removed from the registrant population. In FY 2007, Diversion fell short of its target of 98 percent by less than 1 percent. It reported 97.10 percent compliance among its CSA registrants. Typically the data also show that the combined enforcement and regulatory efforts of the Diversion Control Program successfully ensure a high degree of compliance (>95 percent) among its registrant population. While it is anticipated that the compliance percentage will continue to oscillate within 1 or 2 percent of the established goal as more disruptions and dismantlements are accomplished, DEA expects to ultimately achieve and maintain its goal of 98 percent CSA compliance.

Impact on Drug Availability

In an effort to evaluate DEA's impact on drug availability, DEA continues to pilot the *Significant Investigation Impact Measurement System* (SIIMS) to assess the impact that the disruption or dismantlement of major drug trafficking organizations has on a wide range of variables such as drug availability, crime statistics and other quality of life factors. Under SIIMS, DEA collects

and analyzes enforcement, public health and social service statistics before the takedown of the targeted organization and for six months afterwards.

In 2005, DEA completed an assessment of *Operation Cookie Dough*, which resulted in the closing of “script mill” pain clinics and pharmacies, the arrest of three doctors and the owner for illegally prescribing controlled substances, and the seizure of \$10 million in assets. The investigation, conducted by DEA New Orleans, concluded on April 12, 2005. The SIIMS assessment identified the following impacts associated with *Operation Cookie Dough*:

- There were no seizures of hydrocodone, alprazolam, and carisoprodol by DEA New Orleans in the two months following the operation.
- Domestic DEA seizures of hydrocodone decreased 53 percent and alprazolam decreased 93 percent.
- The Louisiana State Legislature passed new legislation making it a crime for a health care practitioner to prescribe or dispense controlled substances in a fraudulent manner and required all pain management clinics to be owned and operated by a physician certified in pain management.

Additional Regulatory and Enforcement Performance Measures

Additional performance measures have been included in the Performance and Resources Table, which are indicative of the overall regulatory and enforcement activities supported by the Diversion Control Program. These additional measures are: 1) Number of Complaint, Criminal, & Scheduled Investigations Worked; 2) Number of Administrative/Civil Sanctions (Disrupt); 3) Number of Administrative/Criminal Sanctions (Dismantle); 4) List 1 Chemical Scheduled Investigations for CSA Compliance Initiated as a Percentage of Non-Supervisory Diversion Investigators On-Board; 5) Percentage of Adjusted Type B Scheduled Investigations for CSA Compliance Initiated; 6) Number of Registrations Processed per FTE; and 7) Percent of CSA and CDTA Registrations (Applications and Renewals) Processed Electronically. Due to the overwhelming number of Type A registrants (compared to Type B registrants), it is important to note that Type A activity contributes the most to the abovementioned performance measures.

Note – Toward the end of FY 2006, DEA determined that the number of investigations “worked” versus investigations “initiated” during a fiscal year was a much better indicator of regulatory and enforcement activity. As a result, the corresponding performance measure for Number of Complaint, Criminal, & Scheduled Investigations has been changed to reflect cases against which investigative work hours have been charged.

Diversion Disruptions and Dismantlements

The Diversion Control Program operationally defines the disruption and dismantlement of CSA and/or CDTA violators in the following manner:

Disruption - Violators of the CSA and/or CDTA who, after due process, receive Administrative/Civil sanctions. In other words, these violators are temporarily denied access to controlled substances and chemicals. These sanctions may include, but are not limited to: civil

fines; administrative hearings; letters of admonition; suspended registrations; and, restricted registrations.

Dismantlement - Violators of the CSA and/or CDTA who, after due process, receive Administrative/Criminal sanctions. In other words, these violators are permanently denied access to controlled substances and chemicals. These sanctions may include, but are not limited to: registrations surrendered for cause; revoked registrations; and, registrations denied.

In FY 2007, Diversion Control has reported 518 administrative/civil sanctions (disruptions) which are 2.5 percent above its FY 2007 target of 505. This marks the first time that Diversion has met or exceeds the target for this measure since its implementation in FY 2003. This outcome supports DEA's readiness to set realistic, yet ambitious programmatic goals. In addition, Diversion Control reported 743 dismantlements which are 11 percent above its FY 2007 target of 670. In FY 2008, because Diversion anticipates that it will meet, but not greatly exceed its FY 2007 actuals, it has decided to increase its FY 2008 and FY 2009 targets to 510 disruptions and 730 dismantlements. This is due in part to an increased level of confidence and experience in forecasting these data.

It should be noted that as a direct result of DEA's mandate to pursue the assets of traffickers and diverters of controlled substances and levy more serious, permanent administrative/criminal sanctions, the number of dismantlements has dramatically increased. Given the abovementioned mandate, the number of disruptions have also increased, but at a much slower rate. It is anticipated that Diversion will continue to meet its annual targets for both disruptions and dismantlements.

Implementation of the E-Commerce and Modernization Customer Service Initiatives

The E-Commerce Initiatives are being implemented to facilitate the business-to-business electronic communications among DEA registrants and the Office of Diversion Control. DEA's E-Commerce Initiatives allow registrants to document the exchange of drugs in an electronic medium through CSOS. CSOS became operational on August 8, 2005. In addition, DEA is working to develop regulations that will establish standards for the electronic transmission of prescription information through EPCS.

EPCS promises to directly impact prescription fraud by reducing the opportunity for and ability of criminal elements to forge, alter, or submit stolen prescriptions. The actual number of attempts to forge, alter or submit stolen prescriptions is currently unknown, because most attempts at passing forged, altered or stolen prescriptions are detected at the pharmacy level. EPCS provides additional safeguards against unwarranted and unauthorized use/access to the system.

DEA's E-Commerce Initiatives are aligned with both DEA and DOJ's strategic objectives to develop and implement an IT architecture that provides a common, standards-based infrastructure; ensures interconnectivity and interoperability; and provides adequate safeguards against unwarranted and unauthorized use of the systems. The E-Commerce Initiatives directly support the President's Management Agenda and will improve DEA's data quality, agency

efficiency, and responsiveness to the public in carrying out its mission of enforcing the CSA. Specifically, it will:

- Reduce the paperwork burden on small businesses;
- Reduce the opportunity for and ability of criminal elements to forge, alter, or submit stolen prescriptions;
- Provide authenticity of the prescribing or ordering party;
- Reduce processing time; and,
- Increase overall security.

DEA is able to track the impact that the E-Commerce and Modernization Customer Service Initiatives are having on the registration process. Specifically, DEA can track the reduction in the time required to process new applications and renewals. For example, online access to registration and order forms has significantly reduced the amount of processing time for renewals from 6 weeks to 5 days.

In FY 2005, DEA established the following two Diversion Control efficiency measures:

- Number of Registrations Processed per FTE
- Percent of CSA and CDTA Registrations (Applications and Renewals) Processed Electronically

In FY 2007, the Diversion Control Program reported 34,219 registrations processed per FTE which exceeded its target (28,000) and the FY 2006 actual (27,974) by 22.2 percent and 22.3 percent respectively. The increase in performance and the resultant efficiency in the number of registrations processed resulted in a graduated cost savings of 6 FTE.

In light of the resultant performance in FY 2007 and in absence of sufficient empirical data to support a more robust methodology for establishing annual targets, the Diversion Control Program has concluded that the projection of its FY 2007 target may have been under estimated. As a result, the Diversion Control Program adjusted its targets for FY 2008 and FY 2009 to 34,500 and 35,000 respectively, as it continues to flesh out the potential confounders and evaluate the factors that could be used to develop a more robust methodology for projecting its out-year targets

In FY 2005 and FY 2006, the Diversion Control Program reported that 40.9 and 56.0 percent of its registrations were processed electronically. In FY 2007, 57.9 percent of the Diversion Control Program's registrations were processed on-line. Given targets of 57 and 58 percent respectively for FY 2007 and FY 2008, it appears that Diversion has been right on point in terms of its ability to adequately forecast and meet the targeted achievement in this area. Moreover, it seems evident that more and more of the registrant population are benefiting from the convenience of on-line registrations, which is encouraging from the stand point of efficiency and cost savings.

b. Strategies to Accomplish Outcomes

Diversion Control Program's mission is to reduce the illegal use and abuse of pharmaceutical controlled substances and chemicals within the United States, ensure that adequate supplies of pharmaceutical controlled substances and chemicals are available to meet legitimate medical, scientific, and industrial needs, and prevent, detect, and eliminate the diversion of these substances to illicit markets.

To achieve this mission, the Office of Diversion Control does the following:

- Identifies and targets those responsible for the diversion of pharmaceutical controlled substances and chemicals through traditional investigative and cyber crime initiatives; and,
- Supports the DEA Diversion Control registrants with improved technology, including E-Commerce and Modernization Customer Service Initiatives.

The following strategies outline DEA's plan to achieve these objectives:

1. Investigate and prepare for prosecution, violators of chemical and pharmaceutical controlled substances laws at the international, national, State, and local levels while maintaining cooperation, support, and assistance from the regulated industry.

Combating Methamphetamine

The production of methamphetamine continues to be a major problem throughout the United States. DEA's success in eliminating the importation of bulk pseudoephedrine through enforcement efforts such as the Letter of No Objection Program and the issuance of Orders to Show Cause has decreased the number of List I chemical registrants and removed a number of distributors of "grey market" products from the marketplace. Consequently, the number of super labs seized in the U.S. has decreased, and the operators, mostly Mexican nationals, have shifted their production to Mexico. The remaining small toxic labs have begun to rely heavily on obtaining cold and asthma drugs, the requisite precursor List I chemicals, from traditional outlets such as chain drug stores, big box stores and other retail facilities.

In order to thwart increased production of methamphetamine and further deny would be traffickers' and diverters' access to these precursor substances, in March 2006 Congress passed the Combat Methamphetamine Epidemic Act of 2005 (CMEA). CMEA has provided significant tools to enhance law enforcement efforts against the production and distribution of methamphetamine both domestically and internationally.

The retail provisions of the CMEA, which require regulated sellers of over-the-counter medications containing pseudoephedrine, ephedrine, and phenylpropanolamine to complete a required training and self-certification process, went into effect across the United States on September 30, 2006. As of January 3, 2008, there were approximately 79,000 regulated sellers that self-certified in compliance with CMEA.

Retail outlets are now required to keep all non-prescription products containing pseudoephedrine, ephedrine, and phenylpropanolamine behind the counter or in a locked cabinet, and consumers are required to show proper identification and sign a logbook for each purchase. The logbook contains the customer's name, address, date and time of sale, name and quantity of the product sold, and the purchaser's signature. The Act also implements daily sales limits and monthly purchase limits of these products.

In December 2007, DEA published its 2007 and 2008 Assessment of Annual Needs for the List I chemicals ephedrine, pseudoephedrine, and phenylpropanolamine in accordance with CMEA. This first-time assessment established the annual quantities of these chemicals which may be manufactured domestically or imported to provide adequate supplies for legitimate medical and other needs. Additional CMEA rules finalized in 2007 regulate importation/exportation, eliminate the exemptions of chemical mixtures containing these chemicals, and establish import and production quotas for individual companies.

Diversions of List I Chemicals

The Dangerous Drug and Chemical Section within the Office of Diversion Control has initiated and actively participated in several ongoing, multi-national operations to prevent, detect, and eliminate the diversion of chemicals and other precursor substances across global markets. On the Domestic front, the Dangerous Drug and Chemical Section has liaison and outreach programs with the chemical industry to improve cooperation and compliance with new and ongoing initiatives implemented to reduce the amount of diversion.

The availability of List I chemicals on the Internet has provided chemical traffickers an almost unlimited supply of chemicals necessary to manufacture illicit substances. This trend almost mirrors the availability of pharmaceutical products on the Internet. In order to meet this challenge, the Dangerous Drug and Chemical Section needs to aggressively identify and shut down these Internet sites. With new technically advanced tools like WebCrawler, and system enhancements to the Controlled Substances Information System (CSIS II) and the Automation of Reports and Consolidated Orders System (ARCOS), the Office of Diversion Control has greatly improved its ability to detect, investigate, and apprehend CSA and CDTA violators.

The Diversion Control Program plans to focus its deployment of Diversion Investigator positions to domestic field offices in areas experiencing dramatic increases in clandestine methamphetamine production. Diversion Investigators are uniquely qualified to assess production capabilities, assess chemical trafficking patterns, and develop leads on individuals and businesses engaged in the diversion of chemical precursors.

Internationally, with the success of *Project Prism*, the Diversion Control Program is actively engaged in persuading both Taiwan and The People's Republic of China to provide Pre-Export Notifications (PENs) for shipments of pharmaceutical preparations containing ephedrine and pseudoephedrine.

At the same time, the Diversion Control Program is working to increase its efforts to conduct and improve overseas liaison by providing international chemical control training to foreign law

enforcement officials. The resultant trainings have enabled our foreign counterparts to improve their ability to detect and identify clandestine shipments of banned chemical imports thereby denying source country traffickers the requisite precursors and reagents necessary to refine and produce illegal drugs.

2. Enforce the provisions of the CSA as they pertain to import/export, manufacture, distribution and dispensing of legally produced controlled pharmaceuticals and chemicals by creating a strong deterrence against the diversion of these substances through the development and implementation of new technologies (e.g., cyber crime initiatives) that will allow for the rapid and effective detection of potential diversion via the Internet.

Prescription Drug Monitoring Programs (PDMPs) assist States in identifying diversion trends as they emerge. State PDMPs collect prescription information electronically from pharmacies and analyze it. This data is then provided to State agencies to assist in the identification of “doctor shoppers” and over-prescribers, which can result in effective investigations. In addition to law enforcement and regulatory activities, the information collected and analyzed by a State PDMP may be utilized to assist in identifying patients whose drug usage is increasing and who may benefit from a referral to a specialist or to substance abuse treatment; to assist prescribers in making appropriate treatment decisions for their patients; and to assist pharmacists in providing pharmaceutical care.

DEA’s goal is to work with all interested parties to identify the best means available to facilitate the establishment or enhancement of PDMPs to ensure that prescription data pertaining to controlled substances is collected from the largest possible segment of pharmacies and other dispensers in the most cost-effective manner while assuring patients and their healthcare providers that these programs do not negatively impact the legitimate practice of medicine and that the confidentiality of collected data will be protected.

A concerted effort is being made by the Integrating Justice Information Systems (IJIS) Institute, in cooperation with State agencies and the DEA, to develop a technological solution that will facilitate information sharing between State PDMPs. The data elements currently collected by State PDMPs would have to be standardized and federal legislation would have to be implemented to authorize a national PDMP. Data integration, data analysis, and the tracking of results would be very challenging on a national level due to the volume of data collected and the limited resources available on a national level for investigations and educational outreach programs. The legal and logistical complexities of implementing a national PDMP database make such an effort prohibitive in the near future. To facilitate information sharing between State PDMPs, the National Alliance of Model State Drug Laws worked with several States and the DEA to develop a *Model Interstate Agreement for the Sharing of Information among State PDMPs*.

The Department of Justice is actively promoting PDMPs that help prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level where no other mandated automated information collection system exists. As of August 22, 2006, 33 States have enacted legislation that requires PDMPs.

To further its efforts against the diversion of increasingly potent opioid-based, pain medications, including OxyContin® and Vicodin®, DEA implemented the National Action Plan in April 2001. The Internet is rapidly becoming a more popular source for the sale and distribution of pharmaceuticals and chemicals. Many legitimate online pharmacies make it easier and more convenient for consumers to obtain the pharmaceutical controlled substances they need. However, by using the Internet, violators are able to purchase pharmaceuticals without a valid prescription and chemicals without the appropriate DEA documentation. They may even bypass the safeguards to protect consumers against the harmful use of controlled substances and obtain drugs that are not legal in the United States. This undermines the safety and health of the consumer and increases the potential for diversion of pharmaceutical controlled substances.

A tool utilized when conducting investigations of rogue Internet pharmacies is DEA's Online Investigative Program (OIP). At the core of the OIP Program is a contract with an Internet search and analysis company that provides investigative leads on individuals/organizations who illegally sell controlled pharmaceuticals via the Internet. The contractor employs a systematic methodology for crawling the Internet and uses automatic analysis techniques to capture, evaluate, and track pertinent URLs, IP Addresses, website content signatures, and other key artifacts of suspect websites. The contractor's analysts use this data to identify linking relationships between websites. Based on information available to the contractor they are able to further identify trafficking organizations based on common merchant banks and payment processors. The contractor maintains a database containing specific investigative leads and related data that is accessible to DEA analysts and investigators in the Special Operations Division (SOD).

In addition, DEA plans to update the CSIS II developed in 1988. CSIS is a law enforcement-oriented, encyclopedic database of information on over 1,500 controlled substances and the chemicals associated with their manufacture.

3. Coordinate E-Commerce and Modernization Customer Services Initiatives with other Federal, State and local law enforcement and regulatory agencies, as well as developing and implementing a fully-integrated, IT architecture necessary for external E-Commerce application, which requires interaction with or standards for regulated industries.

Through the E-Commerce Initiatives, DEA will satisfy the requirements set forth in the Government Paperwork Elimination Act of 1998 by implementing CSOS and EPCS. In conjunction with the deployment of CSOS, DEA is developing an electronic version of the DEA order form that will offer a similar or higher degree of security and integrity than the current paper version. The DEA order form is legally mandated for the purchases of all Schedule II controlled substances, except by the consumer via prescriptions. The EPCS will enable the safe electronic transmission of prescription information from the physician to the pharmacist.

CSOS - The final regulations to implement CSOS were published and became effective June 1, 2005. CSOS became operational August 8, 2005. In FY 2007, 4,893 digital certificates were issued, bringing the cumulative total number of digital certificates issued since August 2005 to 54,466; and of those 48,744 remain active.

EPCS - In July 2006, DEA and Department of Health and Human Services held a joint public hearing regarding the Electronic Prescribing of Controlled Substances (EPCS). This meeting was intended to allow industry – prescribers, pharmacies, software/hardware vendors, and other interested third parties – to address how electronic prescribing systems can meet DEA’s requirements without unduly burdening the parties to electronic prescribing.

Based on input from this meeting, DEA is working with the Department of Health and Human Services and OMB to draft a Notice of Proposed Rulemaking (NPRM), which will introduce the regulations for implementation EPCS. Once DEA implements regulations, EPCS will grant practitioners the authority to electronically create and sign controlled substances prescriptions. The rulemaking process concerning EPCS is currently ongoing.

Other DEA reengineering and modernization efforts include:

- Enhancing IT systems to link the current, established call center with an Oracle CSA database that will interface with an Interactive Voice Response telephone system. CSA application forms received electronically will eliminate manual data entry, thus reducing data entry error rates, enabling support staff to provide more timely registration and re-registration, allowing for more expedient action on routine application processing, and providing a monitoring and training system to ensure the optimum in customer service to the registrant community. These efforts are ongoing.
- Ongoing effort to enhance ARCOS and the CSA Program. This will allow DEA to modernize the registration system, provide registrants with the ability to report mandated information through electronic data interchange, maintain the Diversion Control Program website, which is a major conduit for information to the regulated communities, develop and enhance a network with State and local regulatory and enforcement counterparts, and establish a data warehouse of all diversion information for use by field investigators.

4. Ensure adequate and uninterrupted supply of controlled substances and chemicals to meet legitimate medical, scientific and industrial needs without creating an oversupply.

Establishing quotas and monitoring imports of narcotic raw materials are critical to ensuring an adequate and uninterrupted supply of legitimate medicines containing controlled substances without creating an oversupply. Developing meaningful ways to measure this is extremely difficult. Quotas and imports are based on information provided by industry (e.g. import permits and declarations, sales, distributions, inventory, manufacturing schedules, losses, and product development needs) and corroborated by consumption of these substances (e.g. prescriptions, distributions to retail levels, and input from the Federal Drug Administration (FDA) on new products and indications). Quota and import estimates for individual substances can either go up or down in a given year, depending on any number of factors.

On October 22, 2004, the President signed into law the Anabolic Steroid Control Act of 2004 which added 59 steroids, some of which are currently sold in the dietary supplement market, into Schedule III of the CSA. To date no seizures of the abovementioned 59 eligible steroids or analogues has been reported.

Moreover, Diversion Control continues to provide scientific and technical support in the following manner:

- Compiling, analyzing and reporting specific information on the production, distribution, consumption, and estimated needs of all narcotics, psychotropic substances, chemicals and their preparations;
- Providing general scientific guidance and support to DEA, State and local agencies and international organizations regarding drug and chemical control issues and the biological sciences;
- Examining all CI research protocols;
- Serving as or identifying appropriate expert witnesses in criminal, administrative and other proceedings;
- Identifying information needs, initiating actions/studies, and alerting enforcement and public health entities on newly identified patterns of use/abuse on controversial substances like Anabolic Steroids in conjunction with the National Institute on Drug Abuse (NIDA) and the National Forensic Laboratory Information System (NFLIS – the NFLIS database contains over 5 million entries and also including STRIDE data from the DEA lab system); and,
- Preparing periodic reports mandated by treaties.

To achieve these strategies and objectives directly related to DEA's Strategic Plan, DEA requires programmatic enhancements to the Diversion Control decision unit.

c. Results of Program Assessment Rating Tool (PART) Reviews

Under PART, DEA was reviewed as a single program including activities that support each of DEA's three decision units and the Diversion Control Program. As a result, there are no specific findings or recommendations to report for the Diversion Control Program. However, OMB did identify a few overall areas for improvement, including DEA's lack of a formalized system of accountability for program performance in individual performance plans and DEA's need to plan for an independent evaluation of its programs. For an overall discussion of DEA's progress against these PART findings, please refer to page 11 in the Overview. DEA is scheduled to be reassessed by OMB during the FY 2012 budget process.

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V. E-Government Initiatives

The Department of Justice (DOJ) is fully committed to the President’s Management Agenda (PMA) and the e-Government initiatives that are integral to achieving the objectives of the PMA. The e-Government initiatives serve citizens, business, and federal employees by delivering high quality services more efficiently. The Department is in varying stages of implementing e-Government solutions and services including initiatives focused on integrating government wide transactions, processes, standards adoption, and consolidation of administrative systems that are necessary tools for agency administration, but are not core to DOJ’s mission. To ensure that DOJ obtains value from the various initiatives, the Department actively participates in the governance bodies that direct the initiatives and communicates regularly with the other federal agencies that are serving as the “Managing Partners” to ensure that the initiatives meet the needs of the Department and its customers. The Department believes that working with other agencies to implement common or consolidated solutions will help DOJ reduce the funding requirements for administrative and public-facing systems, thereby allowing DOJ to focus more of its scarce resources on higher priority, mission related needs. DOJ’s modest contributions to the Administration’s e-Government projects will facilitate achievement of this objective.

A. Funding and Costs

The Department of Justice participates in the following e-Government initiatives and Lines of Business (LoB):

- Business Gateway
- E-Authentication
- Disaster Assistance Improvement Plan
- Budget Formulation and Execution LoB
- Disaster Assist. Improvement Plan - Capacity Surge
- E-Travel
- GovBenefits.gov
- IT Infrastructure LoB
- Financial Mgmt. Consolidated LoB
- Integrated Acquisition Environment
- E-Rulemaking
- Grants.gov
- Case Management LoB
- Grants Management LoB
- IAE - Loans & Grants - Dunn & Bradstreet
- Geospatial LoB
- Federal Asset Sales
- Human Resources LoB
- Geospatial One-Stop

DOJ’s e-Government expenses – i.e. DOJ’s share of e-Gov initiatives managed by other federal agencies – are paid for from the Department’s Working Capital Fund (WCF). These costs, along with other internal e-Government related expenses (oversight and administrative expenses such as salaries, rent, etc.) are reimbursed by the components to the WCF. DEA’s contribution is based on the anticipated or realized benefits from an e-Government initiative. DEA’s planned reimbursement to the WCF for e-Government activities is \$707,000 for FY 2008. The anticipated DEA e-Government reimbursement to the WCF for FY 2009 is \$840,000.

B. Benefits

DEA established baseline cost estimates for each IT investment being (or planned to be) modified, replaced, or retired due to the Department’s use of an e-Government or Line of Business initiative. DEA is measuring actual costs of these investments on an ongoing basis. As DEA completes migrations to common solutions provided by an e-Government or Line of Business initiative, DEA expects to realize cost savings or avoidance through retirement or

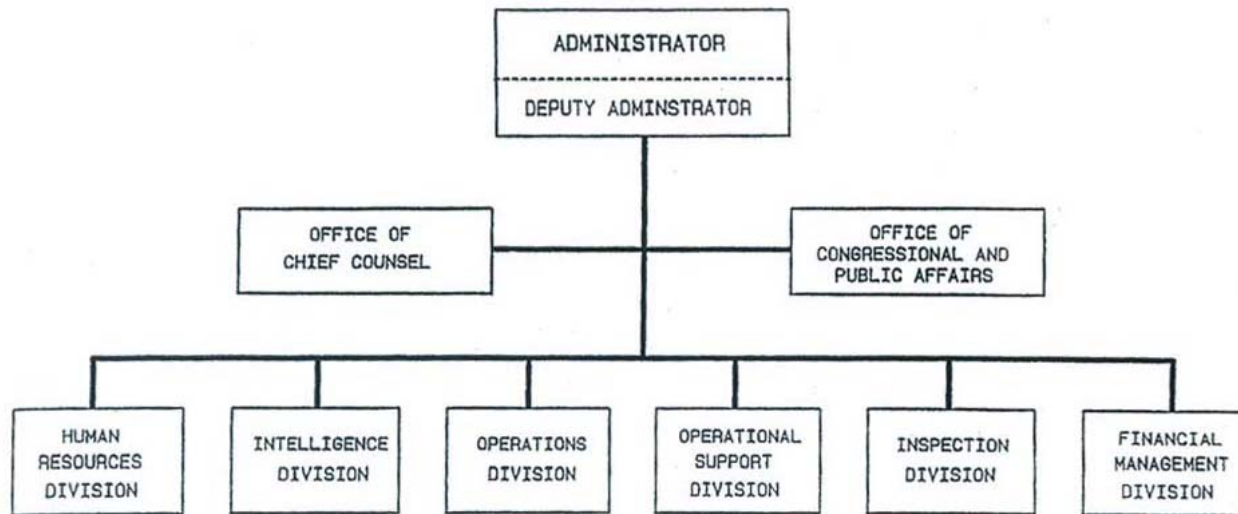
replacement of legacy systems or decreased operational costs. The table below represents the e-Government and Line of Businesses initiatives where DEA expects to realize benefits in FY 2008 and FY 2009.

E-Gov Initiative	Anticipated Benefits
Financial Management Consolidated LoB	<p>Through the implementation of the Unified Financial Management System (UFMS), DEA will:</p> <ul style="list-style-type: none"> • Improve the operating efficiency of financial management and procurement functions via increased automation and integration. • Provide timely, reliable, and relevant financial and procurement information to DEA’s managers. • Continue to maintain an unqualified opinion on the financial statement audit with no material weaknesses or significant deficiencies. • Continue to receive a green rating in the financial management area of the President’s Management Agenda.
Budget Formulation and Execution LoB	<p>DEA is using information systems to improve the budget formulation and execution process, including personnel management and budget-performance integration.</p> <ul style="list-style-type: none"> • DEA has implemented a Budget Costing System to develop new position cost modules and a Table of Organization Management System to manage the allocation of DEA personnel. • DEA continues to improve its Priority Target Activity Resource Reporting System (PTARRS) to better identify and monitor performance measures, including asset seizures and links to terrorist organizations. • DEA’s Diversion Control Program has automated the collection of key data. This automation has improved the accuracy and timeliness of reported performance measures.
E-Clearance	<p>DEA participates in the electronic Questionnaire for Investigations Processing (e-QIP) which automates the Standard Form 86 (SF-86). E-QIP has reduced the time to schedule background investigations by automating the collection and improving the quality of applicant background information. The manual way SF-86s were processed could take days or weeks to complete; this automation has cut the transmission time down to minutes and the processing time down to hours.</p>

VI. Exhibits

A. Organizational Chart

DRUG ENFORCEMENT ADMINISTRATION



Approved *Janet Reno* Date 5/23/95
JANET RENO
Attorney General

Exhibit A

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B. Summary of Requirements

Summary of Requirements Drug Enforcement Administration Salaries and Expenses (Dollars in Thousands)

	FY 2009 Request		
	Perm. Pos.	FTE	Amount
FY 2007 Enacted (with Rescissions, direct only)	8,137	8,025	1,744,889
FY 2007 Supplementals			12,166
Total 2007 Revised Continuing Appropriations Resolution (with Rescissions)	8,137	8,025	1,757,055
FY 2008 Enacted (with Rescissions, direct only)	8,151	8,060	1,857,569
FY 2008 Supplementals			8,468
Total FY 2008 Enacted (with Rescissions and Supplementals)	8,151	8,060	1,866,037
Adjustments to Base			
Increases:			
2009 pay raise (2.9%)			20,869
2008 pay raise annualization (3.5%)			7,701
Annualization of 2008 positions		7	315
Annualization of 2007 positions			182
Annualization of Hiring Freeze			10,067
Law Enforcement FERS Contribution			4,126
Retirement			1,059
Health insurance premiums			420
Employees Compensation Fund			2,109
Rental payments to GSA			9,158
DHS Security			230
Postage			201
Security Investigations			385
Printing and reproduction			13
Capital Security Cost Sharing (CSCS)			7,029
ICASS			6,152
Gov't Leased Quarters (GLQ)			1,863
Living Quarter Allowance (LQA)			9
Post Allowance Cost of Living Adjustment			179
Education Allowance			1,381
Subtotal Increases	0	7	73,448
Decreases:			
Change in Compensable Days			(4,002)
Meth and Southwest Border Non-recurr			(9,996)
Internet Investigations Non-recurr			(1,010)
Subtotal Decreases	0	0	(15,008)
Total Adjustments to Base	0	7	58,440
FY 2009 Current Services	8,151	8,067	1,916,009
Program Changes			
Increases			
Drug Flow Attack	40	20	20,575
Subtotal Increases	40	20	20,575
Offsets	0	0	0
Total Program Changes	40	20	20,575
FY 2009 Total Request	8,191	8,087	\$1,936,584
FY 2008 - FY 2009 Total Change	40	27	79,015

Exhibit B

B. Summary of Requirements

Estimates by budget activity	FY 2007 Appropriation Enacted w/Rescissions and Supplementals			FY 2008 Enacted			FY 2009 Adjustments to Base and Technical Adjustments			FY 2009 Current Services			FY 2009 Increases			FY 2009 Offsets			FY 2009 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
International Enforcement	1,036	989	349,104	1,036	992	354,823	0	0	23,196	1,036	992	378,019	23	11	17,897	0	0	0	1,059	1,003	395,916
Domestic Enforcement	6,990	6,930	1,381,000	7,087	7,042	1,496,373	0	7	35,109	7,087	7,049	1,531,482	17	9	2,678	0	0	0	7,104	7,058	1,534,160
State and Local Assistance	111	106	26,951	28	26	6,373	0	0	135	28	26	6,508	0	0	0	0	0	0	28	26	6,508
Total	8,137	8,025	\$1,757,055	8,151	8,060	\$1,857,569	0	7	\$58,440	8,151	8,067	\$1,916,009	40	20	\$20,575	0	0	\$0	8,191	8,087	\$1,936,584
Reimbursable FTE		1,450			1,436			-1			1,435			0			0				1,435
Total FTE		9,475			9,496			6			9,502			20			0				9,522
Other FTE:																					
LEAP		996			996			0			996			4			0				1,000
Overtime		61			61			0			61			0			0				61
Total Comp. FTE		10,532			10,553			6			10,559			24			0				10,583

Exhibit B

B. Summary of Requirements

Summary of Requirements
Drug Enforcement Administration
Diversion Control Fee Account
(Dollars in Thousands)

	FY 2009 Request		
	Perm. Pos.	FTE	Amount
FY 2007 Enacted (with Rescissions, direct only)	1,172	1,152	212,078
FY 2008 Enacted (with Rescissions, direct only)	1,187	1,176	239,249
Adjustments to Base			
Increases:			
2009 pay raise (2.9%)			2,314
2008 pay raise annualization (3.5%)			910
Annualization of 2008 positions		7	731
Annualization of 2007 positions			1,438
Retirement			84
Health insurance premiums			67
Employees Compensation Fund			195
Rental payments to GSA			209
Security Investigations			40
Subtotal Increases	0	7	5,988
Decreases:			
Change in Compensable Days			(408)
Internet Investigations Non-recurr			(877)
Subtotal Decreases	0	0	(1,285)
Total Adjustments to Base	0	7	4,703
FY 2009 Current Services	1,187	1,183	243,952
Program Changes			
Increases			
Drug Flow Attack	1	1	498
Subtotal Increases	1	1	498
Offsets	0	0	0
Total Program Changes	1	1	498
FY 2009 Total Request	1,188	1,184	\$244,450
FY 2008 - FY 2009 Total Change	1	8	5,201

B. Summary of Requirements

Estimates by budget activity	FY 2007 Appropriation Enacted w/Rescissions and Supplementals			FY 2008 Enacted			FY 2009 Adjustments to Base and Technical Adjustments			FY 2009 Current Services			FY 2009 Increases			FY 2009 Offsets			FY 2009 Request		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
International Enforcement	1,172	1,152	212,078	1,187	1,176	239,249	0	7	4,703	1,187	1,183	243,952	1	1	498	0	0	0	1,188	1,184	244,450
Total	1,172	1,152	\$212,078	1,187	1,176	\$239,249	0	7	\$4,703	1,187	1,183	\$243,952	1	1	\$498	0	0	\$0	1,188	1,184	\$244,450
Reimbursable FTE										0											0
Total FTE		1,152			1,176			7			1,183			1			0				1,184
Other FTE:																					
LEAP		45			45			0			45			0			0				45
Overtime		15			15			0			15			0			0				15
Total Comp. FTE		1,212			1,236			7			1,243			1			0				1,244

Exhibit B

C. Program Increases by Decision Unit

FY 2009 Program Increases/Offsets By Decision Unit
Drug Enforcement Administration
(Dollars in Thousands)

Program Increases	Location of Description by Decision Unit	Domestic (D)				International (F)				State and Local Assistance (S)				Diversion Control Fee Account				Total Increases
		Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	
Drug Flow Attack	International	17	9	9	2,678	23	21	11	17,897	0	0	0	0	1	0	1	498	21,073
Total Program Increases		17	9	9	\$2,678	23	21	11	\$17,897	0	0	0	\$0	1	0	1	\$498	\$21,073
Program Offsets	Location of Description by Decision Unit	Domestic (D)				International (F)				State and Local Assistance (S)				Diversion Control Fee Account				Total Offsets
		Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	Pos.	Agt./Atty.	FTE	Amount	
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Offsets		0	0	0	\$0	0	0	0	\$0	0	0	0	\$0	0	0	0	\$0	\$0

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D. Resources by DOJ Strategic Goal/Objective

Resources by DOJ Strategic Goal/Objective
Drug Enforcement Administration
(Dollars in Thousands)

Strategic Goal/Objective	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Current Services		FY 2009				FY 2009 Request	
	Direct and Reimb FTE	Direct Amount \$000s	Direct and Reimb FTE	Direct Amount \$000s	Direct and Reimb FTE	Direct Amount \$000s	Increases		Offsets		Direct and Reimb FTE	Direct Amount \$000s
							Direct and Reimb FTE	Direct Amount \$000s	Direct and Reimb FTE	Direct Amount \$000s		
Goal 1: Prevent Terrorism and Promote the Nation's Security												
1.2 Salaries and Expenses Account	157	54,840	185	55,717	185	55,899	1	150	0	0	186	56,049
Subtotal, Goal 1	157	\$54,840	185	\$55,717	185	\$55,899	1	\$150	0	\$0	186	\$56,049
Goal 2: Enforce Federal Laws and Represent the Rights and Interests of the American People												
2.4 Salaries and Expenses Account (with Reimbursable FTE)	9,318	1,702,215	9,311	1,801,852	9,317	1,860,110	20	20,425	0	0	9,337	1,880,535
2.4 Diversion Control Fee Account	1,152	212,078	1,176	239,249	1,183	243,952	1	498	0	0	1,184	244,450
Subtotal, Goal 2	10,470	\$1,914,293	10,487	\$2,041,101	10,500	\$2,104,062	21	\$20,923	0	\$0	10,521	\$2,124,985
GRAND TOTAL	10,627	\$1,969,133	10,672	\$2,096,818	10,685	\$2,159,961	21	\$21,073	0	\$0	10,706	\$2,181,034

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E. Justification for Base Adjustments

Justification for Base Adjustments Drug Enforcement Administration Salaries and Expenses

Increases

2009 pay raise: This request provides for a proposed 2.9 percent pay raise to be effective in January of 2009. (This percentage is likely to change as the budget formulation process progresses.) This increase includes locality pay adjustments as well as the general pay raise. The amount requested, **\$20,869,000**, represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits (**\$15,735,000** for pay and **\$5,134,000** for benefits).

Annualization of 2008 pay raise: This pay annualization represents first quarter amounts (October through December) of the 2008 pay increase of 3.5 percent included in the 2008 President's Budget. The amount requested **\$7,701,000**, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (**\$5,789,000** for pay and **\$1,912,000** for benefits).

FERS Law Enforcement Retirement Contribution. Effective October 1, 2007, the FERS contribution for Law Enforcement retirement will increase from 25.1% to 26.2%, or a total of 1.1% increase. The amount requested, **\$4,126,000**, represents the funds needed to cover this increase.

E. Justification for Base Adjustments

Annualization of additional positions approved in 2007 and 2008: This provides for the annualization of **57** additional positions appropriated in 2007 and **14** additional positions appropriated in the 2008 Omnibus. Annualization of new positions extends to 3 years to provide for entry level funding in the first year with a 2-year progression to the journeyman level. For 2007 increases, this request includes an increase of **\$182,000** for full-year payroll costs associated with these additional positions. For 2008, this request includes a decrease of **-\$758,000** for one-time items associated with the increased positions, and an increase of **\$1,073,000** for full-year costs associated with these additional positions, for a net increase of **\$315,000**.

	2007 Increases (\$000)	Annualization Required for 2009 (\$000)	2008 Increases (\$000)	Annualization Required for 2009 (\$000)
Annual salary rate of new positions	5,310	141	648	479
Less lapse (50 %)	2,655	-	324	-
Net Compensation	2,655	141	324	479
Associated employee benefits	880	41	98	138
Travel	79	-	5	48
Transportation of Things	315	-	17	166
Communications/Utilities	240	-	29	234
Printing/Reproduction	4	-	1	1
Other Contractual Services:				
25.2 Other Services	1,306	-	200	(147)
25.3 Purchase of Goods and Services from Government Accts.	859	-	83	(42)
25.4 Operation and Maintenance of Facilities	-	-	-	-
25.6 Medical Care	19	-	3	3
25.7 Operations and Maint. Of Equip	-	-	-	-
Supplies and Materials	44	-	30	7
Equipment	2,359	-	637	(467)
Land and Structures	319	-	105	(105)
TOTAL COSTS SUBJECT TO ANNUALIZATION	\$ 9,079	\$ 182	\$ 1,532	\$ 315

Annualization of Hiring Freeze: In FY 2009, **\$10,067,000** is resuried to annualize the fungding provided in the FY 2008 Omnibus to assist in ending DEA's hiring freeze.

Exhibit E

E. Justification for Base Adjustments

Retirement: Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on OPM government-wide estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 3 percent per year. The requested increase of **\$1,059,000** is necessary to meet our increased retirement obligations as a result of this conversion.

Health Insurance: Effective January 2007, this component's contribution to Federal employees' health insurance premiums increase by **1.1** percent. Applied against the 2008 estimate of **\$39,583,000** the additional amount required is **\$420,000**.

Employee Compensation Fund (ECF): This request provides for the adjustment of the Department of Labor billing for injury benefits associated with a particular agency. The requested increase of **\$2,109,000** is required to meet our commitment to the Department of Labor.

General Services Administration (GSA) Rent: GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of **\$9,158,000** is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate increases to be effective in FY 2007 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. Rate increases have been formulated based on GSA rent billing data.

DHS Security Charges: The Department of Homeland Security (DHS) will continue to charge Basic Security and Building Specific Security. The requested increase of **\$230,000** is required to meet our commitment to DHS, and cost estimates were developed by DHS. The costs associated with DHS security were derived through the use of an automated system, which uses the latest space inventory data. Rate increases expected in FY 2009 for Building Specific Security have been formulated based on DHS billing data. The increased rate for Basic Security costs for use in the FY 2009 budget process was provided by DHS.

Postage: Effective January 8, 2006, the Postage Service implemented a rate increase of 5.1 percent. This percentage was applied to the FY 2008 estimate of **\$3,941,000** to arrive at an increase of **\$201,000**.

Security Investigations: The **\$385,000** increase reflects payments to the Office of Personnel Management for security reinvestigations for employees requiring security clearances.

Government Printing Office (GPO): GPO provides an estimate rate increase of 2.5%. This percentage was applied to the FY 2008 estimate of **\$528,000** to arrive at an increase of **\$13,000**.

International Cooperative Administrative Support Services (ICASS): Under the ICASS, an annual charge is made by the Department of State for administrative support based on the overseas staff of each federal agency. This request is based on the initial **\$6,152,000** billing for post invoices and other ICASS costs.

Exhibit E

E. Justification for Base Adjustments

Overseas Capital Security Cost Sharing: The Department of State is in the midst of a 14-year, \$17.5 billion embassy construction program, with a plan to build approximately 150 new diplomatic and consular compounds. State has proposed that costs be allocated through a Capital Security Cost Sharing Program in which each agency will contribute funding based on the number of positions that are authorized for overseas personnel. The total agency cost will be phased in over 5 years. The estimated cost to the Department, as provided by State, for FY 2009 is **\$16,404,000**. The DEA currently has **945** positions overseas, and funding of **\$7,029,000** is requested for this account.

Government Leased Quarters (GLQ) Requirement: GLQ is a mandatory program managed by the Department of State (DOS) and provides government employees stationed overseas with housing and utilities. DOS exercises authority for leases and control of the GLQs and negotiates the lease for components. **\$1,863,000** reflects the change in cost to support existing staffing levels.

Living Quarter Allowance: The living quarters allowance (LQA) is an allowance granted an employee for the annual cost of adequate living quarters for the employee and the employee's family at a foreign post. The rates are designed to cover the average costs of rent, heat, light, fuel, gas, electricity, water, local taxes, and insurance paid by the employee. Employees who receive GLQ do not receive LQA and vice versa. **\$9,000** reflects the change in cost to support existing staffing levels.

Post Allowance- Cost of Living Allowance (COLA): For employees stationed abroad, components are obligated to pay for their COLA. COLA is intended to reimburse certain excess costs and to compensate the employee for serving at a post where the cost of living, excluding the cost of quarters and the cost of education for eligible family members, is substantially higher than in the Washington, D.C. area. **\$179,000** reflects the increase in cost to support existing staffing levels.

Education Allowance: For employees stationed abroad, components are obligated to meet the educational expenses incurred by an employee in providing adequate elementary (grades K-8) and secondary (grades 9-12) education for dependent children at post. **\$1,381,000** reflects the change in cost to support existing staffing levels.

Decreases

Changes in Compensable Days: The decreased costs of one compensable day in FY 2009 compared to FY 2008 is calculated by dividing the FY 2008 estimated personnel compensation **\$867,751,000** and applicable benefits **\$180,722,000** by 261 compensable days. The cost decrease of one compensable day is **-\$4,002,000**.

Non-Personnel Funding Requested in 2008: **-\$11,006,000** is the non-recur amount of the non-personnel funding requested in the initiatives included in the FY 2008 President's Budget. This includes a decrease of **-\$9,996,000** for the Methamphetamine/SWB initiative and a decrease of **-\$1,010,000** for the Internet Investigations initiative.

Exhibit E

E. Justification for Base Adjustments

Justification for Base Adjustments Drug Enforcement Administration Diversion Control Fee Account

Increases

2009 pay raise: This request provides for a proposed 2.9 percent pay raise to be effective in January of 2009. This increase includes locality pay adjustments as well as the general pay raise. The amount requested, **\$2,314,000**, represents the pay amounts for 3/4 of the fiscal year plus appropriate benefits (**\$1,750,000** for pay and **\$564,000** for benefits).

Annualization of 2008 pay raise: This pay annualization represents first quarter amounts (October through December) of the 2008 pay increase of 3.5 percent included in the 2008 President's Budget. The amount requested **\$910,000**, represents the pay amounts for 1/4 of the fiscal year plus appropriate benefits (**\$688,000** for pay and **\$222,000** for benefits).

E. Justification for Base Adjustments

Annualization of additional positions approved in 2007 and 2008: This provides for the annualization of **33** additional positions appropriated in 2007 and **15** additional positions appropriated in the 2008 Omnibus. Annualization of new positions extends to 3 years to provide for entry level funding in the first year with a 2-year progression to the journeyman level. For 2007 increases, this request includes an increase of **\$1,438,000** for full-year payroll costs associated with these additional positions. For 2008, this request includes a decrease of **-\$570,000** for one-time items associated with the increased positions, and an increase of **\$1,301,000** for full-year costs associated with these additional positions, for a net increase of **\$731,000**.

	2007 Increases (\$000)	Annualization Required for 2009 (\$000)	2008 Increases (\$000)	Annualization Required for 2009 (\$000)
Annual salary rate of new positions	1,498	1,115	5,978	721
Less lapse (50 %)	749	-	2,989	-
Net Compensation	749	1,115	2,989	721
Associated employee benefits	222	324	2,187	238
Travel	-	-	28	42
Transportation of Things	2	-	1,465	(3)
Communications/Utilities	53	-	121	251
Printing/Reproduction	-	-	3	5
Other Contractual Services:				
25.2 Other Services	657	-	1,365	(90)
25.3 Purchase of Goods and Services from Government Accts.	332	-	69	36
25.4 Operation and Maintenance of Facilities	-	-	-	-
25.6 Medical Care	6	-	14	(6)
25.7 Operations and Maint of Equip	-	-	-	-
Supplies and Materials	26	-	496	8
Equipment	1,106	(1)	4,563	(366)
Land and Structures	210	-	105	(105)
TOTAL COSTS SUBJECT TO ANNUALIZATION	\$ 3,363	\$ 1,438	\$ 13,405	\$ 731

Retirement: Agency retirement contributions increase as employees under CSRS retire and are replaced by FERS employees. Based on OPM government-wide estimates, we project that the DOJ workforce will convert from CSRS to FERS at a rate of 1.3 percent per year. The requested increase of **\$84,000** is necessary to meet our increased retirement obligations as a result of this conversion.

Exhibit E

E. Justification for Base Adjustments

Employee Compensation Fund (ECF): This request provides for the adjustment of the Department of Labor billing for injury benefits associated with a particular agency. The requested increase of **\$195,000** is required to meet our commitment to the Department of Labor.

Health Insurance: Effective January 2007, this component's contribution to Federal employees' health insurance premiums increase by **1.1** percent. Applied against the 2008 estimate of **\$6,358,000** the additional amount required is **\$67,000**.

General Services Administration (GSA) Rent: GSA will continue to charge rental rates that approximate those charged to commercial tenants for equivalent space and related services. The requested increase of **\$209,000** is required to meet our commitment to GSA. The costs associated with GSA rent were derived through the use of an automated system, which uses the latest inventory data, including rate increases to be effective in FY 2007 for each building currently occupied by Department of Justice components, as well as the costs of new space to be occupied. Rate increases have been formulated based on GSA rent billing data.

Security Investigations: The **\$40,000** increase reflects payments to the Office of Personnel Management for security reinvestigations for employees requiring security clearances.

Decreases

Changes in Compensable Days: The decreased costs of one compensable day in FY 2009 compared to FY 2008 is calculated by dividing the FY 2008 estimated personnel compensation **\$86,955,000** and applicable benefits **\$20,035,000** by 261 compensable days. The cost decrease of one compensable day is **-\$408,000**.

Non-Personnel Funding Requested in 2008: **-\$877,000** is the non-recur amount of the non-personnel funding requested in the Internet Investigations initiative included in the FY 2008 enacted appropriation.

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F. Crosswalk of 2007 Availability

Crosswalk of 2007 Availability Drug Enforcement Administration Salaries and Expenses (Dollars in Thousands)

Decision Unit	FY 2007 Enacted without Rescissions			Rescissions			Supplemental			Reprogrammings / Transfers			Carryover / Recoveries			FY 2007 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
International Enforcement	1,036	989	\$ 340,636	-	-	\$ -	-	-	\$ 8,468	-	-	\$ 1,802	-	-	\$ 10,033	1,036	989	\$ 360,939
Domestic Enforcement	6,990	6,930	\$ 1,377,302	-	-	\$ -	-	-	\$ 3,698	-	-	\$ 102,702	-	-	\$ 22,013	6,990	6,930	\$ 1,505,715
State and Local Assistance	111	106	\$ 26,951	-	-	\$ -	-	-	\$ -	-	-	\$ 4,017	-	-	\$ 711	111	106	\$ 31,679
TOTAL, DEA	8,137	8,025	\$ 1,744,889	-	-	\$ -	-	-	\$ 12,166	-	-	\$ 108,521	-	-	\$ 32,757	8,137	8,025	\$ 1,898,333
Reimbursable FTE		1,450			-			-			-			-			1,450	
Total FTE		9,475			-			-			-			-			9,475	
Other FTE																		
LEAP		996			-			-			-			-			996	
Overtime		61			-			-			-			-			61	
Total, Compensable FTE		10,532			-			-			-			-			10,532	

Supplemental: \$12,166,000 for the Global War on Terrorism (P.L. 110-28) signed on May 25, 2007.

Transfer #1: Per the Commercial Spectrum Relocation Act (P.L. 108-494), \$74,772,000 was transferred from OMB to DOJ (and subsequently to DEA) on March 19, 2007, after Congress had been provided the DOJ Spectrum Relocation Fund (SRF) spend plans and their 30-day period in which to respond had elapsed.

Transfer #2: Transfer from HIDTA for \$14,407,069 per P.L. 110-5

Transfer #3: Transfer from HIDTA for \$150,506 per P.L. 109-115

Transfer #4: Transfer from HIDTA for \$223,520 per P.L. 109-115

Transfer #5: Transfer from HIDTA for \$1,301,792 per P.L. 109-115

Transfer #6: Transfer to Transfer to Wireless Management Office for \$333,959 per P.L. 109-108 STAT 2291 .

Transfer #7: Transfer of \$15,000,000 of DEA FY 2006 expired funds to DEA's no-year S&E account per P.L. 109-108

Transfer #8: Transfer of \$3,000,000 of DEA FY 2005 expired funds to DEA's no-year S&E account per P.L. 108-447

Carryover/Recoveries: As of September 30, 2007, DEA has brought forward a total of \$32,757,000 from FY 2006 to FY 2007. This amount includes \$22,408,000 in unobligated balances brought forward (VCRP Appn \$2,605,000; S&E No Year and Multi-Year Appn \$19,656,000; and Construction \$147,000); \$3,444,000 in recoveries from prior year obligations (VCRP \$961,000; S&E No-Year and Multi-Year Appn. \$1,693,000; and Construction \$790,000); and \$6,905,000 in proceeds from the sale of official government vehicles (\$2,830,000 unobligated balances brought forward and \$4,075,000 in new sales). Reimbursable recoveries from prior year obligations (No-Year and Multi-Year Appn. \$1,621,000) are not included in these figures.

Exhibit F

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F. Crosswalk of 2007 Availability

Crosswalk of 2007 Availability
Drug Enforcement Administration
Diversion Control Fee Account
(Dollars in Thousands)

Decision Unit	FY 2007 Enacted			Rescissions			Reprogrammings / Transfers			Carryover / Recoveries			FY 2007 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
DCFA	1,172	1,152	\$212,078	0	0	\$0	0	0	\$0	0	0	\$39,205	1,172	1,152	\$251,283
TOTAL, DEA	1,172	1,152	\$212,078	0	0	\$0	0	0	\$0	0	0	\$39,205	1,172	1,152	\$251,283
Reimbursable FTE		0			0			0			0			0	
Total FTE		1,152			0			0			0			1,152	
Other FTE															
LEAP		45			0			0			0			45	
Overtime		15			0			0			0			15	
Total, Compensable FTE		1,212			0			0			0			1,212	

Unobligated Balances: DEA brought forward a total of \$39,205,000 from FY 2006 to FY 2007. This amount includes \$36,120,000 in unobligated balances brought forward and \$2,967,000 in recoveries from prior year obligations. In addition, DEA's DCFA has received \$118,000 from FY 2007 sale of official government vehicles.

Collections: In FY 2007, DEA collected \$204,181,000 in fees for the Diversion Control Fee Account, which is \$7,897,000 below the FY 2007 Enacted Budget of \$212,078,000.

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G. Crosswalk of 2008 Availability

Crosswalk of 2008 Availability Drug Enforcement Administration Salaries and Expenses (Dollars in Thousands)

Decision Unit	FY 2008 Enacted			Rescissions			Supplementals			Reprogrammings / Transfers			Carryover / Recoveries			FY 2008 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
International Enforcement	1,036	992	\$ 354,823	-	-	\$ -	-	-	\$ 8,468	-	-	\$ 1,285	-	-	\$ 103	1,036	992	\$ 364,679
Domestic Enforcement	7,087	7,042	\$ 1,496,373	-	-	\$ -	-	-	\$ -	-	-	\$ 11,567	-	-	\$ 108,924	7,087	7,042	\$ 1,616,864
State and Local Assistance	28	26	\$ 6,373	-	-	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ 28	28	26	\$ 6,401
TOTAL, DEA	8,151	8,060	\$ 1,857,569	-	-	\$ -	-	-	\$ 8,468	-	-	\$ 12,852	-	-	\$ 109,055	8,151	8,060	\$ 1,987,944
Reimbursable FTE		1,436			-			-			-			-			1,436	
Total FTE		9,496			-			-			-			-			9,496	
Other FTE																		
LEAP		996			-			-			-			-			996	
Overtime		61			-			-			-			-			61	
Total, Compensable FTE		10,553			-			-			-			-			10,553	

Supplemental: Anticipated \$8,468,000 for the Global War on Terrorism.

Transfer: Transfer of \$12,852,000 of DEA FY 2007 expired funds to DEA's no-year S&E account per P.L. 110-5

Carryover/Recoveries: As of September 30, 2007, DEA has carried forward from FY 2007 to FY 2008 \$109,055,000 in unobligated balances from S&E no-year and multi-year appropriations.

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G. Crosswalk of 2008 Availability

Crosswalk of 2008 Availability
Drug Enforcement Administration
Diversion Control Fee Account
(Dollars in Thousands)

Decision Unit	FY 2008 Enacted			Rescissions			Reprogrammings / Transfers			Carryover / Recoveries			FY 2008 Availability		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
DCFA	1,187	1,176	\$239,249	0	0	\$0	0	0	\$0	0	0	\$64,079	1,187	1,176	\$303,328
TOTAL, DEA	1,187	1,176	\$239,249	0	0	\$0	0	0	\$0	0	0	\$64,079	1,187	1,176	\$303,328
Reimbursable FTE		0			0			0			0			0	
Total FTE		1,176			0			0			0			1,176	
Other FTE															
LEAP		45			0			0			0			45	
Overtime		15			0			0			0			15	
Total, Compensable FTE		1,236			0			0			0			1,236	

Unobligated Balances: As of September 30, 2007, DEA has carried forward \$64,079,000 in unobligated balances from FY 2007 to FY 2008.

Collections: In FY 2008, fee collections are estimated at \$208,948,000, which is \$30,301,000 below the FY 2008 Enacted Budget of \$239,249,000.

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H. Summary of Reimbursable Resources

Summary of Reimbursable Resources Drug Enforcement Administration (Dollars in Thousands)

Collections by Source	FY 2007 Enacted			FY 2008 Planned			FY 2009 Request			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Organized Crime Drug Enforcement	1,349	1,349	\$185,945	1,349	1,349	\$182,204	1,349	1,349	\$191,713	0	0	\$9,509
Regional Drug Intelligence Squads	79	79	11,284	79	79	11,060	79	79	11,342	0	0	282
Assets Forfeiture Fund	0	0	125,133	0	0	125,133	0	0	125,133	0	0	0
Department of Treasury	0	0	200	0	0	200	0	0	200	0	0	0
Office of National Drug Control Policy	0	0	286	0	0	286	0	0	286	0	0	0
Department of State	0	0	2,653	0	0	2,653	0	0	2,653	0	0	0
Department of Justice	17	17	36,975	3	3	31,975	3	3	31,975	0	0	0
National Drug Intelligence Center	1	1	284	1	1	284	0	0	0	(1)	(1)	(284)
Department of Defense	1	1	4,002	1	1	4,002	1	1	4,002	0	0	0
Department of Transportation	0	0	83	0	0	83	0	0	83	0	0	0
Federal Bureau of Investigation	0	0	2,845	0	0	2,845	0	0	2,845	0	0	0
Misc. Government	3	3	3,179	3	3	3,179	3	3	3,179	0	0	0
Misc. Non-Government	0	0	1,976	0	0	1,976	0	0	1,976	0	0	0
Department of Homeland Security	0	0	1,935	0	0	1,935	0	0	1,935	0	0	0
Budgetary Resources:	1,450	1,450	\$376,780	1,436	1,436	\$367,815	1,435	1,435	\$377,322	(1)	(1)	\$9,507

Exhibit H

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I. Detail of Permanent Positions by Category

**Detail of Permanent Positions by Category
Drug Enforcement Administration
Salaries and Expenses**

Category	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Request				
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	Program Increases	Program Decreases	Total Program Changes	Total Authorized	Total Reimbursable
Attorneys (905)	68	0	68	0	0	0	0	68	0
Other Legal and Kindred (900-998)	28	1	28	1	0	0	0	28	1
Legal Instruments Examining Series (963)	0	0	0	0	0	0	0	0	0
General Investigative Series (1801)	0	0	0	0	0	0	0	0	0
Criminal Investigative Series (1811)	3,989	1,068	3,989	1,055	30	0	30	4,019	1,054
Miscellaneous Inspectors Series (1802)	378	0	378	0	0	0	0	378	0
Other Miscellaneous Occupations (001-099)	105	6	105	6	0	0	0	105	6
Social Sciences Series (100-199)	6	0	6	0	0	0	0	6	0
Intelligence Series (132)	775	88	783	88	5	0	5	788	88
Personnel Management (200-299)	120	0	120	0	0	0	0	120	0
General Administration, Clerical and Office Services (300-399)	1,599	278	1,603	277	4	0	4	1,607	277
Biological Sciences (400-499)	0	0	0	0	0	0	0	0	0
Accounting and Budget (500-599)	328	0	328	0	0	0	0	328	0
Medical, Dental and Public Health (600-799)	2	0	2	0	0	0	0	2	0
Engineering and Architecture Group (800-899)	7	0	7	0	0	0	0	7	0
Information and Arts Group (1000-1099)	35	0	35	0	0	0	0	35	0
Business and Industry Group (1100-1199)	58	0	58	0	0	0	0	58	0
Physical and Sciences Group (Other than Chemists)(1300-1399)	7	0	7	0	0	0	0	7	0
Chemist Series (1320)	323	0	325	0	1	0	1	326	0
Library and Archives Group (1400-1499)	4	0	4	0	0	0	0	4	0
Mathematics and Statistics Group (1500-1599)	9	0	9	0	0	0	0	9	0
Equipment, Facilities and Service Group (1600-1699)	12	0	12	0	0	0	0	12	0
Education Group (1700-1799)	13	0	13	0	0	0	0	13	0
Quality Assurance Series (1900-1999)	6	0	6	0	0	0	0	6	0
Supply Group (2000-2099)	45	0	45	0	0	0	0	45	0
Transportation (2100-2199)	18	0	18	0	0	0	0	18	0
Information Technology Specialists (2210)	188	9	188	9	0	0	0	188	9
Ungraded (Wage Grade & Foreign Service Local)	14	0	14	0	0	0	0	14	0
Total	8,137	1,450	8,151	1,436	40	0	40	8,191	1,435
Location									
Washington (HQ)	1,672	205	1,676	203	1	0	1	1,677	203
U. S. Field (DO & FS)	5,736	1,245	5,746	1,233	39	0	39	5,785	1,232
Foreign Field (FO)	729	0	729	0	0	0	0	729	0
Total	8,137	1,450	8,151	1,436	40	0	40	8,191	1,435

Exhibit I

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I. Detail of Permanent Positions by Category

Detail of Permanent Positions by Category
Drug Enforcement Administration
Diversion Control Fee Account

Category	FY 2007 Enacted		FY 2008 Enacted		FY 2009 Request					
	Total Authorized	Total Reimbursable	Total Authorized	Total Reimbursable	Program Increases	Program Decreases	Total Program Changes	Total Authorized	Total Reimbursable	
Attorneys (905)	14	0	18	0	0	0	0	18	0	
Other Legal and Kindred (900-998)	5	0	5	0	0	0	0	5	0	
Legal Instruments Examining Series (963)	20	0	20	0	0	0	0	20	0	
General Investigative Series (1801)	513	0	515	0	1	0	1	516	0	
Criminal Investigative Series (1811)	178	0	179	0	0	0	0	179	0	
Miscellaneous Inspectors Series (1802)	69	0	69	0	0	0	0	69	0	
Other Miscellaneous Occupations (001-099)	2	0	2	0	0	0	0	2	0	
Social Sciences Series (100-199)	0	0	0	0	0	0	0	0	0	
Intelligence Series (132)	73	0	73	0	0	0	0	73	0	
Personnel Management (200-299)	1	0	1	0	0	0	0	1	0	
General Administration, Clerical and Office Services (300-399)	220	0	221	0	0	0	0	221	0	
Biological Sciences (400-499)	3	0	3	0	0	0	0	3	0	
Accounting and Budget (500-599)	7	0	7	0	0	0	0	7	0	
Medical, Dental and Public Health (600-799)	11	0	11	0	0	0	0	11	0	
Engineering and Architecture Group (800-899)	0	0	0	0	0	0	0	0	0	
Information and Arts Group (1000-1099)	1	0	1	0	0	0	0	1	0	
Business and Industry Group (1100-1199)	1	0	1	0	0	0	0	1	0	
Physical and Sciences Group (Other than Chemists)(1300-1399)	5	0	5	0	0	0	0	5	0	
Chemist Series (1320)	8	0	8	0	0	0	0	8	0	
Library and Archives Group (1400-1499)	3	0	3	0	0	0	0	3	0	
Mathematics and Statistics Group (1500-1599)	1	0	1	0	0	0	0	1	0	
Equipment, Facilities and Service Group (1600-1699)	0	0	0	0	0	0	0	0	0	
Education Group (1700-1799)	2	0	2	0	0	0	0	2	0	
Quality Assurance Series (1900-1999)	0	0	0	0	0	0	0	0	0	
Supply Group (2000-2099)	0	0	0	0	0	0	0	0	0	
Transportation (2100-2199)	0	0	0	0	0	0	0	0	0	
Information Technology Specialist (2210)	35	0	42	0	0	0	0	42	0	
Ungraded (Wage Grade & Foreign Service Local)	0	0	0	0	0	0	0	0	0	
Total	1,172	0	1,187	0	1	0	1	1,188	0	
Location										
Washington (HQ)	313	0	318	0	0	0	0	318	0	
U. S. Field (DO & FS)	845	0	854	0	0	0	0	854	0	
Foreign Field (FO)	14	0	15	0	1	0	1	16	0	
Total	1,172	0	1,187	0	1	0	1	1,188	0	

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J. Financial Analysis of Program Changes

Financial Analysis of Program Changes
Drug Enforcement Administration
Salaries and Expenses
(Dollars in Thousands)

Grades:	Domestic Drug Flow Attack		International Drug Flow Attack		Program Changes	
	Pos.	Amount	Pos.	Amount	Pos.	Amount
SES	0	\$0	0	\$0	0	\$0
GS-15	0	0	0	0	0	0
GS-14	1	117	0	0	1	117
GS-13	0	0	0	0	0	0
GS-12	0	0	0	0	0	0
GS-11	0	0	0	0	0	0
GS-10	0	0	0	0	0	0
GS-9	14	698	23	1,158	37	1,856
GS-8	0	0	0	0	0	0
GS-7	2	80	0	0	2	80
GS-5	0	0	0	0	0	0
Total positions & annual amount	17	895	23	1,158	40	2,053
Lapse (-)	(8)	(448)	(12)	(579)	(20)	(1,027)
Other personnel compensation	0	59	0	137	0	196
Total FTE & personnel compensation	9	\$506	11	\$716	20	\$1,222
Personnel benefits		\$234		\$399		\$633
Travel and transportation of persons		3		2,130		2,133
Transportation of things		28		210		238
GSA rent		0		0		0
Communication, rents, and utilities		43		346		389
Printing		0		0		0
Advisory and assistance services		0		0		0
Other services		467		1,370		1,837
Purchases of goods & services from Government accounts		69		71		140
Operation and maintenance of facilities		0		900		900
Medical Care		36		99		135
Research and development contracts		0		0		0
Operation and maintenance of equipment		0		1,250		1,250
Subsistence and support of persons		0		0		0
Supplies and materials		71		482		553
Equipment		1,093		9,750		10,843
Land and structures		128		174		302
Total, FY 2009 program changes requested	9	\$2,678	11	\$17,897	20	\$20,575

Exhibit J

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J. Financial Analysis of Program Changes

Financial Analysis of Program Changes
Drug Enforcement Administration
Diversion Control Fee Account
(Dollars in Thousands)

Grades:	DCFA Drug Flow Attack		Program Changes	
	Pos.	Amount	Pos.	Amount
SES	0	\$0	0	\$0
GS-15	0	0	0	0
GS-14	0	0	0	0
GS-13	0	0	0	0
GS-12	0	0	0	0
GS-11	0	0	0	0
GS-10	0	0	0	0
GS-9	1	49	1	49
GS-8	0	0	0	0
GS-7	0	0	0	0
GS-5	0	0	0	0
Total positions & annual amount	1	49	1	49
Lapse (-)	0	(25)	0	(25)
Other personnel compensation	0	6	0	6
Total FTE & personnel compensation	1	\$30	1	\$30
Personnel benefits		\$45		\$45
Travel and transportation of persons		11		11
Transportation of things		12		12
GSA rent		0		0
Communication, rents, and utilities		26		26
Printing		0		0
Advisory and assistance services		0		0
Other services		94		94
Operation and maintenance of facilities		0		0
Purchases of goods & services from Government accounts		89		89
Medical Care		2		2
Research and development contracts		0		0
Operation and maintenance of equipment		0		0
Subsistence and support of persons		0		0
Supplies and materials		1		1
Equipment		188		188
Land and structures		0		0
Total, FY 2009 program changes requested	1	\$498	1	\$498

Exhibit J

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K. Summary of Requirements by Grade

Summary of Requirements by Grade
Drug Enforcement Administration
Salaries and Expenses

Grades and Salary Ranges	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Executive Level III, \$154,600	1		1		1		0	
Executive Level V, \$136,200	1		1		1		0	
SES, \$111,676 - \$168,000	78		78		78		0	
GS-15, \$110,363 - 143,471	349		351		351		0	
GS-14, \$93,822 - 121,967	1,136		1,134		1,135		1	
GS-13, \$79,397 - 103,220	3,546		3,577		3,630		53	
GS-12, \$66,767 - 86,801	999		999		999		0	
GS-11, \$55,706 - 72,421	473		495		455		(40)	
GS-10, \$50,703 - 65,912	21		21		21		0	
GS-09, \$46,041 - 59,852	450		410		434		24	
GS-08, \$41,686 - 54,194	308		308		308		0	
GS-07, \$37,640 - 48,933	590		590		594		4	
GS-06, \$33,872 - 44,032	79		81		80		(1)	
GS-05, \$30,386 - 39,501	53		52		51		(1)	
GS-04, \$27,159 - 35,303	39		39		39		0	
Ungraded Positions	14		14		14		0	
Total, appropriated positions	8,137		8,151		8,191		40	
Average SES Salary		\$133,859		\$138,380		\$142,595		
Average GS Salary		\$82,877		\$85,809		\$88,478		
Average GS Grade		12		12		12		

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K. Summary of Requirements by Grade

Summary of Requirements by Grade
Drug Enforcement Administration
Diversion Control Fee Account

Grades and Salary Ranges	FY 2007 Enacted w/Rescissions and Supplementals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
SES, \$111,676 - \$168,000	2		2		2		0	
AL-3/F \$134,200	3		3		3		0	
GS-15, \$110,363 - 143,471	50		50		54		4	
GS-14, \$93,822 - 121,967	198		202		198		(4)	
GS-13, \$79,397 - 103,220	410		470		503		33	
GS-12, \$66,767 - 86,801	222		222		222		0	
GS-11, \$55,706 - 72,421	63		39		13		(26)	
GS-10, \$50,703 - 65,912	0		0		0		0	
GS-09, \$46,041 - 59,852	98		72		66		(6)	
GS-08, \$41,686 - 54,194	25		25		25		0	
GS-07, \$37,640 - 48,933	62		62		62		0	
GS-06, \$33,872 - 44,032	20		20		21		1	
GS-05, \$30,386 - 39,501	15		16		15		(1)	
GS-04, \$27,159 - 35,303	4		4		4		0	
Total, appropriated positions	1,172		1,187		1,188		1	
Average SES Salary		\$133,859		\$138,380		\$142,595		
Average GS Salary		\$82,566		\$86,912		\$90,480		
Average GS Grade		12		12		12		

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L. Summary of Requirements by Object Class

Summary of Requirements by Object Class
Drug Enforcement Administration
Salaries and Expenses
(Dollars in Thousands)

Object Classes	FY 2007 Actuals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	7,071	\$ 564,070	8,060	\$ 669,934	8,087	\$ 696,683	27	\$ 26,749
11.3 Other than full-time permanent	0	5,312		5,147	0	5,147	0	0
11.5 Total, Other personnel compensation	932	99,042	1,057	97,091	1,061	97,314	4	223
<i>Overtime</i>	54	0	61	0	61	0	0	0
<i>Other Compensation</i>	878	0	996	0	1,000	0	4	0
11.8 Special personal services payments	0	4	0	13	0	13	0	0
Total	8,003	\$ 668,428	9,117	\$ 772,185	9,148	\$ 799,157	35	\$ 26,972
Other Object Classes:								
12.0 Personnel benefits		274,279		255,144		283,694		28,550
21.0 Travel and transportation of persons		31,463		47,510		46,558		(952)
22.0 Transportation of things		9,241		7,293		7,216		(77)
23.1 GSA rent		167,959		181,203		190,361		9,158
23.2 Moving/Lease Expirations/Contract Parking		3,845		6,965		6,734		(231)
23.3 Comm., util., & other misc. charges		82,275		103,795		97,277		(6,518)
24.0 Printing and reproduction		154		566		542		(24)
25.1 Advisory and assistance services		1,235		3,608		3,364		(244)
25.2 Other services		97,986		153,089		149,762		(3,327)
25.3 Purchases of goods & services from Government accounts		233,995		220,551		201,176		(19,375)
25.4 Operation and maintenance of facilities		5,125		5,053		5,619		566
25.6 Medical Care		4,814		4,799		4,608		(191)
25.7 Operation and maintenance of equipment		45,170		61,851		61,616		(235)
25.8 Subsistence and Support of Persons		246		223		208		(15)
26.0 Supplies and materials		39,194		33,941		32,202		(1,739)
31.0 Equipment		61,538		67,543		53,920		(13,623)
32.0 Land and Structures		49,394		12,853		12,047		(806)
42.0 Claims		682		561		523		(38)
Total obligations		\$1,777,023		\$1,938,735		\$1,956,584		\$17,849
Unobligated balance, start of year		25,090		109,055		39,863		
Unobligated balance, end of year		109,055		39,863		19,863		
Unobligated balance expiring or withdrawn		(12,974)		0		0		
Transfers		108,521		11,974		0		
Recoveries of prior year obligations and OGV Sales		8,386		0		0		
Total DIRECT requirements		\$ 1,757,055		\$ 1,857,569		\$ 1,936,584		
Reimbursable FTE:								
Full-time permanent	1,428		1,436		1,435		(1)	0
23.1 GSA rent (Reimbursable)		6,187		6,187		6,187		0
25.3 DHS Security (Reimbursable)		196		196		196		0

Exhibit L

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L. Summary of Requirements by Object Class

Summary of Requirements by Object Class
Drug Enforcement Administration
Diversion Control Fee Account
(Dollars in Thousands)

Object Classes	FY 2007 Actuals		FY 2008 Enacted		FY 2009 Request		Increase/Decrease	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
11.1 Direct FTE & personnel compensation	857	\$77,133	1,176	\$85,607	1,184	\$89,464	8	\$3,857
11.3 Other than full-time permanent	0	582	0	182	0	182	0	0
11.5 Total, Other personnel compensation	60	3,322	60	4,384	60	4,422	0	38
<i>Overtime</i>	15		15		15		0	
<i>Law Enforcement Availability Pay</i>	45		45		45		0	
11.8 Special personal services payments	0	135	0	0	0	0	0	0
Total	917	\$81,172	1,236	\$90,173	1,244	\$94,068	8	\$3,895
Other Object Classes:								
12.0 Personnel benefits		19,669		29,089		30,828		1,739
13.0 Benefits to former personnel		2,661		1		1		-
21.0 Travel and transportation of persons		345		5,660		5,713		53
22.0 Transportation of things		9,483		4,756		4,765		9
23.1 GSA rent		231		12,635		14,750		2,115
23.2 Rental Payments to others		5,325		1,279		1,321		42
23.3 Comm., util., & other misc. charges		572		\$12,099		12,140		41
24.0 Printing and reproduction		1,932		400		405		5
25.1 Advisory and assistance services		4,205		5,742		5,742		-
25.2 Other services		36,251		18,066		18,070		4
25.3 Purchases of goods & services from Government accounts		342		18,020		18,185		165
25.4 Operation and maintenance of facilities		263		966		966		-
25.6 Medical Care		2,036		432		428		(4)
25.7 Operation and maintenance of equipment		7		4,979		5,418		439
25.8 Subsistence and Support of Persons		1,769		2		2		-
26.0 Supplies and materials		11,906		4,218		4,227		9
31.0 Equipment		1,137		30,472		27,266		(3,206)
32.0 Land and Structures		0		260		155		(105)
Total obligations		\$179,306		\$239,249		\$244,450		\$5,201
Unobligated balance, start of year		36,120		64,079		33,778		
Unobligated balance, end of year		64,079		33,778		33,778		
Unobligated balance expiring or withdrawn		0		0		0		
Transfers		0		0		0		
Recoveries of prior year obligations		3,085		0		0		
Total DIRECT requirements		\$204,180		\$208,948		\$244,450		
Reimbursable FTE:								
Full-time permanent	0		0		0		0	0
23.1 GSA rent (Reimbursable)		0		0		0		0
25.3 DHS Security (Reimbursable)		0		0		0		0

Exhibit L

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M. Status of Congressionally Requested Studies, Reports, and Evaluations

Status of Congressionally Requested Studies, Reports, and Evaluations Drug Enforcement Administration

House Report 110-107 accompanying H.R. 1591 stated that the conferees concurred with language in House Report 110-60 directing the DEA Administrator to submit a report on a plan to target and arrest Afghan Drug Kingpins in Helmand and Kandahar provinces by July 31, 2007. The report was to include the number of DEA counternarcotics operations undertaken with the support of the U.S. Department of Defense (DOD) and International Security Assistance Force (ISAF), and identify additional tactical equipment that could enhance Foreign-deployed Advisory Support Team (FAST) missions. DEA submitted the report to the Department of Justice on November 13, 2007.

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N. Financial Analysis and Cash Flow

Financial Analysis and Cash Flow Drug Enforcement Administration Diversion Control Fee Account (Dollars in Thousands)

	FY 2002 Actual ¹	FY 2003 Actual	FY 2004 Actual ²	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Projected	FY 2009 Projected
<u>Congressional Submission</u>	\$ 86,021	\$ 89,029	\$ 118,561	\$ 154,216	\$ 201,673	\$ 212,078	\$ 239,249	\$ 244,450
<u>Fiscal Year Financial Status:</u>								
1 Unobligated Balance Carried Forward from Prior Year	30,753	28,706	13,663	29,822	29,687	36,120	64,079	33,778
2 Restoration of Rescinded Funds from Prior Year	8,000	-	-	-	-	-	-	-
3 Net Available at Beginning of the Year	38,753	28,706	13,663	29,822	29,687	36,120	64,079	33,778
4 Receipt Collections	79,903	82,449	134,241	152,914	163,434	219,181	223,948	259,450
5 Fund Transfer from Salaries and Expenses	-	-	-	-	-	-	-	-
6 Treasury	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
7 Net Receipt Collections	64,903	67,449	119,241	137,914	148,434	204,181	208,948	244,450
8 Other Collections ³	59	49	71	43	78	118	-	-
9 Obligations (Actual / Projected)	(78,737)	(85,578)	(105,435)	(143,228)	(148,289)	(179,307)	(239,249)	(244,450)
10 Recoveries from Deobligations	3,728	3,037	2,282	5,136	6,210	2,967	-	-
11 Net Obligations	(75,009)	(82,541)	(103,153)	(138,092)	(142,079)	(176,340)	(239,249)	(244,450)
12 Congressional Rescission	-	-	-	-	-	-	-	-
ENDING BALANCE (Lines 3+7+8+11+12)	\$ 28,706	\$ 13,663	\$ 29,822	\$ 29,687	\$ 36,120	\$ 64,079	\$ 33,778	\$ 33,778

¹ FY 2002 receipt collections and obligations based on end-of-year financial reports, which also include adjustments for financial statement audits.

² Receipt Collections include new fees effective

³ Other collections include actual receipts for the sale of official government vehicles.

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