

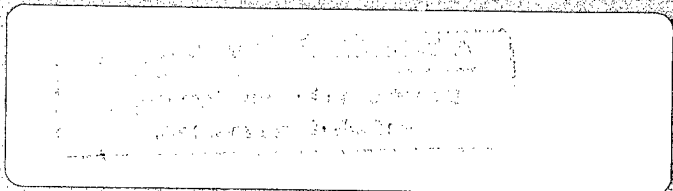


Report to the Chairman, Subcommittee
on National Security, International
Affairs, and Criminal Justice, Committee
on Government Reform and Oversight,
House of Representatives

February 1997

DRUG CONTROL

Long-Standing Problems Hinder U.S. International Efforts



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National Security and
International Affairs Division

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February 27, 1997

The Honorable J. Dennis Hastert
Chairman, Subcommittee on National Security,
International Affairs, and Criminal Justice
Committee on Government Reform and Oversight
House of Representatives

Dear Mr. Chairman:

Illegal drug use, particularly of cocaine and heroin, continues to be a serious health problem in the United States. Under the U.S. national drug control strategy, the United States has established domestic and international efforts to reduce the supply and demand for illegal drugs. Over the past 10 years, the United States has spent about \$20 billion on international drug control and interdiction efforts to reduce the illegal drug supply. At the request of the former chairman and your staff, this report summarizes the findings from our past work on international drug control and interdiction efforts and provides our overall observations on (1) the effectiveness of U.S. efforts to combat drug production and the movement of drugs into the United States, (2) obstacles to implementation of U.S. drug control efforts, and (3) suggestions to improve the operational effectiveness of the U.S. international drug control efforts. This report contains recommendations for the Director, Office of National Drug Control Policy (ONDCP), and matters for congressional consideration. (See the list of related GAO products at the end of this report.)

Background

The United States has developed a multifaceted drug control strategy intended to reduce the supply and demand for illegal drugs. The 1996 U.S. drug control strategy includes five goals: (1) motivate America's youth to reject illegal drugs and substance abuse; (2) increase the safety of U.S. citizens by substantially reducing drug-related crime and violence; (3) reduce health, welfare, and crime costs resulting from illegal drug use; (4) shield America's air, land, and sea frontiers from the drug threat; and (5) break foreign and domestic drug sources of supply.

The last two goals of the national drug control strategy are the primary emphasis of U.S. international drug control and interdiction efforts. These are aimed at assisting the source and transit nations¹ in their efforts to

¹The major source countries for coca and cocaine are Bolivia, Colombia, and Peru. The major source nations for opium are Burma, Pakistan, Afghanistan, Laos, Colombia, and Mexico. The major drug transit areas include Mexico, the eastern Pacific, the Caribbean, and the nations of Central America.

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(1) destroy major drug-trafficking organizations by, among other things, arresting, convicting, and incarcerating their leaders and seizing their drugs and assets; (2) reduce the supply of drugs through eradication, a reduction in drug crop cultivation, and other enforcement efforts; (3) increase the political will and capabilities of nations' institutions to fight drug-trafficking activities; and (4) make greater use of multilateral organizations to share the burdens and costs of international drug control efforts.

Federal drug control spending is categorized into four functional areas: demand reduction, domestic law enforcement, international, and interdiction. The latter two categories, funded at approximately \$400 million and \$1.4 billion, respectively, for fiscal year 1997, deal primarily with curbing the production of drugs in foreign nations and stopping the movement of drugs from the sources of production to the United States.

ONDCP is responsible for producing the national drug control strategy and coordinating its implementation with other federal agencies. Although ONDCP has authority to review various agencies' funding levels to ensure they meet the goals of the national strategy, it has no direct control over how these resources are used. Furthermore, although various federal agencies are involved in implementing the national drug control strategy, the following principal federal agencies are involved in implementing the international portion of the drug control strategy:

- The Department of State is the lead agency for coordinating all U.S. antidrug efforts overseas and also provides assistance for eradication and interdiction efforts to counterdrug organizations of foreign nations.
- The Department of Defense (DOD) assists both U.S. and foreign government law enforcement agencies by providing detection, monitoring, and tracking support; intelligence support; planning assistance; and communications, logistics, and training support.
- The Drug Enforcement Administration (DEA) is the principal federal agency responsible for coordinating drug enforcement intelligence gathering overseas, conducting law enforcement operations, and providing training to foreign government law enforcement personnel.

Other U.S. agencies involved in counternarcotics activities overseas include the U.S. Agency for International Development; the U.S. Coast Guard; the U.S. Customs Service; various U.S. intelligence organizations; other U.S. law enforcement agencies, including the U.S. Attorney's Office,

which directs the investigation and prosecution of federal drug cases against international narcotics traffickers and money launderers; and the Federal Bureau of Investigation (FBI), which assists and supports some international counternarcotics activities. (See app. I for information on the roles of these agencies.)

Results in Brief

Despite long-standing efforts and expenditures of billions of dollars, illegal drugs still flood the United States. We have reported on obstacles faced by the United States and host countries in their efforts to reduce illegal drug supplies. Although these efforts have resulted in some successes, including the arrest of traffickers and the eradication, seizure, and disruption in the transport of illegal drugs, they have not materially reduced the availability of drugs.

A key reason for U.S. counternarcotics programs' lack of success is that international drug-trafficking organizations have become sophisticated, multibillion-dollar industries that quickly adapt to new U.S. drug control efforts. As success is achieved in one area, the drug-trafficking organizations change tactics, thwarting U.S. efforts. Other significant, long-standing obstacles also impede U.S. and drug-producing and transit countries' drug control efforts. In the drug-producing and transit countries, counternarcotics efforts are constrained by competing economic and political policies, inadequate laws, limited resources and institutional capabilities, and internal problems such as terrorism and civil unrest. Moreover, drug traffickers are increasingly resourceful in corrupting the countries' institutions. U.S. efforts have been hampered by competing U.S. foreign policy objectives, organizational and operational limitations, difficulty in obtaining bilateral and multilateral support for U.S. drug control efforts, inconsistency in the funding for U.S. international drug control efforts, and the lack of ways to tell whether or how well counternarcotics efforts are contributing to the goals and objectives of the national drug control strategy, which results in an inability to prioritize the use of limited resources.

There is no panacea for resolving all of the problems associated with illegal drug trafficking. However, a multiyear plan that describes where, when, and how U.S. agencies intend to apply resources would provide a more consistent approach. This plan should include performance measures and long-term funding needs linked to the goals and objectives of the international drug control strategy. ONDCP should, at least annually, review the plan and make appropriate adjustments. With this multiyear

plan, program managers and policymakers can make more-informed decisions on prioritizing funding levels based on performance and results. Also, we believe improved use of intelligence and technology and the development of a centralized system of "lessons learned" could enhance counternarcotics efforts.

Illegal Drugs Remain Readily Available

Over the past 10 years, the U.S. agencies involved in counternarcotics efforts have attempted to reduce the supply and availability of illegal drugs in the United States through the implementation of the U.S. international drug control strategy. Although they have achieved some successes, the flow of cocaine, heroin, and other illegal drugs into the United States continues, and the availability of drugs and the cultivation of drug crops have not been reduced. In fact, between 1988 and 1995, illegal drug cultivation and drug-related activities have increased throughout South America, Mexico, the Caribbean, Southeast Asia, and other countries.

According to the August 1996 report of the National Narcotics Intelligence Consumers Committee,² cocaine and heroin were readily available in all major U.S. metropolitan areas during 1995. Since precise information is not available, U.S. agencies use data obtained through several surveys to measure drug availability and use. Fluctuations in drug price and purity levels are two yardsticks used by DEA to measure illegal drug availability. According to the DEA Administrator, a depressed price and elevated purity often signals an increased availability of a specific drug, on the other hand, increased price and declining purity indicates decreased availability of that drug. As shown in table 1 and figure 1, the price and purity of cocaine has remained relatively constant since 1988.

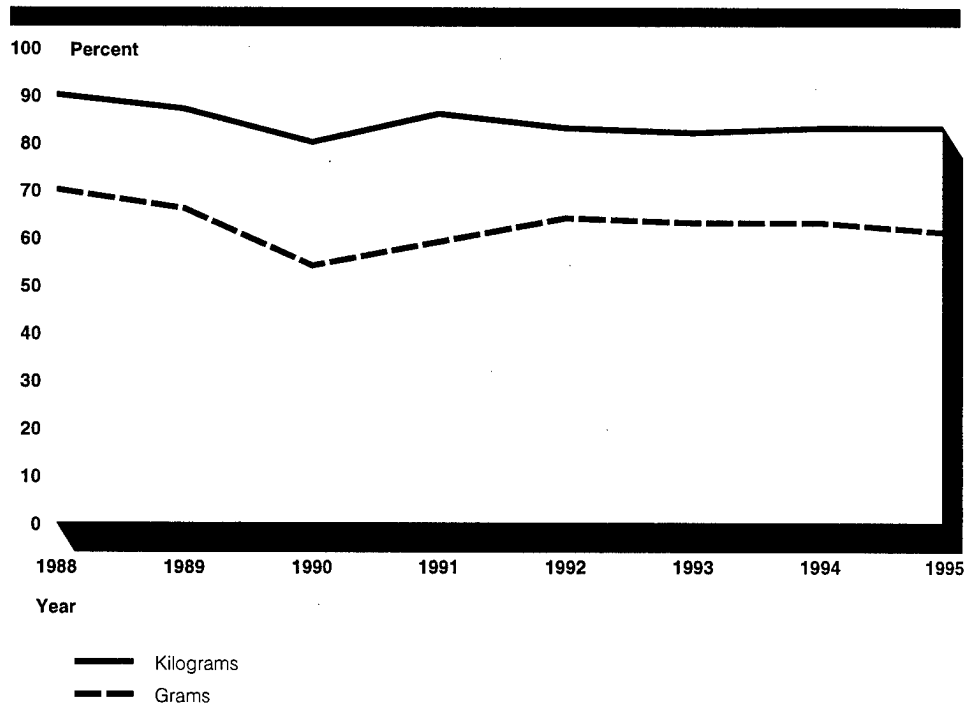
²The National Narcotics Intelligence Consumers Committee is a multiagency U.S. government panel that was established in 1978 to coordinate foreign and domestic collection, analysis, dissemination, and evaluation of drug-related intelligence.

Table 1: Average Retail Price for One Kilogram of Cocaine (1988-95)

Year	National price range
1988	\$11,000 - \$34,000
1989	\$11,000 - \$35,000
1990	\$11,000 - \$40,000
1991	\$11,000 - \$40,000
1992	\$11,000 - \$42,000
1993	\$10,500 - \$40,000
1994	\$10,500 - \$40,000
1995	\$10,500 - \$36,000

Source: DEA and the National Narcotics Intelligence Consumers Committee.

Figure 1: Average Cocaine Purity (1988-95)



Source: DEA.

DEA reports indicate that, like cocaine, the average price and purity of a kilogram of heroin has remained relatively constant since 1990. However,

the purity of lesser weights of heroin sold on the streets of the United States has more than doubled, while its average price has remained relatively constant during this period. (See app. II for additional information on the trends in the price and purity of heroin.)

Despite long-term efforts by the United States and many drug-producing countries to reduce cultivation, to eradicate crops, and to seize illicit drugs, the total net area of cultivation for coca leaf and opium poppy has increased. Between 1988 and 1995, about 56,000 hectares³ of coca plants were eradicated. However, while the areas under cultivation have fluctuated from year to year, farmers planted new coca faster than existing crops were eradicated. Thus, the net area under cultivation increased from 186,000 hectares to 214,800 hectares, or by about 15 percent. According to officials at the Department of State, initial information indicates that during 1996 significant reductions occurred in the amount of coca under cultivation in Peru. In addition, the amount of opium poppy under cultivation increased by over 46,000 hectares, or by about 25 percent between 1988 and 1995. (See table 2.)

Table 2: Changes in Area of Land Under Cultivation for Drug Crops From 1988 to 1995

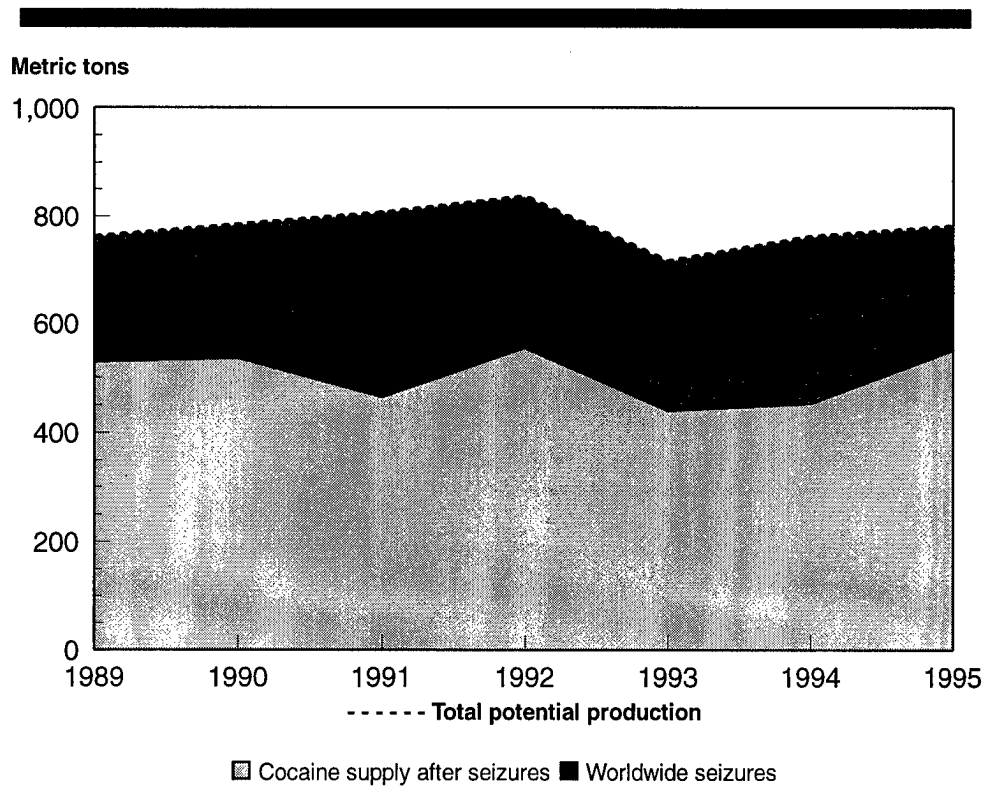
Crop cultivated	Area under cultivation		Net change in area cultivated (1988 to 1995)
	1988	1995	
Coca			
Bolivia	48,500	48,600	100
Colombia	27,000	50,900	23,900
Peru	110,500	115,300	4,800
All other countries	240	0	(240)
Total	186,240	214,800	28,560
Opium poppy			
Burma	104,200	154,070	49,870
Laos	40,400	19,650	(20,750)
Afghanistan	23,000	38,740	15,740
Mexico	5,001	5,050	49
All other countries	15,141	16,704	1,563
Total	187,742	234,214	46,472

Source: Department of State.

³One hectare equals 2.47 acres.

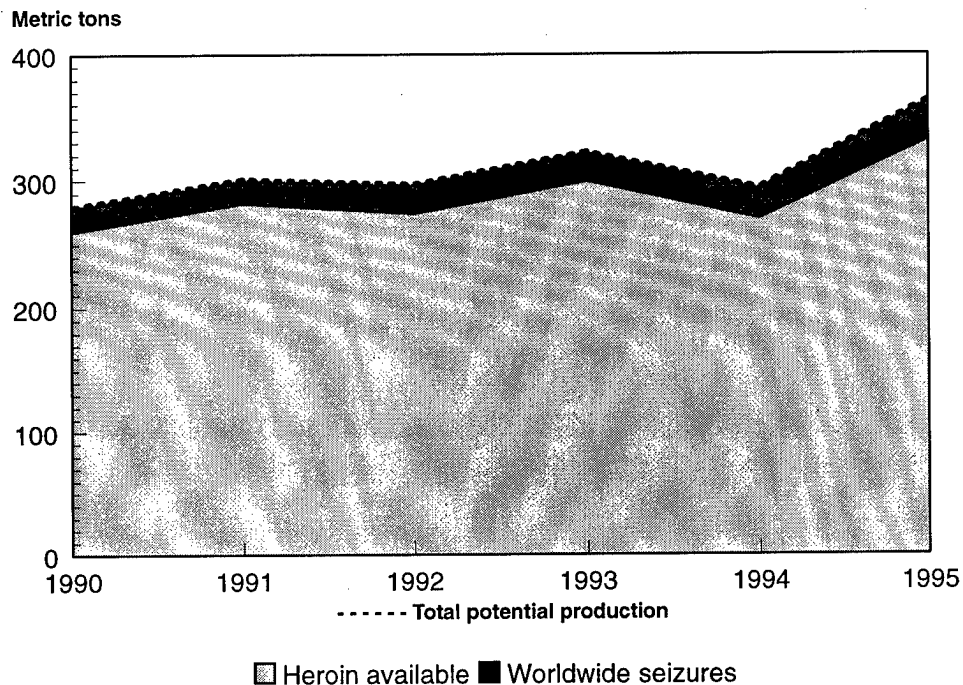
The amount of cocaine and heroin seized between 1990 and 1995 made little impact on the availability of illegal drugs in the United States and on the amount needed to satisfy the estimated U.S. demand. The August 1996 report by the National Narcotics Intelligence Consumers Committee estimates potential cocaine production at about 780 metric tons for 1995, of which about 230 metric tons were seized worldwide. The remaining amount was more than enough to meet U.S. demand, which is estimated at about 300 metric tons per year. Heroin production in 1995 was broadly estimated to be over 300 metric tons, while seizures were about 32 metric tons and U.S. demand was between 10 and 15 metric tons. (See figs. 2 and 3.)

Figure 2: Potential Cocaine Production, Seizures, and Availability (1989-95)



Source: National Narcotics Intelligence Consumers Committee.

Figure 3: Potential Heroin Production, Seizures, and Availability (1990-95)



Note: Accurate worldwide seizure data is unavailable for 1989.

Source: National Narcotics Intelligence Consumers Committee.

Drug-Trafficking Organizations Have Substantial Resources, Capabilities, and Operational Flexibility

A primary reason that U.S. and foreign governments' counternarcotics efforts are constrained is the growing power, influence, adaptability and capabilities of drug-trafficking organizations. Because of their enormous financial resources, power to corrupt counternarcotics personnel, and operational flexibility, drug-trafficking organizations are a formidable threat. In March 1996, the DEA Administrator testified that

"Drug trafficking organizations in Mexico have become so wealthy and so powerful over the years that they can rival legitimate governments for influence and control. They utilize their vast financial wealth to undermine government and commercial institutions. We have witnessed Colombia's struggle with this problem, and it (is) not unexpected that the same problems could very well develop in Mexico."⁴

⁴The Narcotics Threat to the United States Through Mexico—S.1547, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, March 28, 1996.

Despite some short-term achievements by U.S. and foreign government law enforcement agencies in disrupting the flow of illegal drugs into the United States, drug-trafficking organizations have continued to meet and exceed the demand of U.S. drug consumers.

Many extremely wealthy drug-trafficking organizations operate in some of the poorest countries in the world. The governments of these countries have few resources with which to counter the traffickers' activities. The widespread poverty within many source and transit countries makes government personnel, especially low-level law enforcement officials, especially susceptible to corruption.

According to U.S. agencies, drug-traffickers' organizations use their vast wealth to acquire and make use of expensive modern technology such as global positioning systems and cellular communications equipment. They use this technology to communicate and coordinate transportation as well as to monitor and report on the activities of government organizations involved in counterdrug activities. In some countries, the complexity and sophistication of their equipment exceed the capabilities of the foreign governments trying to stop them.

When confronted with threats to their activities, drug-trafficking organizations use a variety of techniques to quickly change their modes of operation, thus avoiding capture of their personnel and seizure of their illegal drugs. For example, when air interdiction efforts have proven successful, traffickers have increased their use of maritime and overland transportation routes. According to recent U.S. government reports, even after the capturing or killing of several drug cartel leaders in Colombia and Mexico, other leaders or organizations soon filled the void and adjusted their areas of operations.

Obstacles in Foreign Countries Impede U.S. Drug Control Efforts

The United States is largely dependent on the countries that are the source of drug production and transit points for trafficking-related activities to reduce the amount of coca and opium poppy being cultivated and to make the drug seizures, arrests, and prosecutions necessary to stop the production and movement of illegal drugs. While the United States can provide assistance and support for drug control efforts in these countries, the success of those efforts depends on their willingness and ability to combat the drug trade within their borders.

Like the United States, source and transit countries face long-standing obstacles that limit the effectiveness of their drug control efforts. These obstacles, many of which are interrelated, are competing economic, political, and cultural problems, including terrorism and internal unrest; corruption; and inadequate law enforcement resources and institutional capabilities. The extent to which the United States can affect many of these obstacles is minimal.

Drug Control Competes With Other Economic, Political, and Cultural Problems

The governments involved in drug eradication and control have other problems that compete for limited resources. As we reported in 1988, six drug-producing countries' efforts to curtail drug cultivation were constrained by political, economic, and/or cultural problems that far exceeded counternarcotics program managers' abilities to resolve. For example, these countries had ineffective central government control over drug cultivation areas, competing demands for scarce host nation resources, weak economies that enhanced financial incentives for drug cultivation, corrupt or intimidated law enforcement and judicial officials, and legal cultivation of drug crops and traditional use of drugs in some countries.⁵

Many of the source countries lack the political will necessary to reduce coca and opium poppy cultivation, partly because drug trafficking contributes to their economies. In Peru, for example, U.S. officials stated that it would not be feasible for the government of Peru to push hard for the eradication of coca leaf without a guarantee that the United States and other countries would support extensive, long-term economic development efforts because of the coca-growing farmers' potential influence in general elections. In 1996, we reported that part of the reason the Burmese government had done little to pursue counternarcotics initiatives was that it ceded control over key opium-producing regions of Burma to an insurgency group.⁶

Most of the countries where opium poppy and coca leaf are grown are very poor. In fact, both Bolivia and Peru are two of the poorest countries in the Western Hemisphere. Consequently, a cash crop like coca is vitally important in these regions, where legitimate business alternatives are few. According to a 1996 study, the cocaine industry added \$640 million to Peru's gross domestic product in 1993 and 4 percent to Bolivia's 1994

⁵Controlling Drug Abuse: A Status Report (GAO/GGD-88-39, Mar. 1, 1988).

⁶Drug Control: U.S. Heroin Program Encounters Many Obstacles in Southeast Asia (GAO/NSIAD-96-83, Mar. 1, 1996).

economy. U.S. Embassy officials in Peru reported that an estimated 200,000 farmers are involved in the coca industry, which represents a sizable portion of the Peruvian economy.⁷ In addition, as we reported in 1992, severe economic problems in Brazil, Ecuador, and Venezuela limited these countries' ability to devote the resources needed to develop effective drug control efforts.⁸

Internal strife in the source countries is another problem that competes for resources. Two primary source countries—Peru and Colombia—must allocate scarce funds to support military and other internal defense operations to combat guerilla groups, which negatively affect counternarcotics operations. We reported that in Peru, for example, terrorist activities had hampered antidrug efforts.⁹ The December 1996 hostage situation at the Japanese ambassador's residence in Lima is the latest example of the Peruvian government's having to divert antidrug resources to confront a terrorist threat. Although some key guerilla leaders in Peru and Colombia have been captured, terrorist groups will continue to hinder efforts to reduce coca cultivation and the country's efforts to reduce its dependence on coca as a contributor to the economy. In 1991 and 1993, we reported similar problems in Colombia, where several guerilla groups made it difficult to conduct effective antidrug operations in many areas of the country.¹⁰ More recently, Colombia has encountered resistance from farmers when it has tried to eradicate their coca crops.

Corruption Permeates Institutions in Countries Involved in Drug Production and Movement

Narcotics-related corruption is a long-standing problem in U.S. and foreign governments' efforts to reduce drug-trafficking activities. Our work has identified widespread corruption in Burma, Pakistan, Thailand, Mexico,

⁷Patrick L. Clawson and Rensselaer W. Lee III, The Andean Cocaine Industry (New York: St. Martin's Press, Aug. 1996).

⁸The Drug War: Extent of Problems in Brazil, Ecuador, and Venezuela (GAO/NSIAD-92-226, June 5, 1992).

⁹The Drug War: U.S. Programs in Peru Face Serious Obstacles (GAO/NSIAD-92-36, Oct. 21, 1991) and The Drug War: Observations on Counternarcotics Programs in Colombia and Peru (GAO/T-NSIAD-92-2, Oct. 23, 1991).

¹⁰The Drug War: Counternarcotics Programs in Colombia and Peru (GAO/T-NSIAD-92-9, Feb. 20, 1992) and The Drug War: Colombia Is Implementing Antidrug Efforts, but Impact Is Uncertain (GAO/T-NSIAD-94-53, Oct. 5, 1993).

Colombia, and Peru—among the countries most significantly involved in the cultivation, production, and transit of illicit narcotics.¹¹

Corruption remains a serious, widespread problem in Colombia and Mexico, the two countries most significantly involved in producing and shipping cocaine.¹² In March 1996, the State Department reported that corruption in Colombia was pervasive and high-level government officials, members of congress, judicial officials, and government functionaries were under investigation for corruption. And according to the U.S. Ambassador to Colombia, corruption in Colombia is the most significant impediment to a successful counternarcotics effort. In March 1996, the State Department also reported that persistent corruption within Mexico continued to undermine both police and law enforcement operations. While several hundred law enforcement officers have been dismissed due to corruption, the Mexican attorney general believed that the problems of corruption are deep-rooted and will take all 6 years of the current administration's term to address.

Drug-related corruption also exists, although to a lesser extent, throughout several island nations in the Caribbean¹³ and in Bolivia and Peru. In March 1996, the Department of State reported that corruption exists in the Peruvian government and impedes drug law enforcement efforts.

Inadequate Resources and Institutional Capabilities Limit Arrests and Convictions of Drug Traffickers

Effective law enforcement operations and adequate judicial and legislative tools are key to the success of efforts to stop the flow of drugs from the source and transit countries. Although the United States can provide assistance, these countries must seize the illegal drugs and arrest, prosecute, and extradite the traffickers, when possible, in order to stop the production and movement of drugs internationally. However, as we have reported on several occasions, these countries lack the resources and capabilities necessary to stop drug-trafficking activities within their borders. In commenting on a draft of this report, officials of the U.S. Southern Command stated that some countries are making strides in

¹¹Drug Control: U.S.-Supported Efforts in Burma, Pakistan, and Thailand (GAO/NSIAD-88-94, Feb. 26, 1988); The Drug War (GAO/T-NSIAD-92-2, Oct. 23, 1991); The Drug War: Colombia Is Undertaking Antidrug Programs, but Impact Is Uncertain (GAO/NSIAD-93-158, Aug. 10, 1993); The Drug War (GAO/T-NSIAD-94-53, Oct. 5, 1993) and Drug Control: Counternarcotics Efforts in Mexico (GAO/NSIAD-96-163, June 12, 1996).

¹²Drug War: Observations on the U.S. International Drug Control Strategy (GAO/T-NSIAD-95-182, June 27, 1995) and Drug Control (GAO/NSIAD-96-163, June 12, 1996).

¹³Drug Control: U.S. Interdiction Efforts in the Caribbean Decline (GAO/NSIAD-96-119, Apr. 17, 1996).

stopping drug-trafficking activities within their own borders and Colombia and Venezuela have started cross-border, joint operations.

In 1991, we reported that the lack of resources and adequately trained police personnel hindered Panama's ability to address drug-trafficking and money-laundering activities.¹⁴ Also, in 1994, we reported that Central American countries did not have the resources or institutional capabilities to combat drug trafficking and depended heavily on U.S. counternarcotics assistance.¹⁵ In June 1996, we reported that equipment shortcomings and inadequately trained personnel limited the government of Mexico's ability to detect and interdict drugs and drug traffickers, as well as to aerially eradicate drug crops.¹⁶

Our more recent work indicates that the problem persists. For example, we reported in 1995 that the Colombian national police had only 10 helicopters available for interdiction and eradication operations in the entire country.¹⁷ According to a senior Bolivian government official, Bolivia is highly dependent on U.S. assistance, and any reduction in the current level of U.S. aid would result in a corresponding reduction in Bolivian drug control efforts. U.S. officials in Peru stated that developing an adequate force to counter drug traffickers' expanded use of rivers to move illegal drugs will take 3 to 10 years because Peru has no strategy for addressing the problem and lacks trained personnel, equipment, and infrastructure.

Other Obstacles Inhibit Success in Fulfilling U.S. International Drug Control Strategy

Our work over the past 10 years has identified other obstacles to implementing the U.S. international drug control strategy: (1) competing U.S. foreign policy objectives, (2) organizational and operational limitations among and within the U.S. agencies involved, (3) inadequate financial and program management accountability of U.S. resources, (4) the lack of support from bilateral and multilateral organizations, and (5) inconsistent U.S. funding levels.

¹⁴The War on Drugs: Narcotics Control Efforts in Panama (GAO/NSIAD-91-233, June 16, 1991).

¹⁵Drug Control: Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs (GAO/NSIAD-94-233, Aug. 2, 1994).

¹⁶Drug Control (GAO/NSIAD-96-163, June 12, 1996).

¹⁷Drug War: Observations on U.S. International Drug Control Efforts (GAO/T-NSIAD-95-194, Aug. 1, 1995).

U.S. Foreign Policy Objectives Compete for Attention and Resources

In carrying out its foreign policy, the United States seeks, among other things, to promote U.S. business and trade, improve human rights, and support democracy, as well as reduce the flow of illegal drugs into the United States. These objectives compete for attention and resources, and U.S. officials must make tough choices about which to pursue more vigorously. As a result of U.S. policy decisions, counternarcotics issues have often received less attention than other objectives. According to an August 1996 Congressional Research Service report, inherent contradictions regularly appear between U.S. counternarcotics policy and other policy goals and concerns.¹⁸

Our work has shown the difficulties in balancing counternarcotics and other U.S. foreign policy objectives. For example, in 1990, we reported that the U.S. Department of Agriculture and the U.S. Agency for International Development disagreed over providing assistance to Bolivia for the growth of soybeans as an alternative to coca leaf.¹⁹ The Agriculture Department feared that such assistance would interfere with U.S. trade objectives by developing a potential competitor for U.S. exports of soybeans. In 1995 we reported that countering the drug trade was the fourth highest priority in the U.S. Embassy in Mexico. During our visit, the U.S. Ambassador told us that he had focused his attention during the prior 18 months on higher-priority issues of trade and commerce such as the North American Free Trade Agreement and the U.S. financial support program for the Mexican peso. In 1996, the embassy elevated counternarcotics to an equal priority with the promotion of U.S. business and trade.²⁰

In addition, resources allocated for counternarcotics efforts are sometimes shifted to satisfy other policy objectives. For example, as we reported in 1995, \$45 million originally intended for counternarcotics assistance for cocaine source countries was reprogrammed by the Department of State to assist Haiti's democratic transition.²¹ The funds were used to pay for such items as the cost of non-U.S. personnel assigned to the multinational force, training of a police force, and development of a job creation and feeding program. A similar diversion occurred in the early

¹⁸International Drug Trade and Its Impact on the United States, Congressional Research Service, 96-671F, August 9, 1996.

¹⁹Restrictions on U.S. Aid to Bolivia for Crop Development Is Competing With U.S. Agricultural Exports and Their Relationship to U.S. Anti-Drug Efforts (GAO/T-NSIAD-90-52, June 27, 1990).

²⁰Drug War (GAO/T-NSIAD-95-182, June 27, 1995).

²¹Drug War (GAO/T-NSIAD-95-194, Aug. 1, 1995).

1990s when U.S. Coast Guard assets in the Caribbean were reallocated from counternarcotics missions to the humanitarian mission of aiding emigrants in their mass exodus from Cuba and Haiti.

Likewise, the United States has terminated most efforts to address opium cultivation in Burma, the world's largest opium producer, because of its human rights policies and the failure of the Burmese government to recognize the democratically elected government.²²

Organizational and Operational Limitations Hamper Drug Control Efforts

The United States faces several organizational and operational challenges that limit its ability to implement effective antidrug efforts. Many of these challenges are long-standing problems. Several of our reports have identified problems involving competing priorities, interagency rivalries, lack of operational coordination, and inadequate staffing of joint interagency task forces.

For example, our 1995 work in Colombia indicated that there was confusion among U.S. Embassy officials about the role of the offices involved in intelligence analysis and related operational plans for interdiction.²³ In 1996, we reported that several agencies, including Customs, DEA, and the FBI, had not provided personnel, as they had agreed, to the Joint Interagency Task Force (JIATF) in Key West because of budgetary constraints.²⁴ Our recent fieldwork in Bolivia and Peru showed that coordination between the counternarcotics police and military units continues to be a problem.

We also found instances where lessons learned from past counternarcotics efforts were not known to current planners and operators, both internally in an agency and within the U.S. antidrug community. For example, the United States recently developed an operation to support Colombia and Peru in their efforts to curtail the air movement of coca products between the two countries. This operation is similar to an operation conducted in the early 1990s. However, U.S. Southern Command personnel stated that while they were generally aware of the previous operation, they were not aware of the problems that had been encountered, or of the solutions developed in the early 1990s when planning the current operation. U.S. Southern Command officials attributed this problem to the continual

²²Drug Control (GAO/NSIAD-96-83, Mar. 1, 1996).

²³Drug War (GAO/T-NSIAD-95-182, June 27, 1995).

²⁴Drug Control (GAO/NSIAD-96-119, Apr. 17, 1996).

turnover of personnel and the requirement to destroy most classified documents and reports after 5 years. These officials stated that an after-action reporting system for counternarcotics activities is now in place at the U.S. Southern Command.

Limited Oversight of U.S.-Provided Assistance

We have reported that in some cases, the United States did not adequately control the use of U.S. counternarcotics assistance and was unable to ensure that it was used as intended.

Despite legislative requirements mandating controls over U.S.-provided assistance, we found instances of inadequate oversight of counternarcotics funds. For example, between 1991 and 1994, we issued four reports in which we concluded that U.S. officials lacked sufficient oversight of aid to ensure that it was being used effectively and as intended in Peru and Colombia.²⁵ We reported that the government of Mexico had misused U.S.-provided counternarcotics helicopters when it used the helicopters to transport Mexican military personnel during the 1994 uprising in the Mexican state of Chiapas.²⁶

Our recent work indicates that oversight and accountability of counternarcotics assistance continues to be a problem in Mexico. We reported in 1996 that the number of staff devoted to monitoring the use of previously provided U.S. counternarcotics aid was reduced, limiting the ability of U.S. officials to oversee how this assistance was being used. Furthermore, in 1995, we reported that the U.S. Embassy had conducted a 1993 inventory of U.S.-funded spare parts for aircraft used by the Colombian counternarcotics police and found that over \$200,000 worth of equipment could not be found.²⁷

Counternarcotics Contributions of International Donors Are Limited

The U.S. international drug control strategy emphasizes the use of multilateral institutions and bilateral donors to share the burden and costs of drug control efforts, especially where the United States has limited access and influence. Although international organizations have undertaken drug control efforts in countries where the United States has no bilateral program and have supplemented U.S. programs, in many cases

²⁵Drug War: Observations on Counternarcotics Aid to Colombia (GAO/NSIAD-91-296, Sept. 30, 1991); The Drug War (GAO/NSIAD-92-36, Oct. 21, 1991); The Drug War (GAO/T-NSIAD-92-2, Oct. 23, 1991); and The Drug War (GAO/T-NSIAD-94-53, Oct. 5, 1993).

²⁶Drug Control (GAO/NSIAD-96-163, June 12, 1996).

²⁷Drug War (GAO/T-NSIAD-95-182, June 27, 1995).

their contributions have been too small to make a significant impact. For example, in March 1996, we reported that the United Nations Drug Control Program (UNDCP) to reduce opium production in Burma, supplemented with U.S. funds, lacked sufficient scope in poppy-growing areas to result in long-term crop reductions.²⁸ In addition, its funds supplementing U.S. bilateral efforts in Peru have also been limited: \$2.2 million compared to the U.S. expenditure of an estimated \$15 million in 1995. According to the Department of State, UNDCP's annual budget for its global activities is about \$70 million, or about half of State's international narcotics funding in fiscal year 1996. In Peru, UNDCP recently reduced its activities, since Italy—one of its largest donors—decided South America is no longer a regional priority.

In addition, international donors' drug control goals and objectives sometimes differ from those of the United States, and some do not link to the U.S. international drug control strategy. In June 1993, we reported that donors in Europe and Asia tend not to support interdiction efforts. They prefer instead to provide assistance for law enforcement training and equipment and for activities to reduce the demand for illegal drugs.²⁹ Also, U.S. officials in Peru stated that although international donors often support development assistance efforts in drug crop cultivation areas, many have been reluctant to link their assistance to specific illicit crop reduction goals. These officials further stated that European donors' and UNDCP's development activities in Peruvian coca-growing areas often lack this link.

Inconsistent Funding Levels Have Adversely Affected Drug Control Efforts

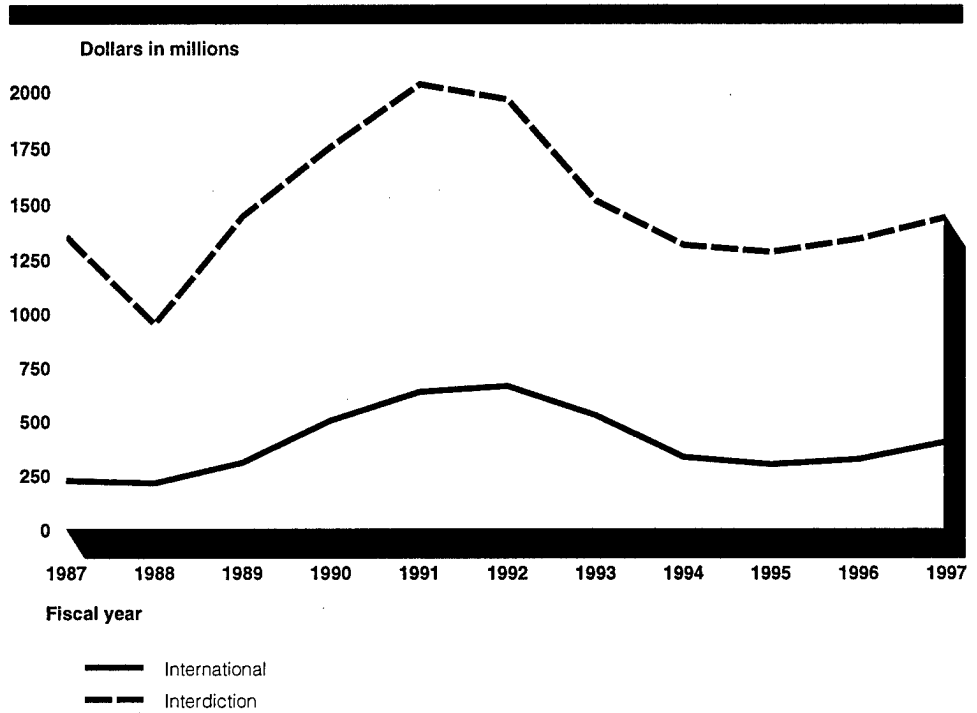
From 1986 to 1996, the United States spent about \$103 billion on domestic and international efforts to reduce the use and availability of illegal drugs in the United States. Of this amount, \$20 billion was spent on international counternarcotics efforts supporting (1) the eradication of drug crops, the development of alternative forms of income for drug crop farmers, and increased foreign law enforcement capabilities (\$4.1 billion) and (2) interdiction activities (\$15.6 billion). However, from year to year, funding for international counternarcotics efforts has fluctuated and until recently had declined. In some instances, because of budgetary constraints, Congress did not appropriate the level of funding agencies requested; in others, the agencies applied funding erratically, depending on other priorities. The reduction in funding has sometimes made it

²⁸Drug Control (GAO/NSIAD-96-83, Mar. 1, 1996).

²⁹Drugs: International Efforts to Attack a Global Problem (GAO/NSIAD-93-165, June 23, 1993).

difficult to carry out U.S. operations and has also hampered source and transit countries' operations (see fig. 4).

Figure 4: Funding for U.S. Interdiction and International Drug Control Efforts (Fiscal Years 1987-97)



Note: 1997 figures are requested amounts.

Source: ONDCP.

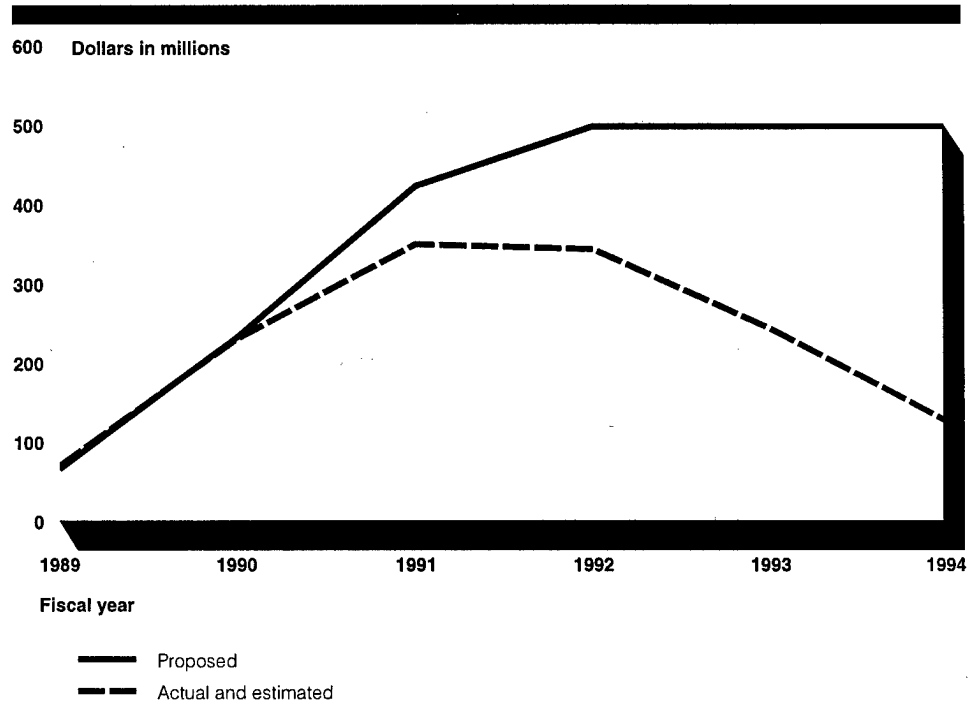
Funding for drug interdiction in the transit zone declined from about \$1 billion in 1992 to \$570 million in 1995. This adversely affected U.S. interdiction capabilities. In addition, funding to support source country activities—called for in the new cocaine policy of 1993—did not materialize. Moreover, as we reported in August 1993, the State Department reduced the support of military and law enforcement counternarcotics activities in Colombia from a planned level of \$58 million to \$26 million because of budgetary constraints. As a result, Colombian police and military requirements could not be met.³⁰ In 1995, U.S. Embassy

³⁰The Drug War (GAO/NSIAD-93-158, Aug. 10, 1993).

officials stated that without additional funding they could not adequately support plans for both eradication and interdiction operations.

In March 1994, the Congressional Budget Office reported that the amount of funding to support counternarcotics efforts in the Andean region source countries was substantially below the 5-year level proposed by the executive branch (see fig. 5).³¹

Figure 5: Proposed and Actual/Estimated Funding Levels for Support of Drug Control Efforts in the Andean Region (Fiscal Years 1989-94)



Source: Congressional Budget Office.

In April 1996, we reported that U.S. funding in source countries had declined in 1994 and 1995 from earlier levels, even though U.S. policy called for greater emphasis on source country counternarcotics efforts.³² The lack of consistent funding for counternarcotics efforts has in some cases made countries hesitant to fully cooperate with the United States.

³¹The Andean Initiative: Objectives and Support, Congressional Budget Office, March 1994.

³²Drug Control (GAO/NSIAD-96-119, Apr. 17, 1996).

For example, according to U.S. Embassy officials, the Peruvian government has been reluctant to push for the eradication of mature coca partly because the United States cannot promise consistent or negotiated levels of alternative development assistance to support the long-term efforts needed to significantly reduce the growth of coca leaf. U.S. Southern Command officials concur in the view that sporadic funding has adversely affected drug control efforts and believe that some minimal level of support should be established as a baseline for drug control efforts in the source countries and transit regions.

For fiscal year 1997, the funding levels for some agencies' counternarcotics activities were increased. For example, the State Department's international narcotics control and law enforcement programs were fully funded for fiscal year 1997 at \$213 million. However, without longer-term budget stability, it may be difficult for agencies to implement programs that they believe will reduce drug production and drug trafficking.

Ways to Improve the Effectiveness of U.S. International Drug Control Efforts

There is no easy remedy for overcoming all of the obstacles posed by drug-trafficking activities. International drug control efforts aimed at stopping the production of illegal drugs and drug-related activities in the source and transit countries are only one element of an overall national drug control strategy. Alone, these efforts will not likely solve the U.S. drug problem. Overcoming many of the long-standing obstacles to reducing the supply and smuggling of illegal drugs requires a long-term commitment. We believe the United States can improve the effectiveness of planning and implementing its current international drug control efforts by (1) developing a multiyear plan with measurable goals and objectives and a multiyear funding plan, (2) making better use of available intelligence and technologies and increasing intelligence efforts, and (3) developing a centralized system for recording and disseminating lessons learned by various agencies while conducting law enforcement operations.

Develop Long-Term Plans That Include Multiyear Funding Requirements

U.S. counternarcotics efforts have been hampered by the absence of a long-term plan outlining each agency's commitment to achieving the goals and objectives of the international drug control strategy. Judging U.S. agencies' performance at reducing the supply of and interdicting illegal drugs is difficult because the agencies have not established meaningful measures to evaluate their contribution to achieving these goals. Also,

agencies have not established multiyear funding plans that could serve as a more consistent basis for policymakers and program managers to determine requirements for effectively implementing a plan and determining the best use of resources.

We have issued numerous reports citing the need for an overall implementation plan with specific goals and objectives and performance measures linked to them. In 1988, we reported that goals and objectives had not been established in any of the six drug-producing countries examined,³³ and in 1991 and 1992, we reported a similar situation in Colombia and Peru.³⁴ Moreover, in 1993, we reported that DOD's surveillance mission in support of interdiction efforts was not cost beneficial, partially because ONDCP had not established quantifiable goals or valid effectiveness measures. Later, in 1993, we recommended that ONDCP develop performance measures to evaluate agencies' drug control efforts and incorporate the measures in the national drug control strategy.³⁵

Under the Government Performance and Results Act (GPRA) of 1993 (P.L. 103-62), federal agencies are required to develop strategic plans covering at least 5 years, with results-oriented performance measures. ONDCP officials recently told us that they are now working with an interagency group to develop performance effectiveness measures that will be linked to a 10-year drug control strategy. In our view, this effort is long overdue and will be critical for evaluating the overall success of counternarcotics efforts and for establishing a better basis to set resource priorities. Because changing events may significantly affect the plan, ONDCP needs to monitor progress and make necessary adjustments at least annually.

In addition, with the involved agencies' multiyear funding requirements, ONDCP could prepare an aggregated multiyear budget plan that clearly reflects the total nature and extent of combined efforts. By establishing a longer-term funding plan similar to DOD's Future Year Defense Program (FYDP),³⁶ some of the problems caused by sporadic funding patterns could

³³Drug Control: U.S. International Narcotics Control Activities (GAO/NSIAD-88-114, Mar. 1, 1988).

³⁴Drug War (GAO/NSIAD-91-296, Sept. 30, 1991) and The Drug War (GAO/T-NSIAD-92-9, Feb. 20, 1992).

³⁵Drug Control: Reauthorization of the Office of National Drug Control Policy (GAO/GGD-93-144, Sept. 29, 1993).

³⁶The FYDP is DOD's budget "blueprint" supporting the defense strategy. It provides an official set of planning assumptions and projections far enough ahead to allow DOD to estimate the future implications of its current decisions. The FYDP has been annually submitted to Congress since 1988.

be overcome. Like the FYDP, an overall multiyear counternarcotics budget plan linked to the international drug control strategy could lay out program requirements to enable policymakers to better judge each agency's contribution toward achieving results.

Improve and Expand Intelligence and Technology Efforts

In an environment of limited budgets and assets, it is important for U.S. officials to effectively use their resources to make the maximum impact against drug-trafficking activities. A key component of U.S. operational strategy is reliable and adequate intelligence to help plan interdiction operations. Having timely intelligence on trafficking activities is increasingly important because traffickers frequently change their operational patterns and increasingly use more sophisticated communications, making it more difficult to detect their modes of operations. U.S. officials have indicated that more intelligence resources, including human intelligence resources, are needed. They recognized that this expansion could take several years, even if additional funds are made available. Nevertheless, expanded intelligence efforts are critical to law enforcement and interdiction activities.

As traffickers become more sophisticated in using technology to communicate and conduct their operations, technological improvements will become increasingly important. Use of detection technology is needed because over 400 million people, almost 120 million cars, and 10 million containers and trucks pass through the 301 points of entry into the United States each year. Two general groups of technologies can be used to detect narcotics. The first group uses X-rays, nuclear techniques, or electromagnetic waves, while the second group—referred to as trace detection technologies—uses chemical analyses to identify narcotics' particles or vapors.³⁷

The U.S. Customs Service, which is responsible for the ports of entry, currently has inspectors with relatively little equipment other than handheld devices that manually screen containers to detect false compartments. Customs has identified containerized cargo at commercial seaports as its greatest unsolved narcotics detection requirement. Tests have shown that fully loaded containers can be effectively screened for narcotics with available high energy X-ray technologies. According to DOD and Customs officials, future efforts in container screening will include less expensive X-ray systems with higher energy levels, mobile X-ray

³⁷Terrorism and Drug Trafficking: Technologies for Detecting Explosives and Narcotics (GAO/NSIAD/RCED-96-252, Sept. 4, 1996).

systems, and more capable handheld trace detection systems. We believe these technologies will likely become more important in addressing maritime and border trafficking threats.

An After-Action Reporting System Could Strengthen Planning and Implementation

U.S. agencies could strengthen their planning and operations through the development of an after-action reporting system similar to DOD's system. Under DOD's system, operation reports describe an operation's strengths and weaknesses and contain recommendations for consideration in future operations. A governmentwide system would allow agencies to learn from the problems and impediments encountered internally and by other federal agencies in implementing past efforts and interdiction operations. With such information, the agencies could develop plans that avoid past problems or contingencies in known problem areas. ONDCP should take the lead in developing a governmentwide lessons-learned data system to quickly provide agency planners and operators with information to enable them to anticipate changing drug-trafficking patterns and respond accordingly and to develop more effective source country efforts.

Matter for Congressional Consideration

To ensure continuity and commitment to achieving the goals and objectives of the drug control strategy, Congress should consider providing ONDCP the authority to require that key U.S. drug control agencies develop and submit multiyear funding plans tied to the drug control strategy.

Recommendations

To aid decisionmakers in planning improved counternarcotics efforts and using U.S. resources to their best advantage, we recommend that the Director, ONDCP, (1) complete the development of a long-term plan with meaningful performance measures and multiyear funding needs that are linked to the goals and objectives of the international drug control strategy; (2) at least annually, review the progress made and adjust the plan, as appropriate; (3) enhance support for the increased use of intelligence and technology to improve U.S. and other nations' efforts to reduce supplies of and interdict illegal drugs; and (4) lead in developing a centralized lessons-learned data system to aid agency planners and operators in developing more effective counterdrug efforts.

Agency Comments

In commenting on a draft of this report, ONDCP said it supports all of our recommendations. According to ONDCP, the President's Drug Control

Council fully supports a 5-year drug budget planning process in conjunction with the development of a 10-year drug strategy. ONDCP indicated that the executive branch had developed a 5-year national drug control budget for submission to Congress for fiscal year 1998. The budget process is expected to identify the resources needed to achieve the goals and objectives in the 1997 strategy. ONDCP added that it has already begun the process of developing measures of effectiveness in concert with the national drug control program agencies.

ONDCP pointed out that it must be reauthorized by the end of fiscal year 1997 and that reauthorization language was being developed for submission to Congress. Central to ONDCP's reauthorization is legislation to permit a 10-year strategy and an annual report to Congress on progress.

To enhance support for the increased use of technology and intelligence, ONDCP indicated that it had initiated reviews of both the overall intelligence architecture and the work of the Counterdrug Technology Assessment Center. ONDCP also stated that it anticipated that a coordinated implementation plan will be key to making a centralized lessons-learned data system operational. (ONDCP's comments are reprinted in full in app. III.)

In written and oral comments, the Department of Justice expressed concern that the report did not recognize the full extent of its role in international drug control activities. We added information on the role played by the U.S. Attorney's Office and the FBI in investigating and prosecuting drug cases against international drug traffickers. Justice's comments and our evaluation of them are included in appendix IV. The Departments of State and Defense orally advised us that they had no disagreement with the findings, conclusions, and recommendations in our report.

We have made technical changes and updated information in the report, where appropriate, based on suggestions provided by the Departments of State, Defense, and Justice; ONDCP; and the U.S. Southern Command.

Objectives, Scope, and Methodology

The previous Chairman, Subcommittee on National Security, International Affairs, and Criminal Justice of the House Committee on Government Reform and Oversight requested that we provide information on U.S. international drug control efforts. The objectives of our review were to summarize the findings from our past work and provide our overall

observations on (1) the effectiveness of U.S. efforts to combat drug production and the movement of drugs into the United States, (2) obstacles to implementation of U.S. drug control efforts, and (3) suggestions to improve the operational effectiveness of the U.S. international drug control strategy.

To address these issues, we employed a combination of approaches. To obtain information for this report, we reviewed 59 prior GAO reports, testimonies, and supporting documentation on U.S. international drug control efforts. To obtain information on past, ongoing, and planned drug control policies and efforts, we spoke with appropriate officials and reviewed planning documents, studies, cables, and correspondence at the Departments of Defense, State, and Justice—primarily DEA; the U.S. Coast Guard; the U.S. Customs Service; the U.S. Agency for International Development; the U.S. Interdiction Coordinator; and ONDCP in Washington, D.C.

To obtain information on drug-trafficking activities in the Caribbean and U.S. efforts to address this problem, we visited the U.S. Atlantic Command in Norfolk, Virginia, and the Joint Interagency Task Force in Key West, Florida, where we obtained detailed briefings from U.S. officials and reviewed documents, cables, and related documents. To obtain information on drug-trafficking activities in the source countries of South America, we visited the U.S. Southern Command in Panama and the Joint Interagency Task Force at Howard Air Force Base in Panama, where we met with senior U.S. military officials and obtained detailed briefings on planned and ongoing drug interdiction efforts in the cocaine source countries of Bolivia, Colombia, and Peru.

We visited the U.S. embassies in La Paz, Bolivia, and Lima, Peru, where we met with numerous U.S. Embassy personnel involved in planning and implementing drug control efforts in these two countries. We also reviewed planning documents, field reports, cables, and correspondence maintained at the embassies. To obtain the views of the governments of Bolivia and Peru, we met with senior Bolivian, Peruvian, and United Nations law enforcement and drug control officials responsible for counternarcotics programs. In Bolivia, we also visited the Chapare coca-growing region and met with U.S. and Bolivian drug control officials and numerous coca- and non-coca-growing farmers.

Our report contains various figures and tables showing data related to the production and consumption of illegal narcotics. Because of the nature of

the illegal drug trade, in which traffickers' activities are not always known to foreign and U.S. government agencies, it is difficult to develop precise and reliable information. For the most part, the data are only approximations and represent the best available U.S. government estimates. In addition, our report includes data through 1995 because U.S. government data for 1996 was not available and will not be officially issued until March 1, 1997, when the Department of State publishes its International Narcotics Control Strategy Report.

We conducted our review from June 1996 through January 1997 in accordance with generally accepted government auditing standards. As you requested, we obtained written agency comments from ONDCP on a draft of this report. We also discussed the information in this report with officials of other concerned agencies and included their comments where appropriate.

We are sending copies of this report to other appropriate congressional committees; the Secretaries of State and Defense; the Attorney General; the Administrator, Drug Enforcement Administration; and the Director of the Office of National Drug Control Policy. Copies will also be made available to other interested parties upon request.

If you or your staff have any questions concerning this report, I can be reached on (202) 512-4128. Major contributors to this report are listed in appendix V.

Sincerely yours,



Benjamin F. Nelson
Director, International Relations
and Trade Issues

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Abbreviations

DEA	Drug Enforcement Administration
DOD	Department of Defense
FBI	Federal Bureau of Investigation
FYDP	Future Year Defense Program
GPRA	Government Performance and Results Act
JIATF	Joint Interagency Task Force
ONDCP	Office of National Drug Control Policy
UNDCP	United Nations Drug Control Program

U.S. Agencies Involved in Developing and Administering Counternarcotics Activities

The Office of National Drug Control Policy (ONDCP), located within the Executive Office of the President, oversees international and domestic drug programs. It is responsible for developing the U.S. national drug control strategy and overseeing and coordinating the drug control efforts of about 50 different U.S. federal agencies engaged in implementing the strategy and managing programs. ONDCP does not manage the programs themselves. Some of the key U.S. agencies involved in counternarcotics efforts are the Departments of State, Justice, and Defense; the Drug Enforcement Administration (DEA); the U.S. Coast Guard; the U.S. Customs Service; and the U.S. Agency for International Development.

Department of State

In the Department of State, the Assistant Secretary for International Narcotics and Law Enforcement Affairs is responsible for formulating and implementing the international narcotics control policy and for coordinating the narcotics control activities of all U.S. agencies overseas. The Assistant Secretary also manages the International Narcotics Control Program, authorized by section 481 of the Foreign Assistance Act of 1961, as amended, which provides aid to law enforcement agencies involved in antidrug activities. In addition, the Assistant Secretary for the Bureau of Politico-Military Affairs manages the Foreign Military Financing Program, and the Assistant Secretary for the Bureau of Human Rights and Humanitarian Affairs is responsible for ensuring that U.S. human rights policies are implemented. A number of key U.S. embassies overseas are staffed with a narcotics affairs section which manages the International Narcotics Control Program. The section's mission is generally to provide equipment and training, operational support, technical assistance, and coordination to host country agencies involved in counternarcotics.

Department of Defense

In the Department of Defense (DOD), the Deputy Assistant Secretary of Defense for Drug Enforcement Policy and Support is responsible for planning, implementing, and providing support to law enforcement agencies that have counternarcotics responsibilities. The Director of the Defense Security Assistance Agency is responsible for providing equipment and training to host country military and law enforcement agencies. DOD's overall activities include detecting and monitoring suspected drug traffickers and providing training and equipment. At a number of U.S. embassies overseas, military aid is administered by the U.S. Military Group, which is responsible for coordinating security assistance programs with host countries' military forces and with other U.S. agencies involved in counternarcotics activities.

Department of Justice

DEA is the principal federal agency responsible for coordinating drug enforcement intelligence overseas and conducting all drug enforcement operations. DEA's objectives are to reduce the flow of drugs into the United States through bilateral criminal investigations, collect intelligence regarding organizations involved in drug trafficking, and support worldwide narcotics investigations covering such areas as money laundering, control of chemicals used in the production of cocaine and heroin, and other financial operations related to illegal drug activities. DEA also provides training to host country law enforcement personnel.

The Department of Justice and its U.S. Attorney's Office enforce the narcotics and money-laundering laws and prosecute cases against international drug traffickers and money launderers and seize and forfeit their illicit proceeds and laundered assets domestically and overseas. The Federal Bureau of Investigation (FBI) has a role in drug trafficking investigations and has concurrent status with DEA because of its responsibility for traditional organized crime groups. The FBI has placed agents in several DEA offices overseas and is involved in joint U.S.-Mexican law enforcement initiatives. The FBI also supports international drug law enforcement training by either conducting or facilitating courses in drug-related topics.

U.S. Coast Guard

The U.S. Coast Guard is the principal maritime law enforcement agency, with jurisdiction on and over the high seas, as well as in U.S. territorial waters. The goal of the Coast Guard's drug interdiction effort is to eliminate maritime routes as a significant trafficking mode for the supply of drugs to the United States through seizures, disruption, and displacement. The program emphasizes interdicting vessels and aircraft smuggling cocaine and marijuana into the United States and tracking, monitoring, and apprehending aircraft suspected of carrying drugs from source and transit countries over the high seas.

U.S. Customs Service

The U.S. Customs Service is primarily responsible for preventing contraband from entering or exiting the United States. It plays a key role in interdicting illegal drugs and investigating drug-smuggling organizations. The Customs Service has a border inspection force and an extensive air program, which aims to detect and apprehend drug-smuggling aircraft, and a variety of seagoing vessels.

**U.S. Agency for
International
Development**

The Administrator of the U.S. Agency for International Development is responsible for planning and implementing U.S. economic assistance programs that are directed to the international drug problem through alternative development—strengthening and diversifying the legitimate economies of drug-producing and trafficking countries. Agency activities also include assistance to host countries in repaying debt and improving judicial systems, drug awareness and education programs, and general project support.

Trends in the Price and Purity of Heroin

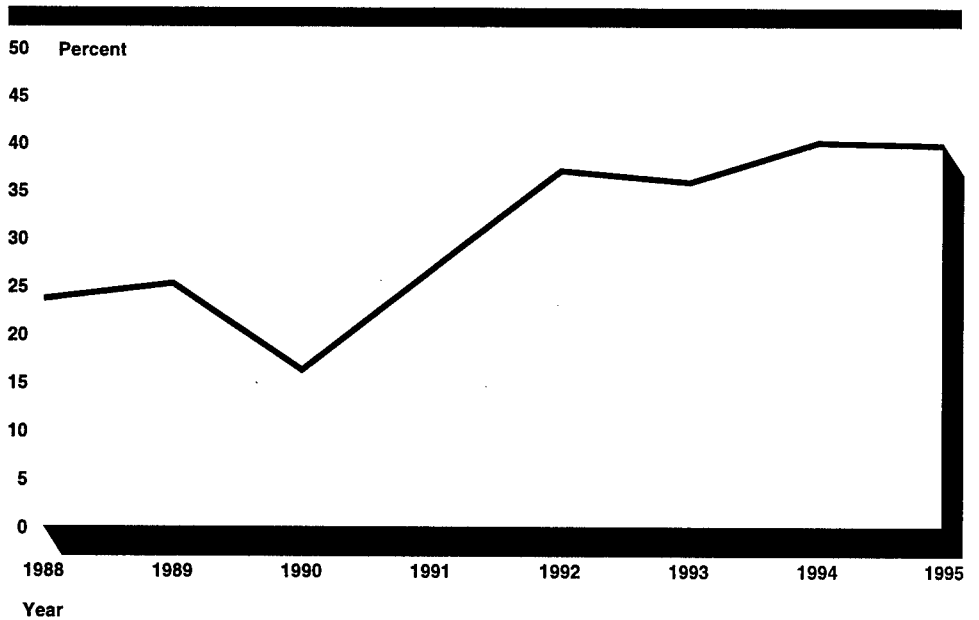
Table II.1: U.S. Retail Prices for One Kilogram of Heroin, by Region or Country of Origin, 1988-95

Dollars in thousands				
Year	Southeast Asia	Southwest Asia	South America	Mexico
1988	\$100 - \$210	\$70 - \$200	N/A	\$100 - \$200
1989	\$60 - \$204	\$45 - \$160	N/A	\$70 - \$130
1990	\$70 - \$260	\$70 - \$200	N/A	\$65 - \$80
1991	\$90 - \$260	\$80 - \$220	N/A	\$50 - \$200
1992	\$90 - \$250	\$80 - \$200	N/A	\$50 - \$150
1993	\$150 - \$250	\$70 - \$200	N/A	\$50 - \$250
1994	\$100 - \$260	\$75 - \$200	\$85 - \$180	\$50 - \$250
1995	\$70 - \$260	\$70 - \$260	\$80 - \$185	\$50 - \$250

Note: N/A - Not applicable.

Source: DEA.

Figure II.1: Average Retail Heroin Purity, 1988-95



Source: DEA.

Comments From the Office of National Drug Control Policy



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20503

February 14, 1997

Benjamin F. Nelson, Director
International Relations and Trade Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Nelson:

The Office of National Drug Control Policy (ONDCP) has reviewed the draft GAO capping report on international and interdiction efforts in the 104th Congress: *Drug Control: Long-Standing Problems Hinder U.S. International Efforts*. ONDCP is in agreement with GAO's recommendations. However, the discussion of source country efforts does not fully reflect the many successful accomplishments achieved despite the political difficulties which remain.

At the December meeting of the President's Drug Policy Council there was full support for ONDCP's recommendation to initiate a five-year drug budget planning process, in conjunction with the development of a 10-year drug strategy. The Administration has developed for submission to the Congress for FY 1998 a five-year national drug control budget. This budget process will identify the resources necessary to achieve the goals and objectives established in the *1997 Strategy*. ONDCP has already begun the process of developing measures of effectiveness in concert with the national drug control program agencies that are tied to the goals and objectives of the *National Drug Control Strategy*. ONDCP is therefore in full agreement with GAO's recommendation that ONDCP complete the development of a long-term plan with meaningful performance measures and multiyear funding requirements that are linked to the goals and objectives of the drug control strategy.

ONDCP must be reauthorized by the end of this fiscal year. In consultation with other Federal agencies we are developing reauthorization language for submission to Congress. Central to ONDCP's reauthorization is legislation to permit a 10-year Strategy and annual reports to Congress on progress. Therefore, ONDCP fully agrees with GAO's recommendation to provide an annual review of the progress made and the recommended adjustments to a long-term plan.

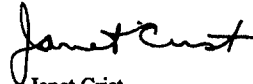
ONDCP agrees with the recommendation to enhance support for the increased use of intelligence and technology to improve efforts to reduce the supply of drugs. We are firmly committed to the concept that drug policy must be science based. Towards that end ONDCP has initiated reviews of both the overall intelligence architecture and the work of the Counterdrug Technology Assessment Center (CTAC). This will provide information critical to making appropriate policy and resource decisions.

**Appendix III
Comments From the Office of National Drug
Control Policy**

ONDCP agrees with the recommendation that it take the lead in developing a centralized "lessons learned" data system to aid agency planners and operations in developing more effective counterdrug efforts. We anticipate that a coordinated implementation plan will be key to making this operational. The development of appropriate measures of effectiveness for international and interdiction efforts will necessarily take this into account.

Thank you for the opportunity to review the draft report and to provide formal comments.

Sincerely,



Janet Crist
Chief of Staff

Comments From the Department of Justice

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



U. S. Department of Justice

Washington, DC 20530

FEB 20 1997

Mr. Benjamin F. Nelson
Director
International Relations and Trade Issues
National Security and
International Affairs Division
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Nelson:

The Department of Justice has reviewed the General Accounting Office (GAO) draft report, "Drug Control: Long-Standing Problems Hinder U.S. International Efforts." We note that the report is a summary of earlier GAO products but does not reflect agency comments made in response to such products. In many cases, the agency comments present different views, concerns, and assessments regarding specific findings and/or conclusions. Thus, we believe this draft report does not provide an accurate or complete overview of the international counternarcotics strategy. In addition, the draft report specifically references 21 prior GAO reports and testimony in its body to support broad generic statements regarding international drug trafficking and counterdrug activities. Thus, it is difficult to assess these statements without reviewing the underlying documents. Since many of these products would be receiving their first critical review by the Department¹, such an effort would be more time-consuming than the 5 days provided the Department for review and

¹ Of these 21 reports, Department records indicate that while these reports were in draft, the GAO provided the Department no opportunity to review 13 of the reports, the opportunity only to discuss the contents of two reports, and the opportunity to review a copy of 6 reports. On three of the most recent GAO draft reports the Department reviewed, it provided the GAO written comments containing substantive disagreements with the facts, findings and/or conclusions presented by the GAO.

See comment 1.

See comment 2.

Appendix IV
Comments From the Department of Justice

Mr. Benjamin F. Nelson

2

comment. Nonetheless, we are providing general comments to support our view that the report is not well balanced and to express at least some of our most significant concerns with this imbalance.

In at least its most recent series of reports related to international counternarcotics efforts, including the subject report, the GAO has failed to recognize the extent of the Department's role in international drug control activities, instead focusing only on the role of the Drug Enforcement Administration (DEA). We believe the GAO personnel should recognize and its report should reflect the full efforts of the Department in international counterdrug activities. The Department and its U.S. Attorneys' Offices enforce the narcotics and money laundering laws and prosecute cases against international drug traffickers and money launderers (e.g., Juan Garcia Abrego) and seize and forfeit their illicit proceeds and laundered assets domestically and overseas. And, while the DEA is lead agency for most U.S. international drug trafficking investigative efforts, the Federal Bureau of Investigation (FBI)--as well as other law enforcement agencies--is involved in such activities. In three country offices, Italy, Canada and Japan, the FBI has concurrent status with DEA because of its responsibility for traditional organized crime groups. In addition, the FBI has a presence in DEA country attache offices in Bangkok, Thailand; Mexico City, Mexico; and Bogota, Colombia. The FBI--as well as other law enforcement agencies--also has been involved in joint U.S. Mexican law enforcement initiatives along the Southwest Border, including its participation in the Bilateral Drug Task Forces in San Diego-Tijuana, El Paso-Juarez and McAllen-Matamoros. Finally, the FBI supports international drug law enforcement training by either conducting or facilitating courses in drug related topics.² In spite of all these undertakings by Department components, with the exception of the DEA activities, there is no mention of its counterdrug activities in the entire report.

See comment 3.

See comment 3.

² For example, within the past year the FBI presented Organized Crime blocks instruction in every session of the International Law Enforcement Academy in Budapest; provided Racketeering training in Caracas, Venezuela; hosted a DOJ Colombian Prosecutors Seminar and a one month Latin American Law Enforcement Executive Development Seminar at Quantico, Virginia, which contained drug related instruction; and presented a course in International Financial Crime/Money Laundering in Santiago, Chile.

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Not only did the GAO fail to acknowledge all significant players in the international drug control strategy, but it also failed to report the full range of activities related to the strategy and all the technologies required to support such activities. For example, in the section discussing "Ways to Improve International Drug Control Efforts" (page 23), the GAO discussion fails to recognize the current array of activities that comprise Federal efforts to combat international drug trafficking. The GAO should expand its discussion to include the cornerstone of DEA's international drug control strategy to identify, investigate, arrest and ensure long term incarceration of the international criminal syndicates' leaders that control the related heroin, cocaine, and methamphetamine illicit operations. Furthermore, the GAO should recognize that other programs such as eradication, drug and chemical interdiction, and crop substitution support this strategy. Also, in the section discussing ways to improve and expand intelligence and technology efforts (page 25) the GAO has not considered the role of electronic surveillance in the international counternarcotics effort. The GAO should expand its discussion to address digital telephony legislation and the need to intercept and decode encryption transmissions. The appropriate finding to support digital telephony legislation and allowing the United States law enforcement agencies to continue to intercept and decode oral communications are key elements to implementing the international drug control strategy.

Finally, we believe it is worth noting here that the GAO is misinterpreting the original context of a comment by the Administrator, DEA. On page 9, first paragraph the GAO reported that "The DEA Administrator has stated that, in Mexico, for example, trafficking organizations rival legitimate governments for influence and control due to wealth and power." In fact, the crux of his statement, addressing the sophistication, wealth, and power of the organized syndicates that comprise the Mexican federation and Cali Mafia, was that they rival that of third world nations. He did not say that the syndicates have influence and control that rivals that of third world nations. Therefore, GAO should reword its version of the Administrator's comment according to the above context, e.g., "The DEA Administrator has stated that the sophistication, wealth, and power of the organized syndicates that comprise the Mexican federation and Cali Mafia rival that of third world nations."

See comment 3.
Now on p. 20.

See comment 4.
Now on p. 22.

See comment 5.

See comment 6.
Now p. 8.

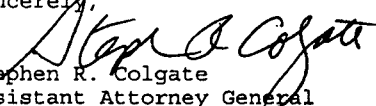
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We appreciate the opportunity to review the draft report. We have transmitted a list of other specific comments and suggested language changes for your consideration under separate cover. If you should have any further questions concerning our comments, you may contact me.

Sincerely,


Stephen R. Colgate
Assistant Attorney General
for Administration

The following are GAO's comments on the Department of Justice's letter dated February 20, 1997.

GAO Comments

1. This report reflects the contents of previous GAO reports. When appropriate, the prior GAO reports included agency comments and our evaluation of these comments.
2. We did not obtain formal Department of Justice comments on a number of our reports and testimonies because (1) they made no reference to the Department of Justice; (2) at hearings scheduled by congressional committees, we were asked to provide our views, not the views of other witnesses; or (3) in the past, we honored requests of congressional committees that specifically asked us not to obtain agency comments. However, it should be noted that DEA—recognized by the Department of Justice as the lead agency for most U.S. international drug trafficking investigative efforts—did provide written comments on three of the four reports we have issued since September 1994. DEA was not mentioned in the fourth report. We obtained oral comments from DEA officials on all of our international drug control reports in which DEA activities were discussed.
3. We have included additional information on other Department of Justice entities involved in U.S. international counterdrug activities. However, it should be clearly recognized that some activities were largely beyond the scope of our review. These include (1) the U.S. Attorney's Office efforts to prosecute money-laundering and drug-trafficking cases and (2) the FBI's efforts to deal with traditional organized crime groups. In addition, the Department's comments did not reflect any disagreement with the fact that (1) the counternarcotics efforts to date have not significantly impeded the flow of drugs and (2) the obstacles we identified have hampered counterdrug efforts.
4. The report text has been modified to reflect this information.
5. We do not take a position on the merit of digital telephony legislation and the need to intercept and decode encryption transmissions because it was beyond the scope of our review.
6. We have not changed the statement made by the DEA Administrator. The statement was cited in both the prepared statement and testimony given by the Administrator at a March 28, 1996, hearing before the Senate

Committee on Banking, Housing, and Urban Affairs. The statement and hearing record have been published and contain no reference to "third world nations."

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Related GAO Products

Customs Service: Drug Interdiction Efforts (GAO/GGD-96-189BR, Sept. 26, 1996).

Drug Control: U.S. Heroin Control Efforts in Southeast Asia (GAO/T-NSIAD-96-240, Sept. 19, 1996).

Drug Control: Observations on Counternarcotics Activities in Mexico (GAO/T-NSIAD-96-239, Sept. 12, 1996).

Terrorism and Drug Trafficking: Technologies for Detecting Explosives and Narcotics (GAO/NSIAD/RCED-96-252, Sept. 4, 1996).

Drug Control: Counternarcotics Efforts in Mexico (GAO/NSIAD-96-163, June 12, 1996).

Drug Control: Observations on Counternarcotics Efforts in Mexico (GAO/T-NSIAD-96-182, June 12, 1996).

Drug Control: Observations on U.S. Interdiction in the Caribbean (GAO/T-NSIAD-96-171, May 23, 1996).

Drug Control: U.S. Interdiction Efforts in the Caribbean Decline (GAO/NSIAD-96-119, Apr. 17, 1996).

Terrorism and Drug Trafficking: Threats and Roles of Explosives and Narcotics Detection Technology (GAO/NSIAD/RCED-96-76BR, Mar. 27, 1996).

Drug Control: U.S. Heroin Program Encounters Many Obstacles in Southeast Asia (GAO/NSIAD-96-83, Mar. 1, 1996).

Review of Assistance to Colombia (GAO/NSIAD-96-62R, Dec. 12, 1995).

Drug War: Observations on U.S. International Drug Control Efforts (GAO/T-NSIAD-95-194, Aug. 1, 1995).

Drug War: Observations on the U.S. International Drug Control Strategy (GAO/T-NSIAD-95-182, June 27, 1995).

Honduras: Continuing U.S. Military Presence at Soto Cano Base Is Not Critical (GAO/NSIAD-95-39, Feb. 8, 1995).

Drug Activity in Haiti (GAO/OSI-95-6R, Dec. 28, 1994).

Drug Control: U.S. Antidrug Efforts in Peru's Upper Huallaga Valley
(GAO/NSIAD-95-11, Dec. 7, 1994).

Drug Control: U.S. Drug Interdiction Issues in Latin America
(GAO/T-NSIAD-95-32, Oct. 7, 1994).

Drug Control In Peru (GAO/NSIAD-94-186BR, Aug. 16, 1994).

Drug Control: Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs (GAO/NSIAD-94-233, Aug. 2, 1994).

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(GAO/T-NSIAD-94-251, Aug. 2, 1994).

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(GAO/NSIAD-93-220, Sept. 1, 1993).

The Drug War: Colombia Is Undertaking Antidrug Programs, but Impact Is Uncertain (GAO/NSIAD-93-158, Aug. 10, 1993).

Drugs: International Efforts to Attack a Global Problem (GAO/NSIAD-93-165, June 23, 1993).

Drug Control: Revised Drug Interdiction Approach Is Needed In Mexico
(GAO/NSIAD-93-152, May 10, 1993).

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The Drug War: Extent of Problems in Brazil, Ecuador, and Venezuela (GAO/NSIAD-92-226, June 5, 1992).

Drug Control: Inadequate Guidance Results in Duplicate Intelligence Production Efforts (GAO/NSIAD-92-153, Apr. 14, 1992).

The Drug War: Counternarcotics Programs in Colombia and Peru (GAO/T-NSIAD-92-9, Feb. 20, 1992).

Drug Policy and Agriculture: U.S. Trade Impacts of Alternative Crops to Andean Coca (GAO/NSIAD-92-12, Oct. 28, 1991).

The Drug War: Observations on Counternarcotics Programs in Colombia and Peru (GAO/T-NSIAD-92-2, Oct. 23, 1991).

The Drug War: U.S. Programs in Peru Face Serious Obstacles (GAO/NSIAD-92-36, Oct. 21, 1991).

Drug War: Observations on Counternarcotics Aid to Colombia (GAO/NSIAD-91-296, Sept. 30, 1991).

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Drug Smuggling: Capabilities for Interdicting Airborne Drug Smugglers Are Limited and Costly (GAO/T-GGD-89-28, June 9, 1989).

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Drug Control: U.S. International Narcotics Control Activities (GAO/NSIAD-88-114, Mar. 1, 1988).

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Drug Control: U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (GAO/NSIAD-88-73, Jan. 11, 1988).

U.S.-Mexico Opium Poppy and Marijuana Aerial Eradication Program (GAO/T-NSIAD-87-42, Aug. 5, 1987).

Status Report on GAO Review of the U.S. International Narcotics Control Program (GAO/T-NSIAD-87-40, July 29, 1987).

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