



National Drug Control Strategy

FY 2003 Budget Summary

The White House
February 2002

National Drug Control Strategy, FY 2003 Budget Summary

Table of Contents

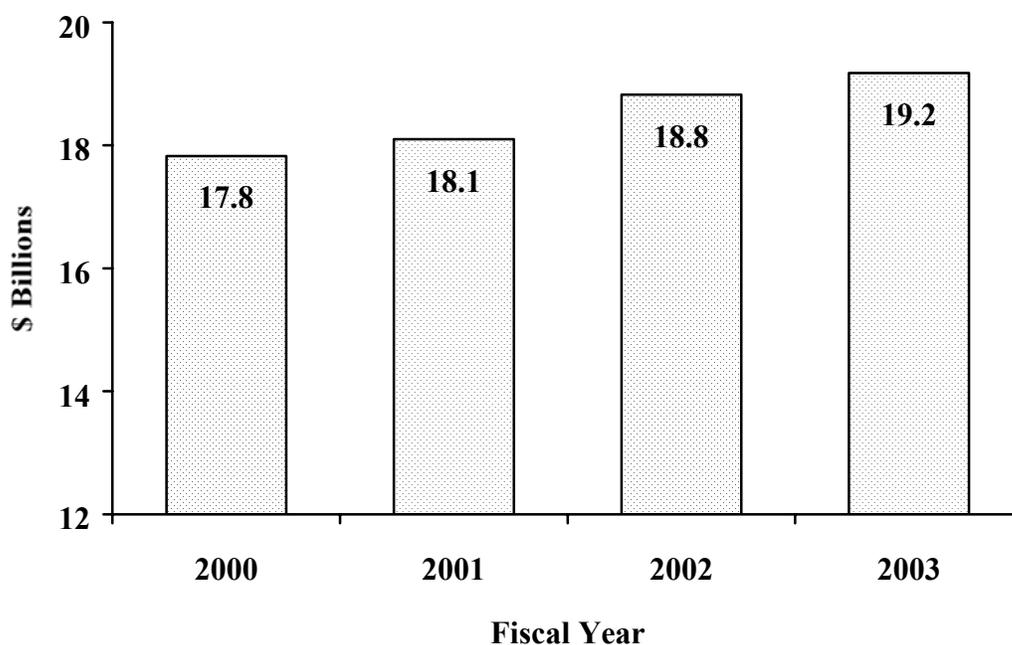
I. Executive Summary.....	1
II. Drug Control Funding Tables	
• FY 2001 - FY 2003 Federal Drug Control Spending by Function.....	6
• FY 2001 - FY 2003 Drug Control Funding: Agency Summary.....	7
• FY 1994 - FY 2003 Historical Drug Control Funding by Function	10
III. Technical Issues	12
IV. Restructuring the National Drug Control Budget.....	16
V. Agency Budget Summaries	
Department of Agriculture	
• Agricultural Research Service.....	24
• U.S. Forest Service.....	26
• Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).....	28
Corporation for National & Community Service.....	30
Court Services & Offender Supervision Agency for the District of Columbia	32
Department of Defense	36
Department of Education	41
Department of Health and Human Services	
• Administration for Children and Families.....	44
• Centers for Disease Control and Prevention	47
• Centers for Medicare & Medicaid Services	51
• Health Resources and Services Administration	54
• Indian Health Service	56
• National Institutes of Health.....	58
• Substance Abuse and Mental Health Services Administration	63
Department of Housing and Urban Development.....	70
Department of the Interior	
• Bureau of Indian Affairs.....	72
• Bureau of Land Management	75
• U.S. Fish and Wildlife Service.....	78
• National Park Service.....	80

The Federal Judiciary.....	82
Department of Justice	
• Assets Forfeiture Fund	86
• United States Attorneys.....	89
• Bureau of Prisons	92
• Community Oriented Policing Services	96
• Criminal Division	100
• Drug Enforcement Administration.....	103
• Federal Bureau of Investigation	109
• Federal Prisoner Detention	113
• Immigration and Naturalization Service	115
• Interagency Crime and Drug Enforcement.....	118
• INTERPOL	122
• U.S. Marshals Service	124
• Office of Justice Programs	127
• Tax Division.....	131
Department of Labor.....	133
Office of National Drug Control Policy	
• Counterdrug Technology Assessment Center	136
• Operations	140
• High Intensity Drug Trafficking Areas	144
• Special Forfeiture Fund.....	149
U.S. Small Business Administration.....	153
Department of State	
• Bureau of International Narcotics and Law Enforcement Affairs.....	155
• Emergencies in the Diplomatic and Consular Service	161
• Public Diplomacy	163
Department of Transportation	
• United States Coast Guard	165
• Federal Aviation Administration.....	172
• National Highway Traffic Safety Administration	175
Department of the Treasury	
• Bureau of Alcohol, Tobacco and Firearms.....	178
• U.S. Customs Service.....	181
• Federal Law Enforcement Training Center.....	187
• Financial Crimes Enforcement Network	190
• Interagency Crime and Drug Enforcement.....	192
• Internal Revenue Service.....	194
• United States Secret Service.....	197
• Treasury Forfeiture Fund.....	200
Department of Veterans Affairs.....	202

I. EXECUTIVE SUMMARY

The President's FY 2003 Budget presents a balanced approach for drug control programs, fully supporting the *National Drug Control Strategy*. In FY 2003, critical initiatives significantly expand the Administration's commitment to drug treatment, support essential drug prevention programs targeting youth, and continue assistance to our partners in the Andean region. In total, funding recommended for FY 2003 is an estimated \$19.2 billion, an increase of \$356.9 million (+1.9 percent) over the FY 2002 enacted level of \$18.8 billion (Figure 1).

Figure 1: National Drug Control Budget



Funding by department for FY 2001 to FY 2003 is displayed in Table 1. Demand reduction efforts by the Department of Health and Human Services, the Department of Education, and ONDCP will fund new and innovative approaches for drug treatment, provide basic research on drug use, and continue prevention efforts aimed at children and adolescents. Resources for supply-reduction programs in the Departments of Justice, Treasury, Transportation, State, and Defense will continue enforcement operations targeting domestic sources of illegal drugs, enhance interdiction efforts along trafficking routes to the United States, support security along the Southwest Border, and aid efforts in Colombia and the Andean region.

Table 1: Drug Spending by Department
Budget Authority (\$ Millions)

<u>Department</u>	<u>FY 01 Final BA</u>	<u>FY 02 Enacted</u>	<u>FY 03 Request</u>	<u>FY 02-03 Change</u>	<u>% Change</u>
Defense	1,150.3	1,008.5	998.8	(9.7)	(1.0%)
Education	634.1	659.5	634.8	(24.7)	(3.8%)
HHS	3,389.9	3,683.7	3,860.2	176.5	4.8%
Justice	8,074.1	8,140.1	8,066.5	(73.6)	(0.9%)
ONDCP	502.1	533.3	523.1	(10.2)	(1.9%)
State	289.8	832.6	895.2	62.6	7.5%
Transportation	795.8	591.4	681.7	90.3	15.3%
Treasury	1,262.0	1,546.8	1,564.7	17.9	1.2%
Veterans Affairs	680.9	709.4	741.8	32.4	4.6%
All Other	<u>1,316.6</u>	<u>1,117.4</u>	<u>1,212.9</u>	<u>95.5</u>	<u>8.5%</u>
Total	18,095.7	18,822.8	19,179.7	356.9	1.9%

Funding by Major Initiative

Stopping Use Before It Starts: Education and Community Action

- **Safe and Drug-Free Schools and Communities Program: \$644 million** (\$634.8 million drug-related). The budget continues funding for this school-based drug and violence prevention program aimed at young people. To improve evaluation and better direct program activities in FY 2003, ONDCP will work with the Department of Education to develop a useful evaluation plan that will impose program accountability, while alerting schools to problem areas.
- **National Youth Anti-Drug Media Campaign: \$180 million.** The Media Campaign uses paid media messages to guide youth and parent attitudes about drug use and its consequences. Targeted, high-impact, paid media advertisements – at both the national and local levels – seek to reduce drug use through changes in adolescent’s perceptions of the danger and social disapproval of drugs.
- **Drug-Free Communities Program: \$60 million.** The 2003 proposal is an increase of \$9.4 million over the 2002 enacted level. This ONDCP program provides assistance to community groups on forming and sustaining effective community and anti-drug coalitions that fight the use of illegal drugs, alcohol, and tobacco by youth. Further, the President’s request includes \$2 million for the National Community Anti-Drug Coalition Institute. The Institute will provide education, training, and technical assistance for coalition leaders and community teams that will help coalitions to evaluate their own performance.

- **Parents Drug Corps Program: +\$5 million.** This new initiative, funded through the Corporation for National and Community Service, will encourage parents to help children stay drug-free by training them in drug prevention skills and methods.
- **Drug-Free Workplace Programs: \$3 million.** Through the Small Business Administration in FY 2003, funding continues to support grants to organizations that help small businesses develop employee drug education programs and company drug policies.

Healing America's Drug Users: Getting Treatment Resources Where They're Needed

- **Drug Abuse Treatment Programs.** The President's FY 2003 Budget includes an overall increase of **\$224.2 million** for substance abuse treatment programs.
- **Substance Abuse and Mental Health Services Administration (SAMHSA).** The President has committed to add **\$1.6 billion** to the drug treatment system over five years. Consistent with this pledge, two key enhancements for SAMHSA in FY 2003 will provide additional funding to increase the capacity of the treatment system:
 - **Targeted Capacity Expansion (TCE) Program: +\$109 million.** This additional funding will help to expand the Treatment TCE program, which is designed to support a rapid, strategic response to emerging trends in substance abuse. Included in this proposal is \$50 million to be used for a new component of the TCE program. This new component would be structured to reserve funding for state-level competitions, weighted according to each state's need for treatment services.
 - **Substance Abuse Prevention and Treatment (SAPT) Block Grant: +\$60 million** (\$43 million drug-related). This increase in the SAPT Block Grant will provide additional funding to states for treatment and prevention services. States use these funds to extend treatment services to pregnant women, women with dependent children, and racial and ethnic minorities.
- **Promoting Drug Treatment in the Criminal Justice System.** Critical to breaking the cycle of drugs and crime is providing resources that promote drug treatment and early intervention to individuals who come into contact with the criminal justice system. This initiative expands funding for two criminal justice treatment programs that seek to reduce recidivism among these populations:
 - **Residential Substance Abuse Treatment (RSAT): +\$7 million.** This enhancement will expand total funding for the RSAT program to **\$77 million** in FY 2003. The RSAT program is a formula grant that distributes funds to states to support drug and alcohol treatment in state corrections facilities.
 - **Drug Courts: +\$2 million.** These additional resources will expand total funding for the Drug Courts program to **\$52 million** in FY 2003. This program provides alternatives to incarceration by using the coercive power of the court to force abstinence and alter

behavior through a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

- **National Institute on Drug Abuse: +\$57.5 million¹.** This additional funding will be used to expand the National Drug Abuse Clinical Trials Network, continue the development and implementation of effective and innovative pharmacological and behavior therapies, and support continued prevention research. Also in FY 2003, NIDA research on how to respond to emerging drugs, such as MDMA and GHB, will continue. Further, as a consequence of recent terrorist attacks, in FY 2003 NIDA will expand its research portfolio to further examine the role that stress plays in the initiation and relapse into drug use.

Disrupting the Market: Attacking the Economic Basis of the Drug Trade

- **Andean Counterdrug Initiative (ACI): \$731 million.** The FY 2003 Budget includes an increase of \$106 million over funding enacted for the ACI account in FY 2002. This FY 2003 request includes resources to continue enforcement, border control, crop reduction, alternative development, institution building, and administration of justice and human rights programs. For Colombia, the FY 2003 funding will be used for several broad categories, including, operations and maintenance of air assets provided with Plan Colombia supplemental funding; Colombian National Police and Army counternarcotics Brigade operational support; and herbicide application programs. Additional funding will also support critical USAID-implemented humanitarian, social, economic and alternative development programs, support for vulnerable groups, and resources for justice sector reform projects.
- **Deepwater Project: +\$500 million.** This proposal continues to support the United States Coast Guard's Deepwater Project. The deepwater project focuses on the re-capitalization and modernization of the Coast Guard's assets, including sensors and communications equipment for the aging deepwater cutters, aircraft and command centers. Although only a portion of this initiative is related to drug control, the re-capitalization of these assets will enhance Coast Guard's ability to conduct counterdrug activities.
- **Border Control and Enforcement: +\$76.3 million** (\$11.4 million drug-related). This enhancement for the Border Patrol includes hiring an additional 570 agents to enforce national borders and to combat international drug trafficking. For the new Border Patrol Agents, a portion of their time will involve drug control activities.
- **Southwest Border Prosecutor Initiative: \$50 million.** The President's 2003 Budget maintains funding of \$50 million for the Southwest Border Prosecutor Initiative. This initiative provides critical support to counties along the Southwest Border for the costs of detaining and prosecuting drug cases referred to them by U.S. Attorneys.

¹ This FY 2003 change may be affected by the National Institutes of Health's agency-wide transfer authority.

Restructuring the National Drug Control Budget

To bring greater accountability to drug control efforts, the President's FY 2003 Budget outlines a proposal for a significant restructuring of the drug control budget. Recent independent analyses commissioned by ONDCP, as well as ongoing, required reviews by Inspectors General, have identified weaknesses in the methodologies agencies use to measure drug spending. Reform of the National Drug Control Budget is needed. In the coming months, the Administration will develop a new way to report the drug budget, based on the following guidelines:

- All funding items displayed in the drug budget should be readily identifiable line items in the Budget of the President or agency budget justifications; and
- The budget presentation should be simplified by eliminating several supporting agencies from the drug budget tabulation. Only agencies with a primary demand reduction or supply reduction mission would be displayed in the drug budget. Agencies with no or little direct involvement in drug control would be excluded from the revised drug budget presentation.

The aim of this proposal is to distinguish between funding for drug control efforts and funding for the consequences of drug use. The new drug budget presentation might show annual drug control spending to be several billion dollars less than what is currently reported. This presentational change, while dramatically lowering the amount of funding attributed to the drug control budget, will not have a negative effect on federal drug control efforts. In fact, it will improve those efforts by focusing on managing programs genuinely directed at reducing drug use. The President's FY 2004 Budget will implement the proposed changes to the National Drug Control Budget. Section IV of this document discusses this proposal in more detail.

This *Budget Summary* is a technical companion volume to the *National Drug Control Strategy*. It is prepared as a helpful reference document, as part of ONDCP's continuing efforts to keep policymakers and the public apprised of important federal drug control programs and priorities. In addition to a brief description of key FY 2003 budget initiatives, other sections of this volume include detailed tables summarizing FY 2001 to FY 2003 drug control funding (Section II), an overview of technical changes to the drug budget that may have affected its presentation from prior years (Section III), and a bureau-by-bureau explanation of drug control funding proposed for FY 2003 (Section V).

II. Drug Control Funding Tables

Table 2: Federal Drug Control Spending By Function

FY 2001 - FY 2003

(Budget Authority in Millions)

	FY 2001	FY 2002	FY 2003	FY 02 - FY 03	
	Final BA	Enacted	Request	Change	
				\$	%
Function:					
Treatment (w/ Research)	3,335.0	3,587.5	3,811.7	224.2	6.2%
<i>Percent</i>	<i>18.4%</i>	<i>19.1%</i>	<i>19.9%</i>		
Prevention (w/ Research)	2,578.7	2,548.6	2,473.4	(75.2)	-3.0%
<i>Percent</i>	<i>14.3%</i>	<i>13.5%</i>	<i>12.9%</i>		
Dom. Law Enforcement	9,463.8	9,513.1	9,451.9	(61.2)	-0.6%
<i>Percent</i>	<i>52.3%</i>	<i>50.5%</i>	<i>49.3%</i>		
Interdiction	2,054.9	2,074.8	2,289.7	214.9	10.4%
<i>Percent</i>	<i>11.4%</i>	<i>11.0%</i>	<i>11.9%</i>		
International	663.2	1,098.8	1,153.0	54.2	4.9%
<i>Percent</i>	<i>3.7%</i>	<i>5.8%</i>	<i>6.0%</i>		
Total	18,095.7	18,822.8	19,179.7	356.9	1.9%
Supply/Demand Split:					
Supply	12,182.0	12,686.7	12,894.6	207.9	1.6%
<i>Percent</i>	<i>67.3%</i>	<i>67.4%</i>	<i>67.2%</i>		
Demand	5,913.7	6,136.1	6,285.1	149.0	2.4%
<i>Percent</i>	<i>32.7%</i>	<i>32.6%</i>	<i>32.8%</i>		
Total	18,095.7	18,822.8	19,179.7	356.9	1.9%

(Detail may not add to totals due to rounding)

Table 3: Drug Control Funding: Agency Summary
FY 2001 - FY 2003
(Budget Authority in Millions)

	FY 2001	FY 2002	FY 2003
	Final BA	Enacted	Request
Department of Agriculture			
Agricultural Research Service	4.8	4.8	4.8
U.S. Forest Service	5.8	6.8	6.8
Women, Infants & Children	16.1	17.5	19.0
Total, Agriculture	26.7	29.1	30.6
Corporation for National & Community Service	9.4	9.4	14.4
DC Court Services and Offender Supervision	58.6	86.4	82.3
Department of Defense			
Counterdrug Operations	1,047.1	997.6	998.8
Plan Colombia	103.3	10.9	0.0
Total, Defense	1,150.3	1,008.5	998.8
Intelligence Community Management Account	34.0	42.8	34.0
Department of Education	634.1	659.5	634.8
Dept. of Health and Human Services			
Administration for Children and Families	83.0	89.6	90.7
Centers for Disease Control and Prevention	223.6	225.4	224.9
Centers for Medicare and Medicaid Services	500.0	560.0	620.0
Health Resources & Services Administration	45.8	47.2	47.2
Indian Health Service	59.9	62.0	63.3
National Institutes of Health (NIDA & NIAAA) ¹	822.7	933.0	994.1
Substance Abuse and Mental Health Services Admin.	1,655.0	1,766.5	1,820.1
Total, HHS	3,389.9	3,683.7	3,860.2
Dept. of Housing and Urban Development	309.3	9.0	9.0
Department of the Interior			
Bureau of Indian Affairs	23.2	23.3	23.4
Bureau of Land Management	5.0	5.0	5.0
U.S. Fish & Wildlife Service	1.7	1.0	1.0
National Park Service	9.5	9.5	9.6
Total, Department of Interior	39.5	38.8	39.0
The Judiciary	756.8	819.7	921.1

¹ FY 2003 funding levels may be increased through the National Institutes of Health's agency-wide transfer authority.

Table 3: Drug Control Funding: Agency Summary
FY 2001 - FY 2003
(Budget Authority in Millions)

	FY 2001	FY 2002	FY 2003
	Final BA	Enacted	Request
Department of Justice			
Assets Forfeiture Fund	439.9	360.0	430.0
U.S. Attorneys	228.2	244.6	254.4
Bureau of Prisons	2,341.5	2,525.1	2,443.0
Community Policing	374.7	427.4	653.3
Criminal Division	35.1	37.8	38.7
Drug Enforcement Administration	1,480.4	1,605.4	1,698.5
Federal Bureau of Investigation	707.5	415.5	421.4
Federal Prisoner Detention	375.5	429.4	463.9
Immigration and Naturalization Service	525.0	538.0	713.4
Interagency Crime and Drug Enforcement	325.2	338.6	362.1
INTERPOL	0.3	0.3	0.3
U.S. Marshals Service	223.8	255.1	277.8
Office of Justice Programs	1,016.6	962.6	309.2
Tax Division	0.4	0.4	0.4
Total, Department of Justice	8,074.1	8,140.1	8,066.5
Department of Labor	78.8	79.2	79.4
ONDCP			
Operations	24.7	25.3	25.5
High Intensity Drug Trafficking Areas	208.3	226.4	206.4
Counterdrug Technology Assessment Center	36.0	42.3	40.0
Special Forfeiture Fund	233.1	239.4	251.3
Total, ONDCP	502.1	533.3	523.1
Small Business Administration	3.5	3.0	3.0
Department of State			
Bureau of International Narcotics & Law Enforcement			
International Narcotics Control	279.3	197.5	152.2
Andean Counterdrug Initiative	0.0	625.0	731.0
Subtotal, INL	279.3	822.5	883.2
Emergencies in the Diplomatic and Consular Service	1.7	1.0	2.5
Public Diplomacy	8.8	9.1	9.5
Total, Department of State	289.8	832.6	895.2

Table 3: Drug Control Funding: Agency Summary
FY 2001 - FY 2003
(Budget Authority in Millions)

	FY 2001	FY 2002	FY 2003
	Final BA	Enacted	Request
Department of Transportation			
U.S. Coast Guard	745.4	540.4	629.2
Federal Aviation Administration	19.9	19.1	20.3
National Highway Traffic Safety Administration	30.5	31.9	32.2
Total, Department of Transportation	795.8	591.4	681.7
Department of the Treasury			
Bureau of Alcohol, Tobacco, and Firearms	164.9	185.4	199.1
U.S. Customs Service	707.7	994.8	995.9
Federal Law Enforcement Training Center	31.9	35.5	30.3
Financial Crimes Enforcement Network	10.8	12.3	13.2
Interagency Crime and Drug Enforcement	103.2	107.6	107.6
Internal Revenue Service	51.5	39.1	42.0
U.S. Secret Service	21.7	26.2	30.8
Treasury Forfeiture Fund	170.2	145.9	145.9
Total, Department of Treasury	1,262.0	1,546.8	1,564.7
Department of Veterans Affairs	680.9	709.4	741.8
Total Federal Drug Budget	18,095.7	18,822.8	19,179.7

(Detail may not add to totals due to rounding)

Table 4: Historical Drug Control Funding by Function

FY 1994 - FY 1998					
(Budget Authority in Millions)					
FUNCTIONAL AREAS:	FY 1994 Actual	FY 1995 Actual	FY 1996 Actual	FY 1997 Actual	FY 1998 Actual
Demand Reduction					
Drug Abuse Treatment	2,176.7	2,425.5	2,096.2	2,321.3	2,166.5
Drug Abuse Prevention	1,597.4	1,555.5	1,394.2	1,642.1	1,810.7
Prevention Research	174.8	179.6	212.2	230.7	249.5
Treatment Research	253.6	261.2	280.8	311.7	327.9
Total Demand Reduction	4,202.5	4,421.9	3,983.4	4,505.8	4,554.6
Percentage	35%	34%	31%	31%	30%
Domestic Law Enforcement					
	6,119.0	6,983.3	7,393.7	7,699.1	8,486.6
Percentage	51%	54%	57%	54%	56%
International					
	329.4	295.8	289.8	424.1	496.9
Percentage	3%	2%	2%	3%	3%
Interdiction					
	1,310.4	1,278.9	1,319.7	1,721.4	1,636.9
Percentage	11%	10%	10%	12%	11%
TOTALS	11,961.2	12,979.9	12,986.6	14,350.3	15,175.0

Table 4: Historical Drug Control Funding by Function

FY 1999 - FY 2003					
(Budget Authority in Millions)					
FUNCTIONAL AREAS:	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
	Actual	Final BA	Final BA	Enacted	Request
Demand Reduction					
Drug Abuse Treatment	2,363.9	2,497.9	2,837.8	3,023.2	3,214.7
Drug Abuse Prevention	1,952.2	2,017.4	2,226.1	2,146.3	2,043.1
Prevention Research	285.6	317.3	352.6	402.4	430.3
Treatment Research	381.9	417.3	497.2	564.2	596.9
Total Demand Reduction	4,983.5	5,249.8	5,913.7	6,136.1	6,285.1
Percentage	29%	29%	33%	33%	33%
Domestic Law Enforcement					
	8,942.8	8,823.2	9,463.8	9,513.1	9,451.9
Percentage	52%	50%	52%	51%	49%
International					
	774.7	1,654.6	663.2	1,098.8	1,153.0
Percentage	5%	9%	4%	6%	6%
Interdiction					
	2,417.9	2,090.0	2,054.9	2,074.8	2,289.7
Percentage	14%	12%	11%	11%	12%
TOTALS	17,119.0	17,817.6	18,095.7	18,822.8	19,179.7

III. TECHNICAL ISSUES

Drug control funding data presented in the volume incorporate several modifications from prior years. These adjustments are principally a result of ongoing reviews of methodologies employed by each agency for calculating their drug control budgets. This section summarizes key changes to the presentation of agency data for the *FY 2003 Budget Summary*.

Health and Human Services

Administration for Children and Families

In June 2001, the Administration for Children and Families (ACF) requested a change in its drug methodology. This request was a result of findings in the Inspector General's report concerning ACF's *FY 1999 Annual Accounting of Drug Control Funds*. In the report, the Inspector General indicated that the methodologies used for estimating obligations under the Abandoned Infants Assistance (AIA) program and the Head Start program needed to be revised to reflect a more realistic estimate of drug abuse prevention and treatment activities. Based on a thorough review of this request, ONDCP approved the proposed change in drug methodology in August 2001. Using the new methodology, the drug control resources reported for ACF increased by approximately \$20 million. Listed below are the justifications for the change to the methodologies for AIA and Head Start:

- **Abandoned Infants Assistance Program.** The revised methodology reduces the drug-related portion of this program from 100 percent to 82 percent, based on the professional judgment of ACF program staff who determined that the revised figure more accurately represents the portion of funds that support specific drug-related program activities provided by the AIA programs.
- **Head Start Program.** The revised methodology completely changes the basis by which estimates of drug-related resources are calculated. Previously, ACF scored as drug funding 100 percent of the program budget for Family Service Centers, a component of the Head Start program. Now, ACF scores one percent of the salaries and benefits associated with local Head Start grantee staff. Head Start grantee staff interview families applying for enrollment in the program. Drug abuse is one of many issues that may be identified through this process, and in those cases referrals may be made to support groups or treatment centers in the community. ACF Head Start program staff estimate that in their professional judgment, approximately one percent of grantee staff workload relates to drug abuse prevention and treatment activities.

Centers for Disease Control and Prevention

During this budget cycle, CDC modified the methodology used to estimate the amount of funding that supports HIV counseling and drug-related HIV prevention activities. Previously, CDC relied primarily on professional judgment to determine the amount of funding dedicated to drug-related activities. As a result of the development of a new reporting system described below, CDC now has annually updated information on which to base the calculation.

In an effort to provide more complete data on how HIV funds appropriated to CDC are spent, including how funding tracks with the CDC National HIV Prevention Plan, CDC developed an ancillary reporting system. Developed as a compliment to the new FY 2002 budget structure, this ancillary reporting system is a “bottom-up” system in which the CDC project officer reports target information for each project on an annual basis. Specifically, this ancillary reporting system provides information on how HIV funds are allocated by race/ethnicity, gender, risk category, special population(s), and age. The source of this information includes state and local health departments, surveillance data, census information, and information on the profile of the HIV/AIDS epidemic. Given these sources, CDC drug funding estimates may change from year-to-year in response to changes in the targeting of resources to address the epidemic. In fact, the expectation is that changes will occur each year, as resources follow the epidemic and the strategic plan.

National Institutes of Health (National Institute on Alcohol Abuse and Alcoholism (NIAAA))

The estimated drug resources displayed in this document for NIAAA reflect a slight modification to its drug budget methodology that reduces the amount of drug funding reported by the projects that focus on mother’s alcohol use/misuse or Fetal Alcohol Syndrome. Using the new methodology, the drug control resources reported for NIAAA decreased by approximately \$5 million.

Department of Transportation – Federal Aviation Administration

As displayed in this volume, the Federal Aviation Administration’s (FAA) drug control budget methodology has been changed to exclude the Civil Aviation Registry from the drug control budget. The reporting criteria and assumptions have changed over time. Specifically, the Civil Aviation Registry does not have a direct role in drug interdiction. Therefore, for fiscal year 2001, the revised methodology has resulted in a scorekeeping adjustment of approximately \$4.6 million from the amount reported in last year’s *Budget Summary*. Adjustments have also been made to the historical data series for all fiscal years in which FAA reported drug funding.

Department of the Treasury

Bureau of Alcohol, Tobacco, and Firearms

ATF drug budget estimates are notably modified from prior years. A number of factors have had an impact on the reported drug-related resources. Current statistical case data from ATF’s new National Field Office Case Information System (NFOCIS) has replaced the historically relied upon case statistics. A portion of the reported levels may be attributable to improved accuracy in the case information system. Also, the current data would suggest a shift in ATF’s case demographics. In the future, drug control estimates will be updated annually using ATF’s NFOCIS.

Customs Service

In a departure from the methodology that ONDCP approved in February 2001, the Office of Training has been excluded from Customs drug control estimates. Customs determined that the mission support of the Office of Training, while vital to the Customs Service, was not entirely drug-related. The effect of this change is to decrease reported drug enforcement resources by approximately \$14 million in fiscal years 2001 through 2003.

Secret Service

The adjustment to Secret Service's budget statistics is a result of the change in the percentage of staff hours expended in support of drug-related activities for Investigative Operations. The percentage used last year had not been updated based on current operations in several years. Starting with FY 2001, the estimated percentage will be based upon an annual analysis of base investigative staff hours expended; therefore, this percentage will fluctuate annually. The percentages used for Support Operations and Protective Operations have not changed.

Department of Justice

Community Oriented Policing Services (COPS)

COPS has historically applied a 33 percent drug-related methodology to all of its programs, except for two programs that are earmarked as 100 percent drug-related. However, in recent years, COPS's programs have shifted from hiring initiatives and expanded to include more training and technical assistance and prevention efforts. In reviewing COPS drug-control methodology, and in attempting to reflect more accurately COPS drug-control contributions, the following adjustments have resulted in an \$11.9 million reduction to the FY 2003 drug control budget:

- **Police Integrity Initiative:** This program, introduced in FY 2001, promotes police integrity, appropriate use of police authority, and community policing through training and technical assistance to local law enforcement and communities. In 2003, the program will continue these efforts and focus on racial and ethnic profiling prevention strategies. In reviewing COPS drug control methodology, COPS determined that the Police Integrity Initiative does not contribute to drug-control efforts. This program will no longer be scored as drug-related.
- **Community Policing Development:** This program has historically supported COPS's programs by providing training and technical assistance to law enforcement and community members on the philosophy and practice of community policing. Funding in prior years established and supported the network of Regional Community Policing Institutes and the Community Policing Consortium, both of which have been, and continue to be, vehicles in delivering and developing training and technical assistance across the nation. In addition, this funding supports research and evaluation of community policing issues, best practices, and the impact of the COPS programs and initiatives. The COPS Community Policing Development program dedicates very little funding specifically to support drug-control

efforts. Projects funded from this program vary from year-to-year. However, COPS may fund conferences or evaluations that support its drug-control efforts. Given these factors, after reviewing the Office's drug-control methodology, the Community Policing Development program is now estimated to contribute 2.5 percent of total funding to drug-control efforts.

Court Services and Offender Supervision Agency for the District of Columbia

The methodology used this year to estimate the D.C. Pretrial Services Agency's (PSA) drug control resources reflects a change from last year. The drug methodology used last year to estimate drug control resources reported the costs of drug treatment and other related activities, based upon the percentage of defendants testing positive for drug use or admitting to recent drug use at the time of arrest. Based on an analysis of each operating unit within the PSA, drug resources are now estimated based upon a sum of the prorated shares of drug-related activities performed by each operating unit. This includes: 100 percent of all units directly related to drug testing or treatment; 50 percent of units providing social service activities; and 42 percent of all supervision units (based on the number of persons who test positive for drugs at the time of arrest.)

IV. RESTRUCTURING THE NATIONAL DRUG CONTROL BUDGET

The President has committed the government to manage by results. Nowhere is the need for such management greater than in federal drug control programs, where coordinating the work of numerous drug control agencies can quickly become overwhelming. To bring results-oriented management to drug control efforts, the Administration proposes significantly restructuring the drug budget.

The National Drug Control Budget includes close to 50 budget accounts totaling \$19 billion for 2003. Recent independent analyses of these budgets commissioned by ONDCP², as well as ongoing required reviews by department Inspectors General³, have identified significant weaknesses in these budget presentations. Many of these issues are associated with the drug budget methodologies used by agencies to estimate drug spending. Drug budget methodologies are imprecise and often have only a weak association with core drug control missions. The proposed budget reforms outlined in this chapter would provide a greater degree of accountability for federal drug control programs.

The basic shortcoming associated with the current drug budget is that much of the funding displayed does not represent real dollars in the President's Budget. Drug budget calculations are not transparent to the public, Executive Department officials, or the Congress. The drug budget generally does not represent funds that can be readily found in individual agency budget documents or accounting systems. Since the drug budget is a collection of estimates based on percentages of many accounts, it is an artificial construction. To correct this fundamental deficiency, the drug budget must be restructured to display actual funds found in the President's Budget. In recasting the drug budget in this way, the Administration proposes a new presentation, to be fully implemented as part of the FY 2004 budget cycle, which would have the following attributes:

- To the maximum extent possible, resources displayed in the drug budget would directly tie to identifiable line items displayed in the Budget of the President or agency budget justifications for Congress, accompanying the Budget.
- The account structure would include several agencies that already present 100 percent of their budgets as drug-related. This includes the Drug Enforcement Administration, ONDCP, the Defense Counterterrorism Central Transfer Account, the National Institute on Drug Abuse, and the Interagency Crime and Drug Enforcement Accounts (ICDE) of Treasury and Justice.

² Patrick Murphy, Lynn E. Davis, Timothy Liston, David Thaler, and Kathi Webb, *Improving Anti-Drug Budgeting* (Santa Monica, CA: RAND, 2000).

³ Office of National Drug Control Policy (ONDCP), *FY 1999 Accounting of Drug Control Funds* (Washington, DC: ONDCP, 2000). ONDCP, *FY 2000 Accounting of Drug Control Funds* (Washington, DC: ONDCP, 2001). These documents included reports from department Inspectors General regarding agency drug budget presentations. Both the FY 1999 and FY 2000 Accounting Reports were transmitted by ONDCP to the Congress, pursuant to 21 U.S.C. § 1704(d).

- Other agencies would report their drug funding as a combination of discrete line items from their existing sections of the President's Budget or the accompanying budget justifications presented to Congress. If a line item in an agency's budget had a strong association with drug control, then 100 percent of this line item would be included in the drug budget.
- The overall budget presentation would be further simplified by eliminating several supporting agencies from the drug budget tabulation. Only agencies with a primary drug law enforcement or demand reduction mission would be displayed in the drug budget. This change would limit the budget to those agencies or accounts that have been, or should be, the principal focus of drug control policy. Agencies with any of the following general characteristics would be excluded from the revised drug budget presentation:
 - Agencies where drug control activities are incident to their primary missions.
 - Agencies that mainly focus on the consequences associated with the activities of other primary counterdrug agencies would be excluded. This would include resources for detaining and incarcerating federal drug offenders. Of any of the proposed changes to the drug budget, this is the most significant, accounting for almost \$3 billion in funding. Although these are real costs to society, they do not factor into the core of drug law enforcement decisions made by national policymakers.
 - Treasury and Justice law enforcement agencies with primary missions not closely related to drug control would not be included in the revised budget. Although the activities of these bureaus provide an important contribution to the national drug control program, the primary vehicle for channeling drug funding to these agencies should be the ICDE accounts at Treasury and Justice, which fund the Organized Crime Drug Enforcement Task Forces program.
- Further, some agencies retained in the modified budget presentation have multi-mission programs, with drug control being an important, but not dominant, component of their overall budget. In order to implement fully this proposed drug budget presentation, the structure of budget accounts for these agencies may need to be revisited, in order to tie more closely drug funding reported for these agencies to account-level detail in the President's Budget. ONDCP, the Office of Management and Budget (OMB) and affected agencies will work together over the next year on ways of more closely associating drug control funding displayed in the drug budgets of these agencies, with accounts highlighted in the President's Budget.

The accompanying table provides a pro forma presentation of the proposed account structure for the revised national drug control budget for 2001 to 2003. This display is an example of how the new drug budget might appear, when this revised drug accounting system is fully implemented. This example should not be viewed as the final form of this proposal. In the coming months, after extensive discussions and consultation with agencies and the Congress, this revised core drug budget presentation may take a modified form. Under the current drug budget, 2003 funding is \$19.2 billion across close to 50 accounts. The revised budget for 2003 would be \$11.4 billion across only 15 accounts, an increase of \$0.4 billion over 2002.

**Pro Forma Proposed
National Drug Control Budget**
\$ Millions

<u>Agency/Account</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>Change FY02-03</u>
Defense	970.4	847.6	848.9	1.3
Education (Safe & Drug-Free Schools)	644.3	679.3	644.3	(35.0)
Health and Human Services				
Substance Abuse & Mental Health Services Administration	2,175.0	2,305.8	2,371.0	65.2
National Institute on Drug Abuse ¹	783.6	890.9	948.5	57.6
Justice				
Drug Enforcement Administration	1,480.4	1,605.4	1,698.5	93.1
Interagency Crime & Drug Enforcement	325.2	338.6	362.1	23.5
Immigration & Naturalization Service	201.7	210.1	328.5	118.4
Office of Justice Programs	214.8	255.5	240.2	(15.3)
Office of National Drug Control Policy	502.1	533.3	523.1	(10.2)
State	279.3	859.0	883.2	24.2
Transportation (U.S. Coast Guard)	745.4	540.4	629.2	88.8
Treasury				
Customs Service	714.7	1,004.0	1,004.4	0.4
Interagency Crime & Drug Enforcement	103.2	107.6	107.6	0.0
Veterans Affairs	680.9	709.4	741.8	32.4
Other Presidential Initiatives ²	3.5	53.0	58.0	5.0
Total, Federal Drug Control Budget	\$9,824.6	\$10,939.9	\$11,389.3	\$449.4

¹ FY 2003 funding levels may be increased through the National Institutes of Health's agency-wide transfer authority.

² For SBA's Drug-Free Workplace programs, \$3.5 million is included for FY 2001 and \$3.0 million is included for FYs 2002 and 2003. For Corporation for National Service's Parents Drug Corps program, this includes \$5 million for FY 2003. For COPS' Southwest Border Prosecutor initiative, this includes \$50 million for FYs 2002 and 2003.

The following section presents a department-by-department explanation of the principal modifications to the drug budget, as shown in the example pro forma table. This discussion provides a concise rationale for funding that continues to be displayed in the drug budget, as well as why certain accounts would be excluded from the new budget presentation.

Agriculture and Interior

Drug control activities are incident to the primary missions of both the Departments of Interior and Agriculture. The proposed revised drug budget does not include these departments. Although excluded from the budget presentation, they would continue to be drug control agencies. ONDCP would monitor the drug control activities of Agriculture and Interior bureaus and intervene, as necessary, regarding any particular drug control funding matter that may affect their operations.

Defense

Under the proposed budget, only funding for DoD's Counternarcotics Central Transfer Account (CTA) would be reported. Currently, the DoD budget presentation includes about \$150 million in Operations Tempo (OPTEMPO) funding for the Military Departments. Recent DoD Inspector General reports⁴ on the DoD drug budget did not attest to the amounts represented by DoD as being associated with drug-related OPTEMPO. OPTEMPO funds are allocated directly to the Military Departments and are not accounted for through the DoD Counternarcotics CTA. Generally, in annual policy discussions associated with the DoD drug budget, the level of funding for OPTEMPO has not been a decision point for policymakers. It has been an estimate derived after other decisions on the Defense budget were concluded. Given the calculation and use of this budget statistic, ONDCP proposes dropping it from the drug budget.

Education

The amount reported for Education under the proposed budget presentation is 100 percent of the following line items that are now part of funding appropriated for the Safe and Drug-Free Schools and Communities program: State Grants; and for National Programs – Federal Activities and Evaluation, School Coordinators, and Project Serv. (Also, in FY 2002, the Alcohol Use Reduction Program – \$25 million – is included in the drug budget. However, this funding non-recurs as part of the FY 2003 request.) The current drug budget methodology scores less than 100 percent of the National Programs portion of the program, since some of these discretionary activities are awarded for purposes that do not directly relate to drug control. In addition, a portion of Education's Program Administration account is included in the current drug budget to reflect the costs of administering the SDFSC program. Program administration funds are appropriated separately from the SDFSC program funds. The annual adjustment associated with SDFSC funds is about \$14 million and does not provide enough of an important distinction to policymakers to warrant this nuance in how Education funding is displayed.

⁴ ONDCP, *FY 1999 Accounting of Drug Control Funds*, p. C-7. ONDCP, *FY 2000 Accounting of Drug Control Funds*, p. C-7.

Health and Human Services

Drug control funding presented for HHS would be limited to the Substance Abuse and Mental Health Services Administration (SAMHSA) and the National Institute on Drug Abuse (NIDA). All other HHS bureaus now reported as part of the national drug control budget would be excluded. These include the Administration for Children and Families (ACF), the Centers for Disease Control and Prevention (CDC), the Centers for Medicare and Medicaid Services (CMS), the Health Resources and Services Administration (HRSA), and the Indian Health Service. Drug control is not a primary activity of any of these HHS bureaus. Further, annual policy discussions regarding demand funding do not highlight resource levels for these agencies. For many of these HHS bureaus, the drug control funding that they report is an estimate that cannot be easily verified or reproduced. In addition, HHS Inspector General reviews of this funding for ACF, CDC, and CMS highlighted significant issues associated with drug control resources reported by these bureaus.⁵

Further, the proposed budget significantly modifies the way SAMHSA drug funding would be reported. The main component of the SAMHSA budget is the Substance Abuse Block Grant. This grant includes resources for adult alcohol treatment, which is not part of the national drug control program. Currently, about 71 percent of the \$1.8 billion Block Grant is scored as drug-related, based on a drug budget methodology that has not been updated or verified in recent years. The deficiencies in this drug budget estimate were also highlighted in Inspector General reviews of the SAMHSA drug budget.⁶ Rather than continuing to rely on the current drug budget methodology, the proposed budget would display 100 percent of the Substance Abuse Block Grant and fully disclose that this figure includes adult alcohol treatment funding. Since the Block Grant is a unified program, policy decisions regarding budget levels cannot affect drug funding separately from alcohol funding. Given this, the program should be reviewed by ONDCP as a whole, rather than artificially separating out one component.

Justice and the Judiciary

For the Department of Justice (DOJ), the revised budget presentation would be limited to the Drug Enforcement Administration, the Interagency Crime and Drug Enforcement (ICDE) account, the Immigration and Naturalization Service (INS), and key components of the Office of Justice Programs (OJP). Each of these components retained in the budget are briefly discussed below:

- **DEA and ICDE:** DEA is the government's principal drug law enforcement agency. The ICDE account funds the Organized Crime Drug Enforcement Task Forces program of the Department of Justice. Both of these accounts are currently scored as 100 percent drug-related. They would continue to be scored in their entirety under the new methodology.

⁵ ONDCP, *FY 1999 Accounting of Drug Control Funds*, pp. E16-E18, E42-E44. ONDCP, *FY 2000 Accounting of Drug Control Funds*, pp. E3-E4, E12-E14, E25-E27.

⁶ ONDCP, *FY 1999 Accounting of Drug Control Funds*, pp. E26-E28. ONDCP, *FY 2000 Accounting of Drug Control Funds*, pp. E56-E57.

- **INS:** Drug funding displayed for INS would be simplified to an amount equal to what is now scored under the existing drug budget methodology for the Border Patrol and Inspections programs. Other INS activities currently scored in the drug budget would not be represented in the modified drug budget.
- **OJP:** The revised DOJ drug budget includes several drug control initiatives that are part of OJP. These include the Residential Substance Abuse Treatment program, the Drug Courts program, the ADAM program, the Underage Drinking Prevention program, the Juvenile Drug Prevention program, the Regional Information Sharing System, and the Weed and Seed program. All other current OJP programs, including the Byrne program, would be excluded from the revised drug budget presentation.

In FY 2003, the President's Budget proposes the creation of a new Justice Assistance Grant (JAG), as part of the COPS budget, which would combine the current Byrne grant program and the Local Law Enforcement Block Grant program. In terms of authorized and anticipated uses by local governments, the new combined JAG program would only be about 50 percent drug-related. Under the revised drug budget presentation, a basic principle is that either a budget line item is all in, or all out, of the drug budget. Given that a high proportion of this modified grant program is not related to drug control, JAG grants would not be included in the proposed revised drug budget.

Further, by far the largest adjustments in the proposed new presentation of the drug control budget are within DOJ. For FY 2003, the revised budget removes over \$5 billion for 10 bureaus or accounts. About \$3 billion of this funding is primarily associated with the incarceration and care of federal prisoners. As was previously discussed, these resources have been excluded from the budget based on the criterion that they are associated with the secondary consequences of the government's primary drug law enforcement and investigative activities, which are the focus of drug policy decision-making.

Also excluded from the budget presentation is funding associated with the Assets Forfeiture Fund program at both Justice and Treasury. For DOJ in FY 2003, this is \$430 million. The Assets Forfeiture Fund receives its revenue from the sale and forfeiture of assets that were involved in drug cases, as well as certain other kinds of crimes. However, the expenditure of these funds by federal law enforcement agencies is not specifically devoted to drug law enforcement. These resources generally enhance the law enforcement operations of the receiving agencies, and although there is a benefit for drug cases, it is ancillary.

Further, over \$400 million in drug control funding for the FBI has been excluded from the proposed presentation of the drug budget. Clearly, the FBI is a major federal law enforcement agency that has in the past played a significant role in drug investigations. The decision to exclude the Bureau from the budget presentation is largely prospective. DOJ and FBI have publicly indicated a change in priorities for the Bureau that could effect its level of participation in the national drug control program. To the extent that it would continue to be involved in a significant way in drug cases, drug control funding would be directed to the FBI through the Interagency Crime and Drug Enforcement (ICDE) account that funds OCDETF

investigations, which will continue to be part of the revised budget. In FY 2003, ICDE funding of over \$100 million is proposed for the FBI.

In addition to the various DOJ accounts excluded from the budget, the revised budget presentation would also exclude the \$921 million now scored in FY 2003 for the Federal Judiciary. The basis for excluding this funding is similar to the secondary consequences argument associated with many DOJ bureaus. Also, a significant separation of powers argument may be advanced. The Executive Department exercises no policy control over the funding levels proposed by the Federal Judiciary for any programs that may be connected to drug control.

Treasury

Other than the Treasury ICDE account, the Customs Service is the only Treasury bureau that would be included in the revised drug budget, and the way the Customs budget is reported would be modified. Funding for the Customs Air and Marine program is a separate line item in the Customs budget. Under the current drug methodology, 95 percent of this funding is scored as drug-related. The revised methodology would capture 100 percent of this line item. Funding reported for the rest of the Customs Service would be calculated based on the current drug budget methodology. Most of this other funding is associated with the salaries and expenses of Inspectors in the Office of Field Operations and Special Agents with the Office of Investigations.

The Treasury Forfeiture Fund has been excluded from the revised budget presentation on the same basis as the Justice Assets Forfeiture Fund. Other Treasury bureaus, including the Bureau of Alcohol, Tobacco and Firearms (ATF), the Internal Revenue Service (IRS), and the Secret Service, have been excluded from the revised budget, given the subordinate nature of drug control to their primary law enforcement missions. Also, recent Treasury Inspector General reviews of drug budget methodologies raised issues concerning the drug budget calculations employed by some of these bureaus.⁷ For example, ATF and Secret Service have had difficulties in documenting key aspects of their drug budget calculations in prior years. Further, although ATF and IRS would not be reflected separately in the new budget, their contributions to drug control would remain important through their participation in the OCDETF program and the funding they receive through the Treasury ICDE account.

Transportation

Funding for the Coast Guard would continue to be reflected in the revised budget presentation at a level consistent with the current drug budget methodology for the Coast Guard. The other two Transportation bureaus now scored as part of the drug control budget – the Federal Aviation Administration (\$20 million in FY 2003) and the National Highway Traffic Safety Administration (\$32 million in FY 2003) would both be excluded from the new budget. Funding for these bureaus is minimal, and the principal missions of these agencies are not closely associated with the national drug control program.

⁷ ONDCP, *FY 2000 Accounting of Drug Control Funds*, pp. M5-M6, M76-M77.

Veterans Affairs

Whether or not to include VA in the revised drug budget is problematic. The basic criterion for whether an account is in or out of the new budget is that the agency should be a first-tier drug control agency, performing a mission that is key to the federal drug control program. However, the VA drug budget is associated with the number of veterans who seek care through the Veterans Health Administration and present themselves as patients in need of drug treatment. The VA drug budget is heavily dependent on the demographic factors of eligible drug-dependent veterans who are entitled to this service. The VA drug budget, therefore, may not be easily affected by variables associated with explicit drug policy decisions. Although estimated drug control funding for VA is significant, the level of drug treatment resources within the VA has not been a central drug policy issue in recent years. Notwithstanding these considerations, after further consultations with VA, VA drug funding may be included in the modified drug budget. ONDCP intends to work with VA on this issue during the next several months.

Other Presidential Initiatives

The revised drug budget presentation would include a category to aggregate other presidential funding priorities, highlighted in the President's Budget, but not captured within the other 14 drug budget accounts. The accompanying pro forma table displays funding of \$3.5 million in FY 2001 and \$3.0 million in FY 2002 and FY 2003 for the drug-free workplace initiative funded through the Small Business Administration. Also, this category includes funding of \$5 million proposed for the Parents Drug Corps initiative in FY 2003, and \$50 million in FY 2002 and FY 2003 for state and local Southwest Border Prosecutor Initiative. The items presented in this category may change from year-to-year, depending on the particular high-profile initiatives proposed in the budget.

Next Steps

By narrowing the scope of the drug budget and presenting it in terms of real dollars, it will become a better tool for policymakers. Resource allocations will become part of the decision-making process, rather than information reported after decisions are made. In addition to being more accurate, the new drug control budget will focus on agencies and programs that produce measurable results. This will make it possible to improve accountability and, for the first time, will create a basis for comparing the results of supply and demand activities. This new budget structure also will provide the underpinnings of a system for moving resources to areas of maximum effectiveness.

During 2002, ONDCP will work closely with affected Departments and agencies, the Office of Management and Budget, and interested committees of the Congress, to formulate a revised drug budget presentation for the FY 2004 budget cycle consistent with the principles outlined here. This needed change will more fairly present the Federal Government's drug control funding proposals to the public.

V. Agency Budget Summaries

AGRICULTURAL RESEARCH SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Research and Development	\$4.765	\$4.765	\$4.765
Drug Resources by Decision Unit			
Crop Eradication Research	\$1.878	\$1.678	\$1.678
Alternative Crops Overseas	1.698	1.898	1.898
Estimation & Detection – Illicit Crops	0.500	0.500	0.500
Herbicide and Soil Residue Research	0.369	0.369	0.369
Narcotic Plant Chemistry	<u>0.320</u>	<u>0.320</u>	<u>0.320</u>
Total	\$4.765	\$4.765	\$4.765
Drug Resources Personnel Summary			
Total FTEs (direct only)	11	11	11
Information			
Total Agency Budget	\$897.7	\$980.5	\$1,014.2
Drug Percentage	0.5%	0.5%	0.5%

II. METHODOLOGY

- The Agricultural Research Service (ARS) maintains an automated system for tracking full-time equivalency, and the costs and ancillary resources required to maintain each discrete research program. The Research Management Information System is this agency's basic management database, which is used to develop and track resource estimates for all narcotics-related projects.

III. PROGRAM SUMMARY

- ARS has been involved in narcotics-related research since 1972. The original mission was to assist federal action agencies and the United Nations relative to technologies to safely and effectively eradicate illicit narcotic crops and to evaluate economic agricultural alternatives to illicit crop cultivation overseas. The core mission has remained essentially the same although both the regional and field of science emphases have changed. (In the 1970s and early 1980s the regional emphasis was South and Southeast Asia; today the area of emphasis is exclusively Latin America.)
- The ARS overseas program is oriented towards technologies for eradicating illicit drug crops in an environmentally sustainable fashion, estimating drug crops, and enhancing economic alternatives to illicit drug cultivation, primarily by developing technologies to combat pests and to develop improved cultivars of major tropical tree crops.

- ARS international narcotics-related research programs and/or demonstration projects are currently active in Ecuador, Peru, Colombia, Costa Rica, and Bolivia. Generally, these are carried out in cooperation with the U.S. Department of State, the Organization of American States, regional agricultural research organizations and host government counterpart institutions. Areas of technology transfer and advanced training, including post doctorates for foreign scientists conducted at ARS facilities, constitute a major area of emphasis. In-country workshops for extension workers, international donors, etc., are conducted on a regular basis. Actual in-country extension work is carried out by international donor organizations, including the U.S. Agency for International Development. ARS also maintains cooperative programs with regional technical assistance agencies and European donor organizations.
- Lack of profitability due to insect and disease losses has been a major impediment to small farmers expanding commercial agriculture in the Andean Region of South America. During the last year, a substantial increase in emphasis has been directed towards sustainable tropical tree crops both in terms of breeding and genetic improvement. This has required, among other things, a major effort to characterize and catalog the genetic base necessary for an orderly selection and breeding program for tropical tree crops. Target crops are comprised of coffee, cacao and banana in Colombia, Ecuador, Bolivia and Peru.
- Domestically, ARS maintains a research program cooperatively with the Drug Enforcement Administration (DEA) and the Department of Defense to identify the unique spectral characteristics of illicit cannabis. This program is oriented towards the remote detection of concealed marijuana plots on U.S.- and state-owned public lands.

IV. BUDGET SUMMARY

2002 Program

- The total ARS drug control budget is \$4.765 million, which is deemed sufficient for the research objectives, assuming reprogramming between program areas of emphasis. Interagency reimbursable funds are also provided by the U.S. Department of State and the Organization of American States to assist in supporting in-country field trials and demonstration projects.

2003 Request

- The total ARS drug control request for FY 2003 remains at \$4.765 million. No additional budget increase is requested.

V. PROGRAM ACCOMPLISHMENTS

- Identified up to six markers that control resistance to Witches Broom, *Crinipellis perniciosa* and Frosty Pod, *Molliophthora roreri*, the most common diseases of cocoa; identified the bacterium, *Wolbachia*, as a controlling element in the development of the ratio of female coffee berry borer, the dominant insect pest of coffee.

U.S. FOREST SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$4.595	\$5.490	\$5.490
Intelligence	0.339	0.200	0.200
State and Local Assistance	0.665	0.870	0.870
Research and Development	0.115	0.115	0.115
Prevention	<u>0.125</u>	<u>0.125</u>	<u>0.125</u>
Total	\$5.839	\$6.800	\$6.800
Drug Resources by Decision Unit			
Detection & Monitoring	\$0.454	\$6.800	\$6.800
Law Enforcement Agency Support	5.260	0.000	0.000
Demand Reduction	<u>0.125</u>	<u>0.000</u>	<u>0.000</u>
Total	\$5.839	\$6.800	\$6.800
Drug Resources Personnel Summary			
Total FTEs (direct only)	58	68	68
Information			
Total Agency Budget	\$5,129.7	\$4,979.6	\$4,106.4
Drug Percentage	0.1%	0.1%	0.2%

II. METHODOLOGY

- The U.S. Forest Service (FS) budget structure includes a Law Enforcement and Investigations (LEI) budget line item within the National Forest System (NFS) appropriation. Within the LEI budget line item, funds allocated for drug enforcement activities are based on an analysis of workload that takes into account all law enforcement responsibilities related to the mission of the FS.

III. PROGRAM SUMMARY

- FS manages 155 national forests, 20 national grasslands, and 9 land utilization projects on 191.6 million acres in 43 states, the Virgin Islands, and Puerto Rico. Most of this land is located in extremely rural areas of the United States. The law enforcement program is directed at protecting the public, employees, and natural resources. Three drug enforcement issues are of specific concern to FS. They are marijuana cultivation, methamphetamine production, and smuggling across international borders. These activities increase the risks to the health and safety of the visiting public and employees, and the continued viability of the nation's natural resources.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 program includes \$0.1 million, which is used for the Drug Abuse Resistance Education (D.A.R.E.) program in rural areas adjacent to NFS lands.
- The FY 2002 program includes \$6.7 million, which supports Law Enforcement Agency Support, detection, monitoring, and research and development.
- Major Emphasis Areas include:
 - Determining the extent of cannabis cultivation on NFS lands and assigning appropriate resources accordingly and as available.
 - Participating in ONDCP's High Intensity Drug Trafficking Area (HIDTA) program to leverage resources with federal, state, and local agencies.
 - Increasing cannabis detection through accurate interpretation of ground data, vegetative typing, and aerial optical analysis systems. Coordinating efforts with Agricultural Research Service in detection and eradication methods.
 - Coordinating Forest Service drug enforcement actions with the DEA, state, and local agencies as appropriate.
 - Continuing to place emphasis on NFS lands along the Southwest and Northern Borders to decrease trafficking and movement of drugs.
 - Developing an organizational structure within LEI to place emphasis on the Agency's role in drug enforcement, including creating of a Drug Enforcement branch within the current structure.

2003 Request

- The FY 2003 request maintains current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- No new program accomplishments are reported.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$16.093	\$17.549	\$19.000
Drug Resources by Decision Unit			
Drug Assessment and Referral Activities	\$16.093	\$17.549	\$19.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget*	\$4,043.1	\$4,387.0	\$4,751.0
Drug Percentage	0.4%	0.4%	0.4%

* Total Agency Budget excludes the WIC Farmers' Market Nutrition Program

II. METHODOLOGY

- The Anti-Drug Abuse Act of 1988 (P.L. 100-690), enacted November 18, 1988, and the Child Nutrition and WIC Reauthorization Act of 1989 (P.L. 101-147), enacted November 10, 1989, defined the role of WIC in providing drug abuse prevention and referral activities.
- WIC regulations have required, when appropriate, referrals to alcohol and drug abuse counseling. For many WIC local agencies, it is routine to warn pregnant women about the dangers of drinking alcohol, smoking cigarettes, and using illegal drugs. Substance abuse (alcohol, tobacco, and other drugs) is an authorized WIC Nutrition Risk Criterion in determining eligibility for program benefits.

III. PROGRAM SUMMARY

- Under the Anti-Drug Abuse Act of 1988, WIC has a legislative mandate to provide education on substance abuse and to make referrals to counseling and treatment services. These activities are part of WIC's overall nutrition education curriculum, and local WIC clinics have considerable discretion in the topics covered in their education programs and in the referrals they make.
- WIC clinics provide information to women participants concerning the dangers of drug abuse during pregnancy; refer participants who are suspected drug abusers to drug abuse clinics, treatment programs, counselors, or other drug abuse professionals where such services are locally available; and distribute drug abuse prevention materials developed by USDA.

- WIC clinics are required to coordinate with local alcohol, tobacco and other drug abuse counseling and treatment services. Anecdotal data suggest that WIC clinics annually refer 10 percent of women participants to drug treatment centers.
- USDA appoints drug/alcohol abuse education and prevention experts to the WIC National Advisory Council on Maternal, Infant and Fetal Nutrition.

IV. BUDGET SUMMARY

2002 Program

- WIC estimates that approximately \$17.5 million, or 0.4 percent of the total WIC appropriation, excluding the WIC Farmers' Market Nutrition Program, will be spent on drug abuse prevention activities for FY 2002.

2003 Request

- The total WIC drug control request budget for FY 2003 is \$19 million, a net increase of approximately \$1.5 million over FY 2002. No new enhancements or initiatives are anticipated FY 2003 drug control request.

V. PROGRAM ACCOMPLISHMENTS

- No new accomplishments reported.

CORPORATION FOR NATIONAL & COMMUNITY SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$9.419	\$9.400	\$14.400
Drug Resources by Decision Unit			
Domestic Volunteer Service Act Activities			
National Senior Service Corps	\$4.149	\$4.200	\$4.200
National and Community Service Act Activities			
Drug Prevention Programs	5.270	5.200	5.200
Parents Drug Corps	<u>0.000</u>	<u>0.000</u>	<u>5.000</u>
Total	\$9.419	\$9.400	\$14.400
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$768.9	\$738.6	\$1,035.1
Drug Percentage	1.2%	1.3%	1.4%

II. METHODOLOGY

- The Corporation for National and Community Service (the Corporation) falls under a category of federal agency that indirectly contributes to the Drug Control Program. Most of the Corporation's budgeted activities involve a decentralized process of awarding grants to State Commissions, which, in turn, award sub-grants to local organizations.
- A small number of these organizations receive grants for activities specifically involving drug prevention. Other organizations run youth programs, such as after-school programs, which, by keeping kids off the streets, have an indirect impact on the National Drug Control effort.
- The drug budget numbers reported in this submission represent data pulled from some of the Corporation's program databases where activities directly relating to the drug prevention effort have been reported. Two of the Corporation's programs, AmeriCorps and the National Senior Service Corps, were able to identify report data documenting the use of funds in support of drug prevention activities.

III. PROGRAM SUMMARY

- The Corporation for National and Community Service administers the programs authorized by the National and Community Service Act of 1990 and the Domestic Volunteer Services Act of 1973. These programs address many of the nation's educational, human service,

public safety, and environmental needs through a variety of volunteer activities. Some of these activities may have a positive impact on drug abuse prevention.

IV. BUDGET SUMMARY

2002 Program

- The Corporation estimates that \$9.4 million of its FY 2002 resources will be spent on substance abuse prevention efforts. This estimate is based on documentation of drug prevention activities that the Corporation identified in the past fiscal year. The FY 2002 program for prevention activities consists of the following projections:
 - The National Senior Corps provides opportunities for older Americans to serve their communities. In some cases, Senior Corps grant funds support service activities that help in substance abuse prevention efforts. In FY 2002, the National Senior Corps projects funding for these efforts to be \$4.2 million.
 - Members of AmeriCorps serve with grantees addressing community needs in education, public safety, the environment, and other needs. Some activities funded through AmeriCorps grants have an impact on drug prevention efforts. In FY 2002, AmeriCorps projects funding for these efforts to be \$5.2 million.

2003 Request

- The total FY 2003 drug budget for the Corporation is \$14.4 million, which is an increase of \$5.0 million over the FY 2002 enacted level. The request includes funding to support the Parents Drug Corps program. This initiative will establish a program to support and encourage parents to help children stay drug free. This program will provide matching funds to national parents' organizations to train parents in communities nationwide in how to reduce drug abuse and form parent drug prevention groups. The program will:
 - Assist national parents' organizations to train thousands of parents in communities nationwide in skills, methods, and information that help prevent drug abuse by young people;
 - Promote cooperation among national parent efforts and increase their impact through fostering partnership with the network of parent organization affiliates and chapters, regional and state-level entities that involve parents, and local community anti-drug coalitions; and
 - Provide parents and parent-serving organizations with science-based and state-of-the-art methods for strengthening their ability to protect their children from the risks of drug use.

V. PROGRAM ACCOMPLISHMENTS

- No new program accomplishments are reported.

COURT SERVICES & OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Treatment	\$46.968	\$73.449	\$68.029
Prosecution	<u>11.616</u>	<u>12.914</u>	<u>14.303</u>
Total	\$58.584	\$86.363	\$82.332
Drug Resources by Decision Unit			
Community Supervision Program	\$30.847	\$52.915	\$45.797
Pretrial Services Agency	16.121	20.534	22.232
Public Defender Service	<u>11.616</u>	<u>12.914</u>	<u>14.303</u>
Total	\$58.584	\$86.363	\$82.332
Drug Resources Personnel Summary			
Total FTEs (direct only)	523	564	602
Information			
Total Agency Budget	\$112.3	\$147.3	\$154.7
Drug Percentage	52.2%	58.6%	53.2%

II. METHODOLOGY

- Estimates of drug-control resources for the Community Supervision Program (CSP) within the Court Services and Offender Supervision Agency (CSOSA) are based on the following percentages of the amounts for specific operational activities: 100 percent of drug collection and testing, 100 percent of treatment and sanctions, and 39 percent of the total cost for the supervision of post-conviction offenders in the community. Expenses related to supervision activities are derived from 100 percent of the supervision costs included within CSOSA's treatment and support services operational strategy and 45 percent of the supervision costs included within the close supervision operational strategy. The 45 percent represents the FY 2000 percent of post-conviction offenders who tested positive for illegal substances. Operational support expenses are included within each activity based on a prorated share of direct operational expenses.
- This drug program resources submission includes a revision of the D.C. Pretrial Services Agency's (PSA) methodology. In accordance with the new methodology, PSA's drug resources are estimated based upon a sum of the prorated shares of drug-related activities performed by each PSA operating unit. This includes: 100 percent of all units directly related to drug testing or treatment; 50 percent of units providing social service activities; and 42 percent of all supervision units (based on the number of persons who test positive for drugs at the time of arrest).

- The activities of the D.C. Public Defender Service (PDS) are estimated based on the percentage of defendants testing positive for drug use at the time of arrest. Based on pretrial drug testing experience, approximately 62 percent of defendants are expected to test positive or admit to drug usage at the time of arrest in FY 2003.

III. PROGRAM SUMMARY

- CSOSA was established within the Executive Branch of the federal government by the National Capital Revitalization and Self-Government Improvement Act of 1997 (the Revitalization Act). On August 4, 2000, CSOSA was certified as an independent agency.
- The Revitalization Act placed the PSA, as an independent entity within CSOSA. In addition, the PDS, an independent D.C. agency, receives appropriated funds through a transfer of funds from CSOSA. The Revitalization Act required a massive reorganization of criminal justice activities within the District of Columbia. The intent was to have the federal government assume responsibility for program services more traditionally provided by state governments (rather than municipalities). The Revitalization Act placed responsibility for the supervision of post-conviction offenders with CSOSA. The Revitalization Act placed responsibility for the supervision of defendants released prior to trial with PSA.
- CSOSA's mission is to increase public safety, prevent crime, reduce recidivism and support the fair administration of justice in close collaboration with the community. The agency enhances decision-making and provides effective community supervision, thereby ensuring confidence in the D.C. criminal justice system. In addition to supporting the CSOSA mission, PSA's mission is committed to honoring the constitutional presumption of innocence and enhancing public safety by formulating recommendations that promote the use of non-financial pretrial release under the least restrictive conditions. PSA also provides effective community supervision for defendants in a manner that ensures the defendants will return to court and will not be a danger to the community while on pretrial release; and addresses the social problems that contribute to criminal behavior.
- CSOSA's programs, including those of PSA, support the *National Drug Control Strategy* by identifying and treating drug use among the defendant and offender population within the District of Columbia. CSOSA's programs seek to break the cycle of drug abuse and crime.
- CSOSA has established an overall performance target to reduce the recidivism rate for violent and drug-related crime by offenders under the Agency's supervision by at least 50 percent by 2005. A critical aspect of CSOSA's program is to seek dramatic reductions in the rate of convictions for new crimes or revocation for the supervised population in the District of Columbia.
- CSOSA, including PSA, has adopted four basic courses of action to achieve the Agency's mission;
 - Establish and implement (a) an effective Risk and Needs Assessment and case management process to help officials determine whom it is appropriate to release and at what level of supervision, and (b) an ongoing evaluation process that assesses a

defendant's compliance with release conditions and an offender's progress in reforming his/her behavior.

- Provide Close Supervision of high-risk defendants and offenders, with intermediate graduated sanctions for violations of release conditions.
- Provide appropriate Treatment and Support Services, as determined by the needs assessment, to assist defendants in complying with release conditions and offenders in reintegrating into the community.
- Establish Partnerships with other criminal justice agencies and community organizations.

IV. BUDGET SUMMARY

2002 Program

- CSOSA's FY 2002 enacted drug control program includes \$86.4 million and 564 FTEs. Of this amount, CSP contributes \$52.9 million and 256 FTEs, PSA provides \$20.5 million and 177 FTEs, and PDS contributes \$12.9 million and 131 FTEs. Resources from CSP and PSA are allocated to the treatment function, while resources from PDS are allocated to the prosecution function, in support of the administration of justice.

2003 Request

- The total drug control request for FY 2003 is \$82.3 million and 602 FTEs, a net decrease of \$4 million from the FY 2002 enacted level. This request includes \$45.8 million and 292 FTEs for CSP, \$22.2 million and 175 FTEs for PSA, and \$14.3 million and 135 FTEs for PDS. This request level will enable CSOSA to continue its community-based and sanctions-based supervision strategy that seeks to reduce crime among its supervised population and support the fair administration of justice. The requested level will also enable PSA to continue its effort to assess fully each defendant to make appropriate release recommendations to the Courts. Key activities funded in FY 2003 include:
 - Resources to increase CSP's General Supervision staff in order to reduce the combined active and monitored case ratio to 50:1.
 - Resources for drug testing costs to provide for anticipated growth. Resources are also requested to establish two new drug collection sites at offender supervision field units.
 - Implementation of a DNA Sample Collection Response initiative to provide defense attorneys with a fundamental grasp of the very technical and scientific knowledge of DNA evidence, as well as access to current research, data and experts to render constitutionally-effective advocacy.

V. PROGRAM ACCOMPLISHMENTS

- Under Critical Success Factor (CSF) 1 of the Agency's strategic plan, Improved Risk and Needs Assessment, CSOSA achieved two important milestones:

- CSP added the Illegal Substance Abuse Collection Unit, and PSA expanded the capacity of the Forensic Toxicology Drug Testing Laboratory. The Laboratory processed 374,962 samples in FY 2001.
- CSP significantly increased the number and frequency of offender drug tests. The total number of offenders tested in FY 2001 nearly doubled that of the FY 1999 total, and the total number of samples collected in FY 2001 was more than four times the FY 1999 total. Similarly, the average monthly frequency of testing increased by 92 percent.
- Under CSF 2, Close Supervision, CSOSA achieved two important milestones:
 - PSA expanded the Restrictive Community Supervision Program to supervise defendants placed by the court in halfway houses.
 - PSA's U.S. District Court Unit expanded case management and close supervision of federal defendants, expanding the range of options and information available to both the local and the federal judiciary.
- Under CSF 3, Treatment and Support Services, CSOSA achieved two milestones:
 - PSA and CSP have implemented a continuum of sanctions based treatment services, including detoxification, inpatient, and outpatient treatment from more than 10 contract providers and in-house staff. As part of this continuum, PSA created an in-house program, the New Directions Intensive Drug Treatment and Supervision Program, to closely supervise and treat drug using defendants.
 - In FY 2001, PSA placed 488 defendants in residential treatment and 321 in outpatient treatment; this includes some grant-funded placements.
- Under CSF 4, Partnerships, CSOSA has achieved two milestones:
 - CSP launched Community Justice Partnerships with the Metropolitan Police Department in 77 of the District's 83 Police Service Areas.
 - CSP has executed 29 agreements with community agencies since 1999, providing opportunity for offender community service.

DEPARTMENT OF DEFENSE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$564.9	\$573.0	\$605.1
State and Local Assistance	323.6	283.2	264.0
Prevention	95.3	101.8	101.9
Treatment	7.2	7.7	7.7
Research and Development	<u>56.1</u>	<u>31.9</u>	<u>20.0</u>
Subtotal	\$1,047.1	\$997.6	\$998.8
Plan Colombia ¹	<u>103.3</u>	<u>10.9</u>	<u>0.0</u>
Total	\$1,150.3	\$1,008.5	\$998.8
Drug Resources by Funding Source			
Central Transfer Account	\$970.4	\$847.6	\$848.9
Military Departments/OPTEMPO ²	180.0	148.4	149.9
Military Departments/MILCON	0.0	12.5	0.0
ARL Procurement	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	\$1,150.3	\$1,008.5	\$998.8
Drug Resources Personnel Summary			
Total FTEs (direct only) ³	1,459	1,373	1,394
Information			
Total Agency Budget (Billions)	\$305.6	\$330.8	\$369.3
Drug Program Percentage	0.4%	0.3%	0.3%

(Detail may not add to totals due to rounding.)

¹ Of the \$300.6 million appropriated for Plan Colombia in the FY 2000 Emergency Supplemental, \$186.4 was allocated in FY 2000, \$103.3 million was allocated in FY 2001, and \$10.9 million is allocated in FY 2002.

² The OPTEMPO funding in the amount of \$180.0 million for FY 2001 reflected in this *Budget Summary* is the previous estimate provided by DoD. A revised OPTEMPO total in the amount of \$156.3 million was not estimated by DoD until after the *President's Budget* went to press. Therefore, the total budget for DoD reflected in this *Budget Summary* is \$1,150.3 million. This differs from the budget total depicted in the DoD Congressional Budget presentation, which is \$1,126.6 million for FY 2001.

³ The DoD counterdrug program accounts for all associated counterdrug resources, with the exception of Active component military personnel costs. These costs are absorbed within the total DoD budget.

II. METHODOLOGY

- All Department of Defense (DoD) counterdrug activities funded through the Central Transfer Account, military department operations (OPTEMPO) dedicated to counterdrug activities, and Military Construction of the counterdrug Forward Operating Locations are scored as 100 percent drug-related. Payroll expenses for active component military personnel are not

included in DoD's estimate of drug-related costs, since these costs represent the authorized force structure directly associated with DoD's national defense mission.

III. PROGRAM SUMMARY

The Department of Defense administers programs that support domestic law enforcement agencies and foreign operational components that have counterdrug responsibilities. The Department's drug control funding supports the activities explained below.

- DoD serves as the lead agency of the federal government for the detection and monitoring of aerial and maritime transit of illegal drugs to the United States. Accordingly, the Department of Defense maintains a robust air and maritime surveillance system in the transit zone using airborne and ground based radars; ships and patrol craft; and command and control systems. DoD supports these operations through extensive intelligence collection and analysis.
- The Department of Defense supports air, ground and riverine counterdrug operations by source nation forces. DoD also supports extensive foreign intelligence collection and analysis programs that aid operations in the cocaine source nations, transit zone interagency operations, and international efforts to interdict cocaine. The Department provides training by Special Operations Forces and infrastructure development to partner nations. DoD also maintains an air surveillance capability in the source zone using the Hemispheric Radar System (HRS) and the Relocatable Over-the-Horizon Radar (ROTHR), as well as surveillance platforms operating from Forward Operating Locations. Such Department of Defense support is critical to ensuring effective counterdrug operations throughout the hemisphere.
- DoD active duty military and reserve components, through Joint Task Force-Six (JTF-6), provide direct support in the form of transportation, equipment, intelligence support, training, and services to Drug Law Enforcement Agencies' (DLEA) in response to their requests for domestic, operational, and logistical support to assist them in their efforts to reduce drug-related crime.
- The Department of Defense provides extensive demand reduction drug testing, and education and awareness programs focused on maintaining military readiness. Additionally, DoD has implemented drug-free workplace programs in all of its agencies.
- DoD assists community groups by providing drug prevention information and education through outreach programs, such as the Young Marines and those funded in the National Guard State Plans. These efforts focus on providing positive role models and drug awareness education for at-risk youth. In addition, military personnel volunteer in drug abuse prevention programs through various community-based programs.

IV. BUDGET SUMMARY

2002 Program

The total DoD FY 2002 drug budget is \$1,008.5 million, which consists of \$847.6 million for the Central Transfer Account, \$148.4 million for CD OPTEMPO, and \$12.5 million for CD Military Construction (MILCON). This funding supports the following activities:

- Detection and Monitoring activities (\$438.9 million). This funding is designated to execute counterdrug detection and monitoring programs to assist U. S. law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest Border into the United States. Of this amount, \$39.2 million is for C4I support in the transit zone and along the Southwest Border; \$142.0 million is for detection and monitoring platforms and assets; \$3.0 million is for Ground Based End Game Operations in Mexico; \$60.4 million is for a portion of the National Guard State Plans that supports domestic law enforcement efforts along the Southwest Border; \$21.7 million is for JTF-6 and Reserves operational support to DLEAs along the Southwest Border and in Puerto Rico and the Virgin Islands; \$42.4 million is for intelligence support and Signals Intelligence (SIGINT) collection and processing; and \$18.4 million is for non-operational support to include research and development activities.
- Of the total amount, \$346.6 million is designated for the Central Transfer Account funding to continue to provide critical intelligence support, initial detection and monitoring, infrastructure development, training and other support to U.S. and host nation counterdrug law enforcement entities. Of this amount, DoD will provide \$39.1 million for C4I in support of source nation law enforcement initiatives; \$73.8 million for detection, monitoring, and interdiction programs; \$35.5 million for intelligence support and analysis; \$34.7 million for National Guard marijuana eradication efforts; \$109.3 million for operational support to DLEAs to include Ground Based End Game Operations in SOUTHCOM; \$19.7 million for SIGINT collection and processing to include support for the Airborne Reconnaissance-Low platform; and \$3.8 million for non-operational support to include research and development.
- Support to federal, state and local drug law enforcement agencies (DLEAs) (\$102.7 million). This funding supports DLEAs requests for domestic operational and logistical support, and will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$64.5 million is for a portion of the total National Guard State Plans that supports domestic law enforcement efforts outside the Southwest Border and Puerto Rico; \$3.7 million is for the Regional Counterdrug Training Academy (RCTA); \$5.9 million is for the congressionally-directed Florida National Guard Multi-Jurisdictional Counterdrug Task Force Academy in St. Petersburg; \$3.5 million is for the Northeast Counterdrug Training Center at Fort Indiantown Gap PA; \$6.7 million is for Joint Task Force (JTF)-6 and reserve support to DLEAs; \$2.1 million is for Command, Control, Communication, Computers, and Intelligence (C4I) support; and \$8.8 million is for non-operational support.
- Demand Reduction activities (\$109.4 million). Of this funding amount, a total of \$27.9 million is for the National Guard State Plans and Service outreach programs, and the Young Marines outreach program; and \$81.5 million is for the continued support of DoD

Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

- The program also includes \$10.9 million for support for Plan Colombia. This funding was appropriated in the FY 2000 Emergency Supplemental; however, funding was further allocated in FY 2001 and again in FY 2002.

2003 Request

The FY 2003 request is \$998.8 million, which includes \$848.9 million for the Central Transfer Account and \$149.9 million for OPTEMPO. This funding will support the following activities:

- In FY 2003, \$436.2 million is designated to execute counterdrug detection and monitoring programs to assist U. S. law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest Border into the United States. Of this amount, \$35.5 million is for C4I support in the transit zone and along the Southwest Border; \$165.4 million is for detection and monitoring platforms and assets; \$3.0 million is for Ground Based End Game Operations in Mexico; \$50.7 million is for a portion of the National Guard State Plans that supports domestic law enforcement efforts along the Southwest Border; \$22.8 million is for JTF-6 and Reserves operational support that also support DLEAs along the Southwest Border and in Puerto Rico and the Virgin Islands; \$43.5 million is for intelligence support and Signals Intelligence (SIGINT) collection and processing; and \$14.8 million is for non-operational support, to include research and development activities.
- In FY 2003, \$363.4 million is designated for CTA funding to continue to provide critical intelligence support, initial detection and monitoring, infrastructure development, training and other support to U.S. and host nation counterdrug law enforcement entities. Of this amount, DoD will provide \$41.0 million for C4I in support of source nation law enforcement initiatives; \$77.2 million for detection, monitoring, and interdiction programs; \$64.5 million for intelligence support and analysis; \$28.0 million for National Guard marijuana eradication efforts; \$87.1 million for operational support to DLEAs to include Ground Based End Game Operations in SOUTHCOM; \$19.9 million for SIGINT collection and processing to include support for the Airborne Reconnaissance-Low platform; and \$4.1 million for non-operational support to include research and development.
- An estimated \$89.6 million is requested in FY 2003 that will continue to provide a wide range of DoD support to federal, state, and local drug law enforcement agencies. This amount includes funding for DLEAs requests for domestic operational and logistical support. This funding will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$64.0 million is for a portion of the National Guard State Plans that supports domestic drug law enforcement efforts outside the Southwest Border and Puerto Rico; \$2.3 million is for the Regional Counterdrug Training Academy (RCTA), \$2.5 million is for the congressionally-directed Florida National Guard Multi-Jurisdictional Counterdrug Task Force Academy in St. Petersburg, \$7.1 million is for Joint Task Force (JTF)-6 and reserve

support to DLEAs, \$2.2 million is for Command, Control, Communication, Computers, and Intelligence (C4I) support, and \$3.7 million is for non-operational support.

- In FY 2003, DoD estimates to spend \$109.6 million for demand reduction activities. This funding is requested for National Guard State Plans, Service outreach programs, and the Young Marines outreach program. Funding requested will also support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

V. PROGRAM ACCOMPLISHMENTS

- DoD provided mentoring, anti-drug education, and alternatives to drug abuse to non-Department of Defense at-risk youth through programs administered by the National Guard and military Reserve units. Each year, the Guard demand reduction program supports more than 6,700 anti-drug activities and reached more than 5 million people in FY 2001. Program support included D.A.R.E., Drug Education For Youth (D.E.F.Y.), Adopt-A-School, and Lunch-Buddy, which provide military mentors, tutors, and role models to at-risk youth.
- The National Guard supports several training centers with a counterdrug nexus that provide training to interagency personnel. Through the Governor's State Plans, the National Guard supports the National Interagency Counterdrug Institute (NICI), which trains managers and leaders in planning and coordinating interagency counterdrug operations. The Regional Counterdrug Training Academy (RCTA) trained more than 3,600 students in over 100 different classes. The Multi-Jurisdictional Counterdrug Task Force conducted more than 400 conventional classes and reached over 123,500 students, including students trained through distance learning.
- The National Guard operations resulted in assisted seizures of more than 130,900 pounds of cocaine, 12,100 pounds of heroin, 1,500 pounds of opium, 142,100 pounds of hashish and 333,900 pounds of processed marijuana. The National Guard also assisted in confiscating over \$57 million in cash and over 2,300 weapons.
- The Army and Air National Guard assisted in almost 3,000 seizures at U.S. Ports-of-Entry during FY 2001. Their efforts aided in the seizure of over 25,000 kilograms of cocaine. The National Guard supported the counterdrug program with over 32,000 flight hours during FY 2001.
- With the support of the CN Brigade, eradication operations have increased tremendously. Through the end of FY 2001, over 71,000 hectares of coca fields have been eradicated. An additional 4,300 hectares of opium poppy fields were also eradicated in Colombia. Weedeater operations in the Caribbean, designed to eradicate marijuana, resulted in the destruction of over 1.5 million marijuana plants and almost 400 pounds of cured marijuana. DoD provided aviation support for these Weedeater operations. National Guard efforts supported the destruction of over 150 metric tons of marijuana in the United States.

DEPARTMENT OF EDUCATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$634.091	\$659.545	\$634.800
Drug Resources by Decision Unit			
Office of Elementary and Secondary Education			
Safe and Drug-Free Schools and Communities:			
State Grants	\$439.250	\$472.017	\$472.017
National Programs	<u>190.856</u>	<u>183.089</u>	<u>158.089</u>
Subtotal, SDFSC	\$630.106	\$655.106	\$630.106
Program Administration	<u>3.985</u>	<u>4.439</u>	<u>4.694</u>
Total	\$634.091	\$659.545	\$634.800
Drug Resources Personnel Summary			
Total FTEs (direct only)	32	34	34
Information			
Total Agency Budget	\$42,061.4	\$54,460.4	\$56,501.1
Drug Percentage	1.5%	1.2%	1.1%

II. METHODOLOGY

- The Safe and Drug-Free Schools and Communities (SDFSC) program authorizes activities to prevent drug use and violence by youth. For purposes of estimating the Department of Education's drug control budget, the Department scores 100 percent of SDFSC State Grants funds and the majority of SDFSC National Programs funds. This estimate is based on the following assumptions and facts:
 - A variety of violence prevention activities funded under the program can significantly support drug prevention;
 - Most SDFSC funds support activities that jointly address drug prevention and violence prevention, or for which grantees have the flexibility to allocate their resources between drug prevention and violence prevention activities; and
 - The Department cannot identify the amount of all SDFSC funds that support drug prevention, exclusive of the funds that support school safety and violence prevention efforts with no drug control nexus.
- The amount of SDFSC National Programs funds excluded from the Department's drug control budget (i.e. \$14.1 million in FY 2001, \$91.6 million in FY 2002, \$14.1 million in the FY 2003 request) is based on the funding level estimated each year for specific SDFSC

National Programs activities that exclusively support school safety and violence prevention efforts that reasonably have no drug control nexus.

- In addition to SDFSC program funding, Education's drug control budget includes program administration funding based on the personnel compensation, benefits, travel, contracts and supplies, and overhead costs for the full-time-equivalent staff who administer the SDFSC program.

III. PROGRAM SUMMARY

- The Department of Education administers programs to improve and expand elementary and secondary education, special education and early intervention programs for children with disabilities, English language acquisition for limited English proficient and immigrant children, vocational and adult education, and higher education. In addition, Education carries out research, data collection, and civil rights enforcement activities.
- The SDFSC program supports activities to prevent drug use and violence by youth. Funds are appropriated directly for State Grants and for National Programs.
- SDFSC State Grant funds are intended for research-based programs of demonstrated effectiveness designed to help create and maintain drug-free, safe, and orderly environments for learning in and around schools. Funded activities include the development, acquisition, and implementation of drug and violence prevention programs, curriculum, and instruction; student counseling; teacher and staff training; and parent education or involvement.
- SDFSC National Programs is a broad discretionary authority that permits the Secretary to carry out a variety of drug and violence prevention activities. Such activities may include programs implemented in conjunction with other federal agencies that support local educational agencies and communities in developing and implementing comprehensive programs that create safe, disciplined, and drug-free learning environments and promote healthy childhood development. Activities have also included recruiting, hiring, and training program coordinators to assist school districts in implementing high-quality, effective, research-based drug and violence prevention programs; other forms of training and technical assistance, demonstrations, and direct services to school districts; developing and disseminating prevention and education materials; and evaluating the effectiveness of drug and violence prevention programs. The 2002 reauthorization of the SDFSC Act added several new program authorities under National Programs, three of which received funding in FY 2002. However, only one of the three, a program to reduce underage alcohol abuse among high school students, has a clear drug nexus and is scored as part of the national drug control budget.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 appropriation for the Department of Education includes \$659.5 million for prevention activities that support the *National Drug Control Strategy*. This includes

\$472.0 million for SDFSC State Grants, \$183.1 million for SDFSC National Programs, and \$4.4 million for program administration.

2003 Request

- The total FY 2003 drug control request for Department of Education drug prevention activities is \$634.8 million, \$24.7 million less than the FY 2002 enacted level. This reduction is accounted for primarily by the fact that no funds are requested to continue the newly authorized alcohol abuse reduction program that was funded for the first time in FY 2002. This alcohol abuse reduction program is duplicative of other SDFSC programs.

V. PROGRAM ACCOMPLISHMENTS

- In FY 2001, funded 170 grants to local educational agencies to recruit, hire, and train 471 SDFSC coordinators to improve the implementation of drug prevention and school safety programs in 898 middle schools.
- In FY 2001, funded 97 Safe Schools/Healthy Students projects to provide drug prevention and early intervention services to students as part of a coordinated, comprehensive strategy for promoting healthy childhood development and addressing the problems of school violence and drug abuse.
- Disseminated 50,000 copies of the Department's drug prevention newsletter, *The Challenge*, to teachers, teacher-parent organizations, school administrators, and other drug prevention professionals twice in FY 2001.
- Supported a training and technical assistance center to strengthen and disseminate information about drug prevention programs for students at institutions of higher education, and funded direct grants to institutions of higher education for model drug and alcohol prevention programs for this population.
- Supported the design and administration of a random sample national probability survey of college students' alcohol and other drug use, and their perceptions of their college peers' behavior regarding alcohol and other drugs.
- Supported a national random survey of college senior administrators to identify the level and nature of alcohol, other drug, and violence prevention activity on campuses, and to assess needs on campuses for technical assistance or other services.
- In conjunction with the Department of Justice, supported alcohol, tobacco, and other drug and violence prevention activities in school-based or community-based settings implemented by police officers supported by the Community Oriented Policing Services (COPS) program.
- Translated into Spanish *Growing Up Drug Free: A Parent's Guide to Prevention*, and disseminated this handbook through the Department's centralized publications fulfillment service.

ADMINISTRATION FOR CHILDREN AND FAMILIES

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$66.417	\$72.921	\$73.966
Treatment	<u>16.556</u>	<u>16.689</u>	<u>16.691</u>
Total	\$82.973	\$89.610	\$90.657
Drug Resources by Decision Unit			
Abandoned Infants Assistance	\$9.989	\$10.006	\$10.008
Community-Based Family Resource & Support Program	6.567	6.683	6.683
Head Start	49.593	52.301	53.340
Runaway and Homeless Youth Programs	<u>16.824</u>	<u>20.620</u>	<u>20.626</u>
Total	\$82.973	\$89.610	\$90.657
Drug Resources Personnel Summary			
Total FTEs (direct only)	1	1	1
Information			
Total Agency Budget	\$43,238.6	\$44,586.4	\$46,966.5
Drug Percentage	0.2%	0.2%	0.2%

II. METHODOLOGY

- On June 18, 2001, the Administration for Children and Families (ACF) requested a change in drug methodology. This request was a result of findings reported in the Inspector General's report concerning ACF's *FY 1999 Annual Accounting of Drug Control Funds*. In the report, the Inspector General indicated that the methodologies used for estimating obligations under the Abandoned Infants Assistance (AIA) program and the Head Start program needed to be revised to reflect a more realistic estimate of drug control activities. Based on a thorough review of this request, ONDCP approved the proposed methodology change for the AIA and Head Start programs in August 2001. Using the new methodology, the drug control resources reported for ACF increased by approximately \$20 million.
- ACF programs are not targeted specifically on drug use and abuse, drug prevention, or drug treatment. Such activities, however, are a part of several comprehensive service programs. The amount counted as drug-related is determined by program as defined below:
 - **Abandoned Infants Assistance Program.** The AIA program provides a broad range of social support services to families impacted by substance abuse and/or HIV/AIDS in order to strengthen family functioning and to prevent the out-of-home placement of children. The revised methodology reduces the drug-related portion of this program from 100 percent to 82 percent based on the professional judgement of ACF program staff who determined that the revised figure more accurately represents the portion of funds that

support specific drug-related program activities provided by the AIA programs. The remaining portion, which is not related to drug prevention and treatment, represents support services for the caregivers and for the permanency planning efforts. **New Methodology:** 82 percent of the total AIA appropriation.

- **Community-Based Family Resource and Support Program.** The purposes of the Community-Based Family Resource and Support program (CBFRS) are: (1) to support state efforts to develop, operate, expand, and enhance a network of community-based, prevention-focused, family resource and support programs that coordinate resources among a range of existing public and private organizations; and (2) to foster understanding, appreciation, and knowledge of diverse populations in order to effectively prevent and treat child abuse and neglect. A query of all state CBFRS lead agencies requesting the percentage of CBFRS dollars going to drug-related services was used to estimate the percentage of total CBFRS obligations supporting drug-control activities. **Existing Methodology:** 20 percent of the total CBFRS appropriation.
- **Head Start Program.** Head Start grantee staff interview families applying for enrollment in the program and as part of the application process ask a range of questions about family status and needs. Drug abuse is one of many issues that may be identified through this process, and in those cases referrals may be made to support groups or treatment centers in the community. This is not a discreet activity under Head Start, and grantee staffs are not required to collect data on drug-related cases or referrals. **New Methodology:** One percent of the portion of the Head Start appropriation related to salaries and benefits for local grantee staff (about 80 percent of the appropriation).
- **Runaway and Homeless Youth Programs.** The Runaway and Homeless Youth program is comprised of the Basic Centers, the Transitional Living Program, and the Education and Prevention Grants to Reduce Sexual Abuse of Runaway and Homeless Youth. Drug-related funding estimates are based on professional judgement and the experience of officials with many years in the program. ACF's data collection instrument, Runaway and Homeless Management Information System, has recently been improved to increase reporting completion and accuracy, and in the future ACF may be able to be more precise as to the level of services that involve substance abuse counseling. **Existing Methodology:** 20 percent of the total Runaway and Homeless Youth program appropriation.

III. PROGRAM SUMMARY

- ACF is responsible for programs that promote the economic and social well being of families, children, individuals, and communities. Drug use and abuse are barriers to ACF performance measurement goals of providing healthy development, safety, and well being of children and youth. ACF's overall strategy is to combat drug use and abuse by focusing efforts on hard-to-reach and at-risk populations in the context of the broad, comprehensive service programs. Target populations are:
 - Adolescent populations, such as runaway and homeless youth and school-age children and youth in areas of significant poverty, juvenile delinquency, and crime.

- Families and children in crisis often due to child abuse and neglect associated with substance abuse; abandoned infants of substance abusing or HIV/AIDS infected parents; and parents and children provided assistance under the Head Start program (which can include drug abuse prevention and treatment referrals).
- The Head Start program and the Runaway and Homeless Youth programs include prevention activities. The AIA program and the CBFRS program include treatment activities.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 appropriation contains an estimated \$72.9 million for prevention activities and an estimated \$16.7 million for treatment activities.

2003 Request

- The total drug control request for prevention activities for FY 2003 is \$74.0 million, a net increase of \$1 million over FY 2002. The FY 2003 increase maintains existing Head Start services and enrollment levels, with additional funding to primarily offset inflationary increases and maintain competitive salaries for teachers. The total drug control request for treatment activities for FY 2002 is \$16.7 million, the same as the FY 2002 base.

V. PROGRAM ACCOMPLISHMENTS

- AIA projects have found that initiating or maintaining substance abuse treatment was perhaps the most important indicator for gaining custody of one's child. For example, the Coordinated Intervention for Women and Children program at the Yale Child Study Center in New Haven, Connecticut found that those parents who participated in substance abuse treatment within the first six months were approximately twice as likely to have their children in their own care at termination (75 percent vs. 36 percent), one-third as likely to have their child placed in foster care (11 percent vs. 32 percent) and more likely to have their child returned to them from foster care.
- In FY 2001, eighteen Head Start agencies throughout the country were selected to participate in the "Free to Grow" national demonstration program. This program, funded by the Robert Wood Johnson Foundation, is designed to develop and implement research-based substance abuse prevention models that will strengthen both the families and the communities of Head Start children. The participating Head Start programs will develop and implement approaches designed to reduce Head Start children's vulnerability to substance abuse and other high risk behaviors as these children grow older. Participating programs will be required to establish partnerships with local community agencies, including schools, law enforcement, substance abuse and prevention programs, prevention coalitions, municipal officials and others. Each program will be funded for approximately \$200,000 over a four-year period.

CENTERS FOR DISEASE CONTROL AND PREVENTION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$223.582	\$225.381	\$224.920
Drug Resources by Decision Unit			
Tobacco Initiative	\$102.898	\$102.037	\$101.576
HIV/AIDS Drug Counseling	<u>120.684</u>	<u>123.344</u>	<u>123.344</u>
Total	\$223.582	\$225.381	\$224.920
Drug Resources Personnel Summary			
Total FTEs (direct only)	92	92	92
Information			
Total Agency Budget	\$3,914.0	\$4,346.0	\$3,996.7
Drug Percentage	5.7%	5.2%	5.6%

II. METHODOLOGY

- The Centers for Disease Control and Prevention (CDC) provides funding to state health departments and national organizations to conduct tobacco use prevention and control programs. These programs address the Healthy People 2000/2010 objectives related to tobacco, with a particular focus on preventing tobacco use among youth. State tobacco control programs assist and support local communities to undertake tobacco control activities, conduct media and educational campaigns, support training on tobacco topics, and monitor changes in tobacco use behaviors. CDC scores 100 percent of the Tobacco Initiative as drug-related.
- CDC also provides HIV prevention funding to state and local health departments and education agencies, community-based organizations, minority-based organizations, national organizations, universities, and hospitals targeted to populations at high risk for HIV, including injecting drug users (IDUs). A portion of health department funding supports HIV counseling and testing, including partnership notification activities for those infected with HIV, including IDUs. The decision on how HIV prevention resources (including those targeting drug users) are distributed within a particular state or community is solicited by state Health Departments from the HIV prevention community planning council located in each state. Community planning groups are responsible for developing comprehensive HIV prevention plans with the Health Department that are directly responsive to the epidemics in their jurisdictions.
- During this budget cycle, CDC modified the methodology used to estimate the amount of funding that supports HIV counseling and drug-related HIV prevention activities. Previously, CDC relied primarily on professional judgment to determine the amount of

funding dedicated to drug-related activities. As a result of the development of a new reporting system described below, CDC now has annually updated information on which to base the calculation.

- In an effort to provide more complete data on how HIV funds appropriated to CDC are spent, including how funding tracks with the CDC National HIV Prevention Plan, CDC developed an ancillary reporting system. Developed as a compliment to the new FY 2002 budget structure, this ancillary reporting system is a “bottom-up” system in which the CDC project officer(s) and/or principal investigator(s) report target information for each project on an annual basis. Specifically, this ancillary reporting system provides information on how HIV funds are allocated by race/ethnicity, gender, risk category, special population(s), and age. Information provided by state and local health departments as a part of their HIV prevention cooperative agreement applications, surveillance data, census information, and information on the profile of the HIV/AIDS epidemic, serve as resources for completing the ancillary reporting system. As such, the numbers may change from year to year in response to changes in the targeting of resources to address the epidemic. In fact, the expectation is that changes will occur each year as resources follow the epidemic and the strategic plan.
- Specifically, funding levels in FY 2001 are based on the initial surveys compiled by each project officer and/or principal investigator. FY 2002 and FY 2003 estimates are based on the FY 2001 data and represent estimates until actual funding is appropriated and resources are allocated by project. After the fiscal year is completed, data will be updated to represent actual spending.

III. PROGRAM SUMMARY

Tobacco Initiative.

- CDC serves as the focal point for the Department of Health and Human Service’s smoking prevention activities and plays a leadership role in implementing and coordinating strategic efforts to prevent and reduce the use of tobacco and to protect nonsmokers. Current efforts include: (1) providing funding to all 50 states, the District of Columbia, territories and tribal entities to build capacity to sustain comprehensive tobacco control programs; (2) coordinating national health communication campaigns to educate the public on the health hazards of tobacco use and to denormalize smoking among young people; (3) conducting tobacco control surveillance and research; and (4) producing the Surgeon General’s Reports on the Health Consequences of Smoking and Smokeless Tobacco. In addition, CDC continues to expand the knowledge of the health risks of nicotine, additives, and other potentially toxic compounds in tobacco through research in CDC’s Air Toxicants Lab.
- CDC’s efforts to build a comprehensive tobacco prevention and control program related to young people rest on its ability to provide the public, health professionals, and policymakers with the most up-to-date scientific information on the following: health effects of tobacco use; methods of counteracting the glamorization of tobacco use that occurs in the mass media; and coordination of strategic efforts to prevent and control the use of tobacco.

- CDC conducts surveillance of tobacco-use behaviors, analyses of the predictors of use and indicators of addiction, and policy-related research to better understand the factors that influence tobacco use in young people and to develop appropriate interventions. These findings are published in CDC's Morbidity and Mortality Weekly Report, refereed journals, and reports such as the Surgeon General's Reports on the Health Consequences of Smoking.

HIV/AIDS Counseling and Drug-Related HIV Prevention Activities.

- In the early 1990s, CDC implemented HIV prevention community planning throughout the United States. This process allows HIV prevention community groups, using surveillance data, to distribute HIV/AIDS prevention resources to address the specific HIV/AIDS prevention needs of their communities. CDC also directly funds community-based organizations for HIV/AIDS prevention activities. Congressional language included with the FY 1999 increase in funds directed that funding be used for (1) directly funded minority community-based organizations in African-American communities; (2) community development grants to integrate HIV, STD, TB, and substance abuse prevention, treatment, and care in African-American communities; (3) technical assistance to directly funded minority community-based organizations; (4) faith based initiatives in African-American communities; (5) perinatal AIDS prevention; and (6) demonstration projects to integrate HIV, STD, and reproductive health programs.
- CDC's National Center for HIV, STD, and TB Prevention administers several drug-related HIV prevention activities. Funds directed to IDUs support HIV counseling, testing, referral and partner notification services for IDUs in drug treatment centers and other facilities, and health education/risk reduction efforts directed to IDUs not in treatment.

IV. BUDGET SUMMARY

2002 Program

- The drug-related portion of CDC's FY 2002 appropriation totals \$225.4 million and 92 FTEs for prevention activities.
- Of the total identified as drug-related, \$102.0 million will support CDC's commitment to state-based efforts to conduct comprehensive programs to reduce and prevent tobacco use. Specifically, resources will support CDC's 50 state National Tobacco Control Program, including the District of Columbia and the territories, through funding organizations that have statewide access to diverse communities. Funding such organizations can help eliminate the disparities in tobacco use among the state's various racial/ethnic population groups. Effective community programs involve people in their homes, work sites, schools, and places of worship and entertainment, civic organizations, and other public places. CDC will provide state-of-the-art training, and technical assistance nationwide to further empower local governments, schools, coalitions, and national organizations to develop effective initiatives and programs. This will include one-on-one consultations with states and organizations, teleconferences, electronic and print materials distribution, group training sessions, and other services requested by states and organizations. CDC will also conduct national surveillance to monitor state-specific tobacco use, especially among youth and

special populations, and assess the impact of federal and state initiatives. In addition, CDC will support and promote public policies that provide a clear and consistent message commensurate with the harm to public health caused worldwide by tobacco use, including policy research and diffusion of best practices globally.

- Of the total identified as drug-related, \$123.3 million supports HIV/AIDS counseling and drug-related HIV prevention activities. Included in the funding cited above are resources that CDC awards to 65 state and local health departments for HIV/AIDS prevention activities.

2003 Request

- The FY 2003 request in support of tobacco use prevention and control programs is \$101.6 million, a decrease of \$0.5 million from the FY 2002 level associated with savings from management reforms. Specific drug control program enhancements are not requested in the FY 2003 budget.
- The FY 2003 request for HIV counseling and drug-related HIV prevention activities remains at the FY 2002 level of \$123.3 million. Specific drug control program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- Based upon the 2001 Monitoring the Future National Survey, past month smoking usage for students in the 10th grade has decreased from 23.9 percent in 2000 to 21.3 percent in 2001.
- Estimates based on the latest counseling and testing data available indicate that the percent of positive HIV tests among drug users tested has remained level at 14.2 percent since FY 1999. The percent of positive HIV tests among the sex partners of drug users tested has also remained level at 1.9 percent since FY 1999.

CENTERS FOR MEDICARE & MEDICAID SERVICES

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Treatment	\$500.000	\$560.000	\$620.000
Drug Resources by Decision Unit			
Medicaid (federal share)	\$400.000	\$450.000	\$500.000
Medicare (Part A)	<u>100.000</u>	<u>110.000</u>	<u>120.000</u>
Total	\$500.000	\$560.000	\$620.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$352,791.0	\$378,002.0	\$396,335.0
Drug Percentage	0.1%	0.1%	0.2%

II. METHODOLOGY

- The Centers for Medicare and Medicaid Services (CMS) does not collect data that could be used directly to measure spending associated with drug abuse treatment under the Medicaid or Medicare programs. Therefore, estimates have been made using studies of claims and various external survey data. The original estimates were generated in 1989 and have been trended forward since that time. The estimates represent direct treatment costs and do not include costs of treating drug-associated medical conditions. The amounts generated in this manner represent rough estimates of drug abuse treatment costs. Specifically, the accuracy of these estimates is limited by:
 - The assumptions made about the data received from the surveys generated externally;
 - The age of the data sources used for the original benchmarking of the estimates; and
 - The use of an annual growth rate, which assumes that drug abuse treatment spending grows at a rate comparable to the growth rate of the Medicaid and Medicare programs at large.
- Medicaid drug abuse treatment estimates were developed using several sources of data and information. On the hospital side, estimated spending was developed from work completed at the Research Triangle Institute using data from the 1983 National Hospital Discharge Survey. For non-hospital costs, the 1987 National Drug and Alcoholism Treatment Unit Survey (NDATUS) data was used in conjunction with data from the 1988 National Household Survey on Drug Abuse. An adjustment was made to account for the fact that

Medicaid costs in non-hospital-based facilities are limited by the current exclusion from coverage of most individuals in Institutions for Mental Disease (IMD).

- Medicare Part A drug abuse estimates are based on an analysis of FY 1990 Medicare data conducted by the National Institutes of Health. Medicare Part B drug abuse treatment estimates cannot be developed at this time, because procedure codes do not permit identification of drug-related claims.

III. PROGRAM SUMMARY

Medicaid

- Treatment costs reflect estimates of both the hospital and non-hospital treatment costs for Medicaid. Medicaid-eligible individuals requiring drug abuse treatment can receive all covered hospital and non-hospital services required to treat their condition. Medicaid drug treatment expenditures are primarily for care received in hospitals and in specialized, i.e., free-standing, drug treatment facilities.
- Under current law, states must pay under Medicaid for the inpatient, outpatient, and physician services for eligible persons, and at the option of the states, clinic and rehabilitative services. The primary limitation on using Medicaid drug treatment is that it cannot pay for any recipients aged 22-64 in large, inpatient psychiatric facilities defined as Institutions for Mental Diseases (IMDs).

Medicare

- Medicare-eligible individuals requiring drug abuse treatment can receive all covered hospital and some non-hospital services necessary to treat their condition. Treatment costs reflect estimates of only the Hospital Insurance (Part A) treatment costs for Medicare.
- Medicare primarily covers inpatient hospital treatment of episodes of alcohol or drug abuse, as well as some medically reasonable and necessary services in outpatient settings for the continued care of these patients. Treatments for alcoholism covered by Medicare include diagnostic and therapeutic services in both inpatient and outpatient settings. Medicare-covered treatments for drug abuse include detoxification and rehabilitation in an inpatient setting.
- Medicare generally will not cover exclusively preventive care, such as education and counseling, but rather pays for such services only as they relate to a specific treatment episode for alcohol or drug abuse.

IV. BUDGET SUMMARY

2002 Program

- The total drug control request for treatment activities in FY 2002 is \$560 million, a net increase of \$60 million over FY 2001. The FY 2002 request reflects continued programmatic growth in the Medicaid and Medicare programs.
 - The FY 2002 drug control budget request includes \$450 million for Medicaid enrollees, an increase of \$50 million over FY 2001 levels.
 - The FY 2002 Medicare Part A budget includes \$110 million for drug control, an increase of \$10 million over FY 2001. This increase is associated with increased numbers of Medicare-eligible individuals requiring drug abuse treatment.

2003 Request

- The total drug control request for treatment activities in FY 2003 is \$620 million, a net increase of \$60 million over FY 2002. The FY 2003 request reflects continued programmatic growth in the Medicaid and Medicare programs.
 - The FY 2003 drug control budget request includes \$500 million for the Medicaid program, an increase of \$50 million over FY 2002 enacted levels. All funding is in support of treatment activities.
 - The FY 2003 drug control budget request includes \$120 million for Medicare Part A, an increase of \$10 million over the FY 2002 enacted level. This increase is associated with increased numbers of Medicare-eligible individuals requiring drug abuse treatment.

V. PROGRAM ACCOMPLISHMENTS

- CMS continues to meet the challenges of providing drug abuse treatment care to eligible Medicare and Medicaid patients.

HEALTH RESOURCES AND SERVICES ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Treatment	\$45.800	\$47.200	\$47.200
Drug Resources by Decision Unit			
Ryan White CARE Act	\$45.800	\$47.200	\$47.200
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Ryan White Budget ¹	\$926.2	\$958.0	\$958.0
Drug Percentage	4.9%	4.9%	4.9%

¹ Drug-related estimates include Parts A and B (Titles I and II of the CARE Act) only and exclude funds set aside for state AIDS Drug [pharmaceuticals] Assistance Program (ADAP) in Part B (Title II).

II. METHODOLOGY

- There are no direct Health Resources and Services Administration (HRSA) Ryan White CARE Act appropriation line items for substance abuse treatment/counseling. Part A (Title I) and Part B (Title II) grantees report amounts spent to support the provision of health care services for persons with AIDS, who are also drug addicted, in substance abuse treatment settings as part of an Annual Administrative Report. The amounts reported for drug abuse and treatment is based on the preliminary reports by grantees for their budget year ending in February/March 2001.

III. PROGRAM SUMMARY

- HRSA's Ryan White funds support state and locally administered programs which provide a network of health care and support services in cities and states for persons living with HIV infection and AIDS, especially the uninsured who would otherwise be without care. Ryan White grants for Parts A and B (Titles I and II) provide for a broad range of health care services. Grantees either contract with or provide sub-grants to providers for the provision of these services, which would include support to persons with HIV/AIDS who are either substance abusers or in substance abuse treatment/counseling programs. This can be further defined as the provision of treatment and/or counseling to address substance abuse (including alcohol) problems provided in an office-based health service or residential health service setting.
- Specifically, Part A (Title I) provides substantial resources to cities facing high HIV/AIDS caseloads, to sustain and develop systems of care that emphasize a continuum of services and reduce inpatient burdens. Grant awards are for outpatient and ambulatory health and support

services to eligible metropolitan areas. These support services are intended for low income/under insured people living with HIV/AIDS but are available for people of all means. The resources would provide access to community-based outpatient medical care for people with HIV/AIDS who do not currently receive adequate care in the 51 metropolitan areas eligible for FY 2002 funds.

- Part B (Title II) enables states to improve the quality, availability and organization of health and support services for individuals with HIV disease and their families more broadly throughout each state. It authorizes formula grants to states and territories for the operation of HIV service delivery consortia in the localities most affected by the epidemic, provision of home and community-based care services for individuals with HIV/AIDS, continuation of health insurance coverage for low-income persons with HIV/AIDS, and treatments that have been determined to prolong life or prevent serious deterioration of health for low-income individuals with AIDS.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug-related resources for HRSA of \$47.2 million represents an estimated 5 percent of the total requested for Titles I and II of the Ryan White programs (\$958.0 million). This amount will be used for direct health care of persons with HIV/AIDS in substance abuse treatment settings.

2003 Request

- The FY 2003 drug-related resources for HRSA of \$47.2 million represents an estimated 5 percent of the total requested for Titles I and II of the Ryan White programs (\$958.0 million). This is the same as the FY 2002 current estimate. These funds will be used for direct health care of persons with HIV/AIDS in substance abuse treatment settings.

V. PROGRAM ACCOMPLISHMENTS

- As of December 2000, 27.6 percent (11,635) of the total AIDS cases for adults, adolescents, and mothers with/at risk for HIV infection reported to CDC between January 2000 and December 2000 (42,156), were in the exposure category of injecting drug users or those who have sex with injecting drug users. The cumulative total reported in this category (276,996) is 35.8 percent of the total cumulative reported AIDS cases (774,467).
- As of December 2000, 16.4 percent (3,566) of the total cases of HIV infection, which has not developed into AIDS for adults, adolescents, and mothers with/at risk for HIV infection, reported to CDC between January 2000 and December 2000 from the 36 areas with confidential HIV infection reporting (21,704), were in the exposure category of injecting drug users or those who have sex with injecting drug users. The cumulative total reported in this category (32,953) is 23.9 percent of the total cumulative reported cases (138,011).

INDIAN HEALTH SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$7.592	\$7.869	\$8.029
Treatment	<u>52.260</u>	<u>54.168</u>	<u>55.261</u>
Total	\$59.852	\$62.037	\$63.290
Drug Resources by Decision Unit			
Alcohol and Substance Abuse	\$56.485	\$58.546	\$59.733
Urban Indian Health Programs	<u>3.367</u>	<u>3.491</u>	<u>3.557</u>
Total	\$59.852	\$62.037	\$63.290
Drug Resources Personnel Summary			
Total FTEs (direct only)	110	110	110
Information			
Total Agency Budget	\$2,628.8	\$2,759.1	\$2,816.4
Drug Percentage	2.3%	2.2%	2.2%

II. METHODOLOGY

- In preparing the Agency's drug control budget, the Indian Health Service (IHS) includes the appropriation for Alcohol and Substance Abuse, excluding the amount designated as Adult Alcohol Treatment, and the portion of the Urban Indian Health appropriation that is provided for alcohol and substance abuse prevention and treatment.

III. PROGRAM SUMMARY

- As part of its broad mandate to provide health care services while providing the opportunity for maximum tribal involvement in developing and managing these programs, the IHS supports substance abuse treatment and prevention services. Tribes operate approximately 95 percent of alcohol and drug abuse programs under self-determination agreements. This allows tribes wide latitude to set objectives and design programs. Accordingly, while all programs are engaged in activities that are aligned with the national drug control strategies to some degree, the IHS cannot direct programs to meet federal objectives, targets, and measures.
- The Alcohol and Substance Abuse Program within the IHS administers anti-drug abuse activities. In addition to the development of curative, preventative and rehabilitative services, these activities include the following:
 - Software development, coordination, and other software integration for measuring the substance abuse and underage alcohol problems among American Indians and Alaska Natives;

- Programmatic evaluation and research for developing effective prevention and treatment services; and
- National leadership that focuses on youth treatment, community education, and prevention services for high-risk youth.

IV. BUDGET SUMMARY

2002 Program

- The total drug control budget for prevention and treatment activities is \$62.0 million, a net increase of \$2.2 million over FY 2001.
 - Prevention activities include: continued development of a comprehensive continuum of care encompassing prevention, education, treatment and rehabilitation; children and young adolescent inhalant abuse prevention and treatment initiative training and education to tribal communities; tobacco cessation activities; and continued expansion of primary prevention efforts via collaboration with SAMHSA's Center for Substance Abuse Prevention (i.e. the Rural and Remote Culturally Distinct population project).
 - Treatment activities include: continued enhancement of Regional Treatment Center (RTC) development and effectiveness of treatment services including development of continuity of care plans for client's return to their respective community; and continued support to address specific needs of women and their children via recommendations from the Women's Four Phase Evaluation Report, in which two phases have been completed.

2003 Request

- The total drug control request for prevention and treatment activities is \$63.3 million, a net increase of \$1.3 million over FY 2002. The 2003 request will partially cover inflation and allow the IHS to continue a level of services with minimal reductions.

V. PROGRAM ACCOMPLISHMENTS

- Primary Care Provider Training is provided to I/T/U primary care providers to enhance professional skills in addiction prevention, intervention and treatment skills. Recently, a special module has been developed for public health nurses. Activities include the development of a lending library (video and slide materials) designed to improve provider in-service capability and community presentations. Between 40 and 60 primary care providers receive this training each year.
- All Areas using the Chemical Dependency Management Information System (CDMIS) and those Areas that will be reporting CDMIS from other data systems have received training.
- As part of the IHS response to the results of an evaluation of the RTCs, an RTC Outcomes Tracking Protocol Project has been implemented. The purpose of this protocol is to provide a quantitative means for validly and reliably documenting client progress, program outputs, program and policy outcomes and program and policy efficiency.

NATIONAL INSTITUTES OF HEALTH

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 ¹ Request
Drug Resources by Function			
Prevention Research	\$350.835	\$400.329	\$427.597
Treatment Research	<u>471.846</u>	<u>532.677</u>	<u>566.486</u>
Total	\$822.681	\$933.006	\$994.083
Funding Resources by Decision Unit			
NIDA	\$783.647	\$890.938	\$948.468
NIAAA	<u>39.034</u>	<u>42.068</u>	<u>45.615</u>
Total	\$822.681	\$933.006	\$994.083
Drug Resources Personnel Summary			
Total FTEs (direct only)	372	386	384
Information			
Total Agency Budget	\$1,125.8	\$1,276.9	\$1,358.4
Drug Percentage	73.1%	73.1%	73.2%

¹ FY 2003 funding levels may be increased through the National Institutes of Health's agency-wide transfer authority.

II. METHODOLOGY

- Two institutes within the National Institutes of Health (NIH) contribute to the National Drug Control Budget: the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA).
- The entire NIDA budget is considered to be drug-related.
- The resources included in NIAAA's drug budget are determined by the level of funding provided for NIAAA applied research on children and youth. This research focuses on underage alcohol use and its consequences. Actual expenditures are summarized for grants and contracts that address pertinent prevention, treatment, epidemiology, and basic research topics. Staff costs associated with monitoring these projects are also included. The estimated drug resources displayed in this document for NIAAA reflect a modification of its drug budget methodology that reduces the amount of drug funding reported by the projects that focus on mother's alcohol use/misuse or Fetal Alcohol Syndrome.

III. PROGRAM SUMMARY

- NIDA supports over 85 percent of the world's research on the health aspects of drug abuse and addiction. As part of NIH, NIDA supports researchers all over the country and abroad to expand the knowledge of drug abuse and addiction. The scientific knowledge that is

generated through NIDA research is a critical element to improving the overall health of the Nation. NIDA's goal is to ensure that science, not ideology or anecdote, forms the foundation for all of our Nation's drug abuse reduction efforts. NIDA accomplishes this by supporting a comprehensive research portfolio and an arduous education and dissemination program.

- NIDA's comprehensive and multi-disciplinary research portfolio covers all aspects of drug abuse prevention and treatment. A variety of effective addiction treatments have been developed as part of NIDA-sponsored research. Both behavioral and pharmacological treatments have been shown to reduce drug abuse, crime and delinquency, and the spread of HIV/AIDS and other infectious diseases that are associated with drug abuse and addiction.
- NIAAA is the lead Institute responsible for research on the causes, consequences, treatment, and prevention of alcohol-related problems. Much of this research focuses on children and youth that consume alcohol prior to age 21.

IV. BUDGET SUMMARY

2002 Program

- NIH's total drug control budget for FY 2002 is \$933.0 million, of which \$890.9 million is for NIDA activities and \$42.1 million is for NIAAA programs. This represents a net increase of \$110.3 million over FY 2001. The following programs represent a sample of the programs that NIDA will support in FY 2002:
 - **Preventing Drug Use.** NIDA's prevention research program has broadened to encompass the full range of a child's development, a variety of audiences and settings, and the ability to deliver effective services at the community level. Some of the newer research is examining the most effective messages and implementation strategies for reaching specific populations, e.g. ethnic and racial minorities, girls and boys, urban and rural youth. The interventions are designed to reach populations in their primary settings such as schools, parents at home or work, and everyone through the media. Expanding the knowledge base about the most effective approaches for delivering prevention services is one of NIDA's current and next generation of prevention research goals.
 - **Laying the Foundation for the National Drug Abuse Prevention Research System.** As our Nation continues to look for effective and cost-effective ways to reduce drug abuse, NIDA plans to take a leadership role to foster the establishment of sustainable prevention models in communities across the country. NIDA will launch a multi-component prevention initiative to develop a National Drug Abuse Prevention Research System that will test proven research-based efforts in diverse populations and settings.
 - **Improving Drug Abuse Treatment Nationwide: The National Drug Abuse Treatment Clinical Trials Network.** To dramatically improve drug addiction treatment throughout this country and to better bridge the gap between research and practice, NIDA launched in 1999 and continues to expand the National Drug Abuse Treatment Clinical Trials Network (CTN). The CTN is more rapidly and efficiently testing the effectiveness

of behavioral and pharmacological treatments in real life settings. NIDA has established fourteen university-based sites, each of which is affiliated with 10 or more community treatment programs to serve as the major mechanism for moving science-based treatments into practice. By enabling researchers and practitioners to adapt scientifically-based drug abuse therapies to real-world conditions and demonstrate their effectiveness in community settings, the CTN fosters the incorporation of new interventions into community drug abuse treatment programs across the country. The CTN also enables researchers to take the practical knowledge gained from clinicians back to the laboratory and apply it to the development of even more practical and effective drug abuse treatments. When fully implemented, the CTN will consist of 30-40 Regional Research and Training Coordinating Centers based in university medical and research centers, and each Center will be linked in partnership with at least 10 community treatment providers that represent a variety of treatment settings and patient populations available in the region.

- **Improving Drug Abuse Treatment Tied to the Criminal Justice System.** Research has shown that providing science-based drug treatment to those who are involved with the criminal justice system can be effective in dramatically reducing relapse to drug use and recidivism to crime. NIDA will sponsor research that conducts rigorous scientific studies to better understand the types of treatment programs that are now being used at various points while addicted offenders are under criminal justice control and identify the most successful or model programs. From this information, the research will develop a set of best practice principles about duration, setting, and training to help frame a more effective system of treatment for addicted criminal offenders. At the same time, NIDA will stimulate research designed to foster the development of even more effective science-based approaches to treatment for this unique patient population.
- The following programs represent a sample of the programs that NIAAA will support in FY 2002:
 - **Preventing Underage Drinking.** NIAAA supports research on the development and testing of preventive interventions to delay the initiation of drinking and reduce high-risk drinking among youth. For example, Project Northland, a successful multi-component prevention program directed toward youth in grades six through eight, was tested in rural communities in northeastern Minnesota.
 - **Outreach Efforts.** NIAAA, together with the Robert Wood Johnson Foundation, five federal agencies, and 30 Governors' spouses, has launched *Leadership to Keep Children Alcohol Free*, a nationwide effort to combat a major public health crisis - drinking by children aged 9-15. The purpose of this initiative is to make the seriousness of this issue register with the public, policymakers, and opinion leaders and issue a call to action that will make prevention of early alcohol use by children a national priority. Under the leadership of 30 Governors' spouses, many national organizations and coalitions are rallying to this agenda.
 - **Research on College Campuses.** Hazardous alcohol use among college students is a priority area of research in NIAAA's youth portfolio. Studies are being supported on the

larger campus community in which drinking occurs, on individual student behaviors, and on groups of students known to engage in hazardous drinking behavior, such as sororities and fraternities.

2003 Request

- NIH's total drug control request for FY 2003 is \$994.1 million, of which \$948.5 million is for NIDA activities and \$45.6 million is for NIAAA programs. This represents a net increase of \$61.1 million over FY 2002. The following enhancements represent a sample of the enhancements requested by NIDA in FY 2003:
 - **A New Era of Prevention Research.** NIDA is ushering in a new era of prevention research that will bring together a broader array of scientific disciplines to reduce drug use in this country. By bringing together basic, clinical, and applied researchers who can tackle questions such as how do cognition and emotion affect adolescent decision-making, NIDA will be in a better position to develop and implement more effective preventive strategies at the individual, family and community levels. By expanding upon its National Prevention Research Initiative, NIDA is continuing to set the stage for the establishment of new science-based approaches to prevention.
 - **Expansion of the National Drug Abuse Treatment Clinical Trials Network.** NIDA's CTN is now running the first 12 protocols and another seven are in the queue to be run, with an expected waiting list for protocols currently at about 18 months. One of the limiting factors for moving new treatments into practice appears to be the size and scope of the Network. Thus, in FY 2003, NIDA plans to increase the national coverage of the Network to include additional sites in geographic areas now underrepresented and to include approximately 160 treatment programs. This would allow NIDA to run 10 to 20 research protocols at any one time.
 - **Exploring the Link Between Stress and Drug Abuse.** As our Nation continues to recover from the terrorist attacks that occurred in September 2001 and to cope with the fear of ongoing threats against our country, NIDA will expand its research portfolio to further examine the role that stress plays in the initiation and relapse into drug use.
 - **Responding to Emerging Drug Trends such as MDMA, GHB and Other Club Drugs.** NIDA's research continues to inform our National discussion on how to respond to emerging drugs such as MDMA and GHB. Although NIDA utilizes a variety of mechanisms to determine the prevalence of use of specific drugs, there is limited information about the magnitude of changes and substance and population-specific factors. NIDA is refocusing efforts to learn about the characteristics of users of particular drugs; drug use behaviors, contexts, and norms; factors influencing specific trends; and the health, social, and behavioral consequences. This information is essential to the identification of services needs and for the development of more timely interventions. NIDA will also expand its research portfolio on emerging club drugs to more closely examine how club drugs act on individual nerve cells, neurotransmitters and brain structures, and determine their toxicity potential in both animal and human models.

- NIAAA's FY 2003 request supports a continuation of the Institute's youth prevention, treatment, epidemiology, and basic research initiatives at the current services level. As NIAAA's FY 2003 strategic plans are developed, the focus on the above areas related to underage drinking will be continued.

V. PROGRAM ACCOMPLISHMENTS

Highlights of NIDA Research:

- New evidence suggests that the brain may have the capacity to recover from long-term exposure to methamphetamine after prolonged abstinence. The stimulant methamphetamine continues to be abused throughout the world. Not only is methamphetamine highly addictive, but it has been shown in both animals and humans to impair dopamine neurons as indicated by decreases in the number of dopamine transporters in the brain. Neural changes have been found to persist several weeks, months, and years following the last drug exposure. A new neuroimaging study provides the first evidence in humans that the dopamine transporter losses, which are thought to reflect actual loss of dopamine containing neurons known to occur from chronic methamphetamine exposure, can recover significantly with long-term abstinence.
- Addiction treatment programs specifically tailored to adolescents can be effective in reducing drug use, criminal activity, and improving school performance. To determine if adolescent treatment programs offered in four major cities were showing positive outcomes after treatment was completed, such as reduced drug use, reduced criminal activity, and improved school performance, NIDA-supported researchers designed the Drug Abuse Treatment Outcome Studies for Adolescents (DATOS-A). This two-year study of 1167 adolescents who ranged in age from 11 to 18 showed that when comparisons were made between the year prior to enrollment to treatment and a year following treatment, significant improvements were made in drug and alcohol use, school performance, and criminal activity. Weekly or frequent marijuana use dropped from about 80 percent to just over 43 percent. Heavy drinking dropped from nearly 34 percent to 20 percent, and criminal activities dropped from just over 75 percent to about 53 percent. Attendance and performance in school also improved following treatment. The researchers also concluded that similar to adult populations, the longer an individual stays in treatment the better the outcomes.

Highlights of NIAAA Research:

- For those adolescents admitted to treatment, there has been relatively little information on the long-term course of their alcohol and other drug problems and the influence of treatment on that course. A current study on long-term outcomes of adolescents in treatment for alcohol and drug problems now provides a four-year window on the recovery process from adolescence into young adulthood. Overall, alcohol and other drug use, with the exception of nicotine, were reduced but only modest changes were evident in alcohol and marijuana use.
- Studies show that adults who go through repeated bouts of heavy alcohol use and withdrawal run the risk of changes in brain functions like memory and learning. Now, researchers have shown that children who follow the same drinking pattern also risk brain damage.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$483.599	\$527.367	\$483.217
Treatment	<u>1,171.441</u>	<u>1,239.131</u>	<u>1,336.847</u>
Total	\$1,655.040	\$1,766.498	\$1,820.064
Drug Resources by Decision Unit			
Programs of Regional & National Significance	\$430.904	\$489.394	\$510.809
<i>Prevention (Non-add)</i>	<i>(174.919)</i>	<i>(198.011)</i>	<i>(152.815)</i>
<i>Best Practices (Non-add)</i>	<i>(71.422)</i>	<i>(87.584)</i>	<i>(40.915)</i>
<i>Targeted Capacity Expansion (Non-add)</i>	<i>(103.497)</i>	<i>(110.427)</i>	<i>(111.900)</i>
<i>Treatment (Non-add)</i>	<i>(255.985)</i>	<i>(291.383)</i>	<i>(357.994)</i>
<i>Best Practices (Non-add)</i>	<i>(95.208)</i>	<i>(96.078)</i>	<i>(53.331)</i>
<i>Targeted Capacity Expansion (Non-add)</i>	<i>(160.777)</i>	<i>(195.305)</i>	<i>(304.663)</i>
Substance Abuse Block Grant	1,183.315	1,225.958	1,268.600
<i>Prevention (Non-add)</i>	<i>(230.695)</i>	<i>(241.624)</i>	<i>(249.552)</i>
<i>Treatment (Non-add)</i>	<i>(902.892)</i>	<i>(934.606)</i>	<i>(966.320)</i>
<i>Office of Applied Studies (Non-add)</i>	<i>(49.728)</i>	<i>(49.728)</i>	<i>(52.728)</i>
Program Management ¹	40.821	51.147	40.655
<i>Prevention (Non-add)</i>	<i>(13.557)</i>	<i>(14.181)</i>	<i>(13.524)</i>
<i>Treatment (Non-add)</i>	<i>(12.564)</i>	<i>(13.142)</i>	<i>(12.533)</i>
<i>Office of Applied Studies (Non-add)</i>	<u><i>(14.700)</i></u> ²	<u><i>(23.824)</i></u> ³	<u><i>(14.598)</i></u>
Total	\$1,655.040	\$1,766.498	\$1,820.064
Drug Resources Personnel Summary			
Total FTEs (direct only)	312	312	294
Information			
Total Agency Budget	\$2,994.1	\$3,150.6	\$3,207.7
Drug Percentage	55.3%	56.1%	56.7%

¹ Fiscal years 2001, 2002, and 2003 exclude the resource implications of the consolidation of public affairs activities and legislative affairs within the Office of the Secretary.

² In FY 2001, Office of Applied Studies Program Management includes an earmarked allocation of \$12.0 million for the National Household Survey on Drug Abuse (NHSDA).

³ In FY 2002, Office of Applied Studies Program Management includes continuation funding of \$12.0 million for the NHSDA, and an additional \$9.0 million for other data collection activities. Only the NHSDA funding is continued in FY 2003.

II. METHODOLOGY

- All funding for SAMHSA's Center for Substance Abuse Prevention (CSAP) and Center for Substance Abuse Treatment (CSAT) Programs of Regional and National Significance (PRNS) activities is considered to be 100 percent drug-related, and is included in its entirety.

- Funding for the Substance Abuse Prevention and Treatment (SAPT) Block Grant, which is administered by the CSAT, is considered drug-related to the extent that these funds are used by the states/territories for prevention and treatment of the use of illegal drugs, prevention and treatment of alcohol-related drug use, including underage alcohol use, and as used by SAMHSA for technical assistance, data collection, and program evaluation. SAMHSA employs a methodology to estimate drug-related expenses funded by the SAPT Block Grant that is consistent with the earmarks required by Public Law 102-321, the ADAMHA Reorganization Act, and which results in scoring of 71.07 percent of the SAPT Block Grant for drug and drug-related activities. The Children's Health Act of 2000, P. L.106-310, October 17, 2000, makes significant changes in funding policy for the SAPT Block Grant. However, estimates continue to be based on the previous requirements at this time.
- All funding for SAMHSA's Office of Applied Studies (OAS) substance abuse surveys/data collection activities funded by the SAPT Block Grant set-aside, is considered to be 100 percent drug-related, and is included in its entirety.
- Funding for Program Management activities is considered drug-related to the extent that funds are used to support the operations of the CSAP, CSAT, and OAS. Estimates are based on total Program Management budget authority and reflect allocation of program management funds to these components, as documented in internal SAMHSA financial records. In addition, program management funding earmarked for OAS to support the National Household Survey on Drug Abuse (NHSDA) and other data collection activities is considered to be 100 percent drug-related, and is included in its entirety.

III. PROGRAM SUMMARY

- SAMHSA supports the *National Drug Control Strategy* through a broad range of programs focusing on prevention and treatment of the abuse of illicit drugs. These programs are administered through the Centers for Substance Abuse Prevention and Substance Abuse Treatment.

Center for Substance Abuse Prevention (CSAP)

- CSAP's mission is to bring effective prevention programs to all communities and thus ensure substance use reduction. CSAP's strategy is comprised of three goals: 1) to improve capacity by building, sustaining, and enhancing state and community infrastructure and capacity for wide-spread implementation of proven effective substance abuse prevention programs; 2) to identify and disseminate effective prevention programs and 3) to ensure accountability by establishing systems at the federal, state and community levels to ensure program performance measurement and accountability.
 - **Improve Capacity:** CSAP has implemented several program efforts targeted to increasing the capacity of states and communities to provide substance abuse prevention services. The State Incentive Grants (SIGs) are designed to address the specific and immediate prevention service capacity needs within the states and communities. SIG grants represent a comprehensive effort to improve the quality and availability of effective research-based prevention services and help states and communities address and close

gaps in prevention services, which often cannot be addressed via SAPT Block Grant funding. HIV/AIDS funds help minority communities at high risk target training, education, and services where they are most needed. State and local capacity is further bolstered by training provided by the Centers for the Application of Prevention Technologies to SIG sub-grantee communities and to the Drug-Free Communities grantees funded by ONDCP. The prevention portion of the SAPT Block Grant further assists state capacity to provide needed prevention services.

- **Improve Effectiveness:** CSAP prevention activities support identification and promotion of model and promising prevention programs, which is achieved primarily through CSAP's National Registry of Effective Prevention Programs. CSAP's objective is to increase significantly the number of communities implementing science-based prevention programs. Many of the programs identified as models have been adapted to meet the specific needs of the target population and the local environment.
- **Promote Accountability:** CSAP promotes accountability throughout all of its activities by requiring evaluation to demonstrate outcomes. Similarly, the SAPT Block Grant set-aside supports the collection and analysis of data, the development of state data systems, and supports oversight of Synar Amendment implementation requiring states to enact and enforce laws prohibiting the sale and distribution of tobacco products to persons under 18 so as to reduce the availability of tobacco products to minors. CSAP is also working with the National Association of State Alcohol and Drug Abuse Directors and the states in preparation for the upcoming Performance Partnership Grants as described in the Children's Health Act of 2000.

Center for Substance Abuse Treatment (CSAT)

- CSAT's funding for treatment programs includes activities to bridge the gap between knowledge and practice, promote the adoption of best practices, and ensure services availability meet targeted needs. These treatment programs support knowledge development and testing of new and innovative treatment approaches and are used to disseminate information on those systems shown to be most effective.
- CSAT's treatment service programs focus on reducing the substance abuse treatment need by supporting rapid and strategic responses to demands for services. The response to treatment capacity problems may include communities with serious, emerging drug problems or communities struggling with unmet need.
- SAPT Block Grant activities include state expenditures of 80 percent of their Block Grant allotment for treatment services (including up to 5 percent for state administration), as well as CSAT and OAS expenditures of approximately 80 percent of the Block Grant set-aside for the collection and analysis of national data, the development of state data systems (including the development and maintenance of baseline data on the incidence and prevalence, as well as the development of outcome measures on the effectiveness of treatment programs), technical assistance, and program evaluations.

IV. BUDGET SUMMARY

2002 Program

- The total drug control budget supported by the 2002 appropriation is \$1.766 billion.

Prevention.

- A total of \$198.0 million is available for prevention PRNS activities. Within this, \$41.4 million will be used to expand the following efforts:
 - State Incentive Grants (\$10 million): CSAP intends to award up to an additional four SIG grants in FY 2002, for a total of 41 states having received support. This successful endeavor enables states to better manage and leverage their state resources to target identified needs and implement effective prevention programs to address those needs.
 - Minority Substance Abuse and HIV Prevention (\$18.9 million): CSAP will award approximately 50 grants to high risk minority communities to address the problems of substance abuse and HIV. Organizations will be eligible for funds for planning, training, outreach, and expanded substance abuse and HIV prevention services.
 - Fetal Alcohol Syndrome/Fetal Alcohol Effect (FAS/FAE) (\$1.3 million): CSAP will continue and expand its FAS/FAE prevention efforts to disseminate effective prevention models and, consistent with the CSAP authorization, support a Center for Excellence to coordinate efforts, disseminate and adapt effective models, and collect and analyze data.
 - Ecstasy (\$5 million): Based on the national trends and known risks, CSAP will educate youth on the risks of using this popular drug. CSAP will target its efforts to ecstasy's primary users: college students; young professionals; and other young people. CSAP will also educate and train state and local agencies to improve their capacity to deal with and prevent ecstasy use in their states.
 - Methamphetamine (\$5 million): Targeting communities found to be most at risk, CSAP will provide funds for school and community-based methamphetamine prevention programs. These funds will be used for planning, establishing and/or administering methamphetamine prevention programs and/or training.
 - High Risk Youth (\$1.2 million): CSAP will award approximately 3 grants to continue to help the field identify, apply and target effective prevention programs. These programs, including family strengthening and mentoring activities, target important factors such as life skills, conflict resolution and family communications.

The balance of \$156.5 million will continue ongoing grant and contract program efforts designed to address CSAP's three strategic goals.

- A total of \$241.6 million (including \$13.7 million in prevention set-aside funding) is available for primary prevention activities from the SAPT Block Grant. The 20 percent prevention allocation of the SAPT Block Grant substantially increases states' capacity to

build and enhance their state prevention systems according to the unique geographic and population needs of their states and communities.

- In addition, a total of \$49.7 million is available from the SAPT Block Grant set-aside and \$21.0 million from Program Management funds for activities related to data collection, administered by OAS. Funding that supports data collection is scored as prevention. Data are obtained in three major surveys: (1) the National Household Survey on Drug Abuse (NHSDA); (2) the Drug Abuse Warning System (DAWN); and (3) the Drug and Alcohol Services Information System (DASIS).

Treatment

- A total of \$291.4 million is available for treatment PRNS activities, as follows:
 - CSAT will fund approximately 397 grants and contracts (\$195.3 million) for Targeted Capacity Expansion projects that focus on development of creative and comprehensive drug and alcohol early intervention and treatment systems for adults and adolescents in small towns, rural areas, and mid-size cities. In addition to youth, other populations targeted by this program would include women, homeless, co-morbid, rural populations, poly-substance abusers, and persons re-entering into society from the criminal justice system. Included as a key component of the targeted capacity program is a \$57.4 million effort focusing on enhanced and expanded substance abuse treatment services related to HIV/AIDS in African-American, Hispanic and other racial/ethnic minority communities.
 - CSAT will fund approximately 248 grants and contracts (\$96.1 million) supporting knowledge development and application efforts bridging research to practice so that treatment programs are effective and efficient, represent best practices, and can be held accountable by evaluation against established standards, performance measures, and outcomes.
- A total of \$934.6 million (including \$22.8 million in treatment set-aside funding) is available for treatment activities from the SAPT Block Grant. Activities supported through the SAPT Block Grant treatment funds include:
 - Funding distributed to the 50 states, 8 territories, the District of Columbia, and the Red Lake Band of Chippewa Indians for prevention and treatment of the use of alcohol and other drugs.
 - CSAT's \$22.8 million from the SAPT Block Grant set-aside funds a variety of technical assistance activities requested by the states, the conduct of treatment needs assessments on a cyclical basis for the states and territories, and performance of treatment program evaluations.

2003 Request

- A total of \$1.820 billion is requested for the drug abuse budget in FY 2003, representing an increase of \$53.6 million over the FY 2002 appropriation. This includes a \$42.6 million increase in the drug abuse portion of the SAPT Block Grant, a \$21.4 million net increase in

prevention and treatment PRNS, and a decrease of \$10.4 million in Program Management funding.

Prevention

- A total of \$152.8 million is available for prevention PRNS activities. This represents a reduction of \$45.2 million. Since no new funding is requested for FY 2003, CSAP proposes to reinvest funds from expiring projects as follows:
 - State Incentive Grants (\$19 million): CSAP proposes to reinvest funding to award 5 new SIG states. In addition, based on input from state prevention leaders, CSAP proposes to provide: (1) SIG “Incentive Enhancements” to enable states to continue to build and enhance their capacity to provide effective prevention services to assure these enhancements are sustained and institutionalized; and (2) a limited number of one year, pre-SIG planning grants to assist non-SIG states develop comprehensive plans to address needs they have identified in their system’s infrastructure which can serve as a foundation for potential, future SIG support.
 - Centers for the Application of Prevention Technologies (CAPTs) (\$8 million): CSAP proposes to reinvest funding to maintain the 5 regional CAPTs in FY 2003.
 - State Data Infrastructure (\$1.0 million): CSAP proposes to award approximately 10 new grants to support state data infrastructure in FY 2003 to improve states’ capacity to address the upcoming Performance Partnership Grant requirements for performance measurement data collection, analysis and reporting.

Treatment

- Closing the gap between those who are in need of substance abuse treatment and the number who receive it will continue to receive top priority in FY 2003.
 - A total of \$358.0 million is available for treatment PRNS activities. Although this represents a net increase of \$66.6 million over FY 2002 enacted levels, \$42.8 million in funds from expiring and discontinued Best Practices projects will be redirected to provide additional funding for new Treatment Targeted Capacity Expansion (TCE) projects, for a total of \$109.4 million to support new TCE activities. Of the \$109.4 million, \$59 million will be set-aside for local TCE grants and \$50 million will be set-aside for new TCE grants to the states. The latter represents a new type of discretionary targeted capacity program to enable states to reduce their statewide treatment gaps. All states will be eligible to apply and awards will be heavily weighted according to each state’s share of the national treatment gap. States awarded funding will monitor success in reducing their treatment gaps using a combination of state and federal resources. Consistent with reducing these states’ treatment needs, emphasis will be placed on supporting the states’ ability to use these funds to address their own priorities, fund best practices, increase funding for integrated services, realize systems efficiencies, and leverage additional resources.

- A total of \$1.785 billion is available for the SAPT Block Grant. This represents an increase of \$60.0 million over the FY 2002 enacted level, of which \$42.6 million will be scored for drug abuse activities. Of the drug-related increase, approximately \$34 million will support treatment activities and \$8.6 million prevention activities. From the SAPT Block Grant set-aside, \$11.0 million will be devoted to the continuing development of a National Treatment Outcomes Monitoring System (NTOMS).

V. PROGRAM ACCOMPLISHMENTS

CSAP Program Accomplishments:

- **State Incentive Grant Program.** CSAP's SIG program is building the nation's prevention capacity by enabling states to more effectively manage, leverage and blend their prevention dollars to support a wide array of proven prevention programs. This has reduced duplication and overlap, and has resulted in more efficient use of federal resources. By FY 2002, CSAP's SIG program is expected to have enabled states and communities to implement and enhance over 2,600 programs and serve more than 1 million people. Approximately 74.3 percent of these sub-recipients are implementing science-based prevention programs, more than half of which have been identified by CSAP as Exemplary or Model programs.
- **National Cross-Site Evaluation of High Risk Youth (HRY) Demonstration Programs.** This demonstration program is a landmark analysis of 10,000 youth at 48 HRY program sites. The findings clearly show prevention programs were effective in reducing use, even among youth who had already started using cigarettes, alcohol and marijuana. For example, substance use for program participants was 12 percent less at exit than comparison youth.

CSAT Program Accomplishments:

- **Adolescent Treatment Models (ATM).** The CSAT ATM program was developed to identify existing potentially exemplary treatment models for adolescents that have not been rigorously evaluated due to lack of resources. There are 10 ATM sites. Five sites (4 outpatient and one residential) are in their second year, and five residential sites are in their third and final year. Currently there are over 1,500 adolescents involved in the evaluation. The current follow-up rate for those adolescents who have reached their 12 month interview is 89 percent. Analysis of data is underway and outcomes should begin to be available over the next 12 months.
- **Partial Agonist Medications Preparing for Implementation.** CSAT continues to move ahead in anticipation of the approval of new treatment medications, such as buprenorphine and buprenorphine/naloxone. These activities include developing Treatment Guidelines and a Physicians' Curriculum. The current draft of the Curriculum and Guidelines has been used in various physician training sessions nationwide. CSAT's Office of Pharmacologic and Alternative Therapies (OPAT) is taking a leadership role in working with key physician medical and education groups to assure consistent quality treatment.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$139.200	\$0.000	\$0.000
Investigations	6.200	0.000	0.000
State and Local Assistance	142.300	9.000	9.000
Treatment	<u>21.600</u>	<u>0.000</u>	<u>0.000</u>
Total	\$309.300	\$9.000	\$9.000
Drug Resources by Decision Unit			
Drug Elimination Grants/COMPAC	\$309.300	\$0.000	\$0.000
Public Housing Operating Fund	---	<u>9.000</u>	<u>9.000</u>
Total	\$309.300	\$9.000	\$9.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	8	0	0
Information			
Total Agency Budget	\$28,412.0	\$31,471.0	\$31,497.0
Drug Percentage	1.1%	0.03%	0.03%

II. METHODOLOGY

- In FY 2001, all resources for the Public Housing Drug Elimination Grants program were 100 percent drug-related.
- Beginning in FY 2002, drug-related funding was appropriated to the Department of Housing and Urban Development (HUD) in the Public Housing Operating Fund. This funding is for programs that aid in the investigation, prosecution, and prevention of violent crimes, and drug offenses in public and federally-assisted low-income housing, including Indian housing. The Department of Justice (DOJ), through a reimbursable agreement with HUD, is to administer these funds.

III. PROGRAM SUMMARY

- The Public Housing Drug Elimination Program (PHDEP) was authorized in 1988. Through FY 2001, PHDEP provided funds to public housing authorities and Tribally Designated Housing Entities to support their anti-drug and anti-crime efforts. Grantees have used these resources to fight crime by increasing police coverage and security and providing residents with alternatives to crime and violence. PHDEP funds were used to: employ security personnel and investigators; contract with private security services; reimburse local law enforcement agencies for above-baseline services; establish volunteer resident patrols; implement physical improvements to enhance security; and establish and operate drug prevention, intervention, and youth violence prevention projects.

- Although Congress terminated the program in FY 2002, Congress appropriated amounts beyond the request for the Public Housing Operating Fund, which local officials may use at their discretion, including for activities formerly supported by the Public Housing Drug Elimination program. The Office of National Drug Control Policy (ONDCP) and HUD will work together to determine how best to capture and account for Departmental funds used for drug control activities. However, until a new methodology can be developed to capture drug-related costs, the FY 2002 and the FY 2003 budgets only include funds appropriated to HUD that are to be administered through the Department of Justice.

IV. BUDGET SUMMARY

2002 Program

- The President's FY 2002 Budget proposed the termination of the Public Housing Drug Elimination Grants Program; however, Congress appropriated an amount beyond the request for the Public Housing Operating Fund, which can be used to support drug control activities once inherent within the PHDEP.
- The \$10.0 million set aside (\$9.0 million drug-related) can be used for, but is not limited to: crime prevention efforts, such as: neighborhood watch, volunteer tenant patrols, and enhanced security; youth initiatives, such as youth sports programs, peer mentors, and training; substance abuse education and prevention activities; and resident services programs, including job training, education, treatment, and other social service programs which help to deter illegal drug use and crime by addressing underlying causes.

2003 Request

- The FY 2003 request for HUD is \$10.0 million (\$9.0 million drug-related), which represents FY 2002 level of support.

V. PROGRAM ACCOMPLISHMENTS

- No program accomplishments are reported.

BUREAU OF INDIAN AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$13.417	\$13.783	\$13.842
Corrections	2.081	2.053	2.063
State and Local Assistance	2.770	2.955	2.964
Research and Development	2.662	2.171	2.182
Prevention	2.145	2.145	2.165
Interdiction	<u>0.167</u>	<u>0.180</u>	<u>0.180</u>
Total	\$23.242	\$23.287	\$23.396
Drug Resources by Decision Unit			
Education	\$1.900	\$1.900	\$1.920
Tribal Service (Judicial & Social)	0.979	0.961	0.961
Law Enforcement	20.118	20.181	20.270
General Administration	<u>0.245</u>	<u>0.245</u>	<u>0.245</u>
Total	\$23.242	\$23.287	\$23.396
Drug Resources Personnel Summary			
Total FTEs (direct only)	109	129	129
Information			
Total Agency Budget	\$2,209.2	\$2,245.3	\$2,268.7
Drug Percentage	1.1%	1.0%	1.0%

II. METHODOLOGY

- The methodology used in determining drug control funding is based on estimated percentages of projected funding by individual Bureau of Indian Affairs (Bureau) programs for activities that are directly or indirectly related to the prevention of alcohol, drug and tobacco abuse.

III. PROGRAM SUMMARY

- The mission of the Office of Alcohol and Substance Abuse Prevention (OASAP) within the office of the Assistant Secretary of Indian Affairs is to assist American Indian Tribes and Alaska Natives in reducing the incidence and prevalence of alcohol and substance abuse in Indian Country. Its primary goals include: (1) establish a culturally appropriate technical assistance capability that is responsive to diverse Tribal needs in alcohol and substance abuse prevention, (2) focus on reducing the number of early on-set use among Indian children and youth, and (3) bring the Bureau within compliance of its authorizing Anti-Drug Abuse Act mandates specified in Public Law 99-570.
- The Bureau provides services directly, or through self-determination contracts, grants or compact agreements with Tribes, to more than 1.4 million American Indians and Alaska

Natives in 31 states. The Bureau is trustee to over 45 million acres of Tribally-owned land, more than 10 million acres of individually-owned land, and 309,000 acres of federally-owned land.

- The Office of Indian Education Programs (OIEP) administers and provides Indian education in 185 K-12 schools in academic and residential programs that serve over 48,000 American Indian children and youth. Each school includes in its Consolidated School Reform Plan a curriculum for reducing violence and topics on alcohol and substance abuse prevention. The Plan calls for each school to spend an average of 20 to 45 minutes per week on the subject of drug education depending on age and grade level of students. Some drug education topics are also integrated into the health education curriculum.
- In the Office of Law Enforcement Services, the Bureau employs 378 sworn law officers. Tribes employ 1,943 sworn law officers under Indian self-determination grants, contracts or compacts. These law enforcement officers protect life and safety as well as provide drug enforcement for Indian tribes throughout the country.
- The Bureau continues to support the *National Drug Control Strategy* by providing law enforcement activities on reservations near U.S. borders with Mexico and Canada. The Bureau coordinates and works with the Department of Defense and state and local law enforcement agencies for marijuana eradication and drug interdiction. Its Drug Enforcement Section operates through five district offices.

IV. BUDGET SUMMARY

2002 Program

- The Bureau's antidrug resources total \$23.3 million and 129 FTEs in FY 2002. This funding includes the following anti-drug program activities:
- Approximately \$1.7 million and a proportionate average of 20 FTEs will provide drug education to approximately 48,000 American Indian children in 185 K-12 schools administered by OIEP.
- OASAP will spend at least \$0.2 million and 1 FTE developing drug prevention curriculum and materials for use in schools, in parenting education programs and in tribal alcohol and substance abuse prevention education activities, as well as development and dissemination of a Prevention Quarterly to schools, hospital facilities, and tribal programs, emphasizing articles that discourage Indian youth and children from drugs and alcohol use.
- FY 2002 resources include \$20.1 million and 105 FTEs that promote community-oriented policing and target drug problem areas. In addition, the Bureau will continue to provide training to Tribal and Bureau law enforcement officers regarding drug investigations and law enforcement training. The Bureau's drug enforcement agents continue to implement strategies to dismantle drug trafficking networks in Indian Country. Drug enforcement agents focus on the identification of those persons responsible for trafficking significant amounts of narcotic substances and the users of illegal narcotics in Indian Country. As drug

trafficking and illegal drugs continue to afflict Indian Country, drug enforcement will continue to partner with their communities' residents to work with them in solving local drug problems.

- Resources include \$0.1 million to support the Bureau's participation in the Department of the Interior's Drug-Free Workplace initiative and \$0.1 million for operations of the OASAP.
- Funding includes \$0.5 million provided to the Tohono O'dham Nation for law enforcement assistance because its reservation borders Mexico, and an estimated \$0.2 million in support provided by the Bureau's Office of Law Enforcement Services.

2003 Request

- The Bureau's FY 2003 budget request is \$23.4 million and 129 FTEs for anti-drug activities. The Bureau's budget request is adjusted for uncontrollable costs, such as pay and benefits. There are no programmatic increases proposed for FY 2003.

V. PROGRAM ACCOMPLISHMENTS

- The amount of illegal drugs entering Indian Country was reduced through participation with state, local and other federal agencies in High Intensity Drug Trafficking Area and Organized Crime Drug Task Force operations, as well as support the Southwest Border. The Bureau also continued to implement the Community Policing Initiative, and provide training to more than 200 police officers in marijuana eradication and highway interdiction.

BUREAU OF LAND MANAGEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$0.199	\$0.199	\$0.199
Investigations	3.991	4.000	4.000
Intelligence	0.199	0.199	0.199
State and Local Assistance	<u>0.600</u>	<u>0.602</u>	<u>0.602</u>
Total	\$4.989	\$5.000	\$5.000
Drug Resources by Decision Unit			
Resources Protection & Law Enforcement	\$3.691	\$3.699	\$3.699
Other Benefiting Subactivities	1.197	1.200	1.200
General Administration	<u>0.101</u>	<u>0.101</u>	<u>0.101</u>
Total	\$4.989	\$5.000	\$5.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	35	36	36
Information			
Total Agency Budget	\$2,109.1	\$1,911.4	\$1,873.9
Drug Percentage	0.2%	0.3%	0.3%

II. METHODOLOGY

- The Bureau of Land Management's (BLM) drug control program, funded at \$5 million, comprises less than 1 percent of BLM's current total budget. Within its overall law enforcement mission, drug control efforts focus on specific public land drug problems, such as marijuana cultivation, drug manufacturing sites, dumping and smuggling activities that directly increase domestically available drugs and endanger the public land resources, public land users, and federal employees. These illegal activities also affect BLM's legitimate abilities to manage the public lands effectively.
- Drug enforcement is a collateral activity within the overall law enforcement mission of BLM, with no individual officer specifically assigned full time to drug enforcement activities. The expenditure of \$5 million and 36 FTEs are the total combined efforts of all officers' time and expenditures contributed to some measure of drug enforcement.

III. PROGRAM SUMMARY

- BLM is responsible for the management of approximately 264 million acres of public land located primarily in the western United States and Alaska. These lands encompass large geographical areas, presenting law enforcement officers with significant problems in addressing drug activities due to the time and distance between community centers. Drug activities affect both the small growing western communities, as they expand into the more

remote, uninhabited areas of the country, and the surrounding natural resources. The adverse impacts of drug activities on the natural resources include, but are not limited to, the diversion and pollution of waters, contamination of soil with hazardous wastes, extermination of wildlife, and destruction of timber and vegetation. Illicit drug activities also present continuing safety hazards to visitors who utilize the recreational and wilderness opportunities available on the public lands and to BLM employees who work and manage the public lands.

- The focus of the drug enforcement program is to reduce marijuana cultivation, drug manufacturing and distribution/trafficking that directly impact the public land resources or public safety of those who utilize the public lands. BLM's drug enforcement efforts will concentrate on reducing the domestic production of marijuana, drug manufacturing and trafficking that occur on the public lands.

IV. BUDGET SUMMARY

2002 Program

- BLM's FY 2002 drug program consists of approximately \$5.0 million in funding and 36 FTEs. These resources will allow BLM to sustain its drug control activities at their current level. The drug funding will be allocated within the Resource Protection and Law Enforcement sub-activity apportioned at the individual State Office level as appropriate.
- **Investigations:** Special agents, law enforcement rangers, and support personnel, will detect, investigate and eradicate drug activity on the public lands and educate visitors and users of the public lands about the dangers of drug activities. Interagency cooperation will be encouraged to maximize existing resources from all agencies, including the participation in multi-agency rural crime and drug enforcement task forces and expansion of paid and non-paid law enforcement agreements.
- **Intelligence:** BLM will continue to capture intelligence information, utilize its incident tracking system, and maintain data sharing among all law enforcement agencies. Remaining in effect is a memorandum of understanding between BLM and U.S. Customs to access the Treasury Enforcement Computer System, which provides access to criminal intelligence information that impacts drug activity on public lands.
- **State/Local Assistance:** BLM will utilize law enforcement agreements with state and local law enforcement agencies. These cooperative agreements are designed to assist BLM in identifying, investigating, and prosecuting drug law violations that occur on or affect public lands. Specific agreements may also provided assistance and backup to field law enforcement officers. Coordination activities will be focussed on reducing drug production on the public lands through continued cooperative efforts. Liaison efforts with county sheriffs, the National Guard, and state enforcement agencies will continue to ensure coordination of special operations.

- **Interdiction:** BLM will provide support to other federal agencies having primary interdiction responsibilities upon request or when their operations are conducted on or will have a direct impact on public lands.

2003 Request

- The \$5.0 million request maintains current services, which includes funding for aviation support, equipment and contracts/agreements. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- Specific BLM accomplishments for FY 2001 included 759 drug cases, 77,163 marijuana plants eradicated and seized, 2,282 pounds of processed marijuana seized, 489 arrests/citations, investigations of 64 drug labs/dumps on public lands, and arranged for cleanup of associated hazardous wastes.

U.S. FISH AND WILDLIFE SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$0.175	\$0.175	\$0.175
Prosecutions	0.075	0.075	0.075
Interdiction	1.350	0.650	0.650
State and Local Assistance	<u>0.100</u>	<u>0.100</u>	<u>0.100</u>
Total	\$1.700	\$1.000	\$1.000
Drug Resources by Decision Unit			
Law Enforcement Agency Support	\$1.700	\$1.000	\$1.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	---
Information			
Total Agency Budget	\$1,342.0	\$1,308.3	\$1,316.2
Drug Percentage	0.1%	0.1%	0.1%

II. METHODOLOGY

- Budget requests for drug enforcement are based on necessary funding to support staffing, training, equipment, aircraft surveillance, and other related operational costs. Funding is requested to maintain a level of presence on Service-owned lands in order to detect, eradicate, and provide a level of deterrence. Funds also help support interdiction efforts at Southwest refuges and for wildlife inspection at ports of entry.

III. PROGRAM SUMMARY

- Refuge officers and special agents work together with local law enforcement agencies to apprehend persons cultivating marijuana on National Wildlife Refuge lands. Wildlife inspectors work closely with U.S. Customs at ports of entries.
- Activities focus on:
 - Work together with local law enforcement agencies to apprehend persons cultivating marijuana on National Wildlife Refuge lands.
 - Investigations target methamphetamine laboratory activity detected on Southwest Border refuges.
 - Emphasis is placed on locating and eliminating drug use on National Wildlife Refuges, including emphasis on drug use among hunters.

- Special checkpoints are established on refuge tour routes and during hunting programs with local law enforcement agencies.

IV. BUDGET SUMMARY

2002 Program

- Refuge officers will work closely with other agencies and task forces on the Southwest Border National Wildlife Refuges and wildlife inspectors work closely with U.S. Customs at ports of entry.
- Service refuge officers and special agents will focus their efforts on marijuana eradication. Investigations of methamphetamine laboratory activity on Southwest Border National Wildlife Refuges will be continued.

2003 Request

- The FY 2003 budget request maintains current services.

V. PROGRAM ACCOMPLISHMENTS

- Service special agents have been working to help analyze and plan an accelerated effort to combat drug and immigrant trafficking along the Nation's southern border. Agents have been working with counterparts from Department and other enforcement agencies to combine efforts in coordinating an interagency strategy to respond to the growing threats to federal employees, trust resources, and public safety.
- In FY 2001, Refuge Division law enforcement personnel and special agents recovered more than 106,000 pounds of processed marijuana (30 percent increase from FY 2000) on refuge lands, as well as 1,500 pounds of cocaine. This does not include narcotics seized by the U.S. Border Patrol in the same areas. Service special agents have been working with HIDTA Task Force and U.S Customs Service Office of Investigation to combine efforts targeting narcotics and wildlife smuggling on refuge lands.
- The Service provided a minimum 40 hours of drug-related training to more than 600 refuge officers.

NATIONAL PARK SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$1.913	\$1.900	\$1.919
Investigations	6.850	6.840	6.908
Prosecution	0.284	0.285	0.288
Prevention	<u>0.474</u>	<u>0.475</u>	<u>0.480</u>
Total	\$9.521	\$9.500	\$9.595
Drug Resources by Decision Unit			
Park Management	\$9.205	\$9.184	\$9.279
External Administrative Costs	<u>0.316</u>	<u>0.316</u>	<u>0.316</u>
Total	\$9.521	\$9.500	\$9.595
Drug Resources Personnel Summary			
Total FTEs (direct only)	108	108	108
Information			
Total Agency Budget (Discretionary BA)	\$2,346.3	\$2,387.9	\$2,422.0
Drug Percentage	0.4%	0.4%	0.4%

II. METHODOLOGY

- The National Park Service develops its drug control budget based on tracking of actual FTE usage in the field, a review of prior year expenditures as tracked by Program Work Element (PWE), and a projection of costs associated with support needed for FTE usage.

III. PROGRAM SUMMARY

- The National Park System contains 385 diverse and unique areas, including parks, monuments, historic sites, trails, and recreational areas. NPS administers more than 83 million acres in 49 states, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. NPS programs are oriented toward the fundamental mission of natural and cultural resource protection and interpretation, while also promoting outdoor recreation, historic preservation, and environmental awareness. NPS works closely with states, local governments, and community groups to accomplish these goals.
- Many park areas are located in or near known drug smuggling or trafficking routes. Cases involving the use/possession, sale/distribution, smuggling, manufacturing, and cultivation of controlled substances occur routinely in park areas. Roughly 365 miles of the 1,700 miles of this country's border with Mexico are in units of the National Park System, and significant percentages of the coastlines of a number of states in which smuggling occurs also lie within park areas (22 percent of the coast of Florida, 31 percent of Georgia, 42 percent of North Carolina, 50 percent of Maryland, 35 percent of Virginia, and 20 percent of California).

- Some of the specific purposes of NPS' law enforcement program (NPS Park Rangers), as it relates to drug enforcement, are to locate and eradicate marijuana plants being cultivated on park lands, to combat drug use, distribution, and smuggling in National Park areas, and to work cooperatively with other federal, state, and local agencies in mutual drug enforcement operations in areas contiguous to park boundaries.
- The National Park System manages its drug control programs at the park level, augmented by the U.S. Park Police in major urban areas. The U.S. Park Police include uniformed and non-uniformed police officers that perform the same level of work and diverse duties as any urban police department.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 resources include approximately \$0.2 million to increase public awareness of the consequences of illicit drug use and the use of alcohol and tobacco by underage populations.
- Approximately \$0.7 million in funding will support Task Force operations that target all levels of drug trafficking and drug crime, and to improve the efficiency of federal drug law enforcement investigative and intelligence programs. An additional \$0.1 million in funding is to increase the effectiveness of federal, state, and local law enforcement tasks, and to improve the efficiency of federal drug law enforcement investigative and intelligence programs to apprehend drug traffickers, seize their drugs, and forfeit their assets.
- The FY 2002 resources include \$0.3 million to expand and enhance drug education and prevention strategies in the workplace; \$1.9 million to improve the effectiveness of law enforcement to stop the flow of drugs into the U.S., especially along the Southwest Border; \$5.9 million to reduce domestic drug production and availability, including the illegal diversion of prescription drugs, and \$0.5 million to continue to target for prosecution those who illegally divert pharmaceuticals and listed chemicals.

2003 Request

- The FY 2003 budget for NPS includes a request of \$9.6 million and 108 FTEs. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- Increased enforcement, along with the use of aerial surveillance and advanced electronic detection equipment, has been used to help combat the drug problem. Efforts have led to a significant drop in cannabis cultivation on National Park Service lands and in the National Capital Region.

THE FEDERAL JUDICIARY

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Corrections	\$189.102	\$203.120	\$226.090
Prosecution	416.462	453.714	513.582
Research and Development	4.553	5.406	6.159
Treatment	<u>146.687</u>	<u>157.497</u>	<u>175.312</u>
Total	\$756.804	\$819.737	\$921.143
Drug Resources by Decision Unit			
Salaries and Expenses	\$606.257	\$649.595	\$723.395
Defender Services	108.511	125.168	147.185
Fees of Jurors	19.376	15.691	18.851
Court Security	9.957	13.910	14.912
Administrative Office	5.821	6.454	6.691
Federal Judicial Center	0.937	1.974	2.189
Sentencing Commission	<u>5.945</u>	<u>6.945</u>	<u>7.920</u>
Total	\$756.804	\$819.737	\$921.143
Drug Resources Personnel Summary			
Total FTEs (direct only)	5,721	5,913	6,204
Information			
Total Agency Budget	\$4,143.6	\$4,527.4	\$5,060.9
Drug Percentage	18.3%	18.1%	18.2%

II. METHODOLOGY

- The drug portion of the Judiciary's budget is estimated by applying the percentage of drug-related activity experienced in each appropriation to the current appropriation or requested funding. The percentages are developed by analyzing the workload of each component of the Judiciary's budget, estimating the amount that is attributed to drug-related crime, prosecution, treatment, or corrections, and then rounded to the nearest five percent before application. The percentages are updated each September to reflect the most recent drug workload information available.

III. PROGRAM SUMMARY

- The Federal Judiciary is organized geographically into twelve Judicial Circuits and ninety-four Districts, each with supporting offices, such as the Office of the Clerk of the Court, Probation and Pretrial Services Offices and Bankruptcy Courts. The courts receive administrative support from the Administrative Office of the U. S. Courts and research and training services from the Federal Judicial Center and the United States Sentencing Commission. In addition to personnel and court operating expenses, Judiciary costs include

payments to jurors, payments to defense attorneys for indigent defendants, court reporting and interpreting, and court facility security.

- The resources also support drug cases, trials, defendants, and their associated costs. The Judiciary also provides for court ordered drug testing, drug treatment, and supervision of federal defendants, probationers, parolees and supervised releasees.
- Drug-related workload is identified by the types of cases being heard as well as the offenses of the individuals needing counsel or under supervision. Funding is used by the probation and pretrial services offices for drug testing and treatment of federal defendants and offenders.
- Probation and pretrial services officers have primary responsibility for enforcing conditions of release imposed by the courts and for monitoring the behavior of persons placed under their supervision. With the oversight of the Administrative Office of the United States Courts, officers administer a program of substance abuse testing and treatment for persons on pretrial release, probation, supervised release after incarceration, and parole. The goal is to eliminate substance abuse by persons under supervision and to remove violators from the community before relapse leads to recidivism.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 enacted level totals \$819.7 million and provides for adjudication of federal laws, representation for indigent individuals accused under these laws, and the supervision of offenders and defendants.
- The Judiciary's resources will be used to support the following drug control activities:
 - **Salaries and Expenses:** provides salaries, benefits, and other operating expenses of judges and support personnel for the United States courts of appeals, district courts, bankruptcy courts, and probation and pretrial services officers and staff.
 - **Defender Services:** provides effective representation for any person financially unable to obtain adequate representation in federal criminal and certain related proceedings.
 - **Fees of Jurors and Commissioners:** includes funding for jurors sitting on drug cases. Drug-related resources required depend largely upon the volume and length of jury trials for parties to criminal actions and the number of grand juries being convened by the courts at the request of the U.S. Attorneys.
 - **Court Security:** provides security for judicial areas at courthouses and in federal facilities housing court operations. The U.S. Marshals Service acts as the Judiciary's agent in contracting for security and guard services and the purchase, installation, and maintenance of security systems and equipment for all court locations. In the event that a particular court is trying a drug-related case or cases and the trial has been designated by the U.S. Marshals Service to be a "high threat" proceeding, the standard level of security

normally provided at the facility is enhanced, using a combination of the resources noted above, for the duration of the trial.

- **Administrative Office of the United States Courts:** provides professional support, analysis, program management, and oversight for the Federal Judiciary. The drug-related resources in this account are for the necessary expenses of the Divisions of the Administrative Office related to the drug case workload in the courts and probation and pretrial services offices.
- **Federal Judicial Center:** provides education and training for judges, probation and pretrial services officers, and other federal court personnel, and performs independent research to improve the administration of justice in the federal courts. Many Center programs deal with drug-related court workload issues including: training for federal judges in criminal law and procedure, sentencing, and criminal case management; training for probation and pretrial services officers to help judges formulate sentences and to supervise drug-dependent defendants and offenders; and training for other court staff to help them manage resources effectively, particularly in those courts beset by heavy caseload.
- **United States Sentencing Commission:** covers costs related to the establishment, review, and revision of sentencing guidelines, policies, and practices for the criminal justice system.

2003 Request

- For FY 2003, the drug control budget request totals \$921.1 million, a net increase of \$101.4 million over the FY 2002 enacted level.
- The growth is reflective of the continued increase in caseload and supervision responsibilities of the Judiciary. The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

Highlights of the Judiciary's drug-related activities in FY 2001 are listed below:

- Trained forty-five officers and three regional administrators and eight Bureau of Prison staff in the simplified procurement process for securing treatment services for defendants and offenders under supervision.
- Trained 305 officers, in three separate sessions, in substance abuse treatment interventions.
- Tested 600 applicants and 140 officers (randomly) in the first year of the Workplace Drug Testing Program for Probation and Pretrial Services Officers and Assistants.
- Conducted twenty-three technical assistance and district review visits to districts for the purpose of evaluating the effectiveness of the probation and pretrial services programs, including the substance abuse treatment program in those districts.

- Developed and implemented the Request for Proposal Generator. This stand-alone interactive software program was designed for probation and pretrial services officers who have responsibilities for contracting for treatment services for federal defendants and offenders. With it, officers can generate a complete request for proposal, including attachments, for non-competitive purchase orders, competitive purchase orders, blanket purchase agreements, and the Standard Form 30, Amendment of Solicitation. This new application provides officers with an innovative tool to use in preparing treatment services contracts.

ASSETS FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
State and Local Assistance	\$269.677	\$223.276	\$226.496
Investigations	153.605	106.194	183.504
Prosecution	14.358	15.208	18.000
International	<u>2.290</u>	<u>15.322</u>	<u>2.000</u>
Total	\$439.930	\$360.000	\$430.000
Drug Resources by Decision Unit			
Definite Budget Authority	\$22.949	\$22.949	\$22.949
Permanent Indefinite	<u>416.981</u>	<u>337.051</u>	<u>407.051</u>
Total	\$439.930	\$360.000	\$430.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$439.9	\$360.0	\$430.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- The Department of Justice's Assets Forfeiture Fund is 100 percent drug-related.

III. PROGRAM SUMMARY

- The Comprehensive Crime Control Act of 1984 established the Justice Department's Assets Forfeiture Fund (AFF or Fund), into which forfeited cash and the proceeds of the sale of forfeited properties are deposited. Most assets are forfeited because they were used in or acquired as a result of, violations of racketeering, money laundering, or drug trafficking statutes.
- The Fund is administered by the Asset Forfeiture Management Staff, Justice Management Division.
- The AFF funds may be used for several purposes:
 - **Asset Management Expenses.** These include expenses incurred in connection with the seizure, inventory, appraisal, packaging, movement, storage, maintenance, security, and disposition (including destruction) of assets.
 - **Other Asset Specific Expenses.** These include case-specific expenses incurred in connection with normal proceedings undertaken to perfect the United States' interest in

seized property through forfeiture. Such expenses include fees and other costs of advertising, translation, court reporting, expert witness fees, courtroom exhibit services, travel, subsistence related to a specific proceeding, and other related items. Also included are payments of qualified third party interests, such as expenses incurred in the payment of valid liens, mortgages, and ownership interests pursuant to court order or a favorable ruling on a petition for remission or mitigation of the forfeiture.

- **Equitable Sharing Payments.** These include distributions of the net proceeds (after recovering direct costs) of forfeitures to foreign governments and to state and local law enforcement agencies in proportion to the degree of their direct participation in the law enforcement effort that resulted in the forfeiture.
- **Program Management Expenses.** These include expenses incurred in carrying out forfeiture program responsibilities that are not related to any one specific asset or to any one specific seizure or forfeiture (e.g., audits and evaluations). Also included are expenses of forfeiture related automated data processing; contracting for services directly related to the processing of and accounting for assets and forfeiture cases; forfeiture-related printing and graphic services; asset seizure and forfeiture training; the storage, protection, and destruction of controlled substances; and contracting for services directly related to the identification of forfeitable assets.
- **Investigative Expenses.** Awards payable from the fund directly support law enforcement efforts by encouraging cooperation and assistance by informants. The fund may also be used to purchase evidence of violations of drug laws, Racketeering Influenced and Corrupt Organizations, and criminal money laundering laws. Payment of awards to sources of information creates tremendous motivation for individuals to assist the government in the investigation of criminal activity and the seizure of assets. Many cases would be impossible to bring to trial without the information from cooperating individuals. Even when the government has reason to believe criminal activity is occurring, an inside informant can facilitate the cost-effective deployment of investigative resources to obtain the greatest results.
- **Other Uses.** These include authority under the permanent indefinite portion of the fund for payment of overtime salaries, travel, fuel, training, equipment, and other similar costs incurred by state or local law enforcement officers in a joint law enforcement operation with a federal law enforcement agency participating in the fund.
- **Transfers to Other Accounts.** These reflect the transfer to other accounts of proceeds in excess of the amounts required for the above activities. Congress authorized excess funds to be transferred to the Bureau of Prisons (1988-1989), the U.S. Attorneys (1989), and the Special Forfeiture Fund (1990-1997). Title 28 U.S.C. § 524(c)(8)(E) provides for the use of any remaining excess balance by the Attorney General for any federal law enforcement, litigative/prosecutive, and correctional activities, or any other authorized purpose of the Department of Justice.

IV. BUDGET SUMMARY

2002 Program

- The 2002 receipt level totals \$400 million. Congressional appropriation action on the FY 2002 request includes a \$40 million rescission of unobligated balances available enacted by P.L. 107-77, which was signed on November 28, 2001. Available budget authority includes \$22.9 million in definite authority and \$337.1 million in permanent indefinite authority. The 2002 level reflects a decrease of \$147.0 million from 2000, a 29.0 percent decline, and a decrease of \$79.9 million from 2001, an 18.2 percent decline.
- The decline in receipts is largely a result of the Civil Asset Forfeiture Reform Act (CAFRA), P.L. 106-185, dated April 25, 2000. CAFRA made various changes to federal laws relating to the forfeiture of civil assets that has significantly decreased receipts deposited into the Fund. The reform legislation was effective on August 23, 2000. The reduced receipts are an important program factor since the fiscal resources of the Fund must first cover the business or operational expenses of the asset forfeiture program, and the Fund is not allowed to operate at a deficit.
- The total number of seized assets declined in 2002 from the 2001 level. As of September 30, 2001, there were 20,703 assets with an estimated value of \$831.5 million. In 2001, there were 27,077 assets on hand valued at \$814.8 million.

2003 Request

- The 2003 drug control budget request totals \$430.0 million, with \$390.0 million in receipts, a decrease of \$10.0 million from the 2002 anticipated level, and \$40 million in funds rescinded in 2002 that now become available. Included in the \$430.0 million request is \$22.9 million in definite authority, and \$407.1 million in permanent indefinite authority.
- The 2003 overall receipts reflect a 2.5 percent drop in receipts from 2002. Subsequently, it is expected that the decline will level off as the program adjusts to the new environment. The estimates do not take into consideration the impact of the events of September 11, 2001. It is uncertain at this point how the Attorney General's reorganization of the Department and the subsequent realignment of resources will impact the asset forfeiture program.

V. PROGRAM ACCOMPLISHMENTS

- At the end of 2001, a total of 20,703 seized assets were on hand with a total value of \$821.5 million. This consists of 7,226 cash seizures with a value of \$324.3 million, 547 real properties valued at \$85.9 million, 23 businesses values at \$3.7 million; and 12,907 other assets with an estimated value of \$407.6 million.

UNITED STATES ATTORNEYS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prosecution	\$228.195	\$244.604	\$254.388
Drug Resources by Decision Unit			
Criminal Litigation	\$220.151	\$236.200	\$245.730
Legal Education	0.840	0.840	0.874
Management & Administration	<u>7.204</u>	<u>7.564</u>	<u>7.784</u>
Total	\$228.195	\$244.604	\$254.388
Drug Resources Personnel Summary			
Total FTEs (direct)	1,686	1,742	1,742
Information			
Total Agency Budget	\$1,259.6	\$1,410.3	\$1,506.4
Drug Percentage	18.1%	17.3%	16.9%

II. METHODOLOGY

- The United States Attorneys' (USAs) drug efforts include those workyears associated with the narcotics program plus half of the workyears for Violent Crime and Organized Crime. The caseload in these programs frequently involves narcotics although it is not the lead charge. A proportional share of other decision units which indirectly support the prosecution of drug violators are also included.

III. PROGRAM SUMMARY

- The USAs are the principal litigators for the federal government, operating ninety-four district offices. The USAs prosecute the majority of the federal violations of controlled substances, money laundering, drug trafficking, tax evasion, and violent and organized crime.
- The number of DEA domestic arrests increased from 33,160 in 1997 to 40,383 in 1999, or an increase of 7,223 or 22 percent. Overall the same period, the number of methamphetamine laboratory seizures increased from 1,321 to 2,155 or an increase of 834 or 63 percent.
- The United States Attorneys districts each have developed plans to address the issues in place within their area. For example:
 - The Southern District of California is involved in several initiatives with local and state law enforcement agencies designed to combat drug trafficking, gang activity, and violent crime, including: (1) the San Diego County Violent Crimes Task Force; (2) the DEA Metropolitan Enforcement Team (MET); (3) the San Diego County Narcotics Task

Force; (4) the Marine Task Force; (5) the Commercial Interdiction Unit; (6) the San Diego Financial Task Force; (7) the Operation Alliance Joint Task Force, (8) the El Centro Narcotics Task Force, and (9) the Imperial County Drug Coalition.

- The Northern District of Iowa has many programs and continually starts new initiatives specifically designed to combat narcotics trafficking and violent crime. There has been a special focus on those cases where firearms are involved for the last couple of years. These programs and initiatives include the following: C.R.I.M.E Net (an alliance comprised of law enforcement executives and prosecutors from federal, a state and local agencies which meets bi-monthly to share intelligence and coordinate operations to reduce drug and violent crime); two DEA Regional Multi-Agency Drug Task Forces, one eastern Iowa located in Cedar Rapids and one in western Iowa located in Sioux City; four Serious Offender Working Groups (Sioux City, Waterloo, Dubuque, Cedar Rapids); thirteen Byrne Grant funded Multi-Jurisdictional Drug Enforcement Task Forces located across the district. Attorneys also partner and collaborate on a variety of drug enforcement and education/prevention initiatives with the Governor's Office for Drug Control Policy. Last, Attorneys offered Drug Education and Prevention programs to approximately 50 coalitions in the district and provided numerous prevention and education programs for students in high schools and junior high schools.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug-related resources include \$244.6 million and 1,742 FTEs that support drug control prosecution activities. The United States Attorneys investigate and prosecute all federal violations of controlled substances, money laundering, drug trafficking, tax evasion, and violent and organized crime.

2003 Request

- The FY 2003 request includes \$254.4 million and 1,742 FTEs in drug-related resources that support drug control prosecution activities. This represents an increase of \$9.8 million over the FY 2002 enacted level. This request includes an increase only for anticipated uncontrollable cost increases. The United States Attorneys remain committed in their efforts to keep drugs out of the communities, and most importantly, away from children.

V. PROGRAM ACCOMPLISHMENTS

Some examples of the successes of the USAs in prosecuting drug dealers and distributors are:

- Russell David McGregor was sentenced to 216 months imprisonment following his convictions for conspiracy to possess with intent to manufacture and to manufacture and possess with intent to distribute, and manufacture of methamphetamine. DEA agents arrested McGregor after the execution of a search warrant at his apartment in Reno. On entering the apartment, the agents found McGregor in the process of conducting a pseudoephedrine "extraction." This process, also known as "pulling pills," involves a

chemical synthesis that removes pseudoephedrine from the other substances in the pills to produce pure pseudoephedrine, which is then used to manufacture methamphetamine. Agents also found McGregor's four children, ages 5, 6, 8 and 9, in a back bedroom covering their faces and mouths to protect themselves from the heavy chemical fumes.

- Twelve defendants were indicted for participating in the criminal activities of the "Fulton Hill Hustlers," a group that engaged in violent street crime in the Fulton Hill section of Richmond since at least 1992. Seven defendants were charged with RICO, and those seven and five others were charged with crack cocaine distribution conspiracy. The indictment alleges that the Fulton Hill Hustlers engaged in a pattern of racketeering activity that included six murders, 11 attempted murders, a car-jacking, and three robberies, as well as drug distribution.
- Seven of the eight defendants charged in a series of drug overdose deaths entered pleas of guilty. During the weekend of August 11, 2001, the Houston medical examiner's office saw a total of 16 deaths from cocaine and heroin overdoses, as well as a large number of hospital admissions for drug abuse. The Houston Police Department's Homicide and Narcotics Division, the FBI, the DEA, and the Harris County Sheriff's Department began an investigation, which subsequently identified eight defendants in the drug distribution chain: Charles Martinez, Lucas Martinez, Roman Juarez, Baldomero Guajardo, Jose Colunga, Benito Almaguer, Louis M. Melchor, and Andy Gonzalez. Each of these individuals believed he was dealing only in cocaine, but DEA lab tests later showed the drugs were 37 percent cocaine and 53 percent heroin. The investigation is continuing.

BUREAU OF PRISONS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Corrections	\$2,303.309	\$2,485.733	\$2,399.564
Treatment	<u>38.233</u>	<u>39.380</u>	<u>43.485</u>
Total	\$2,341.542	\$2,525.113	\$2,443.049
Drug Resources by Decision Unit			
Inmate Care and Programs	\$687.720	\$751.675	\$823.008
Institution Security and Administration	888.842	966.587	1,036.439
Contract Confinement	219.979	266.662	275.233
Management and Administration	82.230	84.600	87.032
New Construction	394.503	381.239	137.019
Modernization and Repair	<u>68.268</u>	<u>74.350</u>	<u>84.318</u>
Total	\$2,341.542	\$2,525.113	\$2,443.049
Drug Resources Personnel Summary			
Total FTEs (direct only)	17,475	18,630	19,137
Information			
Total Agency Budget	\$4,303.6	\$4,622.2	\$4,477.0
Drug Percentage	54.4%	54.6%	54.6%

II. METHODOLOGY

- The Bureau of Prisons' (BOP) drug budget is a percentage of the total. The BOP has four budgets: Salaries and Expenses (S&E), Buildings and Facilities (B&F), the Federal Prison Industries (FPI), and the Commissary Trust Revolving fund. Only the first two are appropriated and contain drug-related resources.
- Drug percentages for the S&E budget and Modernization and Repair program in the B&F budget are based on the number of inmates projected to be incarcerated for drug convictions during the year. The drug percentage for the New Construction program in the B&F budget reflects the number of inmates projected to be incarcerated for drug convictions at the time the budget year initiatives are scheduled to become operational, three to five years after appropriations. For this budget, that amounts to 56 percent. The drug percentage for drug treatment programs is one hundred percent.
- Following are the percentages applied to other decision units to arrive at the FY 2003 drug budget: Inmate Care and Programs, Institution Security, Management and Administration, and Modernization and Repair are applied at 56 percent; and the Contract Confinement decision unit is applied at 43 percent.

III. PROGRAM SUMMARY

- The mission of the BOP is to protect society by confining offenders in the controlled environments of prison and community-based facilities that are safe, humane, cost-efficient, and appropriately secure, and which provide work and other self-improvement opportunities to assist offenders in becoming law-abiding citizens.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug-related resources include \$2.5 billion and 18,630 direct FTEs. This represents an increase of \$183.6 million over FY 2001 budget authority.
- Drug treatment funding of \$39.4 million in FY 2002 will provide adequate resources in accordance with the projected population.
- In FY 2002, BOP is impacted by the Administration's war on terrorism. After the September 11, 2001 attacks, the BOP is absorbing costs associated with housing additional high risk inmates; overtime costs for increased security at virtually all facilities; overtime costs for increased use of special housing units for terrorists, and those associated with terrorists and terrorist incidents. In addition, the BOP is absorbing overtime costs for those covering posts of military reserve staff called to duty and increased costs associated with security upgrades.

Corrections Activities:

- As of January 10, 2002, BOP provided custodial care for a total of 157,763 inmates. Of that number, 131,494 or 83 percent are in BOP facilities. Approximately 17 percent of the total population are in contract care. BOP contracts with state, local, and private correctional institutions to house 15,839 federal inmates. The BOP also houses 6,516 inmates in contract community correction centers, 2,323 in a government owned and privately managed prison, and 1,591 inmates in home confinement.
- BOP has four budgets: S&E, B&F, FPI, and the Commissary Trust Revolving Fund. Only the first two are appropriated.
 - S&E covers the necessary expenditures for the administration, operation, and maintenance of federal correctional institutions and contract care.
 - B&F includes new construction and modernization and repair costs.
 - Federal Prison Industries is a Government-owned corporation that provides goods and services to other federal agencies through a training employment program for federal offenders.
 - Commissaries operate in the prisons for inmates to purchase special (personal) items and provide services beyond the necessities supplied by the facilities. Commissary operations

do not require appropriated funds since all costs, including staff salaries, are financed from profits acquired by sales to inmates.

- BOP also incarcerates state and local offenders in federal facilities under certain circumstances. The states and localities receiving this service normally reimburse BOP.

Treatment Activities:

- In response to the rapid growth in the federal inmate population having drug abuse histories, BOP has developed a comprehensive drug abuse treatment strategy consisting of four components: drug abuse education; non-residential drug abuse counseling services; residential drug abuse program; and community transitional drug abuse treatment. It is estimated that 34 percent (up from 30 percent in 1990) of the sentenced inmate population are drug dependent and require some type of drug abuse treatment program.
 - **Residential Drug Abuse Program:** This program provides intensive unit based treatment with extensive assessment, treatment planning, and individual and group counseling. The programs are typically nine months long and provide a minimum of 500 hours of drug abuse treatment.
 - **Drug Abuse Education:** The drug abuse education component provides the inmate with specific instruction on the risks involved in drug using behaviors; presents strategies toward living a drug-free lifestyle, while introducing the inmate to the concepts of drug treatment; and motivates the inmate to seek further treatment options in the BOP.
 - **Non-residential Drug Abuse Counseling Services:** This program offers treatment for those who do not meet the requirements for, are waiting to get into, or do not have enough time in their sentence to complete the residential drug abuse treatment program. This program is also available for aftercare treatment, as needed, once an inmate has completed the residential treatment program.
 - **Transitional Drug Abuse Treatment Programs:** These programs are available to inmates who have completed the residential drug abuse treatment program, have been identified by community corrections staff as having a drug use disorder and are being transferred to the community corrections centers under Bureau custody. As part of their community program plan, and to assist in the adjustment back into society, these inmates continue treatment programming with community-based treatment providers.
- In FY 2002, the BOP estimates that 18,000 inmates will participate in drug abuse education programs; 11,500 inmates will participate in non-residential drug abuse treatment programs; 16,000 inmates will participate in residential drug abuse treatment programs; and 13,000 inmates will participate in community transitional drug abuse treatment programs.
- To keep the prisons drug free, BOP will continue random urine testing of inmates housed in BOP facilities. Further, the wardens will continue programs of urine testing for drug use, to monitor specific groups or individual inmates who are considered as high risk for drug use, such as those with a history of drug use, and those inmates specifically suspected of drug use.

2003 Request

- The FY 2003 drug-related request includes resources of \$2.4 billion and 19,137 direct FTEs, a decrease of \$82.1 million from the FY 2002 enacted level. Included in the overall request level is a \$4.1 million increase for drug treatment activities. Other program highlights include:
 - Activation of four new facilities: the Federal Correctional Institution (FCI) Glenville, West Virginia, the U.S. Penitentiary (USP) Big Sandy, Kentucky, USP McCreary County, Kentucky, and USP Victorville, California; and two expansions at USP Marion, Illinois and FCI Safford, Arizona adding an additional 5,180 beds. The FY 2003 request also includes resources for institution population adjustments.
 - The drug-related portion of the new prison construction and modernization and repair program totals \$221.3 million in FY 2003, and it focuses on resources needed to construct partially funded projects and maintain existing infrastructure for safe and secure operations.
 - The new construction request will provide remaining funds to construct the following: one secure facility specifically designed for female inmates in Hazelton, West Virginia; additional medium security capacity for sentenced male inmates in Pollock, LA; and expansions at three existing facilities FCI Sandstone, MN, FCI Otisville, New York, and a special housing unit at USP Florence, Colorado.

V. PROGRAM ACCOMPLISHMENTS

- In FY 2001, 17,216 inmates participated in drug abuse education programs; 10,827 inmates participated in non-residential drug abuse treatment programs; 15,441 inmates participated in residential drug abuse treatment programs; and 11,319 inmates participated in community transition drug abuse treatment programs.
- The BOP provided residential drug treatment to 100 percent of eligible inmates.
- In FY 2001, the BOP introduced new residential drug program curricula that incorporates new treatment technologies. Also based on the research, two separate curricula were developed; one for men and one for women to address gender specific issues.
- The BOP also completed a demonstration project involving 28 federal prisons to evaluate the effectiveness of ion scanning technology in detecting the presence of microscopic traces of illegal drugs on civilian visitors entering BOP facilities. The demonstration project concluded that the visitors testing program is effective in detecting and deterring visitors who may otherwise attempt introduction of contraband. The study cited instances where visitors left the institutions upon realizing that they may be subject to drug testing. The BOP is now currently in the process of installing this technology at other BOP institutions.

COMMUNITY ORIENTED POLICING SERVICES

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$64.208	\$36.401	\$36.270
Treatment	0.000	0.000	31.320
State and Local Assistance	<u>310.464</u>	<u>390.961</u>	<u>585.742</u>
Total	\$374.672	\$427.362	\$653.332
Drug Resources by Decision Unit			
Public Safety and Community Policing	\$224.555	\$210.901	\$48.714
Justice Assistance Grants	0.000	0.000	426.590
Community and Gun Prosecutors	32.927	66.427	66.427
Crime Fighting Technologies	91.235	116.039	93.225
Community Crime Prevention	15.476	23.167	9.900
Program Administration	<u>10.479</u>	<u>10.828</u>	<u>8.476</u>
Total	\$374.672	\$427.362	\$653.332
Drug Resources Personnel Summary			
Total FTEs (direct only)	78	78	78
Information			
Total Agency Budget	\$1,037.1	\$1,050.4	\$1,381.0
Drug Percentage	36.1%	40.7%	47.3%

II. METHODOLOGY

- The portion of total resources estimated for the Office of Community Oriented Policing Services (COPS) drug-related programs is 47.3 percent in 2003; 40.7 percent in 2002; 36.1 percent in 2001; and 33 percent in prior fiscal years.
- Prior to 2001, the drug methodology employed by COPS was jointly developed by the Department of Justice and the Office of National Drug Control Policy. The methodology was based on the assumption that approximately one-third of all COPS funding supported drug-related functions, particularly since a significant amount of law enforcement activities are directed towards drug infested neighborhoods, drug trafficking-related problems, and drug prevention efforts.
- As the COPS Office's mission shifts from funding law enforcement officers to providing more advanced training and equipment for these officers, the Office has had to reevaluate its drug methodology. In general, the COPS Office continues to apply 33 percent of all funding to drug control efforts except for two programs that are earmarked as 100 percent drug-related--the Southwest Border Prosecutor Initiative and the Methamphetamine Initiative.
- This budget submission includes a change to the COPS drug methodology in that the existing Community Policing Development (research, evaluation, training and technical assistance)

program will be scored at only 2.5 percent drug-related and the Police Integrity program will not be scored as drug-related. In examining these two programs, the Office has concluded that the Community Policing Development program contains very little drug-related functions, while the Police Integrity program contains no drug nexus.

- In addition, in FY 2003, a new program is being introduced in COPS's Budget Request, the Justice Assistance Grants (JAG) program. This program, with total requested funding of \$800 million, is scored at 53 percent drug-related, which significantly increases the Office's total drug control contribution.

III. PROGRAM SUMMARY

- Statutory authority for the COPS program is derived from the Violent Crime Control and Law Enforcement Act of 1994. The COPS program includes grant resources to fund police hiring, redeployment, training, technical assistance, and evaluation programs.

IV. BUDGET SUMMARY

2002 Program

- The COPS Office will dedicate \$427.4 million and 78 FTEs in drug control resources in FY 2002, a net increase of \$52.7 million from FY 2001 enacted.
 - **Hiring Initiatives:** COPS is providing a total of \$350.7 million for hiring initiatives, of which \$115.7 million is dedicated to drug control to hire and equip officers as well as train and educate law enforcement officers and community members on emerging law enforcement issues through the use of Community Policing Development grants. Funding will build on the existing Universal Hiring Program, Making Officer Re-deployment Effective, and COPS in Schools grant programs, as well as Community Policing Development initiatives.
 - **Non-Hiring Initiatives:** The COPS Office has committed \$145.4 million (\$95.2 million for drug control efforts) for non-hiring programs, including the Bulletproof Vests, Police Corps, Indian Country, and Methamphetamine programs. Funding is included to support a variety of drug enforcement and prevention efforts, consistent with community policing objectives. Specifically, \$70 million is included to support enforcement activities and clean-up costs associated with methamphetamine.
 - **Crime Prevention:** The COPS Office has dedicated \$70.2 million, of which \$23.2 million is drug control related, for community crime prevention strategies and programs, including the Police Integrity and Offender Re-entry programs, Project Sentry, and the Safe Schools Initiative.
 - **Crime Fighting Technology:** The COPS Office has committed a total of \$351.6 million, of which \$116 million is dedicated to drug control activities, to support crime technology efforts. COPS will provide drug control funding of \$50.9 million for grants to provide crime-fighting technologies to local law enforcement jurisdictions. These technologies range from improved radio communication equipment to in-car cameras meant to

increase officer safety while on traffic stops. Also, \$65.1 million in drug control funding will be dedicated to supporting the Crime Identification Technology Assistance (CITA) Act and related programs.

- **Community Prosecutors:** A total of \$99.8 million, of which \$66.4 million is drug-related. Included in this amount is \$50 million for the Southwest Border Prosecutor Initiative to assist counties near the Southwest Border with costs of prosecuting and detaining federal drug and alien arrest referrals.
- **Program Administration:** The COPS Office is dedicating \$10.8 million and 78 FTEs, of its available \$32.8 million and 235 FTEs, for the administration of the above drug-related program efforts.

2003 Request

- The COPS' FY 2003 drug control request totals \$653.3 million, a net increase of \$225.9 million over the FY 2002 enacted level.
- The FY 2003 request maintains \$50 million in grant funding for the Southwest Border Prosecutor Initiative that provides aid to counties along the Southwest Border with the costs of detaining and prosecuting drug cases referred to them by U.S. Attorneys.
- Significant program changes include:
 - **Justice Assistance Grant Program:** Funding in the amount of \$800 million, of which \$426.6 million is drug-related, is requested to establish a new grant program called the Justice Assistance Grant Program. The JAG program will replace the Byrne Formula Grant program and the Local Law Enforcement Block Grant program. Funding will be provided to state and local governments. The states' funding may be used for state-wide training initiatives, including counterterrorism activities, technical assistance and training, support for rural jurisdictions in the areas of law enforcement, prosecution and court programs, prevention programs, corrections programs and treatment programs. Local funding may be used for these purposes and could be combined with funding of other jurisdictions to form a regional project.
 - **InfoTech Program:** This new program will provide \$16.5 million in drug-related grants to local law enforcement jurisdictions with crime-fighting technologies such as radio communication equipment to enhance interoperability and multi-jurisdictional communications. The new InfoTech program will seek to replace the Law Enforcement Technology program.
 - COPS Hiring Programs and the Safe Schools program are not requested in FY 2003.
 - Methamphetamine funding includes a \$50 million reduction from the FY 2002 enacted program.

V. PROGRAM ACCOMPLISHMENTS

- The COPS Office has invested over \$8.6 billion in state and local law enforcement since 1995, to more than 12,400 grantees with over 32,700 active grants. The COPS program adds officers to the street, enhances technology, supports crime prevention strategies, and advances community policing.
- Over 157,000 law enforcement officers and community members have been trained in community policing topics and emerging law enforcement issues through the national network of Regional Community Policing Institutes, created with COPS funding, and the Community Policing Consortium.
- Since FY 1998, over \$153 million has been appropriated to the COPS Office for methamphetamine prevention, clean up, training, and eradication efforts.
- In FY 2001 the COPS Office continued to provide grants, through the COPS In Schools program, to fund additional school resource officers to law enforcement agencies who partner with local schools. The partnerships focus on developing strategies to utilize problem solving and community policing techniques to prevent school violence and the implementation of educational programs. In FY 2001, the Office funded an additional 1,520 school resource officers nationwide, bringing the total school resources officers funded to-date to over 4,560.
- In FY 2001, the COPS Office funded an additional 5,023 officers through the Universal Hiring Program (UHP), MORE, and Tribal grant programs. Together with the COPS In Schools program, the COPS Office has funded over 114,000 officers since 1995.

CRIMINAL DIVISION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prosecution	\$30.943	\$32.230	\$32.572
International	<u>4.122</u>	<u>5.599</u>	<u>6.151</u>
Total	\$35.065	\$37.829	\$38.723
Drug Resources by Decision Unit			
Organized Crime and Narcotics	\$11.113	\$11.825	\$11.886
International	4.122	5.599	6.151
Litigation Support	15.657	16.023	16.241
Management and Administration	<u>4.173</u>	<u>4.382</u>	<u>4.445</u>
Total	\$35.065	\$37.829	\$38.723
Drug Resources Personnel Summary			
Total FTEs (direct only)	251	254	262
Information			
Total Agency Budget	\$110.6	\$124.7	\$130.7
Drug Percentage	31.7%	30.3%	29.6%

II. METHODOLOGY

- The Criminal Division's drug budget figures are derived by estimating the level of involvement of each Division component in drug-related activities. Within the Division's Decision Units, each component is required to estimate the percentage of work/time that is spent addressing drug-related issues in relation to the *National Drug Control Strategy*. This percentage is then applied against each component's overall resources to develop an estimate of those resources dedicated to drug-related activities. Component totals are then aggregated to determine Decision Unit totals.

III. PROGRAM SUMMARY

Several components of the Criminal Division are involved in drug control efforts. Program summaries of drug-related components are provided below:

- **Organized Crime and Racketeering Section (OCRS)** efforts go towards destroying the major trafficking organizations by convicting and incarcerating their leaders. OCRS resources are used to ensure that indictments are properly secured, that organized crime cases are prosecuted, and that overall organized crime prosecution policies are developed and implemented.
- **Narcotic and Dangerous Drug Section (NDDS)** has supervisory jurisdiction of those statutes pertaining to controlled substances. Current responsibilities include the development

and implementation of domestic and international narcotics law enforcement programs and policies, and the provision of direct litigation support to the Organized Crime Drug Enforcement Task Force (OCDETF) and the High Intensity Drug Trafficking Area (HIDTA) programs. Responsibilities also include the Southwest Border and other multi-agency initiatives, and to U.S. Attorneys nationally in recusal matters or in cases where the Section's expertise is requested. NDDS attorneys represent the Department in developing and administering cooperative drug enforcement strategies, initiatives, and projects conducted by the law enforcement and intelligence communities, including the National and International Drug Control, Crack Cocaine, Methamphetamine, Heroin, and Marijuana Strategies. NDDS plays a central coordinating role in a number of multi-district, multi-agency initiatives and prosecutions, including the Southwest Border Initiative (SWBI), the Department's priority narcotics enforcement program targeting major Mexican trafficking organizations.

- **Office of International Affairs (OIA)** promotes interdiction efforts through bilateral and multi-lateral agreements with foreign governments. These agreements lay the groundwork for enhanced intelligence sharing and cooperation towards interdiction strategies. OIA helps identify and cement relations with those countries who have the political will to stop traffickers from using their national territories to produce and transport narcotics. OIA coordinates international activities, and along with the Departments of State and Treasury, negotiates extradition and mutual legal assistance treaties (MLATs). OIA assists in efforts to extradite major narcotics traffickers and money launderers to the United States for successful prosecution.
- **Asset Forfeiture and Money Laundering Section (AFMLS)** maximizes the effectiveness of the money laundering and asset forfeiture statutes as a deterrent to crime. In pursuing this mission, the AFMLS is committed to dismantling and destroying criminal organizations, both foreign and domestic, to deprive drug traffickers, racketeers, and other criminals of the profits, proceeds and instrumentalities of their trade. The Section also seeks to enhance law enforcement and intergovernmental cooperation among federal, state, local and foreign law enforcement agencies through the equitable sharing program and by providing expertise in related areas of law, practice, policy development, and enforcement.
- **Office of Enforcement Operations (OEO)** oversees the use of the most sophisticated investigative tools at the Department's disposal, including electronic surveillance and the Federal Witness Security Program. The Office provides legal advice to federal, state, and local law enforcement agencies on the use of the federal electronic surveillance statutes, and assists in developing Department policy on emerging technologies, telecommunications issues, and witness protection operations.
- **Appellate Section** supports the Division's counternarcotics activities by reviewing acquittals and appealing adverse decisions in the U.S. Circuit Courts of Appeals and in the Supreme Court.

IV. BUDGET SUMMARY

2002 Program

- The Criminal Division's FY 2002 drug-related budget totals \$37.8 million and 254 FTEs.

2003 Request

- The FY 2003 drug control budget request is \$38.7 million and 262 FTEs. This represents an increase of \$0.9 million and 8 FTEs over the FY 2002 enacted level. The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- **Operation Impunity II**: This Special Operations Division (SOD) supported, multi-district investigation targeted a Mexican organization responsible for the transportation and distribution of multi-hundred kilogram quantities of cocaine and marijuana from Mexico into the United States. This national initiative, which targeted remnants of the Amado Carrillo-Fuentes Organization and the Gulf Cartel, identified several Mexican transporters who were shipping cocaine into the United States through the Reynosa corridor in South Texas. This investigation culminated in December 2000, with a nationwide takedown resulting in the seizure of 5,490 kilograms of cocaine, 9,526 pounds of marijuana, \$11.4 million in United States currency/assets, and the arrest of 155 individuals.
- **Operation Marquis**: This SOD supported, multi-district initiative targeted a Mexico based organization, operating primarily from Nuevo Laredo, Mexico, and trafficking in cocaine, marijuana, heroin, and methamphetamine. The organization transported large quantities of cocaine and marijuana through the Nuevo Laredo corridor, which were then stored in Laredo, Texas, for subsequent delivery to established distribution cells throughout the United States. This organization primarily used tractor-trailers to transport the drugs, which were concealed in cover loads of produce. This investigation culminated in July 2001, with a nationwide takedown resulting in the seizure of 8,645 kilograms of cocaine, 23,097 pounds of marijuana, 50 pounds of methamphetamine, \$13 million in United States currency, and the arrest of 305 individuals.

DRUG ENFORCEMENT ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$1,046.408	\$1,155.091	\$1,226.226
Intelligence	168.122	190.081	196.885
International	250.796	244.157	258.319
State and Local Assistance	12.387	12.904	13.400
Prevention	<u>2.695</u>	<u>3.190</u>	<u>3.676</u>
Total	\$1,480.408	\$1,605.423	\$1,698.506
Drug Resources by Decision Unit			
Domestic Enforcement	\$406.217	\$435.183	\$465.126
Foreign Coop Investigations	206.333	193.275	207.511
Chemical	16.108	18.961	19.946
State and Local Task Forces	241.596	244.385	257.082
Intelligence	112.592	120.237	127.133
Laboratory Services	44.334	60.674	60.912
Training	20.265	24.754	25.529
Research, Engineering, and Technical Operations	85.076	121.270	121.455
ADP and Telecommunications	140.433	159.044	141.305
Management and Administration	87.356	104.000	119.920
Construction	0.000	0.000	0.000
Drug Diversion Control Fee Account	<u>83.543</u>	<u>86.021</u>	<u>113.645</u>
Sub-Total	\$1,443.853	\$1,567.804	\$1,659.564
Retirement Accrual Costs:			
Salaries and Expenses	\$34.092	\$35.071	\$36.125
Drug Diversion Control Fee Account	<u>2.463</u>	<u>2.548</u>	<u>2.817</u>
Total	\$1,480.408	\$1,605.423	\$1,698.506
Drug Resources Personnel Summary			
Total FTEs (direct only)	7,658	8,171	8,327
Information			
Total Agency Budget	\$1,480.4	\$1,605.4	\$1,698.5
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All of the Drug Enforcement Administration's resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- DEA is the lead federal agency for the enforcement of narcotics and controlled substance laws and regulations. The agency's priority mission is the long-term immobilization of major drug trafficking organizations through the removal of their leaders, termination of their trafficking networks and seizure of their assets.

- Four strategic areas drive DEA's resource requirements. They are:
 - International Impact Targets: DEA will eliminate the power and control of the Major Drug Trafficking Organizations (MDTO) and dismantle their infrastructure through disrupting and dismantling the operations of their supporting organizations that provide raw materials and chemicals, produce and transship illicit drugs, and launder money worldwide. Also, DEA will halt the operations of their surrogates in the U.S.
 - National/Regional Impact Targets: DEA will continue an aggressive and balanced enforcement program with a multi-jurisdictional approach designed to help focus federal and interagency resources on illegal drug traffickers, their organizations and key members who have control of an area within a region in the U.S. and the drugs and assets involved in their activities.
 - Local Impact Activities: DEA will continue to attack the violence that plagues our cities, rural areas and small towns from the impact of drugs and help restore a positive quality of life to our citizens. DEA considers this an important part of its overall strategy to complement the state and local efforts with specialized programs that bring DEA's intelligence, expertise, and leadership into specific trouble spots throughout the nation.
 - Management Infrastructure: DEA will create an environment in which the agency's support requirements--in areas such as human resources, facilities, security, information management, financial management, and procurement--are anticipated and met in a timely and efficient manner.

IV. BUDGET SUMMARY

2002 Program

- In FY 2002, DEA will spend \$1,605.4 million in support of drug control activities. Key drug control spending in FY 2002 is highlighted by selected decision units below:
- **Domestic Enforcement**: The FY 2002 program for Domestic Enforcement totals \$435.2 million for programs that include the investigative operations of DEA's twenty-one field divisions, the operational coordination functions located at DEA Headquarters, Special Enforcement Programs, and Communications Intercept Operations. Specifically, the Domestic Enforcement Program employs the majority of the Special Agent work force and is responsible for conducting investigations of drug production and trafficking activities within the U.S. Domestic enforcement personnel use a variety of investigative tools, including electronic surveillance, informants, and undercover operations, to acquire intelligence information that aids in dismantling, prosecuting, and eliminating drug production and trafficking organizations.
 - Included under the Domestic Enforcement decision unit is the Special Operations Division (SOD), which is a combined DEA, FBI, Criminal Division, IRS, U.S. Customs Service, and U.S. Department of Defense effort that supports ongoing investigations by producing detailed and comprehensive data analyses of the activities of the MDTO's.

The SOD's mission is to provide criminal investigators with the capability to exploit fully federal law enforcement's investigative authority under Title III of the U.S. Code.

- Also included under this decision unit is the Domestic Cannabis Eradication and Suppression Program (DCE/SP), whose mission is to halt the spread of marijuana cultivation in the U.S. DEA coordinates the DCE/SP program by completing Letters of Agreement (grant-like funding contracts) with state and local law enforcement agencies, in response to their operational plan to combat marijuana cultivation and conduct suppression programs for their states.
- **State and Local Task Forces:** The FY 2002 program for this decision unit totals \$244.4 million and provides a diverse, creative, and all-encompassing federal response to the multi-faceted and complex drug problem to state and local law enforcement agencies. The program expands the work force under DEA's supervision; contributes substantial intelligence information; fosters intergovernmental cooperation; provides state and local enforcement agencies access to DEA's specialized training and support; and supports the Mobile Enforcement Team (MET) program.
- **Intelligence:** In FY 2002 this decision unit is funded at \$120.2 million and is responsible for collecting, analyzing, and disseminating drug-related intelligence worldwide. It also funds the El Paso Intelligence Center (EPIC), a multi-agency facility that serves as a clearinghouse for tactical intelligence, and a support for drug law enforcement interdiction operations, 24 hours a day, 7 days a week. EPIC has grown to serve fifteen federal agencies, all fifty states, Canada, Puerto Rico, the Virgin Islands, and Guam. EPIC also coordinates training in the methods of highway drug and currency interdiction through its Operation Pipeline program. EPIC personnel coordinate and conduct training seminars throughout the U.S., covering such topics as methods of concealment used by drug traffickers.
- **Foreign Cooperative Investigations Program (FCIP):** The FY 2002 funding for this decision units totals \$193.3 million, to advise, assist, and encourage foreign governments to reduce the trade and supply of illicit drugs within their countries. DEA also works with foreign governments on the investigation of high-level international trafficking organizations that have a direct impact on the U.S. In pursuing these aims, DEA coordinates drug intelligence collection and investigations with foreign law enforcement agencies and participates in bilateral and multilateral drug suppression programs.
- **Chemical Control:** This program in FY 2002 is funded at \$18.9 million and is responsible for enforcing the Chemical Diversion and Trafficking Act of 1988, Article 12 of the United Nations Convention against Illicit Drug Traffic of 1988, the Methamphetamine Control Act of 1996, and the Anabolic Steroid Control Act of 1991. In performance of this mission, DEA utilizes Diversion Investigators, Special Agents, Chemists, Pharmacologists, Program Analysts, and others to monitor legal and illegal movement of controlled drugs and chemicals across U.S. borders.
- **Laboratory Services:** This decision unit is funded at \$60.7 million in FY 2002, and provides drug law enforcement support through the timely analysis of drug and digital computer evidence and the presentation of expert forensic testimony in courts of law. The labs will

also provide assistance to investigators on clandestine laboratory investigations, diversion investigations (drugs and chemicals), as well as to intelligence analysts to determine the origin of controlled substances and drug distribution patterns. EPA regulations require law enforcement to perform clandestine laboratory cleanup duties as if it were a "generator" of hazardous waste and thus bear responsibility for removal of that waste. After processing a clandestine laboratory for criminal prosecution, DEA fulfills its obligations as "generator" by paying a certified contractor to remove all hazardous waste and contaminated materials from the site.

- **Diversion Control Fee Account (DCFA):** This account is funded at \$86 million in FY 2002 and adheres to the Comprehensive Drug Abuse and Prevention and Control Act of 1970 (Public Law 91-513), which authorizes DEA to enforce this law as it applies to the registration of handlers of controlled substances. The purpose of DEA's Drug Diversion Control Program is to prevent, detect, and investigate the diversion of controlled substances from legitimate channels while, at the same time, ensuring that there is an adequate uninterrupted supply of controlled substances to meet legitimate needs. In addition, DEA's Drug Diversion Control program serves as the only responsible action office for the international monitoring and control of legitimate pharmaceuticals.

2003 Request

- The FY 2003 budget for DEA includes a request of \$1,698.5 million and 8,327 FTEs. This represents a \$93.1 million increase over FY 2002 enacted levels, of which \$53.4 million is associated with program enhancements. Significant program changes include:
 - DEA requests an additional \$4.1 million and 27 positions to enhance financial investigations in domestic field offices, with emphasis on the financial hubs of New York, Miami, and Los Angeles. Resources will allow DEA to disrupt the international and domestic flow of illicit money, provide financial investigations training to ensure that field personnel are experienced with the latest money laundering techniques being employed, and enhance regulatory and cooperative public-private efforts to prevent money laundering.
 - An additional \$6.7 million and 23 positions is being requested to improve information security. Specifically, this enhancement will strengthen DEA's data security infrastructure to prevent the compromise or destruction of DEA's information systems. Resources will provide proper compliance with federal regulations and accreditation requirements; management of DEA user accounts, including intrusion detection and response measures; information systems security management; compliance reviews, security awareness training; and encryption systems.
 - DEA requests \$18 million to increase for anti-terrorism security measures in order to protect employees at DEA's domestic and foreign facilities. The request includes \$7 million for critical physical security upgrades at foreign facilities to meet U.S. Department of State Inman Standards, \$8 million to improve security measures at domestic offices, and \$3 million for contract support to develop an Operational Security

program, and to assist in the administration of DEA's ongoing security program requirements.

- An increase of \$24.6 million and 133 positions to strengthen enforcement capabilities, to prevent, detect, and investigate the diversion of controlled substances, particularly OxyContin. These investigations will result in more arrests as well as civil and administrative actions against those responsible for diverting controlled substances, especially OxyContin, which has become the most prescribed Schedule II narcotic in the United States.
- A program reduction of \$0.3 million in the Marine Program is proposed that will eliminate Headquarters management of the program. With this reduction, management of DEA's thirteen marine crafts will be transferred to the division offices that currently operate and maintain the vessels.

V. PROGRAM ACCOMPLISHMENTS

Domestic Enforcement Programs

- In January 2002, DEA, together with the U.S. Customs Service (USCS), Internal Revenue Service (IRS), and the Royal Canadian Mounted Police, announced the arrests of more than 100 individuals in twelve cities, in connection with a nationwide investigation targeting the illegal trafficking of pseudoephedrine. This is an essential precursor chemical used to manufacture the illegal drug methamphetamine. Federal agents, with assistance from numerous state and local law enforcement agencies, carried out the arrests in Chicago, Detroit, Cleveland, Houston, Phoenix, Las Vegas, Los Angeles, and other California sites. In addition, federal agents, state and local law enforcement personnel, and federal, state, and local prosecutors, all worked together as part of an Organized Crime Drug Enforcement Task Force.

This investigation is the third phase of Operation Mountain Express, stemming from a previous national enforcement effort which targeted rogue U.S. based chemical registrants who, although authorized to distribute List I chemicals, were illegally diverting and distributing pseudoephedrine to methamphetamine-producing organizations operating in California and elsewhere. The huge seizures in this case prevented thousands of pounds of "meth" from being manufactured and sold on the streets of our country. The operation was coordinated by DEA's joint law enforcement program called the Special Operations Division, comprised of agents and analysts from DEA, FBI, USCS, IRS, and attorneys from the Department of Justice's Criminal Division.

- DEA, along with other federal, state, and local agencies culminated a seventeen-month investigation targeting a major trafficking organization. Operation Perfect Storm initially targeted low-level distribution cells in the greater Boston area. Through cooperative investigative efforts, authorities were able to identify the sources of supply, operating out of New York, New Jersey, and Florida, which were already being targeted on unrelated investigations. This operation, also coordinated by SOD, has resulted in the arrests of

144 defendants, the seizure of over 2,700 kilograms of cocaine, seventeen kilograms of heroin, and \$3 million in U.S. currency.

International Operations Program:

- DEA's Caribbean Division recently dismantled two international drug trafficking and money laundering organizations based in Puerto Rico, through two parallel investigations: Operation Crossroads II, and Operation Caribe I. Both investigations were closely coordinated with the DEA SOD, offices in New York, Orlando, Bogota, Caracas, as well as a Regional Enforcement Team (RET) which deployed to Puerto Rico. These represent over a year's worth of detailed investigation by the DEA offices, and the tireless efforts of several other U.S. agencies, as well as the Police, Treasury, and Special Investigations Bureau from Puerto Rico. Seventeen individuals were arrested, who had engaged in the illicit trafficking of multi-hundred kilogram quantities of cocaine, and multi-kilogram quantities of heroin, and the laundering of millions of U.S. dollars, obtained from their drug trafficking activities.
- In November 2001, DEA and other agencies completed an Organized Crime Drug Enforcement Task Force (OCDETF) investigation, Operation Landslide. Authorities had learned that significant amounts of black tar heroin were entering the U.S. at regular intervals, often accompanied by smaller amounts of methamphetamine and cocaine; being transported to "stash" locations in California; and finally being distributed throughout the U.S. from cells in 31 cities and 11 states. The Mexican-based distribution organization was initially revealed by three large heroin seizures along the Southwest Border; cells were found as far as Miami, Atlanta, Chicago, St. Louis, Denver, Portland, Seattle, and several cities in Arizona and Texas. The U.S. based cell heads collected the proceeds, and returned the money to members of the organization in Tijuana, Mexico. Due to the combined efforts of DEA, U.S. Customs Service, FBI, IRS, INS, U.S. Attorneys offices, at least 20 state and local, and Mexican counterparts, there were 38 U.S. arrests and 5 by Mexican authorities; seizures so far of over 770 pounds of heroin, 34 pounds of methamphetamine, and 3 kilograms of cocaine.

FEDERAL BUREAU OF INVESTIGATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001¹	2002²	2003²
	Final	Enacted	Request
Drug Resources by Function			
Investigations	\$655.495	\$381.497	\$387.203
Intelligence	25.952	17.397	17.350
International	22.797	13.389	13.577
Research and Development	<u>3.235</u>	<u>3.235</u>	<u>3.235</u>
Total	\$707.479	\$415.518	\$421.365
Drug Resources by Decision Unit			
Organized Criminal Enterprises	\$307.854	\$204.528	\$203.690
White-Collar Crime	70.268	46.838	48.734
Violent Crimes	81.231	70.795	72.561
Training, Recruitment and Applicant	17.956	11.765	12.334
Forensic Services	18.427	11.277	14.161
Information Management, Automation and Telecommunications	25.646	16.707	15.695
Technical Field Support and Services	25.646	14.173	13.731
Criminal Justice Services	30.668	20.024	20.420
Management and Administration	<u>29.295</u>	<u>19.411</u>	<u>20.038</u>
Subtotal	\$606.991	\$415.518	\$421.365
Carrier Compliance	<u>100.489</u>	<u>0.000</u>	<u>0.000</u>
Total	\$707.479	\$415.518	\$421.365
Drug Resources Personnel Summary			
Total FTEs (direct only)	4,932	3,221	3,220
Information			
Total Agency Budget	\$3,429.5	\$4,275.8	\$4,337.7
Drug Percentage	20.6%	9.7%	9.7%

¹ The FY 2001 percent of resources in support of drugs is down from prior estimates due to the effects of the terrorist incident on September 11, 2001. From September 11, 2001 to the end of the fiscal year, most agents were diverted to address counterterrorism investigations.

² The FY 2002 and FY 2003 budget reflect an estimation of resources for supporting drug-related investigations based on FY 2002 first quarter data.

Note: For the FBI's Drug Control Budget the dollars, positions, and FTEs represent an estimate of resources from all FBI programs (field and HQ) that have some impact on the Drug Program. However these resources are not dedicated to drug investigations exclusively.

II. METHODOLOGY

- The Federal Bureau of Investigation (FBI) is a multi-jurisdictional federal investigative agency. Although the FBI does not have specifically identified drug funding, the FBI has adopted a methodology to estimate the level of resources expended on drug-related investigations. The term "drug-related" denotes any investigative or support program that contributes to the FBI's efforts to reduce drug trafficking and related criminal enterprises.

The majority of the FBI's counterdrug efforts are represented in the Organized Criminal Enterprises (OCE) and Violent Crimes decision units and a proportional share of other FBI activities.

- The FBI continually reviews the drug control methodology to validate its consistency with FBI operations and procedures. During the most recent review, the FBI has made no adjustments to the scoring methodologies used to determine the percentage of drug-related resources.
- The FBI's drug-related resources for Fiscal Year (FY) 2001 were scored utilizing FY 2001 year end data; FY 2002 and FY 2003 were scored utilizing FY 2002 first quarter annualized data.

III. PROGRAM SUMMARY

- The FBI is charged with investigating all violations of federal laws with the exception of those statutorily assigned to other agencies. The FBI's jurisdiction includes a wide range of responsibilities in the civil, criminal, and national security fields. Among these are national security, terrorism, kidnapping, extortion, bank robbery, interstate transportation of stolen property, civil rights matters, interstate gambling violations, narcotics violations, fraud against the government, money laundering, and assault or murder of the President or a federal officer. The FBI's five-year strategy and management philosophy apply to all criminal investigative programs to ensure a focus on crime problems facing the citizens of the U.S.
- The FBI Strategic Plan and drug-related program plans focus FBI counternarcotics resources against internationally targeted organizations and their domestic components. Since the adoption of these critical planning documents in 1999, the FBI has identified those drug trafficking organizations deemed to have the greatest impact on the overall threat of drug trafficking in the United States. As a result, the FBI is attempting to redirect its drug resources to address those specific drug trafficking organizations and their domestic components.
- The FBI has developed, and annually updates, a list of major drug trafficking organizations that are identified as national priority targets. These national priority targets comprise the FBI's National Priority Target List (NPTL), which currently consists of eleven major international drug trafficking organizations. The eleven international trafficking organizations include six Mexican organizations, four Colombian organizations and one Caribbean organization. The NPTL selection resulted from a comprehensive review of major international drug trafficking organizations with input from FBI field divisions, Special Operations Division (SOD), Drug Enforcement Administration, U.S. Customs Service, Office of National Drug Control Policy, National Drug Intelligence Center and El Paso Intelligence Center.
- The FBI's counterdrug effort focuses on identifying, disrupting and dismantling drug trafficking organizations through long-term, sustained investigations. The FBI requires field offices to identify national priority targets in their area of responsibility and dedicate a

majority of the field offices OCE resources toward dismantling the organizations. A key component of dismantling a drug trafficking organization includes seizing and forfeiting the illicit assets of the organization.

- The FBI's counterdrug effort is supported by the FBI's criminal intelligence base. The FBI's criminal intelligence base is manifested in criminal intelligence squads and other intelligence entities that coordinate the gathering, analysis, and dissemination of information among field offices and other federal, state and local intelligence agencies. The FBI's criminal intelligence base serves to identify individuals, methods and trends, project criminal activity to allow the concentration of resources in major centers of drug trafficking, and provide assistance to other law enforcement agencies.

IV. BUDGET SUMMARY

2002 Program

- The FBI's FY 2002 budget totals \$415.5 million and 3,221 direct FTEs. In response to the terrorist incidents on September 11, 2001, the FBI redirected all available resources toward critical terrorism investigations. As the counterterrorism investigations move towards resolution, a portion of these diverted resources will return to their previous investigatory responsibilities. The following provides a summary of FBI's FY 2002 drug control program:
- The FY 2002 funding for Organized Criminal Enterprises totals \$204.5 million. The FBI will continue to identify, disrupt, and dismantle core trafficking organizations through long-term, sustained investigations aimed at dismantling trafficking networks, arresting their leadership, and seizing and forfeiting their assets. The FBI's expertise is effective because of the experience and training of its agents, especially in the application of the Enterprise Theory of Investigation, the broad Title 18 and Title 21 statutory jurisdictions at its disposal, the FBI's presence throughout the country and its history as a methodical and thorough investigative agency.
- The FY 2002 funding for White-Collar Crime totals \$46.8 million. In targeting major drug trafficking organizations, the FBI seeks to identify and disrupt their key support elements, e.g., their financial infrastructures. By aiming at the groups' infrastructures and financial operations, the FBI attempts to destroy both the entity and its ability to profit from criminal activity. The FBI's strategy for disrupting the money laundering of drug proceeds is to focus attention on the placement stage of the money laundering process, especially targeting underground banking and money service businesses. In addition to addressing drug-related money laundering activities, the FBI also focuses investigative resources towards addressing public corruption. The FBI is directing resources to combat this serious problem; especially along the Southwest Border of the United States where it has been driven by the illegal drug trade.
- The FY 2002 funding for Violent Crimes totals \$70.8 million. Activities funded under this decision unit include Safe Street Task Forces, as well as a host of ad hoc task forces operating throughout the U.S. and San Juan, Puerto Rico. The Safe Street Task Forces team has more than 635 FBI Special Agents, with 135 other federal officers from agencies such as

DEA, Marshals Service, Immigration and Naturalization Service, Secret Service, Bureau of Alcohol, Tobacco and Firearms, and more than 1,235 state and local officers. Safe Street Task Forces allow the FBI, other agencies, and law enforcement personnel to address gang and drug-related violence through the establishment of long-term, proactive task forces focused on violent gang crimes and the apprehension of violent fugitives. Though the primary targets of the Safe Street Task Forces' are the violent street gangs, most of these gangs are involved in and finance their activities through the distribution of drugs.

2003 Request

- The FBI's FY 2003 request totals \$421.4 million and 3,220 FTEs, an increase of \$5.8 million over the FY 2002 enacted level. The FBI anticipates that resources for drug control spending for FY 2003 will be maintained at a level consistent with FY 2002 funding as a result of the 9/11 event.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- **La Costra Nostra (LCN):** On April 25, 2001, the FBI, Postal Inspection Service, and the New York City Police Department (PD) arrested 45 members and associates from all 5 New York City LCN families on charges of murder, loan sharking, illegal gambling, extortion, drug trafficking, bank robbery, mail fraud, wire fraud, stock fraud, money laundering, obstruction of justice, and labor bribery. Among those indicted were 32 members of the Genovese LCN family, including a former acting boss, two captains, and two acting captains; a captain and three soldiers of the Gambino family; an underboss and an associate of the Columbo LCN family; a soldier and an associate of the Luchese LCN family; and two soldiers of the Bonanno LCN family. The arrests were the product of a three-year infiltration of and investigation into organized crime in New York City in which a Genovese associate consensually recorded thousands of hours of conversations with LCN members.
- **Latin America:** In 1997, the San Antonio Division, McAllen Resident Agency (RA), began investigating the illegal drug trafficking activities of the Juan Lozano drug trafficking organization (JLO). The JLO was based in Reynosa, Tamaulipas, Mexico, and was responsible for the distribution of multi-ton quantities of cocaine and marijuana in Texas, Illinois, Michigan and North Carolina. As result of the investigations from FBI cases in five Divisions, including eight Title III wiretaps conducted by the McAllen RA, the investigation culminated on January 21, 2001 with the arrest of Lozano and thirteen of his associates. The investigation resulted in the indictment of 56 subjects and the seizure of more than 8,300 pounds of marijuana and 2,240 kilograms of cocaine.

FEDERAL PRISONER DETENTION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003¹ Request
Drug Resources by Function			
Corrections	\$375.501	\$429.359	\$463.895
Drug Resources by Decision Unit			
Care of U.S. Prisoners	\$375.501	\$429.359	\$463.895
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$617.6	\$706.2	\$763.0
Drug Percentage	60.8%	60.8%	60.8%

¹ Beginning in FY 2003, the Administration is requesting funding from the Immigration and Naturalization Service (INS) and the Federal Prisoner Detention account for prisoner detention to be consolidated under the Office of the Federal Detention Trustee. Under this proposal, the existing Federal Prisoner Detention account would be eliminated. For display purposes, ONDCP is showing detention resources for FY 2003 under the Federal Prisoner Detention account.

II. METHODOLOGY

- Drug-related percentages are determined annually and are based on the number of prisoners in cell blocks with drug-related offenses.

III. PROGRAM SUMMARY

- This account provides resources for the U.S. Marshals Service to contract with state and local detention facilities for the boarding of federal prisoners until they are released or incarcerated in a federal institution.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 program totals \$429.4 million and provides financial support for the housing, subsistence, medical care, and hospital guard service for the federal detainees remanded to the U.S. Marshals Service custody.

2003 Request

- The FY 2003 drug control program request totals \$463.9 million, an increase of \$34.5 million over the FY 2002 enacted level. Included in this increase is \$20.9 million to support increased jail days, medical costs and medical guard services. The majority of this increase is to pay for bed space in state and local jails.

V. PROGRAM ACCOMPLISHMENTS

- In FY 2001, the average non-federal daily prisoner population totaled 26,299, of which 15,989 were in custody on drug-related charges.

IMMIGRATION AND NATURALIZATION SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 ¹ Request
Drug Resources by Function			
Interdiction	\$209.036	\$217.425	\$338.777
Investigations	79.266	81.448	86.682
Intelligence	2.752	2.814	12.538
Corrections	233.654	235.972	275.114
Research and Development	<u>0.292</u>	<u>0.292</u>	<u>0.292</u>
Total	\$525.000	\$537.951	\$713.403
Drug Resources by Decision Unit			
Inspections	\$29.695	\$30.592	\$105.455
Border Patrol	171.969	179.537	223.042
Investigations	79.266	81.448	86.682
Detention and Deportation	214.040	216.328	232.863
Intelligence	2.752	2.814	12.538
Training	2.729	2.878	2.981
Data and Communications Systems	4.935	4.710	7.591
Breached Bond Detention Fund	<u>19.614</u>	<u>19.644</u>	<u>42.251</u>
Total	\$525.000	\$537.951	\$713.403
Drug Resources Personnel Summary			
Total FTEs (direct only)	3,528	3,684	4,042
Information			
Total Agency Budget	\$3,199.6	\$3,942.0	\$4,549.2
Drug Percentage	16.4%	13.6%	15.7%

¹ Beginning in FY 2003, the Administration is requesting funding from the Immigration and Naturalization Service (INS) and the Federal Prisoner Detention account for prisoner detention to be consolidated under the Office of the Federal Detention Trustee. Under this proposal, the Detention account would no longer exist. For display purposes ONDCP is showing detention resources for FY 2003 under INS' Detention and Deportation Decision Unit.

II. METHODOLOGY

- The percentage used to develop the drug budget for the Immigration and Naturalization Service (INS) reflects the workyears within a particular program that are estimated to be devoted to INS' drug missions.
- The two largest components of the INS drug program, in terms of total resources, are the Border Patrol program and Detention and Deportation program activities. The INS calculates 15 percent of Border Patrol program and 25 percent of Detention and Deportation program resources as drug-related. In addition, INS includes resources for Investigations (24 percent), Inspections (15 percent), Intelligence (26 percent), Training (15 percent), Data and Communications (2 percent), and Research and Development (73 percent) in support of its border enforcement mission. In addition, beginning with FY 1998, INS began scoring its

Breached Bond/Detention Fund account as a drug-related account. This reflects the merger of the Immigration Detention account, authorized in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, P.L. 104-208, with the Breached Bond/Detention Fund account.

III. PROGRAM SUMMARY

- The INS is responsible for the admission, control, and removal of aliens within the United States. As an ancillary activity, the INS detects and apprehends drug smugglers and illegal aliens used to transport drugs at or near the border between ports-of-entry. The INS also cooperates with other federal agencies in locating, apprehending, and removing alien drug traffickers at ports-of-entry and within the interior of the United States, and in escorting alien witnesses in the United States to testify in drug trials. The following is a brief discussion of INS' drug control activities by program:
- The Detention and Deportation program is a critical element in the structure of INS and an important component of its drug program. Its functions are to detain, exclude, remove, parole and deport aliens. This includes the detention and deportation of aliens caught smuggling drugs into the United States or convicted of drug-related criminal activity.
- The Border Patrol program is the principal enforcement component of the INS. The Border Patrol currently has over 9,500 agents that have been cross-designated with Title 21 drug authority by the Drug Enforcement Administration for the purpose of conducting drug search and seizures along the border.
- The Inspections program enforces and administers the immigration and nationality laws with respect to the inspection of all persons seeking admission into the United States. The program is coordinated with the Department of State, the U.S. Customs Service, the Department of Agriculture, and local port authorities.
- The INS' research and development efforts are geared toward improving its capability to detect and apprehend illegal entrants. This includes efforts to improve detection using ground sensors, low-light-level television cameras, and other similar devices.
- The Training program develops and maintains a professional INS workforce through the delivery of quality basic, specialized, managerial, and employee development training.
- The Investigations program is responsible for investigating and apprehending aliens who commit major criminal offenses. Special emphasis is placed on international criminal alien organizations involved in narcotics trafficking, subversion, terrorism, alien smuggling, and other serious or violent criminal activities. The Investigations program is also engaged in prosecuting aliens who illegally apply for and collect benefits from government entitlement programs; and preventing the filing of fraudulent claims.
- The Intelligence program provides strategic and tactical intelligence support to INS offices enforcing the provisions of the Immigration and Nationality Act and assists other federal agencies in addressing national security issues.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug control program level is \$538 million and 3,684 FTEs. This level will enable INS to increase its Border Patrol and its Inspections program activities, as well as maintain its baseline activities in most other program areas. INS's FY 2002 drug control program does not include resources associated with the supplemental appropriation for counterterrorism activities.
- In FY 2002 the Border Patrol program will total \$179.5 million. Included in this funding is \$75 million (\$11.25 million drug-related) for 570 additional Border Patrol Agents and \$20 million (\$3 million drug-related) for additional Border Patrol equipment and technological improvements.
- Border Patrol agents were deployed from the border to assist with security at airports and land ports-of-entry because of the events of September 11, 2001. Because the deployments were temporary (less than two months), they did not significantly impact the drug control budget.
- The FY 2002 drug resource level also includes \$30.6 million for the Inspections program. In total the INS will hire 348 new land border inspectors (52 drug-related land border inspectors) in FY 2002.

2003 Request

- The FY 2003 drug-related request for the INS totals \$713.4 million, and 4,042 FTEs, an increase of \$175.5 million and 358 FTEs over the 2002 enacted level. Major program enhancements include:
 - **Border Patrol:** The enhancement for the U.S. Border Patrol includes \$76.3 million (\$11.4 million drug-related) and includes hiring an additional 570 agents to enforce national borders and to combat international drug trafficking.
 - **Inspections:** The total drug-related request for the Inspection program totals \$105.5 million. Included in this funding are resources to hire additional inspectors at land, air and sea ports-of-entry.

V. PROGRAM ACCOMPLISHMENTS

- Border Patrol line-watch operations along the Southwest land border are vital in stopping the transportation of illegal drugs into the country. In fiscal year 2001, the Border Patrol made 7,577 seizures, amounting to 1,166,763 pounds of marijuana, 18,535 pounds of cocaine; and 1,429 ounces of heroin.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$222.140	\$230.766	\$250.791
Prosecution	87.581	91.915	95.053
Intelligence	<u>15.460</u>	<u>15.896</u>	<u>16.287</u>
Total	\$325.181	\$338.577	\$362.131
Drug Resources by Decision Unit			
Law Enforcement:			
Drug Enforcement Administration	\$104.532	\$108.923	\$117.917
Federal Bureau of Investigation	98.180	102.047	104.615
Immigration and Naturalization Service	15.773	15.987	16.345
U.S. Marshals Service	<u>1.980</u>	<u>2.049</u>	<u>2.109</u>
Sub-Total	\$220.465	\$229.006	\$240.986
Prosecution:			
U.S. Attorneys	\$85.392	\$89.623	\$91.993
Criminal Division	0.812	1.328	2.078
Tax Division	<u>1.377</u>	<u>0.964</u>	<u>0.982</u>
Sub-Total	\$87.581	\$91.915	\$95.053
Intelligence:			
Drug Enforcement Administration	\$2.420	\$2.499	\$2.568
Federal Bureau of Investigation	<u>13.040</u>	<u>13.397</u>	<u>13.719</u>
Sub-Total	\$15.460	\$15.896	\$16.287
Administrative Support:			
Executive Office for OCDETF	<u>\$1.675</u>	<u>\$1.760</u>	<u>\$9.805</u>
Total	\$325.181	\$338.577	\$362.131
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	---
Information			
Total Agency Budget	\$325.2	\$338.6	\$362.1
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All of the funds in the Interagency Crime Drug Enforcement (ICDE) are scored as drug-related.

III. PROGRAM SUMMARY

- The Organized Crime Drug Enforcement Task Forces (OCDETF) program constitutes a nationwide structure of nine regional Task Forces which utilize the combined resources and

expertise of its member federal agencies, in cooperation with state and local investigators and prosecutors, to target major narcotic trafficking and money laundering organizations. The ICDE appropriation provides reimbursement to the Department of Justice agencies and components that participate in the program.

- The mission of the OCDETF program is to disrupt and dismantle major drug trafficking organizations and related criminal enterprises by focusing federal, state, and local law enforcement efforts in a coordinated, comprehensive attack against the most significant drug trafficking and related money laundering organizations. By dismantling all levels of the major trafficking organizations responsible for most of the narcotics in the United States, OCDETF investigations will lead to a reduction in the drug supply across the country.
- OCDETF has agent resources and Assistant U.S. Attorneys in each of the 94 judicial districts. These districts are organized into nine geographic regions across the country with regional headquarters in a United States Attorney's Office which is designated as the Core City for the region.
- The OCDETF program has undergone substantial reform since February 2001 to prepare it to meet the challenges of its refocused mission to fully dismantle large-scale drug trafficking organizations. Examples of reform include the following:
 - U.S. Attorneys have been charged with exercising leadership and management of the program in the field. New investigations are reviewed by prosecutor and agent program managers both in the field and at the national program level to ensure that each investigation meets the program goals.
 - OCDETF has coordinated with the Special Operations Division (SOD) to submit the communications devices used by OCDETF targets to SOD for intelligence assistance in making interconnections among otherwise separate investigations.
 - Meaningful performance measures are being developed through an inter-agency process to evaluate effectiveness. In October 2001, a closing report was instituted, which for the first time collects data at the end of an OCDETF investigation about the nature of the targeted organization, whether the target organization was dismantled, and the total amounts of drugs, guns, and illicit monies reliably attributable to the organization regardless of the amounts seized.

IV. BUDGET SUMMARY

2002 Program

The OCDETF's FY 2002 enacted budget totals \$338.6 million. These resources are used to reimburse the various Justice agencies for drug-related law enforcement programs. Specific activities funded include:

- **Law Enforcement.** This decision unit includes \$229 million and 1,880 FTEs. The focus of OCDETF investigations is on the organized criminal enterprise leadership involved in drug trafficking and the breakup of the infrastructure of organized criminal enterprises. This

includes the seizure and forfeiture of assets of organized criminal enterprises involved in narcotics trafficking. This activity provides resources to reimburse law enforcement agencies in the Department of Justice for investigative activities to OCDETF.

- **Intelligence.** This decision unit includes \$15.9 million and 162 FTEs. The Intelligence decision unit provides resources to the Federal Bureau of Investigation (FBI) and the Drug Enforcement Administration (DEA) for Regional Drug Intelligence Squads (RDIS).

The mission of RDIS is to establish multi-agency squads to gather, analyze, and disseminate raw and processed data for strategic, tactical, and operational intelligence support of OCDETF investigations and/or potential OCDETF investigations. They also provide the regional intelligence linkage to the National Drug Intelligence Center and to respective agency headquarters.

- **Prosecutions.** This decision unit includes \$91.9 million and 865 FTEs. Funding is used to reimburse the U.S. Attorneys, Criminal Division, and Tax Division for their investigative support and prosecutorial efforts towards OCDETF cases. Litigation efforts are targeted selectively on the criminal leadership involved in drug trafficking and are intended to dissolve organized illicit enterprises. This includes activities designed to secure the seizure and forfeiture of the assets of these enterprises.

A fundamental purpose of the prosecution effort is to apply limited federal prosecutorial resources against those targets where successful prosecution can have the greatest and most lasting effect on the nation's drug abuse problem. The centralized and organized nature of the drug trade mandates that the federal law enforcement and prosecution establishment incorporate successful experiences in combating organized crime. It also extends the successful OCDETF concept of actively targeting and pursuing the highest-level drug offenders.

- **Administrative Support.** This decision unit includes \$1.8 million and 12 FTEs. The Executive Office for OCDETF operates under the management of the Office of the Deputy Attorney General. It provides policy guidance, central coordination, and administrative support to the headquarters of the member agencies and the nine regions. The Executive Office is also responsible for financial management oversight, records management, and maintenance of the Management Information System.

2003 Request

- The FY 2003 request includes a total of \$362.1 million, an increase of \$23.6 million above the FY 2002 enacted level. OCDETF is now focusing its resource deployment on multi-district investigations of major drug trafficking organizations. In close coordination with the Special Operations Division (SOD), the goal is to mount a comprehensive attack, in multiple national and international locations, on every cell of major drug trafficking organizations. These organizations are virtually impenetrable without the use of electronic surveillance. The requested resources are essential to conducting wiretap investigations, and to support the emphasis that the Attorney General places on the OCDETF program to reduce the

availability of drugs. Program enhancements total \$14.8 million and 33 FTEs and are summarized below:

- An additional \$6.1 million to address SOD generated wiretap investigations. The OCDETF program is requesting resources for DEA's field offices in the drug supply "hot spots" that are involved in Special Operations Division (SOD) coordinated investigations. Additional field agents/analyst are required to fully investigate OCDETF targets developed by SOD-generated intelligence and coordination.
- An additional \$0.7 million is requested to establish an electronic surveillance tactical support group of attorneys co-located at SOD that will be deployed to the field and managed by the Criminal Division's Narcotics and Dangerous Drug Section at SOD.
- An additional \$8 million is requested to provide a stable source of appropriated funding for state and local overtime and to provide critical support in OCDETF wiretap investigations coordinated by SOD.

V. PROGRAM ACCOMPLISHMENTS

- From its inception, the OCDETF program has focused resources and expertise against high-level drug organizations. Since 1982, more than 14,437 OCDETF investigations have been initiated resulting in more than 42,347 indictments, charging more than 128,164 defendants; over 93,400 members of trafficking organizations have been convicted, and more than 80,500 individuals have been sentenced to prison terms.
- **Operation White Horse:** On January 18, 2001, the DEA, FBI, IRS, Customs Service, Philadelphia Police Department, as well as the Colombian National Police (CNP) concluded a 10 month investigation utilizing OCDETF resources and coordination with multiple U.S. Attorney offices. The investigation was designed to dismantle an organization responsible for placing high-purity Colombian heroin on America's streets, particularly in the Philadelphia area known as the "Badlands". This operation coordinated by SOD had the effect of dismantling an entire international heroin trafficking organization from its headquarters in Colombia to its street-level dealers in Philadelphia.

What started as a street-level heroin investigation targeting a Colombian national, quickly expanded into a multi-national operation focusing on Dominican and Colombian distribution cells smuggling heroin from Pereira, Colombia, through Aruba, to New York City for eventual sale in Philadelphia. The distribution cells used couriers to swallow heroin-filled pellets for transport to New York City. The New York Division uncovered a money-laundering scheme, in addition to the extensive heroin smuggling operation. Based on information obtained from the Philadelphia Title III, New York DEA investigated the leader of the New York cell. The New York cell used a telecommunications facility in New York to facilitate laundering narcotics proceeds. The New York investigation also revealed the organization laundered proceeds by having couriers swallow rolls of U.S. currency for transport to Colombia. One cooperating defendant admitted to ingesting \$170,000. To date, the operation has resulted in 111 arrests and the seizure of 22 kilograms of heroin, 10 kilograms of cocaine, 15 weapons and approximately \$1.3 million in U.S. currency.

INTERPOL - U.S. NATIONAL CENTRAL BUREAU (USNCB)

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
International	\$0.304	\$0.309	\$0.321
Drug Resources by Decision Unit			
Drug-related Activity	\$0.304	\$0.309	\$0.321
Drug Resources Personnel Summary			
Total FTEs (direct only)	3	3	3
Information			
Total Agency Budget	\$7.7	\$8.3	\$8.6
Drug Percentage	3.9%	3.7%	3.7%

II. METHODOLOGY

- The USNCB has a single decision unit. The Drug Division expenses are the ratio of Drug Division staff in proportion to the USNCB staff.

III. PROGRAM SUMMARY

- INTERPOL coordinates the exchange of criminal information among the 178 member countries and U.S. law enforcement at the federal, state and local levels. The USNCB provides the INTERPOL International Notice Program with assistance in locating, apprehending, and extraditing international fugitives and criminals.
- The Drugs Program provides for daily communications on drug matters with federal, state, and local U.S. law enforcement agencies, INTERPOL General Secretariat and member countries. The INTERPOL channel is often the only means of communications to seek international assistance and cooperation on drug investigations.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 program includes \$0.3 million and three FTEs. The USNCB represents U.S. law enforcement components in the International Criminal Police Organization. It supports international drug investigative matters by providing INTERPOL drug intelligence reports, red notices for DEA fugitives, and responses to drug-related inquiries.

2003 Request

- The FY 2003 drug control request includes \$0.3 million and three FTEs.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- The INS denied admission to Italian national Dante Sacca based upon a lookout posted by the USNCB. INTERPOL information revealed the career criminal possesses convictions in four European countries for drug and fraud schemes. He was returned to Italy the following day. Collaborating partners: INS, INTERPOL Rome and the USNCB Alien/Fugitive Division.
- The Regional Security Officer at the American Embassy in Muscat, and Diplomatic Security Service (DSS) agents in New Hampshire coordinated the arrest of Mahmood Al-Ajmi for visa fraud. Intelligence provided by the USNCB Alien/Fugitive Division revealed Al-Ajmi is wanted in Oman for drug trafficking. DSS, USNCB and INS were coordinating his deportation.
- Outlaw Motorcycle Gang Members - INTERPOL's Project Rockers initiative encourages members' countries to exchange and utilize criminal history data to curtail the transnational movement of outlaw motorcycle gang members. The USNCB Criminal Division provided Wisconsin law enforcement with criminal history data (which included arrests for murder and drugs) on several Belgium outlaw motorcycle gang members.

U.S. MARSHALS SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$34.892	\$46.425	\$50.551
Prosecution	185.446	206.107	224.424
International	<u>3.469</u>	<u>2.551</u>	<u>2.778</u>
Total	\$223.807	\$255.083	\$277.753
Drug Resources by Decision Unit			
Protection of the Judiciary	\$115.809	\$133.609	\$148.876
Justice Prisoner Alien Transportation System	11.064	11.782	12.151
Fugitive Apprehension	81.399	93.485	99.873
Seized Assets Management	1.406	1.527	1.642
D.C. Superior Court	12.926	13.378	13.811
Service of Legal Process	1.150	1.246	1.340
Training	<u>0.053</u>	<u>0.056</u>	<u>0.060</u>
Total	\$223.807	\$255.083	\$277.753
Drug Resources Personnel Summary			
Total FTEs (direct only)	1,581	1,634	1,742
Information			
Total Agency Budget	\$570.9	\$643.9	\$700.3
Drug Percentage	39.2%	39.6%	39.7%

II. METHODOLOGY

- Drug percentages are revised annually based on workload statistics. Percentages were determined by reviewing the actual amounts of drug-related work in each decision unit. Percentages by Decision Unit are highlighted below:
 - Protection of Judicial Process: drug attribution totals 38.3 percent;
 - Prisoner Transportation: drug attribution totals 27.4 percent;
 - Fugitive Apprehension: drug attribution totals 73 percent;
 - Seized Assets Management: drug attribution totals 27.8 percent;
 - D.C. Superior Court: drug attribution totals 70.2 percent;
 - Service of Legal Process: drug attribution totals 7.9 percent; and
 - Training Academy: drug attribution totals 1.3 percent.

III. PROGRAM SUMMARY

- The United States Marshals Service (USMS) continues to target for investigation and prosecution those who illegally manufacture or distribute drugs. The USMS's primary responsibilities include:
 - **Protection of the Judiciary:** provides protection for federal judges, witnesses, and defendants to prevent disruption during trial proceedings.
 - **Justice Prisoner and Alien Transportation System (JPATS):** provides movement of prisoners and detainees held on drug-charges when needed in court and after sentencing.
 - **Fugitive Apprehension:** apprehends fugitives, and participate in joint task forces with federal, state and local law enforcement agencies to capture fugitives.
 - **Seized Assets Management:** targets large criminal organizations, such as illegal drug enterprises and IRS money-laundering cases. Executes court orders including physical seizure and securing of assets. Establishes contracts with private sector vendors to prevent waste, fraud and abuse of seized assets during the forfeiture process.
- The USMS supplements INTERPOL's international law enforcement support by maintaining close working relationships with foreign country law enforcement officials, as well as with DEA and FBI officials in foreign locations.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug-related program totals \$255.1 million. Activities funded include protection for federal judges, witnesses, and defendants to prevent disruption during trial proceedings. Also, funded in FY 2002 is the movement of prisoners and detainees; the execution of court orders to seize and secure physical assets; the apprehension of fugitives; and the participation in joint task forces with federal, state and local law enforcement agencies.

2003 Request

- The FY 2003 drug control request totals \$277.8 million and 1,742 FTEs, an increase of \$22.7 million over the FY 2002 enacted level. Program enhancements include:
 - **+\$3.4 million** is requested to handle the increased workload generated by INS and other law enforcement agencies along the Southwest Border;
 - **+\$1.8 million** for twenty Detention Officers to secure three courthouses expected to open in the latter half of 2002 and during 2003, and to provide security to eleven new judgeships in seven districts;

- **+\$4.2 million** to address severe security deficiencies in USMS districts; and
- **+\$1.4 million** to support field-based task forces and headquarters based intelligence unit.

V. PROGRAM ACCOMPLISHMENTS

- The USMS is responsible for seizing property in drug cases and is in charge of disposing of federally seized properties. In addition, the USMS is responsible for housing prisoners arrested on drug-related charges. The following are some examples of Marshals Service's drug-related accomplishments for fiscal year 2001:
 - 30,370 total Class I Felony Arrests, of which 22,170 were drug-related;
 - 26,946 total Properties Disposed, of which 8,337 were drug-related; and
 - 50,029 total USMS Prisoner Movements by the JPATS of which 13,722 were drug-related.

OFFICE OF JUSTICE PROGRAMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Corrections	\$48.409	\$0.000	\$0.000
Prevention	108.987	100.543	47.403
State and Local Assistance	748.154	741.324	188.190
Treatment	<u>111.060</u>	<u>120.687</u>	<u>73.651</u>
Total	\$1,016.610	\$962.554	\$309.244
Drug Resources by Key Program¹			
Regional Information Sharing System	\$22.451	\$25.450	\$22.451
Anti-Drug Abuse, Byrne Formula Grants	399.120	400.000	---
Anti-Drug Abuse, Byrne Discretionary Grants	70.539	85.040	---
Underage Drinking Prevention Program	24.945	25.000	---
Juvenile Drug Prevention Program	10.976	10.976	10.976
Executive Office for Weed and Seed	16.963	29.463	29.463
Drug Courts Program	49.890	50.000	52.000
Residential Substance Abuse Treatment	62.861	70.000	77.000
Arrestee Drug Abuse Monitoring Program	7.300	12.300	16.320
Drug Resources Personnel Summary			
Total FTEs (direct only)	241	166	102
Information			
Total Agency Budget	\$3,605.0	\$3,856.2	\$1,683.0
Drug Percentage	28.2%	25.0%	18.4%

¹ Programs highlighted in this section include only major drug-related programs managed by the Office of Justice Programs. Program dollar amounts include management and administration expenses. The Office of Justice Programs manages several other programs that support drug control activities.

II. METHODOLOGY

- The Office of Justice Programs (OJP) uses a combination of methodologies to determine the available resources for its annual drug control budget submission. These methodologies include a percent of total costs for selected programs based on a review of drug-related workload data and the direct costs related to drug specific projects.

III. PROGRAM SUMMARY

- The Justice Assistance Act of 1984 established OJP. OJP supports cooperation of law enforcement at all levels in building networks that allow the criminal justice system to function more effectively. Resources are also dedicated to aid in the fight against drugs.
- OJP supports a variety of prevention programs, which discourage the first-time use of controlled substances and encourage those who have begun to use illicit drugs to cease their

use. These activities include programs that promote effective prevention efforts to parents, schools and community groups and assistance to state, local and tribal criminal justice agencies.

- OJP supports domestic law enforcement through federal assistance (financial and technical) to state, local and tribal law enforcement entities or activities whose primary purpose is to investigate, arrest, prosecute or incarcerate drug offenders, or otherwise reduce the supply of illegal drugs; and activities associated with the incarceration and monitoring of drug offenders.
- In addition, OJP provides support to encourage/assist regular users of controlled substances to become drug-free through such means as coerced abstinence drug testing, counseling services, in-patient and out-patient care, research into effective treatment modalities, and research into effective treatment modalities.
- OJP is an active sponsor and participant in a drug-free workplace program.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 program in support of drug control efforts totals \$962.6 million. Highlights of the FY 2002 program include:
 - \$100.5 million for programs supporting drug prevention activities. This funding includes resources for the following activities: providing information to promote effective prevention efforts to parents, schools and community groups; and providing assistance to state and local law enforcement. Included in this funding is \$12.3 million for the Arrestee Drug Abuse Monitoring (ADAM) program.
 - \$741.3 million for programs in support of state and local assistance. Program funding includes support to state and local law enforcement entities or activities that assist state and local law enforcement efforts to investigate, arrest, prosecute, incarcerate drug offenders, or otherwise reduce the supply of illegal drugs; and activities associated with the incarceration and/or monitoring of drug offenders.
 - \$120.7 million in treatment resources to support criminal justice drug testing, treatment and intervention activities. Also included in this amount is \$26 thousand for OJP's drug-free workplace program.

2003 Request

- The FY 2003 request totals \$309.2 million and 102 FTEs. This represents a net reduction of \$653.3 million from the FY 2002 enacted level. Significant program changes include:
 - **+\$2 million** to expand technical assistance and training to state and local jurisdictions under the Drug Courts program. Funding for this program will provide alternatives to incarceration through using the coercive power of the court to force abstinence and alter behavior with a

combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

- **+\$7 million** for the Residential Substance Abuse Treatment (RSAT) Program to support treatment of an additional 2,572 offenders. The full effect of the 2003 increase in terms of the numbers of offenders treated will not be realized until 2004, given the time required to bring new programs on board and the reporting cycle. The Corrections Program Office (CPO) estimates having resources in place to treat 45,913 offenders. As programs mature and move through preparation, hiring and training stages to actually admitting clients and providing substance abuse treatment, CPO anticipates that the numbers of offenders treated will increase at a much slower rate than experienced during the early years of the program. Beginning in FY 2002, RSAT program funds may be used to support transitional substance abuse treatment services, which involve coordination between the correctional institutional treatment program and other human service and rehabilitation programs in the community. Funding these services may reduce the number of offenders able to receive treatment, but should reduce relapse and recidivism.
- **+\$4 million** for ADAM, which brings total ADAM funding to \$16.3 million and will allow the program to expand from 50 sites in 2002 to 60 sites in 2003. NIJ's ultimate goal is to expand ADAM to a total of 75 sites, in order to collect drug data at the national level.
- A reduction of **\$536.0 million** to the Byrne Formula Grant program (\$400 million) and the Local Law Enforcement Block Grant (LLEBG) program (\$136 million). A new Justice Assistance Grant (JAG) program is being proposed in the Community Oriented Policing Services (COPS) budget that will replace the Byrne and LLEBG programs. A complete discussion of the new JAG formula grant program is discussed in the COPS' Agency Summary section.
- No funding is requested for the Byrne Discretionary program, which accounts for a decrease of **\$85 million**.
- A **\$25 million** reduction to the Juvenile Justice Title V Enforcing Underage Drinking Prevention Program is being proposed.
- A reduction of **\$3 million** to the Regional Information Sharing System.

V. PROGRAM ACCOMPLISHMENTS

- The **Residential Substance Abuse Treatment (RSAT) Program** provides formula grants to states to help them develop and implement residential substance abuse treatment programs that provide individual and group treatment activities for offenders in residential facilities operated by state correctional agencies. The CPO, which administers this program, conducted technical assistance workshops and conferences on effective treatment programs and strategies to over 1,238 policymakers, correctional practitioners, and treatment practitioners. Also in 2001, 39,718 offenders received treatment from 151 programs initiated or expanded with 2001 funds. In 2002, CPO estimates that 40,840 offenders will receive treatment from about 185 programs.

- Through the **Drug Courts Program**, the Drug Courts Program Office (DCPO) provides financial and technical assistance for the states, units of local government, state and local courts, and Indian tribal governments to develop and implement treatment drug courts. Some 782 drug courts now operate in 49 states. In 2001, 49 new drug courts were initiated under the Drug Courts Program. Experience indicated that it takes about three years for a court to become fully operational, treating and graduating enough clients to demonstrate that the court is successful and worthy of state and local funding support.
- The **Arrestee Drug Abuse Monitoring (ADAM) Program** is the only federally-funded drug use prevalence program to directly address the relationship between drug use and criminal behavior and is the only program to provide drug use estimates based on urinalysis results, which have been proven to be the most reliable method of determining recent use. ADAM's data provides policy-relevant information to local, state and federal decision-makers. In addition, because ADAM's infrastructure has already been developed, research projects and evaluations that use the ADAM program can be fielded more rapidly and cheaply than most other studies. ADAM's findings are processed and released immediately and allow for quarterly monitoring in changes of use of a wide range of drugs by numerous subgroups of the offender population.
- **Operation Weed and Seed** is the Department of Justice's premier, neighborhood-based comprehensive crime control initiative. The strategy involves a two-pronged approach: law enforcement agencies and prosecutors cooperate in "weeding out" violent crime and drug abuse, and "seeding" brings human services to the area, encompassing prevention, intervention, treatment and neighborhood revitalization. Weed and Seed sites are provided funding for various activities, including anti-gang crime initiatives; anti-drug and alcohol abuse strategies; and methamphetamine lab/environmental activities. Since its inception in 1991, the Weed and Seed Program has grown from three to over 270 sites nationwide.

TAX DIVISION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prosecution	\$0.386	\$0.403	\$0.425
Drug Resources by Decision Unit			
Criminal Prosecution	\$0.386	\$0.403	\$0.425
Drug Resources Personnel Summary			
Total FTEs (direct only)	3	3	3
Information			
Total Agency Budget	\$70.8	\$73.8	\$75.5
Drug Percentage	0.5%	0.5%	0.6%

II. METHODOLOGY

- The methodology for calculating the Tax Division’s drug budget resources is based on actual workyears dedicated to drug-related cases. It also includes a prorated share of the mandatory increases/adjustments to its base budget attributable to the Tax Division’s Criminal Prosecution program.

III. PROGRAM SUMMARY

- Attorneys in the Tax Division’s Criminal Enforcement Section investigate and prosecute individuals and entities that attempt to commit tax evasion, willfully fail to file tax returns, file false tax returns, and otherwise attempt to interfere with the administration of the tax laws. They also investigate and prosecute tax violations occurring in the context of criminal conduct such as financial institution fraud, narcotics trafficking, bankruptcy fraud, and domestic and international tax conspiracies.
- The Tax Division relies on the Internal Revenue Code to prosecute narcotics traffickers. In some instances, tax violations related to narcotics enterprises are easier to prove than the underlying drug offenses. In other cases, tax charges complement the evidence of the narcotics crimes. Tax Division Criminal Enforcement attorneys serve as the liaisons to the Internal Revenue Service, the United States Attorneys’ offices, the OCDE Task Forces, and other agency participants. In this role, the Division's attorneys monitor drug/tax-related dockets to ensure that timely assistance is provided in the investigation and prosecution of narcotics traffickers. In addition, the most complex and broad-based tax investigations and prosecutions of narcotics traffickers are often handled personally by Tax Division Criminal Enforcement attorneys.

- Tax Division attorneys also participate in international enforcement efforts that have significant implications for narcotics prosecutions. For example, the Division assists agencies in targeting offshore money laundering of narcotics proceeds obtained through illegal drug activities and helps negotiate Mutual Legal Assistance Treaties that facilitate the exchange of information involving international drug cartels.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 budget request includes base funding of \$0.403 million for the Division's Criminal Tax Enforcement drug-related program. This funding supports three FTEs.

2003 Request

- The FY 2003 request for its Criminal Tax Enforcement drug-related program is \$0.425 million and three FTEs.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- In *United States v. Troy Perkins, John Armstrong, Howard Steverson, Allen Davis, Keith Hall, Harold Whitaker, and Floyd Brown (M.D. TN)*, defendants were indicted with conspiracy to possess and distribute five kilograms or more of cocaine and 50 grams or more of “crack “ cocaine. The indictment alleges that Perkins and Steverson, aided and abetted by the others, ran a drug house in Columbia, Tennessee. The indictment also charges Steverson with money laundering, Brown with being a felon in possession of a firearm, and three defendants with individual counts of possession with intent to distribute cocaine and/or crack cocaine. Perkins is also charged with four counts of tax evasion. The indictment also seeks criminal forfeiture of the illegal proceeds from the narcotics and money laundering offenses. Armstrong and Davis pled guilty to aiding and abetting the running of a drug house in October, 2001. The remaining defendants are scheduled for trial on May 21, 2002.
- In *United States v. Annette Myrie, Renee Johnson and Winston Brown (E.D. PA)*, the defendants were indicted on January 24, 2001, on charges of conspiring to distribute marijuana in the Philadelphia area. Myrie was charged with one count of conspiring to distribute over 100 kilograms of marijuana (21 U.S.C. 846), four substantive counts of possession with intent to distribute marijuana (21 U.S.C. 841), one count of conspiring to commit money laundering (18 U.S.C. 1956(h)), and two substantive counts of money laundering (18 U.S.C. 1001). Johnson was charged with one count of conspiring to commit money laundering, four substantive counts of money laundering, and four counts of structuring currency transactions (31 U.S.C. 5324). Johnson pled guilty on September 25, 2001. Myrie pled guilty on October 10, 2001.

DEPARTMENT OF LABOR

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$78.849	\$79.197	\$79.448
Drug Resources by Decision Unit			
Employment and Training Administration	\$78.294	\$78.634	\$78.885
Policy Direction and Support (DM S&E)	0.364	0.372	0.372
Financial and Administrative Services (WCF)	<u>0.191</u>	<u>0.191</u>	<u>0.191</u>
Total	\$78.849	\$79.197	\$79.448
Drug Resources Personnel Summary			
Total FTEs (direct only)	1	1	1
Information			
Total Agency Budget	\$12,049.7	\$12,500.0	\$11,411.2
Drug Percentage	0.6%	0.6%	0.7%

II. METHODOLOGY

- Two types of Department of Labor’s programs contribute to the drug budget, job-training programs and drug-free workplace initiatives. The job-training programs include Adult, Youth and Job Corps job training programs administered by the Employment and Training Administration under the Workforce Investment Act (WIA). The drug-free workplace initiatives include DOL’s internal program, as required of all federal workforces, and its separate public education campaign known as *Working Partners*.
- Adult and Youth Job Training Activities – The amount of funding scored as drug control is an estimate of the preventative effect of the job-training programs provided to WIA participants. Using data from the National Household Survey on Drug Abuse, the number of WIA participants likely to be current drug users is estimated. This data is then applied to the average cost per participant to derive the total drug resource levels for the WIA programs. In addition, the participant unit costs and the number of participants are updated as necessary. Therefore, total drug budget estimates may fluctuate based on these revisions.
- Job Corps Program – The amount of funding scored as drug control is an estimate of the costs associated with providing enrollee drug testing, counseling, education, and referral under the Trainee Employment Assistance Program (TEAP).
- Drug-Free Workplace Programs - The Department of Labor’s drug budget also includes the maintenance of its public education campaign known as the *Working Partners for an Alcohol- and Drug-free Workplace* Program, as well as support costs for the management of the Department’s own internal drug-free workplace program.

III. PROGRAM SUMMARY

- The U.S. Department of Labor is charged with preparing the American workforce for new and better jobs. The Employment and Training Administration (ETA), a component of the Department of Labor, administers the Workforce Investment Act (WIA) to ensure that all Americans have access to the resources they require to successfully manage their job lives. This includes educating participants on how barriers to employment, including drug and alcohol abuse, can adversely affect their careers and opportunities to move into productive employment. Thus, the ETA job training programs support the *National Drug Control Strategy* by empowering individuals to take control of their work lives, which, in turn contributes to reducing drug use. Since DOL's job training programs serve youth and adults, ETA activities help achieve youth prevention, as well as a reduction in the social and health costs of drug use.
- The One-Stop workforce development system mandated by WIA presents opportunities to support the prevention, early intervention, and referral for treatment of workers impaired by illegal drug use.
- WIA programs focus on a greater number of "at-risk" populations than was previously served. Through its technical assistance activities, ETA encourages state and local program operators to improve coordination with substance abuse treatment providers in order to increase access to substance abuse prevention, education/counseling, and referral services.
- WIA supports adult and youth job-training programs. These job-training programs are recognized as a means to gaining employment and consequently, as a means to deter drug and alcohol abuse. Under WIA, youth drug and alcohol counseling and referrals (as necessary) are allowable expenses.
- ETA also administers the Job Corps program, which is the nations largest and most comprehensive residential education and job-training program for at-risk youth, ages 16-24. A component of this program is the Trainee Employment Assistance Program (TEAP), which consists of a comprehensive drug prevention and intervention program for all Job Corps participants.
- Drug-free workplace programs support the reduction of drug use by discouraging workplace drug use through education, intervention, and referral to treatment

IV. BUDGET SUMMARY

2002 Program

The FY 2002 program provides \$79.2 million for demand reduction activities, which include:

- **The Employment and Training Administration (ETA):** While the ETA does not operate drug prevention or treatment programs, the WIA allows and encourages certain activities concerned with substance abuse prevention. Decisions on which participants are provided what types of services under WIA are reserved to states and localities.

- **Job Corps:** Since 1992, this residential education and job-training program for at-risk youth, ages 16-24, has provided alcohol and drug testing as well as counseling services. The Job Corps' Trainee Employment Assistance Program is operational in all centers and is considered an important step in identifying alcohol and substance abusers, and assisting them in combating their abuse problem.
- **Workforce Investment Act Programs:** WIA programs target adult participants and promote the acquisition of skills and training resources necessary to successfully compete in a global economy. Although Workforce Investment Act programs are job-training programs and not substance abuse treatment programs, the transitioning of the disadvantaged, low-income and unemployed individuals into self-sustaining employment sometimes require providing substance abuse prevention education, counseling, and referral services.
- **Departmental Management accounts:** support both the Department's internal drug-free workplace program and its *Working Partners* information dissemination activities.

2003 Request

- The FY 2003 drug budget request is \$79.4 million for demand reduction programs. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- The Employment and Training Administration (ETA), through the State Employment Security/Job Service, operates the Federal Bonding Program (FBP) in each state. This program enables former substance abusers and others with a criminal background, who otherwise would be unable to obtain employment requiring bonding, to qualify for fidelity bonding at no cost to the employer or employee.
- Job Corps has, in general, been moderately successful in recruiting qualified substance abuse counselors and other health personnel. Also, it has been emphasized to all Job Corps Centers the need for administrative support to combat alcohol and drug abuse. Currently, all centers are required to employ at a minimum one full-time substance abuse counselor (TEAP Specialist) and each center is required to devote one hour each week for every 100 students covered by TEAP.
- *Working Partners* has generated increased understanding among employers of the impact of drugs on the workplace and has assisted small businesses to implement drug-free workplace programs.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
State and Local Assistance	\$18.210	\$22.236	\$22.000
Research & Development	<u>17.764</u>	<u>20.064</u>	<u>18.000</u>
Total	\$35.974	\$42.300	\$40.000
Drug Resources by Decision Unit			
Research	\$17.764	\$20.064	\$18.000
Technology Transfer	<u>18.210</u>	<u>22.236</u>	<u>22.000</u>
Total	\$35.974	\$42.300	\$40.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Budget	\$36.0	\$42.3	\$40.0
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Counterdrug Technology Assessment Center (CTAC) was established within the Office of National Drug Control Policy (ONDCP) as the central counterdrug technology research and development (R&D) organization of the U.S. Government.
- Section 712 of the National Drug Control Policy Reauthorization Act of 1998 reauthorized the Counterdrug Technology Assessment Center.
- Since 1990, CTAC has been overseeing and coordinating the counterdrug R&D programs of the federal drug control agencies. CTAC, in consultation with the National Institute on Drug Abuse (NIDA), provides advanced technology and support to the nation's premier teams of medical researchers working on the underlying causes of drug dependence. This is accomplished by providing them with neuroimaging facilities, infrastructure, and technology necessary to support their substance abuse research. The CTAC R&D program also provides support to law enforcement agencies by developing advancements in technology for improved capabilities, such as drug detection, communications, surveillance and methods to share drug crime investigative information. In addition to sponsoring R&D programs to advance the technological capabilities of federal drug control agencies, CTAC supports the Technology Transfer Program (TTP) to enhance the capabilities of state and local law enforcement agencies (LEAs).

- CTAC heads the Interagency Working Group for Technology (IAWG-T) that is composed of technology representatives from each of the federal drug control agencies. The IAWG-T meets periodically to exchange information regarding agency programs and common technical problems. Annually the IAWG-T provides updated listings of priority scientific and technological needs and drug-related R&D projects being sponsored by each agency.
- Supporting activities include a variety of regional one-day workshops at the state and local level, technical symposia, conferences, and ad hoc studies to promote the exchange of information throughout the entire counterdrug scientific and technical community. These outreach activities provide the mechanism to create awareness of the R&D programs, and to oversee and coordinate counterdrug technology initiatives throughout the scientific and academic communities, as well as with federal, state, and local drug control agencies.

IV. BUDGET SUMMARY

2002 Program

- In FY 2002, CTAC will spend \$27.0 million for programs that support supply reduction efforts. The supply reduction R&D programs sponsored by CTAC include tactical technologies, such as improving communications interoperability and information management/exploitation technology for drug-related law enforcement capabilities. In addition, \$22.2 million of this funding will support the Technology Transfer Program to provide state-of-the-art equipment to enhance the capabilities of state and local law enforcement agencies for counterdrug missions.
 - In FY 2002 CTAC will complete and deploy a communications interoperability architecture in Colorado that can be used as a nationwide model for optimizing the use of existing wireless radios and infrastructure (towers and repeaters). These capabilities provide a near-term solution to difficulties experienced in joint, coordinated operations when state and local law enforcement agencies must communicate with each other and the federal agencies using dissimilar, incompatible wireless radios. When this project is completed, the interoperability systems and interfaces will become a part of the Technology Transfer Program.
 - In FY 2002, a technology testbed will continue at the SPAWAR Systems Center in San Diego where scientists and engineers are working with law enforcement officers to develop interfaces to accommodate dissimilar software capabilities under one, user-friendly information management architecture. The resultant architecture will provide the capability to integrate components for case management with real-time access to tracking and surveillance data including authorized wire intercepts. One pilot system is in place with the Rockland County Narcotics Task Force (New York) where development modules are being evaluated under operational conditions. Capabilities emerging from the testbed also will be added to the Technology Transfer Program as they mature and are successfully tested.

- The FY 2002 program provides \$14.0 million for programs that support demand reduction activities. Demand reduction projects supported include, but are not limited to, equipping leading academic and addiction research institutions with advanced neuroimaging technology, and medical instrumentation for drug abuse research; exploring innovative anti-cocaine therapeutic medications for overdose and addiction; and investigating underlying causes of substance abuse by athletes and young adolescents.
 - Oregon's Health and Science University (OHSU) is expanding its federal research program into drug abuse with a powerful new functional Magnetic Resonance Imaging (fMRI) that doctors will use to locate the genetic pathways leading to the abuse by adolescents of anabolic steroids, methamphetamine, and cocaine. Researchers at OHSU expect that these studies of brain activity will make it easier for doctors, especially psychiatrists dealing with seriously addicted patients, to manage brain chemistry to end or even prevent abuse.
 - The Oregon project is one of a dozen around the country to employ advanced brain imaging technology to research efforts on drug abuse. Joining OHSU in its mission are researchers from the University of Colorado and the University of North Dakota/Grand Forks, all of whom, with support from CTAC, will soon be using high resolution brain imaging technologies to study drug use among young people.
 - Over the next year, CTAC plans to build upon research at the University of South Florida (Tampa) on genetic markers related to Alzheimer's disease to explore any genetic markers and characteristics that may indicate a genetic predisposition or susceptibility to substance abuse.
- CTAC's FY 2002 program also includes \$1.3 million to support supply reduction R&D activities. Working with federal drug control agencies, funding will sponsor the development and evaluation of innovative canine and biosystem inspection techniques for the detection of illicit drugs concealed in cargo, containers, and conveyances.

2003 Request

- The FY 2003 CTAC budget includes a request of \$40.0 million. This represents a \$2.3 million decrease from the FY 2002 enacted level.

V. PROGRAM ACCOMPLISHMENTS

Supply Reduction R&D:

- A wireless communications interoperability capability was successfully demonstrated in Denver Colorado that enables law enforcement authorities from the U.S. Customs Service, DEA, Lakewood Police Department, Front Range Task Force and the Aurora Police Department to overcome the limitations of incompatible communications equipment in joint federal, state and local operations. Since the demonstration in August 2001, the system, hosted by the Lakewood Police Department, has been used on a regular basis.

Demand Reduction R&D:

- Two advanced neuroimaging centers became operational in FY 2001 to support research on the effects of drugs of abuse:
 - Emory University's 3 Tesla fMRI system supports studies for developing potential cocaine blockers and partial agonist-type compounds. Initial studies have shown modest reductions of cocaine intake in monkeys.
 - Scientists at Massachusetts General Hospital, using the powerful 7 Tesla fMRI brought on line this year at the Athinoula A. Martinos Center for Functional and Structural Biomedical Research, are characterizing the brain's response to substances of abuse. Operating under grants from NIDA, scientists from Harvard University and Massachusetts General Hospital will continue their collaborative research on brain circuitry in FY 2002.

OFFICE OF NATIONAL DRUG CONTROL POLICY: OPERATIONS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
State and Local Assistance	\$4.952	\$5.155	\$5.424
Prevention	6.090	5.678	4.922
Treatment	4.495	4.679	4.923
Interdiction	3.118	3.246	3.415
International	3.118	3.246	3.415
Investigations	1.834	1.909	2.009
Research and Development	<u>1.098</u>	<u>1.350</u>	<u>1.350</u>
Total	\$24.705	\$25.263	\$25.458
Drug Resources by Decision Unit			
Operations	\$22.609	\$22.913	\$24.108
Research: Policy	1.098	1.350	1.350
Model State Drug Laws ¹	<u>0.998</u>	<u>1.000</u>	<u>0.000</u>
Total	\$24.705	\$25.263	\$25.458
Drug Resources Personnel Summary			
Total FTEs (direct only)	125	115	115
Information			
Total Budget	\$24.7	\$25.3	\$25.5
Drug Percentage	100%	100%	100%

¹ For FY 2003, the National Alliance for Model State Drug Laws is being realigned and presented in the Special Forfeiture Fund.

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Office of National Drug Control Policy (ONDCP) provides the President's primary Executive Branch support for drug policy development and program oversight. ONDCP advises the President on national and international drug control policies and strategies, and works to ensure the effective coordination of drug programs within the federal departments and agencies. ONDCP responsibilities include:
 - Developing a five-year *Strategy* and submitting to Congress annual reports on the progress and implementation of the *Strategy*.
 - Developing a consolidated National Drug Control Budget for presentation to the President and the Congress (including budget certifications).

- Certifying the budgets of programs, bureaus, agencies, and departments.
- Evaluating Program Effectiveness--ONDCP is required to include in each *Strategy* report an evaluation of the effectiveness of federal drug control during the preceding year.
- Coordinating and overseeing federal anti-drug policies and programs involving approximately 50 federal agencies and the programs they administer.
- Encouraging private-sector, state, and local drug prevention and control programs.
- Conducting policy analysis and research to determine the effectiveness of drug programs and policies.
- Designating High Intensity Drug Trafficking Areas (HIDTAs) and providing overall policy guidance and oversight for the award of resources to federal, state, and local law enforcement partnerships in these areas.
- Operating the Counterdrug Technology Assessment Center (CTAC) to serve as the central counterdrug enforcement research and development center for the federal government.
- Developing and overseeing a National Youth Anti-Drug Media Campaign - - a multi-faceted communications campaign that harnesses the energies of parents, mass media, corporate America, and community anti-drug coalitions.
- Overseeing the Drug-Free Communities Program, which will serve as a catalyst for increased citizen participation to reduce substance abuse among our youth and provide community anti-drug coalitions with much needed funds to carry out their important missions.
- Funds for the HIDTA program, Special Forfeiture Fund (SFF), and CTAC are discussed elsewhere in this volume.

IV. BUDGET SUMMARY

2002 Program

- The total program for FY2002 is \$25.3 million. This funding provides for state and local assistance, prevention, treatment, interdiction, international, investigation, and research and development activities. Funding supports the following: the operation of the office; Policy Research; and the National Alliance for Model State Drug Laws.

	(\$ in Millions)
Operations	\$22.913
Policy Research	1.350
Model State Drug Laws	<u>1.000</u>
Total	\$25.263

- **Operations.** In FY 2002, ONDCP will support activities that will allow the agency to support drug policy development and provide oversight on major programs such as the National Youth Anti-Drug Media Campaign; the Drug-Free Communities Program; and the High Intensity Drug Trafficking Areas (HIDTAs) program. Additionally, ONDCP provides coordination and policy oversight to: the United States Anti-Doping Agency; Money-Laundering Initiatives; Intelligence/Information Sharing; Counterdrug Intelligence Architecture; Border Coordination Initiatives; Port & Border Security Initiatives; Interagency Interdiction Efforts; Transit zone and regional interdiction activities; as well as work with international organizations and support interagency coordination.
- **Policy Research.** Policy research includes, but is not limited to, such projects as: regional and state patterns of drug use; expansion of the Pulse Check to include more regions of the nation; and county ranking of the drug indicator study. Other policy research efforts include the determination of availability of drugs for consumption; the price and purity of illicit drugs; determining the economic costs to society of drug abuse; and coordinating activities addressing the prevalence of MDMA/Club drugs. Additionally, ONDCP is supporting Treatment Research and Evaluation activities to include working with SAMHSA to improve the estimation of the Treatment Gap by modifying the National Household Survey of Drug Abuse; and by bridging the gap between research and practice by supporting the National Institute on Drug Abuse's Clinical Trials Network.
- **National Alliance for Model State Drug Laws.** The National Alliance for Model State Drug Laws is responsible for conducting model drug law summits across the nation. It encourages states to adopt and implement model laws, policies, and regulations to reduce drug use and its adverse consequences.

2003 Budget Request

- The total FY 2003 budget for ONDCP includes a request of \$25.5 million and 115 FTEs. This represents an increase of \$0.2 million over the FY 2002 enacted level.

V. PROGRAM ACCOMPLISHMENTS

- ONDCP has led the interagency development and implementation of the comprehensive long-term *Strategy*. ONDCP continued to work with other federal agencies and developed a supporting budget plan for ONDCP's strategy.
- **Andean Initiative.** While ONDCP played a major role in developing U.S. support for Plan Colombia, a \$1.3 billion Emergency Supplemental, ONDCP continues to report expenditure and oversight information to Congress. Also, ONDCP has provided support for the Administration's Andean Regional Initiative to sustain funding for counterdrug programs in Colombia and to increase support to other countries in the Andean Region.
- **Demand Reduction.** ONDCP continued to herald discussions relating to domestic and international policies and programs to reduce the demand for drugs while ensuring the implementation of the demand-related portions of the *Strategy*. Included in the advancement of demand-related issues are drug prevention and education, treatment and rehabilitation,

drug programs in the workplace, and international cooperation on demand reduction. Among the key accomplishments were the well-attended and highly successful joint Mexico-United States demand reduction conference and substantial activities of the Interagency Demand Reduction Working Group and its subcommittees. Issues of public health and safety and leadership of drug-specific (i.e., methamphetamine, MDMA, marijuana, inhalants) high level working groups of prevention and treatment experts, as well as successful representation on the board of the World Anti-Doping Agency are profiled in these meetings.

HIGH INTENSITY DRUG TRAFFICKING AREAS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations ¹	\$122.130	\$132.205	\$119.632
Intelligence	44.044	48.699	44.428
Prosecution	8.718	9.577	8.731
Interdiction	23.796	26.141	23.831
Prevention	3.057	3.057	3.057
Treatment	4.805	4.571	4.571
Research	<u>1.796</u>	<u>2.100</u>	<u>2.100</u>
Total	\$208.346	\$226.350	\$206.350
Drug Resources by Decision Unit			
HIDTA	\$208.346	\$226.350	\$206.350
State and Local Assistance (Non-add) ²	(\$169.8)	(\$190.0)	(\$172.0)
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Budget	\$208.3	\$226.4	\$206.4
Drug Percentage	100%	100%	100%

¹ The funding total for FY 2001 includes \$2.3 million for anti-terrorism recovery and support efforts.

² Of the total budget for this account, these resources are provided to state and local governments.

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Anti-Drug Abuse Act of 1988 and the Office of National Drug Control Policy Reauthorization Act of 1998 authorize the Director of the Office of National Drug Control Policy (ONDCP) to designate areas within the United States which exhibit serious drug trafficking problems and harmfully impact other areas of the country as High Intensity Drug Trafficking Areas (HIDTA). The HIDTA Program provides additional federal funds to those areas to help eliminate or reduce drug trafficking and its harmful consequences. The mission of the High Intensity Drug Trafficking Area (HIDTA) Program is to enhance and coordinate America's drug-control efforts among local, state and federal law enforcement agencies in order to eliminate or reduce drug trafficking and its harmful consequences in critical regions of the United States. The mission includes coordination efforts to reduce the production, manufacturing, distribution, transportation and chronic use of illegal drugs, as well as the attendant money laundering of drug proceeds. The program accomplishes this mission by (1) focusing on outcomes, (2) institutionalizing teamwork, and (3) fostering agile regional

solutions. Law enforcement organizations within HIDTAs assess drug trafficking problems, develop a strategy and design specific initiatives to accomplish their mission. Since 1990, 28 areas within the United States have been designated as HIDTAs.

- In designating a new HIDTA, the Director of ONDCP consults with the Attorney General, Secretary of the Treasury, heads of national drug control agencies, and the appropriate governors, and considers the following criteria required by statute:
 - The extent to which the area is a center of illegal drug production, manufacturing, importation, or distribution;
 - The extent to which state and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem;
 - The extent to which drug-related activities in the area are having a harmful impact in other areas of the country; and
 - The extent to which a significant increase in the allocation of federal resources is necessary to respond adequately to drug-related activities in the area.
- Specific counties in 28 areas have been designated as HIDTAs: Southwest Border (which contains the 5 partnerships of the California Border, Arizona, New Mexico, West Texas, and South Texas); Los Angeles; Houston; South Florida; New York/New Jersey; Washington D.C./Baltimore; Puerto Rico/U.S. Virgin Islands; Atlanta; Chicago; Philadelphia/Camden; Rocky Mountain (Colorado, Utah and Wyoming); Northwest (Washington State); Lake County (Indiana); Midwest (Iowa, Kansas, Missouri, Nebraska, South Dakota and North Dakota); Gulf Coast (Alabama, Louisiana and Mississippi); Southeast Michigan; Northern California; Appalachia (Kentucky, Tennessee and West Virginia); Central Florida; Milwaukee; North Texas; Central Valley California; Hawaii; New England (Connecticut, New Hampshire, Maine, Massachusetts, Rhode Island and Vermont); Ohio; Oregon; Northern Florida; and Nevada.
- The HIDTA Program helps improve the effectiveness and efficiency of drug control efforts by facilitating cooperation between drug control organizations through resource and information sharing, collocating and pooling of resources, coordinating and focusing efforts, and implementing joint initiatives. HIDTA funds help federal, state and local law enforcement organizations invest in infrastructure and joint initiatives to confront drug-trafficking organizations. Funds are also used for demand reduction initiatives.
- The key priorities of the program are:
 - Intelligence sharing/analysis, training, communication interoperability, and money laundering investigations;
 - Assess regional drug threats;
 - Design strategies to focus efforts that combat drug trafficking threats;

- Develop and fund initiatives to implement strategies;
 - Facilitate coordination between federal, state and local efforts; and
 - Improve the effectiveness and efficiency of drug control efforts to reduce or eliminate the harmful impact of drug trafficking.
- Typically, a HIDTA consists of:
 - An Executive Board composed of approximately 16 members with equal representation from federal, state and local law enforcement officials;
 - A major task force consisting of collocated federal, state and local law enforcement members;
 - Other regional federal and local/state collocated drug and money laundering task forces;
 - A regional joint intelligence center and information-sharing network; and
 - Other support initiatives to sustain law enforcement gains.
 - At the National level, the HIDTA Coordination Committee confers with ONDCP staff on HIDTA policy, program and funding issues for the ONDCP Director. The Committee's membership consists of representatives from ONDCP, and the Departments of Justice, Treasury, and Health and Human Services. The ONDCP Director oversees the development and implementation of the HIDTA Program.

IV. BUDGET SUMMARY

2002 Program

The FY 2002 total program of \$226.4 million includes \$132.2 million for investigations, \$48.7 million for intelligence, \$26.1 million for interdiction, \$9.6 million for prosecution, \$4.6 million for treatment, \$3.1 million for prevention, and \$2.1 million for research activities. This total funding supports the following activities:

- All HDTAs have joint drug task forces that target drug trafficking organizations for dismantling and disruption, which increases the safety of America's citizens. HDTAs integrate federal, state and local law enforcement and prosecution agencies to develop sophisticated investigations of domestic and international drug trafficking organizations. Since the program began, the task forces have dismantled major drug trafficking organizations, seized tons of illicit drugs and millions of dollars in currency, and dismantled the hierarchies of major international drug trafficking organizations. HIDTA drug task forces conduct intensive surveillance of drug organizations; infiltrate street gangs; assist prosecutors in developing cases; and use specialized techniques to conduct sophisticated intelligence gathering, wire taps and investigations.

- Four HIDTAs specifically focus on domestic drug sources. The Appalachia HIDTA executes initiatives to reduce marijuana production, trafficking and distribution in Kentucky, Tennessee and West Virginia. The Midwest and Central Valley California and Rocky Mountain HIDTAs provide significant assistance to federal, state and local law enforcement organizations that target domestic methamphetamine production and trafficking.
- The program provides funding for activities that enable the HIDTA Program to concentrate America's drug control efforts in key areas to protect the Nation's frontiers from drug trafficking. Along the Southwest Border and at major ports-of-entry, HIDTAs assist in developing border interdiction, intelligence, investigation and prosecution systems to develop and support cases against those who smuggle, launder money or engage in the international drug trade.
- In addition, the HIDTA Program includes funding for demand reduction activities. Specifically, several HIDTAs integrate other drug education and early intervention programs with law enforcement efforts to reduce youthful involvement with illegal substances and strengthen families and communities.

2003 Request

- The FY 2003 request for the HIDTA Program is \$206.4 million, which is a decrease of \$20 million from the enacted FY 2002 level. These resources will continue funding the 28 HIDTA areas. Within the budget request, a total of \$2.1 million will be used for auditing services and associated activities, and at least \$0.5 million of the \$2.1 million shall be used to develop and implement a data collection system to measure the performance of the HIDTA Program.

V. PROGRAM ACCOMPLISHMENTS

- Currently, 1,021 local, 176 state and 35 federal law enforcement agencies, and 138 other types of organizations, participate in 504 HIDTA funded initiatives, containing many multi-agency collocated task forces. These multi-agency HIDTA funded task forces continue to make a positive impact on the reduction of drug-related crime and violence in our communities. The nationally recognized Puerto Rico/U.S. Virgin Islands HIDTA's Ponce Puerto Rico Major Organization Initiative is an excellent example of the positive impact a task force can make in a community. The task force initiated a local impact investigation entitled "OPERATION SOS," which targeted the most violent drug trafficking organizations (DTOs) in the region. "OPERATION SOS" identified 9 separate DTOs, which were factions of two controlling entities. A long-standing turf battle had been in place between the two organizations for control over the most prominent and profitable drug distribution centers in surrounding areas of Ponce, Puerto Rico. The 9 organizations used firearms and violence to control the drug centers and to wage war between the rival gangs and have been linked to over 40 drug-related homicides. Because of "OPERATION SOS," the Puerto Rico Police Department solved 27 murders as a direct result of the collective investigative activities. To date, the task force has arrested a total of 81 members of the DTOs, including the head of the organization, seized over \$1.5 million in assets and significant quantities of illegal drugs.

- The HIDTA Program has entered into an agreement with the U.S. Department of Justice sponsored Regional Information Sharing System (RISS.net), which will form the backbone to connect the HIDTAs and their components. The agreement with RISS.net will also connect the HIDTAs with approximately 5,600 law enforcement and criminal justice agencies in the United States. Once connectivity is completed, the HIDTAs will be in compliance with the Presidentially directed General Counterdrug Intelligence Plan (GCIP) and will be able to provide even better service to drug law enforcement.

SPECIAL FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$224.505	\$230.600	\$240.000
Treatment	0.998	1.000	1.500
Research & Development	3.293	4.800	3.800
Intelligence	<u>4.290</u>	<u>3.000</u>	<u>6.000</u>
Total	\$233.086	\$239.400	\$251.300
Drug Resources by Decision Unit			
Youth Anti-Drug Media Campaign	\$184.593	\$180.000	\$180.000
Drug-Free Communities	39.912	50.600	60.000
United States Anti-doping Agency	3.293	4.800	1.000
Counterdrug Intelligence Executive Secretariat	2.993	3.000	6.000
Metro Intelligence Supt. & Tech. Invest. Center	1.297	0.000	0.000
National Drug Court Institute	0.998	1.000	1.000
Performance Measures Development	0.000	0.000	2.000
World Anti-Doping Agency Dues	0.000	0.000	0.800
Model State Drug Laws	<u>0.000</u>	<u>0.000</u>	<u>0.500</u>
Total	\$233.086	\$239.400	\$251.300
Drug Resources Personnel Summary			
Total	1	1	1
Information			
Total Budget	\$233.1	\$239.4	\$251.3
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- All resources are 100 percent drug-related.

III. PROGRAM SUMMARY

- Section 712 of the National Drug Control Policy Reauthorization Act of 1998 reauthorized the Special Forfeiture Fund (SFF) to provide ONDCP supplementary resources to enhance drug control activities.
- Activities supported by the Special Forfeiture Fund include the National Youth Anti-Drug Media Campaign; the Drug-Free Communities Program; the National Drug Court Institute; United States Anti-Doping Agency; the Counterdrug Intelligence Executive Secretariat, and the Metro Intelligence Support and Technical Investigative Center. In FY 2003, the Special Forfeiture Fund will also support the development of drug program performance measures, support the National Alliance for Model State Drug Laws, and support the membership dues as a full participant in the World Anti-Doping Agency.

- The Special Forfeiture Fund resources are derived through direct appropriations from the General Fund of the Treasury.

IV. BUDGET SUMMARY

2002 Program

The FY 2002 total program of \$239.4 million includes \$230.6 million for prevention, \$1.0 million for treatment, \$4.8 million for research & development, and \$3.0 million for intelligence activities. This funding supports the following programs:

- **The National Youth Anti-Drug Media Campaign (\$180.0 million).** The campaign is an integrated advertising and public communications campaign harnessing the power of the media to educate and enable America's youth to reject illegal drugs. The campaign uses advertising, public communications outreach, the Internet, print and broadcast media to influence young people's attitudes and behaviors towards illegal drugs.
- **The Drug-Free Communities Support Program (DFCSP) (\$50.6 million).** This program supports the development and expansion of community anti-drug coalitions throughout the United States. Initially created as a five-year program (FY 1998 through FY 2002) authorized by the Drug-Free Communities Act of 1997, the program was reauthorized by Congress for an additional five-year period that will extend the program through FY 2007. The program provides grant funding, awarded through peer-reviewed annual competitions, up to \$100,000 per year, which must be matched by local communities. Community coalitions typically strive to increase community involvement in a wide array of prevention strategies, initiatives, and activities.
- **National Drug Court Institute (\$1.0 million).** Funding will support the National Drug Court Institute. The Institute's research program requires these funds to continue the expansion of its drug court training program for practitioners; to convene special advisory groups to develop curricula in new disciplines; to develop a national community probation initiative; and to expand and update the Institute's video instruction library.
- **United States Anti-Doping Agency (USADA) (\$4.8 million).** The program funds activities to support the anti-doping program of the upcoming 2002 Salt Lake City Olympic Games. Through ONDCP and the White House Task Force on Drug Use in Sports, ONDCP will continue to assist the Salt Lake Olympic Committee in implementing a transparent and effective anti-doping program.
- **The Counterdrug Intelligence Executive Secretariat (CDX) (\$3.0 million).** The FY 1998 Treasury and Government Appropriations Act requires ONDCP to improve counterdrug intelligence coordination and eliminate unnecessary duplication. The FY 2002 funding will support the CDX to continue work on implementing action items contained in the General Counterdrug Intelligence Plan (GCIP).

2003 Request

A total of \$251.3 million is requested for the Special Forfeiture Fund in FY 2003, an increase of \$11.9 million over the FY 2002 enacted level. These increases are partially offset by a decrease of \$3.8 million in USADA funding. The request includes funding for the following:

- **The Drug-Free Communities Support Program (+\$9.4 million).** These additional resources will bring total funding for the DFCSPP to \$60 million in FY 2003. This program provides matching grant monies to local community anti-drug coalitions that are working to prevent substance abuse among young people in their communities. P. L. 107-82 stipulates that priority should be given to community coalitions serving economically disadvantaged areas. The DFCSPP is also authorized to award up to 5 percent of available grant funds to selected "mentor coalitions" that will help develop new community anti-drug coalitions in areas, which do not currently have them. Year two grant support for a National Community Anti-Drug Coalition Institute is also expected to be awarded.
- **Counterdrug Intelligence Executive Secretariat (CDX) (+\$3.0 million).** This additional funding will continue efforts to implement all 73-action items identified in the General Counterdrug Intelligence Plan (GCIP).
- **Performance Measurement Development (+\$2.0 million).** These resources will assist in evaluation and research efforts related to the performance measures for the National Drug Control Program.
- **World Anti-Doping Agency (+\$0.8 million).** Full participant membership dues are contained within the request.
- The FY 2003 request also includes \$0.5 million for the National Alliance for Model State Drug Laws, which has been realigned from ONDCP's operations account to the Special Forfeiture Fund.

V. PROGRAM ACCOMPLISHMENTS

Media Campaign

- The 2001 National Household Survey on Drug Abuse (NHSDA) reports a significantly lower rate of current use of any illicit drug among 12-13 year-old youth, the Media Campaign's prime target audience, from 3.9 percent in 1999 to 3 percent in 2000. Inhalant use decreased significantly in the same time period.
- Partnership for a Drug-Free America's PATS 2000 survey found that 49 percent of youth who saw ads frequently gained knowledge of drug risks versus 28 percent of youth who saw ads less than once a week.
- During the past year, the Media Campaign reached 90 percent of America's youth at least four times a week through advertising, and communicated advertising messages to youth and adults of various ethnic groups.

- The pro bono match program of the Media Campaign implements a statutorily based requirement that the Campaign receive a dollar-for-dollar value in donated public service for every dollar of paid advertising it purchases from media outlets. Since July 1998, American media companies have contributed more than \$524 million of value in match time or space to the Media Campaign. Additional "in-kind" corporate contributions of \$72 million bring the total donated value to the Media Campaign to nearly \$600 million.
- Online advertising is also an important aspect of communication. In the 1999-2001 media years, ONDCP placed online advertising on 50 consumer web sites and America Online. This generated 1.2 billion total impressions (paid and match). These efforts drove more than 6.5 million visitors to the Media Campaign web sites.
- Other programs established by the Media Campaign include: development of posters and online content to reach out to Children of Substance Abusers, a particularly high-risk population; the creation of a web-based workplace program to encourage employers and human resource officers to use their internal distribution channels to share drug prevention information with their employees; and the development of a new brochure, "Keeping Your Kids Drug-Free, *A How-To Guide for Parents and Caregivers*, which was endorsed by the National PTA and the American Academy of Pediatrics.

Drug Free Communities

- In FY 2001, the Drug-Free Communities Support Program awarded new grants to 157 community coalitions in all 50 states and the District of Columbia and awarded continuation grants to 307 community coalitions that had received initial funding in the three previous fiscal years.

Counterdrug Intelligence Architecture

- ONDCP led an extensive interagency review of counterdrug intelligence centers and activities. In February 2000, the General Counterdrug Intelligence Plan (GCIP) established the framework for improving federal, state, and local governments' counterdrug intelligence coordination and cooperation, and for improving intelligence support to policymakers. Implementation of the CGIP is being carried under the oversight of the Counterdrug Intelligence Coordination Group and related Counterdrug Intelligence Executive Secretariat. Over the past year substantial progress has been made in addressing the 73 action items identified in the GCIP but much work remains to be done.

U.S. SMALL BUSINESS ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$3.500	\$3.000	\$3.000
Drug Resources by Decision Unit			
Education	\$3.500	\$3.000	\$3.000
Program Administration	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total	\$3.500	\$3.000	\$3.000
Drug Resources Personnel Summary			
Total FTEs (direct only)	0	0	0
Information			
Total Agency Budget	\$899.5	\$1,018.5	\$798.3
Drug Percentage	0.4%	0.3%	0.4%

II. METHODOLOGY

- All resources for the Drug-Free Workplace Program (DFWP) are 100 percent drug-related.

III. PROGRAM SUMMARY

- The Drug-Free Workplace Act of 1998 established the Drug-Free Workplace Demonstration Program within the U.S. Small Business Administration. This program was renamed the Paul D. Coverdell Drug-Free Workplace Program on December 21, 2000.
 - The Act allows the Small Business Administration (SBA) to award grants to eligible intermediaries to assist small businesses financially and technically in establishing DFWP programs.
 - The Act allows SBA to award contracts to the Small Business Development Centers to provide information and assistance to small businesses with respect to establishing DFWP programs.
- Among the activities that are performed by the grant and contract recipients are:
 - Educating small business employers and employees on the benefits of a drug-free workplace;
 - Providing financial assistance to small businesses as they set up drug-free workplace programs (e.g., free and/or reduced costs for training sessions, management/supervisor consultants, EAP services and/or drug testing, etc.);

- Providing technical assistance to small businesses as they set up drug-free workplace programs. This may include performing needs assessments, writing/reviewing policies and procedures, providing consultation to management on program development, providing consultation to supervisor on when and how to enforce the drug-free workplace program policy and how to make referrals to drug testing or EAPs, etc.; and
- Educating parents that work for small businesses on how to keep their children drug-free.

IV. BUDGET SUMMARY

2002 Program

- The Small Business Administration is allocating \$3.0 million in support of the Paul D. Coverdell Drug-Free Workplace Program.

2003 Request

- The total FY 2003 drug control request is \$3.0 million, which is the same as the FY 2002 enacted level.
- Through the Small Business Administration, the FY 2003 budget supports grants to organizations that help small businesses develop employee drug education programs and company drug policies. These resources will allow SBA to continue funding intermediaries and Small Business Development Centers, resulting in additional small businesses implementing drug-free workplace programs.

V. PROGRAM ACCOMPLISHMENTS

- Preliminary statistics show that approximately 1,080 small businesses set up drug-free workplace programs during the period of September 17, 2000 through July 31, 2001. This represents an increase of 105 small businesses that set up drug-free workplace programs over the same period last year.

BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$18.687	\$31.350	\$31.785
International	<u>260.598</u>	<u>791.150</u>	<u>851.428</u>
Total	\$279.285	\$822.500	\$883.213
Drug Resources by Decision Unit			
International Narcotics Control & Law Enforcement (INCLE)	\$279.285	\$161.000	\$152.213
INCLE Supplemental	---	36.500	---
Andean Counterdrug Initiative (ACI)	<u>---</u>	<u>625.000</u>	<u>731.000</u>
Total	\$279.285	\$822.500	\$883.213
Drug Resources Personnel Summary			
Total FTEs (direct only)	161	164	166
Information			
Total Agency Budget	\$324.3	\$915.0	\$928.7
Drug Percentage	86.1%	89.9%	95.1%

II. METHODOLOGY

- All Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL) programs, except those appropriated for international crime and justice activities, are scored as 100 percent drug-related.

III. PROGRAM SUMMARY

- The primary mission of INL is to develop, implement and monitor U.S. Government international counternarcotics strategies and foreign assistance programs that support the President's *National Drug Control Strategy*.
- INL programs are designed to advance international cooperation in order to reduce the foreign production and trafficking of illicit coca, opium poppy, marijuana and other illegal drugs. INL commodity and technical assistance programs improve foreign government institutional capabilities to implement their own comprehensive national drug control plans that will reduce trafficking in illicit drugs and money laundering activities. Training and assistance also supports prevention and treatment programs and projects designed to increase public awareness of the drug threat to strengthen the international coalition against drug trafficking. An INL interregional aviation program supports drug-crop eradication, surveillance and counterdrug enforcement operations.

- Projects funded by INL are directed at improving foreign law enforcement and intelligence gathering capabilities and enhancing the effectiveness of criminal justice sectors to allow foreign governments to increase drug shipment interdictions, effectively investigate, prosecute and convict major narcotics criminals, and break up major drug trafficking organizations.
- INL is responsible for foreign policy formulation and coordination and for advancing diplomatic initiatives in the international arena.

IV. BUDGET SUMMARY

2002 Program

- The total FY 2002 INL drug control request of \$822.5 million is divided between \$625 million provided in the Andean Counterdrug Initiative (ACI) account and \$197.5 million in the International Narcotics Control and Law Enforcement (INCLE) account. The latter figure includes \$36.5 million of supplemental funding from a \$73 million package provided for Pakistan border security and narcotics control programs.
- The 2002 program includes \$31.350 million for interdiction, intelligence and law enforcement activities. INL programs will provide training, equipment and technical assistance to nations in the transit zone between South America and the United States to develop effective intelligence and enforcement organizations that work closely with U.S. government agencies involved in drug interdiction and law enforcement activities.
- The 2002 program also includes \$791.150 million for international counterdrug related programs. This includes \$624.9 million for Latin American programs, \$58.250 million for Asia and the Middle East (including \$36.5 million supplemental funding for Pakistan), \$60 million for the interregional aviation program, \$18 million for international organizations, \$6 million for centrally funded drug awareness and demand reduction programs, \$5 million for regional law enforcement training, \$6 million for avionics systems support and upgrades, and \$13 million for domestic program development and support expenses.
- INL country programs address the unique counternarcotics issues in Latin America, Asia and the Middle East source and transit countries. These include programs to improve foreign government capabilities to implement comprehensive national drug control plans.
- The interregional aviation program supports cooperating government efforts to eradicate illicit drug crops by conducting fast moving and cost effective spray campaigns; providing logistical support for manual destruction; providing mobility for operations against drug processing facilities; conducting reconnaissance missions in support of eradication and interdiction efforts; and transporting personnel and equipment in support of drug control operations. This program also provides extensive training and institution building to enable foreign governments to increase their own ability to perform these functions.

- INL provides direct funding to international organizations such as UNDCP, OAS/CICAD and the Colombo Plan Drug Advisory Program, and through them, to smaller sub-regional programs and organizations. These organizations foster increased regional and international cooperation in a wide variety of counterdrug efforts, including drug control activities in source countries where U.S. bilateral assistance is not possible.
- The centrally funded drug awareness and demand reduction program seeks to reduce the worldwide demand for illicit drugs and increase support for USG interdiction programs by motivating foreign governments and institutions into giving increased attention to the negative effects of drug abuse on society.
- Funding for systems support and upgrades will be used to continue a project to improve the performance characteristics of existing aircraft to better utilize their capability, extend their useful life, and increase the effectiveness of reconnaissance, surveillance, and eradication and interdiction efforts.
- Program Development and Support (PD&S) funds provide for the domestic administrative operating expenses, including salaries and benefits, of the Washington-based INL staff.

2003 Request

The total FY 2003 INL drug control budget request is \$883.2 million, an increase of \$60.7 million over the FY 2002 program of \$822.5 million. Of the total request, \$731 million is requested in the Andean Counterdrug Initiative (ACI) account and \$152.2 million in the International Narcotics Control and Law Enforcement (INCLE) account. The request proposes funding as follows:

- Mexico. INL programs in Mexico will be funded at \$12 million, the same level as in FY 2002, in order to continue to strengthen and modernize law enforcement institutions and infrastructure, provide more and better training for personnel, and promote anticorruption reforms. Mexico is now a strong advocate of closer cooperation in conjunction with its own anti-crime and anti-corruption campaigns. The success of the counternarcotics effort in Mexico is especially critical to the success of U.S. drug control policy because of the sheer volume of drugs that transit Mexico into the United States.
- Caribbean Nations. The U.S. will continue assistance to Caribbean nations at about the same levels as in FY 2002 in order to further upgrade capabilities in interdiction, law enforcement and administration of justice, and to detect and prosecute financial crimes and governmental corruption. INL will further enhance intelligence gathering and sharing capabilities by providing additional training, information systems, and communications equipment.
- Central America. Funding will support efforts to increase drug interdiction capabilities and modernize judicial sector institutions in order to increase successful prosecution of drug traffickers, money launderers and corrupt public officials. Regional anticorruption and commercial freight tracking initiatives implemented throughout Central America in FY 2002 will require continuing U.S. assistance in order to maintain program effectiveness.

- Andean Counterdrug Initiative. The request of \$731 million for FY 2003 represents follow-on support for initiatives begun in FY 2000/2001 with the Plan Colombia Emergency Supplemental and carried forward in FY 2002 with ACI funding. The request contains an increase of \$106 million in new funding over FY 2002 programs needed to continue enforcement, border control, crop reduction, alternative development, institution building, administration of justice and human rights programs. The ACI budget provides support to Colombia, Peru, Bolivia, Ecuador, Brazil, Venezuela and Panama, and focuses on drugs, democracy and development.
 - For Colombia, the FY 2003 request of \$439 million, an increase of \$60 million over the FY 2002 level, will be used for: operations and maintenance of air assets provided with Plan Colombia supplemental funding; Colombian National Police and Army counternarcotics Brigade operational support; herbicide; airfield upgrades; base and base security upgrades; communications equipment; and riverine and coastal interdiction projects. The increased level of funding for this program will be used to support critical humanitarian, social, economic and alternative development programs including support for vulnerable groups (displaced persons and child combatants) and justice sector reform projects that will be administered by USAID, DOJ, PRM and others.
 - The \$135 million request for Peru (down from \$148 million in FY 2002) and \$91 million for Bolivia (up from \$62 million) support enhanced interdiction and border control efforts to preempt spillover from greatly enhanced Colombia counternarcotics efforts. In addition, funding will support the continuation of manual eradication, alternative development and institution building initiatives in these two countries.
 - The \$37 million requested for the program in Ecuador, an increase of \$17 million from FY 2002, will allow the government to continue to strengthen the presence of security forces on the northern border where spillover effects from Colombia counternarcotics operations, already threatening Ecuador's national security, are increasing daily. Law enforcement, border security and alternative development projects initiated in FY 2002 to meet this challenge will be further enhanced using FY 2003 funding.
 - Funding in the amount of \$20 million for programs in Brazil and Venezuela, an increase of \$9 million over the previous fiscal year, will be utilized to continue initiatives started in fiscal year 2002 to combat the growing problem of cross-border narcotrafficking.
 - Funding for Panama will increase to \$9 million to fund additional programs designed to enhance interdiction capabilities.
- Asia Regional. Funding in the amount of \$17.250 million is requested for Asia Regional programs. This funding will support opium crop eradication, sustainable development, demand reduction, law enforcement and interdiction programs in Laos (\$3.0 million), Pakistan (\$3.5 million) and Thailand (\$3.750 million), where the USG has both access and host government cooperation. The Asia Regional Cooperation program (\$5 million) funds a wide variety of projects aimed at strengthening law enforcement and judicial sector institutions and developing organizations to deal with drug abuse by providing training and equipment in countries in East and South Asia. The Southwest Asia Initiative (\$2 million)

funds projects directed toward the elimination of opium poppy cultivation in Pakistan and Afghanistan through the support of a variety of crop control and alternative development programs.

- Interregional Aviation Support. An increase of \$5 million is requested for Interregional Aviation Support, bringing the total request to \$65 million for FY 2003. This amount will cover contract adjustments based on negotiated modifications to provide required support to greatly expanded aerial eradication operations in Colombia; aerial logistical support requirements for eradication and law enforcement activities in Colombia, Bolivia and Peru; and temporary regional deployments in Central America at required levels.
- Drug Awareness and Demand Reduction. The FY 2003 request of \$5 million (\$1 million less than in FY 2002) will allow INL to continue drug awareness and demand reduction projects, expanding the program to include a wider selection of countries throughout the world.
- Regional Law Enforcement Training. The FY 2003 funding request for regional law enforcement training will continue at the \$5 million level, enabling INL to continue programs that provide training to improve the technical and investigative skills of drug law enforcement personnel.
- Other Line Items. Funding for Systems Support and Upgrades would be reduced from \$6 million to \$5 million. Funding for International Organizations would be reduced from \$18 million in FY 2002 to \$13 million. Program Development and Support (PD&S) funding will increase to \$14.563 million from \$13 million to cover mandatory increases in salaries and benefits.

V. PROGRAM ACCOMPLISHMENTS

- INL programs have had a significant impact on strengthening international drug control efforts through bilateral, regional and broad international undertakings. As a result of Department of State diplomatic initiatives, countries that have historically blamed the drug crime problem on the U.S. are now realizing the threat that drugs pose to their own people and democratic institutions. As a result, cooperation with the United States has increased, and this cooperation has resulted in improved effectiveness of U.S. counterdrug programs in cooperating countries.
- U.S.-provided law enforcement training and commodity and technical assistance have improved the ability of foreign governments to find and prosecute major narco traffickers. Mexico, Thailand and other countries are directly attacking top drug kingpins and many traffickers are being extradited to the United States.
- While coca production in Peru and Bolivia declined 70 percent over a five-year period ending in December 2000, significant replanting in both countries in 2001 threatens to erode this success. In Bolivia, continuing eradication operations in the Chapare have eliminated over 6,000 hectares of coca since January, and plans are underway to control the legal coca market in the Yungas and interdict coca being diverted to illegal cocaine production. In

Peru, the Toledo administration is formulating new strategies to eliminate replanted coca and expanded opium poppy cultivation.

- Colombia, faced with especially challenging geographic and security challenges in the drug cultivation zones, continued with a massive aerial-applied herbicide spray campaign, covering almost 50,000 hectares since December 2000. Bolstered with an infusion of funding from the FY 2000 Plan Colombia Emergency Supplemental, efforts included: a series of Colombian National Police (CNP) campaign-style deployments to departments never before sprayed in, including Norte de Santander and Tumaco, as well as eradication in the known heavy cultivation areas of Caqueta and the Gauviare. In addition, initial spray flights into the southeastern portion of the Putumayo Department were conducted.
- The counternarcotics alternative development program in Peru achieved significant results, increasing the gross value of licit agricultural production to \$64.6 million in targeted areas. This exceeds the gross value of coca leaf production in the same areas by 10 percent, and marks a notable decline in the illicit economy based on coca. In Bolivia, with over 100,000 hectares of licit crops now under cultivation in the Chapare, the volume of licit products going to market now exceeds \$56 million annually.
- The government of El Salvador agreed this past year to permit the U.S. to establish a forward operating location (FOL) at its international airport. Together with one in Ecuador and another in Curacao, the El Salvador FOL will improve operational effectiveness of U.S. air interdiction efforts. In addition, Honduras and Nicaragua signed bilateral Maritime Counternarcotics Cooperation Agreements with the U.S. during the past year.
- Working through U.N. structures enabled the U.S. to support counternarcotics projects in the large opium-producing areas of Southeast Asia, where the U.S. has limited access (Burma, China, Cambodia). A new international initiative focused on the control of precursor chemicals used in illicit drug production, and bringing international attention on the growing threat of synthetic drugs.
- Thailand continued a successful opium eradication project that led to one of the lowest cultivation and production rates since the U.S. began crop estimates in the mid-1980s. This was the third straight year that the Thai crop has been below 1,000 hectares. Whereas Pakistan was at one time the world's third largest supplier of illicit opium, it has virtually eliminated poppy cultivation. The poppy crop was less than 1,000 hectares for the second year in a row, due in large part to INL programs that supplied commodity and technical assistance, and funded infrastructure development to encourage farmers to abandon poppy cultivation.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
International	\$1.700	\$1.000	\$2.500
Drug Resources by Decision Unit			
Narcotics Rewards	\$1.700	\$1.000	\$2.500
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	---
Information			
Total Agency Budget	\$5.5	\$15.5	\$15.0
Drug Percentage	30.9%	6.5%	16.7%

II. METHODOLOGY

- The drug portion of the Emergencies in the Diplomatic and Consular Service appropriation consists exclusively of the narcotics rewards program. The amount budgeted for a given year is driven by the inflow of information leading to the arrest and conviction of individuals involved in narco-terrorism incidents or the frustration of such incidents.
- The amount determined for a given reward is based on several factors, including the nature of the subject trafficker, the value of the information provided, and local circumstances.
- Payment amounts are initially recommended by post, reviewed by an inter-agency committee, and approved by both the Secretary of State and the Attorney General.

III. PROGRAM SUMMARY

- The Narcotics Rewards Program was established by Congress in 1986 as a tool to assist the U.S. Government in identifying and bringing to justice the major narcotics traffickers responsible for bringing hundreds of tons of illicit drugs into the United States each year.
- The Department of State's Emergencies in the Diplomatic and Consular Services (EDCS) appropriation administers the Narcotics Rewards program, and closely coordinates management activities for the program with the Department's Bureau for International Narcotics and Law Enforcement Affairs (INL).
- INL closely coordinates program management with the Department of Justice, the Drug Enforcement Administration and other interested U.S. agencies.

- Drug control funds available under this appropriation provide rewards for information concerning international narco-terrorism activities. Authorization to make narco-terrorism reward payments is detailed in the Anti-Drug Abuse Act (P.L. 100-690), the International Narcotics Control Act of 1989 (P.L. 101-231), and the State Department Basic Authorities Act, as amended (P.L. 105-323). The latter legislation increased the individual ceiling on these rewards to \$5 million. The EDCS narco-terrorism program supports the federal drug control priorities by strengthening international cooperation and actions against narcotics production, trafficking, and use.

IV. BUDGET SUMMARY

2002 Program

- In FY 2002, the requested appropriation funds the program at \$1.0 million.

2003 Request

- The total FY 2003 EDCS drug control budget request is \$2.5 million, an increase of \$1.5 million over the FY 2002 plan of \$1.0 million.

V. PROGRAM ACCOMPLISHMENTS

- The EDCS rewards program has continued to make progress in the development of a comprehensive publicity campaign, utilizing a variety of innovative approaches ranging from an Internet Home Page to public service announcements and promotion of its program through other DEA and FBI activities. The reward program is fully integrated into a key interagency counternarcotics intelligence group focused on Latin America and continues to promote vital information to enhance other law enforcement efforts.

PUBLIC DIPLOMACY

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
International	\$8.800	\$9.100	\$9.500
Drug Resources by Decision Unit			
Overseas Missions	\$7.200	\$7.500	\$7.800
Information Programs & Cultural Programs	<u>1.600</u>	<u>1.600</u>	<u>1.700</u>
Total	\$8.800	\$9.100	\$9.500
Drug Resources Personnel Summary			
Total FTEs (direct only)	78	78	78
Information			
Total Agency Budget	\$447.7	\$512.3	\$563.4
Drug Percentage	2.0%	1.8%	1.7%

II. METHODOLOGY

- The drug percentage for this program is based on estimates provided by the six geographic Public Diplomacy area offices, the Bureau of Educational and Cultural Affairs, and the Office of International Information Programs. The total agency budget includes Diplomatic and Consular Programs appropriation, public diplomacy earmarks, plus Educational and Cultural Exchanges requests.
- Programs involving grants—including speaker programs, educational exchanges and foreign visitors to the U.S.—that are directly attributable to drug control are easy to identify. It is more difficult to calculate the drug control portion of other activities. The cost of Internet sites, for example, is spread over a number of thematic areas. An attempt has been made to estimate those amounts. Areas in which the costs are not possible to attribute to drug control include the press support provided by overseas embassies for visiting U.S. officials and the contact work done by officers in the field with key foreign publics.

III. PROGRAM SUMMARY

- Public affairs programming is designed to build understanding and support for U.S. international counterdrug activities. It provides information about U.S. policies and programs, underscores the U.S. investment in demand reduction programs, demonstrates the threat posed by drug trafficking to source and transit countries, and strengthens the capacity and willingness of foreign countries to fight drug abuse, trafficking and related criminal activities. Public diplomacy's counterdrug programs are implemented through:

- **Overseas Embassies.** Public diplomacy offices at 193 U.S. Missions in 142 countries carry out public affairs programs on drug issues under the direction of the ambassador and in close collaboration with DEA and other U.S. Government agencies. While it continues to be extremely important to build public support against illegal drugs in the drug-producing and transit countries of Latin America, the State Department is also focusing more efforts on the heroin producing and drug transit countries of Central and South Asia and Europe since the events of September 11.
- **Information and Exchanges.** The State Department supports the activities of its overseas embassies with products and services from its Washington headquarters. These include news, official texts, and other materials on drug issues that are transmitted electronically to the field or posted on various Internet sites. In addition, the Department recruits American experts to participate in speaker programs, teleconferences and seminars; and reference services are available to respond to inquiries from mission contacts. The Department conducts professional and academic exchange programs on drug-related issues so as to enable Americans and their international counterparts to compare techniques and profit from each others' experiences.

IV. BUDGET SUMMARY

2002 Program

- The Department's Public Diplomacy budget for FY 2002 totals \$9.1 million. A total of \$7.5 million will be spent on drug-related public diplomacy activities at overseas missions.
- Washington-based activities will cost \$1.6 million, including: (1) International Visitor, Hubert Humphrey, Fulbright and other drug-related exchange programs (\$1.1 million); (2) information programs including teleconferencing, speaker programs, texts, articles, and reference services (\$0.4 million); and (3) overall policy coordination (\$0.1 million).

2003 Request

- The FY 2003 budget for Public Diplomacy includes a request of \$9.5 million and 78 FTEs. This represents a \$0.4 million increase over FY 2002 request levels. Most of these resources will continue to focus on efforts in the Western Hemisphere, including support within the Andean Region.

V. PROGRAM ACCOMPLISHMENTS

- U.S. speaker Judge Jeffrey Tauber, former president of the National Association of Drug Court Professionals, visited Brazil in April. He participated in a seminar and ceremony in Recife to inaugurate the first drug court in Brazil. At the seminar he addressed an audience of over 300 judges, court officials, prosecutors, defense attorneys, and treatment providers, explaining the structure of drug courts. Like the U.S. model, the Brazilian drug court program will divert drug-involved offenders from the court system and oversee their treatment for chemical dependency.

UNITED STATES COAST GUARD

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$740.865	\$537.657	\$626.362
Research & Development	<u>4.553</u>	<u>2.781</u>	<u>2.831</u>
Total	\$745.418	\$540.438	\$629.193
Drug Resources by Decision Unit			
Operating Expenses (OE)	\$659.565	\$426.387	\$481.875
Acquisition, Construction, and Improvements (AC&I)	81.300	111.270	144.487
Research, Development, Test and Evaluation (RDT&E)	<u>4.553</u>	<u>2.781</u>	<u>2.831</u>
Total	\$745.418	\$540.438	\$629.193
Drug Resources Personnel Summary			
Total FTEs (direct only)	8,094	4,948	4,999
Information			
Total Agency Budget	\$4,677.2	\$5,361.8	\$6,043.8
Drug Percentage	15.9%	10.1%	10.4%

II. METHODOLOGY

- The methodology, described below, provides a summary of how the Coast Guard develops its Drug Control Budget estimates. It should be noted that the Coast Guard does not receive a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, and research and development activities are funded out of the Coast Guard appropriations mentioned below. The Coast Guard's accounting system is facilities-based and accounts for resources expended by the operating and support elements of the Coast Guard, but not by mission areas. These facilities, such as ships and aircraft, are multi-mission capable and carry out an array of Coast Guard missions. In addition, the Coast Guard does not have an accounting system designed to specifically capture personnel cost data by mission. Furthermore, while the Coast Guard used the same methodology in attributing mission costs as in the past, improvements in algorithms and modeling techniques resulted in significant changes in the drug allocations of Operating Expenses.
- The Coast Guard's multi-mission nature strengthens its ability to provide efficient and effective public services. However, this flexibility makes it difficult to identify resources expended on each specific mission area. As a result, the Coast Guard developed an improved method of mission costing using a new model, Mission Cost Program (MCP). The MCP model allocates all direct and support costs to mission-performing units (e.g., 378-foot

cutter). Established baselines of operational activity are used to further allocate those costs to the Coast Guard's various missions.

- **Operating Expenses (OE) Appropriation:** OE funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain all active duty military and civilian workforce personnel. The Mission Cost Program systematically allocates all OE dollars to direct spending, operational spending, and general support spending categories as follows:
 - Direct spending (51.6 percent of OE) by assets that perform missions (cutters, air stations, small boat stations, etc.) is applied directly to the operating asset (high endurance cutter, HC-130 aircraft, 41' utility boat, etc.);
 - Operational spending (29.9 percent of OE) for which cost variability can be specifically linked to operating assets is spread among assets based on carefully-developed allocation criteria;
 - General Support spending (18.5 percent of OE) for which cost variability cannot be specifically linked to operating assets is applied to assets based on proportion of labor dollars spent; a standard industry approach to overhead allocation; and
 - Once all OE costs are fully loaded to mission-performing assets, those costs are further allocated to Coast Guard missions (Drug Enforcement, Search and Rescue, etc.) using a baseline of operational employment hours, the amount of time Coast Guard assets are expected to be employed in support of mission areas.
- **Acquisition, Construction & Improvements (AC&I) Appropriation:** The Coast Guard uses the MCP model to develop a line item "allocation of costs by mission areas" to apply against projected AC&I projects in the out year budgets. For example, if a new asset is being proposed for commissioning in an AC&I project, those costs would be applied to mission spending in the same proportion as the historical experience of comparable existing assets.
- **Research, Development, Test & Evaluation (RDT&E) Appropriation:** Funding of RDT&E projects supporting the Drug Interdiction mission include both direct and indirect costs. Funding for direct project support, such as drug interdiction technology, are 100 percent allocated to the Drug Interdiction mission, while funding for indirect project support, those having an application to several missions, are partially allocated to the Drug Interdiction mission.
- **Drug Control Efforts:** Coast Guard drug efforts primarily contribute to achieving supply reduction activities. The vast majority of Coast Guard drug interdiction operations are designed to reduce the flow of drugs entering the United States. As such, most drug interdiction funding is allocated to these activities. The Coast Guard also provides ongoing support to lead agencies focused on programs that are designed to reduce the flow of drugs from source countries. The amount allocated to these activities represent the cost of providing intelligence resources focused on source country issues and costs for personnel that carry out international training efforts in source countries.

- **Personnel:** Full time permanent (FTP) and full time equivalent (FTE) information is calculated following the same baseline approach used to formulate the drug funding for the OE, AC&I and RDT&E appropriations. The baseline drug percentage is applied to the estimated FY 2001 – 2003 personnel totals requested for the respective appropriations. Due to the Coast Guard’s multi-mission nature, this methodology portrays the best allocation possible of current FTP and FTE to the Drug Interdiction mission area.

III. PROGRAM SUMMARY

- Maritime drug interdiction is an integral component of the *National Drug Control Strategy*. The Coast Guard enforces federal laws in the transit and arrival zones as the Nation’s principal maritime law enforcement agency with jurisdiction on, under and over the high seas and U. S. territorial waters. As part of their strategic efforts in Maritime Security, the Coast Guard’s drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying maritime smuggling routes as part of the interagency effort to reduce the supply of illegal drugs below the national demand level. Currently, this objective aligns with ONDCP’s Performance Measures of Effectiveness (PME) system that specifically targets a reduction in the rate at which illegal drugs successfully enter the United States from the transit and arrival zones.
- Coast Guard drug interdiction responsibilities are prescribed in the current *National Drug Control Strategy*, which intended to focus a national effort that will reduce illegal drug use and availability by 50 percent. The Coast Guard has developed a ten-year Counterdrug Strategic Plan, Campaign STEEL WEB. This plan is a comprehensive approach to maritime counterdrug law enforcement in the transit and arrival zones. The cornerstones of this strategy are:
 - Maintain a strong interdiction presence highlighted by agile and flexible operations in the transit and arrival zones. This will be accomplished through a series of sequential pulse operations designed to deny smugglers access to maritime routes and deter trafficking activity;
 - Strengthen ties with source and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas. This will be accomplished through increased engagement designed to deny smugglers safe havens and enhance the law enforcement capabilities of these nations’ maritime forces;
 - Support interagency and international efforts to combat drug smuggling through increased cooperation and coordination; and
 - Promote efforts to reduce illegal drug and alcohol use in the maritime environment.
- The Coast Guard aims to conduct effective, agile interdiction operations directed at high threat drug smuggling activity to significantly impact maritime trafficking routes and modes through seizures, disruption and displacement. To this end, the Coast Guard:

- Deploys a fleet of vessels and aircraft that are equipped with sensors, communications systems and detection technologies guided by coordinated intelligence to surveil, detect, classify, identify, and interdict suspected drug traffickers in the maritime transit and arrival zones. These deep-water cutters, patrol boats, maritime patrol aircraft, helicopters and various small boats provide a critical maritime interdiction presence;
 - Participates in coordinated and joint operations with law enforcement agencies, DoD, and international partners to enhance the effectiveness of transit and arrival zone interdiction efforts. The Coast Guard plans and executes cooperative operations enhancing surveillance, detection, classification, identification, and prosecution in the transit and arrival zones; and
 - Deploys Coast Guard Law Enforcement Detachments aboard U.S Navy and foreign naval vessels to provide maritime law enforcement expertise and authority required to carry out interdiction operations throughout the transit zone.
- The Coast Guard conducts combined law enforcement operations with nations in the source and transit zones to bolster the participating nations' law enforcement capabilities and strengthen their political will to fight the adverse impacts of illicit smuggling.
 - The Coast Guard, in conjunction with the Department of State, negotiates maritime counterdrug agreements with source and transit zone countries to promote seamless law enforcement efforts and facilitate the exercise of host nation authority.
 - Furthermore, the Coast Guard provides ongoing support to lead agencies focused on programs that are designed to reduce the flow of drugs from source countries.

IV. BUDGET SUMMARY

2002 Program

- The terrorist attack on September 11th had a significant impact on the Coast Guard's drug interdiction resources. Following the attack on September 11, 2001, the Coast Guard mobilized all available assets to ensure port safety and security. While their multi-mission nature and assets are one of our core strengths and critical to surging to unanticipated maritime events; these resources came at the expense of all other missions. The Coast Guard is presently re-balancing its resources to a sustainable level across all missions. It is estimated the FY 2002 resource hours (cutter and aircraft) devoted to drug interdiction will be reduced by approximately 6 percent of pre-September 11th planned levels. This level is predicated on the Coast Guard's enacted budget and supplemental funding allowing operation of all assets at 100 percent of programmed levels.
- The Coast Guard's total FY 2002 Drug Program level for all accounts is estimated at \$540.4 million. This level will provide for drug interdiction-related activities. This total includes \$426.3 million for Operating Expenses (OE); \$111.3 million for Acquisition, Construction, and Improvements (AC&I); and \$2.8 million for Research, Development, Test and Evaluation.

- The FY 2002 enacted budget provides a total of \$320.0 million (\$243.0 drug-related funding), which is supported under a Presidential initiative to fund the Western Hemisphere Drug Elimination Act (WHDEA), for the full-scale development of the Coast Guard's Integrated Deepwater System (IDS) acquisition. The Deepwater project will recapitalize the Coast Guard's aging legacy surface and air fleets. It will ensure the Coast Guard is properly equipped and outfitted to enable long-term strategies such as Campaign STEEL WEB to reap success well into the 21st Century. The Coast Guard intends to award a Phase II contract in FY 2002, to begin acquiring, constructing or improving legacy assets to replace existing capabilities.
- In preparation for the transformation and to ensure that Coast Guard assets operate at a level that can be sustained by the support infrastructure, the FY 2002 budget makes permanent adjustments to the Coast Guard's operating resources that will trim assets in most severe readiness decline or reduced capability. This will result in a smaller Coast Guard cutter and aviation fleet, however, it will reduce the cost burden of these maintenance intensive assets.
- The FY 2002 OE program further improves end-game capability through continued implementation of the very successful initiative, Operation NEW FRONTIER. The ability to intercept, stop, and board go-fast smuggling boats will be enhanced with armed and hardened helicopters, capable of delivering non-deadly force to stop fleeing suspect vessels, working in tandem with Over-the-Horizon (OTH) boats launched from cutters. This initiative proved highly successful in limited scope deployments during FY 1999 and FY 2000. Funding will provide support for the helicopters as well as the personnel, maintenance, operations, facilities and training associated with this initiative.
- The budget also provides funding to operate ten coastal patrol boats.
- The FY 2002 program was designed to enable the Coast Guard to build upon Campaign STEEL WEB successes and maintain effective interdiction in the transit zone. The underlying operations of STEEL WEB will continue including FRONTIER SHIELD in the transit zone off Puerto Rico and the Virgin Islands.
- The FY 2002 drug program will also allow the Coast Guard to continue interdiction efforts in the maritime regions along the Southwest Border. Under Operation GULF SHIELD, off the coast of south Texas, and Operation BORDER SHIELD, off the coast of southern California, the Coast Guard has established maritime interdiction operations that complement the coalition efforts of federal, state, and local law enforcement agencies to reduce trafficking across the Southwest Border. As part of the Southwest Border Initiative, the Coast Guard will continue efforts to enhance international cooperation through its relationship with the Mexican Navy.
- The FY 2002 program will also support additional efforts in the Eastern Pacific theater of operations. The Coast Guard will continue Operation PACIFIC TRIDENT, a series of pulse operations in the transit zone off the West Coast of Mexico. The program will also allow the Coast Guard to continue limited support to Joint Inter-Agency Task Force (JIATF)-East's Operation CAPER FOCUS deep in the transit zone off the west coasts of Colombia, Peru, and Ecuador.

- The FY 2002 OE program will continue to fund critical intelligence collection and support that will improve the Coast Guard's ability to identify, intercept and efficiently board smuggling vessels. This includes personnel to support enhanced training and technical assistance engagement with the maritime forces in source and transit zone nations as part of the STEEL WEB strategy.
- The FY 2002 RDT&E program level includes funding to: develop new sensor packages to improve operational commanders' capability to detect, identify and intercept targets of interest; develop technologies to improve detection of hidden contraband in locations that were previously impossible to search; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give commanders a wider range of options to stop fleeing vessels.

2003 Request

- The Coast Guard's total FY 2003 drug program request for all accounts is estimated at \$629.2 million. This level will provide for drug interdiction-related activities. This total includes \$481.9 million for Operating Expenses (OE); \$144.5 million for Acquisition, Construction, and Improvements (AC&I); and \$2.8 million for Research, Development, Test and Evaluation (RDT&E). The FY 2003 funding will also support an estimated 4,999 FTEs, an increase of 51 FTEs above the FY 2002 enacted level.
- Within Acquisition, Construction and Improvements, the FY 2003 request represents another milestone in the Integrated Deepwater System (IDS) acquisition as it provides \$500 million for the first full year of building out the system. Although only a portion of this initiative is related to drug control, the re-capitalization of these assets will enhance Coast Guard's ability to conduct counterdrug activities. Moreover, the IDS is a Coast Guard imperative and will need sustained support from partners in the Administration to assure it remains on course.
- The FY 2003 request also provides continued support for the following:
 - deployment of Operation NEW FRONTIER assets designed to stop the go-fast boat smuggling threat;
 - an interdiction presence for Operation FRONTIER SHIELD and other supply reduction pulse operations in the Caribbean transit zone;
 - interdiction efforts along the Southwest Border, to include Operation GULF SHIELD, and Operation BORDER SHIELD; and
 - Operation PACIFIC TRIDENT, a series of pulse operations in the transit zone off the west coast of Central America.
- Funding will also provide for the delivery of the first year of the IDS build out. Until contract award, the three industry teams' proposed systems are proprietary information and

cannot be shared. The build out signals the beginning of the Coast Guard's transformation to network centric operations from the current platform centric operations.

- In addition to the international components of the Campaign STEEL WEB operations, the FY 2003 drug program will allow the Coast Guard to continue combined international intelligence operations with Caribbean, Central and northern South American countries.

V. PROGRAM ACCOMPLISHMENTS

- During FY 2001, Coast Guard interdiction efforts resulted in a record year for drug seizures, accounting for 138,393 pounds of cocaine and 34,518 pounds of marijuana. The estimated street value of these seizures is more than \$4.5 billion.

	FY 1999	FY 2000	FY 2001
Drug Seizures:			
-Cocaine (lbs)	111,689	132,480	138,393
-Marijuana Products (lbs)	61,506	50,463	34,518
-Seizure Cases	118	92	65

- The Coast guard's Campaign STEEL WEB drug interdiction program has set and broken records for amounts of cocaine seized in 1997, 1999, 2000 and 2001. During FY 2001, the Coast Guard continued to reduce the flow of drugs through the transit zone by conducting a revised Campaign STEEL WEB designed to better enable operational commanders to achieve the seizure rate goals through flexible and coordinated operations, international engagement and enhanced endgame initiatives.

FEDERAL AVIATION ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Interdiction	\$7.000	\$7.300	\$7.400
Investigation*	2.700	0.000	0.000
Prevention	8.900	10.600	11.700
Intelligence*	0.200	0.000	0.000
Prevention Research and Development	<u>1.100</u>	<u>1.200</u>	<u>1.200</u>
Total	\$19.900	\$19.100	\$20.300
Drug Resources by Decision Unit			
Operations	\$18.800	\$17.900	\$19.100
Research, Engineering and Development	<u>1.100</u>	<u>1.200</u>	<u>1.200</u>
Total	\$19.900	\$19.100	\$20.300
Drug Resources Personnel Summary			
Total FTEs (direct only)	172	152	162
Information			
Total Agency Budget	\$10,948.0	\$11,977.0	\$12,957.0
Drug Percentage	0.2%	0.2%	0.2%

* Resources previously reported by the Federal Aviation Administration (FAA) involving security activities have been transferred to the newly established Transportation Security Agency as of FY 2002.

II. METHODOLOGY

- The drug budget is based on the number of workyears dedicated to drug-related activities resulting from Federal Aviation Administration (FAA) action.
- As displayed in this volume, the Federal Aviation Administration's (FAA) drug control budget methodology has been changed to exclude the Civil Aviation Registry from the drug control budget. Given that the reporting criteria and assumptions have changed over time, the Civil Aviation Registry does not have a direct role in drug interdiction. Therefore, for fiscal year 2001, the revised methodology has resulted in a scorekeeping adjustment of approximately \$4.6 million from the amount reported in last year's *Budget Summary*. Adjustments have also been made to the historical data series for all fiscal years in which FAA reported drug funding.

III. PROGRAM SUMMARY

- The FAA was created by the Federal Aviation Act of 1958, as amended. It controls the use of navigable airspace, develops and operates a common system of air traffic control and navigation for civil and military aircraft, ensures the safety of aircraft, avionics, and flight procedures, and coordinates research and development related to air navigation facilities.

- The FAA drug-related programs primarily address the areas of drug prevention, interdiction, and research and development. FAA's drug-related activities include:
 - Random Drug Testing: Each year, the FAA conducts pre-employment testing of all applicants for safety/security functions, as well as random drug testing of 10 percent of all employees in safety/security critical positions.
 - Interdiction: These efforts include the development and correlation of flight plans and transponder codes to enhance communications between air route traffic control centers and U.S. Customs/Coast Guard facilities. This enhanced communication also assists in identifying airborne drug smugglers by using radar, posting aircraft lookouts, and tracking the movement of suspect aircraft.
 - Intergovernmental Assistance: FAA's drug interdiction unit provides assistance to federal, state, and local law enforcement agencies that investigate and interdict drug smuggling by general aviation aircraft.

IV. BUDGET SUMMARY

2002 Program

The FY 2002 budget includes \$19.1 million and 152 FTEs focused in the areas of interdiction, prevention, and research.

- Interdiction:
 - Funding for interdiction program in FY 2002 is \$7.3 million, which is \$0.3 million over the FY 2001 level. This funding supports communications between air route control centers and U.S. Customs facilities and to provide other services as part of the Air Traffic program's involvement in the interdiction program.
- Prevention:
 - Funding for prevention activities in FY 2002 is \$10.6 million, which is an increase of \$1.7 million over the FY 2001 level. The Prevention Program includes \$4.4 million to provide for random drug testing for approximately 10 percent of employees who are designated to be in safety/security-critical positions; and \$6.2 million to support FAA's regulatory oversight of the aviation industry's drug and alcohol testing and prevention programs.
- Research, Engineering, and Development:
 - Funding for research, engineering, and development activities in FY 2002 is \$1.2 million, which is an increase of \$0.1 million over FY 2001. This funding supports the analysis of post-mortem tissues and fluids from transportation accidents/incidents and assess the effects of drugs on the performance of pilot and controller tasks.

2003 Request

- The total FY 2003 request is \$20.3 million and 162 FTEs, which is an increase of \$1.2 million and 10 FTEs above the FY 2002 enacted level. Of the total increase, \$1.1 million is requested to support increases associated with prevention activities, and the remaining request maintains current levels of support for interdiction and (aeromedical) research activities.

V. PROGRAM ACCOMPLISHMENTS

- No new program accomplishments are reported.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$30.200	\$31.500	\$31.800
Prevention Research and Development	<u>0.250</u>	<u>0.400</u>	<u>0.400</u>
Total	\$30.450	\$31.900	\$32.200
Drug Resources by Decision Unit			
Highway Safety Programs:			
Youth Alcohol	\$1.100	\$1.300	\$1.300
Drug Evaluation and Classification	0.500	1.400	1.400
Drugs, Driving and Youth	1.200	1.200	1.200
Highway Safety Research - Youth Alcohol	0.100	0.150	0.100
Highway Safety Research - Drugs	0.150	0.250	0.300
Section 402 State and Community Formula Grants	21.000	21.200	21.400
Section 410 Alcohol Incentive Grants	<u>6.400</u>	<u>6.400</u>	<u>6.500</u>
Total	\$30.450	\$31.900	\$32.200
Drug Resources Personnel Summary			
Total FTEs (direct only)	5	5	5
Information			
Total Agency Budget	\$407.0	\$428.0	\$430.0
Drug Percentage	7.5%	7.4%	7.5%

II. METHODOLOGY

- Operations and Research (O&R) Account: drug control numbers are derived from specific budget line items that fund drug and youth alcohol-related activities.
- Highway Traffic Safety Grant Account: drug control numbers are estimated from trends in expenditures in youth alcohol programs and by applying varying percentages to components of the grant program funding.

III. PROGRAM SUMMARY

- The National Highway Traffic Safety Administration (NHTSA) funds programs that address the problems of drunk and drugged driving and prevention programs targeting zero tolerance for alcohol and drug use among youth. These activities include:
 - **Drugs, Driving and Youth:** This effort is directed at reducing drugged driving and drug use by youth (under 21 years old). NHTSA is supporting efforts to strengthen the Driving Under the Influence of Drugs (DUID) system. In particular, NHTSA supports stronger laws, more consistency in enforcement, prosecution, adjudication, prevention,

education, publicity, drug testing, and treatment for drug use. NHTSA continues to collaborate with other federal agencies and national organizations to deliver a systematic strategy to states and communities.

- **Youth Alcohol:** NHTSA will continue to emphasize programs for youth. While drinking and driving has decreased even faster for youth than for adults, drivers under 21 are still over-involved in alcohol-related crashes. Extensive evidence demonstrates that both alcohol sale and drinking-while-driving laws are not well enforced for youth. The agency will continue to assist states and communities in prevention and enforcement programs to comply with state zero tolerance laws. Specifically, the agency will continue to assist states in training traffic enforcement officers on drinking laws pertaining to youth. Enforcement demonstration projects will also highlight effective law enforcement strategies and programs. Work with youth advocacy groups (e.g., Students Against Drunk Driving and Mothers Against Drunk Driving) will provide opportunities to educate youth leaders on underage drinking and driving. NHTSA will undertake a new demonstration program targeting youth who often fail to use seat belts, frequently exceed the speed limit and see no harm in driving while impaired by drugs or alcohol.
- **Drug Evaluation and Classification (DEC):** The DEC is incorporated into NHTSA's overall impaired driving program. The central purpose of this program is to assist states with drugged driving programs and to provide DEC technical assistance to law enforcement agencies through the International Association of Chiefs of Police. The main goal of DEC is to increase the number of participating states to maintain a national prevention infrastructure. In addition, new initiatives will enhance the number of law enforcement officers trained in the standardized field sobriety testing; expand drug information and training for prosecutors and judges; and promote uniform sanctions for drug offenses.
- **Highway Safety Research:** This program provides funding for research on youth alcohol-impaired and drug-impaired driving. The primary focus of the alcohol and drug research program is to identify the scope and nature of the impaired driving problem, identify specific target groups and to develop associated countermeasure programs aimed at these target populations. Research is also conducted to improve methods for police enforcement of youth alcohol-impaired driving and drugged driving laws.
- **Highway Traffic Safety Grants:** State and local governments are NHTSA's key partners in working toward the agency's goal to reduce deaths, injuries, and economic losses resulting from motor vehicle crashes. Federal aid to states and communities is available to assist in this effort. The Transportation Equity Act for the 21st Century reauthorized both the Section 402 State and Community Highway Safety Grant Program and the Section 410 Alcohol Incentive Grant Program, and provided funds to states to prevent impaired driving (alcohol and drugs) through education, public information, and enforcement.

IV. BUDGET SUMMARY

2002 Program

- The total program for FY 2002 is \$31.9 million. This funding provides for state and local assistance, and research and development activities. The program funds activities in both the Highway Traffic Safety Grant and the Operations and Research accounts. FY 2002 grants will be awarded in September 2002.

	(\$ in Millions)
Youth Alcohol	\$1.300
Drug Evaluation and Classification	1.400
Drugs, Driving and Youth	1.200
Highway Safety Research (Youth Alcohol)	0.150
Highway Safety Research (Drugs)	0.250
Section 402 State and Community Formula Grants	21.200
Section 410 Alcohol Incentive Grants	<u>6.400</u>
Total	\$31.900

2003 Request

- The FY 2003 request totals \$32.2 million, which is a net increase of \$0.3 million over the FY 2002 enacted level. Specific drug program enhancements are not requested in the FY 2003 budget.
- The Transportation Equity Act for the 21st Century, enacted in June 1998, reauthorized both the Section 402 State and Community Highway Safety Grant program and the Section 410 Alcohol Incentive Grant program. Consistent with their problem analysis and goals, states may choose to use a portion of these grant funds to address underage drinking and driving.

V. PROGRAM ACCOMPLISHMENTS

- Provided technical assistance to five states on the drug recognition programs. In addition, technical support was provided to 38 Drug Recognition Expert (DRE) pre-schools, 28 DRE 7-day schools, and 12 instructor schools.
- Expanded the Drug Impaired Training for Educational Professionals to nine additional states.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Prevention	\$4.176	\$4.176	\$4.176
Investigations	<u>160.727</u>	<u>181.201</u>	<u>194.931</u>
Total	\$164.903	\$185.377	\$199.107
Drug Resources by Decision Unit			
Reduce Violent Crime	\$164.903	\$185.377	\$199.107
Drug Resources Personnel Summary			
Total FTEs (direct only)	991	1,092	1,112
Information			
Total Agency Budget	\$772.7	\$854.7	\$913.1
Drug Percentage	21.3%	21.7%	21.8%

II. METHODOLOGY

- The Bureau of Alcohol, Tobacco and Firearms' (ATF's) estimate of drug-related costs is based upon historical case statistics. These statistics suggest that ATF has devoted approximately 26 percent of the FTE achieved and obligations incurred under its Reduce Violent Crime activity for drug investigations or community outreach-oriented prevention projects. The Bureau divided the number of defendants referred for prosecution under Title 18 U.S.C. Section 924(c) and/or narcotics crime by the total of all defendants referred for prosecution in a year to derive a ratio. This ratio is used to pro-rate the share of total ATF direct budgetary resources that support anti-drug programs. ATF revalidates this methodology whenever significant changes are suspected. The Reduce Violent Crime major budget activity encompasses approximately 82 percent of the FY 2002 Estimated Enacted Budget and the same percentage of direct budget authority proposed in the FY 2003 President's budget.
- There is a notable reduction of drug resources identified in this budget submission. A number of factors have had an impact on the reported drug control funds. Current statistical case data from ATF's new National Field Office Case Information System (NFOCIS) has replaced the historically relied upon case statistics. A portion of the reported levels may be attributable to improved accuracy in the case information system. Also, the current data would suggest a shift in ATF's case demographics. In the future, drug control estimates will be updated annually using ATF's NFOCIS.

III. PROGRAM SUMMARY

- ATF was established in 1972 to consolidate statutory responsibility for revenue collection, regulatory oversight, and criminal enforcement involving alcohol and tobacco commodities, as well as firearms and explosives. The established link between gun-related violence and drug trafficking has justified a significant investment of ATF staff time and financial resources in counternarcotics activities.
- The Bureau accomplishes its multi-faceted mission primarily through inspections and investigative cases managed by ATF personnel dispersed across the country. ATF's workforce is deployed at 23 field divisions, forensic science laboratories and the National Tracing Center. Additionally, ATF personnel located at Headquarters provide legal, financial, acquisition, training, and information technology support to field operation units involved with drug-related investigations or prevention projects.
- ATF programs are engaged in the following activities:
 - Detect and prevent the distribution of firearms into illegal channels and into the possession of prohibited persons;
 - Investigate arson and explosives-related incidents having a significant community impact;
 - Assist state and local law enforcement agencies in reducing crime and violence; and
 - Reduce illegal trafficking, possession and use of firearms, destructive devices, and explosives.
- ATF also supports the counterdrug effort through a variety of prevention programs, such as the Gang Resistance, Education and Training (GREAT) program.

IV. BUDGET SUMMARY

2002 Program

- For FY 2002, \$185.4 million has been identified within appropriations to support drug investigations and prevention activities. Funding in FY 2002 will continue to support programs such as GREAT, Achilles, and the Integrated Violence Reduction Strategy. Specifically, the GREAT program delivers an anti-violence, anti-crime, and anti-gang message to children throughout the country, which includes the use or trafficking of drugs and illegal firearms.

2003 Request

- The total ATF drug-related resources estimated for FY 2003, is \$199.1 million and 1,112 FTEs, which represents an increase of \$13.7 million and 20 FTEs over the FY 2002 enacted level.

- The funding level for FY 2003 continues efforts against drug organizations by targeting firearms-related crimes committed by career criminals, arson and explosives related incidents committed by those involved in drug distribution and trafficking, illegal international trafficking in arms and the misuse of firearms along the Southwest Border.
- The principle drug-related enhancement in FY 2003 is for the Youth Crime Gun Interdiction Initiative (\$2.9 million and 11 FTEs). The Administration proposes to increase funding for one component of ATF's Integrated Violence Reduction Strategy (IVRS) in FY 2003, the Youth Crime Gun Interdiction Initiative (YCGII). The YCGII is an integral part of the IVRS Strategy. It utilizes ATF's firearms tracing system, ATF special agents, inspectors and support personnel, and associated equipment and training to follow leads generated by comprehensive crime gun tracing. ATF's goal is to interdict the flow of illegal firearms to youths through partnership with participating cities. Through independent research and investigative experience, ATF has learned that comprehensive tracing and following the resulting investigative leads are the key to interdicting the illegal flow of firearms to youths. ATF has also learned that other firearms-related crimes are commonly solved through these tracing efforts.

V. PROGRAM ACCOMPLISHMENTS

- **Operation Goulds Cleanup.** This investigation was initiated after two homicides in Miami by the Mark Bell drug organization. A 73 year old female was murdered in a drive by shooting and, shortly thereafter, a retired Miami-Dade police officer was shot and killed during a bank robbery. Agents from ATF, FBI, DEA, Florida Department of Law Enforcement and detectives from the Miami-Dade Homicide and Robbery sections joined to combat and dismantle the organization. The Bell organization was responsible for drug trafficking, armed robberies, armored car robberies, car jackings, home invasions, bank robberies and homicides. Four homicides have been solved as well as two bank robberies as a result of this OCDETF task force investigation.
- In May of 2000 through April 2001, a joint effort between DEA, IRS, ATF and other local agencies resulted in the dismantling of a major cocaine and marijuana trafficking organization operating in the Tuscaloosa, Alabama area. The organization, headed by a Larry Jones, a.k.a. "Love", was responsible for the distribution of approximately 50 kilograms of cocaine and large quantities of marijuana per month. The supply source was Texas/Mexico. Investigation was initiated by the arrest of two couriers in possession of 10 kilograms of cocaine traveling from San Antonio, Texas to Birmingham.
- ATF's GREAT program is highly successful in its method of delivering an anti-violence and anti-gang message to children throughout the country. The program recently underwent a longitudinal (five-year) evaluation conducted by the National Institute of Justice (NIJ) and contracted to the University of Nebraska. The evaluation itself was crucial to the success of GREAT, by allowing it to undergo such scrutiny by an outside agency. The results show that those children who received the GREAT program reported lower rates of victimization, more negative views towards gangs, more favorable attitudes towards the police, more peers involved in pro-social activities and lower levels of involvement in risk-seeking behaviors.

U.S. CUSTOMS SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Intelligence	\$20.961	\$27.316	\$30.403
Interdiction	483.347	675.144	649.466
Investigations	198.525	287.466	311.098
Research & Development	<u>4.862</u>	<u>4.893</u>	<u>4.893</u>
Total	\$707.695	\$994.819	\$995.860
Drug Resources by Decision Unit			
Salaries and Expenses	\$574.772	\$819.487	\$833.572
Operations and Maintenance	<u>132.923</u>	<u>175.332</u>	<u>162.288</u>
Total	\$707.695	\$994.819	\$995.860
Drug Resources Personnel Summary			
Total FTEs (direct only)	6,675	6,987	7,245
Information			
Total Agency Budget	\$2,279.3	\$3,087.2	\$3,081.9
Drug Percentage	31.0%	32.2%	32.3%

II. METHODOLOGY

- In a departure from the methodology that ONDCP approved in February 2001, the Office of Training has been excluded from this year's estimates. Customs determined that the mission support of the Office of Training, while vital to the Customs Service, was not entirely drug-related. The effect of this change is to decrease reported drug enforcement resources by approximately \$14 million in fiscal years 2001 through 2003. As a result, Customs now identifies only three organizations that support the drug enforcement mission of the agency.

Office of Investigations

- The Office of Investigations supports Customs' investigation function and the Air and Marine Interdiction function. Based on the relationship between total investigative hours spent and those spent on narcotics and money laundering cases, subject matter experts have concluded that 62.9 percent of investigative resources are dedicated to the Customs drug enforcement mission and support the *National Drug Control Strategy*. This estimate fluctuates from year to year based on the casework that Customs Special Agents complete. In last year's *Budget Summary*, 65.7 percent was used to estimate drug-related resources.
- Resources that support the Air and Marine Interdiction program are considered to be 95 percent drug-related.

Office of Field Operations

- The Office of Field Operations has identified 1,742 Inspector positions that are specifically associated with drug enforcement because they are either Contraband Enforcement Team (CET) Inspectors, Outbound Enforcement/Currency Team Inspectors, Currency Canine Enforcement (CEO) Officers, or Narcotics CEOs. The salaries of these positions are assumed to be \$60,000 per annum and to contribute 100 percent of their time to drug enforcement.
- There are 6,431 other Customs Inspectors that, in addition to the interdiction of contraband and illegal drugs, also enforce the 400 laws and regulations of many other federal government agencies, such as the Animal, Plant and Health Inspection Service, the U.S. Fish and Wildlife Service, the Bureau of Alcohol, Tobacco, and Firearms, and the Bureau of Export Administration. Based on Customs' latest assessment, approximately 30 percent of these inspectors' time is assumed to be drug-related.

Office of Information Technology

- The Office of Information Technology supports the drug enforcement mission through the research, development, acquisition, and support and maintenance of technology, such as non-intrusive inspection systems, through its Applied Technology Division (ATD). Approximately 90 percent of base resources, 95 percent of research and development resources, 94 percent of acquisition resources, and 85 percent of support and maintenance resources are dedicated to drug enforcement.

III. PROGRAM SUMMARY

Customs Authorities/Investigative and Interdiction Operations

- Titles 18 U.S.C. and 19 U.S.C. authorize the Customs Service to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that Customs plays a key role in the overall anti-drug effort at the border.
- In addition, Customs has a broad grant of authority to investigate international financial crime and money laundering. Customs jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority of the Bank Secrecy Act, Money Laundering Control Act, and other customs laws.
- Customs has implemented aggressive border enforcement strategies that are designed to interdict, investigate, and disrupt the flow of narcotics and ill-gotten gains across our Nation's borders and dismantle the related smuggling organizations. Customs achieves these objectives by maintaining: an aggressive air, land, and marine interdiction force; a cadre of approximately 1,475 Title 21 cross-designated Special Agents; and a multi-disciplined money laundering control program to investigate financial crimes and interdict bulk currency shipments being exported out of the United States.

- Customs employs automated targeting and manifest systems, sophisticated hand-held tools, high technology non-intrusive inspection systems, specifically configured interdiction aircraft and vessels, and detector dogs. These assets enable Customs to successfully target, identify, and apprehend the willful violator, while efficiently processing the flow of law abiding international passengers and compliant cargo entering and exiting the United States.
- Customs narcotics interdiction strategies are designed to be flexible so that they can successfully counter the constantly shifting narcotics threat and disrupt the flow of drugs at, and between, the ports of entry, as well as in the source and transit zones. In addition to interdiction efforts at our borders, Customs has developed a number of industry partnership programs to intercept narcotics prior to export from the country of origin.
- To assist in the interdiction of smugglers and contraband entering the arrival zone of the United States, Customs personnel skilled in the operation of a fleet of aircraft and marine vessels, outfitted with sophisticated radar, patrol the coastal waters and airspace of the arrival zone. Customs interdiction aircraft also patrol the transit and source zones with the objective of detecting and assisting partner Nations in their efforts to apprehend suspect drug trafficking aircraft and vessels.

Customs Air/Marine Program

- The mission of the Customs Air and Marine Interdiction Division (AMID) is to protect the Nation's borders and the American people from the smuggling of narcotics and other contraband with an integrated and coordinated air and marine interdiction force. To accomplish that mission, AMID interdiction assets are deployed throughout the arrival, transit, and source zones. The Air and Marine Interdiction Coordination Center (AMICC) in Riverside, California, provides command, control, communications, and intelligence for those assets by assimilating information from a wide array of sensors.
- In the source and transit zones, AMID air and marine crews work in conjunction with the law enforcement agencies and military forces of other nations in support of their counternarcotic programs. The AMID provides detection and monitoring, interceptor support, and coordinated training with military and law enforcement personnel of other countries.
- AMID aviation assets include jet interceptors and long-range trackers equipped with radar and infrared detection sensors, high performance helicopters, single- and multi-engine support aircraft, sensor-equipped marine search, and air-to-air detection platforms. AMID's range of maritime assets includes interceptors, fast utility, and blue water-type vessels.
- AMID has a number of personnel assigned to the Joint Interagency Task Force-East (JIATF-E), including Vice-Director, the Deputy Director of Operations, and the Chief of Caribbean Intelligence. JIATF-E is the primary coordinating entity for transit and source zone counterdrug operations.

Intelligence Program

- The Intelligence Program provides support to Customs investigative, inspectional, air and marine components in disrupting the flow of drugs by collection and analysis of all source information and dissemination of intelligence to the appropriate component. Also, the program provides strategic intelligence estimates to executive management for purposes of planning and resource allocation.

Money Laundering

- Customs financial investigations target the systems used by international criminal organizations to launder the proceeds of their crime. Customs has implemented an aggressive strategy to combat money laundering, which combines interdiction efforts, undercover investigations, and regulatory interventions that target those systems.

Technology

- Customs is continuing to acquire and deploy additional fixed, mobile, and re-locatable x-ray and gamma ray imaging systems for use at high-risk land, sea, and airports of entry through the implementation of its 5-Year Technology Acquisition Plan for the southern tier. The successful development of these systems was accomplished through a strategic alliance between Customs and the Department of Defense Counterdrug Technology Development program. As of January 2002, 76 of 105 funded systems have been deployed, including 7 prototypes. Customs is also enhancing enforcement efforts along the Northern Border by deploying interdiction technology to high traffic locations.

Participation in Interagency Task Forces

- The task force methodology in law enforcement has proven to be an effective tactic in dismantling criminal organizations. Customs has actively supported task forces and High Intensity Drug Trafficking Area (HIDTA) operations in the past and will continue to do so in the future. Customs coordinates all GATEWAY activities through the Puerto Rico/Virgin Islands HIDTA as well as serves on the Executive Council for that HIDTA. At the urban HIDTAs, Customs personnel actively support and staff the local law enforcement task forces and programs developed by the HIDTAs aimed at dismantling narcotic trafficking and distribution organizations.
- Customs participates in and actively supports the Organized Crime Drug Enforcement Task Forces (OCDETF). There is a Customs OCDETF Coordinator sitting on each of OCDETF's nine Regional Advisory Boards who actively interacts with other federal law enforcement agencies, as well as Chiefs of Police and State Attorneys. Customs dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations.
- Customs also plays a major role in Operation Alliance, which was established in the summer of 1986 to facilitate and improve the coordination of law enforcement operations along the Southwest Border of the United States. Alliance is chartered to facilitate the implementation

of national drug control policy, develop regional strategies, and administer the HIDTA program for the Southwest Border. Headquartered in El Paso, Texas, Alliance has a full-time staff and currently has some 26-member agencies, which include federal, state, and local organizations.

- Customs is an active participant and partner in the Special Operations Division (SOD), a multi-agency program involving the Drug Enforcement Administration, Federal Bureau of Investigation, Department of Justice, and Customs. The SOD is a coordination and information-sharing mechanism focused on enhancing multi-agency, multi-jurisdiction investigations of major drug smuggling and trafficking organizations.
- Customs participates in the Border Coordination Initiative, which is a comprehensive, coordinated border management strategy between Customs, the Immigration and Naturalization Service, the U.S. Coast Guard, and the Department of Agriculture. This effort increases cooperation among federal agencies on the Southwest Border to more efficiently interdict drugs, illegal aliens, and other contraband.

IV. BUDGET SUMMARY

2002 Program

- In FY 2002, Customs estimates that it will direct \$994.8 million or 32.2 percent of its direct appropriations, and 6,987 FTEs to its drug enforcement mission.
- In addition to base resources, Customs' FY 2002 Salaries and Expenses and Operations and Maintenance Appropriations include the following resources that will enhance drug enforcement capabilities:
 - \$28.2 million for 258 Inspectors, 10 Canine Enforcement Officers, and 40 Special Agents (5 Foreign), to enforce Customs laws at Northern Border ports of entry. Although the intent of this initiative is to protect the United States against terrorism, 37.2 percent is also estimated to be drug-related.
 - \$33.2 million to support the 5-Year Technology Plan and purchase more non-intrusive inspection equipment for high-risk ports of entry. This amount is estimated to be 95 percent drug-related.
 - \$35 million to support the Western Hemisphere Drug Elimination Act. Some of this funding, which is scored as 95 percent drug-related, will be used to upgrade the Forward Looking Infrared Radar on four Customs P-3 Aircraft and purchase one marine patrol aircraft to begin replacing the 6 C-12M Marine Patrol Aircraft that currently perform marine surveillance of suspect aircraft.
 - \$12.9 million for the Customs Air and Marine Interdiction programs in support of the Air and Marine Modernization Plan. These resources are scored as 95 percent drug-related and include the purchase of 7 interceptor marine vessels, life support equipment for the Marine program, and marine transponders and intercom systems.

- In FY 2002, Public Law 107-117, which contains Emergency Appropriations in the amount of \$399.3 million to enhance border security, will supplement the Customs drug enforcement efforts with additional Inspectors, Agents and technology. At this time, decisions are still being made on how to spend the additional funding, so a more complete summary of the personnel and technology to be funded is not possible. Although this legislation was passed in the aftermath of the events of September 11, 2001, to counter the terrorist threat, this funding also has a strong drug control nexus. Overall, Customs estimates that the drug budget will increase by \$135.7 million as a result of this supplemental appropriation.

2003 Request

- Customs' FY 2003 request in support of drug control efforts of \$995.9 million and 7,245 FTEs, was held at the FY 2002 level with a slight adjustment for inflation. Specific drug control program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- The quantity of drugs seized in FY 2001 was a record for Customs. Customs seized or participated in the domestic seizure of over 1.8 million pounds of illegal drugs, including over 190,000 pounds of cocaine, approximately 1.5 million pounds of marijuana, and over 3,600 pounds of heroin.
- Customs seized or participated in the domestic seizure of \$162 million in monetary instruments in FY 2001, most of which was related to drug trafficking.
- Customs air and marine interdiction efforts during FY 2001 resulted in the seizure of 229,195 pounds of marijuana, 67,044 pounds of cocaine, 47 pounds of heroin, 614 pounds of other opiates and 556 pounds of methamphetamine. Air and marine personnel also supported law enforcement efforts that resulted in the seizure of \$12.2 million and 882 arrests.
- Customs Special Agents conducted 499 controlled deliveries during FY 2001. These deliveries resulted in 380 additional arrests (beyond the arrests associated with the initial interdiction), and typified Customs commitment to develop and transform border interdictions into complex conspiracy investigations intended to dismantle drug smuggling organizations.
- Customs continues to support international anti-drug efforts through the Americas Counter Smuggling Initiative (ACSI), a program designed to minimize the use of legitimate commercial trade for drug smuggling. Multidisciplinary ACSI teams, traveled internationally during FY 2001 to provide Carrier Initiative Program and Business Anti-Smuggling Coalition training and assistance to industry and government personnel throughout Central and South America. From FY 1995 through FY 2001, these initiatives have resulted in the seizure of approximately 287,000 pounds of illegal drugs abroad and in the United States.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$31.047	\$34.345	\$29.057
State & Local Assistance	0.705	0.987	1.017
International	<u>0.152</u>	<u>0.156</u>	<u>0.236</u>
Total	\$31.904	\$35.488	\$30.310
Drug Resources by Decision Unit			
Salaries and Expenses	\$20.654	\$21.982	\$25.458
Emergency Response Salaries and Expenses	0.000	4.784	0.000
Acquisitions, Construction, Improvements, and Related Expenses	11.250	6.954	4.852
Emergency Response ACI & RE	<u>0.000</u>	<u>1.768</u>	<u>0.000</u>
Total	\$31.904	\$35.488	\$30.310
Drug Resources Personnel Summary			
Total FTEs (direct only)	135	156	156
Information			
Total Agency Budget	\$153.4	\$170.6	\$145.7
Drug Percentage	20.8%	20.8%	20.8%

II. METHODOLOGY

- The Federal Law Enforcement Training Center (FLETC) is an interagency law enforcement training facility providing training to 74 federal agencies and state, local, and international governments. The FLETC provides premium training programs in support of drug enforcement activities. FLETC computes the drug attribution using each federal agency's drug percentage. Drug percentages are then applied to the total student-weeks of training by agency.
- **Agency Advanced Training Programs.** The drug percentages are applied to the total student-weeks of training by agency.
- **Center Advanced Training Programs.** Any program that has a drug nexus is scored at 100 percent.
- **State and Local Programs.** The following percentages are applied for these programs:

Gang Resistance, Education and Training (GREAT)	56.0
Any program that has a drug nexus	100.0

- **International Training Programs.** Currently, all foreign programs have a drug nexus and are scored at 100 percent.
- Once the total student weeks of drug-related training is identified, FLETC calculates the percentage of student weeks of drug-related training relative to the total student weeks of training. The resulting percentage is used to calculate the amount of FLETC resources that are used in support of the *National Drug Control Strategy*.
- The following is the calculation for FLETC's FY 2001 percentage, using the new methodology:

<u>Type of Training</u>	<u>Student-Weeks</u>
Basic Program	17,619
Agency Advanced Programs	2,075
FLETC Advanced Programs	375
State & Local Advanced Programs	1,232
GREAT Programs	492
International Programs	<u>292</u>
Total Drug-Related Programs	22,085

- The total number of student-weeks of training conducted by FLETC during FY 2001 was 106,407. The percentage of drug-related training to the total training conducted for FY 2001 is 20.8 percent.

III. PROGRAM SUMMARY

- The FLETC is an interagency training facility serving 74 federal law enforcement agencies. The major training effort is in the area of basic programs to teach law enforcement skills to investigators and police personnel. The FLETC also conducts advanced programs in areas of common need, such as the use of microcomputers as an investigative tool, marine law enforcement, white collar crime, advanced law enforcement photography and several instructor training programs. In addition, the FLETC offers programs to state, local and international law enforcement officers on a not-to-interfere-with-federal-training basis.
- A Director who is appointed by the Secretary of the Treasury heads the FLETC. The FLETC conducts training in Glynco, Georgia and Artesia, New Mexico.

IV. BUDGET SUMMARY

2002 Program

- During FY 2002, in support of the participating agencies' drug enforcement training, the FLETC expects to expend \$35.5 million and 156 FTEs in support of drug enforcement programs.

2003 Request

- FLETC's FY 2003 request includes \$30.3 million and 156 FTEs for drug-related training, a decrease of \$5.2 million below the FY 2002 enacted level. This reduction is a result of the additional funding provided in FY 2002 by the emergency supplemental enacted in response to September 11th. Only a portion of the supplemental funding is annualized in FY 2003.

V. PROGRAM ACCOMPLISHMENTS

- During FY 2001, the FLETC trained 25,689 students, amounting to 106,407 student-weeks. Training was primarily conducted at Glynco, Georgia and Artesia, New Mexico.

FINANCIAL CRIMES ENFORCEMENT NETWORK

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Intelligence	\$10.845	\$12.304	\$13.185
Drug Resources by Decision Unit			
Salaries and Expenses	\$10.565	\$11.924	\$12.766
Retirement Accrual Costs	<u>0.280</u>	<u>0.380</u>	<u>0.419</u>
Total	\$10.845	\$12.304	\$13.185
Drug Resources Personnel Summary			
Total FTEs (direct only)	64	71	76
Information			
Total Agency Budget	\$36.2	\$41.1	\$44.0
Drug Percentage	10.8%	12.3%	13.2%

II. METHODOLOGY

- The Financial Crimes Enforcement Network's (FinCEN's) drug-related resource estimates are based on the number of drug-related investigative cases supported annually. Based on initial screening, FinCEN identifies and flags drug-related cases in their case tracking database. The number of drug-related cases is compared to the total number of cases to determine the overall percentage of drug-related effort within FinCEN. This percentage is then applied to FinCEN's direct obligations to estimate the overall support FinCEN provides to law enforcement on drug-related efforts.

III. PROGRAM SUMMARY

- Illicit drug trafficking produces billions of dollars in income domestically and internationally. The success of drug traffickers, and organized crime in general, is based largely upon their ability to transfer those illegal proceeds into funds with a seemingly legal source—a process known as money laundering.
- The mission of FinCEN is to support law enforcement investigative efforts and foster interagency and global cooperation against domestic and international financial crimes; and to provide U.S. policymakers with strategic analyses of domestic and worldwide money laundering developments, trends, and patterns. FinCEN works toward those ends through information collection, analysis and sharing, as well as technological assistance and innovative, cost-effective implementation of the Bank Secrecy Act and other Treasury authorities.

- In response to the Money Laundering and Financial Crimes Strategy Act of 1998, the Departments of the Treasury and Justice released the annual National Money Laundering Strategy. These reports provide a comprehensive overview of all U.S. government efforts to combat money laundering. FinCEN provides analytical support to the law enforcement community in support of the National Money Laundering Strategy.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 drug control program totals \$12.3 million and 71 FTEs. FinCEN funding supports investigative case support, the identification of financial crime trends and patterns, administration of the Bank Secrecy Act, and fostering international cooperation on the implementation of money laundering controls.

2003 Request

- In FY 2003, FinCEN is requesting \$13.2 million and 76 FTEs. FinCEN's request represents an increase of \$0.9 million over the FY 2002 level. With the National Money Laundering Strategy's increased focus on dismantling large scale criminal enterprises and prosecuting professional money launderers, there will be an increased demand from FinCEN for its expertise and analytical focus. FinCEN will begin many of the strategy tasks within existing resources. However, the overall direction outlined in the strategy will result in a significant increase in the overall level of support required.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- FinCEN works closely with other components of the U.S. Government, as well as America's international partners, to counter the growing threat of transnational crime to financial institutions and governments. To accomplish this objective FinCEN will enhance its capacity to identify and disseminate trends and patterns analyses, provide on-site support for the High Intensity Financial Crime Areas, increase investigative exchanges coordinated with foreign Financial Intelligence Units, and continue to strive for state-of-the-art information technology to support FinCEN's program objectives.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$103.248	\$107.576	\$107.576
Drug Resources by Decision Unit			
ATF	\$10.667	\$11.128	\$11.128
Customs	29.063	30.191	30.191
IRS	63.146	65.585	65.585
Treasury, Office of Enforcement	<u>0.372</u>	<u>0.672</u>	<u>0.672</u>
Total	\$103.248	\$107.576	\$107.576
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	---
Information			
Total Agency Budget	\$103.2	\$107.6	\$107.6
Drug Percentage	100%	100%	100%

II. METHODOLOGY

- The Interagency Crime and Drug Enforcement (ICDE) appropriation provides reimbursable resources to the three Treasury bureaus that participate in the Organized Crime Drug Enforcement Task Force (OCDETF) program and provides funding for Departmental program management and oversight. Resources for this program are 100 percent drug-related.

III. PROGRAM SUMMARY

- **Bureau of Alcohol, Tobacco and Firearms (ATF).** A significant portion of today's violent crime is directly associated with the distribution of drugs by sophisticated drug trafficking organizations. In case after case, it is clear that firearms, explosives and arson are used as tools of the drug organizations for purposes of intimidation, enforcement and retaliation against their own members, rival organizations, or the community in general.
- **IRS-Criminal Investigation (IRS-CI).** The IRS-CI works to dismantle and disrupt major narcotics and narcotics money laundering organizations by using the unique financial investigative skills of its special agents. Investigations are frequently worked by multi-agency task forces, such as OCDETF, and investigate all aspects of the individual/organization's illegal activities. The IRS-CI uses the tax code, money laundering statutes, and asset seizure/forfeiture laws to thoroughly investigate the financial operations of the organizations. With the globalization of the U.S. economy and the increasing use of electronic funds transfer, investigations of these organizations and individuals have become more international in scope.

- **U.S. Customs Service (Customs).** Customs participates as a member of coordinated investigations of criminal, money laundering organizations to yield prosecutions and convictions, and removal of their assets. Customs participation in the OCDETF program provides a comprehensive, nationwide program with the infrastructure and the ability to synchronize and coordinate investigations and prosecutions of significant, high-level regional, national, and international drug and money laundering organizations.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 enacted budget totals \$107.6 million. These resources are used to reimburse Treasury bureaus for drug-related law enforcement programs. The impact of program changes to homeland security or anti-terrorism priorities, has been minimal. Initially, in the two months following 9/11, resources were redirected from narcotics related investigations to anti-terrorism investigations and security. These resources have now been recovered and ICDE drug-related investigations are back to their pre-9/11 levels.

2003 Request

- The FY 2003 request totals \$107.6 million. Drug program enhancements are not requested.

V. PROGRAM ACCOMPLISHMENTS

- **Operation Moonshine 2000:** In January 2000, the Hot Springs Police Department requested the assistance of the ATF Little Rock Field Office regarding a violent drug trafficking organization (DTO) operating in the Garland County, Arkansas area distributing crack cocaine. On October 17, 2000, an ATF-led OCDETF Investigation entitled Moonshine 2000 was approved. During the course of the investigation, sources of supply for narcotics were identified in Compton, CA, Dallas, TX, Houston, TX and Texarkana, AR. More than 50 controlled purchases of crack and powder cocaine were made by federal and state authorities, which lead to the execution of at least 15 state and federal search warrants. Historically, in excess of 150 kilograms of crack and powder cocaine were traced to this DTO and at least 18 firearms were recovered or purchased from organization members. Criminal charges have been filed against 31 subjects to date, of which 26 have been convicted and sentenced in federal and state court to more than 160 years imprisonment.
- **Operation Weed Whacker:** This IRS-led OCDETF investigation involved the activities of a cocaine and marijuana smuggling organization that operated in Hillsboro, Texas. The organization was responsible for importing narcotics from Mexico at points of entry in South Texas and shipping it throughout Michigan, Illinois, North Carolina, and Arkansas concealed inside boat hulls transported by tractor-trailers. Money laundering activities included the use of wire remitter businesses and nominee names. Mid-level members of the organization, who were responsible for recruiting others to transport and distribute drugs and currency, were identified. Seven defendants have pled guilty to narcotic conspiracy and money laundering and are cooperating with law enforcement in this continuing investigation. Sentences have ranged from 12 to 37 months incarceration with varying degrees of fines.

INTERNAL REVENUE SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$30.899	\$14.645	\$15.631
Intelligence	18.802	22.586	23.546
International	<u>1.795</u>	<u>1.909</u>	<u>2.798</u>
Total	\$51.496	\$39.140	\$41.975
Drug Resources by Decision Unit			
Narcotics Crimes	\$33.279	\$17.129	\$19.024
Currency Transaction Reports	<u>18.217</u>	<u>22.011</u>	<u>22.951</u>
Total	\$51.496	\$39.140	\$41.975
Drug Resources Personnel Summary			
Total FTEs (direct only)	570	454	458
Information			
Total Agency Budget	\$9,010.7	\$9,390.7	\$9,814.0
Drug Percentage	0.6%	0.4%	0.4%

II. METHODOLOGY

- The Internal Revenue Service (IRS) drug control budget contains two components: Criminal Investigation (CI) and Currency Reporting Forms Processing.
- The IRS-CI has committed to 1 percent of Direct Investigation Time (DIT) above the reimbursed level for the FY 2002 Narcotics Program. This results in a total of 140 Direct CI FTEs.
- The IRS-CI commitment to the Narcotics Program remains relatively stable in FY 2003 at 144 Direct CI FTEs. This request is to maintain the Narcotics Program at 1 percent of DIT above the reimbursed level.
- Currency Reporting Forms Processing--This program activity is scored as 100 percent drug-related.

III. PROGRAM SUMMARY

- The mission of IRS-CI in federal law enforcement's anti-drug efforts is to utilize the financial expertise of its agents to identify and impede the transfer of illegal proceeds generated by the manufacture and distribution of illegal drugs. The mission focuses on the disruption and dismantling of the country's major domestic and international narcotics and narcotics money laundering organizations through investigation, prosecution, and asset forfeiture proceedings. Prosecutions involve the criminal statutes contained in the Internal Revenue Code (Title 26),

the Bank Secrecy Act (Title 31), and the Money Laundering Control Act (Title 18) of the United States Code.

- IRS-CI promulgated an international strategy that placed special agents in strategic foreign posts to facilitate the development and use of information obtained in host nations in support of criminal investigations. The international strategy provides for direct foreign source support to the investigations over which IRS-CI has investigative jurisdiction.
- IRS-CI supports the overall IRS mission by the investigation of criminal violations under its jurisdiction through three program areas: the Legal Income Tax Crimes Program, the Illegal Income Financial Crimes Program, and the Narcotics-Related Financial Crimes Program (Narcotics Program). The Narcotics Program supports the *National Drug Control Strategy* and the National Money Laundering Strategy through continued support to joint agency task forces, including Interagency Crime and Drug Enforcement (ICDE), High Intensity Drug Trafficking Area (HIDTA), and High Risk Money Laundering and Financial Crimes Areas (HIFCA). Additionally, IRS-CI is implementing a series of Task Forces to be used as a catalyst for the development of significant tax, narcotics, and non-narcotics money laundering cases.

IV. BUDGET SUMMARY

2002 Program

- The FY 2002 program provides \$39.1 million and 454 FTEs in support of drug control efforts.
- Of the total counternarcotics funding received by the IRS, \$20.2 million supports IRS-CI's effort in the investigation and prosecution of drug organizations, including domestic money laundering organizations. Through resources applied to the Narcotics Program, IRS-CI supports joint agency task forces including ICDE, HIDTA, and HIFCA, and sponsors and assists in covert money laundering initiatives to identify, disrupt, and dismantle the systems and criminal organizations that launder narcotics proceeds.
- IRS-CI is currently organizing two projects, the Wire Remitter and Bulk Transportation of Currency initiatives, in order to identify domestic and international criminal money laundering organizations that are utilizing the non-bank wire remitter industry, or transporting large quantities of currency from, into, and within the United States.
- IRS-CI is participating in the money laundering section at the Department of Justice, Special Operations Division (SOD), which is heavily concentrated on domestic and international narcotics-related organizations.
- IRS-CI is also an executive-level member of the Counterdrug Intelligence Coordinating Group that focuses on international counternarcotics efforts.
- The IRS-CI's International Strategy places special agents in strategic foreign posts to facilitate the development and use of information obtained in host nations in support of

criminal investigations. The IRS-CI maintains permanent overseas posts in Bogota, Colombia, Mexico City, Mexico, Frankfurt, Germany, Hong Kong, China, and Ottawa, Canada.

2003 Request

- The IRS is requesting a total of \$42.0 million and 458 FTEs in FY 2003. The FY 2003 request reflects a slight increase in the IRS drug control budget.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- In FY 2001:
 - Initiated 951 narcotic-related investigations;
 - Recommended prosecution on 847 narcotic-related investigations;
 - Achieved a narcotic-related conviction rate of 86.9 percent;
 - Applied 18.8 percent of DIT to the Narcotics Program; and
 - Realized \$64.3 million in forfeited narcotic-related assets.
- The effectiveness of CI's counternarcotic operations is demonstrated by the results of IRS' investigations. The following case highlights a recent significant investigation:
 - **Illegal Pharmaceutical Scheme.** On August 21, 2000, a resident of California and Minnesota was sentenced to 87 months imprisonment. The subject was charged with money laundering, conspiracy to commit mail fraud, and wire fraud. His crimes related to his orchestration of a complex, multi-state, multi-million dollar fraud scheme involving large-scale illegal sales of pharmaceuticals. The subject pled guilty to the charges and admitted that over a 2½ year period (1996–1999), he transacted over \$10 million of such illegal pharmaceutical sales. As part of his plea agreement, the subject forfeited his lavish home in rural northern Minnesota, approximately \$1 million in bank accounts and currency, a Harley-Davidson motorcycle, and a truck.

UNITED STATES SECRET SERVICE

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$8.809	\$12.460	\$16.200
Prevention	<u>12.920</u>	<u>13.767</u>	<u>14.599</u>
Total	\$21.729	\$26.227	\$30.799
Drug Resources by Decision Unit			
Investigative Operations	\$8.809	\$12.460	\$16.200
Support Operations	9.334	10.230	10.515
Protective Operations	<u>3.586</u>	<u>3.537</u>	<u>4.084</u>
Total	\$21.729	\$26.227	\$30.799
Drug Resources Personnel Summary			
Total FTEs (direct only)	144	165	190
Information			
Total Agency Budget	\$835.7	\$920.6	\$1,010.4
Drug Percentage	2.6%	2.8%	3.0%

II. METHODOLOGY

- The cumulative drug-related funding level for Secret Service is based on estimates of drug-related activities within three Secret Service decision units, Investigative Operations, Support Operations, and Protective Operations. Estimates of drug-related workload for each is based on an analysis of base staff hours expended in support of drug-related activities. An estimated 3.67 percent of the Service's Investigative Operations FY 2001 workload was drug-related. Also, an estimated 7 percent and 1 percent of the workload of the Support Operations and Protective Operations activities, respectively, is drug-related.
- Resources identified are based upon a methodology, which incorporates pay, benefits and support costs of FTE devoted to drug enforcement activities. These include criminal investigations, federal/state/local task force involvement, employee and applicant drug testing, protectee drug-related speeches, and protection for protectees involved in other drug enforcement related activities.
- There is a notable reduction of drug resources identified in this budget submission. This is a result of the change in the percentage of staff hours expended in support of drug-related activities for Investigative Operations. The percentage used last year had not been updated based on current operations since it was first formulated. Starting with FY 2001, the estimated percentage will be based upon an annual analysis of base investigative staff hours expended; therefore, this percentage will fluctuate annually. The percentages used for Support Operations and Protective Operations have not changed.

III. PROGRAM SUMMARY

- The mission of the Secret Service includes the authority and responsibility to:
 - Protect the President, Vice President, President-elect, Vice President-elect, and members of their immediate families; major Presidential and Vice Presidential candidates; former Presidents, their spouses and minor children; and visiting heads of foreign states/governments;
 - Provide security for the White House Complex and other Presidential offices, for the official residence of the Vice President, and for foreign diplomatic missions in the Washington, DC metropolitan area;
 - Detect and arrest any person committing an offense against the laws relating to currency, coins, obligations, and securities of the United States or foreign governments; and
 - Detect and arrest those persons violating laws pertaining to electronic funds transfer frauds, credit card and debit card frauds, fraud involving federally insured financial institutions, false identification documents or devices, and computer access fraud.

IV. BUDGET SUMMARY

2002 Program

- The Service's FY 2002 program totals \$26.2 million and 165 FTEs. The FY 2002 funding will enable the Service to maintain its drug-related operations in support of *the National Drug Control Strategy*.

2003 Request

- The Service's FY 2003 drug-related resources are \$30.8 million, an increase of \$4.6 million over the FY 2002 enacted level. In FY 2003, the Service projects it will devote 4.8 percent of its investigative resources, one percent of its protective resources, and seven percent of its support resources to drug-related activities.
- The request reflects increases to maintain current services. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- “Plan Colombia” is a reimbursable funding agreement that has allowed the Secret Service to expend funds in order to deter counterfeiting in Colombia. The Secret Service, with the assistance of the Colombian National Police (DIJIN) and the Departamento Administrativo de Seguridad (DAS), has been successful in several operations that have resulted in the seizure of millions of dollars in counterfeit U.S. currency, as well as cocaine and heroin. Several of these operations have taken place in areas controlled by the guerilla group Fuerzas Armadas Revolucionarias de Colombia (FARC). One case originating in Colombia involved a counterfeit ring that was using counterfeit U.S. currency to purchase firearms for the FARC.

In a recent case in New Orleans, Louisiana, cargo ships, originating from Colombia, were utilized as a means to transport counterfeit U.S. currency, heroin, and cocaine into the United States. This trend is increasing, and funding from projects such as Plan Colombia allows the Secret Service to actively investigate such networks.

- Since the early 1980's, the Secret Service has seen an increase in the number of financial crimes, affecting financial institutions and individuals in the United States, being committed by organized Nigerian criminal groups. These criminal groups have instituted sophisticated fraud schemes in the area of bank fraud, false identification, insurance fraud and credit card fraud. However, the most prevalent and successful type of fraud perpetrated by Nigerian groups today is advance fee fraud.

Secret Service Nigerian Organized Crime Task Forces currently operate in nine cities across the U.S. and these advance fee fraud scams remain a priority investigation. These Secret Service Task Forces are currently evolving into Interagency Nigerian Organized Crime Task Forces pursuant to the Attorney General's mandate on Nigerian Criminal Activity. In addition to the U.S. Task Forces, the Service established a Task Force in Lagos, Nigeria in January of 1999, which works operationally with the Nigerian National Police Special Frauds Unit and INTERPOL authorities. As a result of these concentrated task force efforts, the Service has been able to recognize a continued growing trend among the Nigerian organized groups to use the illicit proceeds obtained from fraud schemes, such as advanced fee fraud, to further finance other criminal operations, such as narcotics trafficking, or to facilitate anonymity through the use of fictitious identification.

TREASURY FORFEITURE FUND

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Investigations	\$106.651	\$85.728	\$85.728
State & Local Assistance	62.944	59.532	59.532
Interdiction	<u>0.585</u>	<u>0.600</u>	<u>0.600</u>
Total	\$170.180	\$145.860	\$145.860
Drug Resources by Decision Unit			
Permanent Indefinite Authority	\$170.180	\$145.860	\$145.860
Drug Resources Personnel Summary			
Total FTEs	---	---	---
Information			
Total Agency Budget	\$238.0	\$221.0	\$221.0
Drug Percentage	67.0%	66.0%	66.0%

II. METHODOLOGY

- Executive Office for Asset Forfeiture requests that the law enforcement agencies that participate in the Fund provide an estimate of the percentage of their expenses that involve drug-related seizures for the upcoming fiscal year. This percentage is based on what the agency believes it will spend on drug-related cases throughout the upcoming year. A weighted-average of all the agencies' percentages is then calculated and applied to the Fund's estimated budget authority.

III. PROGRAM SUMMARY

- The Treasury Forfeiture Fund is the receipt account for the deposit of non-tax forfeitures made pursuant to laws enforced or administered by Treasury law enforcement agencies and the United States Coast Guard. It was established in October of 1992 as the successor to the Forfeiture Fund of the United States Customs Service. When the enabling legislation for the Fund was enacted, it brought together all of Treasury law enforcement under a single forfeiture program. The member law enforcement bureaus of the Treasury Forfeiture Fund are the U.S. Customs Service (Customs), the U.S. Secret Service (Secret Service), the Bureau of Alcohol, Tobacco and Firearms (ATF), and the Internal Revenue Service's (IRS) Criminal Investigation Division. These Treasury bureaus are joined by the U.S. Coast Guard of the Department of Transportation, a member of the Fund as the result of a long-standing close law enforcement relationship with Customs. The Fund's enabling legislation was first published in Public Law 102-393, enacted October 6, 1992, and is codified under Title 31 United States Code (U.S.C.) § 9703.

- Funds may be used for several purposes:
 - The **mandatory authority** items are generally used to meet “business expenses” of the Fund, including expenses of storing and maintaining seized and forfeited assets; valid liens and mortgages; investigative expenses incurred in pursuing a seizure; information and inventory systems; and certain costs of local police agencies incurred in joint law enforcement operations. Following seizure, equitable shares are paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.
 - **Secretary’s Enforcement Fund (SEF)** is derived from equitable shares received from the Department of Justice or the U.S. Postal Service (USPS). These shares represent Treasury’s portion in the overall investigation which lead to a Justice or USPS forfeiture. SEF revenue is available for federal law enforcement purposes of any Treasury law enforcement organization.
 - **Super Surplus** represents the remaining unobligated balance after an amount is reserved for Fund operations in the next fiscal year. Super Surplus can be used for any federal law enforcement purpose.

IV. BUDGET SUMMARY

2002 Program

- The total drug control budget for FY 2002 is \$145.9 million. The bulk of the Fund’s resources will support federal investigative operations and state and local activities.

2003 Request

- Drug control resources of the Fund total \$145.9 million in FY 2003, the same level as FY 2002. Specific drug program enhancements are not requested in the FY 2003 budget.

V. PROGRAM ACCOMPLISHMENTS

- Reimbursing proper expenses of seizure and forfeiture, sharing funds with state and local law enforcement agencies, and managing the resources of the fund constitute the main achievements of the Fund. These achievements apply mostly to the investigations into money laundering and illegal drug activity conducted domestically within the United States.
- Domestic efforts in training law enforcement officers in the asset forfeiture process were conducted as a means of facilitating investigations, wherein money laundering and other proceeds from illegal drug activity affect the United States.

DEPARTMENT OF VETERANS AFFAIRS

I. RESOURCE SUMMARY

(Budget Authority in Millions)

	2001 Final	2002 Enacted	2003 Request
Drug Resources by Function			
Treatment	\$669.764	\$697.129	\$728.283
Research and Development	<u>11.180</u>	<u>12.298</u>	<u>13.527</u>
Total	\$680.944	\$709.427	\$741.810
Drug Resources by Decision Unit			
Medical Care	\$669.764	\$697.129	\$728.283
Research	<u>11.180</u>	<u>12.298</u>	<u>13.527</u>
Total	\$680.944	\$709.427	\$741.810
Drug Resources Personnel Summary			
Total FTEs (direct only)	3,872	3,872	3,872
Information			
Total Agency Budget	\$47,435.6	\$50,824.7	\$56,570.8
Drug Percentage	1.4%	1.4%	1.3%

II. METHODOLOGY

- Specialized Treatment Costs – VA’s drug budget estimates include all costs generated by the treatment of patients with drug use disorders treated in specialized substance abuse treatment programs.
- Other Related Treatment – VA’s drug budget estimates also include all costs generated by the treatment of patients with a primary drug use diagnosis treated in any other treatment setting. No “other costs” associated with secondary and associative diagnosis are factored into the drug budget. Indeed, a primary drug abuse diagnosis suggests that a drug use disorder was the focus of treatment in the non-specialized setting.
- Non-specialized Substance Abuse Visits – The Program Evaluation and Resource Center (PERC) is currently reviewing the FY 2001 actual data for “Non-Specialized Substance Abuse Visits made by Outpatients with a Primary Drug Diagnosis.” Therefore, until PERC’s review is complete, the drug budget estimates include the following:
 - Includes straight line estimates for Non-Specialized Substance Abuse Visits made by Outpatients with a Primary Drug Diagnosis; and
 - Only allowing for inflationary increases in the FY 2002 and FY 2003 estimates for Specialized Outpatient and Domiciliary programs.

III. PROGRAM SUMMARY

- The Department of Veterans Affairs, through its Veterans Health Administration, operates a network of substance abuse treatment programs located in the Department's medical centers, domiciliaries and outpatient clinics. VA plays a major role in the provision of services to veterans who are "service connected" or indigent. (The term "service connected" refers to injuries sustained while in military service, especially those injuries sustained as a result of military action).
- The investment in health care and specialized treatment of veterans with drug abuse problems, funded by the resources in Medical Care, helps avoid future health, welfare and crime costs associated with illegal drug use.
- In coordination with the Center for Substance Abuse Treatment (CSAT) on how to best employ outreach models, VA has been a participant in the Treatment Improvement Protocol (TIP) initiative. A component of this project is the specific development of TIP number 27, relating to case management and the associated facilitation of access to treatment.
- The dollars expended in research help to acquire new knowledge to improve the prevention, diagnosis and treatment of disease, and acquire new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans' health care.
- The Department of Veterans Affairs, in keeping with modern medical practice, continues to improve service delivery by expanding primary care and shifting treatment services to lower cost settings when clinically appropriate. Included in this shift to more efficient and cost effective care delivery has been VA's substance abuse treatment system. Initial data suggest these shifts in care delivery may impact budgets in future years. The exact nature of the impact, if any, cannot be determined until additional trend data becomes available.

IV. BUDGET SUMMARY

2002 Program

- In FY 2002, VA will spend \$697.1 million for medical care, which includes \$317.5 million for specialized treatment and \$379.6 million for other related treatment.
- The FY 2002 funding also includes \$12.3 million for research and development to be applied toward drug abuse related research.

2003 Request

- The total FY 2003 request is \$741.8 million, which consists of \$728.3 million for medical care and \$13.5 million for drug abuse related research. This represents a \$32.4 million increase over FY 2002 enacted levels.
- In conjunction with the Department of Health and Human Services (HHS) and the Department of Defense (DoD), the Department of Veterans Affairs (VA) will make available

to both Departments its expertise in drug treatment theory and program development. The emphasis will be on the establishment of a treatment continuum, the implementation of patient/treatment matching and methods of evaluating treatment outcome and implementing and assessing the effectiveness of clinical practice guidelines. VA will be able to accomplish this within existing resources, primarily through its Center of Excellence in Substance Abuse Treatment and Education (CESTATE) and its Program Evaluation and Resource Center (PERC). These two entities already provide these services within VA and will be made available for integration into similar activities within HHS and DoD.

- Increase treatment efficiency and effectiveness. Provide information on successful methods in various programs and the number of referrals that enter treatment. The dollars expended in research help to meet this goal and objective by (1) acquiring new knowledge to improve the prevention, diagnosis and treatment of disease, and (2) acquiring new knowledge to improve the effectiveness, efficiency, accessibility and quality of veterans' health care.
- Use effective outreach referral and case management efforts to facilitate early access to treatment. In coordination with CSAT on how best to employ outreach models, VA has been and will continue to be a participant in the Treatment Improvement Protocol (TIP) initiative developed by CSAT of SAMHSA, Department of Health and Human Services. A component of this project is the specific development of a TIP relating to case management and the associated facilitation of access to treatment. Previously issued TIPs have been made available to VA treatment programs, and have been used in VA's continuing education activities. This effort will continue in the future.

V. PROGRAM ACCOMPLISHMENTS

- Specialized substance abuse treatment services are available at 153 VA medical facilities. These are predominantly ambulatory treatment programs.
- VA continues to provide inpatient treatment services to veterans with significant substance abuse and psychosocial problems. Among patients with drug diagnoses treated in specialized inpatient substance abuse units, 50 percent abuse cocaine, 34 percent abuse opioids, and 38 percent have coexisting psychiatric diagnoses.
- Through the Quality Enhancement Research Initiative (QUERI) program, VA is steadily expanding the availability of methadone maintenance clinics for heroin-dependent veterans.
- The Program Evaluation and Resource Center (PERC), Palo Alto Healthcare System, is conducting a major process-outcome evaluation of substance abuse treatment programs. PERC is focusing on substance abuse treatment programs at 15 VA Medical Centers that follow a traditional 12-step and/or a cognitive-behavioral (C-B) treatment approach. These are the two most prevalent treatment orientations in VA programs. Intake and discharge data have been collected on over 3,000 patients; one- and two-, and five-year follow-ups have been conducted.