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# Senate Hearings

*Before the Committee on Appropriations*

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## Treasury, Postal Service, and General Government Appropriations

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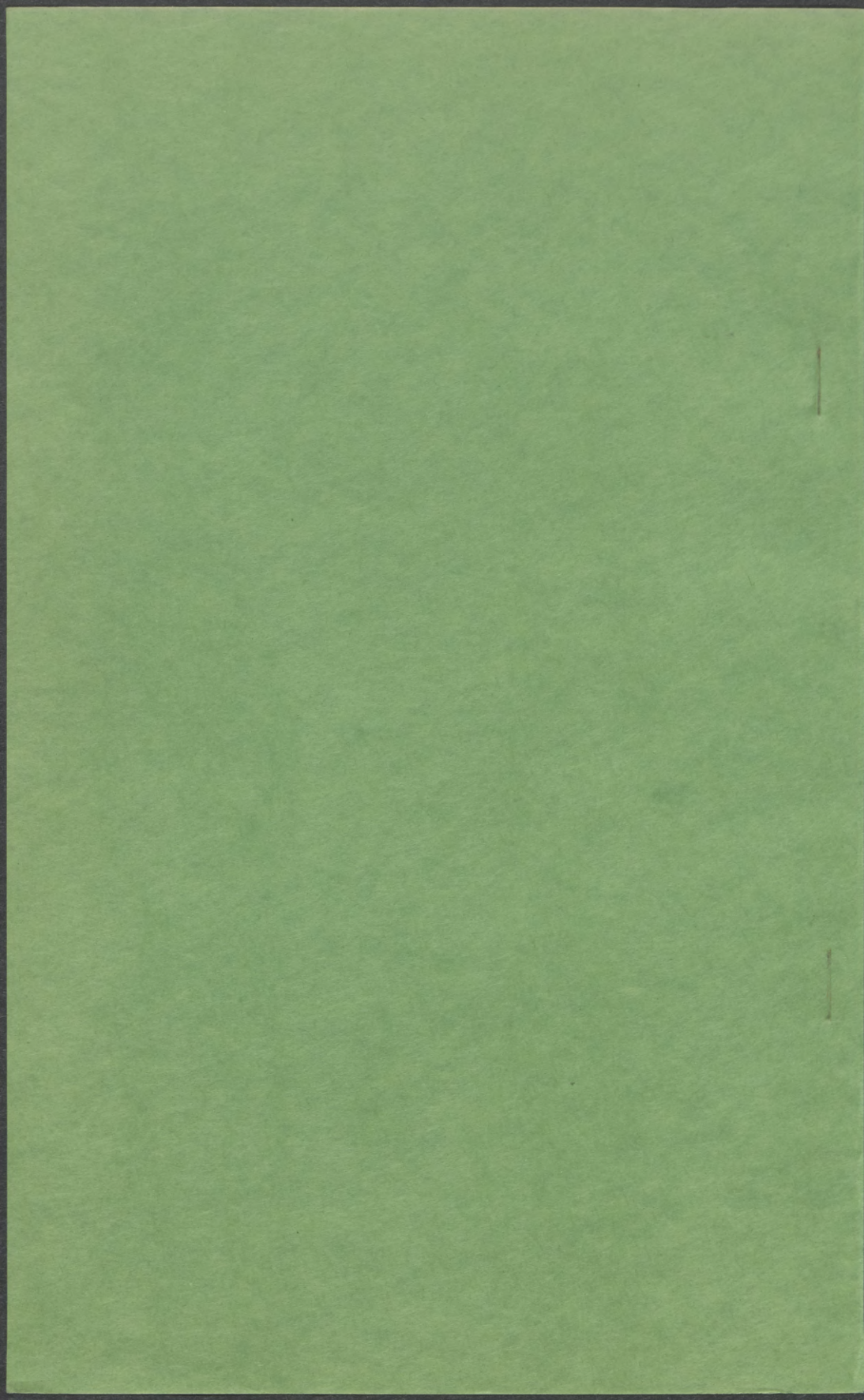
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H.R. 9271

92<sup>d</sup> CONGRESS, FIRST SESSION

*Fiscal Year* 1972

DRUG ABUSE CONTROL AND PREVENTION



**TREASURY, POSTAL SERVICE, AND  
GENERAL GOVERNMENT APPROPRIATIONS  
FOR FISCAL YEAR 1972**

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**HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE**

**NINETY-SECOND CONGRESS**

**FIRST SESSION**

**ON**

**H.R. 9271**

**AN ACT MAKING APPROPRIATIONS FOR THE TREASURY  
DEPARTMENT, THE U.S. POSTAL SERVICE, THE EXECUTIVE  
OFFICE OF THE PRESIDENT, AND CERTAIN INDEPENDENT  
AGENCIES, FOR THE FISCAL YEAR ENDING JUNE 30, 1972,  
AND FOR OTHER PURPOSES**

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Printed for the use of the Committee on Appropriations



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WASHINGTON : 1971

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TREASURY DEPARTMENT, THE U.S. POSTAL SERVICE,  
THE EXECUTIVE OFFICE OF THE PRESIDENT, AND  
CERTAIN INDEPENDENT AGENCIES APPROPRIATIONS  
FOR FISCAL YEAR 1972

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FRIDAY, JUNE 25, 1971

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, D.C.*

The subcommittee met at 9:30 a.m. in room 1223, New Senate Office Building, Hon. Joseph M. Montoya, chairman, presiding.

Present: Senators Montoya and Boggs.

EXECUTIVE OFFICE OF THE PRESIDENT

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

DRUG ABUSE CONTROL AND PREVENTION

HOUSE DOCUMENTS NO. 92-131 AND NO. 92-133

Senator MONTAYA. The subcommittee will be in order.

This morning the subcommittee will take testimony in connection with estimates for programs of drug abuse control and prevention. The budget amendments are contained in House Document 92-133, copy of which will be placed in the record at this point, together with a copy of House Document No. 92-131, a proposal to establish a special action office for drug abuse prevention to concentrate the resources of the Nation in a crusade against drug abuse.

(The documents follow:)

(1)

SPECIAL ACTION OFFICE FOR DRUG ABUSE  
PREVENTION

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M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A DRAFT OF PROPOSED LEGISLATION TO ESTABLISH A SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION TO CONCENTRATE THE RESOURCES OF THE NATION IN A CRUSADE AGAINST DRUG ABUSE

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JUNE 17, 1971.—Message and accompanying papers referred to the Committee on Interstate and Foreign Commerce and ordered to be printed

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*To the Congress of the United States:*

In New York City more people between the ages of fifteen and thirty-five years die as a result of narcotics than from any other single cause.

In 1960, less than 200 narcotic deaths were recorded in New York City. In 1970, the figure had risen to over 1,000. These statistics do not reflect a problem indigenous to New York City. Although New York is the one major city in the Nation which has kept good statistics on drug addiction, the problem is national and international. We are moving to deal with it on both levels.

As part of this administration's ongoing efforts to stem the tide of drug abuse which has swept America in the last decade, we submitted legislation in July of 1969 for a comprehensive reform of Federal drug enforcement laws. Fifteen months later, in October, 1970, the Congress passed this vitally-needed legislation, and it is now producing excellent results. Nevertheless, in the fifteen months between the submission of that legislation and its passage, much valuable time was lost.

We must now candidly recognize that the deliberate procedures

embodied in present efforts to control drug abuse are not sufficient in themselves. The problem has assumed the dimensions of a national emergency. I intend to take every step necessary to deal with this emergency, including asking the Congress for an amendment to my 1972 budget to provide an additional \$155 million to carry out these steps. This will provide a total of \$371 million for programs to control drug abuse in America.

#### A NEW APPROACH TO REHABILITATION

While experience thus far indicates that the enforcement provisions of the Comprehensive Drug Abuse Prevention and Control Act of 1970 are effective, they are not sufficient in themselves to eliminate drug abuse. Enforcement must be coupled with a rational approach to the reclamation of the drug user himself. The laws of supply and demand function in the illegal drug business as in any other. We are taking steps under the Comprehensive Drug Act to deal with the supply side of the equation and I am recommending additional steps to be taken now. But we must also deal with demand. We must rehabilitate the drug user if we are to eliminate drug abuse and all the anti-social activities that flow from drug abuse.

Narcotic addiction is a major contributor to crime. The cost of supplying a narcotic habit can run from \$30 a day to \$100 a day. This is \$210 to \$700 a week, or \$10,000 a year to over \$36,000 a year. Untreated narcotic addicts do not ordinarily hold jobs. Instead, they often turn to shoplifting, mugging, burglary, armed robbery, and so on. They also support themselves by starting other people—young people—on drugs. The financial costs of addiction are more than \$2 billion every year, but these costs can at least be measured. The human costs cannot. American society should not be required to bear either cost.

Despite the fact that drug addiction destroys lives, destroys families, and destroys communities, we are still not moving fast enough to meet the problem in an effective way. Our efforts are strained through the Federal bureaucracy. Of those we can reach at all under the present Federal system—and the number is relatively small—of those we try to help and who want help, we cure only a tragically small percentage.

Despite the magnitude of the problem, despite our very limited success in meeting it, and despite the common recognition of both circumstances, we nevertheless have thus far failed to develop a concerted effort to find a better solution to this increasingly grave threat. At present, there are nine Federal agencies involved in one fashion or another with the problem of drug addiction. There are anti-drug abuse efforts in Federal programs ranging from vocational rehabilitation to highway safety. In this manner our efforts have been fragmented through competing priorities, lack of communication, multiple authority, and limited and dispersed resources. The magnitude and the severity of the present threat will no longer permit this piecemeal and bureaucratically-dispersed effort at drug control. If we cannot destroy the drug menace in America, then it will surely in time destroy us. I am not prepared to accept this alternative.

Therefore, I am transmitting legislation to the Congress to consolidate at the highest level a full-scale attack on the problem of drug abuse in America. I am proposing the appropriation of additional funds to meet the cost of rehabilitating drug users, and I will ask for additional funds to increase our enforcement efforts to further tighten the noose around the necks of drug peddlers, and thereby loosen the noose around the necks of drug users.

At the same time I am proposing additional steps to strike at the "supply" side of the drug equation—to halt the drug traffic by striking at the illegal producers of drugs, the growing of those plants from which drugs are derived, and trafficking in these drugs beyond our borders.

America has the largest number of heroin addicts of any nation in the world. And yet, America does not grow opium—of which heroin is a derivative—nor does it manufacture heroin, which is a laboratory process carried out abroad. This deadly poison in the American life-stream is, in other words, a foreign import. In the last year, heroin seizures by Federal agencies surpassed the total seized in the previous ten years. Nevertheless, it is estimated that we are stopping less than 20 percent of the drugs aimed at this Nation. No serious attack on our national drug problem can ignore the international implications of such an effort, nor can the domestic effort succeed without attacking the problem on an international plane. I intend to do that.

#### A COORDINATED FEDERAL RESPONSE

Not very long ago, it was possible for Americans to persuade themselves, with some justification, that narcotic addiction was a class problem. Whether or not this was an accurate picture is irrelevant today, because now the problem is universal. But despite the increasing dimensions of the problem, and despite increasing consciousness of the problem, we have made little headway in understanding what is involved in drug abuse or how to deal with it.

The very nature of the drug abuse problem has meant that its extent and seriousness have been shrouded in secrecy, not only by the criminal elements who profit from drug use, but by the drug users themselves—the people whom society is attempting to reach and help. This fact has added immeasurably to the difficulties of medical assistance, rehabilitation, and government action to counter drug abuse, and to find basic and permanent methods to stop it. Even now, there are no precise national statistics as to the number of drug-dependent citizens in the United States, the rate at which drug abuse is increasing, or where and how this increase is taking place. Most of what we think we know is extrapolated from those few States and cities where the dimensions of the problem have forced closer attention, including the maintenance of statistics.

A large number of Federal Government agencies are involved in efforts to fight the drug problem either with new programs or by expanding existing programs. Many of these programs are still experimental in nature. This is appropriate. The problems of drug abuse

must be faced on many fronts at the same time, and we do not yet know which efforts will be most successful. But we must recognize that piecemeal efforts, even where individually successful, cannot have a major impact on the drug abuse problem unless and until they are forged together into a broader and more integrated program involving all levels of government and private effort. We need a coordinated effort if we are to move effectively against drug abuse.

The magnitude of the problem, the national and international implications of the problem, and the limited capacities of States and cities to deal with the problem all reinforce the conclusion that coordination of this effort must take place at the highest levels of the Federal Government.

Therefore, I propose the establishment of a central authority with overall responsibility for all major Federal drug abuse prevention, education, treatment, rehabilitation, training, and research programs in all Federal agencies. This authority would be known as the Special Action Office of Drug Abuse Prevention. It would be located within the Executive Office of the President and would be headed by a Director accountable to the President. Because this is an emergency response to a national problem which we intend to bring under control, the Office would be established to operate only for a period of three years from its date of enactment, and the President would have the option to extending its life for an additional two years if desirable.

This Office would provide strengthened Federal leadership in finding solutions to drug abuse problems. It would establish priorities and instill a sense of urgency in Federal and federally-supported drug abuse programs, and it would increase coordination between Federal, State, and local rehabilitation efforts.

More specifically, the Special Action Office would develop overall Federal strategy for drug abuse prevention programs, set program goals, objectives and priorities, carry out programs through other Federal agencies, develop guidance and standards for operating agencies, and evaluate performance of all programs to determine where success is being achieved. It would extend its efforts into research, prevention, training, education, treatment, rehabilitation, and the development of necessary reports, statistics, and social indicators for use by all public and private groups. It would not be directly concerned with the problems of reducing drug supply, or with the law enforcement aspects of drug abuse control.

It would concentrate on the "demand" side of the drug equation—the use and the user of drugs.

The program authority of the Director would be exercised through working agreements with other Federal agencies. In this fashion, full advantage would be taken of the skills and resources these agencies can bring to bear on solving drug abuse problems by linking them with a highly goal-oriented authority capable of functioning across departmental lines. By eliminating bureaucratic redtape, and jurisdictional disputes between agencies, the Special Action Office would do what cannot be done presently: it would mount a wholly coordinated national attack on a national problem. It would use all available resources of the Federal Government to identify the problems

precisely, and it would allocate resources to attack those problems. In practice, implementing departments and agencies would be bound to meet specific terms and standards for performance. These terms and standards would be set forth under inter-agency agreement through a Program Plan defining objectives, costs, schedule, performance requirements, technical limits, and other factors essential to program success.

With the authority of the Program Plan, the Director of the Special Action Office could demand performance instead of hoping for it. Agencies would receive money based on performance and their retention of funding and program authority would depend upon periodic appraisal of their performance.

In order to meet the need for realistic central program appraisal, the Office would develop special program monitoring and evaluation capabilities so that it could realistically determine which activities and techniques were producing results. This evaluation would be tied to the planning process so that knowledge about success/failure results could guide the selection of future plans and priorities.

In addition to the inter-agency agreement and Program Plan approach described above, the Office would have direct authority to let grants or make contracts with industrial, commercial, or non-profit organizations. This authority would be used in specific instances where there is no appropriate Federal agency prepared to undertake a program, or where for some other reason it would be faster, cheaper, or more effective to grant or contract directly.

Within the broad mission of the Special Action Office, the Director would set specific objectives for accomplishment during the first three years of Office activity. These objectives would target such areas as reduction in the overall national rate of drug addiction, reduction in drug-related deaths, reduction of drug use in schools, impact on the number of men rejected for military duty because of drug abuse, and so forth. A primary objective of the Office would be the development of a reliable set of social indicators which accurately show the nature, extent, and trends in the drug abuse problem.

These specific targets for accomplishment would act to focus the efforts of the drug abuse prevention program, not on intermediate achievements such as numbers of treatments given or educational programs conducted, but rather on ultimate "payoff" accomplishments in the reduction of the human and social costs of drug abuse. Our programs cannot be judged on the fulfillment of quotas and other bureaucratic indexes of accomplishment. They must be judged by the number of human beings who are brought out of the hell of addiction, and by the number of human beings who are dissuaded from entering that hell.

I urge the Congress to give this proposal the highest priority, and I trust it will do so. Nevertheless, due to the need for immediate action, I am issuing today, June 17, an Executive Order establishing within the Executive Office of the President a Special Action Office for Drug Abuse Prevention. Until the Congress passes the legislation giving full authority to this Office, a Special Consultant to the President for Narcotics and Dangerous Drugs will institute to the extent legally possible the functions of the Special Action Office.

## REHABILITATION: A NEW PRIORITY

When traffic in narcotics is no longer profitable, then that traffic will cease. Increased enforcement and vigorous application of the fullest penalties provided by law are two of the steps in rendering narcotics trade unprofitable. But as long as there is a demand, there will be those willing to take the risks of meeting the demand. So we must also act to destroy the market for drugs, and this means the prevention of new addicts, and the rehabilitation of those who are addicted.

To do this, I am asking the Congress for a total of \$105 million in addition to funds already contained in my 1972 budget to be used solely for the treatment and rehabilitation of drug-addicted individuals.

I will also ask the Congress to provide an additional \$10 million in funds to increase and improve education and training in the field of dangerous drugs. This will increase the money available for education and training to more than \$24 million. It has become fashionable to suppose that no drugs are as dangerous as they are commonly thought to be, and that the use of some drugs entails no risk at all. These are misconceptions, and every day we reap the tragic results of these misconceptions when young people are "turned on" to drugs believing that narcotics addiction is something that happens to other people. We need an expanded effort to show that addiction is all too often a one-way street beginning with "innocent" experimentation and ending in death. Between these extremes is the degradation that addiction inflicts on those who believed that it could not happen to them.

While by no means a major part of the American narcotics problem, an especially disheartening aspect of that problem involves those of our men in Vietnam who have used drugs. Peer pressures combine with easy availability to foster drug use. We are taking steps to end the availability of drugs in South Vietnam but, in addition, the nature of drug addiction, and the peculiar aspects of the present problem as it involves veterans, make it imperative that rehabilitation procedures be undertaken immediately. In Vietnam, for example, heroin is cheap and 95 percent pure, and its effects are commonly achieved through smoking or "snorting" the drug. In the United States the drug is impure, consisting of only about 5 percent heroin, and it must be "mainlined" or injected into the bloodstream to achieve an effect comparable to that which may have been experienced in Vietnam. Further, a habit which costs \$5 a day to maintain in Vietnam can cost \$100 a day to maintain in the United States, and those who continue to use heroin slip into the twilight world of crime, bad drugs, and all too often a premature death.

In order to expedite the rehabilitation process of Vietnam veterans, I have ordered the immediate establishment of testing procedures and initial rehabilitation efforts to be taken in Vietnam. This procedure is under way and testing will commence in a matter of days. The Department of Defense will provide rehabilitation programs to all servicemen being returned for discharge who want this help, and we will be requesting legislation to permit the military services to retain for treatment any individual due for discharge who is a narcotic addict. All of our servicemen must be accorded the right to rehabilitation.

Rehabilitation procedures, which are required subsequent to discharge, will be effected under the aegis of the Director of the Special Action Office who will have the authority to refer patients to private hospitals as well as VA hospitals as circumstances require.

The Veterans Administration medical facilities are a great national resource which can be of immeasurable assistance in the effort against this grave national problem. Restrictive and exclusionary use of these facilities under present statutes means that we are wasting a critically needed national resource. We are commonly closing the doors to those who need help the most. This is a luxury we cannot afford. Authority will be sought by the new Office to make the facilities of the Veterans Administration available to all former servicemen in need of drug rehabilitation, regardless of the nature of their discharge from the service.

I am asking the Congress to increase the present budget of the Veterans Administration by \$14 million to permit the immediate initiation of this program. This money would be used to assist in the immediate development and emplacement of VA rehabilitation centers which will permit both inpatient and outpatient care of addicts in a community setting.

I am also asking that the Congress amend the Narcotic Addict Rehabilitation Act of 1966 to broaden the authority under this Act for the use of methadone maintenance programs. These programs would be carried out under the most rigid standards and would be subjected to constant and painstaking reevaluation of their effectiveness. At this time, the evidence indicates that methadone is a useful tool in the work of rehabilitating heroin addicts, and that tool ought to be available to those who must do this work.

Finally, I will instruct the Special Consultant for Narcotics and Dangerous Drugs to review immediately all Federal laws pertaining to rehabilitation and I will submit any legislation needed to expedite the Federal rehabilitative role, and to correct overlapping authorities and other shortcomings.

#### ADDITIONAL ENFORCEMENT NEEDS

The Comprehensive Drug Abuse Prevention and Control Act of 1970 provides a sound base for the attack on the problem of the availability of narcotics in America. In addition to tighter and more enforceable regulatory controls, the measure provides law enforcement with stronger and better tools. Equally important, the Act contains credible and proper penalties against violators of the drug law. Severe punishments are invoked against the drug pushers and peddlers while more lenient and flexible sanctions are provided for the users. A seller can receive fifteen years for a first offense involving hard narcotics, thirty years if the sale is to a minor, and up to life in prison if the transaction is part of a continuing criminal enterprise.

These new penalties allow judges more discretion, which we feel will restore credibility to the drug control laws and eliminate some of the difficulties prosecutors and judges have had in the past arising out of minimum mandatory penalties for all violators.

The penalty structure in the 1970 Drug Act became effective on May 1 of this year. While it is too soon to assess its effect, I expect it to help enable us to deter or remove from our midst those who traffic in narcotics and other dangerous drugs.

To complement the new Federal drug law, a uniform State drug control law has been drafted and recommended to the States. Nineteen States have already adopted it and others have it under active consideration. Adoption of this uniform law will facilitate joint and effective action by all levels of government.

Although I do not presently anticipate a necessity for alteration of the purposes or principles of existing enforcement statutes, there is a clear need for some additional enforcement legislation.

To help expedite the prosecution of narcotic trafficking cases, we are asking the Congress to provide legislation which would permit the United States Government to utilize information obtained by foreign police, provided that such information was obtained in compliance with the laws of that country.

We are also asking that the Congress provide legislation which would permit a chemist to submit written findings of his analysis in drug cases. This would speed the process of criminal justice.

The problems of addict identification are equalled and surpassed by the problem of drug identification. To expedite work in this area of narcotics enforcement, I am asking the Congress to provide \$2 million to be allotted to the research and development of equipment and techniques for the detection of illegal drugs and drug traffic.

I am asking the Congress to provide \$2 million to the Department of Agriculture for research and development of herbicides which can be used to destroy growths of narcotics-producing plants without adverse ecological effects.

I am asking the Congress to authorize and fund 325 additional positions within the Bureau of Narcotics and Dangerous Drugs to increase their capacity for apprehending those engaged in narcotics trafficking here and abroad and to investigate domestic industrial producers of drugs.

Finally, I am asking the Congress to provide a supplemental appropriation of \$25.6 million for the Treasury Department. This will increase funds available to this Department for drug abuse control to nearly \$45 million. Of this sum, \$18.1 million would be used to enable the Bureau of Customs to develop the technical capacity to deal with smuggling by air and sea, to increase the investigative staff charged with pursuit and apprehension of smugglers, and to increase inspection personnel who search persons, baggage, and cargo entering the country. The remaining \$7.5 million would permit the Internal Revenue Service to intensify investigation of persons involved in large-scale narcotics trafficking.

These steps would strengthen our efforts to root out the cancerous growth of narcotics addiction in America. It is impossible to say that the enforcement legislation I have asked for here will be conclusive—that we will not need further legislation. We cannot fully know at this time what further steps will be necessary. As those steps define themselves, we will be prepared to seek further legislation to take any ac-

tion and every action necessary to wipe out the menace of drug addiction in America. But domestic enforcement alone cannot do the job. If we are to stop the flow of narcotics into the lifeblood of this country, I believe we must stop it at the source.

#### INTERNATIONAL

There are several broad categories of drugs: those of the cannabis family—such as marihuana and hashish; those which are used as sedatives, such as the barbiturates and certain tranquilizers; those which elevate mood and suppress appetite, such as the amphetamines; and, drugs such as LSD and mescaline, which are commonly called hallucinogens. Finally, there are the narcotics analgesics, including opium and its derivatives—morphine and codeine. Heroin is made from morphine.

Heroin addiction is the most difficult to control and the most socially destructive form of addiction in America today. Heroin is a fact of life and a cause of death among an increasing number of citizens in America, and it is heroin addiction that must command priority in the struggle against drugs.

To wage an effective war against heroin addiction, we must have international cooperation. In order to secure such cooperation, I am initiating a worldwide escalation in our existing programs for the control of narcotics traffic, and I am proposing a number of new steps for this purpose.

First, on Monday, June 14, I recalled the United States Ambassadors to Turkey, France, Mexico, Luxembourg, Thailand, the Republic of Vietnam, and the United Nations for consultations on how we can better cooperate with other nations in the effort to regulate the present substantial world opium output and narcotics trafficking. I sought to make it equally clear that I consider the heroin addiction of American citizens an international problem of grave concern to this Nation, and I instructed our Ambassadors to make this clear to their host governments. We want good relations with other countries, but we cannot buy good relations at the expense of temporizing on this problem.

Second, United States Ambassadors to all East Asian governments will meet in Bangkok, Thailand, tomorrow, June 18, to review the increasing problem in that area, with particular concern for the effects of this problem on American servicemen in Southeast Asia.

Third, it is clear that the only really effective way to end heroin production is to end opium production and the growing of poppies. I will propose that as an international goal. It is essential to recognize that opium is, at present, a legitimate source of income to many of those nations which produce it. Morphine and codeine both have legitimate medical applications.

It is the production of morphine and codeine for medical purposes which justifies the maintenance of opium production, and it is this production which in turn contributes to the world's heroin supply. The development of effective substitutes for these derivatives would eliminate any valid reason for opium production. While modern medicine has developed effective and broadly-used substitutes for morphine, it has yet to provide a fully acceptable substitute for codeine.

Therefore, I am directing that Federal research efforts in the United States be intensified with the aim of developing at the earliest possible date synthetic substitutes for all opium derivatives. At the same time I am requesting the Director General of the World Health Organization to appoint a study panel of experts to make periodic technical assessments of any synthetics which might replace opiates with the aim of effecting substitutions as soon as possible.

Fourth, I am requesting \$1 million to be used by the Bureau of Narcotics and Dangerous Drugs for training of foreign narcotics enforcement officers. Additional personnel within the Bureau of Narcotics and Dangerous Drugs would permit the strengthening of the investigative capacities of BNDD offices in the U.S., as well as their ability to assist host governments in the hiring, training, and deployment of personnel and the procurement of necessary equipment for drug abuse control.

Fifth, I am asking the Congress to amend and approve the International Security Assistance Act of 1971 and the International Development and Humanitarian Assistance Act of 1971 to permit assistance to presently proscribed nations in their efforts to end drug trafficking. The drug problem crosses ideological boundaries and surmounts national differences. If we are barred in any way in our effort to deal with this matter, our efforts will be crippled, and our will subject to question. I intend to leave no room for other nations to question our commitment to this matter.

Sixth, we must recognize that cooperation in control of dangerous drugs works both ways. While the sources of our chief narcotics problem are foreign, the United States is a source of illegal psychotropic drugs which afflict other nations. If we expect other governments to help stop the flow of heroin to our shores, we must act with equal vigor to prevent equally dangerous substances from going into their nations from our own. Accordingly, I am submitting to the Senate for its advice and consent the Convention on Psychotropic Substances which was recently signed by the United States and 22 other nations. In addition, I will submit to the Congress any legislation made necessary by the Convention including the complete licensing, inspection, and control of the manufacture, distribution, and trade in dangerous synthetic drugs.

Seventh, the United States has already pledged \$2 million to a Special Fund created on April 1 of this year by the Secretary General of the United Nations and aimed at planning and executing a concerted UN effort against the world drug problem. We will continue our strong backing of UN drug-control efforts by encouraging other countries to contribute and by requesting the Congress to make additional contributions to this fund as their need is demonstrated.

Finally, we have proposed, and we are strongly urging multilateral support for, amendments to the Single Convention on Narcotics which would enable the International Narcotics Control Board to:

—require from signatories details about opium poppy cultivation and opium production—thus permitting the Board access to es-

sential information about narcotics raw materials from which illicit diversion occurs;

- base its decisions about the various nations' activities with narcotic drugs not only as at present on information officially submitted by the governments, but also on information which the Board obtains through public or private sources—thus enhancing data available to the Board in regard to illicit traffic;
- carry out, with the consent of the nation concerned, on-the-spot inquiries on drug related activities;
- modify signatories' annual estimates of intended poppy acreage and opium production with a view to reducing acreage or production; and
- in extreme cases, require signatories to embargo the export and/or import of drugs to or from a particular country that has failed to meet its obligations under the Convention.

I believe the foregoing proposals establish a new and needed dimension in the international effort to halt drug production, drug traffic, and drug abuse. These proposals put the problems and the search for solutions in proper perspective, and will give this Nation its best opportunity to end the flow of drugs, and most particularly heroin, into America, by literally cutting it off root and branch at the source.

#### CONCLUSION

Narcotics addiction is a problem which afflicts both the body and the soul of America. It is a problem which baffles many Americans. In our history we have faced great difficulties again and again, wars and depressions and divisions among our people have tested our will as a people—and we have prevailed.

We have fought together in war, we have worked together in hard times, and we have reached out to each other in division—to close the gaps between our people and keep America whole.

The threat of narcotics among our people is one which properly frightens many Americans. It comes quietly into homes and destroys children, it moves into neighborhoods and breaks the fiber of community which makes neighbors. It is a problem which demands compassion, and not simply condemnation, for those who become the victims of narcotics and dangerous drugs. We must try to better understand the confusion and disillusion and despair that bring people, particularly young people, to the use of narcotics and dangerous drugs.

We are not without some understanding in this matter, however. And we are not without the will to deal with this matter. We have the moral resources to do the job. Now we need the authority and the funds to match our moral resources. I am confident that we will prevail in this struggle as we have in many others. But time is critical. Every day we lose compounds the tragedy which drugs inflict on individual Americans. The final issue is not whether we will conquer drug abuse, but how soon. Part of this answer lies with the Congress now and the speed with which it moves to support the struggle against drug abuse.

RICHARD NIXON.

THE WHITE HOUSE, June 17, 1971.

A BILL To establish a Special Action Office for Drug Abuse Prevention to concentrate the resources of the Nation in a Crusade Against Drug Abuse

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Special Action Office for Drug Abuse Prevention Act."*

#### FINDINGS

SEC. 2. The Congress hereby finds—

- (1) that drug abuse is rapidly increasing in the United States and now afflicts urban, suburban, and rural areas of this Nation;
- (2) that drug abuse contributes to crime, particularly to crimes of violence;
- (3) that the adverse impact of drug abuse inflicts increasing pain and hardships on individuals, families, and communities;
- (4) that for these reasons the increasing rate of drug abuse constitutes a threat to National health and welfare and an emergency requiring immediate and effective Federal Government response.

#### PURPOSE

SEC. 3. (a) It is the purpose of this Act to focus the comprehensive resources of the Federal Government and bring them to bear on drug addiction and drug abuse with the immediate objective of promptly and significantly reducing the incidence of drug addiction and drug abuse in the Nation within the shortest possible period of time.

(b) To accomplish these objectives (1) all Federal drug abuse prevention, treatment, rehabilitation, training, education, and research activities will be placed under the direction and policy setting of a new Special Action Office for Drug Abuse Prevention, established in the Executive Office of the President; and (2) major drug abuse programs will be centrally developed, funded, managed, and evaluated to achieve maximum effectiveness.

#### SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

SEC. 4. (a) There is hereby established in the Executive Office of the President, an office to be known as the Special Action Office for Drug Abuse Prevention (hereinafter in this Act referred to as the Office).

(b) There shall be at the head of the Office a Director of the Office (hereinafter referred to as the Director). He shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule (5 U.S.C. 5314).

(c) There shall be in the Office a Deputy Director of the Office who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director from time to time assigns or delegates, and shall act as Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

(d) There shall be in the Office not to exceed three Assistant Directors who shall be appointed by the Director and shall be compensated at the rate now or hereafter provided for Level V of the Executive Schedule (5 U.S.C. 5316). Each Assistant Director shall perform such functions as the Director from time to time assigns or delegates.

#### CONCENTRATION OF FEDERAL EFFORT

SEC. 5. (a) The Director shall provide overall planning and policy, and shall establish objectives and priorities, for all Federal drug abuse training, education, rehabilitation, research, prevention, and treatment programs and activities (exclusive of law enforcement activities and legal proceedings).

(b) In addition, the Director shall provide overall planning, policy, direction, management, and funding for all Federal drug abuse training, education, rehabilitation, research, prevention, and treatment programs and activities (exclusive of law enforcement activities and legal proceedings) conducted pursuant to the authorities described in subsection (c) (1) of this section and programs and activities designated by the President pursuant to subsection (c) (2) of this section.

(c) As used in subsection (b) of this section and all subsequent provisions of this Act, the term "Federal drug abuse training, education, rehabilitation, research, prevention, and treatment programs and activities" means—

(1) All such programs and activities (exclusive of law enforcement activities and legal proceedings) conducted pursuant to the following-described provisions of law:

(A) The Narcotic Addict Rehabilitation Act of 1966;

(B) Part D and Part E (to the extent that such Parts pertain to drug abuse) of the Community Mental Health Centers Act;

(C) Title I of the Comprehensive Drug Abuse Prevention and Control Act of 1970;

(D) Section 502(a) (1) of the Comprehensive Drug Abuse Prevention and Control Act of 1970, to the extent that it pertains to public education not involving law enforcement;

(E) The Drug Abuse Education Act of 1970;

(F) Section 222(a) (9) of the Economic Opportunity Act of 1964 and all other provisions of that Act to the extent that they pertain to drug abuse;

(G) Section 306(a) (2) of the Omnibus Crime Control and Safe Streets Act of 1968, to the extent that it pertains to drug abuse;

(H) The Manpower Development and Training Act of 1962, to the extent that it pertains to drug abuse;

(I) The Public Health Service Act, to the extent it pertains to drug abuse; and

(J) Title 38 of the United States Code, to the extent it pertains to drug abuse; and

(2) subject to the provisions of subsections (d) and (e) of this section, such other Federal drug abuse related programs and activities (exclusive of law enforcement activities and legal pro-

ceedings) as the President may from time to time designate, including those which constitute a part of some larger program or activity.

(d) Whenever a designation is proposed pursuant to subsection (c) (2) of this section, a notice thereof shall be transmitted to the Congress. Such designation shall become effective on the thirtieth day (exclusive of periods of adjournment or recess of either the House or the Senate in excess of three days) following such transmittal, but only to the extent that, between the date of transmittal of the proposed designation and such effective date—

(1) there has not been enacted into law a statute which otherwise deals with the program involved;

(2) neither House of the Congress has enacted legislation which specifically disapproves the designation involved.

(e) Any such designation by the President may, in accordance with the designation notice transmitted to the Congress, be made operative on a date later than the date on which that designation otherwise would have taken effect.

#### AUTHORITY OF DIRECTOR

SEC. 6. (a) In carrying out his functions with respect to the programs and activities covered under section 5(b) of this Act, the Director shall—

(1) prescribe policies, requirements, criteria and standards, regulations, and procedures for the administration and management of such programs and activities;

(2) prepare budget requests for such programs and activities;

(3) determine priorities for the use of funds for such programs and activities;

(4) make funds available for program implementation to Federal departments and agencies and establish an implementation plan for each program setting forth policies, procedures, performance requirements, manpower levels, key personnel qualifications, time schedules, and other requirements;

(5) maintain overall supervision of such programs and activities and evaluate the performance and results achieved by the Federal departments and agencies, and recommend organizational, managerial, personnel, and program changes whenever he deems such changes to be advisable;

(6) take such steps as may be necessary to evaluate and assure the most effective utilization of all drug abuse programs and activities conducted by Federal departments and agencies, and by public or private agencies and organizations engaged in such activities under Federal grants or other assistance; and

(7) strengthen coordination among Federal departments and agencies engaged in non-law enforcement efforts involving drug abuse prevention and control, and assure that those non-law enforcement efforts are coordinated with related law enforcement efforts being conducted by other Federal departments and agencies.

(b)(1) The Director may, with the approval of the President (A) exercise any powers or perform any functions conferred by any of the statutory provisions enumerated in section 5(c)(1), or any statutory provisions relating to programs and activities designated by the President pursuant to section 5(c)(2), or (B) provide for their exercise or performance by an officer of any Federal department or agency other than the department or agency on whom such powers or functions are conferred by such provisions.

(2) To the extent that the Director or his designee exercises any powers or performs any function pursuant to paragraph (1) of this subsection, the Director or his designee, as the case may be, may exercise in relation to those powers and functions any related authority or part thereof available by law, including appropriation acts, to the official or agency from which such power or functions were derived.

(c) Except as otherwise provided by the Director, no Federal officer, department or agency shall be deemed to be relieved of any responsibility that such officer, department, or agency may have had on the date of enactment of this Act with respect to Federal drug abuse training, education, rehabilitation, research, prevention, and treatment.

(d) The Director may require departments and agencies engaged in any activity involving Federal drug abuse training, education, rehabilitation, research, prevention, and treatment to provide him with such information and reports, and to conduct on a reimbursable basis such studies and surveys, as he may deem to be necessary to carry out the purposes of the Act.

(e) Nothing in the foregoing provisions of this Act shall be construed as authorizing or permitting the Director to waive or disregard any requirement, including standards, criteria, or cost-sharing formulae, prescribed by law with respect to Federal drug abuse programs or activities.

#### GRANTS AND CONTRACTS FOR DRUG ABUSE PREVENTION AND TREATMENT PROGRAMS

SEC. 7. (a) The Director is authorized to make grants to any public or non-profit private agency, organization, or institution and to enter into contracts with any agency, organization, or institution, or with any individual—

(1) to develop and demonstrate new approaches, techniques, and methods with respect to drug abuse prevention, treatment, and rehabilitation;

(2) to evaluate those new approaches, techniques, and methods;

(3) to foster the establishment of new or expanded drug abuse programs and activities;

(4) to acquire, construct, improve, repair, operate, or maintain facilities, and to acquire and improve real property, necessary to the establishment or maintenance of drug abuse programs and activities; and

(5) to otherwise carry out the purposes of this Act.

(b) To the extent he deems it appropriate, the Director may require the recipients of a grant or contract under this section to con-

tribute money, facilities, or services for carrying out the program and activity for which such grant or contract was made.

(c) Payments under this section pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made over-payments or under-payments) in advance or by way of reimbursement, and in such installments and on such conditions as the Director may determine.

(d) Notwithstanding any other provision of law, any Federal department or agency (including the Veterans Administration) may enter into grant or contractual arrangements with the Director and pursuant to such a grant or contractual arrangement, may exercise any authority or use any personnel or facilities otherwise available to such department or agency for the performance by it of related functions.

#### PERSONNEL—SPECIAL PERSONNEL—EXPERTS AND CONSULTANTS

SEC. 8. (a) The Director may, subject to the civil service and classification laws, select, employ, and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions vested in him and to prescribe their functions.

(b) The Director may, without regard to the civil service and classification laws, select, appoint, and employ not to exceed five officers and to fix their compensation at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by Section 5332 of Title 5 of the United States Code.

(c) The Director may obtain services as authorized by section 3109 of Title 5 of the United States Code, at rates not to exceed the rate now or hereafter prescribed for GS-18 of the General Schedule by Section 5332 of Title 5 of the U.S.C.

#### TRANSITIONAL PROVISIONS

SEC. 9. (a) The President may authorize any person who immediately prior to the date of enactment of this Act held a position in the executive branch of the Government to act as the Director of the Special Action Office for Drug Abuse Prevention until the office of Director is for the first time filled pursuant to the provisions of this Act or by recess appointment, as the case may be.

(b) The President may similarly authorize any such person to act as Deputy Director.

(c) The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office in respect of which he so serves. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

#### TRANSFER OF FUNDS

SEC. 10. The Director of the Office of Management and Budget is authorized to provide for the transfer to the Office of such unexpended balances of appropriations, and of other funds, available or hereafter made available for Federal drug abuse training, education, rehabilita-

tion, research, prevention, treatment programs and activities, as he may deem to be appropriate to carry out the provisions of this Act.

#### APPROPRIATIONS AUTHORIZED

SEC. 11. There are hereby authorized to be appropriated to the President such sums as may be necessary to carry out the purposes of this Act. Any of those sums may be appropriated without regard to fiscal year limitations.

#### JOINT FUNDING

SEC. 12. Notwithstanding any other provision of law, where funds are made available by more than one Federal agency to be used by an agency, organization, institution, or individual to carry out a Federal drug abuse training, education, rehabilitation, research, prevention, or treatment program or activity, any one of the Federal agencies providing funds may be designated by the Director to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and any such agency may waive any technical grant or contract requirement (as defined in such regulations) which is inconsistent with the similar requirement of the administering agency or which the administering agency does not impose.

#### VOLUNTARY SERVICE

SEC. 13. The Director is authorized to accept and employ in furtherance of the purpose of the Act or any Federal drug abuse training, education, rehabilitation, research, prevention, or treatment program or activity, voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

#### EFFECTIVE AND TERMINATION DATE

SEC. 14. (a) The provisions of this Act shall take effect thirty days after the Director or Acting Director first takes office or on such earlier date as the President may prescribe and publish in the *Federal Register*, except that any of the officers provided for in section 4 of this Act may be nominated and appointed and any of the interim officers provided for by section 9 may be authorized to serve, at any time after the date of enactment of this Act.

(b) This Act shall terminate on June 30, 1974, unless extended by the President, in which case it shall expire on June 30, 1976, or such earlier date after June 30, 1974, as the President may prescribe and publish in the *Federal Register*.

AMENDMENT TO BUDGET FISCAL YEAR 1972,  
DRUG ABUSE PROBLEM

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COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN AMENDMENT TO THE BUDGET FOR FISCAL YEAR 1972  
TO COMBAT THE DRUG ABUSE PROBLEM

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JUNE 21, 1971.—Referred to the Committee on Appropriations and  
ordered to be printed

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THE WHITE HOUSE,  
*Washington, June 21, 1971.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I urge the Congress to consider promptly this urgent request for increased appropriations to combat the mounting drug abuse problem in our nation. I am requesting amendments to the budget for the fiscal year 1972 in the amount of \$155,665,000 for an immediate action program to meet this pressing problem.

As outlined in more detail in my Omnibus Drug Control Message of June 17, early approval of the proposed amendments will permit us to attack on several fronts the insidious threat of drug abuse and addiction:

- Provision of rehabilitative services to those already ensnared in drug addiction,
- the extension of educational programs designed to prevent further drug abuse,
- a greatly increased activity to halt drug smuggling into our country,
- intensified effort to arrest and convict those who traffic in dangerous drugs, and
- cooperation with foreign governments and international organizations to more effectively control production, processing and trafficking in these deadly drugs.

For those already victims of the misery and despair of drug addiction and those who may be tempted into that trap, the broad campaign I am proposing will be coordinated by the Special Action Office for Drug Abuse Prevention. Because of the urgency of this matter, I have established this Office by Executive order and am asking that Congress now appropriate funds for its operations; the use of these funds would, of course, be contingent upon enactment of the authorizing legislation I have proposed.

The Special Action Office will supervise and direct drug abuse programs now scattered among many Federal agencies. It will thus bring about an effective, coordinated and unified attack on drug addiction and its degrading effects. New emphases on ascertaining the magnitude of the problem and obtaining real results will be implemented. Existing programs will be evaluated and those found wanting will be replaced by programs that will be effective. Personnel will be allocated in accordance with need. Any present drug control activities that are not performing efficiently will be terminated. Efforts will be greatly expanded to educate all our people to the perils of drug addiction; research into new and promising avenues of treatment will be vigorously pursued; and special attention will be focused on aiding veterans who have become dependent on drugs.

This is an ambitious strategy, but a necessary one in the face of the critical danger posed to our people and our society. I therefore urge expeditious action by the Congress on the requests for appropriations for the program which I have announced. Further delay will increase and prolong the suffering of thousands of Americans. I call on the Congress to act on this request at the earliest possible time.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget, with whose comments and observations I concur.

Respectfully yours,

RICHARD NIXON.

Enclosure.

[Estimate No. 28, 92d Cong., first sess.]

EXECUTIVE OFFICE OF THE PRESIDENT,  
OFFICE OF MANAGEMENT AND BUDGET,  
*Washington, D.C., June 21, 1971.*

The PRESIDENT,  
*The White House.*

SIR: I have the honor to submit for your consideration amendments to the budget for the fiscal year 1972 in the amount of \$155,665,000 for programs of drug abuse control and prevention, as follows:

Executive Office of the President :	
Special Action Office for Drug Abuse Prevention-----	\$3, 000, 000
Department of Agriculture :	
Agricultural Research Service-----	2, 100, 000
Department of Defense, military functions-----	34, 225, 000
Department of Health, Education, and Welfare :	
Health Services and Mental Health Administration-----	67, 000, 000
Department of Justice :	
Bureau of Narcotics and Dangerous Drugs-----	9, 600, 000
Department of the Treasury :	
Office of the Secretary-----	140, 000
Bureau of Customs-----	18, 000, 000
Internal Revenue Service-----	7, 500, 000
Veterans' Administration-----	14, 100, 000
<b>Total -----</b>	<b>155, 665, 000</b>

The details of these amendments are set forth below :

EXECUTIVE OFFICE OF THE PRESIDENT  
SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

Budget appendix page	Heading	Request pending	Proposed amendment	Revised request
64	Salaries and expenses..... (Immediately preceding the heading "Special Representative for Trade Negotiations" insert the above new heading and the following paragraph thereunder.) <i>For necessary expenses of the Special Action Office for Drug Abuse Prevention, including grants and contracts for drug abuse prevention and treatment programs, \$3,000,000 to remain available until expended: Provided, That this appropriation shall be available to reimburse the appropriation for "Special Projects", for expenditures made for the purposes of this appropriation: Provided further, That this appropriation shall be available only upon the enactment into law of authorizing legislation.</i>		\$3,000,000	\$3,000,000

Funds provided by this amendment will be available to the Special Action Office for Drug Abuse Prevention, contingent upon enactment of authorizing legislation, for the costs of staffing, space and other expenses to be incurred for the establishment and operations of the new Office in fiscal year 1972.

DEPARTMENT OF AGRICULTURE  
AGRICULTURAL RESEARCH SERVICE

Budget appendix page	Heading	January budget request	Amendments previously proposed (H. Doc. 92-93/92-114)	Additional amendments proposed	Revised request
109	Salaries and expenses: Research.....	\$153,037,000	\$14,285,000	\$2,100,000	\$169,422,000

This budget amendment would provide for research and development on the eradication of narcotic-producing plants as proposed in the Omnibus Drug Control Legislative Message. This research would be directed toward the development of technology for the detection and destruction of illicit growth of such plants without adverse ecological effects. The development of this eradication technology would be carried out in cooperation with research institutions in foreign countries.

DEPARTMENT OF DEFENSE—MILITARY

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
	Operation and maintenance:				
290	Operation and maintenance, Army.....	\$6,734,100,000	\$112,320,000	\$18,199,000	\$6,864,619,000
291	Operation and maintenance, Navy.....	4,977,000,000	78,914,000	2,826,000	5,058,740,000
293	Operation and maintenance, Air Force.....	6,211,000,000	86,888,000	11,113,000	6,309,001,000
	Procurement:				
303	Other procurement, Navy.....	1,794,698,000		405,000	1,795,103,000
308	Other procurement, Air Force.....	1,620,816,000		182,000	1,620,998,000
	Research, development, test, and evaluation:				
311	Research, development, test, and evaluation, Army.....	1,932,100,000	17,856,000	1,500,000	1,951,456,000

These additional funds are proposed to undertake a major expansion of programs for the prevention of drug abuse and for the identification and treatment of drug-dependent persons in the Armed Forces.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
390	Mental Health.....	\$422,072,000	\$10,379,000	\$67,000,000	\$499,451,000

This budget amendment will provide funds for centers for comprehensive narcotic addict and drug abuser treatment and rehabilitation utilizing a variety of treatment modes, together with an expansion of crisis care and counselling programs for drug abusers. Research will be initiated or expanded on drug effects, abuse, prevention and treatment, and efforts will be made to develop more satisfactory synthetic substitutes for opium derivatives, including codeine, used in the practice of medicine. In addition, drug abuse education efforts will be increased and training centers will be established to meet the pressing manpower needs of expanding drug addiction and abuse prevention treatment and rehabilitation programs.

DEPARTMENT OF JUSTICE  
BUREAU OF NARCOTICS AND DANGEROUS DRUGS

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
656	Salaries and expenses.....	\$54,975,000	\$2,114,000	\$9,600,000	\$66,689,000

This amendment would provide (1) \$6,600,000 for intensifying law enforcement efforts through the addition of 300 positions for inspectors, agents, and other support personnel; (2) \$2,000,000 for development and implementation of new technology for detection, surveillance, communications and automatic data processing as tools in the enforcement of drug laws; and (3) \$1,000,000 for international training and technical assistance activities.

DEPARTMENT OF THE TREASURY  
OFFICE OF THE SECRETARY

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
769	Salaries and expenses.....	\$11,171,000	\$425,000	\$140,000	\$11,736,000

This proposed amendment would provide for additional permanent staff to facilitate more effective coordination of the enlarged efforts of the Department to cope with increasing smuggling of narcotics and other dangerous drugs and the evasion of income taxes by those involved in illegal drug distribution. The Office of the Secretary would also be able to handle rapidly increasing responsibilities in its role as United States representative to the International Criminal Police Organization (INTERPOL).

## BUREAU OF CUSTOMS

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
776	Salaries and expenses ..... (Delete the first paragraph under this heading and insert in lieu thereof the following): For necessary expenses of the Bureau of Customs, including purchase of [one hundred and fourteen] <i>three hundred and fifty-three</i> passenger motor vehicles (of which ninety-four shall be for replacement only), including [one hundred and four] <i>three hundred and forty-three</i> for police-type use [without regard to the general purchase price limitation for the current fiscal year, but not in excess of \$800 per vehicle]; acquisition (purchase of one), operation, and maintenance of aircraft; [and] hire of passenger motor vehicles and aircraft; and awards of compensation to informers authorized by the Act of August 13, 1953 (22 U.S.C. 401); [ <i>\$137,000,000</i> ] <i>\$192,535,000</i> .	\$166,328,000	\$8,207,000	\$18,000,000	\$192,535,000

This proposed budget amendment would provide funds for 1,000 new positions, additional vehicles, aircraft and vessels, and improved detection and other technical equipment to enable the Bureau of Customs to control more effectively the illegal importation of narcotics, hallucinogens, and other dangerous drugs.

## INTERNAL REVENUE SERVICE

Budget appendix page	Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
787	Compliance..... (Delete the first paragraph under this heading and insert in lieu thereof the following): For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities, and for investigation and enforcement activities, including purchase (not to exceed [two hundred and eighty-two] <i>seven hundred and ninety-nine</i> , of which <i>five hundred and ninety-five</i> shall be for replacement only, for police-type use [without regard to the general purchase price limitation for the current fiscal year, but not in excess of \$800 per vehicle]) and hire of passenger motor vehicles; [and] hire of aircraft; and services of expert witnesses at such rates as may be determined by the Commissioner; [ <i>\$655,000,000</i> ] <i>\$808,511,000</i> .	\$761,795,000	\$39,216,000	\$7,500,000	\$808,511,000

Under this request 541 permanent positions would be funded to enable the Internal Revenue Service to intensify its audit and investigations of middle and upper echelon distributors known or suspected of involvement in trafficking in illegal narcotic and dangerous drugs.

## VETERANS ADMINISTRATION

Budget appendix page	Heading	January budget request	Amend- ment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
854	Medical care.....	\$2,027,750,000	\$83,097,000	\$13,800,000	\$2,124,647,000
858	Medical administration and mis- cellaneous operating expenses.....	19,201,000	751,000	300,000	20,252,000

The funds provided by this proposal, together with funds already requested, would permit activation of an additional twenty-seven Drug Dependence Treatment units. These units and supporting activities will be used to facilitate the treatment and rehabilitation of Vietnam veterans discharged from the Armed Services with severe drug problems.

I have carefully reviewed the proposals for appropriations contained in this document which are consonant with the programs outlined in your Omnibus Drug Control Legislative Message. The need for these requests is urgent and immediate. I therefore recommend that these proposals be transmitted to the Congress.

Respectfully yours,

GEORGE P. SHULTZ.

## BUDGET REQUEST

Senator MONTROYA. The budget estimates to be considered by this subcommittee amount to \$28,640,000 of which \$3 million would be for the Executive Office of the President and the balance of \$25,640,000 pertains to Treasury Department agencies.

## EXECUTIVE ORDER No. 11599: OFFICE ESTABLISHMENT

STATEMENT OF ARNOLD WEBER, ASSOCIATE DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET

ACCOMPANIED BY CHARLES F. BINGHAM, CHIEF, GOVERNMENT ORGANIZATION BRANCH, OFFICE OF MANAGEMENT AND BUDGET

## SUBCOMMITTEE PROCEDURE

Mr. Arnold Weber, associate Director of the Office of Management and Budget will be heard first in representation of the special action office which we understand has one employee on board at the present time.

I might say if you will permit me, Mr. Weber, that we have two appropriations committee meetings this morning; one executive meeting of this subcommittee, and the other, a meeting of the full Appropriations Committee, dealing with matters of Treasury and other agencies of the Government.

So we will have to rush this hearing. We feel, however, that we need this kind of a hearing in order to be able to justify all or part of the funds to the full committee when we go before it for presentation of the markup.

## INTRODUCTION OF ASSOCIATES

Mr. WEBER. We appreciate the timely consideration of the President's request.

I have with me Mr. Charles Bingham who is of OMB staff.

Mr. Chairman, members of the subcommittee, I am very pleased to appear before you this morning to discuss the budget amendment requested by the President to cover necessary salaries and expenses of the special action office for drug abuse prevention.

I wish to thank and congratulate the subcommittee for the speed with which it has scheduled these hearings.

By Executive Order 11599 issued June 17, 1971, the President established the special action office for drug abuse prevention in the Executive Office of the President.

## APPOINTMENT OF DR. JEROME H. JAFFE AS SPECIAL CONSULTANT TO THE PRESIDENT AND DIRECTOR

He has appointed Dr. Jerome H. Jaffe as special consultant to the President for narcotics and dangerous drugs, and director of the new office.

Normally Dr. Jaffe would have appeared before you today to discuss this appropriation amendment, but prior commitments associated with his transition to Federal service made it impossible for him to be here at this time. Since Dr. Jaffe's staff consists, for the moment entirely of himself: and since the Office of Management and Budget is assisting Dr. Jaffe is planning for and setting up his new office, I will, with your indulgence, substitute for him today in the presentation of the salary and expense estimates for this new office for fiscal 1972.

#### OFFICE CREATION: PENDING LEGISLATION AND INTERIM ACTION

On June 17, 1971, the President sent to the Congress a bill calling for the creation of a new special action office for drug abuse prevention. The office of the same name established by Executive Order 11599 is intended as an interim measure which meets the need for urgency in this area and gives Dr. Jaffe a base from which to begin his vital work.

#### OFFICE ROLE: OVERALL STRATEGY FOR DRUG ABUSE PREVENTION PROGRAM

In his message of June 17, 1971, the President outlined the need for the special action office to develop an overall strategy for drug abuse programs to attach what can only be described as an emergency condition demanding an urgent and effective response. The President defined the role of the special action office as follows:

... the Special Action Office would develop overall federal strategy for drug abuse prevention programs, set program goals, objectives and priorities, carry out programs primarily through other federal agencies, develop guidance and standards for operating agencies, and evaluate performance of all programs to determine where success is being achieved.

It would extend its efforts into research, prevention, training, education, treatment, rehabilitation, and the development of necessary reports, statistics, and social indicators for use by all public and private groups.

#### TECHNICAL AND MANAGEMENT PERSONNEL AND SPECIAL PROJECTS

The special action office will operate in a unique fashion. It is conceived to be a relatively small but highly qualified team of technical and management people who will plan and direct a range of Federal programs to be carried out by others.

It will be a special project office which is given strong directive authority and funding control to carry out a set of specific objectives within a definite period of time.

#### BUDGET REQUEST

Of the \$3 million for necessary salary and expenses requested for fiscal 1972, we have tentatively determined that \$1,799,325 will cover personnel compensation and benefits with the balance \$1,200,675 going for support and administrative costs.

#### PERSONNEL

Since the objectives of the special action office are "time critical" we are predicting a rapid buildup to the first year-end strength of 120. As we see it, we will try to have up to 85 percent of our professional

and 90 percent of our nonprofessional staff on board within 3 months. On this basis, our estimated personnel costs break down as follows:

(A) The Executive staff which includes the Director, the Deputy, the Assistant Directors and the excepted positions for a total of 10 persons will come to \$300,000.

(B) The 65 professionals, which covers our technical staff such as doctors, psychologists, sociologists, et cetera, as well as our policy, planning, and evaluating positions such as program managers, lawyers, economists, et cetera will cost \$973,750.

(C) The 45 nonprofessionals are estimated at \$362,000. This covers our clerical support, contract specialists, budget analysts and other administrative support.

(D) The remaining \$163,575 provides for personnel benefits including overtime.

#### SUPPORT AND ADMINISTRATIVE COSTS

Our support and administrative costs break down as follows:

One, travel is budgeted at \$180,000. While this may seem high at first, it reflects our belief that the special action office personnel will have to keep in close and continuing touch with the programs as they are being implemented.

We do not plan any substantial field organization, and much of the necessary program evaluation will be done by the central staff.

(2) We estimate that \$735,425 will be required for contracts. This amount includes funding for computer software development and equipment rental in connection with the sizable information collection, analysis and dissemination effort anticipated for the National Data Center. It also covers support service contracts, special studies, and other administrative technical assistance.

(3) The remaining \$285,250 covers the usual range of administrative expenses including such items as printing, telephone service, supplies and equipment and so on. It provides for start-up costs in connection with the initial equipping of the office. We are planning to obtain office space through the General Services Administration.

Appropriate schedules in the proper form have been prepared and will be submitted for the record.

#### NECESSARY TENTATIVE ESTIMATES

In closing I would again thank the committee for its expeditious scheduling and consideration of this item and also underscore, as I have tried to during the course of my formal statement, that the estimates at this point have a certain tentative quality to them recognizing the fact that we are just setting up the office and obviously some marginal changes will probably be required.

But it seems to us that this provides a plan and justification in sufficient details so that the Congress and this committee might scrutinize it accordingly.

Thank you.

Senator MONTGOMERY. Thank you, Mr. Weber.

You are only presenting the justification for the \$3 million requested for the Executive Office.

Mr. WEBER. Yes, sir.

Senator MONTROYA. Who is going to present the evidence with respect to the balance of \$25.6 million?

Mr. WEBER. That will be provided by the appropriate agencies. I see we have here Assistant Secretary Rossides of the Justice Department.

EXECUTIVE ORDER 11599

Senator MONTROYA. Do you have a blueprint for action and the work that will be done and the objectives sought by these people who are going to be constituting the staff of the Special Action Office?

Mr. WEBER. The functions of the Special Action Office are outlined in Executive Order 11599 which I will provide for the record.

Senator MONTROYA. That will be made a part of the record at this time.

(The Executive order follows:)

## THE PRESIDENT

## EXECUTIVE ORDER 11599

**Establishing a Special Action Office for Drug Abuse Prevention.**

Drug abuse has assumed alarming proportions in recent times and its spread must be reversed forthwith. I have sent a special message to the Congress urging the prompt enactment of legislation creating a new Special Action Office for Drug Abuse Prevention within the Executive Office of the President. This office will mobilize and concentrate the comprehensive resources of the Federal Government in an all out campaign to meet this threat. However, immediate action must be taken to place the leadership of our drug abuse effort under a single official who will coordinate existing Federal drug abuse programs and activities, and develop plans for increasing our future efforts.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

## ESTABLISHMENT OF THE OFFICE

SECTION 1. There is hereby established in the Executive Office of the President a Special Action Office for Drug Abuse Prevention. The Office shall be under the immediate supervision and direction of a Director, who shall be designated by the President.

## FUNCTIONS OF THE DIRECTOR

SEC. 2 (a) The Director shall be the special representative of the President with respect to all Federal drug abuse training, education, rehabilitation, research, treatment, and prevention programs and activities (exclusive of law enforcement activities and legal proceedings).

(b) The Director shall prescribe policies, guidelines, standards, and criteria for the maximum achievement of the goals and objectives for those programs and activities. To the maximum extent permitted by law, Federal officers and Federal departments and agencies shall cooperate with the Director in carrying out his functions under this Order and shall comply with the policies, guidelines, standards, and procedures prescribed by the Director pursuant to this subsection.

(c) In addition, the Director shall—

(1) develop comprehensive plans and programs to combat drug abuse including goals and objectives therefor;

(2) assure that all Federal drug abuse programs and activities are properly coordinated;

- (3) evaluate all such programs;
- (4) advise the heads of departments and agencies of his findings and recommendations, when appropriate;
- (5) make recommendations to the Director of the Office of Management and Budget concerning proposed funding of drug abuse programs;
- (6) establish a clearing house for the prompt consideration of drug abuse problems brought to his attention by Federal departments and agencies and by other public and private entities, organizations, agencies, or individuals; and
- (7) report to the President, from time to time, concerning the foregoing.

#### ADMINISTRATION

SEC. 3 (a) Expenses of the Special Office for Drug Abuse Prevention shall be paid from the appropriation under the heading "Special Projects," in the Executive Office Appropriation Act, 1971, or any corresponding appropriations which may be made for subsequent fiscal years or from such other appropriated funds as may be available therefor.

(b) The General Services Administration shall provide, on a reimbursable basis, such administrative services and facilities for the Director and the Special Action Office for Drug Abuse Prevention as the Director may request.

*Richard Nixon*

THE WHITE HOUSE,  
June 17, 1971.

[FR Doc.71-8778 Filed 6-18-71;12:05 pm]

NOTE: For the text of the President's Message to the Congress requesting legislative authority and funds, and related remarks, see Weekly Comp. of Pres. Docs., Vol. 7, No. 25, issue of June 21, 1971.

## AREA PROFESSIONAL EXPERIENCE OF DIRECTOR JAFFE

Mr. WEBER. Dr. Jaffe as you know, whom the President has designated as the head of the office, has had wide professional experience in this area.

Currently he is top administrator for a similar agency in the State of Illinois and I am sure as he develops his plan he will be pleased to provide you with the appropriate documentation.

## OTHER DEPARTMENT AND AGENCY PROGRAMS: EFFECTIVE COORDINATION AND MANAGEMENT

Senator MONTROYA. What other agencies have programs dealing with drug abuse prevention?

Mr. WEBER. HEW has it, of course, and NIHM and the Community Health Centers. LEAA has it. OEO has it and the Veterans' Administration.

It should be clear I think, Mr. Chairman, that the intention of the President in establishing this office was to provide an effective mechanism to coordinate and to manage the programs which exist in the various agencies, to make sure that they get adequate budgetary support in the President's request and to make sure that what is being done in one department will be adequately coordinated with another.

Senator MONTROYA. The point I am trying to make is that here you are asking for \$3 million to establish this Special Office which would oversee the operations of all the other departments and to coordinate information and presumably the President intends for this office to be the catalyst for all action across the vast landscape of government dealing with this problem.

Mr. WEBER. Yes, Mr. Chairman.

## TOTAL COST OF PROGRAMS

Senator MONTROYA. Have you made a study of what moneys are required or programmed for all these other departments?

Mr. WEBER. Yes, sir; we have.

Senator MONTROYA. Will you read it for the record?

Mr. WEBER. I will submit it.

Senator MONTROYA. How much does it amount to?

Mr. WEBER. Exclusive of law enforcement it is approximately, including the supplementary request, approximately \$300 million; including law enforcement, total amount is approximately \$371 million.

(The summary follows:)

DRUG ABUSE  
BUDGET AND PROGRAM SUMMARY

Budget Summary -- Agency funds requested in the 1972 Budget and new 1972 totals (including the proposed add-ons) are shown for the following categories:

Treatment and Rehabilitation

Education and Training

Research and Other Support

Law Enforcement

A separate column indicates the page on which corresponding program information may be found.

Program Summary --For each item listed in the budget summary a capsule summary of the current program is included. Opposite the heading for each item are repeated the original 1972 Budget and the current new proposed funding levels. If the additional money being requested will be used for other than increasing current program activities, a paragraph (marked with \*\*\*\*) summarizes the planned use.

FEDERAL FUNDS FOR CIVILIAN  
DRUG ABUSE PROGRAMS BY CATEGORY AND AGENCY  
(FISCAL YEAR, MILLIONS OF DOLLARS)

<u>CATEGORY AND AGENCY</u>	<u>PROGRAM SUMMARY</u>	<u>'72 BUDGET<sup>2/</sup></u>	<u>'72 ADD-ONS</u>	<u>'72 NEW TOTAL</u>
<u>Treatment and Rehabilitation</u>				
HEW: NIMH	p.1	48.3	43.0	91.3
Justice:LEAA	p.1	11.0	-	11.0
Bureau of Prisons	p.2	2.7	-	2.7
OEO	p.2	18.0	-	18.0
MISC: VA & HEW/Social & Rehab. Serv. <sup>3/</sup>	p.2	<u>10.2</u>	<u>14.1</u>	<u>24.3</u>
Sub-Total		90.2	57.1	147.3
<u>Education and Training</u>				
HEW: NIMH	p.4	5.5	10.0	15.5
Office of Education	p.4	6.0	-	6.0
Justice:BNDD	p.5	3.1	1.0	4.1
LEAA	p.5	2.6	-	2.6
USDA	p.5	<u>0.5</u>	<u>-</u>	<u>0.5</u>
Sub-Total		17.7	11.0	28.7
<u>Research and Other Support</u>				
HEW: NIMH	p.6	19.2	12.0	31.2
Justice: BNDD	p.6	1.5	2.0	3.5
State	p.6	2.0	-	2.0
USDA	p.6	-	2.1	2.1
Special Action Office for Drug Abuse Prevention	p.7	-	3.0	3.0
Community Planning (NIMH)	p.7	<u>-</u>	<u>2.0</u>	<u>2.0</u>
Sub-Total		22.7	21.1	43.8
<u>Law Enforcement</u>				
Justice: BNDD	p.8	50.4	6.6	57.0
Other	p.8	2.3	-	2.3
Treasury:	p.8	<u>19.2</u>	<u>25.6</u>	<u>44.8</u>
Sub-Total		71.9	32.2	104.1
TOTAL		202.5	121.4	323.9
Department of Defense <sup>1/</sup>			<u>34.2</u>	<u>48.0</u>
GRAND TOTAL			155.6	371.9

<sup>1/</sup> \$34.2 million in additional funds has been requested for DOD in '72. Combined with \$13.8 million in funds to be reprogrammed, DOD's funds for combatting drug abuse will total \$48.0 million.

<sup>2/</sup> The majority of these figures are currently being updated to reflect the effect of pay raise supplements for 1972. This updating will raise the figures slightly.

<sup>3/</sup> Estimated - hard figures for these programs are unavailable at this time.

TREATMENT AND REHABILITATION -- \$90.2 (1972 Budget)/\$147.3 (1972 Proposed)

HEW/NIMH -- \$48.3 (1972 Budget)/\$91.3 (1972 Proposed)

NIMH funds treatment and rehabilitation programs for narcotic addicts and drug abusers under both grant and contract mechanisms. The grant program includes staffing grants to comprehensive drug treatment centers and special project grants for single or separate services. Currently there are 23 community-based grant funded programs (18 are operational; 5 are in the process of beginning operations).

The contract program is limited to the Narcotic Addict Rehabilitation Act of 1966 (NARA), and includes examination and evaluation services, inpatient treatment services, and aftercare services carried out in facilities other than the Fort Worth and Lexington Hospitals. On March 31, 1971, there were 2,074 individuals in the NARA program.

\*\*\*\*\* The \$43 million in additional funds requested for NIMH

will be used primarily to establish 10 narcotic treatment centers in the 10 largest cities with severe drug abuse problems. In addition, crisis care programs and informal organizations as sources of support for drug abusers will be expanded.

JUSTICE/LEAA -- \$11.0 (1972 Budget)/\$11.0 (1972 Proposed)

LEAA fosters treatment and rehabilitation programs principally through the Large City/County Special Grants Programs and the Correction Improvement Programs. These programs have often resulted in the development of treatment centers in the community and in the hospitals. Programs to create treatment referral systems, to provide methadone treatment, to establish "contract houses" offering drug abuse counseling at the predelinquent stage and to provide extensive psychiatric care to addicts when necessary are being sponsored.

JUSTICE/BUREAU OF PRISONS -- \$2.7 (1972 Budget)/\$2.7 (1972 Proposed)

The Bureau of Prisons has two categories of treatment programs:

one functioning under the Narcotic Addict Rehabilitation Act applicable to persons sentenced specifically to receive treatment for drug addiction; the other (Drug Abuse Program) treating offenders currently in the Federal prison population who have drugs as a contributing cause to their criminal behavior and who do not qualify under NARA.

OEO -- \$18.0 (1972 Budget)/\$18.0 (1972 Proposed)

OEO's major emphasis is on treatment and rehabilitation services, developing community support, and utilizing neighborhood resources and ex-addicts as staff. Programs are funded in such a way that they relate closely to existing OEO-funded Neighborhood Service Center and Neighborhood Health Center delivery systems. In addition, OEO has contracted with two centers to operate integrated addict rehabilitation and manpower training programs. The projects will utilize methadone maintenance, counselling, residential services, and supportive modalities. In addition, Department of Labor funding will be obtained to provide job training and employment services.

MISC/HEW/SRS AND VA -- \$10.2 (1972 Budget)/\$24.3 (1972 Proposed)

HEW's Social and Rehabilitation Service through its Vocational Rehabilitation Administration funds a small number of vocational rehabilitation programs which are providing services to drug dependent persons. The primary emphasis is on vocational rehabilitation, but psychiatric, medical, detoxification, social, recreational, and educational services are provided under certain programs.

The VA began a special medical program for treating drug dependent veterans in mid-FY 1971 by establishing 5 drug dependence treatment units in existing VA hospitals. Another 13 treatment units will be activated at the beginning of fiscal year 1972. Hospitalization and outpatient care will be provided. Various treatment modalities will be used in the special drug units including methadone maintenance,

confrontation and other group approaches, and social and rehabilitation techniques.

\*\*\*\*\* \$14.1 million in new funds for the VA would be used to assist in the immediate development and emplacement of additional VA rehabilitation centers which will permit both inpatient and outpatient care of addicts in a community setting. This will bring the total number of treatment centers to 32 by the end of fiscal 1972.

EDUCATION AND TRAINING -- \$17.7 (1972 Budget)/\$28.7 (1972 Proposed)

HEW/NIMH -- \$5.5 (1972 Budget)/\$15.5 (1972 Proposed)

NIMH is involved in promoting the development and dissemination of education materials of two types: (1) that consisting of the current, factual information about drugs; and (2) that dealing with the attitudes, the biases, and the human aspects of drug abuse. NIMH has also funded 3 regional training centers under contract since September 1970. The centers have trained more than 600 physicians, and more than 900 allied health personnel, educators, law enforcement officers, students, and Government officials. In addition, NIMH makes a limited number of training grants for special programs to train sociologists, school counselors, probation officers, mental health professionals, physicians, and other professionals to deal with the particular kinds of drug abuse problems they face.

HEW/OE -- \$6.0 (1972 Budget)/\$6.0 (1972 Proposed)

In 1972, OE will make grants through the National Drug Education Program to 55 State Education agencies to support continuing programs to train educators and students. 26 comprehensive community projects intended to involve a variety of community agencies and groups in a cooperative effort to deal with local drug abuse problems will be supported. 20 college-based pilot projects--initiated, designed, and

directed by students--have been funded. 11 drug education projects calling for heavy community involvement have been initiated by local school districts using OE funds.

JUSTICE/ENDD -- \$3.1 (1972 Budget)/\$4.1 (1972 Proposed)

BNDD's efforts in this area include a public inquiry program which responds to requests for information on the problem of drug abuse, drugs being used, and various aspects of the drug problem as related to preventive enforcement and the problem of illegal drug use in the community. Major training efforts are conducted for professionals in the enforcement field and related areas to orient them to the need and the advantages of preventing drug abuse as opposed to concentrating only upon the enforcement aspects of the drug problem.

\*\*\*\*\* The President indicated that the additional \$1 million requested would be used by ENDD to train foreign narcotics enforcement officers.

JUSTICE/LEAA -- \$2.6 (1972 Budget)/\$2.6 (1972 Proposed)

The major focus of LEAA's educational programs has been directed at the Nation's youth through the development and implementation of preventive education programs in all grades of the public school system. A second major focus is seen in programs developed for presentation to parents, civic groups, church organizations, and other interested citizen groups. Training efforts are aimed at enforcement groups and emphasize the close liaison between local and State agencies and BNDD.

USDA -- \$0.5 (1972 Budget)/\$0.5 (1972 Proposed)

The Department of Agriculture has been involved in drug abuse education efforts through its 4-H educational programs. These programs are underway in at least a dozen states. Other informational efforts are directed toward farmers and aimed at the identification and eradication of marihuana.

RESEARCH AND OTHER SUPPORT -- \$22.7 (1972 Budget)/\$43.8 (1972 Proposed)

HEW/NIMH -- \$19.2 (1972 Budget)/\$31.2 (1972 Proposed)

NIMH research efforts are directed at a variety of projects, including evaluation and development of treatment approaches, the development of health care statistics, studies related to the causes and control of drug abuse, and research related to specific types of drugs, such as opiates, LSD, amphetamines, barbituates, and marihuana.

JUSTICE/BNDD -- \$1.5 (1972 Budget)/\$3.5 (1972 Proposed)

BNDD has a limited research program. It has been involved for several years in the development of a methodology to determine abuse liability and abuse potential of stimulant, depressant and hallucinogenic drugs. The methodology researches are: (1) behavioral; (2) physiological; and (3) biochemical.

\*\*\*\*\* \$2 million in additional funds is planned to be allotted to the research and development of equipment and techniques for the detection of illegal drugs and drug traffic.

STATE -- \$2.0 (1972 Budget)/\$2.0 (1972 Proposed)

These funds are pledged to a U.N. Special Fund aimed at planning and executing a concerted U.N. effort against the world drug problem.

USDA -- No funds in 1972 budget/\$2.1 (1972 Proposed)

\*\*\*\*\* The \$2 million in funds would be used for the research and development of herbicides which can be used to destroy growths of narcotics-producing plants without adverse ecological effects.

SPECIAL ACTION OFFICE -- No funds in 1972 budget/\$3.0 (1972 Proposed)

\*\*\*\*\* These funds would be available to the Special Action Office for Drug Abuse Prevention for the costs of staffing, space, and other expenses for the establishment of the new Office and for its operations to direct the President's program.

COMMUNITY PLANNING (NIMH) -- No funds in 1972 budget/\$2.0 (1972 Proposed)

\*\*\*\*\* These funds would be used to make several small planning grants

to communities for the purpose of developing local "umbrella" agencies to deal with local drug abuse problems.

LAW ENFORCEMENT -- \$71.9 (1972 Budget)/\$104.1 (1972 Proposed)

JUSTICE/BNDD -- \$50.4 (1972 Budget)/\$57.0 (1972 Proposed)

BNDD activities include the enforcement of Federal laws regarding narcotics and dangerous drugs, intelligence gathering and interpretation, laboratory analysis of evidence to support prosecution, identification and analysis of new drugs having abuse potential, and collection and dissemination of statistics on known narcotic addicts. BNDD also regulates the import and export of controlled drugs and monitors the manufacture of dangerous drugs and the distribution of these substances by the pharmaceutical and medical professions.

JUSTICE/OTHER -- \$2.3 (1972 Budget)/\$2.3 (1972 Proposed)

LEAA makes grants to upgrade state and local law enforcement of narcotics laws. U.S. Attorneys under the supervision of the Narcotics and Dangerous Drug Section of Justice's Criminal Division conduct prosecution of violators of Federal narcotic laws.

TREASURY -- \$19.2 (1972 Budget)/\$44.8 (1972 Proposed)

Bureau of Custom's agents are responsible for investigating and apprehending individuals who attempt to introduce illicit drugs into the U.S. Although IRS participates in interdepartmental "strike forces" in the drive against narcotics trafficking conducted by organized crime, no funds are specifically allocated to enforcement of tax evasion laws against known or suspected traffickers in illegal drugs.

\*\*\*\*\* \$18.1 million in additional funds would be used by the Bureau of Customs to step up its current anti-smuggling enforcement activities and to develop new equipment to deal with air and sea smuggling.

\*\*\*\*\* \$7.5 million would permit IRS to intensify its own investigations of suspected tax evasion by major drug traffickers identified by other agencies.

## LAW ENFORCEMENT AND TREATMENT AND REHABILITATION

Senator MONTROYA. When you speak of law enforcement you are talking about law enforcement dealing with narcotics and drug traffic?

Mr. WEBER. Yes, sir; that is the Bureau of Narcotics and Dangerous Drugs and Customs.

Senator MONTROYA. There is in addition other funding dealing with treatment and rehabilitation work.

Mr. WEBER. Yes, sir.

Senator MONTROYA. Does this \$3 million item also contemplate that certain sums be used for this purpose?

Mr. WEBER. No, Mr. Chairman.

## TREASURY DEPARTMENT PROGRAM

Senator MONTROYA. Will any portion of the balance of the \$28,640,000 be used for this purpose?

Mr. WEBER. The \$28 million as I understand it relates to the request of the Department of Treasury. That will be used to augment the law enforcement capability in the area of narcotics, control of traffic, and related functions carried out by the Bureau of Customs.

## SPECIAL ACTION OFFICE

Senator MONTROYA. Is it your understanding that the \$28 million is going to be used strictly for the Special Office and its personnel manning as well as for overseeing the functions of the other agencies and that there is no rehabilitation work involved in this?

Mr. WEBER. I think a distinction has to be made between \$3 million which is asked for salaries and expenses to fund this office whose responsibility goes to the—

Senator MONTROYA. I understand that \$3 million is contained for the management of the Special Action Office. And to obtain computers and other equipment which will be necessary to assemble all this data and statistics that you perhaps need in order to evaluate the problem.

Mr. WEBER. Right.

## HEW AND VETERANS' ADMINISTRATION PROGRAMS: EDUCATION, PREVENTION, AND REHABILITATION

Senator MONTROYA. I understand that. But didn't you mention that there is some rehabilitation involved in this appropriation?

Mr. WEBER. The Treasury request will not include rehabilitation. However, the President has submitted to the Congress additional requests to increase the appropriation of the Veterans' Administration and HEW which will relate primarily to education, prevention, and rehabilitation.

## PENDING LEGISLATION FOR OFFICE CREATION

Senator MONTROYA. Then this appropriation is strictly for administrative expense?

Mr. WEBER. Yes.

Senator MONTROYA. Authorizing legislation has not been enacted to date and I understand that it is pending and that this request is merely an interim operation pending such authorization?

Mr. WEBER. That is correct. Legislation has been submitted to the Congress and hearings will commence before the House Interstate Commerce Committee on Monday to consider establishing the new office by statute.

## INTERIM ESTABLISHMENT PURSUANT TO CONSTITUTIONAL POWERS

Senator MONTROYA. By what authority does the President establish this Special Action Office for the interim?

Mr. WEBER. He establishes—

Senator MONTROYA. I know he issued an Executive order but does he have the authority to establish just any kind of office and come to Congress and ask for an appropriation?

Mr. WEBER. The President does have the authority to establish temporarily within his Executive Office certain units to help him in the conduct of his duties and responsibilities, as he has in this case under his broad constitutional powers.

A more permanent funding of the office of course is a matter of congressional discretion.

## EFFECTIVE DATE OF APPROPRIATION: REQUEST LANGUAGE

Senator MONTROYA. Will this appropriation be used before the authorizing legislation is passed?

Mr. WEBER. Only if and after the authorizing legislation is enacted. That is, we expect that under the terms of the Executive order the "Special Projects" appropriation will be used in the interim and then reimbursed by the Special Action Office after the authorizing legislation and this appropriation are approved.

Senator MONTROYA. The terms of the Executive order indicate otherwise.

Mr. WEBER. The interim funds come from the special projects fund which is a line appropriation.

Senator MONTROYA. Let me read this.

The item request reads as follows:

For any expenses of Special Action Office for drug abuse prevention including grants and contracts for drug abuse prevention and treatment programs. \$3 million to remain available until expended provided that this appropriation shall be available to reimburse the appropriations for Special Projects for expenditures made for the purpose of this appropriation. Provided further that this appropriation shall be available only upon the enactment into law of authorizing legislation.

Mr. WEBER. That is correct.

Senator MONTROYA. So doesn't that contemplate that you will not use this until—

Mr. WEBER. We, of course cannot prejudge what Congress will do. In the event Congress passes the legislation that we have submitted to it, and this appropriation, we expect that there would be a transfer of funds from this appropriation to the special project appropriation to repay the funds advanced while the Office was operating under the Executive order alone.

Senator MONTOYA. But your request for funds states it will not be used pending the enactment of this authorizing legislation. What does that mean?

Mr. WEBER. It says "provided further that this appropriation shall be available only upon the enactment into law of authorizing legislation."

Senator MONTOYA. Isn't that the same as what I said?

Mr. BINGHAM. It is intended to reimburse a special projects fund now in existence which is being used at this time.

Senator MONTOYA. You are not going to use \$3 million for that.

Mr. BINGHAM. We are providing that, during the next fiscal year, with the expectation that legislation for the new office will come into being, at that time any earlier advances from Special Projects would be reimbursed.

#### POSSIBLE LANGUAGE CHANGE

Senator MONTOYA. I understand that but this says that you want this money, \$3 million but you will not use it unless the authorizing legislation is enacted into law. That is what this says.

Do you want to change it?

Mr. WEBER. I think we would want to clarify that for the record. If in fact that is the significance of it we would want to.

Senator MONTOYA. It is not subject to any ambiguity. It is not ambiguous language. It is very clear.

Mr. WEBER. We will check it out.

Senator MONTOYA. You don't have to change it if you don't want to but I am going to have to explain to the committee that this is the understanding on the basis of the record.

Mr. WEBER. On the basis of the record I think it should be clear, independent of that language, that the authorizing legislation has not been passed.

#### INTERIM FUNDING OF OFFICE BY SPECIAL PROJECTS FUND

It is being considered, that we are in the interim funding the office from the Special Projects Fund.

Senator MONTOYA. Explain the use and purpose of the Special Projects Fund.

Mr. WEBER. The Special Projects Fund is an appropriation to the President which is available to him to fund projects of an extraordinary character which cannot be foreseen. It is in this same bill in the amount of \$1.5 million.

Senator MONTOYA. How much will be used from the Special Projects Fund initially?

Mr. WEBER. \$250,000.

## USE OF APPROPRIATION TO REIMBURSE FUND

Senator Boggs. Let me ask a question, Mr. Chairman.

Am I correct in understanding that, based upon this dialogue and the wording of the President's message here, that this \$3 million would be for reimbursing the Special Projects Fund?

Mr. WEBER. That is correct, for interim advances until the authorizing legislation is enacted.

Senator Boggs. In the event the authorizing legislation is enacted. If it is not enacted then the \$3 million would not be used and the cost, whatever the cost had been for Dr. Jaffe and his work, would come out of the Special Projects Fund anyway. That is my understanding.

Mr. WEBER. That is correct. Once the authorizing legislation is enacted and the appropriation we are now requesting becomes available, we propose to reimburse the appropriation for "Special Projects" for amounts used until that time.

Senator Boggs. So the assumption is that the authorizing legislation would go through because of the highly sensitive and emergency nature of the subject involved.

Mr. WEBER. We would hope so.

Senator MONTROYA. Do you usually come to Congress to get reimbursement authority when you tap the Special Projects Fund?

Mr. WEBER. No. Except the amount we are requesting for the Special Action Office is double the size of the fund and so we think it is appropriate at this time. This would in fact exhaust it for other contingencies.

Senator MONTROYA. That is all.

Mr. WEBER. To clarify the situation, we do believe the language is correct, Mr. Chairman, as it appears in the request. My colloguy with Senator Boggs sets the record straight.

Thank you very much.

## JUSTIFICATIONS

Senator MONTROYA. The justifications and schedules will be inserted in the record at this point.

(The justifications follow:)

EXECUTIVE OFFICE OF THE PRESIDENT  
SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION  
WASHINGTON, DC 20506

October 6, 1971

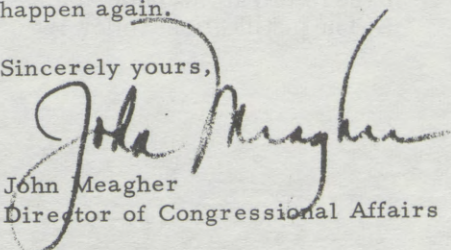
Mr. Joseph E. Gonzales  
Staff Member, Subcommittee on  
the Treasury, Postal Service, and  
General Government  
United States Senate  
Room 1207, New Senate Office Building  
Washington, D. C. 20510

Dear Mr. Gonzales:

Enclosed is the material that you requested pertaining to the Special Action Office for Drug Abuse Prevention Fiscal Year 1972 appropriation. In addition to the breakdown by object classifications of the \$3 million, I have included a short descriptive narrative of SAODAP's current organizational structure. Personnel levels for 1972 are subject to review and revision in the course of the preparation of the President's 1973 Budget.

If I can be of any further assistance, please do not hesitate to call. I regret the delay in submitting this information, and will do everything I can to see that this does not happen again.

Sincerely yours,



John Meagher  
Director of Congressional Affairs

## SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION

The Special Action Office for Drug Abuse Prevention is responsible for developing an overall national strategy for finding solutions to the drug abuse crisis. In the drug abuse area, the Special Action Office

- sets program goals, objectives, and priorities
- develops guidance and standards for operating agencies
- evaluates performance of all programs to determine their effectiveness
- allocates resources to operating agencies
- develops a base of statistical and social indicators which show the nature, extent, and trends of the drug abuse problem

The Office of the Director provides overall policy, direction and leadership to the Special Action Office for Drug Abuse Prevention in carrying out its function of establishing objectives and priorities for all Federal drug abuse activities except law enforcement and legal proceedings.

The Assistant Director for Special Projects handles unique, short-term projects which require prompt, high level attention and coordination.

The Assistant Director and General Counsel provides legal advice to the Director and SAODAP staff.

The Communications Office handles the Special Action Office's relations with the press and other media. It coordinates the drug abuse information activities of Federal agencies.

The Congressional Relations Office performs legislative liaison and clearance in all areas affecting drug abuse programs. It advises the Director and Special Action Office staff on legislative matters.

The Administration Office provides internal management and service support required for the effective operation of the Special Action Office. The Special Action Office utilizes the General Services Administration for support in the areas of payroll and personnel mechanics, printing and reproduction, and fiscal services.

### Management

The Associate Director for Management provides the necessary direction and systems support for effective implementation of Federal drug abuse programs in all areas except law enforcement and legal problems. He provides the general management leadership, coordination and policy guidance required to plan, establish, control and evaluate national drug abuse programs.

The Planning Division provides strategic program planning for the development of program goals. It coordinates expert input and analyzes the broad resource requirements for accomplishment of goals. Together

with the Evaluation Division, it measures the effectiveness of programs in meeting goals and objectives.

The Systems Division designs, develops and tests the broad management and information systems required to implement and coordinate Federal drug abuse programs. It provides expertise and services in all areas of data gathering and presentation, including hard- and soft-ware requirements.

The Control Division provides the general and specialized program analyses and coordination required for the effective operation of on-going drug abuse programs, including the analyses of other agencies' drug abuse plans and programs.

The Evaluation Division develops standards, criteria and techniques for the independent measurement of actual program performance against program goals and objectives. It assures that program objectives are pursued and achieved effectively, recommending steps necessary for corrective action when program deviations are noted.

#### Program Development

The Associate Director for Program Development provides the necessary direction and policy guidance for development of Federal drug-abuse programs in all areas except law enforcement and legal proceedings.

The Manpower Development Division organizes and coordinates into an integrated national manpower development program the efforts of all Federal agencies. It will develop a national drug abuse training center to fulfill the needs for trained manpower in the drug abuse field. The Center will serve as a model for regional or satellite centers. The Division devises curricula and materials for training drug abuse workers and will establish a national resource guide of teachers, experts, and facilities.

The Treatment and Rehabilitation Division organizes and coordinates the efforts of all Federal agencies in the treatment and rehabilitation of drug abuse clients. It facilitates the development, expansion, and improvement of treatment and rehabilitation programs so that every drug abuse client can obtain appropriate treatment and rehabilitation services.

The Prevention and Education Division organizes and coordinates the efforts of Federal agencies in the prevention and education field. It seeks the early identification of drug abuse epidemics, or potential there of, so that prompt intervention can prevent such outbreaks or minimize their consequences. Together with the Research Division, it identifies populations of potential drug user and plan strategies for prevention of the recruitment of these populations into drug abuse.

The Research Division organizes and coordinates the efforts of all Federal agencies into an integrated national research development program. It identifies and sets priorities for research development projects with promise of having major impact in the current drug abuse crises.

SPECIAL ACTION OFFICE FOR DRUG ABUSE PREVENTION  
Salaries and Expenses  
OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 70 actual	19 71 estimate	19 72 estimate
Personnel compensation:			
11.1 Permanent positions.....	--	--	1,248
11.3 Positions other than permanent.....	--	--	150
11.5 Other personnel compensation.....	--	--	15
11.8 Special personal services payments.....	--	--	3
Total personnel compensation.....	--	--	1,416
Personnel benefits:			
12.1 Civilian.....	--	--	123
21.0 Travel and transportation of persons.....	--	--	168
23.0 Rent, communications, and utilities.....	--	--	128
24.0 Printing and reproduction.....	--	--	115
25.0 Other services.....	--	--	877
26.0 Supplies and materials.....	--	--	75
31.0 Equipment.....	--	--	98
.....			
.....			
99.0 Total obligations.....	--	--	3,000

Personnel Summary

Identification code	19 70 actual	19 71 estimate	19 72 estimate
Total number of permanent positions	--	--	150
Full-time equivalent of other positions	--	--	9
Average paid employment	--	--	86
Average GS grade	--	--	10.8
Average GS salary	--	--	\$15,464

## DETAIL OF PERMANENT POSITIONS

	19 70 actual	19 71 estimate	19 72 estimate
<u>Grades and Ranges</u>			
Executive Level III, \$40,000	--	--	1
Executive Level IV, \$38,000	--	--	1
Executive Level V, \$36,000	--	--	3
GS-18, \$36,000	--	--	1
GS-17, \$32,546--\$36,000	--	--	4
GS-16, \$28,129--\$35,633	--	--	--
GS-15, \$24,251--\$31,523	--	--	25
GS-14, \$20,815--\$27,061	--	--	18
GS-13, \$17,761--\$23,089	--	--	19
GS-12, \$15,040--\$19,549	--	--	10
GS-11, \$12,615--\$16,404	--	--	9
GS-10, \$11,517--\$14,973	--	--	1
GS-9, \$10,470--\$13,611	--	--	9
GS-8, \$9,493--\$12,337	--	--	10
GS-7, \$8,582--\$11,156	--	--	12
GS-6, \$7,727--\$10,049	--	--	11
GS-5, \$6,938--\$9,017	--	--	9
GS-4, \$6,202--\$8,065	--	--	6
GS-3, \$5,524--\$7,180	--	--	1
Total Permanent positions	--	--	150
Unfilled positions, June 30	--	--	--
Total permanent employment, end of year	--	--	150
<u>HIGHER LEVEL POSITIONS</u>			
Level III, \$40,000			
Director	--	--	1
Level IV, \$38,000			
Deputy Director	--	--	1
Level V, \$36,000			
Assistant Director/General Counsel	--	--	1
Associate Director, Program			
Development	--	--	1
Assistant Director, Special Projects	--	--	1
GS 18,\$36,000			
Associate Director, Management	--	--	1
GS 17, \$32,546 to \$36,000			
Chief, Congressional Relations	--	--	1
Chief, Treatment and Rehabilitation	--	--	1
Chief, Manpower Development	--	--	1
Chief, Research	--	--	1

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

BUREAU OF CUSTOMS

INTERNAL REVENUE SERVICE

STATEMENT OF EUGENE T. ROSSIDES, ASSISTANT SECRETARY FOR  
ENFORCEMENT AND OPERATIONS, TREASURY

ACCOMPANIED BY:

MYLES J. AMBROSE, COMMISSIONER OF CUSTOMS

ROBERT K. LUND, DIRECTOR, INTELLIGENCE DIVISION,  
INTERNAL REVENUE SERVICE

NORMAN E. SIMS, JR., DIRECTOR, OFFICE OF BUDGET AND  
FINANCE

BUDGET REQUEST

Senator MONTROYA. Mr. Rossides, Assistant Secretary for Enforcement and Operation, Treasury Department, is our next witness. The Treasury's portion of the budget request is \$25,640,000.

PREPARED STATEMENT

You have a short statement, five pages long. Would you, in the interest of brevity, Mr. Rossides, allow us to insert this statement in the record at this point?

Mr. ROSSIDES. Certainly, I can summarize it in 2 minutes.  
(The statement follows:)

Mr. Chairman and Members of the Committee:

It is with a great sense of urgency and a deep awareness of the importance of the subject matter to the welfare of our nation that I present to the Committee Treasury's proposed amendments to the 1972 budget for the Bureau of Customs, Internal Revenue Service, and the Office of the Secretary. These amendments have been submitted pursuant to the President's recently announced intensified program to combat the extremely serious narcotics problem which we face today. In total, we respectfully ask that the 1972 appropriations for the Treasury Department be increased by \$25.64 million, \$18 million for the Bureau of Customs, \$7.5 million for the Internal Revenue Service, and \$140 thousand for the Office of the Secretary.

#### BUREAU OF CUSTOMS

The budget amendment of the Bureau of Customs presents those resources, beyond the request already made for fiscal year 1972, needed for Customs to maximize its demonstrated effectiveness in the interdiction of narcotics. The amendment for Customs is in the amount of \$18 million to fund major equipment additions (\$12 million) and an added 1,000 positions (260 average positions) of employment (\$6 million).

The largest item in Customs' request, \$12 million for major equipment additions, principally covers additional aircraft and boats, with appropriate detection systems for both new craft and those in current inventory. The current extensive requirements for air and sea interdiction of smuggling create this substantial need for detection, communication and interception resources.

In the area of personnel, Customs' amendment strengthens the investigative staff of special agents and supporting personnel to expand operations to detect, pursue and apprehend known or suspected smugglers. It adds inspectional personnel to intensify the examination of baggage and cargo, including containerized cargo. It provides increased inspection of military personnel, military baggage and cargo. This funding also strengthens the patrol force to provide airport and seaport security, and mounts an attack on cargo theft to close this attractive channel to the would-be narcotics smuggler.

The 1,000 new positions for Customs have been estimated at an average of three months employment. Recruiting, training, and putting into operation this large group of people will take place over the course of most of the year. A substantial short-range impact can be expected starting in the last quarter of calendar year 1971 and increasing in each succeeding quarter, with a full impact occurring in the second quarter of calendar 1972.

The Customs program will have the further benefit of providing challenging jobs for a number of discharged military personnel.

In fiscal year 1970, the President sought and the Congress approved supplemental funds to increase Customs' anti-drug smuggling effectiveness. The additional efforts made possible by that supplemental met with dramatic success, with Customs' seizures of hard drugs mounting, in less than 11 months of fiscal year 1971, to over 1,200 pounds, more than was seized in the whole preceding seven years. During the same period,

seizures of heroin alone, 928 pounds, exceeded the total for the preceding ten years. Major seizures of pure heroin have included: 93 pounds (October-Miami); 210 pounds (December-Miami); 98 pounds (April-Newark); 155 pounds (May-Miami); and 201 pounds (May-San Juan).

The attached table summarizes the purposes for which the increased funds are requested, and I ask that this table be placed in the record.

#### INTERNAL REVENUE SERVICE

The budget amendment for the Internal Revenue Service reflects a major new initiative designed to severely disrupt the narcotics distribution system.

As is generally known, the profits to be gained from the narcotics trade are astronomical. Consequently, despite our efforts across a broad front, there are always those who will take any risk to grasp for the large profit. The present amendment will permit the Department of the Treasury to launch a systematic drive through the Internal Revenue Service against middle and upper echelon distributors and financiers involved in narcotics trafficking.

The IRS attack will be aimed primarily at individuals who are generally insulated from the daily operations of the drug traffic through a chain of intermediaries. This new initiative will be undertaken in cooperation with other Federal, State and local enforcement agencies having responsibility for narcotics enforcement. Its purpose will be to disrupt the narcotics distribution system not only by prosecuting those guilty of criminal tax violations but also by reducing drastically the profits of the narcotics traffic by going after income from sources which are usually not reported.

Examinations and investigations will utilize the most effective enforcement techniques to ferret out unusual and concealed financial transactions. Surveillance, undercover agents and informants will be employed to gather intelligence concerning the financial affairs of narcotics traffickers. It is also anticipated that IRS will receive substantial intelligence from the Bureau of Customs, BNDD and State and local agencies having prime responsibility for narcotics enforcement.

The \$7.5 million proposed for FY 1972 will provide for 200 special agent, 200 revenue agent and 141 supporting positions. We expect to realize approximately 251 man-years in FY 1972.

This will entail a tandem operation by Intelligence and Audit Divisions of Internal Revenue Service and supporting personnel who will devote all of their time to the Narcotics Program. Included in the cost are special investigative equipment and cars, travel expenses, per diem, overtime and premium pay.

IRS estimates that it can complete full recruitment and training by September of 1972 and that each Special Agent can conduct two full-scale investigations per year. To avoid delay in initiating the program, IRS will assign 100 experienced Special Agents and 100 experienced Revenue Agents to the program at its inception. As recruitment and training proceed, an additional 200 will be assigned to the program along with the required support personnel to bring the program to full strength by September of 1972. The positions which are to be vacated from other IRS programs by the original 200 agents (Revenue and Special) will be filled again as recruitment and training of new agents progress.

#### OFFICE OF THE SECRETARY

This budget amendment also provides a modest strengthening of the Office of the Assistant Secretary for Enforcement and Operations for overall supervision of Treasury's participation in the President's intensified drug control program. Four professional and five secretarial positions are needed.

For the Office of Law Enforcement we are requesting an Assistant Director (Drugs), a staff professional to work on drug matters and two secretaries. Our past drug efforts have demanded much from our limited staff on work that can properly be done only at the level of the Office of the Secretary. This heavy work burden will be greatly amplified by the new demands of the expanded anti-narcotics program.

INTERPOL has an integral role in drug control. The minimal staffing of the Treasury's National Central Bureau has been the target of Congressional criticism. FY '70 saw a 110% increase in INTERPOL's correspondence, a 30% increase in total cases and a 178% increase in U.S. cases. We know the President's narcotics program will generate greatly increased workloads for INTERPOL, requiring the addition of an Assistant Chief, an additional interpreter-typist proficient in Spanish and French, and one additional clerk-typist.

For the Office of Operations, one staff professional and one secretary are required because of the increasing management control, operational analysis, budget review, and inter-agency coordination problems generated by the new program which must be handled at the level of the Office of the Secretary.

With these requested resources, Treasury can make a major additional contribution to the President's offensive against drug abuse.

BUREAU OF CUSTOMS

	<u>Positions</u>	<u>Average Positions</u>	<u>Amount</u>
<b>I. Additional Investigative Staff</b>			
A. Intelligence gathering evaluation, etc.....	75	19	\$ 810
B. Domestic investigations.....	105	26	1,100
C. Reimburse Treasury Law Enforcement School.....	-	-	200
Total Investigative Staff	<u>180</u>	<u>45</u>	<u>2,110</u>
<b>II. Additional Inspectional Personnel</b>			
A. Increased inspection of military personnel, dependents, baggage, household effects and cargo...	114	32	600
B. Increased inspection of containerized cargo.....	150	39	684
C. Increased inspection of non-containerized cargo.....	29	7	150
D. Mobile blitz and increased secondary inspections.....	45	12	290
Total Inspectional Personnel	<u>338</u>	<u>90</u>	<u>1,724</u>
<b>III. Strengthen Patrol Force</b>	<u>270</u>	<u>68</u>	<u>1,143</u>
<b>IV. Major Equipment Additions with Associated Manpower</b>			
A. Airborne detection and surveillance platform (Navy S2F).....	12	4	2,068
B. Detection systems for existing Customs aircraft.....	-	-	2,305
C. Surplus surveillance helicopters	4	1	410
D. Additional high performance fixed wing aircraft.....	12	4	2,650
E. Portable ground-based MTI radar	12	4	1,600
F. Air strip multi-sensor system	20	5	450
G. Special surveillance equipment for pursuit vessels.....	30	8	1,925
H. Additional radio communication	10	3	525
I. Technical investigative equip.	12	3	255
J. Research and development of improved capabilities to combat air intrusion by drug smugglers	-	-	500
Total Major Equip. Additions	<u>112</u>	<u>32</u>	<u>12,688</u>
<b>V. Anti-theft and Pilferage Program</b>	<u>100</u>	<u>25</u>	<u>335</u>
<b>GRAND TOTALS</b>	<u><u>1,000</u></u>	<u><u>260</u></u>	<u><u>\$ 18,000</u></u>

## ENFORCEMENT PERSONNEL INCREASE

Mr. ROSSIDES. Mr. Chairman, it is the request of the President, through the Treasury Department for \$25.6 million in furtherance of his program and the congressional program in this area. This is an all enforcement appropriation request.

It is basically to add to the demonstrated effectiveness of our current program in the Bureau of Customs and to add a major new initiative of the President on recommendation of Secretary Connally in the area of the use of Internal Revenue Service investigative capacities.

## PRIOR BUREAU OF CUSTOMS REQUEST FOR ENFORCEMENT PERSONNEL

Senator MONTROYA. You had some substantial personnel increases in the regular requests for the Bureau of Customs and Internal Revenue and now you are asking for more beyond those?

Mr. ROSSIDES. Yes, sir.

Senator MONTROYA. What has brought about the increased change in positions?

Mr. ROSSIDES. It is the feeling of the President that because of the emergency nature of the drug abuse program and the fact that with the incredible success of the Bureau of Customs stemming from the previous supplemental appropriation provided by the Congress, we were requested to ask for additional manpower based on Customs ability to use the manpower effectively—

Senator MONTROYA. You are asking for 932 additional permanent positions in the main appropriations?

Mr. ROSSIDES. Yes, sir, but that was not just for the narcotics enforcement aspect.

Senator MONTROYA. You indicated many of these positions would be directed toward enforcement.

Mr. ROSSIDES. Correct.

Senator MONTROYA. And control of traffic in drug traffic?

## 1971 SEIZURE OF HEROIN: ENHANCEMENT OF EFFORT

Mr. ROSSIDES. Correct, Mr. Chairman, but this would be in addition to that number.

I may say this one is a minimum of 1,000 positions. Let me explain. As indicated in my statement, the Bureau of Customs in the last 11 months of this fiscal year, has seized more heroin—over 900 pounds—than has been seized in the last 10 years. It has been the most dramatic success of the President and the Congress in the last 2 years.

These additional positions are going to help enhance that effort and close the total anti-smuggling net.

## INSPECTION AND INVESTIGATION INCREASE: PORT PATROLS

The effort thus far has been on investigation and inspection. We are going to add to that. But we are absolutely stripped at our ports on any kind of patrol. There would be an additional item to start back on that aspect.

## PENDING CARGO THEFT LEGISLATION

In addition the President submitted cargo theft legislation to literally force private industry using our Customs leverage on cargo carriers and personnel involved in international trade on cargo, to provide proper security of their cargo at airports and seaports.

We are requesting additional positions for inspection and investigative work, and now security control work that Customs had been in and had gotten out of, and in the area of cargo theft—to have industry do its share in the total program.

The success of customs in narcotics control has been extraordinary, and I would be remiss if I did not say under the outstanding operational leadership of Commissioner Ambrose.

Senator MONTYA. What kind of reduction of theft have you experienced as a result of your additional efforts?

Mr. ROSSIDES. On this we have a pilot program, Mr. Chairman, in the cargo theft area which was initiated by the Treasury Department.

In 1969 I established a task force in the Department to determine what could be done. Part of that effort concerns the proposed legislation. Another part was initiating a pilot program at JFK in May 1970. In the six month period following May 1970, we believe we achieved a reduction of 44 percent in theft and 57 percent reduction in value of losses. This was with the cooperation of the carriers.

We put in these test regulations. Before it was simply ludicrous. They could pick up documents and forge documents, no security, no safety. We installed a cargo accountability procedure so that the documentation was secure.

Then with our existing authority, under Customs custody, when those goods hit the port they are in our charge. They cannot be moved unless Customs says to move them.

Under that leverage we would force the industry, with their cooperation—the cargo managers convinced their bosses to undertake this program of rudimentary security.

If there is high valued cargo in the warehouse they will put a lock on the door; if there are broken packages they have to be secured in a locked area.

My lawyers told me I could not go further and require full scale security, proper fencing, proper guards and things along that line.

So that is why the legislation was submitted.

In addition we know most of the major thefts at the airport and seaports involve collusion, with someone inside the warehouse and the truckers.

We also moved ahead a bit on a personal identification system, but again the lawyers said we need this additional authority which has been submitted to the Ways and Means Committee and Senate Finance and we believe it will receive favorable consideration.

Senator MONTYA. That is very encouraging.

Mr. ROSSIDES. It is.

I want to say we are most proud of the men and women in the Custom Service. Extraordinary performance. It has been a total effort.

An effort where not just agents work—a major case was broken because the Commissioner has gotten everyone thinking this way.

Some import specialist who would not think of this before, if they see something they do not like on a particular document, they follow through, and we were able to make a major seizure as a result of that.

#### AIRCRAFT INCREASE

Senator MONTROYA. You are asking here for additional airplanes. Would you go into that specifically.

Mr. ROSSIDES. This is one of the most important aspects. Through Customs efforts on intelligence gathering and with our knowledge of the last 2 years following Operation Cooperation, a major loophole exists in the area of our ability to interdict and follow aviation, light aircraft along the border.

Senator MONTROYA. We had similar testimony in the regular 1972 hearings as you requested additional aircraft at that time.

Mr. ROSSIDES. Correct, Mr. Chairman.

Senator MONTROYA. It was one aircraft, wasn't it?

Mr. ROSSIDES. Yes, sir. One additional aircraft was requested in the regular 1972 estimate.

Senator MONTROYA. How many are included under this request?

Mr. ROSSIDES. This item would permit us to acquire and convert nine additional aircraft from the military and two helicopters.

Senator MONTROYA. What do you mean "conversion"?

Mr. AMBROSE. This involves the adaptation of military aircraft to customs needs. If you recall we said earlier that if we could develop patterns and uses we would be back.

Senator MONTROYA. Conversion of four?

Mr. AMBROSE. Yes, sir. Grumann tracker aircraft.

Senator MONTROYA. Are any new aircraft involved?

Mr. AMBROSE. No new aircraft are to be purchased—all are to be secured from the military.

#### ADDITIONAL RADAR EQUIPMENT

Senator MONTROYA. You also need additional equipment for the aircraft?

Mr. AMBROSE. On existing aircraft, to be compatible with the tracking equipment.

Senator MONTROYA. You were requesting additional radar equipment in the other appropriation.

Does this contemplate more of the same type of equipment?

Mr. AMBROSE. We did discuss radar in connection with our regular appropriation request, but no funds were requested at that time. This request would be full utilization of radar tracking equipment.

This request would be full utilization of radar tracking equipment.

Senator MONTROYA. Will this supply all your needs and requirements?

Mr. AMBROSE. This is a very new field. There has been no comparable radar installation of equipment for such low level pursuit type work.

## NEW POSITIONS AND CATEGORIES

Senator MONTTOYA. Would you submit before the day is over what the new positions would be and categorize them.

Mr. ROSSIDES. Yes, sir. It is in the justification.

I could give it to you very briefly if you are interested.

Mr. AMBROSE. 180 special agents; 338 additional inspection personnel; 270 patrol force; 112 positions associated with the equipment request and 100 for the antitheft and pilferage program.

Mr. ROSSIDES. It is in the table on the last page of my prepared testimony. I want to stress, Mr. Chairman, this would be an easy amount of manpower to recruit and train.

In other words, the capability of doing this is easy and proven by the record of the Bureau both in the previous supplemental where we got 915 men back in the fall of 1969 and then when we had the enormous effort on the sky marshal program where we recruited and trained over 1,200 in a several month period.

## 1972 AVERAGE 3-MONTH EMPLOYMENTS: POSSIBLE SUPPLEMENTAL REQUEST

Senator MONTTOYA. What do you mean when you say there will be 1,000 new positions and 260 average positions?

Mr. ROSSIDES. We figure average time that they will be in use during the year would be 3 months. In other words, we would be hiring right away but the effective number of months of man-years would be 3 months for the first year.

Senator MONTTOYA. So do I understand you would not use all this money?

Mr. ROSSIDES. No; we will use all the money and hopefully, Mr. Chairman, I say we will be back for more, on proven performance.

Senator MONTTOYA. So that when you make these positions permanent the following year you will require approximately four times as much money for salaries.

Mr. ROSSIDES. There is a start-up cost which would reduce that on an annual basis.

Mr. SIMS. It would be four times as much for the salaries but all the others are costs for equipment.

Next year this entire program for Customs, Internal Revenue Service and the Office of the Secretary will cost about 31—I think \$31.7 million for the whole thing.

## INTERNAL REVENUE SERVICE

Mr. ROSSIDES. On Revenue Service.

Senator MONTTOYA. For compliance, Internal Revenue Service the revised estimate is \$808,511,000, an increase of \$7.5 million over the regular fiscal year 1972 request. Under this request 541 permanent positions would be funded to intensify audit and investigations of known or suspected drug traffickers.

Senator Boggs. I think you covered it well. I think that covers all of the request items.

## IMMEDIATE FUNDING REQUISITE

Senator MONTOYA. Could you wait until the next supplemental for this.

Mr. ROSSIDES. No; I cannot stress enough the importance and the urgency and the effectiveness of this committee moving quickly now. We can move right ahead. The moment that Congress authorizes this, within 1 day we will be effective in our equipment and we can have an impact.

The President asked what more could be done within the short as well as long range to have maximum effectiveness now. We assert we will have effectiveness by the last quarter of calendar 1971. We assert this by proven performance.

## LETTER OF SECRETARY CONNALLY

Senator MONTOYA. Secretary Connally's letter, directed to the chairman will be made a part of the record at this point.

(The letter follows:)

THE SECRETARY OF THE TREASURY  
WASHINGTON

June 23, 1971

Dear Mr. Chairman:

As you know, on Monday the President sent a request to the Congress for funds to implement his announced new drug abuse program. Included in the request were three items for Treasury:

	<u>Positions</u>	<u>Amount</u>
Office of the Secretary	9	\$ 140,000
Internal Revenue Service	541	7,500,000
Bureau of Customs	<u>1,000</u>	<u>18,000,000</u>
Total	1,550	\$25,640,000

The legislative situation on our 1972 appropriation bill is such that the House is not in a position to take early action on this request, since the bill has been reported out by the full Committee and will be debated on the floor of the House on Monday, June 28. However, the funds for other agencies participating in the drug program and whose bills have not advanced as far as ours will be considered by the House Committee in their 1972 appropriation bills.

In order that the Treasury can properly carry its important share in getting the coordinated drug enforcement program underway, I must ask that your Committee please consider the three Treasury items before you report the 1972 appropriation bill next week. To defer action until a subsequent supplemental appropriation could cause a delay of several months in recruiting, training, and moving into operation, with serious impact on the program to curb drug abuse.

We have sent justifications and explanatory materials to the staffs of your Committee and the House Committee, and are prepared to discuss the details of the estimates at your convenience. We are also working with Chairman Steed of the House Committee to have his cooperation in the conference on the bill.

Thank you very much for your assistance.

Sincerely,

## BUDGET JUSTIFICATIONS

Senator MONTROYA. Also included in the record will be the justification material in support of the amended requests. The Committee regrets that this hearing cannot be protracted but we must report to the floor at once.

AMENDMENT FOR THE PRESIDENT'S  
INTENSIFIED DRUG CONTROL PROGRAM

## OFFICE OF THE SECRETARY

Budget appendix page	Heading	January budget Request.	Amendment Previously proposed (H. Doc. 92-93)	Additional amendment Proposed	Revised Request
769					
	Salaries and expenses	\$11,171,000	\$425,000	\$140,000	\$11,736,000

## Program and financing (in thousands of dollars)

Identification code	Request pending	Proposed amendment	Revised request
<u>Program by activities:</u>			
1. Executive direction.....	8,238	117	8,355
2. General administrative services	2,093	23	2,116
3. Operation and maintenance of treasury buildings.....	1,265		1,265
Total obligations.....	11,596	140	11,736
<u>Financing:</u>			
Budget authority.....	11,596	140	11,736
<u>Relation of obligations to outlays:</u>			
Obligations incurred, net.....	11,596	140	11,736
Obligated balance, start of year	765	---	765
Obligated balance, end of year...	-373	-10	-383
Outlays.....	11,988	130	12,118

## OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	Request pending	Proposed amendment	Revised request
Personnel compensation:			
11.1 Permanent positions.....	9,056	106	9,162
11.3 Positions other than permanent.....	70	---	70
11.5 Other personnel compensation.....	66	---	66
11.8 Special personal services payments.....	36	---	36
Total personnel compensation.....	9,228	106	9,334
Personnel benefits:			
12.1 Civilian.....	745	11	756
13.0 Benefits for former personnel.....	---	---	---
21.0 Travel and transportation of persons.....	210	3	213
22.0 Transportation of things.....	10	3	13
23.0 Rent, communications, and utilities.....	415	1	416
24.0 Printing and reproduction.....	67	2	69
25.0 Other services.....	305	5	310
Services of other agencies.....	290	---	290
26.0 Supplies and materials.....	212	2	214
31.0 Equipment.....	114	7	121
.....			
99.0 Total obligations.....	11,596	140	11,736
Total number of permanent positions.....			
	626	9	635
Average number of all positions....			
	599	7	606
Average GS grade .....			
	10.2	-	10.2
Average GS salary .....			
	\$16,042	-	\$16,042
Average salary of ungraded positions .....			
	\$7,655	-	\$7,655

## Justification for Budget Amendment

Functions of the Office

The functions of the Office of the Secretary are directly related to the responsibilities of the Secretary of the Treasury in the domestic and international financial policy coordination, and analysis and controls to assist the Secretary in formulating tax and fiscal policies. Other responsibilities of the Office of the Secretary include: direction and administration of the Department, supervision of legal and enforcement activities of the various bureaus, and the operation and maintenance of two buildings.

Purpose of Budget Amendment

This budget amendment is to provide additional strength for the Office of the Assistant Secretary for Law Enforcement and Operations for policy direction of Treasury's participation in the President's intensified drug control program. Four professional and five secretarial positions are needed as described below.

## OFFICE OF LAW ENFORCEMENT

For the Office of Law Enforcement we request a GS-16 Assistant Director (Drugs), a GS-14 staff man to work on drug matters and two secretaries, a GS-6 and a GS-5. Our past drug efforts have demanded much from our limited staff on work that can properly be done only at the level of the Office of the Secretary. This heavy work burden will be greatly amplified by the new demands of intensified drug control.

## INTERPOL

INTERPOL has an integral role in drug control. Its minimal staffing has been the target of Congressional criticism. FY '70 saw 110% increase in INTERPOL's correspondence, 30% increase in total cases and 178% in U.S. cases. We know the President's program will generate greatly increased workloads for INTERPOL creating the need for the addition of an Assistant Chief (GS-15), an additional interpreter-typist proficient in Spanish and French (GS-11) and one additional clerk typist (GS-6).

## OFFICE OF OPERATIONS

One staff professional (GS-15) and one secretary (GS-6) are similarly required for the Office of Operations because of the continuing operational and budget review problems introduced by the new program, which must be handled at the level of the Office of the Secretary.

## BUREAU OF CUSTOMS

Budget appendix page	Heading	January budget request	Amendment previously proposed (H.Doc.92-93)	Additional amendment proposed	Revised request
776	Salaries and Expenses	\$166,328,000	\$8,207,000	\$18,000,000	\$192,535,000

(Delete the first paragraph under this heading and insert in lieu thereof the following:)

For necessary expenses of the Bureau of Customs, including purchase of [one hundred and fourteen] three hundred and fifty-three passenger motor vehicles (of which ninety-four shall be for replacement only), including [one hundred and four] three hundred and forty-three for police-type use without regard to the general price limitation for the current fiscal year, but not in excess of \$800 per vehicle; acquisition (purchase of one), operation, and maintenance of aircraft; and hire of passenger motor vehicles and aircraft; and awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U.S.C. 401); \$137,000,000 \$192,535,000.

## PROGRAM AND FINANCING (in thousands of dollars)

Identification code	19 72	19 72	19 72
	actual	estimate	estimate
	<u>Request Pending</u>	<u>Proposed Amendments</u>	<u>Revised Request</u>
<u>Program by Activities:</u>			
1. Processing of arriving persons and cargo.....	123,018	2,005	125,023
2. Investigations of law enforcement	29,094	15,820	44,914
3. Internal audit.....	1,640	-	1,640
4. Executive direction.....	20,783	175	20,958
Total program costs funded.....	174,535	18,000	192,535
Change in selected resources.....	-	-	-
Total obligations.....	174,535	18,000	192,535
<u>Financing:</u>			
New obligational authority.....	174,535	18,000	192,535
<u>Relation of obligations to expenditures:</u>			
Total obligations (affecting expenditures).....	174,535	18,000	192,535
Obligated balance, start of year.....	7,879	-	7,879
Obligated balance, end of year.....	-8,638	-4,500	-13,138
Expenditures.....	173,776	13,500	187,276

## OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 72 actual	19 72 estimate	19 72 estimate
Personnel compensation:	Request Pending	Proposed Amendments	Revised Request
11.1 Permanent positions.....	128,754	2,498	131,252
11.3 Positions other than permanent.....	1,917	-	1,917
11.5 Other personnel compensation.....	7,521	275	7,796
11.8 Special personal services payments.....	366	-	366
Total personnel compensation.....	138,558	2,773	141,331
Personnel benefits:			
12.1 Civilian.....	12,714	433	13,147
21.0 Travel and transportation of persons.....	4,280	1,052	5,332
22.0 Transportation of things.....	779	73	852
23.0 Rent, communications, and utilities.....	9,541	222	9,763
24.0 Printing and reproduction.....	687	23	710
25.0 Other services.....	3,813	1,614	5,427
26.0 Supplies and materials.....	1,351	59	1,410
31.0 Equipment.....	2,608	11,751	14,359
32.0 Lands and structures.....	250	-	250
42.0 Insurance claims and indemnities.....	15	-	15
95.0 Quarters and subsistence charges.....	-61	-	-61
99.0 Total obligations.....	174,535	18,000	192,535

## PERSONNEL SUMMARY

Identification code	19 72 actual	19 72 estimate	19 72 estimate
	<u>Request Pending</u>	<u>Proposed Amendments</u>	<u>Revised Request</u>
Total number of permanent positions..	11,719	1,000	12,719
Full-time equivalent of other positions	314	-	314
Average number of all employees.....	10,846	260	11,106
Average GS grade.....	8.7	-0.1	8.6
Average GS salary.....	\$12,243	-211	\$12,032
Average salary of ungraded positions.	\$ 7,173	-	\$ 7,173

## AVERAGE GRADE AND SALARY

Identification code	19 70 actual	19 71 estimate	1972 estimate
Average GS grade.....	8.6	8.7	8.6
Average GS salary.....	\$11,130	\$12,115	\$12,032
Average salary of ungraded positions	\$ 6,820	\$ 7,183	\$ 7,173

Additional requirements of the Bureau of Customs to conduct an all-out campaign against illicit drug importations

For many years, funds available to the Bureau of Customs to combat narcotics smuggling were exceedingly limited. Revenue-producing activities of the Bureau received priority emphasis. Then, in FY 70, the President sought and Congress approved supplemental funds which greatly increased Customs' anti-drug smuggling effectiveness.

The purpose of this presentation is to set out the additional requirements of the Bureau of Customs, above and beyond funds already appropriated or for which requests have been made for fiscal year 1972, to maximize Customs' demonstrated capabilities for interdicting narcotics.

These needs fall under five major headings:

1. Additional investigative staff with which to identify, pursue, and apprehend known or suspected smugglers (\$2.1 million)
2. Additional inspectional personnel with which to intensify the examination of baggage and cargo, including containerized cargo, and military personnel, baggage and cargo (\$1.7 million)
3. A greatly strengthened patrol force to provide adequate airport and seaport security (\$1.2 million)
4. Major equipment additions with which to combat the sophisticated smuggler--principally additional aircraft and boats with appropriate detection systems, and other technical equipment (\$12.7 million)
5. An all-out attack on theft and pilferage to close this most attractive channel to the would-be smuggler (\$0.3 million)

The figures set forth in parentheses after each item represent the amounts, totaling \$18.0 million, which would be spent during fiscal year

1972. This estimate is based on the assumption that funds would become available in the second quarter of fiscal year 1972. It can be expected that there would be start-up delays for recruitment, training, procurement of equipment, etc. The on-going cost of financing this program after deducting one-time expenses (such as those relating to security clearances, training, procurement of equipment, etc.), would amount to approximately \$17 million in fiscal year 1973

#### Demonstrated Results

The additional efforts made possible by the 1970 supplemental have already met with dramatic success. In July 1969, President Nixon directed the Secretary of the Treasury to undertake a major new effort against the illicit trafficking of narcotics and drugs into this country. As a result of this directive, supplemental funds were provided in fiscal year 1970 to hire 915 new Customs employees to make an intensified enforcement effort to interdict and suppress the flow of narcotics and drugs into the United States. By June of 1970, the major part of these new employees were deployed along our borders and at major gateways.

Customs has intensified inspection of people, baggage, mail, and air and surfact cargo. It has instituted a major training program which stresses the techniques of drug smuggling. Aircraft and boats were acquired in significant numbers for the first time. Customs has developed an automated data processing network to provide our inspectors and special agents information on known and suspected smugglers almost instantaneously. It has installed a radio communication system along the Mexican border to aid in the detection and apprehension of drug smugglers. It has used trained dogs in detection of marihuana and hasish, particularly in mail parcels and cargo sent to the United States from abroad, and in vehicles

at border stations. It has also made greatly increased use of planes and boats to interdict air and sea smugglers.

Customs' increased efforts have been spectacularly successful, with seizures of hard drugs mounting, in less than 11 months of FY 1971, to over 1,200 pounds, more than was seized in the whole preceding seven years. A seizure in the Florida area in May 1971 on an aircraft from Argentina netted almost 156 pounds of pure heroin. This followed a 208-pound seizure of heroin in Miami and a 96-pound seizure in New Jersey, and preceded a haul of 201 pounds of heroin in Puerto Rico. All of these seizures were of pure heroin. If considered at the ordinary user level of purity, they are 20 times larger. These seizures have also brought arrests of narcotic smugglers to an all-time high.

These results were obtained despite an insufficient force of personnel, inadequately equipped. Treasury is keenly aware of the even higher per-dollar results which could have been obtained if it had had appropriate resources. Today, not only are many areas understaffed, but many are totally uncovered.

The increasing amount of narcotic addiction in the United States, the relatively easy availability of narcotic drugs in this country, the deaths from narcotics abuse, and the crimes which narcotic addicts commit daily, indicate that much remains to be done. The purpose of this presentation, therefore, is to set forth the resource requirements which must be provided if the full force which the Bureau of Customs can bring to bear on this problem is to be enlisted in the struggle against narcotics abuse.

#### Equipment

There are many unidentified small aircraft flying into the U.S.

from Mexico which never report to Customs. In 1969, a U.S. Marine Corps radar unit, conducting field maneuvers in the Mohawk Valley, east of Yuma, Arizona, detected many unidentified aircraft flying north from Mexico at night without lights. Interception attempts were unsuccessful.

Recently, on a 30-day test in the Brownsville area with borrowed special radar equipment used for 47 actual hours of radar coverage time, Customs spotted 47 aircraft using this corridor. Twenty-two of these aircraft did not report to Customs. In view of the evasive action taken by these planes, it is obvious they were engaged in smuggling into the United States.

Customs' efforts to smash the extensive drug smuggling operations which utilize private aircraft will never be fully successful unless Customs aircraft and their pilots are provided with airborne detection systems and sensors adequate to do the job, and a ground radar capability along the border to detect the vector interceptor aircraft to their targets. Additional detection systems must also be installed on Customs' existing boats.

Finally, coverage, both in the air and on the water, must be expanded by acquisition of additional aircraft, some of a highly specialized nature, and additional boats to cover heretofore unprotected areas.

#### Inspections

In order to increase and improve the effectiveness of examination of persons and cargo at borders, airports, and seaports, Customs needs to establish a mobile blitz program (tested in last summer's campaign), to increase its secondary examinations, to increase its surveillance between border crossings, and to investigate private aircraft and boats participating in illegal traffic along the borders. The mobile blitzes will be directed

primarily at persons crossing the border, but will also cover passengers and crews arriving by private and commercial air and seacraft. These teams would also be available as needed to respond with positive action to information supplied by a strengthened investigative force.

Presently, at our major border crossings only 1 to 2 percent of the cars entering the United States are referred for secondary examination. Customs primary inspectors can provide enough good suspects to warrant increasing the secondary coverage to 4 percent.

#### The Military Problem

It has been stated publicly that there are 60,000 addicts among our servicemen in Vietnam and many more have already returned to the United States. Most of these are addicted to heroin. In Vietnam, where it is inexpensive and readily available, a serviceman addict could supply his habit at the cost of \$2 to \$4 a day. In the United States, it will cost the same man as much as \$100 to \$200 a day. Most will not be able to afford this sum on their earnings and will be likely to resort to crime of various types to obtain the funds needed to support their habit.

Many drug shipments are now being mailed or shipped by some means to servicemen in the United States who became addicted in Vietnam. Other servicemen are returning with personal supplies. Still others are acting as couriers for commercial smuggling operations. It is imperative that these channels not be used for a steady flow of illicit drugs into the United States.

Recently, seven Customs inspectors and two Treasury Special Agents were flown from San Francisco and Honolulu to meet an American aircraft carrier as it approached Honolulu inbound from the Far East. These

inspectors, with the assistance of 50 Marines assigned by the vessel's captain, made 23 marihuana and hashish seizures, and the sea was littered with things thrown overboard when it became clear that a Customs search was being made.

The Defense Department and Customs are currently cooperating in a highly intensified inspection and examination of military personnel returning from Vietnam and Thailand, their effects, military and other cargo, and mail parcels from that area. Additional Customs personnel are required to stop this avenue of narcotics smuggling.

#### Cargo

Another loophole of magnitude in Customs narcotics enforcement is the present inability of Customs to examine commercial shipments adequately to determine if the incoming packages contain the merchandise which they are supposed to contain, or whether, in fact, they contain narcotics. Very few inspections of these packages are now made.

The importance of this type of examination was demonstrated recently at Miami International Airport, when a shipment of marihuana was found packaged as canned goods. Earlier, another smuggling operation was discovered shipping heroin commercially canned and labeled as a fish product.

Additional Customs inspectors and package openers are needed to increase the percentage of cargo examined.

#### Containers

A rapidly increasing number of containers is being transported intact from the foreign point of origin through United States ports, often directly to the consignee's premises in the interior. Containerization is a method of moving cargo quicker and cheaper than by other means, but presents extremely difficult enforcement problems.

Some containers are opened at pier-side or at "break bulk" stations; others are not opened until they arrive at a consignee's warehouse. These

containers hold large amounts of cargo, often in many smaller boxes or crates within the containers.

Many more inspectors are needed to observe the opening of these containers. In addition, inspectional personnel should be available throughout the country to examine containers which move intact from the foreign exporter to the domestic purchaser. To cope with this latter problem, Treasury proposes to establish Customs stations in the 25 largest cities in the United States which do not now have Customs services. This will make inspectors available in those cities and in the surrounding areas not only to perform adequate inspection to insure that the containers are not a vehicle for smuggling narcotics but also to greatly facilitate Customs' capability to accommodate the rapidly increasing demands for interior port services. Additional inspectors for container-arrival points and for non-containerized cargo are also sorely needed.

#### Patrolling

The present force of Customs patrol officers is minuscule. There is simply no physical Customs presence at many piers and docks at which ships from abroad are moored while in the United States. Although Customs inspectors are present when the ship arrives so as to clear passengers' baggage and cargo, there is no guard police force to ensure that narcotics hidden on board are not removed after the inspectors depart.

Nor are there adequate personnel of this type to search ships to discover hidden narcotics, or to meet and search arriving aircraft. Moreover, cargo unloaded from ships and aircraft may be opened and pilfered readily and concealed narcotics may be surreptitiously withdrawn, with little fear of apprehension by a Customs official.

#### Cargo Theft

Closely associated with the interdiction of narcotics is the prevention of theft and pilferage from imported cargo in general. Not only does

such theft and pilferage represent a major economic loss to the Nation, but when such thefts occur, there is one more avenue through which narcotics may be introduced. Thus, it is possible for the narcotic smuggler to ship narcotics commercially, described as harmless cargo, and steal it after its arrival before entry is made. Thus, the shipment never comes before the scrutiny of a Customs inspector or import specialist who could detect the true nature of the shipment. Here, the savings to the commerce of the United States would more than pay for this improvement in drug interdiction. The personnel requested are required to develop standards of security, and to promote and monitor private industry programs in this important area.

#### Investigations

These increases in inspectional and patrolling operations will multiply Customs' requirements for investigative activity--to pursue intelligence leads, exploit apprehended couriers, analyze raw intelligence inputs into profiles and modus operandi, develop conspiracy cases, collect evidence to support successful prosecutions, and make arrests.

The development of informant resources regarding suspected private aircraft and boat smuggling is particularly critical and promises high returns in seizures and arrests for the effort invested. Most essential and productive of all Customs' anti-narcotic activities is the gathering of drug-smuggling conspiracy intelligence abroad. Treasury plans a major increase in its representation in foreign countries for this purpose.

#### Summary

Accordingly, the Treasury program proposes a major strengthening of Customs' measures tested and proved during the recent intensified enforcement operations and the acquisition of modest amounts of additional, more sophisticated supporting equipment.

These additional resource requirements are outlined in detail as follows:

	<u>Positions</u>	<u>Average Positions</u>	<u>Amount</u>	<u>Exhibit</u>
I. Additional Investigative Staff				
A. Intelligence gathering evaluation, etc.....	75	19	\$ 810	A
B. Domestic investigations.....	105	26	1,100	B
C. Reimburse Treasury Law Enforcement School.....	-	-	200	
Total Investigative Staff	<u>180</u>	<u>45</u>	<u>2,110</u>	
II. Additional Inspectional Personnel				
A. Increased inspection of military personnel, dependents, baggage, household effects and cargo...	114	32	600	C,D,E,F
B. Increased inspection of containerized cargo.....	150	39	684	G,H,I
C. Increased inspection of non-containerized cargo.....	29	7	150	J
D. Mobile blitz and increased secondary inspections.....	45	12	290	K
Total Inspectional Personnel	<u>338</u>	<u>90</u>	<u>1,724</u>	
III. Strengthen Patrol Force	<u>270</u>	<u>68</u>	<u>1,143</u>	L
IV. Major Equipment Additions with Associated Manpower				
A. Airborne detection and surveillance platform (Navy S2F)....	12	4	2,068	M
B. Detection systems for existing Customs aircraft.....	-	-	2,305	
C. Surplus surveillance helicopters	4	1	410	N
D. Additional high performance fixed wing aircraft.....	12	4	2,650	O
E. Portable ground-based MTI radar	12	4	1,600	P
F. Air strip multi-sensor system	20	5	450	Q
G. Special surveillance equipment for pursuit vessels.....	30	8	1,925	R
H. Additional radio communication	10	3	525	S
I. Technical investigative equip.	12	3	255	T
J. Research and development of improved capabilities to combat air intrusion by drug smugglers	-	-	500	
Total Major Equip. Additions	<u>112</u>	<u>32</u>	<u>12,688</u>	
V. Anti-theft and Pilferage Program	<u>100</u>	<u>25</u>	<u>335</u>	U
GRAND TOTALS	<u>1,000</u>	<u>260</u>	<u>\$ 18,000</u>	

These additional resource requirements are outlined as follows:

I. Additional Investigative Staff.

Customs Special Agents, to interdict the flow of narcotics into the United States, collect, evaluate, and disseminate intelligence concerning the smuggling of narcotics, conduct investigations of suspects, collect evidence necessary for the successful prosecution, and make arrests.

To increase enforcement effectiveness, additional Special Agents are needed to enlarge Customs intelligence-gathering process and to provide for additional investigative capacity. By experience, Customs has found that the most effective means to attack the higher echelon and commercial narcotic smuggler is to investigate properly all violations and suspected violations and, when possible, develop conspiracy cases. The development of conspiracy from substantive cases demands expertise and adequate resources.

Principal violators of smuggling organizations often insulate themselves from arrest and prosecution by using associates to perform the risky activities of introducing narcotics into the United States. Only through detailed investigation can entire smuggling organizations be identified and destroyed.

Furthermore, it can be anticipated that investigative requirements will proportionately increase with the increase in Customs Patrol Officers and inspection activities. The routine processing of simple substantive narcotic smuggling cases demands major investigative efforts to ensure maximum exploitation of intelligence and successful prosecution of detected violators.

During the past 10 months, the Bureau of Customs has seized approximately 850 pounds of heroin, 360 pounds of cocaine, and over 200,000 pounds of marihuana. Narcotic arrests are at an all-time high. Last fiscal year (1970), Customs received an increase of more than 300 Special Agents and additional enforcement equipment by supplemental appropriation,

and we attribute this increase in narcotic seizures and arrests to the added investigative capability, complemented by total resource utilization.

As yet, the increase in Customs Special Agents has not provided the ability to develop fully all smuggling information at hand. Narcotic smuggling by private aircraft and vessel continues to increase. The necessity to develop information regarding suspect private aircraft and vessels is mandatory if we are to cope with narcotic smuggling by this method.

An additional 117 Special Agents will provide the necessary capability to increase proportionately our narcotics seizures and arrests as has been demonstrated during the past 10 months; 39 for intelligence gathering, evaluation and dissemination, and 78 for domestic investigations, all with associate clerical assistance and administrative support. These agents will all be trained at the Treasury Law Enforcement Training School.

	<u>(Thousands)</u>
A. Intelligence Gathering, Evaluation and Dissemination, 75 positions, 19 man-years	\$ 810
B. Domestic Investigations, 105 positions, 26 man-years	1,100
C. Funds to be transferred to the Treasury Law Enforcement Training School for facilities and training	<u>200</u>
TOTAL ADDITIONAL INVESTIGATIVE STAFF for fiscal year 1972 - 180 positions, 45 man-years	<u>\$2,110</u>

## II. Additional Inspectional Personnel

A. Increased inspection of military personnel, dependents, baggage, household effects, and cargo.

The ready availability of narcotics to United States military personnel overseas, especially in Southeast Asia, coupled with the relatively high incidence of addiction among such personnel, demands an extremely intense inspection of everyone and everything returning

to the United States from overseas military areas. These personnel not only attempt to return supplies or drugs, but are also employed as couriers for commercial smuggling operations.

(Thousands)

1. To provide such intensified inspection of those persons and goods arriving at major military, naval, air and seaports of debarkation:	
55 positions (15 man-years)	\$ 270
2. To improve Customs supervision of military personnel designated to act as Customs inspectors where combat aircraft arrive directly from overseas and to improve liaison with local military commands:	
20 position (6 man-years)	125
3. Increased liaison with military at Washington level:	
2 positions (1 man-year)	13
4. Additional inspectors to provide regular service in lieu of overtime at major military air bases (will save the military \$1-2 million):	
37 positions (10 man-years)	192
SUBTOTALS - 114* positions (32 man-years)	\$ 600

B. Increased inspection of rail and containerized cargo so as to provide an effective deterrent to the use of this avenue for narcotics smuggling.

Approximately 60,000 containers of imported cargo arrive in the United States each month, and this number is increasing at the rate of nearly 50 percent per year. Containers are of all sizes, 20 feet, 35 feet, 40 feet, etc. For operational purposes, it has been found desirable to use a 1.6 factor to convert these miscellaneous sized containers to an equivalent 20-foot size. Thus, the 60,000 figure is

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\*The numbers of returning military personnel will be declining rapidly following FY 1972. Accordingly, these inspectional personnel when annualized for FY 1973, will be used in mobile blitzes and cargo inspection operations, which are included in this estimate for FY 1972 on an extremely austere basis.



### III Strengthened Patrol Force.

If the Bureau of Customs is to meet its anti-narcotic smuggling obligation, it is imperative that the Customs Agency Service develop a uniformed force of trained Customs Patrol Officers of sufficient strength to effectively carry out basic enforcement duties and functions at sea-ports, airports, and border crossings.

During the past 20 years, there has been a continual decline in Customs Patrol Officer strength. This has made the smuggling of narcotics and dangerous drugs far easier. Because of this lack of adequate patrol personnel, there are times when large East and West coast ports are uncovered and vulnerable to easy passage of drugs.

Vessels and aircraft and their crews must be kept under open or covert surveillance and searched with a degree of regularity and frequency in order to maintain an adequate deterrent to smuggling. An adequate force of Customs Patrol Officers can perform these basic enforcement functions of prevention and detection which are necessary to support an effective overall anti-narcotic smuggling program.

Security of Customs baggage enclosures at International airports is almost non-existent. This is an extremely serious defect because today's smuggler is often an extremely wary and intelligent person who will flee from a baggage inspection area at the slightest sign that his contraband is about to be discovered. Such an incident occurred as recently as April 1971, at a large International airport in the East when a smuggler of 20 pounds of hashish successfully eluded baggage examination because the shortage of Customs Patrol Officers made it impossible to provide proper security.

A well-organized and active Customs Patrol Officer force, during its regular patrol or search activities, will accumulate intelligence and information through daily association with persons employed at airports,

seaports, and border ports. This intelligence can be successfully exploited by proper investigation and will often lead to the interdiction of narcotic drugs.

With the existing Customs Patrol Officer force, it is virtually impossible to assemble enough manpower to conduct search of suspect vessels or aircraft. Thousands of vessels and aircraft enter each month without being searched even though in some cases intelligence discloses that these vessels and aircraft travel to and from foreign narcotic source countries.

"Prevention of smuggling" by having uniformed officers at the ports can be compared to "prevention of crime" in a large city by having uniformed police in adequate numbers on patrol. Detection of smuggling by trained Customs Patrol Officers has proven its value in the past. Many significant narcotic cases were originated solely by an alert Patrol Officer conducting a search and/or surveillance of a vessel, aircraft, or person arriving from a foreign country.

An additional 224 Customs Patrol Officers are required to establish an adequate enforcement base for the Customs Agency Service.

	<u>(Thousands)</u>
TOTAL, 270 positions ( 68 man years) -----	\$1,143

#### IV. Major Equipment Additions:

##### A. Airborne Detection and Surveillance Platforms (Navy S2F).

Our studies and evaluation of the air intrusion problem conducted in conjunction with military experts indicate that such platforms are essential if effective detection and surveillance is to be accomplished. In order to provide for such a capability in the fastest possible time-frame, we plan to acquire five (4) Navy S2F aircraft (Grumman Trackers), strip these of unwanted equipment, and install detection systems and sensors

required to detect and track aircraft and vessels used in drug smuggling operations.

	<u>(Thousands)</u>
Conversion of (4) S2F, @ \$80,000 ea	\$320
Radar Modification (4), @ \$120,000 ea	480
FLIR (4), @ \$160,000 ea	640
Beacon Tracking (4), @ \$50,000 ea	200
LLTV (Low-Light Level TV) (4), @ \$60,000 ea	240
Technical Maintenance \$50,000 ea, per annum, for 1 mo.	20
Aircraft Maintenance and Operation \$50,000 ea, per annum, for 1 mo.	20
12 Positions (4 man years)	<u>148</u>
SUBTOTAL -----	\$2,068

B. Detection Systems for Existing Customs Aircraft.

The existing Customs aircraft are equipped with only standard commercial navigation and communications gear. To be used as chase planes and to render them more effective in general surveillance work, they must be equipped with multiple sensors. These must be lighter, smaller and consume less power than the sensors in the surveillance platform described above and they will have a lesser capability. They are required in order to enable the chase plan to take a vector handoff and independently conduct the chase and apprehension operation.

	<u>(Thousands)</u>
FLIR w/video Rec. (6 @\$180 thousand)	\$1,080
Propeller Tracking Radar (10 @\$40 thousand)	400
Electronic Emission Tracker (10 @\$30 thousand)	300
Beacon Tracking System (10 @\$50 thousand)	500
Technical Maintenance \$230 thousand, per annum for 1 mo.	<u>25</u>
SUBTOTAL	\$2,305

C. Surplus Surveillance Helicopters

To conduct surveillances of vehicles in large metropolitan areas having highly congested vehicular traffic, where vehicular surveillance is either highly uncertain or impossible, helicopters have been proven to be the best enforcement tool available. Helicopters used independently or in conjunction with patrol-type watercraft are also used in the surveillance of vessels engaged in the smuggling of drugs. For maximum effectiveness of these operations, larger helicopters equipped with sensors and other detection devices are needed. The helicopters can be acquired from surplus without charge. However funds are needed for the special detection equipment and for operation and maintenance.

	<u>(Thousands)</u>
2 FLIR, with video recorder, @\$180,000 ea.	\$360
Operation and Maintenance, \$50,000 ea. per annum, for 1 month	10
4 Pilots (1 man-year)	<u>40</u>
SUBTOTAL	\$410

D. Additional High Performance Fixed Wing Aircraft

We require a limited number of aircraft having greater speed endurance, and performance than the chase planes now in Customs inventory. Smugglers are now using high performance aircraft which often outrun the chase planes we now operate. Our high performance aircraft must also be equipped with sensors and detection systems so that they can lock on independently pursue and apprehend suspect aircraft and boats which are detected by the airborne platform (S2F) or ground radar. We can obtain these aircraft from surplus without charge. However, funds for operation and maintenance and for the special detection equipment are required.

	<u>(Thousands)</u>
Sensors systems & detection equipment at \$500,000 each	\$2,500
Operation and maintenance - \$50,000 ea. per annum for 1 month	20
12 positions (4 man-years)	<u>130</u>
SUBTOTAL-----	\$2,650

E. Portable Ground-Based MTI Radar

Smugglers using aircraft have been taking advantage of lack of radar coverage of the border and have been flying low to avoid detection (by such military and FAA radars as do exist). With the latest version of MTI (Moving Target Indicator) radar, which is relatively light weight and less complicated to operate, we could fill specific gaps and vector chase planes to suspected intruding aircraft. As smugglers change their pattern of operations, this radar would be moved to new locations to anticipate new routes they might use.

	<u>(Thousands)</u>
3 Radar installations @ \$500,000 each	\$1,500
Operation & Maintenance, \$150,000 p.a. for 1 mo.	15
12 Positions (4 man-years)	<u>85</u>
SUBTOTAL-----	\$1,600

F. Air Strip Multi-Sensor System.

This system is comprised of multiple sensors, of the type developed by the Department of Defense for use in SEAsia, which will be secreted at landing strips and airfields, many isolated, which are habitually used by smugglers. The sensors will transmit by radio indications of landing aircraft to patrolling Customs aircraft which may be either a chase plane or the S2F. Particularly at night time, the Customs aircraft, though many miles distant, would receive this indication and enable our aircraft to inspect the landing strip and apprehend smugglers landing thereon.

	<u>(Thousands)</u>
1 Sensor System, @ \$250,000 each	\$250
Maintenance, \$25,000 per annum, for 1 mo.	2
20 Positions (5 man-years)	<u>198</u>
SUBTOTAL-----	\$450

G. Special Surveillance Equipment for Pursuit Vessels.

Smuggling by vessel, large and small, presents a critical surveillance problem. In the majority of our seaports today, the Bureau of Customs lacks the ability to conduct even the most simple type of water surveillance over vessels entering our ports. In one recent case in which five tons of marihuana were smuggled by boat from mid-Mexico to Northern California, it was necessary to utilize air and sea surveillance without benefit of sensors to successfully conclude the investigation. Current intelligence indicates that narcotic smuggling by private vessel is frequent and it can only be curtailed by the use of patrol-type vessels with sensor and tracking equipment.

	<u>(Thousands)</u>
5 Uniflite or Equivalent, @ \$80,000 each	\$ 400
11 Beacon Tracking, @ \$50,000	550
11 Sonobuoy Small Boat Detection System, @ \$20,000	220
11 LLTV, @ \$60,000 each	660
Maintenance and Operation	10
30 Positions (8 man-years)	<u>85</u>
SUBTOTAL-----	\$1,925

H. Additional Radio Communications.

As the enforcement tools, such as manpower, aircraft, and vessels of the Bureau of Customs are increased, the means to coordinate the activities of these resources become paramount. As the mobility of drug smugglers becomes greater by use of aircraft and other highly mobile means, the complexity of investigations is directly increased. To fully coordinate

all investigative and enforcement activities, coast-to-coast and border-to-border communications capabilities are essential.

	<u>(Thousands)</u>
2 Sectors, @ \$240,000 each	\$480
Maintenance, \$48,000 per annum	1
Land Line Costs (\$8,000 per annum, per sector)	2
10 Positions (3 man-years)	<u>42</u>
SUBTOTAL-----	\$525

I. Technical Equipment in Support of Investigations.

This consists of equipment required by law to be used in support of Title III matters, as well as optical imaging and photographic equipment, and systems used for marking and tracking of suspect vehicles and personnel.

	<u>(Thousands)</u>
Equipment to permit Tracking of personnel & vehicles	\$ 100
Maintenance, \$10,000 per annum	1
12 Positions (3 man years)	<u>154</u>
SUBTOTAL -----	\$ 255

J. Research and Development of Improved capabilities to combat air intrusion by drug smugglers.

	<u>(Thousands)</u>
1. <u>Radar System, Light Weight, Portable, with MTI and High Clutter Rejection</u> for use in both ground and air surveillance of propeller driven aircraft with ability to identify type of target aircraft, track same and reject other targets in field of view -----	\$ 80
2. <u>Thermal Imaging Device, Stabilized</u> for airborne detection of smuggler aircraft, vehicles, or vessels ---	130
3. <u>Acoustic Sensors and Detection Systems with Data Link</u> -----	80

4. High Resolution closed Circuit Tevelision, Low Light Level, with Microwave or Optical Video Link for use in surveillance operations under adverse conditions--

5. Beacon Transmitter, Concealable, Expendable and Self Powered for use in tracking aircraft, vehicles, vessels, or personnel----- 70

6. Mobile Test and Evaluation/Surveillance Platform.  
Disguised vehicle capable of housing electronic, acoustic and optical test and surveillance equipment. To be used in evaluation of research prototype devices prior to acceptance for field use. Also, to be used as a covert platform for operation of the more sophisticated electronic/optical surveillance equipment in direct support of important field operations----- 80

SUBTOTAL----- \$ 500

TOTAL MAJOR EQUIPMENT ADDITIONS (including associated manpower, maintenance and operating costs), for fiscal year 1972, 112 positions (32 man-years)----- \$12,688

V. Anti-theft and Pilferage.

Theft at our airports and seaports has reached major proportions. It has become big business for some organized underworld groups. It has also become one more avenue through which narcotics may be introduced into the United States. Our anti-theft and pilferage program is keyed to the interdiction of narcotics and to the prevention of theft from imported cargo.

	(Thousands)
TOTAL for anti-theft and pilferage for fiscal year 1972, 100 positions (25 man-years)	<u>\$335</u>
GRAND TOTAL Additional Resource Requirements for Bureau of Customs, Items I through V, above, for fiscal year 1972, 1,000 positions (260 man-years)-----	<u>\$18,000</u>

## Intelligence Agents

	<u>Number</u>	<u>Amount</u>
Criminal investigator, GS-12, \$15,040...	39	\$ 586,560
Special agent, GS-12, \$15,040.....	4	60,160
Special agent, GS-11, \$12,615.....	5	63,075
Special agent, GS-9, \$10,470.....	6	62,820
Aide, GS-5, \$6,938.....	4	27,752
Clerk, GS-4, \$6,202.....	11	68,222
Administrative support, GS-7, \$8,582...	6	51,492
Total salaries.....	<u>75</u>	<u>920,081</u>
Deduct recruitment lapse.....	-56	-687,081
Net salaries.....	<u>19</u>	<u>233,000</u>
1945 Overtime.....		4,000
Night differential.....		4,000
Agents' differential.....		28,000
Sunday differential.....		2,000
Total personnel compensation.....	<u>19</u>	<u>271,000</u>
Real estate costs.....		29,000
Retirement contributions.....		17,000
Life insurance.....		1,000
Health benefits.....		3,000
Total personnel benefits.....		<u>50,000</u>
Total personal services and benefits.....	<u>19</u>	<u>321,000</u>
Travel for training.....		115,000
Other travel.....		63,000
Transportation of things.....		23,000
Rents, communications and utilities.....		9,000
Space.....		22,000
Printing.....		2,000
Other services.....		9,000
Security investigations.....		31,000
Supplies.....		13,000
Capital assets:		
39 new autos.....		117,000
Badges and insignia.....		2,000
39 radios for cars.....		47,000
Desks and chairs.....		15,000
Typewriters.....		6,000
Calculators.....		1,000
Guns and holsters.....		5,000
Adding machines.....		1,000
Miscellaneous furniture and equipment...		8,000
Total capital assets.....		<u>202,000</u>
Grand Total.....	<u>19</u>	<u>\$ 810,000</u>

## Domestic Agents

	<u>Number</u>	<u>Amount</u>
Special agent, GS-15, \$24,251.....	2	\$ 48,502
Special agent, GS-14, \$20,815.....	5	104,075
Special agent, GS-13, \$17,761.....	8	142,088
Special agent, GS-9, \$10,470.....	63	659,610
Clerk, GS-6, \$7,727.....	2	15,454
Clerk, GS-5, \$6,938.....	5	34,690
Clerk, GS-4, \$6,202.....	11	68,222
Administrative support, GS-7, \$8,582.....	9	77,238
Total salaries.....	<u>105</u>	<u>1,149,879</u>
Deduct recruitment lapse.....	-79	-861,879
Net salaries.....	<u>26</u>	<u>288,000</u>
Agents' differential.....		52,000
Total personnel compensation.....	<u>26</u>	<u>340,000</u>
Alaska and Hawaii allowance.....		2,000
Real estate costs.....		48,000
Retirement contributions.....		20,000
Life insurance.....		1,000
Health benefits.....		5,000
Total personnel benefits.....		<u>76,000</u>
Total personal services and benefits.....	<u>26</u>	<u>416,000</u>
Travel for training.....		94,000
Other travel.....		78,000
Transportation of things.....		24,000
Rents, communications and utilities.....		13,000
Space.....		27,000
Printing.....		3,000
Other services.....		12,000
Security investigations.....		45,000
Supplies.....		6,000
Capital assets:		
78 new autos @ \$3,000.....		234,000
Badges and insignia.....		2,000
78 radios for cars @ \$1,200.....		94,000
Desks and chairs.....		20,000
Typewriters.....		10,000
Calculators.....		1,000
Guns and holsters.....		8,000
Adding machines.....		1,000
Other miscellaneous furniture and equip.....		12,000
Total capital assets.....		<u>382,000</u>
Grand Total.....	<u>26</u>	<u>1,100,000</u>

Increased Inspection of Military Passengers and Dependents,  
 Baggage, Household Effects and Cargo Arriving at Major  
 Military and Naval Air and Sea Ports of Debarcation.

	Number	Amount
Supv. Inspector, GS-11, \$12,615.....	4	\$ 50,460
Inspector Examiner, GS-11, \$12,615.....	8	100,920
Inspector, GS-7, \$8,582.....	38	326,116
Administrative support, GS-7, \$8,582.....	5	42,910
Total salaries.....	<u>55</u>	<u>520,406</u>
Deduct recruitment lapse.....	-40	-378,406
Net salaries.....	<u>15</u>	<u>142,000</u>
1945 Overtime.....		5,000
Night differential.....		4,000
Total personnel compensation.....	<u>15</u>	<u>151,000</u>
Alaska and Hawaii allowances.....		2,000
Uniform allowance.....		6,000
Retirement contributions.....		10,000
Life insurance.....		1,000
Health benefits.....		3,000
Total personnel benefits.....		<u>22,000</u>
Total personal services and benefits....	<u>15</u>	<u>173,000</u>
Travel for training.....		48,000
Other travel.....		4,000
Transportation of things.....		1,000
Rents, communications and utilities.....		2,000
Space.....		2,000
Printing.....		2,000
Other services.....		1,000
Security investigations.....		29,000
Supplies.....		1,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		2,000
Typewriters and calculators.....		2,000
Other miscellaneous furn. & equipment		2,000
Total capital assets.....		<u>7,000</u>
Grand Total.....	<u>15</u>	<u>\$270,000</u>

Increased Supervision of Military Personnel designated as Acting Customs Inspectors at Military Bases in the United States where Military Combat Aircraft arrive direct, and Liaison with Local Military Commands

	<u>Number</u>	<u>Amount</u>
Supv. inspector, GS-11, \$12,615.....	18	\$227,070
Administrative support, GS-7, \$8,582.....	2	17,164
Total salaries.....	<u>20</u>	<u>244,134</u>
Deduct recruitment lapse.....	-14	-172,134
Net salaries.....	<u>6</u>	<u>72,000</u>
1945 Overtime.....		2,000
Total personnel compensation.....		<u>74,000</u>
Alaska and Hawaii allowance.....		1,000
Uniform allowance.....		3,000
Retirement contributions.....		5,000
Group Life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>11,000</u>
Total personal services and benefits....	<u>6</u>	<u>85,000</u>
Travel for training.....		17,000
Other travel.....		1,000
Transportation of things.....		1,000
Rents, communications and utilities.....		1,000
Space.....		2,000
Printing.....		1,000
Other services.....		1,000
Security investigations.....		11,000
Supplies.....		1,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		1,000
Typewriters and calculators.....		1,000
Misc. furniture and equipment.....		1,000
Total capital assets.....		<u>4,000</u>
Grand Total.....	<u>6</u>	<u>\$125,000</u>

Increased Liaison with Military at Washington Level

	<u>Number</u>	<u>Amount</u>
Operations officer, GS-14, \$20,815.....	2	\$41,630
Deduct recruitment lapse.....	-1	-31,630
Net salaries.....	<u>1</u>	<u>10,000</u>
Retirement contributions.....		1,000
Total personnel benefits.....		1,000
Total personal services and benefits....		<u>11,000</u>
Travel.....		1,000
Capital assets:		
Desks and chairs.....		1,000
Grand Total.....	<u>1</u>	<u>\$13,000</u>

Reduce Reimbursable 1911 Overtime Services  
by Increasing tours of duty

	<u>Number</u>	<u>Amount</u>
Inspector, GS-10, \$11,517.....	3	\$ 34,551
Inspector, GS 7, \$8,582.....	31	266,042
Admin. support, GS-7, \$8,582.....	3	25,746
Total salaries.....	<u>37</u>	<u>326,339</u>
Deduct recruitment lapse.....	-27	-231,339
Net salaries.....	<u>10</u>	<u>95,000</u>
1945 Overtime.....		2,000
Night differential.....		4,000
Total personnel compensation.....	<u>10</u>	<u>101,000</u>
Alaska and Hawaii allowance.....		1,000
Uniform allowance.....		5,000
Retirement contributions.....		7,000
Group life insurance.....		1,000
Health benefits.....		2,000
Total personnel benefits.....		<u>16,000</u>
Total personal services and benefits... ..	<u>10</u>	<u>117,000</u>
Travel for training.....		33,000
Other travel.....		2,000
Transportation of things.....		2,000
Rents, communications and utilities.....		2,000
Space.....		3,000
Printing.....		3,000
Other services.....		2,000
Security investigations.....		20,000
Supplies.....		2,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		2,000
Typewriters and calculators.....		2,000
Adding machines.....		-
Other miscellaneous furniture and equip.....		1,000
Total capital assets.....		<u>6,000</u>
Grand total.....	<u>10</u>	<u>\$192,000</u>

Personnel Required to Raise Level of Inspection of  
Containerized Cargo to an Acceptable Level of Deterrence in  
Large Cities not having Customs Offices

	<u>Number</u>	<u>Amount</u>
Supv. Inspector, GS-11, \$12,615.....	5	\$ 63,075
Inspector Examiner, GS-11, \$12,615.....	8	100,920
Inspector, GS-7, \$8,582.....	42	360,444
Administrative support, GS-7, \$8,582.....	7	60,074
Clerks, GS-5, \$6,938.....	13	90,194
Total salaries.....	<u>75</u>	<u>674,707</u>
Deduct recruitment lapse.....	-56	-500,707
Net salaries.....	<u>19</u>	<u>174,000</u>
1945 Overtime.....		3,000
Total personnel compensation.....		<u>177,000</u>
Uniform allowance.....		7,000
Real estate costs.....		3,000
Retirement contributions.....		12,000
Life insurance.....		1,000
Health benefits.....		3,000
Total personnel benefits.....		<u>26,000</u>
Total personal services and benefits.....	<u>19</u>	<u>203,000</u>
Travel for training.....		53,000
Other travel.....		2,000
Transportation of things.....		1,000
Rents, communications and utilities.....		4,000
Space.....		15,000
Printing.....		3,000
Other services.....		2,000
Security investigations.....		32,000
Supplies.....		3,000
Capital assets:		
Badges and insignia.....		2,000
Desks and chairs.....		3,000
Typewriters.....		4,000
Calculators.....		4,000
Adding machines.....		2,000
Other misc. furniture and equipment ...		2,000
Total capital assets.....		<u>17,000</u>
Grand Total.....	<u>19</u>	<u>\$335,000</u>

Personnel Required to Raise Level of Inspection of  
Containerized Cargo to an Acceptable Level of Deterrence  
at Major Ports of Arrival

	<u>Number</u>	<u>Amount</u>
Supv. Inspector, GS-11, \$12,615.....	3	\$ 37,845
Inspector Examiner, GS-11, \$12,615.....	6	75,690
Inspector, GS-7, \$8,582.....	24	205,968
Administrative support, GS-7, \$8,582.....	4	34,328
Clerks, GS-5, \$6,938.....	8	55,504
Total salaries.....	45	<u>409,335</u>
Deduct recruitment lapse.....	-34	301,335
Net salaries.....	<u>12</u>	<u>108,000</u>
1945 Overtime.....		2,000
Total personnel compensation.....		<u>110,000</u>
Uniform allowance.....		4,000
Real estate costs.....		2,000
Retirement contributions.....		8,000
Life insurance.....		1,000
Health benefits.....		2,000
Total personnel benefits.....		<u>17,000</u>
Total personal services and benefits.....	<u>12</u>	<u>127,000</u>
Travel for training.....		29,000
Other travel.....		1,000
Transportation of things.....		1,000
Rents, communications and utilities.....		2,000
Space.....		10,000
Printing.....		2,000
Other services.....		2,000
Security investigations.....		18,000
Supplies.....		2,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		3,000
Typewriters.....		2,000
Calculators.....		2,000
Adding machines.....		1,000
Other misc. furniture and equipment ...		2,000
Total capital assets.....		<u>11,000</u>
Grand Total.....	<u>12</u>	<u>\$205,000</u>

Personnel Required to Raise Level of Inspection of  
Containerized Cargo to an Acceptable Level of Deterrence  
at Importers Premises

	<u>Number</u>	<u>Amount</u>
Supv. Inspector, GS-11, \$12,615.....	2	\$ 25,230
Inspector Examiner, GS-11, \$12,615.....	5	63,075
Inspector, GS-7, \$8,582.....	20	171,640
Administrative support, GS-7, \$8,582.....	3	25,746
Total salaries.....	<u>30</u>	<u>285,691</u>
Deduct recruitment lapse.....	-22	-209,691
Net salaries.....	<u>8</u>	<u>76,000</u>
1945 Overtime.....		1,000
Total personnel compensation.....		<u>77,000</u>
Uniform allowance.....		4,000
Real estate costs.....		2,000
Retirement contributions.....		5,000
Life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>13,000</u>
Total personal services and benefits.....	<u>8</u>	<u>90,000</u>
Travel for training.....		25,000
Other travel.....		1,000
Transportation of things.....		1,000
Rents, communications and utilities.....		1,000
Space.....		2,000
Printing and reproduction.....		2,000
Other services.....		1,000
Security investigations.....		16,000
Supplies.....		1,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		1,000
Typewriters.....		1,000
Calculators.....		1,000
Total capital assets.....		<u>4,000</u>
Grand Total.....	<u>8</u>	<u>\$144,000</u>

Increased Inspections of Noncontainerized Cargo at  
Seaports and Airports

	<u>Number</u>	<u>Amount</u>
Inspectors, Supv., GS-11, \$12,615.....	2	\$ 25,230
Inspectors, Exam., GS-11, \$12,615.....	4	50,460
Inspectors, GS-7, \$8,582.....	20	171,640
Administrative support, GS-7, \$8,582.....	3	25,746
Total salaries.....	<u>29</u>	<u>273,076</u>
Deduct recruitment lapse.....	-22	-201,076
Net salaries.....	<u>7</u>	<u>72,000</u>
1945 Overtime.....		2,000
Total personnel compensation.....	7	<u>74,000</u>
Alaska and Hawaii allowance.....		1,000
Uniform allowance.....		4,000
Real estate costs.....		3,000
Retirement contributions.....		5,000
Life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>15,000</u>
Total personal services and benefits....	<u>7</u>	<u>89,000</u>
Travel for training.....		25,000
Other travel.....		2,000
Transportation of things.....		2,000
Rents, communications and utilities.....		2,000
Space.....		2,000
Printing.....		2,000
Other services.....		2,000
Security investigations.....		15,000
Supplies.....		2,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		2,000
Typewriters.....		1,000
Calculators.....		1,000
Adding machines.....		1,000
Miscellaneous furniture and equipment...		1,000
Total capital assets.....		<u>7,000</u>
Grand Total.....	<u>7</u>	<u>\$150,000</u>

## Mobile Blitz and Secondary Examinations

	<u>Number</u>	<u>Amount</u>
Inspectors, GS-10, \$11,517.....	4	\$ 46,068
Inspectors, GS-7, \$8,582.....	37	317,534
Administrative support, GS-7, \$8,582.....	4	34,328
Total salaries.....	<u>45</u>	<u>397,930</u>
Deduct recruitment lapse.....	-34	-289,930
Net salaries.....	<u>12</u>	<u>108,000</u>
1945 Overtime.....		1,000
Night differential.....		4,000
Non-reimbursable overtime, 1944.....		42,000
Total personnel compensation.....		<u>155,000</u>
Uniform allowance.....		5,000
Real estate.....		7,000
Retirement contributions.....		8,000
Life insurance.....		1,000
Health benefits.....		2,000
Total personnel benefits.....		<u>23,000</u>
Total personal services and benefits....	<u>12</u>	<u>178,000</u>
Travel for training.....		39,000
Other travel.....		27,000
Transportation of things.....		4,000
Rents, communications & utilities.....		2,000
Space.....		5,000
Printing.....		1,000
Other services.....		2,000
CSC security investigations.....		24,000
Supplies.....		1,000
Capital assets:		
Badges and insignia.....		1,000
Desks and chairs.....		2,000
Typewriters.....		1,000
Calculators.....		1,000
Other misc. furniture and equipment....		2,000
Total capital assets.....		<u>7,000</u>
Grand Total.....	<u>12</u>	<u>\$290,000</u>

## Customs Patrol Officers

	<u>Number</u>	<u>Amount</u>
CPO's GS-11, \$12,615.....	19	\$ 239,685
CPO's GS-5, \$6,938.....	205	1,422,290
Clerks, GS-4, \$6,202.....	23	142,646
Administrative support, GS-7, \$8,582.....	23	197,386
Total salaries.....	<u>270</u>	<u>2,002,007</u>
Deduct recruitment lapse.....	-202	-1,501,007
Net salaries.....	<u>68</u>	<u>501,000</u>
1945 Overtime.....		10,000
Night differential.....		17,000
Sunday differential.....		17,000
Total personnel compensation.....	<u>68</u>	<u>545,000</u>
Alaska and Hawaii allowance.....		1,000
Uniform allowance.....		28,000
Retirement contributions.....		35,000
Life insurance.....		2,000
Health benefits.....		11,000
Total personnel benefits.....	<u>—</u>	<u>77,000</u>
Total personnel services and ben... ..	<u>68</u>	<u>622,000</u>
Travel for training.....		202,000
Transportation of things.....		1,000
Rents, comm. and utilities.....		6,000
Space.....		60,000
Printing.....		2,000
Other services.....		8,000
CSC security investigations.....		129,000
Supplies.....		9,000
Capital assets:		
12 new autos.....		32,000
Badges and insignia.....		5,000
12 radios for cars.....		14,000
Desks and chairs.....		15,000
Typewriters.....		5,000
Calculators.....		1,000
Guns and holsters.....		23,000
Other misc. furn. and equipment		9,000
Total capital assets.....		<u>104,000</u>
Grand Total.....	<u>68</u>	<u>\$1,143,000</u>

## Airborne Detection and Surveillance Platforms

	<u>Number</u>	<u>Amount</u>
Criminal investigators, GS-12, \$15,040....	12	\$ 180,480
Deduct recruitment lapse.....	-8	-118,480
Net salaries.....	<u>4</u>	<u>62,000</u>
Agents' differential.....		12,000
Sunday differential.....		2,000
Total personnel compensation.....	4	<u>76,000</u>
Real estate costs.....		6,000
Retirement contributions.....		4,000
Life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>12,000</u>
Total personal services and benefits.....	<u>4</u>	<u>88,000</u>
Travel for training.....		36,000
Transportation of things.....		4,000
Rents, communications and utilities.....		2,000
Space.....		3,000
Maintenance and operation of aircraft \$50,000 ea p/a, for 1 month.....		20,000
Technical maintenance \$50,000 p/a ea. for 1 mo.		20,000
Conversion of (4) S2F @ \$80,000 each.....		320,000
Other services.....		5,000
Security investigations.....		7,000
Supplies.....		3,000
Capital assets:		
FLIR (4) @ \$160,000 each.....		640,000
Beacon tracking (4) @ \$50,000 each.....		200,000
Radar modifications (4) @ \$120,000 each..		480,000
LLTV (low-light level TV) (4) @ \$60,000 ea.		240,000
Total capital assets.....		<u>1,560,000</u>
Grand Total.....	<u>4</u>	<u>\$2,068,000</u>

## Pilots and Special Equipment for Surplus Surveillance Helicopters

	<u>Number</u>	<u>Amount</u>
Criminal investigator (pilot), GS-12, \$15,040	4	\$ 60,160
Deduct recruitment lapse.....	<u>-3</u>	<u>-45,160</u>
Net salaries.....	1	15,000
Agents' differential.....		3,000
Sunday differential.....		1,000
Total personnel compensation.....		<u>19,000</u>
Real estate costs.....		1,000
Retirement contributions.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>3,000</u>
Total personal services and benefits.....	<u>1</u>	<u>22,000</u>
Travel for training.....		7,000
Transportation of things.....		1,000
Rents, communications and utilities.....		1,000
Space.....		1,000
Maintenance and operation @ \$50,000 p/a each - 1 month.....		10,000
Other services.....		2,000
Security investigations.....		3,000
Supplies.....		1,000
Capital assets:		
2 FLIR with vidio recorder @ \$180,000		360,000
Other miscellaneous equipment & furn.		2,000
Total capital assets.....		<u>362,000</u>
Grand Total.....	<u>1</u>	<u>\$410,000</u>

## Additional High Performance Fixed Wing Aircraft

	<u>Number</u>	<u>Amount</u>
Criminal investigator (Pilot), GS-12, \$15,040..	12	\$ 180,480
Deduct recruitment lapse.....	<u>-8</u>	<u>-120,480</u>
Net salaries.....	4	60,000
Agents' differential.....		12,000
Sunday differential.....		1,000
Total personnel compensation.....		<u>73,000</u>
Real estate costs.....		2,000
Retirement contributions.....		4,000
Health benefits.....		1,000
Total personnel benefits.....		<u>7,000</u>
Total personal services and benefits.....	<u>4</u>	<u>80,000</u>
Travel for training.....		30,000
Transportation of things.....		2,000
Rents, communications and utilities.....		1,000
Space.....		2,000
Maintenance and operation \$50,000 p/a each - 1 month.....		20,000
Other services.....		3,000
Security investigations.....		7,000
Supplies.....		3,000
Capital assets:		
5 sensor systems and detection equipment @ \$500,000.....		2,500,000
Miscellaneous equipment.....		2,000
Total capital assets.....		<u>2,502,000</u>
Grand Total.....	<u>4</u>	<u>\$2,650,000</u>

## Portable Ground-based MTI Radar

	<u>Number</u>	<u>Amount</u>
Radar operators, GS-12, \$15,040.....	12	\$ 180,480
Deduct recruitment lapse.....	-8	-126,480
Net salaries.....	<u>4</u>	<u>54,000</u>
1945 Overtime.....		3,000
Sunday differential.....		1,000
Total personnel compensation.....		<u>58,000</u>
Retirement contributions.....		4,000
Group life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>6,000</u>
Total personal services and benefits....		<u>64,000</u>
Travel.....		10,000
Rents, communications and utilities....		1,000
Maintenance and operation, \$150,000 p/a for 1 month.....		15,000
Other services.....		1,000
Security investigations.....		7,000
Supplies.....		1,000
Capital assets:		
3 radar installations @ \$500,000 each..		1,500,000
Miscellaneous equipment.....		1,000
Total capital assets.....		<u>1,501,000</u>
Grand Total.....	<u>4</u>	<u>\$1,600,000</u>

## Air Strip Multi-Sensor System

	<u>Number</u>	<u>Amount</u>
Criminal investigator, GS-12, \$15,040.....	20	\$ 300,800
Deduct recruitment lapse.....	-15	-224,800
Net salaries.....	<u>5</u>	<u>76,000</u>
Agents' differential.....		15,000
Sunday differential.....		2,000
Total personnel compensation.....		<u>93,000</u>
Real estate costs.....		5,000
Retirement contributions.....		6,000
Life insurance.....		1,000
Health benefits.....		1,000
Total personnel benefits.....		<u>13,000</u>
Total personal services and benefits.....	<u>5</u>	<u>106,000</u>
Travel for training.....		60,000
Transportation of things.....		4,000
Rents, communications and utilities.....		2,000
Space.....		4,000
Maintenance, \$25,000 p/a for 1 month....		2,000
Other services.....		8,000
Security investigations.....		12,000
Supplies.....		2,000
Capital assets:		
1 Sensor system.....		250,000
Grand Total.....	<u>5</u>	<u>\$ 450,000</u>

## Special Surveillance Equipment for Pursuit Vessels

	<u>Number</u>	<u>Amount</u>
Boat handlers, GS-11, \$12,615.....	7	\$ 88,305
Boat handlers, GS-5, \$6,938.....	20	138,760
Administrative support, GS-7, \$8,582.....	3	25,746
Total salaries.....	<u>30</u>	<u>252,811</u>
Deduct recruitment lapse.....	-22	-186,811
Net salaries.....	<u>8</u>	<u>66,000</u>
Sunday differential.....		1,000
Total personnel compensation.....		<u>67,000</u>
Retirement contributions.....		5,000
Life insurance.....		1,000
Health benefits.....		2,000
Total personnel benefits.....		<u>8,000</u>
Total personal services and benefits.....	8	<u>75,000</u>
Travel.....		2,000
Rents, communications and utilities.....		1,000
Maintenance and operation.....		10,000
Other services.....		1,000
Security investigations.....		4,000
Supplies.....		1,000
Capital assets:		
11 Beacon tracking @ \$50,000 each.....		550,000
11 Sonobuoy small boat with detection system @ \$20,000.....		220,000
11 LLTV @ \$60,000.....		660,000
5 Uniflite or equivalent @ \$80,000.....		400,000
Miscellaneous furniture and equipment..		1,000
Total capital assets.....		<u>1,831,000</u>
Grand Total.....	<u>8</u>	<u>\$1,925,000</u>

## Additional Radio Communications

	<u>Number</u>	<u>Amount</u>
Maintenance personnel, GS-9, \$10,470	10	\$104,700
Deduct recruitment lapse.....	-7	-70,700
Net salaries.....	<u>3</u>	<u>34,000</u>
Sunday differential.....		1,000
Total personnel compensation.....	3	<u>35,000</u>
Retirement contributions.....		2,000
Health benefits.....		1,000
Total personnel benefits.....		<u>3,000</u>
Total personal services and benefits..	3	<u>38,000</u>
Maintenance @ \$ 48,000 p/a - 1 mo.		2,000
Other services.....		1,000
Supplies.....		1,000
Capital assets:		
2 Sectors, @ \$240,000 each.....		480,000
Land line costs(\$8,000 p/a, per sector)		2,000
Lockers and miscellaneous equipment		1,000
Total capital assets.....		<u>483,000</u>
Grand Total.....	<u>3</u>	<u>\$525,000</u>

## Technical Equipment in Support of Investigations

	<u>Number</u>	<u>Amount</u>
Criminal investigators, GS-12, \$15,040..	12	\$180,480
Deduct recruitment lapse.....	-9	-136,480
Net salaries.....	<u>3</u>	44,000
Agents' differential.....		8,000
Total personnel compensation.....	<u>3</u>	<u>52,000</u>
Real estate costs.....		7,000
Retirement contributions.....		3,000
Health benefits.....		1,000
Total personnel benefits.....		<u>11,000</u>
Total personal services and benefits...	<u>3</u>	<u>63,000</u>
Travel for training.....		23,000
Rents, communications and utilities....		1,000
Space.....		3,000
Maintenance.....		1,000
Other services.....		1,000
Security investigations.....		7,000
Supplies.....		1,000
Capital assets:		
12 new autos @ \$3,000.....		36,000
Badges and insignia.....		1,000
Radios for cars @ \$1,200.....		15,000
Desks and chairs.....		2,000
Tracking equipment.....		100,000
Other miscellaneous equipment.....		1,000
Total capital assets.....		<u>155,000</u>
Grand Total.....	<u><u>3</u></u>	<u><u>\$255,000</u></u>

## Anti-theft and Pilferage Program

	Number	Amount
Program management Officer, GS-15, \$24, 251	1	\$ 24, 251
Supv. Special Agent, GS-14, \$20, 815.....	1	20, 815
Operations officer, GS-14, \$20, 815.....	2	41, 630
Facilities management Officer, GS-14, \$20, 815	1	20, 815
Attorney, GS-14, \$20, 815.....	1	20, 815
Security Standards Officer, GS-13, \$17, 761..	1	17, 761
Operations Officer, GS-13, \$17, 761.....	9	159, 849
Attorney, GS-12, \$15, 040.....	1	15, 040
Inspector, Supv., GS-11, \$12, 615.....	2	25, 230
Inspector, GS-7, \$8, 582.....	17	145, 894
Customs aides, GS-7, \$8, 582.....	52	446, 264
Administrative support, GS-7, \$8, 582.....	9	77, 238
Clerks, GS-5, \$6, 938.....	3	20, 814
Total salaries.....	100	1, 036, 416
Deduct recruitment lapse.....	-75	-828, 416
Net salaries.....	25	208, 000
1945 Overtime.....		4, 000
Agents' differential.....		3, 000
Total personnel compensation.....		215, 000
Alaska and Hawaii allowance.....		1, 000
Uniform allowance.....		2, 000
Retirement contributions.....		15, 000
Life insurance.....		1, 000
Health benefits.....		4, 000
Total personnel benefits.....		23, 000
Total personal services and benefits.....	25	238, 000
Travel for training.....		15, 000
Other travel.....		7, 000
Transportation of things.....		1, 000
Rents, communications and utilities.....		3, 000
Space.....		3, 000
Other services.....		1, 000
Security investigations.....		12, 000
Supplies.....		5, 000
Capital assets:		
9 autos @ \$2, 600.....		23, 000
Badges and insignia.....		1, 000
9 radios for cars @ \$1, 200.....		11, 000
Desks and chairs.....		5, 000
Typewriters.....		3, 000
Lockers.....		2, 000
Miscellaneous furniture and equipment... ..		5, 000
Total capital assets.....		50, 000
Grand Total.....	25	\$335, 000

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE

Heading	January budget request	Amendment previously proposed (H. Doc. 92-93)	Additional amendment proposed	Revised request
Compliance	\$761,795,000	\$39,216,000	\$7,500,000	\$808,511,000

(Delete the first paragraph under this heading and insert in lieu thereof the following:)

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities, and for investigation and enforcement activities, including purchase (not to exceed [two hundred and eight-tw] seven hundred and ninety-nine of which five hundred and ninety-five shall be for replacement only, for police-type use [without regard to the general purchase price limitation for the current fiscal year, but not in excess of \$800 per vehicle]) and hire of passenger motor vehicles; and hire of aircraft; and services of expert witnesses at such rates as may be determined by the Commissioner; [\$655,000,000]  
\$808,511,000.

(BUDGET APPENDIX PAGE 787)

COMPLIANCE  
Program and Financing (in thousands of dollars)

Identification code	Request pending	Proposed amendments	Revised request
15-45-0913-0-1-904			
<u>Program by activities:</u>			
1. Audit of tax returns .....	407,569	3,463	411,032
2. Collection of delinquent accounts and securing delinquent returns.	185,250	-	185,250
3. Tax fraud and special investigations .....	61,148	4,037	65,185
4. Alcohol, tobacco and firearms regulation and enforcement....	71,927	-	71,927
5. Taxpayer conferences and appeals .....	32,476	-	32,476
6. Technical rulings and services	17,058	-	17,058
7. Legal services.....	25,583	-	25,583
10 Total obligations .....	801,011	7,500	808,511
<u>Financing:</u>			
40 Budget authority .....	801,011	7,500	808,511
<u>Relation of obligations to outlays:</u>			
71 Obligations incurred, net .....	801,011	7,500	808,511
72 Obligated balance, start of year	41,567	-	41,567
74 Obligated balance, end of year (-) .....	-58,246	- 648	-58,894
90 Outlays	784,332	6,852	791,184

## OBJECT CLASSIFICATION (in thousands of dollars)

Identification code 15-45-0913-0-1-904	Request pending	Proposed amendments	Revised request
Personnel compensation:			
11.1 Permanent positions.....	632,981	2,750	635,731
11.3 Positions other than permanent.....	6,877	-	6,877
11.5 Other personnel compensation.....	8,536	720	9,256
11.8 Special personal services payments.....	622	-	622
Total personnel compensation.....	649,016	3,470	652,486
Personnel benefits:			
12.1 Civilian.....	57,986	242	58,228
21.0 Travel and transportation of persons.....	30,827	2,832	33,659
22.0 Transportation of things.....	3,156	109	3,265
23.0 Rent, communications, and utilities.....	22,972	148	23,120
24.0 Printing and reproduction.....	14,589	5	14,594
25.0 Other services.....	9,344	180	9,524
26.0 Supplies and materials.....	5,210	30	5,240
31.0 Equipment.....	7,795	484	8,279
42.0 Insurance claims and indemnities.....	116	-	116
99.0 Total obligations.....	801,011	7,500	808,511

## Personnel Summary

Identification code 15-45-0913-0-1-904	Request pending	Proposed amendments	Revised request
Total number of permanent positions .	49,479	541	50,020
Full-time equivalent of other positions	1,308	-	1,308
Average number of all employees . . .	48,385	251	48,636
Average GS grade . . . . .	9.2	-	9.2
Average GS salary . . . . .	\$ 13,357	\$ - 26	\$ 13,331
Average salary of ungraded positions .	\$ 8,161	-	\$ 8,161

Justification for Proposed 1972 Supplemental  
Appropriation Estimate - Intensified Tax  
Investigations of Major Narcotics Dealers

I. Statement of the Program

The proposal is to launch a systematic drive through the Internal Revenue Service in cooperation with other Federal, State and local law enforcement agencies against middle and upper echelon distributors and financiers involved in narcotics trafficking for possible civil and/or criminal violations of the Internal Revenue Code. This group which occupies a strategic position in the distribution system insulates itself from the daily operations of the drug traffic through a whole chain of intermediaries thus making it extremely difficult to connect them directly with the narcotics traffic, and making it difficult as well to indict under substantive narcotic statute violations. Because these individuals handle large amounts of cash, and in many instances are believed to live beyond their stated income means and engage in many financial operations, they would be most vulnerable to successful prosecution under the Internal Revenue Code. The Internal Revenue Service, through its regular programs, has already identified narcotics violators as a by-product of its war on the racketeer segments of society in this country. What, however, is needed now is an intensified systematic and national coordinated drive in this area. The purpose of this drive would be to seriously disrupt the narcotics distribution system not only by prosecuting those guilty of criminal tax violations, but also by reducing drastically the profits of the narcotics traffic by reaching previously unreported income.

Technique

This approach - the utilization of extensive Internal Revenue investigations where substantive violations have been difficult to prove - has been successfully demonstrated in the Organized Crime Drive and more recently by the Joint Strike Force activities. From January, 1970 to March, 1971, 46 major racketeers have been indicted and 14 have already been convicted of income tax violations as a result of intensive investigations by IRS Audit and Intelligence.

IRS has identified and is investigating approximately 1,125 major racketeers at the present time. These racketeers are involved in crimes ranging from political corruption to pornography, but are being investigated for and may be indicted or convicted on income tax violations.

## II. Present Partial Program

Currently, IRS has 132 investigations of alleged major narcotics dealers underway, of which 86 are preliminary and 46 full scale investigations. (Preliminary investigations are first made to determine whether a full scale investigation is warranted.) These involve the services of 86 special agents. In addition, there are 70 names of identified targets furnished by BNDD which have as yet not been assigned to special agents. In the period from July 1, 1969 to May 1, 1971, there were 25 cases of narcotics traffickers completed at the District office level, of which 18 have been prosecuted. In addition to criminal prosecution, additional taxes and penalties assessed on these 25 cases amounted to almost \$2 million, almost \$40,000 per case.

IRS has an experimental program in Baltimore, Maryland, where 432 narcotic traffickers were identified, most of which were lower echelon dealers. It was ascertained that 350 have not filed income tax returns in recent years. After screening, 20 of those who have been identified as the most significant traffickers have been selected for joint intensified investigations, such as those envisioned by this program. It is generally agreed by the Department of Justice, the Baltimore Strike Force, the BNDD and IRS District Intelligence offices that this approach to income tax enforcement, leveled at the middle echelon of violators, is one logical step in reaching the hierarchy of the narcotics distribution racket.

The present program suffers from the fact that as a result of inadequate resources, it is partial, not comprehensive, not concerted and not systematic.

## III. Proposed Nationwide Program

It is the minimal objective to have an on-going program subjecting 400 significant traffickers to full scale IRS investigation. The identification of

these traffickers will be made, at the Federal level, by the Bureau of Narcotics and Dangerous Drugs and the Bureau of Customs. In addition, special emphasis will be placed on obtaining contributions from State and local agencies. After identification, IRS would continue to maintain liaison with BNDD and the Bureau of Customs so as not to interfere with or duplicate any ongoing substantive narcotics and smuggling investigative activity. Once targets have been selected, two aspects of the investigation will be:

- (1) An immediate determination to find those who have not filed income tax returns; and
- (2) For those who have filed, investigations will be instituted to determine whether the reported income is accurately stated. These will generally be "net worth" or "cash flow" investigations which frequently are the most time consuming. It should be understood that the role of IRS is one of support not one of identifying the scope of the narcotics problem nor the identification of targets.

#### IV. Additional Resources Required

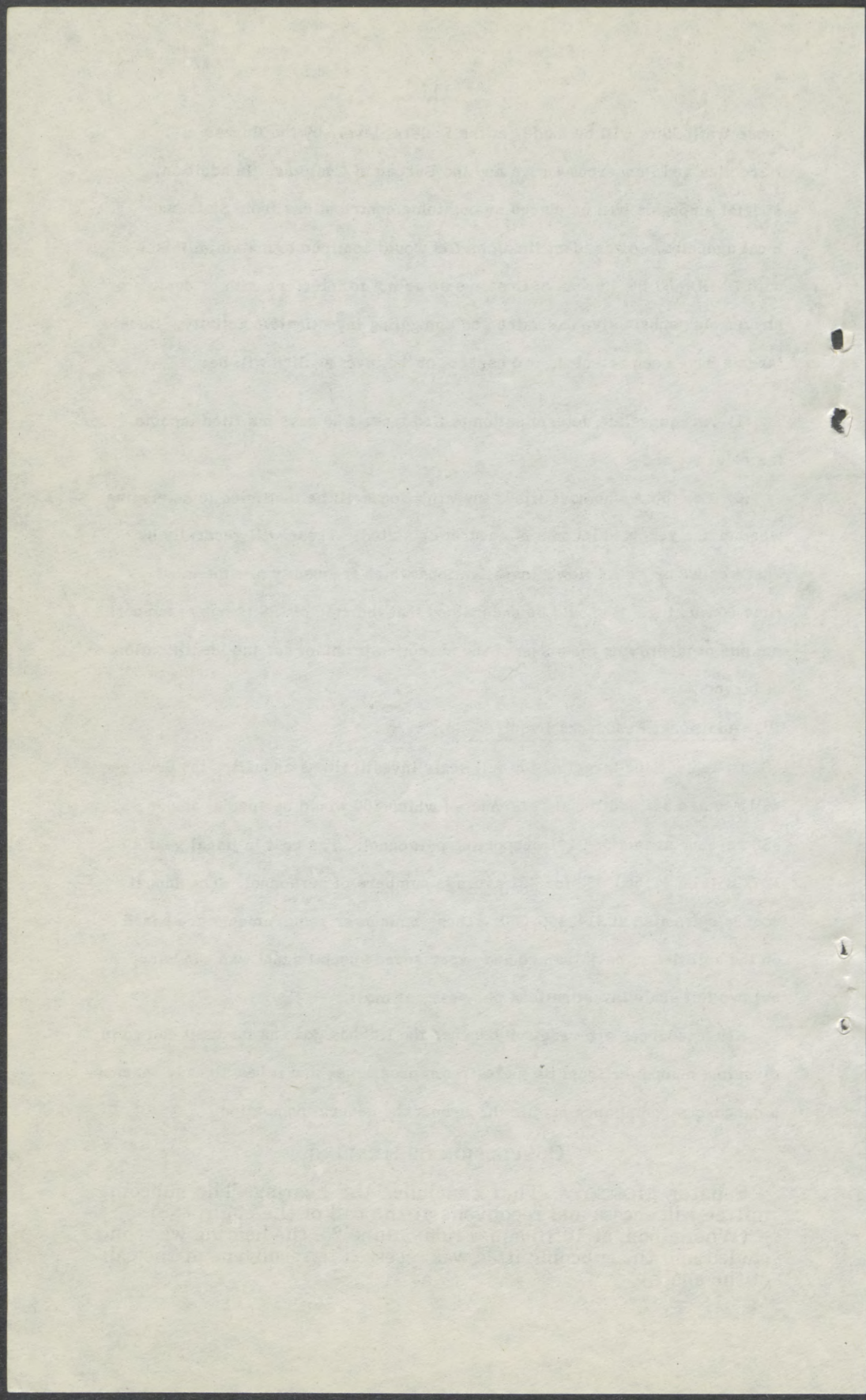
To achieve the target of 400 full scale investigations annually, the Service will require 541 additional personnel of which 200 would be special agents, 200 revenue agents and 141 supporting personnel. The cost in fiscal year 1972 will be \$7,500,000 for 251 average numbers of personnel. The annual cost is estimated at \$14,400,000. These manpower requirements are based on the abilities of each trained and experienced special agent who can carry out two full scale investigations per year, at most.

New resources are required because the IRS has gone as far as it can go in diverting manpower from its mainstream programs, and it has already reached a dangerous compliance profile throughout the general population.

#### CONCLUSION OF HEARING

Senator MONTROYA. That concludes the hearing. The subcommittee will recess and reconvene at the call of the chair.

(Whereupon, at 10:10 a.m. Friday, June 25, the hearing was concluded and the subcommittee was recessed to reconvene at the call of the chair.)



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