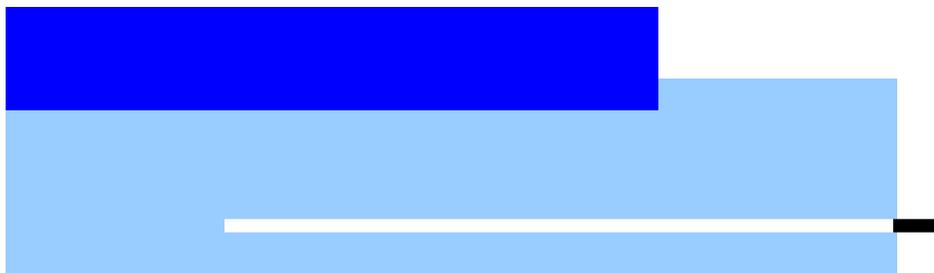


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# THE DRUG ENFORCEMENT ADMINISTRATION'S INTERNATIONAL OPERATIONS

U.S. DEPARTMENT OF JUSTICE  
OFFICE OF THE INSPECTOR GENERAL  
AUDIT DIVISION

AUDIT REPORT 07-19  
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**THE DRUG ENFORCEMENT ADMINISTRATION'S  
INTERNATIONAL OPERATIONS\***

**EXECUTIVE SUMMARY**

The Drug Enforcement Administration (DEA) is the primary federal agency responsible for investigating illicit drug trafficking organizations operating within the United States. The ultimate goal of the DEA's efforts is to significantly disrupt drug trafficking operations and to dismantle the criminal organizations entirely, while ultimately bringing their leaders to prosecution, either in the United States or through another country's judicial system.

In order to combat the highest priority drug trafficking organizations, the DEA must extend its operations to other countries where major drug traffickers live and preside over illegal operations. As a result, the DEA has 751 employees in 59 other countries who work with foreign law enforcement agencies, as well as with other U.S. agencies operating in the international arena, to accomplish its mission.<sup>1</sup> To support its personnel and operations abroad, in fiscal year (FY) 2006 the DEA had a budget of \$312 million for its international operations.

The Department of Justice (DOJ), Office of the Inspector General (OIG) conducted this audit of the DEA's international operations. The objectives of the audit were to: (1) review the DEA's foreign office performance, including its efforts to track operational activity and its internal mechanisms for evaluating the performance of its foreign operations; (2) examine the DEA's involvement and management of international investigative activity; (3) assess the DEA's relationships with its law enforcement counterparts abroad, including its liaison associations and the exchange of information; (4) analyze the DEA's processes and controls over foreign administrative functions, including those related to security, firearms, property management, and fiscal matters; and (5) review the training provided or coordinated by the DEA to its foreign counterparts and DEA personnel stationed abroad.

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\* The full version of this report includes information that the DEA considered to be law enforcement sensitive and therefore could not be publicly released. To create this public version of the report, the OIG redacted (deleted) the portions of the full report that were considered sensitive by the DEA and indicated where those redactions were made.

<sup>1</sup> The 751 employee figure represents the number of allocated positions as of May 2006.

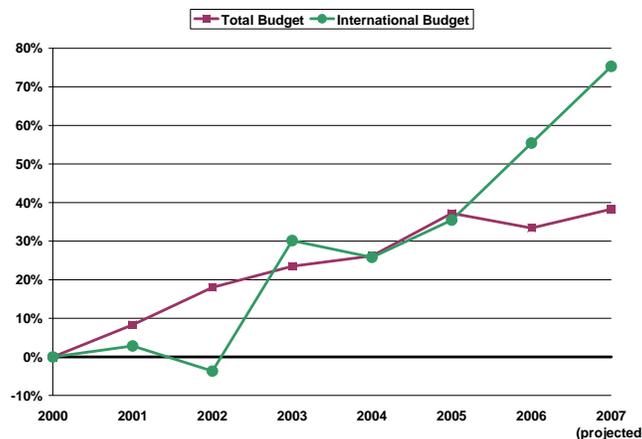
Our review included work at DEA headquarters components and at 10 DEA foreign offices in 5 countries: Colombia, Italy, Mexico, Thailand, and Turkey. Our methodology involved selecting locations that would provide a broad overall perspective of DEA's international operations, including diverse geographic location, jurisdiction, operational activity, and personnel composition. During our field visits abroad, we interviewed DEA personnel as well as representatives from U.S. and foreign agencies who work with the DEA internationally. We also reviewed pertinent DEA documentation and analyzed data from DEA databases. Appendix I contains additional details related to our audit objectives, scope, and methodology.

## Background

In 2002, DOJ created a register of the United State's most significant illicit drug trafficking targets called the Consolidated Priority Organization Target (CPOT) list. According to DOJ officials, this list is updated at least annually based on a collection of intelligence from various agencies, and since its inception the CPOT list has contained a total of 80 targets, none of whom resided in the United States. As of June 2006, the list included 46 targets.

Since the current DEA Administrator took office in 2003, the DEA has increased its number of foreign offices, bolstered its international funding, and augmented the number of personnel assigned to combat foreign drug trafficking and organizations. Since 1997, the DEA has increased its foreign allocated personnel by 195 positions, from 556 to 751. The DEA's foreign budget has increased from \$201 million in FY 2000 to \$312 million in FY 2006. Moreover, the percentage growth in the DEA's international operations budget has outpaced that of its overall budget, as shown in the following graph.

**DEA BUDGET PERCENTAGE GROWTH SINCE FY 2000  
TOTAL BUDGET vs INTERNATIONAL BUDGET**



Source: OIG analysis of Drug Enforcement Administration budget figures

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According to the DEA, it only opens offices in countries that are in some way tied to the flow of illegal drugs into the United States. This includes countries that are a source of drugs or precursor chemicals, countries where significant money laundering occurs, or countries that are linked to drug trafficking organizations that threaten the United States.<sup>2</sup> The host country, the U.S. Chief of Mission, and Congress must authorize the DEA to open a new foreign office. As a sovereign state, any host country may withdraw this permission at any time. In addition, the DEA's legal operating ability in other countries is much different than in its domestic offices because DEA agents stationed overseas do not have law enforcement jurisdiction. DEA's authorities differ from country to country depending on host-country laws, agreements between governments, international treaties, and local policies issued to U.S. agencies by the U.S. Ambassador. Despite different working environments in its foreign offices, the DEA maintains five principal objectives for working with foreign counterpart agencies: (1) participate in bilateral investigations, (2) cultivate and maintain quality liaison relations, (3) promote and contribute to foreign institution building, (4) support intelligence gathering and sharing efforts, and (5) provide training opportunities.

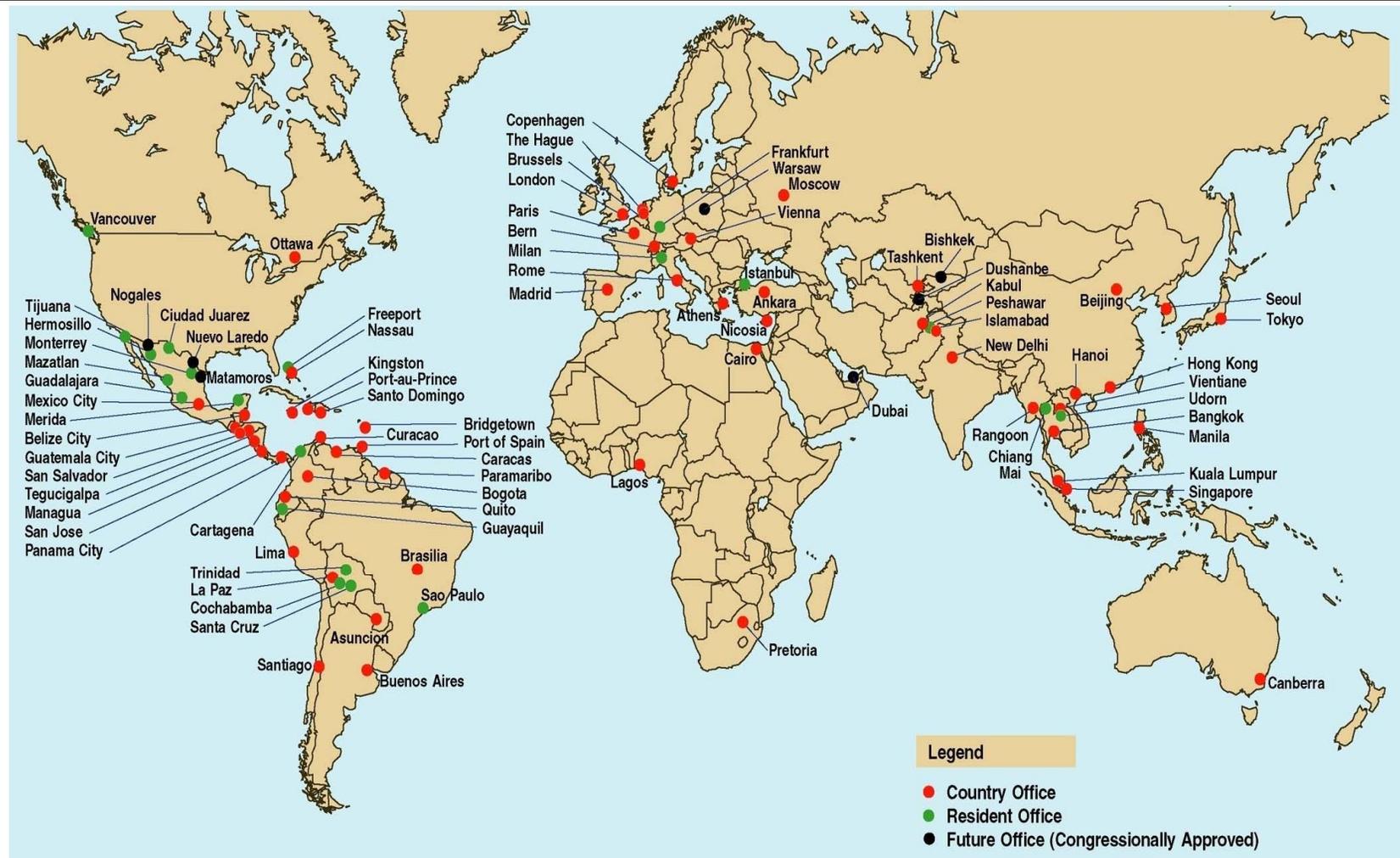
In 2007, the DEA intends to open new offices in Dubai, United Arab Emirates, and Dushanbe, Tajikistan. In addition, the DEA has received congressional approval to open an office in Bishkek, Kyrgyzstan. The DEA is also working with the government of Mexico to obtain its authorization for the opening of congressionally approved offices in Matamoros, Nogales, and Nuevo Laredo, Mexico. The placement of DEA's international offices as of June 2006 is shown on the following map.

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<sup>2</sup> Precursor chemicals are materials used in the manufacture of a controlled substance.

### DEA Foreign Offices

(as of June 2006)<sup>3</sup>



Source: Drug Enforcement Administration's Office of International Programs

<sup>3</sup> The office in Warsaw, Poland, opened in 2006. The future offices identified in Mexico are pending approval from the government of Mexico.

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In foreign countries, DEA offices are part of the U.S. Embassy mission and may be housed within or outside the Embassy or the Consulate. The primary DEA office in another country is referred to as the DEA Country Office and secondary offices are called Resident Offices. A typical DEA foreign office is staffed by Special Agents, Intelligence Research Specialists, administrative support personnel, and foreign national hires, also known as foreign service nationals (FSNs).<sup>4</sup> The senior DEA position in each Country Office is the DEA Country Attaché. In addition to reporting to DEA management, the DEA Country Attaché must also report to the U.S. Ambassador on DEA matters and activities within the host country.

The DEA has divided its foreign offices into seven regions that were established based upon the trafficking trends and environments of the various countries. These regions are managed by Regional Directors who are located within certain DEA foreign offices. A Regional Director has overall responsibility for the activities of DEA Country Offices and Resident Offices in multiple countries. For example, the DEA Regional Director for the Andean Region is located in Bogotá, Colombia, and is responsible for countries predominantly located along the northern portion of the Andes mountain range in South America, including Colombia, Peru, Ecuador, and Venezuela. The seven regions and the location of the Regional Director's office are shown below.

<b>DEA Foreign Region</b>	<b>Regional Director Location</b>
Andean	Bogotá, Colombia
European	Rome, Italy
Mexico/Central America	Mexico City, Mexico
Far East	Bangkok, Thailand
Middle East	Ankara, Turkey
Southern Cone	La Paz, Bolivia
Caribbean	San Juan, Puerto Rico <sup>5</sup>

### Performance Management

In this audit, we reviewed DEA data related to the success of its foreign offices' highest priority cases, which are labeled Priority Target

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<sup>4</sup> Foreign service nationals are non-U.S. citizens who enter into employment contracts with U.S. government offices abroad, including DEA foreign offices.

<sup>5</sup> The Caribbean Region is managed by the Special Agent in Charge of the DEA's San Juan Division, which the DEA considers a domestic office with oversight responsibility for DEA domestic and foreign offices in the Caribbean. This Special Agent in Charge effectively performs the function of a Regional Director for the DEA's Caribbean Region.

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Organizations (PTO).<sup>6</sup> According to this data, as of June 2006 the DEA's international offices were actively targeting a total of 212 PTOs. The data indicates that the DEA foreign offices were pursuing high-priority cases and had succeeded in disrupting or dismantling a significant portion of these organizations.

**DEA Foreign Offices  
Priority Target Organizations Disrupted and Dismantled  
March 2002 through June 2006**

<b>Foreign Region</b>	<b>Total PTO Cases</b> (active & closed)	<b>Active PTO Cases</b>	<b>Targets Disrupted</b> (active and closed)	<b>Targets Dismantled</b> (only closed cases)	<b>Percent of Total PTO Cases Disrupted</b> (active and closed)	<b>Percent of Total Cases Dismantled</b> (active and closed)
Andean	114	68	29	23	25%	20%
Caribbean <sup>7</sup>	65	30	22	16	34%	25%
European	53	16	20	13	38%	25%
Far East	56	25	19	7	34%	13%
Mexico/ Central America	37	29	7	2	19%	5%
Middle East	43	25	8	4	19%	9%
Southern Cone	42	19	13	9	31%	21%
<b>TOTALS</b>	<b>410</b>	<b>212</b>	<b>118</b>	<b>74</b>	<b>29%</b>	<b>18%</b>

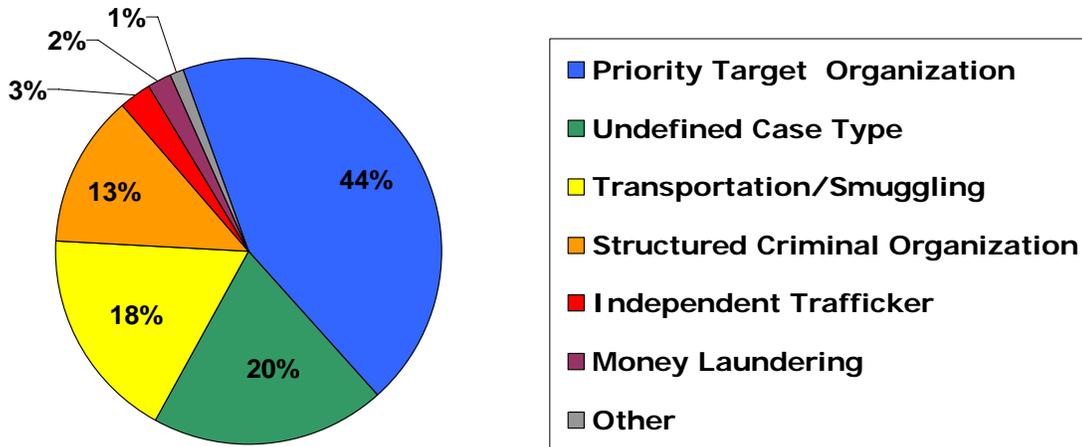
Source: OIG analysis of Drug Enforcement Administration Priority Target Activity and Resource Reporting System data

Further, our review of DEA work hours data for foreign offices demonstrated that DEA foreign offices, on average, were spending a significant proportion of its investigative effort on priority target cases. For FY 2006 (through July 14, 2006), DEA Special Agents and Intelligence Research Specialists (or intelligence analysts) stationed in foreign offices were, in total, expending 44 percent of their investigative work hours on priority target cases. The following chart illustrates the percentage of work hours in total that DEA agents and intelligence analysts spent on investigative cases from October 2005 through mid-July 2006.

<sup>6</sup> The establishment of a PTO requires a nomination by the DEA case agent and approval by field and headquarters management. The case agent is responsible for updating information on the PTO case in the DEA's Priority Target Activity and Resource Reporting System (PTARRS) at least once quarterly. The DEA began its use of the PTARRS system in March 2002.

<sup>7</sup> The Caribbean Division data includes DEA foreign offices located in the Caribbean and the DEA offices in the Bahamas.

**DEA Foreign Office Special Agents and Intelligence Research Specialists  
Percentage of Investigative Work Hours by Case Type  
October 2005 through mid-July 2006<sup>8</sup>**



Source: OIG analysis of Drug Enforcement Administration work hours data

Using analyses similar to ours, DEA management in the field and at headquarters can assess the percentage of time that foreign field personnel spend on particular types of cases (e.g., a PTO, a money laundering enterprise, a non-PTO narcotic trafficking organization). However, in our discussion with DEA Headquarters management on tools used to evaluate foreign office operational activity, work hours data was not noted as a measure used in such assessments. Further, only two of the five Regional Directors with whom we met stated that they actually used work hours data to identify the focal areas of investigative activity in the region. For example, the Regional Director in Bogotá, Colombia, used work hours data to evaluate the types of activity on which offices in the region were focusing. This Regional Director instituted a goal that 65-75 percent of the case activity in the region should be related to PTO investigations.

The DEA also does not have a comprehensive evaluation of the impact that its foreign office activities and operations collectively have had on the illicit drug trade in the United States. During our review, DEA personnel primarily cited highlights of individual case accomplishments as evidence of the success of the agency's international efforts. Subsequent to our audit close-out meeting, the DEA provided the following information concerning its international-related enforcement efforts during FY 2006:

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<sup>8</sup> The total of the percentages in the chart is 101 percent due to rounding.

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- 458 DEA-wide PTO investigations (21 percent of all active PTO cases) were directed at or linked to 44 of the 46 international targets on the DOJ's CPOT list;
- 100 active PTO cases (increasing from 82 in FY 2005) were linked to terrorist organizations;
- the DEA helped link 17 CPOTs to terrorist organizations and contributed to the successful indictment of 16 of these terrorist enterprises; and
- the DEA was involved in the extradition of 7 major international drug traffickers, including 4 CPOTs, to face prosecution in U.S. courts.

### *Strategic Planning*

The DEA has a strategic plan that is tied to DOJ's Strategic Goal II to "enforce federal laws and represent the rights and interests of the American people." The DEA has pursued its strategic goals with various initiatives for combating drug trafficking.

The DEA's strategic plan includes operational goals and measures to use in evaluating its achievements, as well as a description of the means and resources believed necessary to accomplish these goals. According to DEA's planning process, this agency-wide strategic document is supposed to be complemented by performance plans for DEA field components. However, the DEA did not require its foreign regions and offices to prepare annual performance plans for FYs 2004 through 2006. During this period, the DEA did not employ structured planning instruments for its foreign offices to use in complementing the DEA's organization-wide, strategic plan. We found that, as a result, DEA foreign regional management employed disparate planning strategies and evaluated performance inconsistently.

DEA headquarters provided a draft version of its *Foreign Regional Management Plan Annual Guidelines* subsequent to our audit close-out meeting and stated that it would soon finalize these guidelines for use by its Regional Directors in annual performance planning. We reviewed this document and consider it a sound performance planning instrument. However, a DEA headquarters executive manager acknowledged that even after the DEA promulgated its new regional planning instrument the agency's planning protocol would still be deficient because it had not yet established practices for developing performance plans at the Country Office level. We believe that a top-to-bottom performance planning design is necessary for

the DEA to sufficiently assess the performance of its foreign offices' operations and activities.

### *Lead Tracking System*

The DEA could not provide us with fundamental objective data related to assistance its foreign offices provided to other DEA offices and counterpart agencies because it does not have an agency-wide system for tracking the requests for assistance received by its foreign offices. An essential objective for DEA foreign offices is to provide support to existing DEA cases, to the investigative needs of other DEA offices, and to foreign counterparts in their anti-drug efforts. Without a system to track leads, DEA Regional Directors, Assistant Regional Directors, Country Attachés, and other managers in the foreign offices cannot adequately monitor or oversee the efforts of foreign offices to provide such assistance.

We found that, in the absence of a universal tracking system, 6 of the 10 foreign DEA offices we visited had mechanisms or processes to track requests for assistance. DEA offices in Rome and Milan, Italy; Guadalajara, Mexico; Ankara and Istanbul, Turkey; and Bangkok, Thailand; had developed mechanisms to help manage work requests submitted to their respective offices. The practices in Guadalajara and Bangkok represented the beginnings of a cataloging system. The most complete tracking systems existed in the Ankara, Milan, and Rome offices. These offices employed correspondence logs for tracking requests for assistance between foreign counterparts and the DEA. The Milan office went one step further and developed an action log that recorded all non-foreign assistance requests, including DEA investigative leads and other U.S. agency requests for assistance.

One Assistant Regional Director in an office without a local lead-tracking system with whom we spoke stated that some leads probably get lost or fall through the cracks. This manager further stated that the office relied on the requesting domestic offices to follow up on matters for which they did not receive a response. Another DEA manager acknowledged that requests from all sources should be tracked to ensure that the foreign offices take appropriate action in response to all action items.

In our judgment, DEA foreign office managers need a standardized tracking system to use in prioritizing and tracking investigative lead and assistance requests. Moreover, the DEA could also use data within such a system to evaluate the effectiveness of a foreign office's ability to support domestic office cases and assist foreign counterparts. The absence of such a system means that the DEA can only estimate the number of investigative

leads or requests for information that are handled by its foreign offices, which prevents the DEA from tracking the amount or type of tasks being requested of its offices and ensuring that these requests have been met.

### **Investigative Activity**

Our audit revealed significant deficiencies with the DEA's management and oversight of its investigative activities within its vetted unit program, an initiative that involves screening and training foreign law enforcement personnel and funding them to perform work on behalf of the DEA. [SENSITIVE INFORMATION REDACTED].

The use and management of vetted units varies from country to country. The DEA typically provides financial support for the vetted units' activities, and the vetted units are typically managed on a day-to-day basis by a senior foreign police officer, with a DEA advisor providing general oversight. Generally, in the countries where the DEA operates vetted units, these units are a vital means of pursuing its investigative needs in that location.

The DEA uses two types of vetted units: (1) vetted units that are part of the DEA's Sensitive Investigative Unit (SIU) Program and (2) non-SIU vetted units. The DEA's SIU program was created in FY 1997 when Congress appropriated \$20 million for the creation of vetted units in Bolivia, Colombia, Mexico, and Peru. In FY 2006, the budget to support the SIU Program was \$18.3 million. The DEA FY 2007 budget proposes an expansion of the SIUs into four additional countries. The DEA does not separately budget for expenses related to its non-SIU vetted units.

There are distinct differences between how the two types of foreign vetted units are organized, trained, and funded. First, with regard to SIU vetted units, Congress has designated specific locations, and the DEA allocates funds specifically to its SIU Program. Also, SIU members participate in a specially designed training course at the DEA Training Academy in Quantico, Virginia. The DEA has also developed an SIU Program Manual detailing guidelines for administering the SIU Program, and it concluded an internal assessment of the SIU Program in FY 2005. By contrast, the non-SIU vetted units are not congressionally designated, are not allocated funding from DEA headquarters, do not have a manual, and do not receive standardized training at the DEA Training Academy.

*Non-SIU Vetted Units*

We queried DEA headquarters staff for records related to its non-SIU vetted units. DEA headquarters personnel acknowledged that the DEA did not maintain any centralized records of the non-SIU vetted units. According to DEA headquarters management, these units are not part of a formal DEA program. Their proliferation is the result of foreign managers recognizing the utility of the vetted unit concept and implementing good business practices in their offices.

At our request, the DEA surveyed its foreign offices to obtain information related to its non-SIU vetted units. According to the data received, DEA offices in 16 countries operated non-SIU vetted units comprised of 888 foreign personnel. However, the DEA noted at the audit close-out meeting that its foreign offices forwarded incorrect information on the number of non-SIU vetted unit members.<sup>9</sup> The DEA acknowledged that its foreign offices needed tighter controls in this area.

*SIU Vetted Units*

According to the DEA, its offices in Colombia were the first to use vetted units. The DEA Regional Director in Colombia credited its SIU operation with supporting the vast majority of the DEA's investigations in that country. Many DEA personnel with whom we spoke considered the SIUs critical to accomplishing the DEA's foreign mission, increasing the safety of DEA personnel, helping to reduce the chance of sensitive information being compromised, and most importantly providing the DEA with an operational arm in foreign countries. For example, in May 2006, SIUs in Colombia and Brazil, working with several other DEA domestic and foreign offices, completed a 3-year investigation that resulted in over 100 arrests, including an individual identified on the CPOT list. The operation also resulted in the seizure of about 52 tons of cocaine and nearly \$70 million in assets.

In February 2006 a Mexican SIU unit conducted a surveillance operation with assistance from the DEA that resulted in the arrest of a CPOT residing in Mexico. Additionally, the SIU program in Mexico was instrumental in the successful completion of a major methamphetamine investigation that resulted in the seizure of 15 methamphetamine labs and over 130 pounds of methamphetamine with a potential street value of over \$1 million.

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<sup>9</sup> This data did not include the vetting status of the foreign personnel.

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DEA management in Thailand told us of an SIU-assisted investigation that resulted in the indictment of the leader and seven top lieutenants of a worldwide heroin and methamphetamine-trafficking organization that was believed to have been responsible for \$1 billion in heroin trafficking into the United States since 1985. The investigation involved the execution of 26 search warrants that resulted in the seizure of 18,000 methamphetamine tablets, \$25.6 million in cash, 86 kilograms of heroin, and various weapons and explosives.

However, although the DEA was able to provide us with these and other examples of individual SIU accomplishments, we found that the DEA was unable to empirically demonstrate the accomplishments of its SIU program as a whole. For example, the DEA does not collect and analyze activity statistics attributable to its SIU Program, such as arrests, the number of surveillance operations, or efforts tied to a CPOT or a PTO investigation. Additionally, the DEA has not evaluated the collective effect of the SIU Program. While we recognize that the investigative activities of the SIUs are often run by the host country, we believe the DEA should collect and analyze appropriate empirical data relating to the accomplishments of the SIUs.

### *SIU Management and Oversight*

We also evaluated the DEA's management of, and selected practices governing, its SIU Program, both at DEA headquarters and at DEA foreign offices in Colombia, Mexico, and Thailand. Our examination of the DEA's SIU Program revealed significant deficiencies, including: (1) poor recordkeeping, (2) [SENSITIVE INFORMATION REDACTED], (3) inadequate control over SIU equipment, (4) inadequate practices for supplying salary supplement payments to unit members, (5) excessive span of control ratios for management of the units, (6) insufficient evidence of training, and (7) failure to perform exit briefings of outgoing SIU members.

[SENSITIVE INFORMATION REDACTED]

[SENSITIVE INFORMATION REDACTED]

[SENSITIVE INFORMATION REDACTED]

We also queried DEA management and operational personnel assigned to DEA foreign offices in three countries regarding exit briefings of outgoing SIU members, which are required by DEA guidelines covering the program.<sup>10</sup> [SENSITIVE INFORMATION REDACTED]. We found that the DEA generally had not conducted exit briefings in the countries we visited.

[SENSITIVE INFORMATION REDACTED]

## **Relationships**

A crucial aspect contributing to the success or failure of DEA investigative activity abroad is the relationships DEA personnel stationed overseas develop and maintain with counterpart agencies. These relationships include those with: (1) other DEA offices – both foreign and domestic, (2) other U.S. law enforcement agencies abroad, and (3) foreign governments and their law enforcement components charged with combating illicit drug trafficking.

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<sup>10</sup> DEA guidelines prescribe a 5-year term limit for SIU members, requiring Regional Director approval to extend SIU member terms beyond 5 years.

During our interviews, we were told that as a result of the cultural attitudes in many foreign countries, personal bonds between individuals first need to be developed and are very significant in fostering a mutually beneficial professional working relationship. DEA personnel commented that having formed a good relationship with their foreign counterparts often resulted in more timely cooperation in response to DEA requests for information. DEA officials told us that they spend a great deal of effort developing and fostering relationships with their counterparts.

During our fieldwork, we met with 31 personnel from foreign counterpart agencies to discuss their relationships with the DEA. The overall consensus was that DEA personnel had established excellent relationships with their foreign counterparts and that working with the DEA was beneficial to foreign law enforcement efforts, particularly in building international partnerships, providing training opportunities, and supplying useful investigative equipment.

We also found that DEA domestic personnel were pleased with the relationships they had with DEA foreign offices and with the feedback received from these offices. Further, the DEA foreign offices generally maintained good partnerships with the other U.S. agencies operating abroad.

### **Foreign Administrative Functions**

Our review included an evaluation of certain administrative functions for DEA foreign offices, including an assessment of the DEA's administration of its imprest funds and its security and firearms practices and records. We found certain deficiencies in these areas due to weak management oversight and poor implementation of established rules and procedures.

#### *Imprest Funds*

Imprest funds are fixed or petty-cash funds held in the form of currency or coins that are advanced to designated cashiers, who in turn advance the funds to employees to cover investigative expenses, to make small purchases, to pay informants, and for other uses. At the time of our fieldwork, the imprest funds in DEA foreign offices totaled approximately \$3.18 million.

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We reviewed selected imprest fund activities at 7 of the 10 foreign offices we visited.<sup>11</sup> These seven offices were accountable for \$963,000 in imprest fund monies. At these offices, we interviewed cashiers about their responsibilities, observed a count of the respective office's imprest fund, and tested a sample of transactions.

At six of the seven offices where we observed the imprest fund count, the cash, expenditure documents, and reimbursement checks equaled the total amount authorized for the imprest funds. In one office, our cash count observations revealed minor irregularities.

We also reviewed a sample of FY 2005 and 2006 imprest fund transactions at seven DEA foreign offices. We selected and reviewed a sample of 233 transactions out of a universe of 3,266 transactions. Based on our testing, we identified numerous discrepancies, including missing supporting documentation, untimely return of "flashroll" currency, omitted signatures, and untimely clearing of advanced funds.<sup>12</sup>

### *Security*

While conducting our fieldwork in DEA foreign offices, we performed observational walk-throughs of DEA work space, observed office and personnel security practices, reviewed safe and door combination change records, and examined firearms storage practices. We identified poor security practices in each of these areas. For example, in two DEA foreign offices we observed DEA personnel communicating on cellular phones inside a controlled access area in violation of Department of State (State Department) policy. We also found that DEA management in two offices had not ensured that the combinations to doors and safes were changed regularly as required.

### *Firearms*

According to the *DEA Agents Manual*, all Special Agents (except those assigned to headquarters staff positions) must qualify semi-annually with their DEA-issued handguns and any approved personally owned handguns they seek to have authorization to carry. The manual allows for an exemption to these requirements for personnel stationed in foreign offices

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<sup>11</sup> Two of the offices (Milan and Rome, Italy) did not have an imprest fund. In addition, we were unable to fully review the imprest fund in Mazatlán, Mexico, because the imprest fund cashier was not in the office at the time of our fieldwork, and DEA regulations prohibit other employees from accessing the fund in the absence of the designated cashier.

<sup>12</sup> A "flashroll" is a temporary advance issued to a Special Agent during the course of an investigation and used as "show money" to procure evidence.

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without appropriate local firearms training facilities. In these instances, the policy requires the agents to qualify at a DEA training facility on their next return to the United States.

Our review of DEA firearms files in foreign offices and qualification data at DEA headquarters demonstrated that the DEA was not ensuring firearms certification and many agents were long overdue in weapons qualifications. Further, at least one agent that was overdue for weapons qualification stated that he did not re-certify his weapons proficiency when last in the United States. This exemplifies a lack of emphasis that the DEA placed on firearms proficiency for its personnel located overseas.

The DEA informed us at the audit close-out meeting that it recognized a need for improvement in this area and planned to better enforce its policy requiring foreign office employees to qualify when on official or personal travel in the United States, including any approved home leave. However, we believe that this requirement still allows for the possibility of agents not certifying proficiency on a weapon issued in a foreign office if during their foreign tenure they are stationed in an area without an available DEA-approved qualification facility and they do not return to the United States on official or personal travel. For example, we found DEA agents in one foreign office had never qualified on the weapons they received at post, and these agents had been stationed in the country for 2 to 4 years.

We also noted that certain DEA offices employed foreign service nationals (FSNs) as Investigative Assistants, allowing them to carry weapons in their capacity as DEA employees. For example, one FSN has been carrying a weapon with the DEA's tacit consent for more than 20 years. Allowing FSNs to carry a weapon without determining their weapons proficiency could result in a significant liability for the agency. The DEA stated that it recognized this vulnerability, which prompted the agency to develop a policy addressing FSNs carrying firearms during official DEA duty. The DEA promulgated this policy in July 2006, and we were provided this policy subsequent to our audit close-out meeting. Our review of the policy revealed that it allows for an FSN stationed in a country without a DEA-approved firearms facility to be exempt from qualification standards.

Additionally, we followed up with the DEA regarding how the policy applied specifically to FSNs carrying personally owned firearms during official duty, [SENSITIVE INFORMATION REDACTED].<sup>13</sup> The DEA responded that FSNs are prohibited from carrying personally owned firearms while on official

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<sup>13</sup> The DEA stated that FSNs may carry firearms only if it complies with host nation law and only after being authorized by the host nation government.

DEA duty. Moreover, the DEA also stated that the intent of the policy was for firearms and ammunition to be issued to FSNs only on a day-to-day basis, unless the Regional Director specifically approves an exemption and allows the FSN to carry the DEA-issued weapon on a 24-hour basis. We believe the DEA should review its policy and ensure that this temporary authorization element and the prohibition of carrying personally owned firearms is addressed in the agency's FSN firearms policy.

### **International Training Endeavors**

We found that the DEA provided training opportunities to its foreign law enforcement counterparts and these efforts contributed to the DEA's good reputation for cooperation and assistance. However, we found some room for improvement in the DEA's coordination of its international training with other agencies that provide similar opportunities for training. Additionally, DEA personnel stationed in foreign offices did not receive appropriate training on certain administrative functions important to the maintenance of DEA foreign office operations, such as imprest fund administration and accountable property management.

According to the DEA, it has offered counternarcotics training to its foreign counterparts since its inception in 1973, providing instruction internationally and in the United States, usually at the DEA Training Academy located in Quantico, Virginia. DEA officials stated that the DEA currently trains approximately 2,500 foreign law enforcement officers each year. The intent of DEA international training is to develop lasting working relationships between countries and to build institutional infrastructure within foreign law enforcement agencies and judicial systems.

During our numerous interviews with personnel from foreign law enforcement agencies, we were repeatedly told that they greatly valued the training opportunities that the DEA provided to them. In addition, many of these individuals commented that the DEA is an important source for drug enforcement knowledge and expertise.

The DEA's international training efforts are varied and include basic and advanced training for foreign law enforcement officials who are part of the DEA's SIU Program, as well as various regular seminars and conferences. The DEA also provides training at the State Department's International Law Enforcement Academies (ILEA).<sup>14</sup> The leadership of these

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<sup>14</sup> The State Department developed the ILEA Program and opened the first ILEA in Budapest, Hungary, in 1995. The DEA provides training there and at the ILEAs in Bangkok, Thailand; Gaborone, Botswana; and San Salvador, El Salvador. The ILEA budget averages approximately \$16 million annually.

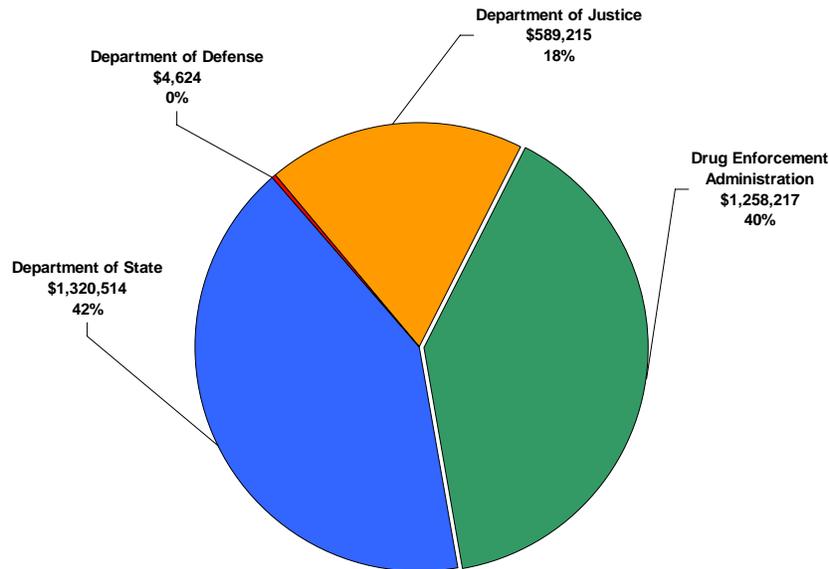
ILEAs is shared among participating U.S. agencies, and as of July 2006, the DEA held executive management positions at two of the facilities.

In addition to its instructional training to foreign counterparts, the DEA seeks to improve international drug enforcement capabilities by sponsoring information-sharing opportunities. One such initiative is the annual International Drug Enforcement Conference (IDEC). The IDEC was founded, sponsored, and coordinated by the DEA, and the DEA Administrator serves as the permanent IDEC co-President. The *IDEC XXIV* was held in Montreal, Canada, in May 2006 and included representatives from 76 countries.

Funding for the DEA's international training comes from both internal and external sources. Internally, the DEA supports international training by: (1) allocating a portion of its budget to the DEA International Training Section, and (2) allowing its foreign offices to use their discretionary funds for training-related purposes. Externally, the DEA receives resources for training from the Departments of Justice, State, and Defense (DOD).

We attempted to determine the total amount of funds from all sources that the DEA expended on international training matters each fiscal year. However, the DEA stated that it may not completely capture all the training that it provided or arranged to be provided to its foreign counterparts because of the decentralized fashion in which other agencies distribute funding for international training opportunities. The DEA did provide available funding information, and, according to this data, approximately \$3.2 million was expended to supply training to DEA foreign counterpart personnel in FY 2005. The DEA's portion of this funding amounted to 40 percent and DOJ provided another 18 percent. External sources such as the DOD and the State Department provided the remaining 42 percent, as shown in the following exhibit.

### SOURCES OF INTERNATIONAL TRAINING FUNDS FISCAL YEAR 2005



Source: OIG analysis of the Drug Enforcement Administration's International Training Section budget data

Including DEA funding, DOJ provides 58 percent of the financial support for DEA foreign training. The State Department provides most of the remaining funding. State Department headquarters representatives informed us that budget rescissions will severely limit the resources the State Department will be able to provide the DEA in the future. This projected reduction in the resources available for international training increases the importance of the DEA's efforts to coordinate its activities with others. During our fieldwork, State Department personnel in Colombia informed us that their office had resources to provide additional anti-drug and law enforcement-related training to foreign counterparts. Although DEA personnel in Colombia told us that they were in need of additional training resources, they had not approached the State Department to discuss such possibilities.

Another area of training that we examined was instruction provided to DEA foreign personnel. Due to the relatively small staff size of its foreign offices, many DEA Special Agents, Intelligence Research Specialists, and support staff are assigned collateral duties in foreign offices and may be given responsibility for administrative functions, such as maintaining the imprest fund, accounting for equipment, and maintaining inventories. Often, these personnel had never previously performed such tasks and reported having received no training for these responsibilities. As we noted earlier, we found several compliance issues involving certain administrative functions. We believe that the DEA needs to increase its efforts to provide

training on administrative functions, particularly to DEA foreign personnel responsible for imprest fund administration and accountable property management.

## **Conclusion and Recommendations**

We found that DEA has established valuable relationships with foreign counterparts who help its efforts to combat major drug trafficking organizations affecting the United States and has earned a good reputation for its training of foreign law enforcement personnel. DEA performance data indicates that the DEA's international offices were pursuing high-priority cases and had succeeded in disrupting and dismantling many of these organizations.

However, the DEA could not provide us with basic data regarding the activity of its international offices. For example, the DEA does not have a standardized system for its foreign offices to use in tracking the leads and requests for assistance received. Additionally, we found that the DEA did not require its foreign regions and offices to develop annual performance plans for FYs 2004 through 2006. Moreover, DEA headquarters was not using available empirical data, such as work hours data, in its oversight of foreign office activity. The absence of established goals and essential management tools such as a lead tracking system hurts the DEA's ability to monitor and evaluate the performance of its foreign offices.

Our audit also revealed significant deficiencies with the DEA's management and oversight of its investigative activities within its vetted units. In addition, we identified deficiencies in the DEA's management of imprest funds and practices and records for security and firearms.

We believe that improvements to administrative and management functions of DEA foreign offices and programs would remedy most of these findings. [SENSITIVE INFORMATION REDACTED]

In total, the OIG has made 22 recommendations to assist the DEA in improving its international operations.

**AUDIT OF THE DRUG ENFORCEMENT ADMINISTRATION'S  
INTERNATIONAL OPERATIONS**

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## **CHAPTER 1: INTRODUCTION**

Illegal drug trafficking is a global problem, with criminal organizations worldwide participating in these illegal drug trafficking activities. In a recent study, the United Nations estimated the world market for illicit drugs at \$322 billion.<sup>15</sup> In 2002 the U.S. government projected the economic cost of drug abuse on the United States at \$180 billion.<sup>16</sup>

### **Overview of the DEA**

On July 1, 1973, a Presidential Executive Order created the Drug Enforcement Administration (DEA), and it became the primary federal agency responsible for investigating illicit drug trafficking organizations operating within the United States. The DEA's stated mission is to enforce the controlled substances laws and regulations of the United States, bringing to justice the illicit drug organizations and their principal members involved in the growth, manufacture, or distribution of controlled substances that are smuggled into and throughout the country. The DEA's enforcement philosophy is to develop investigative cases to attack the organizational command and control structures of major drug trafficking organizations.

The ultimate goal of these efforts is to significantly disrupt drug trafficking operations and to dismantle the criminal organizations entirely, while ultimately bringing their leaders to prosecution, either in the United States or through another country's judicial system. The Department of Justice (DOJ) maintains a working list, which is updated at least annually based on a collection of intelligence from various agencies, of the drug trafficking organization kingpins throughout the world whose operations most significantly affect the United States. According to DOJ officials, since its inception in 2002, this "Consolidated Priority Organization Target" (CPOT) list has contained a total of 80 targets, none of whom resided in the United States. As of June 2006, the list included 46 targets. Therefore, to combat the highest priority drug trafficking organizations, the DEA extends its efforts to countries where major drug traffickers live and operate. DEA personnel are stationed abroad to work closely with other foreign law enforcement agencies, as well as other U.S. agencies operating in the international arena.

According to the DEA, the U.S. government was operating offices overseas to combat illicit drug trafficking well before the DEA was created in

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<sup>15</sup> United Nations, Office of Drugs and Crime. *Annual Report, 2005*.

<sup>16</sup> The Executive Office of the President of the United States, Office of National Drug Control Policy. *The Economic Costs of Drug Abuse in the United States 1992-2002*, December 2004.

1973. In 1951, for example, the U.S. government opened its first foreign office dedicated to drug trafficking matters in Rome, Italy. Offices in Beirut, Lebanon, and Paris, France, followed in 1954 and 1959.<sup>17</sup> A major example of international partnerships occurred as early as 1960 when U.S. foreign drug agents worked with their foreign counterparts to investigate morphine trafficking out of Lebanon and Turkey to France for heroin production. This international coordination resulted in the Turkish government banning morphine production and led to the dismantling of French heroin trafficking organizations.

Since the current DEA Administrator took office in 2003, she has pursued an increase in DEA resources dedicated to the international arena. During this time, the DEA has increased its number of foreign offices, bolstered its international funding, and augmented the number of personnel assigned in the foreign arena to combat illicit drug trafficking organizations at their foundation.

#### *DEA Headquarters*

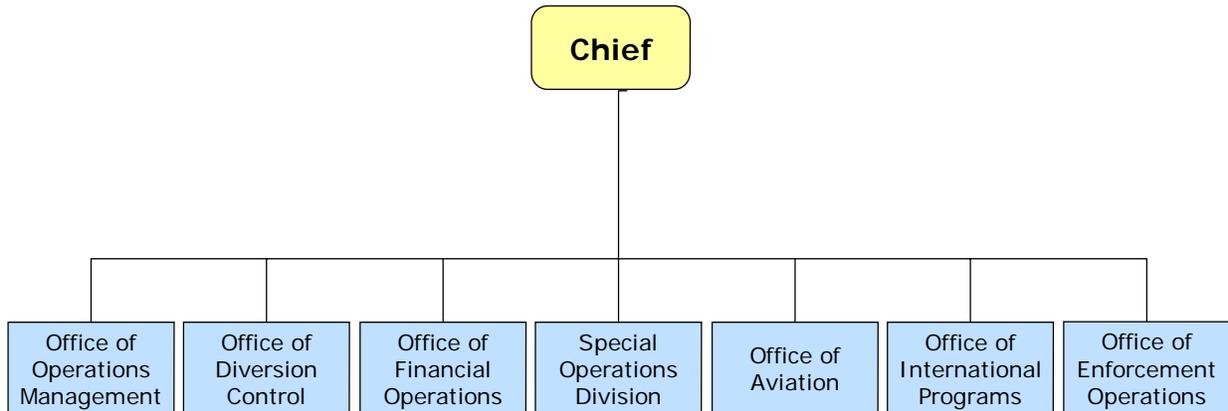
DEA headquarters, located in Arlington, Virginia, is responsible for developing the strategic objectives, management policies, and operational protocol for the agency.<sup>18</sup> It provides oversight and assistance to its operational field entities located throughout the United States and across the world. Six operational divisions comprise the majority of the workforce for DEA headquarters. The Operations Division contains the components that have the most interaction with and responsibility for DEA foreign activities. The following is an organizational chart of the DEA's Operations Division.

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<sup>17</sup> This Beirut office closed in 1958, reopened in 1959, and closed again in 1976.

<sup>18</sup> Certain headquarters-level components are located outside of the DEA's main headquarters campus in Arlington, Virginia. For instance, the DEA Training Division is stationed in Quantico, Virginia; the Special Operations Division (SOD) is housed in Chantilly, Virginia; and the El Paso Intelligence Center (EPIC) resides in El Paso, Texas.

DEA Operations Division Organization Chart



Source: Drug Enforcement Administration

In brief, the Operations Division contains the headquarters offices responsible for the support of all DEA operational activity, both foreign and domestic. The first four offices in the chart above support specialized DEA investigative activity and developing and promulgating agency policy. The Office of Operations Management is involved with foreign offices and activities mainly by generating management policies and coordinating formal working agreements with international law enforcement counterparts. The Office of Diversion Control assists foreign offices in activity related to precursor chemical awareness and movement.<sup>19</sup> The Office of Financial Operations is responsible for initiating policy and coordinating matters related to money laundering investigations, which the DEA Administrator has announced as a major priority of the agency. The Special Operations Division (SOD) coordinates intelligence related to and derived from pen registers and communication intercepts for domestic and foreign offices.<sup>20</sup> The DEA's Office of Aviation is also managed by its Operations Division and has posts located internationally, such as in Colombia and Mexico, to provide support to various DEA operations.

The remaining two Operations Division offices have the most involvement in DEA foreign offices. All drug enforcement matters – domestic and foreign – are coordinated through the Office of Enforcement

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<sup>19</sup> Precursor chemicals are materials used in the manufacture of a controlled substance.

<sup>20</sup> A pen register is a tool employed by law enforcement agencies that allows an investigator to view phone numbers called and received from a specific phone. A communication intercept is the recording of telephone conversations and can be a hardline phone tap or an interception of wireless communication. These are two of the SOD's principal functions.

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Operations. This office's foreign functions include ensuring cooperation of investigative cases between domestic and foreign DEA offices, coordinating large international operations, and developing strategic targeting initiatives.

The DEA's Office of International Programs is dedicated to supplying necessary administrative support to DEA foreign offices and international programs. This office is also responsible for representing the DEA within the international law enforcement community, coordinating foreign dignitary visits to DEA domestic offices, arranging for DEA Administrator meetings with foreign counterparts, planning international conferences, managing the overall DEA foreign budget, and preparing DEA personnel for foreign postings. The Office of International Programs has no involvement in any enforcement activities.

### *DEA Foreign Objectives*

The DEA's legal operating authority abroad is different than in its domestic offices because DEA agents stationed overseas do not have law enforcement jurisdiction. The DEA's operating authorities differ from country to country depending on host-country laws, agreements between governments, international treaties, and local policies issued to U.S. agencies by the U.S. Ambassador. Despite different working environments, DEA foreign offices pursue five principal objectives when working with foreign counterpart agencies: (1) participate in bilateral investigations; (2) cultivate and maintain quality liaison relations; (3) promote and contribute to foreign institution building; (4) support intelligence gathering and sharing efforts; and (5) provide training opportunities.

### **DEA Foreign Field Offices**

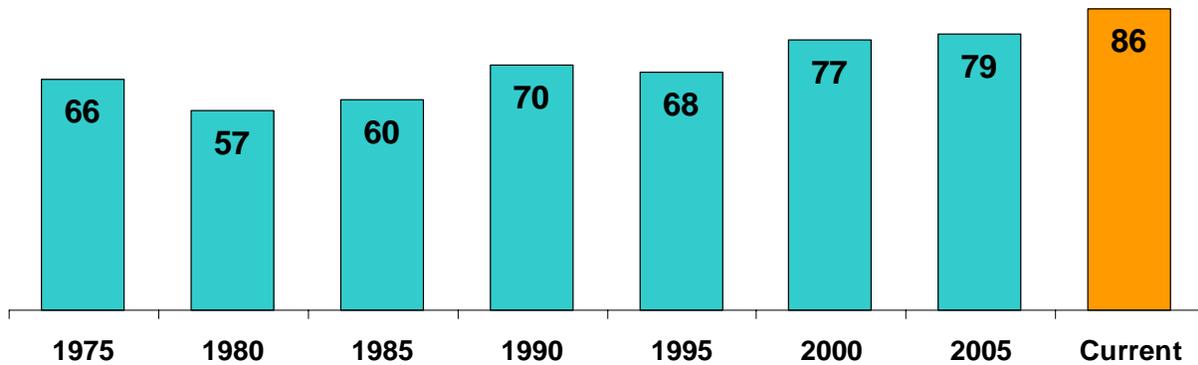
According to the DEA and the DOJ's CPOT list, the criminal syndicates involved in the trafficking of illegal drugs into and throughout the United States often reside in other countries, beyond the DEA's enforcement jurisdiction. DEA officials further asserted that the DEA must develop and maintain relationships with foreign law enforcement agencies to obtain information necessary to further its investigations and to successfully combat drug trafficking into and within the United States. To this end, the DEA has an established network of foreign field offices that liaison and work bilaterally with foreign law enforcement agencies, as well as with other U.S. entities located abroad.

DEA foreign field offices are considered part of the U.S. Embassy mission and may be housed within or outside the Embassy or Consulate. The primary DEA office in a foreign country is referred to as the DEA Country

Office. In some instances, the DEA has more than one office in a country, and these secondary offices are called Resident Offices. A typical DEA foreign office is staffed by Special Agents, Intelligence Research Specialists, administrative support personnel, and foreign national hires, also known as foreign service nationals (FSNs).<sup>21</sup> The senior DEA position in each Country Office is the DEA Country Attaché. In addition to reporting to the appropriate DEA management, the DEA Country Attaché must also report to the U.S. Ambassador on DEA matters and activities within the host country. The DEA Resident Offices report to the DEA Country Office.

The chart below shows the overall growth in the number of DEA foreign offices over the last 30 years. The DEA increased its foreign offices from 66 in 1975 (shortly after its inception) to 79 in fiscal year (FY) 2005.

**Number of DEA Foreign Offices  
1975 – Present<sup>22</sup>**



Source: Drug Enforcement Administration Office of International Programs

Currently the DEA operates 80 foreign offices and is in the process of opening 6 more offices, which will give it a total of 86 offices in 62 foreign countries. The map on the following page indicates the locations of DEA foreign offices, noting Country Offices (red dot), Resident Offices (green dot), and future offices (black dot).

<sup>21</sup> Foreign service nationals are non-U.S. citizens who enter into employment contracts with U.S. government agencies abroad, including DEA foreign offices.

<sup>22</sup> The current DEA foreign office figure in the chart represents foreign offices that the DEA opened in FY 2006 and offices that the DEA is in the process of opening.



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According to a DEA headquarters official, the agency is constantly asked by foreign governments to open offices in other countries. However, the DEA only opens offices in countries that are in some way tied to the flow of illegal drugs into the United States. This includes countries that are a source of drugs or precursor chemicals, countries where significant money laundering occurs, or countries that are linked to drug trafficking organizations that threaten the United States. Ultimately, the host government, the U.S. Chief of Mission, and Congress must authorize the opening of a new foreign office. As a sovereign state, any host country may withdraw this permission at any time.

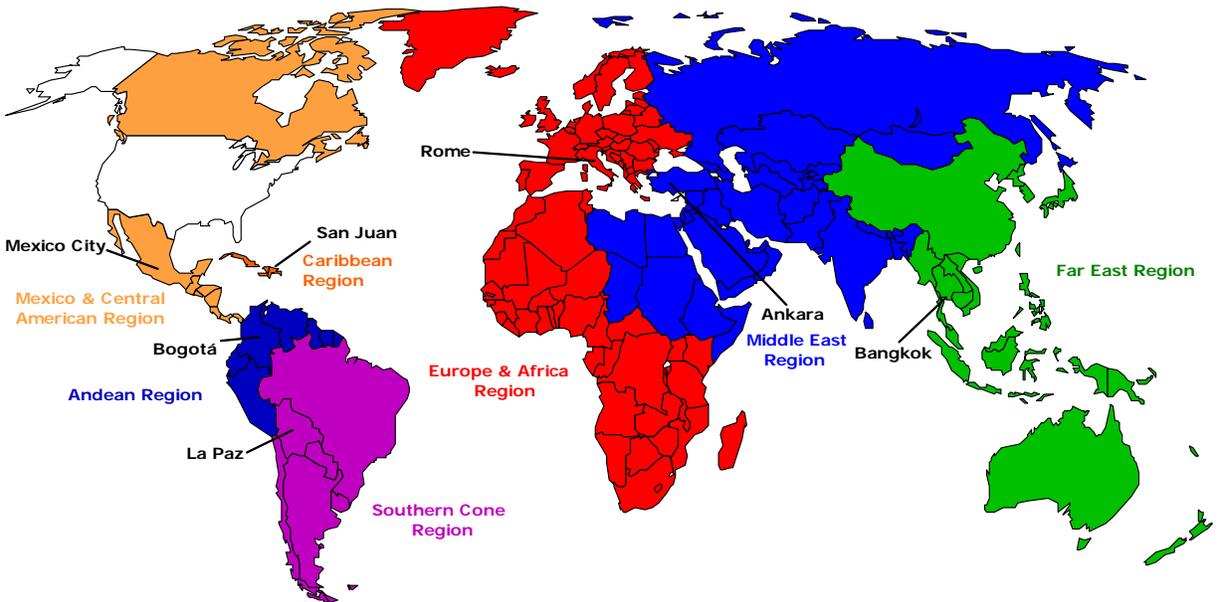
In 2004, the DEA divided its foreign offices into seven regions. These regions are managed by Regional Directors who are located within certain DEA foreign offices. The position and role of a Regional Director is equivalent to that of a DEA Special Agent in Charge (SAC) for a domestic office.

A Regional Director has overall responsibility for the activities of DEA Country Offices and Resident Offices in multiple countries.<sup>24</sup> For instance, the DEA Regional Director for the Andean Region is responsible for countries predominantly located along the northern portion of the Andean mountain range in South America, including Colombia, Ecuador, Peru, and Venezuela. Comparably, the SAC for the DEA Atlanta Division oversees DEA offices and activities in Georgia, North Carolina, South Carolina, and Tennessee. The following exhibit shows the DEA foreign regions and the cities in which the DEA Regional Directors are located.

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<sup>24</sup> Being the highest ranking DEA officer in the country, the Regional Director is also the DEA Country Attaché. The Caribbean Region is managed by the DEA's San Juan Division; the San Juan office is a domestic field division managed by a SAC.

### DEA Foreign Regions



Source: Drug Enforcement Administration

### DEA Funding and Personnel

The DEA's FY 2006 overall budget was approximately \$1.67 billion.<sup>25</sup> Its foreign offices and activities comprise nearly 20 percent of this funding, with an allocation of almost \$312 million. The amount of resources allocated to foreign offices varies from country to country, and from location to location. Each office is provided a funding allocation, the amount of which is determined based upon the breadth of operational activity and the number of personnel assigned to the office. In turn, the level and type of allowable operational activity determines the staffing size of DEA foreign offices. For example, if host country officials permit DEA personnel to work with them in conducting bilateral investigations, a DEA foreign office may have a larger staff than other locations that are limited to more liaison-type activities. Further, the exact number of positions located in foreign offices requires approvals from various Department of State (State Department) officials including the U.S. Ambassador, and in some cases the host government. The number of DEA personnel stationed in a foreign office varies from 109 allocated positions in Colombia to 2 positions each in Australia, Japan, and Laos. On average, DEA foreign offices are allocated about 9 positions.

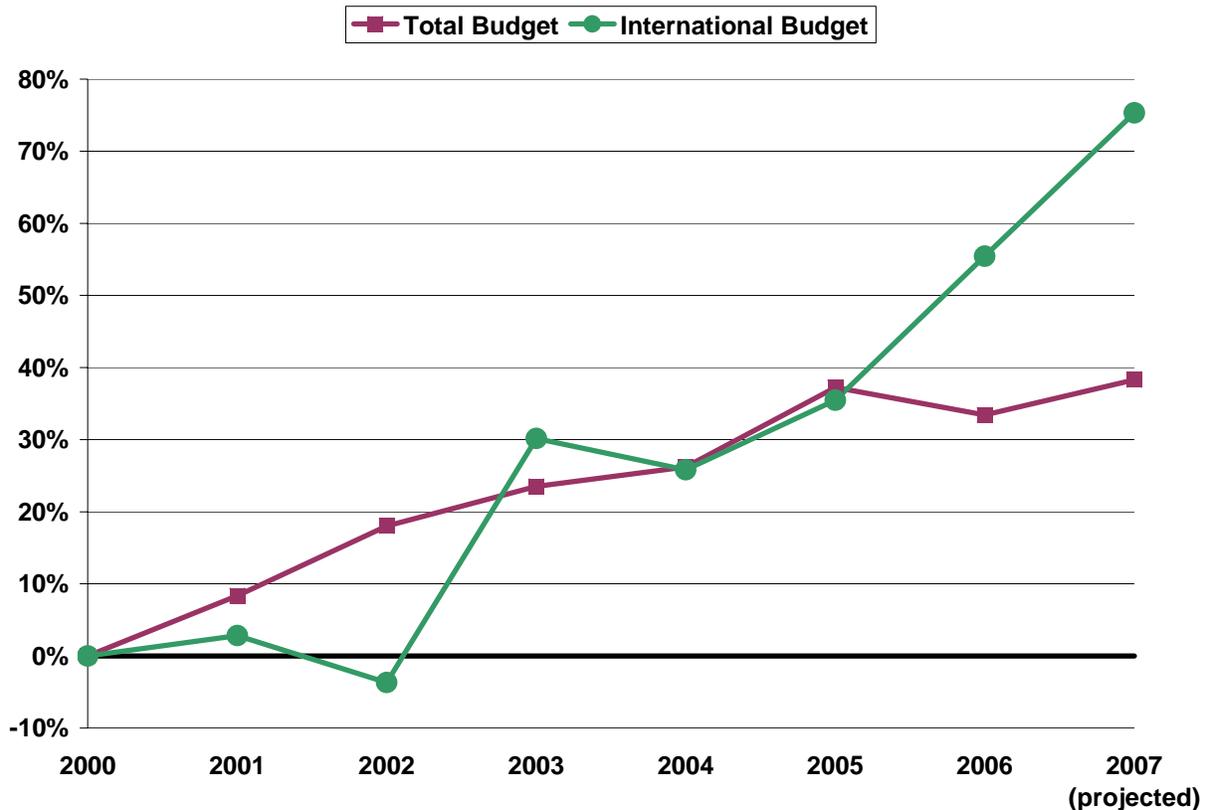
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<sup>25</sup> Drug Enforcement Administration. *FY 2007 Congressional Budget Submission*, February 2006.

*DEA Budget*

Over the last 7 years, the DEA’s overall budget grew by 33 percent, from \$1.25 billion in FY 2000 to \$1.67 billion in FY 2006. During this same period, the DEA’s foreign budget increased 55 percent, from about \$201 million in FY 2000 to almost \$312 million in FY 2006. Thus, the DEA proportionately increased the budget for its foreign activities at a greater rate than its overall growth. The DEA’s proposed FY 2007 budget request is over \$1.7 billion, including nearly \$352 million for international endeavors. If these amounts are appropriated, the DEA’s budget for foreign activities will have expanded by 75 percent from its FY 2000 funding allocation. The greater proportionate growth in the DEA’s foreign budget, compared to its overall budget over the last several years demonstrates the agency’s increased emphasis on international activities. The following table illustrates percentage growth from FY 2000 for the DEA’s overall budgets and the funding dedicated to international operations.

**DEA BUDGET PERCENTAGE GROWTH SINCE FY 2000  
TOTAL BUDGET vs INTERNATIONAL BUDGET**



Source: OIG analysis of Drug Enforcement Administration budget figures

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### *DEA Personnel*

In total, the DEA had 10,866 authorized positions for FY 2006, dividing its personnel resources into seven main categories: (1) Special Agents; (2) Intelligence Research Specialists; (3) Diversion Investigators; (4) professional, administrative, technical, and clerical (PATC) staff; (5) Investigative Technology Specialists; (6) chemists; and (7) attorneys. Special Agents are the standard investigative personnel of the federal law enforcement community, while Intelligence Research Specialists provide support to DEA investigations by collecting and analyzing drug intelligence relevant to the DEA's mission. Diversion Investigators investigate the illegal diversion of pharmaceuticals, coordinate with the pharmaceutical industry, and educate the public about precursor chemicals and the impact of diverted prescription drugs. The majority of the DEA's administrative support functions are handled by PATC employees.

Approximately 7 percent of the DEA total allotted positions are allocated to foreign offices. DEA personnel must apply for foreign assignments, all of which are competitive positions. DEA management informed us that only experienced DEA personnel are eligible for an overseas posting. The DEA also hires FSNs for certain positions such as secretaries, drivers, and investigative assistants in its foreign offices. The following table shows the number of DEA authorized positions for FY 2006.

**FY 2006 DEA Authorized Personnel<sup>26</sup>**

Type of Position	Total	Foreign	Percent in foreign offices
Special Agent	5,295	491	9.27%
Intelligence Research Specialist	860	87	10.12%
Diversion Investigator	621	14	2.25%
PATC	3,484	154	4.42%
Investigative Technology Specialist	197	5	2.54%
Chemist	331	0	0.00%
Attorney	78	0	0.00%
<b>Totals</b>	<b>10,866</b>	<b>751</b>	<b>6.91%</b>

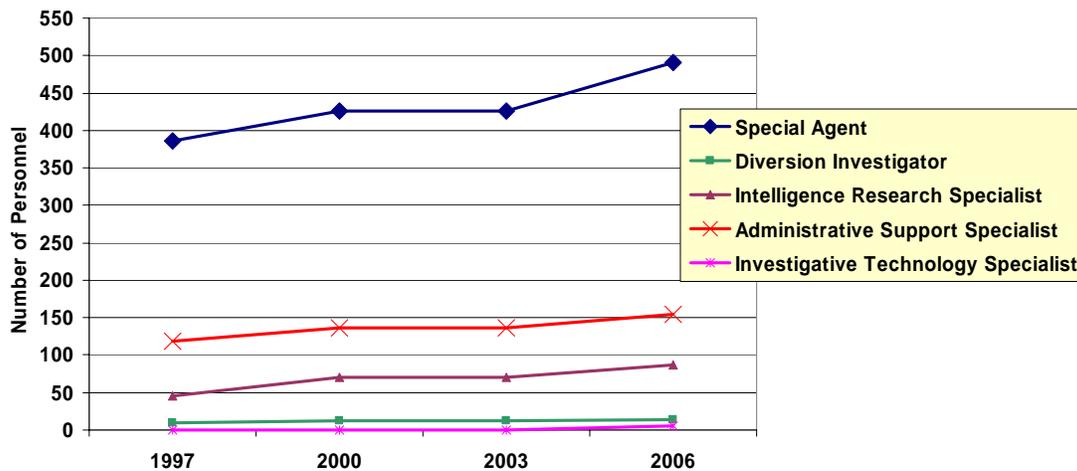
Source: OIG analysis of the Drug Enforcement Administration's Office of Resource Management, May 2006 data

<sup>26</sup> The DEA also had 259 contract employees in its foreign offices in FY 2006. These included FSNs, spouses of other U.S. Embassy employees, and other U.S. citizens living abroad.

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Since 1997, the DEA has increased its foreign allocated personnel by 195 positions, from 556 to 751. The most significant area of increase was in Special Agent positions, which increased from 382 in 1997 to 491 in 2006. Additionally, its Intelligence Research Specialist positions and PATC positions have also increased significantly during this period. The following chart provides a perspective of the change in DEA foreign personnel resources from 1997 through 2006.

**Change in DEA Authorized Foreign Personnel Positions  
1997 through 2006**



Source: OIG analysis of the Drug Enforcement Administration’s Office of Resource Management data

*DEA Foreign Rightsizing*

In October 2003, the DEA completed a review of its foreign offices in an effort to determine the number of personnel needed to fulfill the objectives and needs of each office. This rightsizing review resulted in a proposal that called for adjustments in the number of authorized positions within particular DEA foreign offices. The proposal recommended reducing the personnel size of some offices, increasing others, and keeping the majority of its foreign offices’ position levels the same. In all, the report recommended that 17 foreign office positions be reallocated to other foreign offices and 65 domestic positions be transferred to foreign offices. The report also recommended that the DEA open five new foreign offices in Bishkek, Kyrgyzstan; Matamoros, Nogales, and Nuevo Laredo, Mexico; and Paramaribo, Suriname.<sup>27</sup> Since this original review, the DEA has instituted a

<sup>27</sup> The Suriname office opened in 2006 and the Kyrgyzstan office is slated to open in 2007. The proposed new offices in Mexico have been approved by Congress and are pending approval from the government of Mexico.

foreign rightsizing assessment into its annual resource planning, which the DEA will consider when preparing its budget requests.

## **Prior Reports**

The OIG previously reviewed various programs and management areas of the DEA that pertain in some way to this audit of the agency's international operations. In September 2003, the OIG released a report on the DEA's compliance with the Government Performance and Results Act.<sup>28</sup> The OIG found that while the DEA had developed a strategic plan in line with DOJ's strategic plan, the agency had not developed objectives and measures definitive enough to effectively evaluate performance and operational outcome. As of September 2006 the OIG continues to coordinate with the DEA on resolving this deficiency.

In May 2005 the OIG issued a report on the DEA's payments to confidential informants detailing procedural and management control issues regarding such payments.<sup>29</sup> We made 12 recommendations in that report, calling for improvements to the DEA's risk management and procedural control over payments to informants. While that review of DEA informant payments concentrated on DEA domestic offices, we believe the implementation of some of the report's recommendations also applies to the DEA's foreign offices. Because of that report, and the DEA's agreement to address the recommendations in that report, this review of the DEA's international operations did not include a direct assessment of DEA foreign office payments to confidential informants.

## **Audit Approach**

The objectives of this audit were to: (1) review the DEA's foreign office performance, including its efforts to track operational activity and its internal mechanisms for evaluating the performance of its foreign operations; (2) examine the DEA's involvement and management of international investigative activity; (3) assess the DEA's relationships with its law enforcement counterparts abroad, including its liaison associations and the exchange of information; (4) analyze the DEA's processes and controls over foreign administrative functions, including those related to security, firearms, property management, and fiscal matters; and (5) review the

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<sup>28</sup> Department of Justice, Office of the Inspector General. *The Drug Enforcement Administration's Implementation of the Government Performance and Results Act*, Audit Report 03-35, September 2003.

<sup>29</sup> Department of Justice, Office of the Inspector General. *The Drug Enforcement Administration's Payments to Confidential Sources*, Audit Report 05-25, May 2005.

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training provided or coordinated by the DEA to its foreign counterparts and DEA personnel stationed abroad.

To accomplish these objectives we conducted numerous interviews with DEA personnel, representatives from other U.S. government agencies, and foreign government officials. Additionally, we reviewed DEA internal documentation such as manuals, financial reports, and workload data; we analyzed DEA empirical data pertaining to investigative casework and personnel utilization; and we conducted fieldwork at 10 DEA foreign offices in five foreign countries: Colombia, Italy, Mexico, Thailand, and Turkey. We selected locations that would provide us with a broad overall perspective of DEA's international operations, including geographic location, jurisdiction, operational activity, and personnel composition.

In addition, we met with officials at DEA headquarters to discuss the foreign offices' goals and objectives, and the DEA's oversight and support of foreign offices and operations. We also interviewed personnel at the DEA's Training Academy, the SOD, the EPIC, and three DEA domestic offices (Washington, D.C.; Chicago, Illinois; and El Paso, Texas) about their interaction with DEA foreign offices.

We also interviewed representatives from various DOJ components, such as the Office of International Affairs, the Narcotics and Dangerous Drugs Section, and the Federal Bureau of Investigation (FBI), about their agencies' coordination with the DEA in the foreign environment. We also spoke with several State Department components, including the Office of Rightsizing and the Bureau for International Narcotics and Law Enforcement Affairs (INL), about the DEA's communication and coordination with those offices. Additionally, we held discussions with officials from the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE), the Office of National Drug Control Policy (ONDCP), and the Department of Defense.

In each of the five countries in which we conducted fieldwork we reviewed the DEA Country Office, and in four of the five we performed work at selected DEA Resident Offices. At the offices we visited, we interviewed DEA management officials, such as the Regional Director or Country Attaché and Assistant Regional Directors, about the DEA's foreign activities. At each Embassy, we interviewed the U.S. Ambassador or the Chief of Mission designate, representatives from various State Department offices, and personnel from other U.S. law enforcement, intelligence, and defense agencies.<sup>30</sup> At these locations, we also reviewed DEA procedures,

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<sup>30</sup> A complete listing of agencies with which we met is contained in Appendix V.

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documentation, and files applicable to our review. Moreover, we discussed the DEA’s activities and conduct in each country with representatives from the host government’s law enforcement and judicial entities with which the DEA foreign offices work. The following table indicates the DEA foreign offices in which we conducted fieldwork. Appendix II includes profiles for each country we visited during this review.

**DEA Foreign Offices – Fieldwork Locations**

<b>Country</b>	<b>Country Office</b>	<b>Resident Office in U.S. Consulate</b>	<b>Resident Office independent of U.S. foreign property</b>
<b>Colombia</b>	Bogotá		Cartagena
<b>Italy</b>	Rome	Milan	
<b>Mexico</b>	Mexico City	Guadalajara	Mazatlán
<b>Thailand</b>	Bangkok		
<b>Turkey</b>	Ankara	Istanbul	

## CHAPTER 2: FOREIGN OFFICE PERFORMANCE MEASUREMENT

According to its strategic plan, the DEA's primary operational objective is to combat the drug trafficking organizations most significantly affecting the United States. The DEA believes its international operations are critical to accomplishing this goal. Its foreign offices support DEA's efforts to investigate drug trafficking organizations that often reside in foreign countries. DEA foreign offices are also responsible for assisting counterpart agencies in their drug-related investigations.

According to DEA data, its foreign offices have had success in disrupting and dismantling priority drug trafficking organizations operating throughout the world. Further, DEA work hours data demonstrates that its foreign personnel spend a significant proportion of their time investigating priority targets.

However, the DEA could not provide us with basic objective data regarding the activity of its international offices. For instance, the DEA does not require its foreign offices to track the requests for assistance that they receive. Therefore, the DEA could not objectively assess the quantity or quality of support that its foreign offices provided to other DEA offices and counterpart agencies. Additionally, the DEA did not require its foreign regions and offices to prepare annual performance plans for FYs 2004 through 2006. Instead, we found that DEA foreign regional managers employed a variety of performance planning and evaluation techniques and did so with varying degrees of adequacy. Further, DEA headquarters did not use available data, such as work hours data, in its oversight and evaluation of foreign office activity.

### Tracking Investigative Leads

DEA foreign personnel stated that a primary function of their offices was to support DEA domestic investigations by handling investigative leads that are passed on to their offices.<sup>31</sup> Additionally, DEA foreign offices receive leads or requests for assistance from other DEA foreign offices, other U.S. government agencies, and foreign counterparts. However, the DEA has no formal, standardized system to catalog and track the investigative leads or assistance requests received by its foreign offices.

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<sup>31</sup> An investigative lead is information or a request for information concerning an active or possible investigative case. A lead typically contains information that investigators use to validate case information or spur an investigation of a suspect or an organization.

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Our review revealed that, in the absence of an agency-wide system, several offices had independently created local mechanisms that resembled a lead tracking system. DEA offices in Rome and Milan, Italy; Guadalajara, Mexico; Ankara and Istanbul, Turkey; and Bangkok, Thailand; had developed office-specific practices to help manage work requests submitted to their offices. For example, the DEA Guadalajara office had developed a spreadsheet to track incoming investigative leads. However, the entire office was not consistently utilizing the spreadsheet because it identified the receipt of only 18 leads in about 6 weeks, which was not commensurate with the level of activity reported for this office. Additionally, a senior Special Agent had recorded no leads, one agent had just two leads, and another agent had just one lead in the system.

The DEA Bangkok office did not have a formal, centralized tracking system, but two supervisors we interviewed had developed their own methods, such as systematically identifying action items within e-mails to track the leads they received.

The most complete tracking systems existed in the Ankara, Istanbul, Milan, and Rome offices. These offices employed correspondence logs for tracking requests for assistance between foreign counterparts and the DEA. The Milan office went one step further and developed an action log that recorded all non-foreign assistance requests in an electronic spreadsheet, including DEA investigative leads and other U.S. agency requests for assistance. The log assigned a unique number to each request and included such information as the date it was received, the requesting office and area (i.e., country or city) of responsibility, the subject of inquiry, what type of action was required (e.g., meeting or research), the agent to whom it was assigned, and the date it was completed. The DEA Milan Resident Agent in Charge (RAC) stated he used these logs to monitor the status and completion of assistance requests. In total, the DEA Milan office had systems to sufficiently track all investigative leads and requests for assistance received by the office.

Other offices we visited did not employ systems to manage the leads they received, even though these offices stated they received leads and assistance requests. For example, an agent in the Colombia field office said that he received 50 leads every day. He further stated that he discarded those leads he determined not to be a priority. One Assistant Regional Director in this office acknowledged that some leads probably get lost or fall through the cracks. This manager further stated that the office relied on the requesting domestic offices to follow up on matters for which they did not receive a response. DEA management in Colombia stated that a lead tracking system would help in monitoring the office's investigative activity

and supporting other DEA cases and counterpart requests for assistance. Another DEA manager remarked that requests from all sources should be tracked to ensure that the foreign offices take appropriate action in response to all action items.

In our judgment, DEA managers in the foreign field offices need a standardized tracking system to monitor an office's fulfillment of investigative lead and assistance requests and to prioritize work. The DEA could also use the data within this system to evaluate the effectiveness of its foreign offices' support of domestic office cases and assistance of foreign counterparts. The absence of such a system in foreign offices means that the DEA can only estimate the number of investigative leads or requests for information that are handled by its foreign offices, which prevents the DEA from tracking the amount and type of tasks being requested of its foreign offices. Additionally, such a system would provide foreign management with an effective tool to ensure that requests are timely met according to office priorities. At the audit close-out meeting, DEA officials stated that it would develop a template for foreign offices to use in tracking and prioritizing investigative leads and requests for assistance.

### **Performance Planning**

The DEA maintains a strategic plan that is tied to the DOJ's Strategic Goal II to "enforce the federal laws and represent the rights and interests of the American people". This plan includes operational objectives and measures to use in the evaluation of each strategic goal, as well as a description of the means and resources believed necessary to accomplish the goals. According to DEA's planning process, this agency-wide strategic document is supposed to be complemented by performance plans for the DEA's field components. These field component plans should set the goals by which foreign offices and operations can be measured against the DEA's mission, strategic objectives, and budget.

In FY 2004, the DEA announced the regionalization of its foreign office structure.<sup>32</sup> Before that, each DEA Country Office was required to submit an annual planning document to DEA headquarters that detailed operational objectives for the upcoming year. In October 2003, DEA headquarters announced that these country plans were no longer required because the agency was creating a uniform planning protocol to correlate with the new regional structure of the DEA's foreign program. Subsequent to our audit close-out meeting, DEA headquarters provided a draft version of its *Foreign Region Management Plan Annual Guidelines*, dated September 2006, and

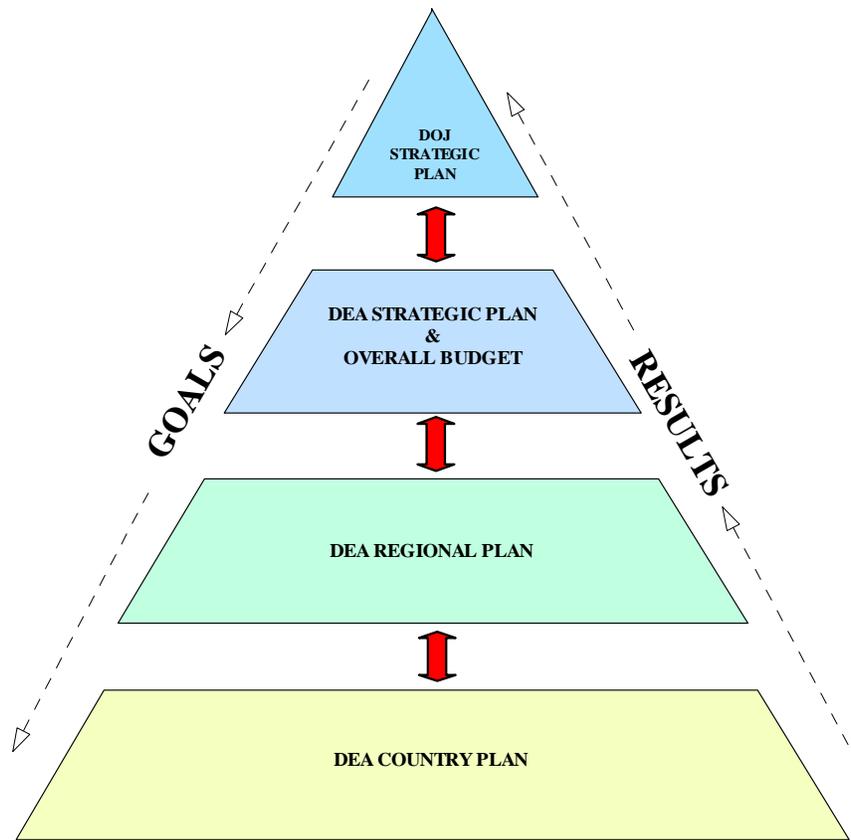
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<sup>32</sup> As discussed in Chapter 1, the DEA divided its foreign presence into seven regions, each headed by a Regional Director stationed in a select foreign office.

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stated that it would soon finalize these guidelines for use by the Regional Directors in annual performance planning. A DEA headquarters executive manager acknowledged that even after the DEA promulgated its new regional planning instrument the agency’s planning protocol would still be deficient because it had not yet established practices for developing performance plans at the Country Office level. Such comprehensive plans would include more specific office objectives and operational goals that would feed into the region’s strategic plan, thereby complementing the DEA’s overall strategic plan. The following diagram depicts how the various plans flow into DOJ’s strategic plan.

**DIAGRAM OF STRATEGIC PLANNING PROGRESSION**



We recommend that the DEA consider including certain performance indicators in its country plans that are not included in its regional planning instrument. For example, each Country Office should set annual targets for the resources dedicated to the country’s priority areas. Additionally, we suggest the DEA incorporate quantitative data gleaned from the institution of a lead tracking system in its foreign offices to assist in the evaluation of the level of coordination between DEA offices and foreign counterpart agencies, as well as with other DEA foreign and domestic offices.

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During the 3-year period that DEA headquarters was developing a standard foreign office planning instrument, there was no requirement for its foreign offices to submit annual performance plans. Three Country Offices we visited continued to develop country-specific planning documents, while two offices halted the process altogether. As a result, we found that DEA foreign regional managers employed disparate planning strategies and procedures, which we determined had varying degrees of success.

For instance, managers in the DEA Andean Region (located in Bogotá, Colombia) developed a performance plan for their region that included a strategic vision, operational goals, and action items to achieve certain objectives. The Regional Director updated this document annually and ensured that the regional performance plan corresponded to the DEA's overall mission and strategic goals. Our evaluation of this document and our discussion with DEA Andean Region management revealed that this region was developing performance goals and objectives and using the resulting planning document for strategic operating guidance.

The Middle East Region had also developed a regional performance plan. Regional management indicated that it generated the regional document using the individual country plans. This process should be reversed (as illustrated in the previous diagram), with the regional plans setting the overarching goals against which country plans should be created. Although other DEA regional offices we reviewed had plans for their immediate offices, they had not developed strategic planning documents to guide the entirety of their regions. DEA regional managers also mentioned that they use regional management meetings and coordination conferences to develop operational plans and objectives.

### Measuring Performance

In addition to developing strategic performance objectives, we believe that regional managers should identify and utilize performance measures and mechanisms of evaluation to determine the level of success the DEA has experienced in meeting performance targets. These goals and methods should also be incorporated into performance planning documents. Similar to our findings related to DEA foreign regional management's strategic planning efforts, we found divergent practices for measuring the operational activity within the various DEA foreign offices that we visited.<sup>33</sup> Additionally,

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<sup>33</sup> The OIG's September 2003 audit report on *The Drug Enforcement Administration's Implementation of the Government Performance And Results Act* included recommendations for the DEA to establish goals and performance indicators that evaluate its efforts in meeting the agency's strategic mission.

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DEA headquarters generally did not use all available empirical data to evaluate the activity and operational focus of its foreign offices.

*Disruption and Dismantlement of Priority Target Organizations*

The DEA's Priority Target Activity and Resource Reporting System (PTARRS) is an informational database the DEA developed to track progress on its highest priority cases, which involve targets labeled by the DEA as Priority Target Organizations (PTO).<sup>34</sup> DEA foreign regional managers and DEA headquarters management universally indicated that PTARRS was a crucial instrument for monitoring the performance of DEA investigative activity.

We reviewed information from PTARRS related to the success of DEA's foreign offices in attacking PTOs. According to the PTARRS data, as of June 2006 the DEA's international offices were actively targeting a total of 212 PTOs. The PTARRS data indicates that the DEA was pursuing high-priority cases and had succeeded in disrupting 29 percent and dismantling 18 percent of these organizations.

**DEA Foreign Offices  
Priority Target Organizations Disrupted and Dismantled  
March 2002 through June 2006**

<b>Foreign Region</b>	<b>Total PTO Cases (active &amp; closed)</b>	<b>Active PTO Cases</b>	<b>Targets Disrupted (active and closed)</b>	<b>Targets Dismantled (only closed cases)</b>	<b>Percent of Total PTO Cases Disrupted (active and closed)</b>	<b>Percent of Total PTO Cases Dismantled (active and closed)</b>
Andean	114	68	29	23	25%	20%
Caribbean <sup>35</sup>	65	30	22	16	34%	25%
European	53	16	20	13	38%	25%
Far East	56	25	19	7	34%	13%
Mexico/ Central America	37	29	7	2	19%	5%
Middle East	43	25	8	4	19%	9%
Southern Cone	42	19	13	9	31%	21%
<b>TOTALS</b>	<b>410</b>	<b>212</b>	<b>118</b>	<b>74</b>	<b>29%</b>	<b>18%</b>

Source: OIG analysis of Drug Enforcement Administration Priority Target Activity and Resource Reporting System data

<sup>34</sup> The establishment of a PTO requires a nomination by the DEA case agent and approval by field and headquarters management. The case agent is responsible for updating information on the PTO case in the PTARRS system at least once quarterly. The DEA began its use of the PTARRS system in March 2002.

<sup>35</sup> The Caribbean Division data includes DEA foreign offices located in the Caribbean and the DEA offices in the Bahamas.

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The DEA's re-implementation of annual performance plans in its foreign offices and the evaluation of PTO disruptions and dismantlements are sound performance measurement tools. However, the DEA does not have a comprehensive evaluation of the impact that its foreign office activities and operations have collectively had on the illicit drug trade in the United States. During our review, DEA personnel primarily cited highlights of individual case accomplishments as evidence of the success of the agency's international efforts. Subsequent to our audit close-out meeting, the DEA provided the following information concerning its international-related enforcement efforts during FY 2006:

- 458 DEA-wide PTO investigations (21 percent of all active PTO cases) were directed at or linked to 44 of the 46 international targets on the DOJ's CPOT list;
- 100 active PTO cases (increasing from 82 in FY 2005) were linked to terrorist organizations;
- the DEA helped link 17 CPOTs to terrorist organizations and contributed to the successful indictment of 16 of these terrorist enterprises; and
- the DEA was involved in the extradition of 7 major international drug traffickers, including 4 CPOTs, to face prosecution in U.S. courts.

### *Resource Utilization Data*

The DEA also tracks the work hours its core personnel – Special Agents, Intelligence Research Specialists, and Diversion Investigators – spend working a particular case. Work hours are tracked through a centralized database at DEA headquarters that incorporates data from all DEA offices, both domestic and foreign. This data is also integrated into PTARRS. DEA management in the field and at headquarters can assess the percentage of time that field personnel spend on particular types of cases (e.g., a PTO, a money laundering enterprise, a non-PTO narcotic trafficking organization). However, in our discussion with DEA headquarters management on tools used to evaluate foreign office operational activity, work hour data was not noted as a measure used in such assessments.

Further, only two of the five Regional Directors with whom we met stated that their office actually used work hour data to identify the focal areas of investigative activity in the region. For example, the DEA Andean Region used work hour data to evaluate the types of activity on which Andean Region offices were focusing. This Regional Director instituted a

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goal that 65-75 percent of the case activity in the Andean Region should be related to PTO investigations.

The Regional Director in Rome, Italy, mentioned that he planned to begin performing such analysis once the office's program analyst position was filled.<sup>36</sup> In contrast, the Regional Director of the Mexico/Central America Region stated that office visits and talking with personnel was the best way to assess the performance of offices and operations. This Regional Director further commented that after such face-to-face discussions there was little utility in empirical performance measures, such as analysis of work hour data.

Nevertheless, we believe that DEA managers should incorporate work hour data into Country Office performance planning as a means of measuring and verifying operational efforts towards country and regional goals. We recommend that the DEA include work hour targets in its foreign office performance planning and monitoring to ensure that field and headquarters managers are adequately overseeing and reviewing the focus of the work being conducted by foreign offices. All offices should establish a target for the percentage of investigative work hours applied to PTO cases. For offices with a significant focus outside of PTO cases, work hour targets should be developed for these areas. For instance, if a major office priority is the investigation of non-PTO money laundering organizations, the Country Office should establish a work hour target for this type of case.

Our review of foreign office work hours data for FYs 2000 through 2006 revealed that data for certain foreign offices were not included in the DEA's system used to track personnel work hours. For instance, FY 2006 data was missing for the DEA foreign offices in Quito, Ecuador; Tijuana, Mexico; and Bangkok, Thailand.<sup>37</sup> The existence of these omissions further demonstrates that the DEA did not use work hour data in monitoring foreign office activity.

Our analysis of available DEA work hours data demonstrated that, consistent with its strategic goals, DEA foreign offices were spending a significant amount of investigative effort on priority target cases. For FY 2006 (through July 14, 2006), DEA Special Agents and Intelligence Research Specialists (or intelligence analysts) stationed in foreign offices were, in total, expending 44 percent of their investigative work hours on

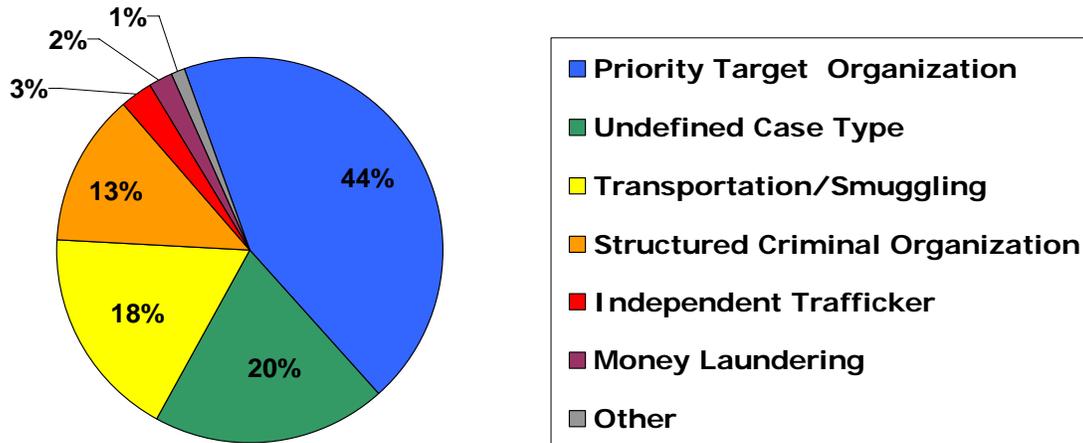
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<sup>36</sup> The analyst reported to duty shortly after we concluded our fieldwork at the DEA Rome Office in April 2006.

<sup>37</sup> Following our notification to the DEA regarding the omitted data, the DEA informed us that these offices had begun inputting FY 2006 work hours data into the DEA database.

priority target cases. The following chart illustrates the percentage of work hours in total that DEA Special Agents and intelligence analysts spent on investigative cases from October 2005 through mid-July 2006.

**DEA Foreign Office Special Agents and Intelligence Research Specialists  
Percentage of Investigative Work Hours by Case Type  
October 2005 through mid-July 2006<sup>38</sup>**



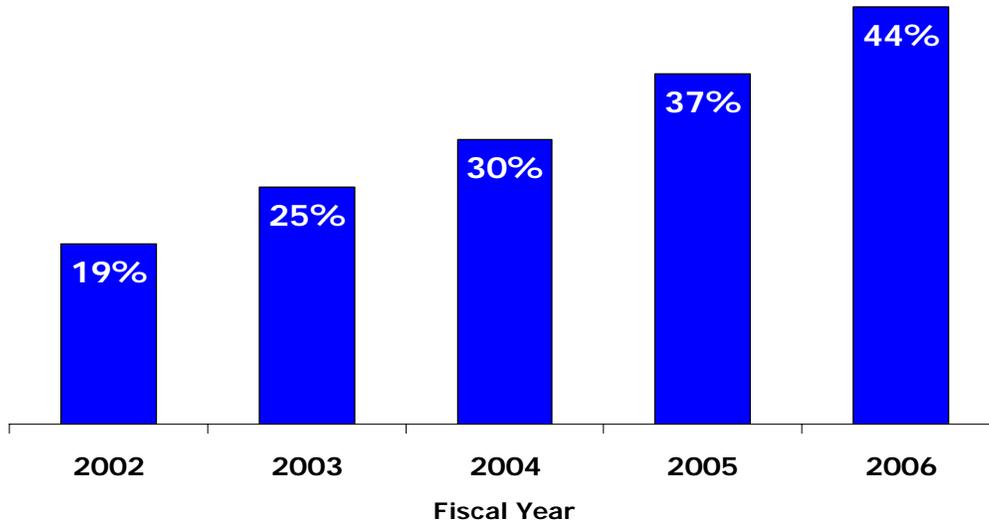
Source: OIG analysis of Drug Enforcement Administration work hours data

Our review of DEA work hours data also revealed that the DEA foreign offices, in total, steadily increased the proportion of combined agent and intelligence analyst investigative work hours on PTOs between FYs 2002 and 2006.<sup>39</sup> As the following chart illustrates, the DEA has increased the focus on its PTOs since FY 2002 when it dedicated 19 percent of its Special Agents and Intelligence Research Specialists work hours to priority target investigations.

<sup>38</sup> The total of the percentages in the chart is 101 percent due to rounding.

<sup>39</sup> The DEA began using its PTO designation in April 2001.

**DEA Foreign Office Special Agents and Intelligence Research Specialists  
Percentage of Investigative Work Hours  
Spent on Priority Target Cases  
Fiscal Years 2002 through 2006 (as of July 14, 2006)**



Source: OIG analysis of Drug Enforcement Administration work hours data

**Regionalization Concept**

Within each of its seven international regions, the DEA’s Regional Directors are responsible for all DEA activity and accomplishments. The DEA informed us that the regional divides were determined by assessing the international trafficking trends and the illicit drug environment of other countries. Further, the DEA believed the creation of Regional Directors would institute a strategic focus to management and operations in the field and would place senior managers capable of making policy decisions in locations more easily accessible to the other DEA offices in the area. During our fieldwork, we visited five of the DEA’s seven foreign regional hubs.<sup>40</sup>

DEA Foreign Region	Regional Director Location
Andean	Bogotá, Colombia
European	Rome, Italy
Mexico/Central America	Mexico City, Mexico
Far East	Bangkok, Thailand
Middle East	Ankara, Turkey

<sup>40</sup> We did not visit the La Paz, Bolivia, office, which hosts the Regional Director for the DEA’s Southern Cone Region. We also did not visit the DEA’s San Juan Field Division, whose Special Agent in Charge has management jurisdiction over DEA foreign activities in the Caribbean.

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The DEA requires that Regional Directors visit each DEA office in their territory at least once annually, and that every quarter Assistant Regional Directors visit offices for which they are responsible. Regional managers with whom we spoke stated that these visits included speaking with office managers, meeting with foreign counterparts, reviewing administrative practices, and discussing recent operational activity. Regional Directors believed these visits were important in evaluating the performance of DEA foreign offices and operational activity.

We found certain areas that we believe the DEA should consider for improvement in the regionalization concept. Before the Regional Director position was instituted in 2004, each DEA Country Attaché – the highest-level DEA manager in each country – was responsible for all DEA activity in that country and reported directly to headquarters. Now, Country Attachés report to their Regional Director.<sup>41</sup> The offices where the Regional Directors are located received the added responsibilities to plan, manage, and report the activities of the entire region to headquarters. These tasks were in addition to the country-specific responsibilities the offices already possessed.

In the DEA Rome office, we found that the addition of regional duties caused DEA staff to neglect tasks specific to that office in order to address regional needs. For example, an Intelligence Research Specialist stated that he seldom has time to perform tactical intelligence to support the Special Agents in Italy because he is often called upon to perform research and strategic intelligence tasks for other offices in the region. Regional managers in Rome agreed that significant time was being spent on regional as opposed to local operational needs and stated that the addition of a Program Analyst to the office should alleviate this situation. Additionally, the DEA Rome office delegated the responsibility for managing DEA's operational activity for all of Italy to the Resident Agent in Charge of the Milan, Italy, office. Thus, the Milan Resident Agent in Charge acted much like a Country Attaché for DEA enforcement matters in Italy and reported on operational activity to the Assistant Regional Director stationed in Rome.

Another result of the DEA's regionalization relates to travel. As noted previously, the DEA requires its Regional Directors and Assistant Regional Directors to visit offices within their jurisdiction. For those regions with broad geographic territory and numerous offices, this results in extensive travel. For instance, the DEA Andean Region has six offices in the northernmost portion of South America, while the DEA European Region includes 17 offices spread across all of Western Europe and most of Africa.

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<sup>41</sup> The Regional Directors also serve as the Country Attachés of the nation in which they are placed; in these cases the Country Attachés report directly to headquarters.

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Additionally, DEA personnel in Mexico told us that the regional managers located in Mexico City – the Regional Director and two Assistant Regional Directors – were frequently on official travel. Staff in this office stated that the recurring absence of high-level management in Mexico City affected the continuity of operational activity.

Overall, we believe the DEA should assess the impact that added regional responsibilities place on an office, both administratively and operationally. The DEA already conducts foreign rightsizing exercises and a variety of office inspections. We encourage the DEA to use these evaluations to assess the impact regionalization has had on its offices.

### **Conclusion**

We found that the DEA's international offices were actively targeting high-priority cases and had succeeded in disrupting and dismantling a significant portion of these organizations. However, the DEA does not have a comprehensive analysis of the impact that its foreign office activities and operations collectively have had on the illegal drug trade in the United States. Additionally, for the past 3 years the DEA foreign offices were not required to develop annual performance plans. Moreover, the DEA could not provide us with basic data regarding the activity of its international offices. For example, the DEA does not require its foreign offices to maintain a system for tracking the leads and requests for assistance that they received. Also, DEA headquarters and several Regional Directors were not using available empirical data, such as work hours data, in the oversight of foreign office activity. The absence of a formalized process for performance planning by its foreign regions and offices has precluded the DEA from effectively establishing operational goals and identifying performance indicators to monitor and evaluate its foreign offices.

We believe that the DEA should improve performance planning and measurement for its foreign offices, including the development and implementation of a system for its foreign offices to track the investigative leads they receive and answer. Moreover, the DEA should assess the impact of its regionalization and ensure that all office responsibilities are adequately managed given the changes brought about by the regionalization concept.

## **Recommendations**

We recommend that the Drug Enforcement Administration:

1. Implement a standardized system for foreign offices to use in tracking and prioritizing investigative leads and assistance requests received from other DEA offices and foreign counterparts.
2. Implement performance planning instructions and guidelines for DEA Regional Directors to use in developing specific objectives and goals for the region, and develop a planning instrument for DEA Regional Directors to use in generating Country Office performance plans to compliment the regional workplans.
3. Annually review foreign office performance plans to assess achievement against goals and objectives, and make revisions as needed.
4. Require DEA Regional Directors and appropriate DEA headquarters management to routinely evaluate work hour data in monitoring foreign office performance against established regional priorities and office goals.
5. Through the annual rightsizing reviews and formal inspection process, assess the impact that added regional responsibilities place on foreign offices, both administratively and operationally, and develop a plan to resolve areas in need of improvement.

## CHAPTER 3: INVESTIGATIVE OPERATIONS

The primary investigative responsibilities of DEA foreign offices are to support DEA domestic operations and develop investigative cases against the most significant drug trafficking organizations affecting the illicit drug market in the United States. To this end, the DEA announced the International Drug Flow Prevention Strategy in April 2005, which supports the primary goals of the DEA's Strategic Plan. According to the DEA, this approach promotes an intensive use of intelligence and the planning and execution of multi-agency enforcement operations to achieve sustained disruption to the operations of drug trafficking organizations. The DEA recognizes that successful use of this strategy requires strong cooperation between the DEA and other law enforcement agencies, particularly those abroad.

Because major drug trafficking organizations compartmentalize operations with numerous operational cells so that the compromise of one cell will not jeopardize the entire organization, the DEA believes that dismantling a single cell may not significantly impact operations of the major drug trafficking organizations if a new cell soon rises in its place. As a result, the DEA approaches its investigative operations with what it calls an "organizational attack strategy," which requires DEA field offices to target not just one segment of a criminal enterprise, but the entire organization.

### Foreign Investigative Environment

DEA operations overseas differ from those conducted in its domestic offices, since foreign investigations are conducted bilaterally with or through foreign counterpart agencies. [SENSITIVE INFORMATION REDACTED]. Essentially, the DEA is a guest in another country, and many factors affect the DEA's foreign operations, such as host-country laws, agreements with foreign government agencies, international treaties, and local policies issued to U.S. agencies by the U.S. Ambassador. In some countries the DEA is allowed to directly observe foreign counterpart operations, while in other countries this may not be permitted. For example, DEA foreign agents' main function in European countries is to maintain liaison relationships with their foreign counterpart agencies.

To accomplish its mission abroad, it is often necessary for the DEA to share information with its foreign counterparts. Moreover, in some countries, the DEA participates in tactical operations with foreign law enforcement agencies. Thus, the DEA must rely on its foreign partners. According to DEA officials, this relationship is sometimes difficult to foster and maintain, particularly in countries that have inherently corrupt law

enforcement. Corruption is common in many countries where illicit drug trafficking is a profitable venture. This makes security a major concern, and the inappropriate disclosure of information can compromise the safety of DEA personnel, the security of sensitive intelligence, and the integrity of investigative cases.

### **Vetted Investigative Units**

A major investigative tool employed by DEA foreign offices is the development of investigative units of foreign law enforcement personnel that the DEA has put through a security screening or vetting process. These foreign task forces are commonly referred to as “vetted units.”

Upon entry into a DEA vetted unit, and at periodic intervals, foreign law enforcement applicants have to pass certain security evaluations, such as a background check, a polygraph examination, and a urinalysis test. The vetting process is designed to provide the DEA with a higher level of assurance that the information it shares with its counterparts will not be compromised or disseminated to the wrong party, especially the drug trafficking organizations the DEA is targeting. DEA personnel in foreign offices stated that they needed to maintain safeguards when sharing investigative information, even with vetted units, because of the level of corruption in certain countries.

The use and management of vetted units varies from country to country. The DEA provides financial support for the units' activities, which are usually managed on a day-to-day basis by a senior foreign police officer, with a DEA Special Agent providing general oversight. These vetted units partner with the DEA but are not DEA enterprises. Vetted units perform functions in support of the DEA such as conducting investigative operations, surveillance, and wiretaps; checking on investigative leads; destroying drug production laboratories; and interdicting drug shipments. Many DEA personnel with whom we spoke considered the vetted units critical to accomplishing the DEA's foreign mission, increasing the safety of its personnel, and helping to reduce the chance of sensitive information being compromised.

The DEA uses two types of vetted units: (1) vetted units that are part of the DEA's Sensitive Investigative Unit (SIU) Program, and (2) non-SIU vetted units.<sup>42</sup> There are distinct differences between these two types of vetted units. First, the SIU Program is an official DEA program for which Congress has designated specific SIU locations. In contrast, non-SIU vetted

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<sup>42</sup> Some Country Offices, such as Colombia, operate both types of vetted units.

units are not part of an official DEA program. DEA officials stated that non-SIU vetted units were created by Country Attaches that capitalized on a “best practice” idea and implemented the vetted unit concept in their offices. Second, each DEA foreign office that is part of the SIU Program receives funds specifically for maintaining its SIUs. Examples of SIU expenditures include payments for operation-related costs (such as travel expenses) and equipment for SIUs to use during investigative activities. In contrast, a DEA foreign office provides financial support to non-SIU vetted units through its general operational funds. A third difference is that while SIU members participate in a specially designed training course at the DEA Training Academy in Quantico, Virginia, non-SIU vetted units do not receive this training. Finally, the DEA developed an SIU Program Manual detailing guidelines for both DEA headquarters and its foreign offices to follow in administering the SIU program and in managing SIU activities. The DEA has not developed guidance for its non-SIU vetted units.

### **Sensitive Investigative Units**

In House Report 104-676, which accompanied the FY 1997 omnibus appropriations act, Congress authorized the DEA to initiate a vetted unit program in Bolivia, Colombia, Mexico, and Peru.<sup>43</sup> The conceptual basis of this program, which later came to be called the SIU Program, is to identify and train security-screened DEA foreign counterpart personnel to work on sensitive bilateral investigations. As of July 2006, the DEA reported that its SIU Program had 26 individual operating units and 968 members in 11 countries, as shown in the following table.

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<sup>43</sup> Pub. L. No. 104-208 (1996).

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<b>DEA Sensitive Investigative Unit Program</b>			
<b>SIU Countries</b>	<b>Number of Units</b>	<b>Number of Members</b>	<b>Program Start Date</b>
Bolivia	3	138	1997
Brazil	2	34	1998
Colombia	7	203	1997
Dominican Republic	1	40	2001
Ecuador	2	59	1999
Guatemala	1	12	2005
Mexico	2	184	1997
Pakistan	1	60	1999
Peru	1	89	1997
Thailand	5	124	1998
Uzbekistan	1	25	2003
<b>TOTAL</b>	<b>26</b>	<b>968</b>	
Source: OIG analysis of Drug Enforcement Administration data			

*SIU Program Budget*

According to the DEA the initial FY 1997 appropriation for the SIU Program in the original four countries was \$20 million. In FY 2006, the budget to support the SIU Program was \$18.3 million. The DEA FY 2007 budget proposes expanding the SIU Program to four new countries: the Bahamas, Jamaica, Panama, and Venezuela. Additional funding of \$11.4 million has been requested for this expansion.

*SIU Operations*

According to the DEA, its offices in Colombia were the first to use vetted units. The DEA Regional Director in Colombia credited its SIU operation with supporting the vast majority of the DEA's investigations in that country. We found that the SIUs in Colombia were essential to the DEA's operations in that country.

We were told of many examples of SIU operations resulting in drug seizures and arrests, including some high-profile drug traffickers. For example, in May 2006, SIUs in Colombia and Brazil, working with several other DEA domestic and foreign offices, completed a 3-year investigation that resulted in over 100 arrests, including an individual identified on the CPOT list. The operation also resulted in the seizure of about 52 tons of cocaine and nearly \$70 million in assets.

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A Colombian SIU also participated in an 11-month operation with other Colombian agencies, the DEA's Special Operations Division, a money laundering task force in New York, and the Department of Homeland Security's Bureau of Customs and Border Protection. Using more than 45 wiretaps of both fixed and cellular telephones in Bogotá, Colombia, investigators found that a specific money laundering organization was capable of laundering millions of dollars for drug traffickers in Colombia. The operation resulted in eight arrests, including the head of the money laundering organization who was extradited to the United States to face prosecution. Also, during the course of this investigation approximately 400 kilograms of cocaine, 5.5 kilograms of heroin, and over \$2.3 million was seized.

Another Colombian SIU operation was credited with disrupting the operations of an organization responsible for transporting multi-ton loads of cocaine from the Pacific Coast of Colombia. This operation resulted in 15 arrests and the seizure of 60 million Colombian pesos (approximately \$24,000 U.S. dollars), \$100,000 in jewelry, high frequency communication equipment, 6 fishing vessels, and several weapons.

In February 2006, a Mexican SIU unit conducted a surveillance operation with assistance from the DEA that resulted in the arrest of a CPOT residing in Mexico. Additionally, the SIU program in Mexico was instrumental in the successful completion of a major methamphetamine investigation that resulted in the seizure of 15 methamphetamine labs and over 130 pounds of methamphetamine with a potential street value of over \$1 million.

In Thailand, DEA personnel told us that they are working with Thai officials to ensure that SIU activities are focused on cases that will impact the United States. They said that an example of such an investigation is one that resulted in the indictment of the leader and seven top lieutenants of a worldwide heroin and methamphetamine-trafficking organization. This group was considered one of the largest heroin-producing organizations in the world and was believed to have been responsible for \$1 billion in heroin trafficking into the U.S. since 1985. The investigation involved the execution of 26 search warrants that resulted in the seizure of 18,000 methamphetamine tablets, \$25.6 million in cash, 86 kilograms of heroin, and various weapons and explosives.

Although the DEA was able to provide us with these and other examples of individual SIU accomplishments, the DEA was unable to empirically demonstrate the accomplishments of its SIU program as a whole. For example, the DEA does not collect activity statistics attributable to its

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SIU Program, such as arrests, the number of surveillance operations, or efforts tied to a CPOT or a PTO investigation. Additionally, the DEA has not evaluated the collective effect of the SIU Program. While we recognize that the investigative activities of the SIUs are often run by the host country, we believe the DEA should identify and collect appropriate empirical data relating to the accomplishments of the SIUs.

### *SIU Program Management*

To manage its SIU Program, the DEA developed an SIU Program Manual to provide guidance and procedures to DEA headquarters and foreign office personnel. Additionally, the DEA completed a self-assessment of its SIU Program in FY 2005. The review resulted in a report that made recommendations to the DEA Chief of Operations for policy changes in the SIU Program Manual. The Chief of Operations approved these recommendations, instituting five supplemental guidelines, which became effective in October 2005.<sup>44</sup> For instance, the acceptable ratio of DEA SIU advisors to SIU participants was reduced from the previous standard of 1 to 30 to a ratio of 1 to 15. Also, the Chief of Operations instituted a 5-year term limit for SIU members, requiring Regional Director approval to extend SIU member terms beyond 5 years.

We evaluated the DEA's management of the program and its practices for ensuring that DEA operations, information, and personnel are protected from compromise. Our examination revealed significant deficiencies related to the DEA's administration of the SIU program, including: (1) poor recordkeeping practices, (2) [SENSITIVE INFORMATION REDACTED], (3) insufficient control over SIU equipment, (4) unsatisfactory practices in supplying salary supplement payments to unit members, (5) excessive span of control ratios for managing units, (6) insufficient evidence of training, and (7) failure to perform exit briefings. At the audit close-out meeting, DEA officials generally agreed with our findings concerning the management of the SIU program.

#### Poor Recordkeeping

[SENSITIVE INFORMATION REDACTED]

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<sup>44</sup> The current DEA SIU Manual was dated November 2001. Additional policy changes were incorporated into a memorandum dated September 22, 2005.

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[SENSITIVE INFORMATION REDACTED]. At our request, DEA headquarters queried its foreign offices for the number of members in the SIU program and determined that as of July 2006 there were 968 SIU members. However, these numbers provided by the field offices could not be verified by DEA headquarters.

[SENSITIVE INFORMATION REDACTED]

The most important aspect of a vetted unit program is the screening its applicants and members undergo. The SIU Program Manual contains criteria for vetting foreign personnel who are a part of an SIU and states that the vetting of an SIU member should include at a minimum a background check, a urinalysis test, and a polygraph examination. Applicants must pass these three tests before they can become part of an SIU. Additionally, SIU members must submit to and pass periodic urinalysis tests and polygraph examinations throughout their tenure as an SIU participant. According to the manual, if individuals do not pass the re-vetting process they should be transferred out of the unit. This vetting process provides the DEA reasonable assurance of the integrity and credibility of the foreign counterparts with which it is working. [SENSITIVE INFORMATION REDACTED].

[SENSITIVE INFORMATION REDACTED]

[SENSITIVE INFORMATION REDACTED]

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<sup>45</sup> [SENSITIVE INFORMATION REDACTED]

<sup>46</sup> [SENSITIVE INFORMATION REDACTED]

[SENSITIVE INFORMATION REDACTED]<sup>47</sup>

### Inadequate Equipment Management

In addition to operational funds and training, the DEA provides equipment to SIUs. In some countries, foreign law enforcement agencies do not have the funds necessary to procure equipment needed to investigate drug trafficking organizations. [SENSITIVE INFORMATION REDACTED].

The SIU Program Manual requires DEA foreign offices to maintain a complete list of all accountable property provided to SIUs. The manual also states that an inventory of all SIU equipment and property must be conducted annually. In addition to this scheduled inventory, one unannounced inventory must be performed each year. We consider these requirements to be appropriate property management practices.

The DEA Mexico office did not maintain an inventory of equipment provided to its SIU teams. DEA personnel indicated that instead, they relied on the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL) section to keep an inventory of equipment. Using DEA funds, INL handled the purchasing of equipment for the DEA's SIU teams under the auspices of its Narcotics Affairs Section (NAS).<sup>48</sup> DEA personnel in Mexico contended that it was then the responsibility of NAS to maintain inventories of SIU equipment. We verified that NAS conducted annual inventories. However, the DEA Mexico City office could not provide evidence that it conducted any unannounced checks of the SIU inventory.

The Colombia office was in the process of transferring to a barcode inventory system for its SIU equipment. The person responsible for

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<sup>47</sup> [SENSITIVE INFORMATION REDACTED]

<sup>48</sup> NAS receives program guidance, support, and funding from INL and plans and executes counternarcotics policy, strategy, guidance, and operations in foreign countries. Although NAS operates in many countries, it is not included in every U.S. mission abroad.

inventorying the SIU equipment acknowledged that the office was behind schedule in its annual SIU equipment inventories, mainly because it was taking significant time to transfer to the new system. Additionally, although SIU Special Agent advisors stated that they conducted unannounced inventories of SIU equipment, most were not retaining physical records of these checks.

The DEA Thailand office was already using an advanced inventory barcode system, which allowed equipment to be electronically scanned and reconciled to an electronic property database. Barcoding also allowed the DEA Special Agents working with the SIUs to conduct physical inventories in a more efficient manner. However, we found that the Thailand SIU inventory database had a few weaknesses. Specifically, the system did not retain a history of the inventories conducted and, when appropriate, the current condition of the equipment.

The DEA provides a significant amount of equipment to the SIUs. Proper inventories for this equipment can prevent waste and loss of taxpayer dollars. [SENSITIVE INFORMATION REDACTED]

#### Unsatisfactory Practices for Salary Supplement Payments

Under the SIU Program, the DEA can give SIU members monetary compensation to supplement the salaries they receive from their home agencies. This compensation can be provided monthly and varies in amount depending on the rank of the individual. For instance, in both Colombia and Bolivia the DEA pays a total of approximately \$60,000 a month in SIU salary supplements. The amount of monthly salary supplements range from \$70 paid to a constable in Pakistan to \$900 for a lieutenant colonel in Bolivia.

According to the SIU Program Manual, the DEA prefers salary supplements be paid via electronic transfer or check payable directly to the SIU member's bank account. If this is not possible, the Special Agent advisor should observe any cash payments as they are made to each SIU member and ensure each signs a receipt for the funds. The SIU Program Manual specifically states that DEA foreign offices should avoid paying an SIU commander in a lump sum so that he can make subsequent cash payments to the SIU members on his team.

Of the three countries we visited that were a part of the SIU Program, only the DEA offices in Colombia and Thailand provided its SIU members salary supplements. We reviewed the process that these offices used for

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paying monthly salary supplements. In Thailand, the DEA submitted payment to the SIU members via electronic funds transfer. We observed a deposit book containing the monthly payment amounts and found no abnormalities.

By contrast, in the Colombia office, we found that the DEA provided salary supplements for an entire unit in a lump sum to each of the SIU commanders. We were told by DEA personnel and several SIU commanders that the commanders divided the lump payment provided to pay each SIU member their monthly stipend, and obtained a signature from each SIU member for receipt of payment. However, DEA personnel informed us that they did not always observe the payments made from the commander to SIU members, and SIU commanders were not required to provide evidence that the funds had been received by their members. DEA personnel indicated that in many instances it would be difficult to observe the actual payments because of the remote operating locations of the SIUs.

We understand the difficulty in regularly observing payments from SIU commanders to SIU participants, especially when the SIU is operating in a remote location. However, we believe that, at a minimum, the DEA should obtain the signed receipt of payment forms from the SIU commanders. Additionally, as part of the SIU member profile, we suggest the DEA generate a signature exemplar for each SIU member and use this tool to help validate SIU member signatures. Additionally, when possible, DEA personnel should be present when payments are made to SIU members. DEA management in Colombia asserted that if an SIU member was not paid, or paid the incorrect amount, a DEA SIU advisor would hear about it. [SENSITIVE INFORMATION REDACTED]. We believe the SIU Program Manual could provide clearer guidance with procedural controls for paying SIU members' salary supplements when payment by electronic funds transfer is not possible.

### Excessive Span of Control Ratio

At each foreign location with SIUs, the DEA assigns at least one advisor to each SIU. According to the DEA SIU Program Manual, the advisor should be an experienced Special Agent (or Diversion Investigator for an SIU that is focused on diversion activities) who is able to effectively monitor the activity of the SIU. Although a foreign law enforcement employee serves as the SIU commander and is responsible for day-to-day management, the DEA SIU advisor is responsible for overseeing the unit's activity by maintaining contact with the SIU commander through information sharing, planning operations, and monitoring the status of equipment issued to the unit.

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As previously noted, a new SIU guideline issued by the DEA's Chief of Operations in September 2005 requires that the DEA Special Agent advisor to SIU-member ratio be no more than 1 advisor to 15 SIU members. This was a change from the previous guideline, which required a 1 to 30 ratio.

Using the figures provided to us in July 2006 by DEA headquarters for the number of DEA SIU advisors and SIU foreign members, we computed the ratio for each country in the SIU Program. As illustrated in the following table, the DEA was in excess of the new control ratio in Bolivia, Colombia, Pakistan, and Peru.

**DEA SIU Program  
Span of Control Ratios by Country  
According to Data Submitted by DEA Headquarters**

Country	SIU Members	DEA Advisors	Ratio
Bolivia	138	7	19.7
Brazil	34	4	8.5
Colombia	203	10	20.3
Dominican Republic	40	3	13.3
Ecuador	59	6	9.8
Guatemala	12	2	6.0
Mexico	184	21	8.8
Pakistan	60	3	20.0
Peru	89	4	22.3
Thailand	124	9	13.8
Uzbekistan	25	2	12.5

Source: OIG analysis of Drug Enforcement Administration Office of International Programs SIU member and advisor data

Besides the information submitted by DEA headquarters and analyzed in the above table, during our fieldwork we also reviewed SIU rosters submitted by the DEA foreign offices. In a visit to the DEA office in Mexico City in June 2006, we found that the DEA had only 3 Special Agents involved in the SIU Program, and according to the records we obtained from that office there were at least 68 SIU members stationed in Mexico City. Therefore, though the analysis in the previous table shows Mexico in compliance with the 1 to 15 ratio of DEA advisors to SIU members, we believe the ratio for the DEA Mexico City office was at least 1 to 23, far beyond the required ratio.

SIU Basic Training

New SIU members are required to attend the SIU Basic Training course at the DEA’s Training Academy in Quantico, Virginia. The DEA pays for the travel costs of the training participants and the DEA SIU advisors who accompany the trainees. Given the cost of travel and lodging for SIU members to attend this training, members should only participate in it after successfully passing the initial vetting process described previously. According to DEA headquarters personnel, this training has been provided to over 1,600 SIU participants. The course lasts 5 weeks, covering topics such as interviewing, raid planning, first aid, technical training, wire intercept, and computer training.<sup>49</sup>

According to DEA officials, the agency relies on the SIU Basic Training course to raise the investigative ability of SIU members, ensuring they use sound investigative techniques and responsible procedures for handling sensitive information. Our review of the DEA’s SIU Program included comparing our sample SIU members from Mexico, Colombia, and Thailand against SIU Basic Training course rosters maintained at the DEA Training Academy. SIU translators are required to comply with all vetting protocol but are not required to attend the SIU Basic Training. Our sample of SIU members in Thailand included 6 translators; therefore the sample of Thai SIU members was reduced to 24 and the total sample to 100 for this testing element. We were unable to trace 26 members to the course rosters maintained at the Training Academy, as shown below.

**DEA SIU Program  
Testing of Member Participation in Basic Training**

Country	SIU Members Reviewed	Evidence of Basic Training?	
		Yes	No
Mexico	32	17	15
Colombia	44	35	9
Thailand	24	22	2
<b>TOTAL</b>	<b>100</b>	<b>74</b>	<b>26</b>

Source: OIG analysis of Drug Enforcement Administration Training Division, SIU Basic Training course rosters

<sup>49</sup> DEA Training Division personnel informed us that advanced, in-country training is sometimes offered to veteran SIU members and the course topics depend upon the specific needs of that location. Greater detail regarding DEA training provided to SIUs is included in Chapter 6, where we discuss the entirety of DEA’s international training endeavors. In this Chapter, our discussion focuses on DEA management’s oversight of the SIU program, including its efforts to train SIU members.

SIU Member Exit Briefings

The SIU Program Manual states that DEA foreign offices should conduct exit briefings with outgoing SIU personnel and that a record of the exit briefing should be maintained at the DEA foreign office, with a summary of exit briefings forwarded semi-annually to DEA headquarters. We queried DEA management and operational personnel assigned to DEA foreign offices in Mexico, Colombia, and Thailand regarding SIU members' exit briefings, and found that the DEA generally did not conduct them in these three countries. Such discussions with outgoing SIU personnel could provide the DEA with useful information on any needed improvements for the SIU Program. [SENSITIVE INFORMATION REDACTED]

**Non-SIU Vetted Units**

According to DEA headquarters officials, several DEA managers in foreign offices recognized the utility of vetted units within the SIU Program and capitalized on the concept by creating vetted units outside the SIU Program. DEA headquarters officials noted that these non-SIU vetted units were not part of any official DEA program; they attributed the proliferation of such units to the implementation of good business practices by foreign managers. The DEA surveyed its foreign offices to obtain information related to its non-SIU vetted units. According to the data received, DEA offices in 16 countries operated non-SIU vetted units comprised of 888 foreign personnel. However, the DEA noted at the audit close-out meeting that we were provided incorrect figures on the number of non-SIU vetted unit members.

DEA headquarters did not maintain records on its foreign offices' non-SIU vetted units. Specifically, DEA headquarters did not have a list of countries with such units, nor did it have an accounting of the number of non-SIU vetted units managed by its foreign offices or the vetting status of the unit members. The DEA stated at our audit close-out meeting that it would begin requiring its foreign offices to maintain a roster of its non-SIU vetted members, including their present vetting statuses.

The DEA does not have guidelines for foreign office management to use in developing and maintaining non-SIU vetted units abroad. As stated earlier, the DEA developed an SIU Program Manual with guidelines for

administering its SIUs, but this manual is not applicable to non-SIU vetted units. Given the number of DEA foreign offices using non-SIU vetted units, we believe the DEA should issue guidance to assist foreign office managers in the creation and management of non-SIU vetted units. This instruction is important to help ensure the safety of DEA information and personnel and to protect the integrity of DEA operations.

**Conclusion**

The DEA has credited its vetted units with performing significant investigations that have resulted in the arrest of individuals on the CPOT list, and the vetted units provide an important tool in the DEA’s international operations. However, we identified various deficiencies related to the administration of the SIU program, including: (1) poor recordkeeping practices, (2) [SENSITIVE INFORMATION REDACTED], (3) insufficient control over SIU equipment, (4) unsatisfactory practices in supplying salary supplement payments to unit members, (5) excessive span of control ratios for some managing units, (6) insufficient evidence of training, and (7) failure to perform exit briefings. [SENSITIVE INFORMATION REDACTED]. We recommend that the DEA strengthen its oversight of the SIU Program and promulgate guidance regarding non-SIU vetted units.

**Recommendations**

We recommend that the Drug Enforcement Administration:

6. Identify performance measurements and implement a methodology to track and evaluate the activities and accomplishments of its SIU Program.

7. [SENSITIVE INFORMATION REDACTED]:

a.

[SENSITIVE INFORMATION REDACTED]

b.

[SENSITIVE INFORMATION REDACTED]

c.

[SENSITIVE INFORMATION REDACTED]

8. [SENSITIVE INFORMATION REDACTED].
9. Enforce the policy for foreign offices to maintain a record of equipment issued to SIU teams, including a history of inventories conducted and the current condition and location of the equipment. These records should include equipment purchased by the DEA directly and indirectly using DEA funds funneled through another agency such as NAS.
10. Revise SIU guidelines and controls for supplying salary supplement payments to SIU members to account for those circumstances where the SIUs are in remote operating environments and the DEA is unable to utilize electronic payments or observe cash payments to SIU members. This policy should include obtaining signed receipts and conducting periodic comparisons of the signatures on signed receipts to signature exemplars obtained from each SIU member.
11. Ensure that the span of control for managing SIUs in Bolivia, Colombia, Mexico, Pakistan, and Peru is appropriate and complies with DEA guidelines.
12. Determine if all SIU members received SIU basic training. If not, ensure all current members receive the Basic Training course.
13. Ensure that foreign offices perform required exit briefings of departing SIU members and submit semi-annual reports to DEA headquarters.
14. Issue guidance to assist foreign office management in creating and operating non-SIU foreign vetted units, including a requirement to [SENSITIVE INFORMATION REDACTED].

## CHAPTER 4: RELATIONSHIPS

A crucial factor contributing to the success or failure of DEA investigative activity abroad is the relationships DEA foreign office personnel develop with counterpart agencies, including with: (1) other DEA offices – both foreign and domestic, (2) other U.S. law enforcement agencies abroad, and (3) foreign governments and their law enforcement components that combat illicit drug trafficking. Generally, we found that the DEA foreign offices maintained good relationships with their U.S. and foreign counterpart agencies.

### Foreign Office Relationships with Other DEA Offices

An important responsibility of DEA foreign offices is to provide information and support to DEA investigations through communication and collaboration with other DEA offices, including other foreign offices, DEA domestic field offices, DEA headquarters, and specialty offices such as the Special Operations Division (SOD) and the El Paso Intelligence Center (EPIC). For example, DEA foreign offices gather and share intelligence on suspects in active DEA cases, arrange for confidential sources to travel into a country, or investigate organizations suspected of having ties to drug trafficking in the United States, among myriad other functions. DEA foreign office managers mentioned that supporting domestic case needs was a chief objective for their office.

#### *DEA Domestic Offices*

Initially, to evaluate the relationships DEA domestic offices had with foreign offices, we met with DEA management at three domestic field divisions: (1) the Chicago (Illinois) Division, (2) the El Paso (Texas) Division, and (3) the Washington (D.C.) Division.<sup>50</sup> We discussed the quality and timeliness of responses on investigative requests and leads. Overall, the DEA domestic personnel with whom we spoke were pleased with the relationships they had with DEA foreign offices and with the support received from these offices. They believed their offices' investigations benefited from the DEA's foreign presence and contacts, and the information they received helped build their cases. Our analysis of DEA case data indicated that over 25 percent of DEA domestic investigative cases opened since FY 2000 had an international dimension.

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<sup>50</sup> At these locations we met with Special Agents in Charge (SAC), Assistant Special Agents in Charge (ASACs), and/or group supervisors of DEA investigative squads.

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However, a limited number of DEA personnel in Mexico and Colombia informed us that they believed DEA domestic offices do not utilize the foreign offices as often as they should. Some of these employees believed some DEA domestic personnel did not trust foreign law enforcement, and thus were reluctant to forward appropriate information and leads to DEA foreign offices, fearing foreign law enforcement counterparts would leak sensitive case information. It was believed that this distrust could ultimately hinder the success of DEA cases. Although only a small number of individuals raised this viewpoint with us, it was noted by individuals in two separate offices, each of which represents a significant component of the DEA's international operations.

Mexico and Colombia DEA personnel also stated that domestic offices and DEA headquarters did not utilize agents who had subject matter expertise and were located in other countries. For example, DEA personnel in offices in Colombia had expertise related to the operations of the Revolutionary Armed Forces of Colombia (FARC), a dangerous narco-terrorist organization in the region. However, we were informed by DEA personnel in Colombia that in certain instances DEA domestic agents did not consult with them on cases involving the FARC. Several individuals in Mexico expressed similar sentiments and said they believed that the lack of use of their subject matter expertise by domestic DEA officials stemmed from a lack of trust that domestic agents place in the Mexico DEA offices because of the systemic corruption among Mexican law enforcement. The DEA personnel in Mexico believed this interfered with the transfer of leads from DEA domestic offices to foreign offices in Mexico.

However, DEA personnel noted to us that as more DEA employees complete foreign assignments and return to domestic offices, the DEA's overall understanding of how domestic offices can utilize its foreign offices will systemically improve. Yet, the examples of DEA domestic personnel not fully utilizing DEA foreign offices in Mexico and Colombia indicate a need for better understanding of the role of foreign offices. We believe the DEA should better emphasize the utility that its foreign offices can provide to domestic cases, such as presenting best practice examples during training courses and conferences.

### *Other DEA Foreign Offices*

In many instances, a DEA foreign case will generate a connection to another country. Our discussions with DEA personnel in Colombia, Italy, Mexico, Thailand, and Turkey revealed that DEA foreign offices enjoy good relations with one another and that communication and cooperation was open and regular. For instance, DEA personnel in Mexico stated that they

routinely contact the DEA offices in Colombia for information on Colombian drug trafficking organizations and their operatives in Mexico. Additionally, DEA personnel in Italy informed us of their coordination with DEA offices in Colombia, Spain, and Turkey. This information was corroborated by our review of the activity logs in the DEA's Milan and Rome, Italy, offices, which demonstrated these offices' contact and operational coordination with other DEA foreign offices. Again, however, the DEA's lack of an agency-wide lead tracking system prevented us from objectively evaluating the DEA's foreign office-to-foreign office coordination.

*Special Operations Division*

The DEA's SOD is integral in the coordination of major DEA cases. According to DEA executive management, the most effective means of ascertaining the breadth of a drug trafficking operation is to track the communication between the parties involved. The SOD is a repository for phone numbers used or called by persons who are part of a DEA investigation. The SOD uses a database to collect these phone numbers and can connect cases with hits on the same phone numbers.<sup>51</sup> This allows the DEA to link cases investigated by different offices across the country and throughout the world.

Routinely, the SOD will host coordination meetings on a case, either at its facility in Chantilly, Virginia, or other domestic and international locations. These meetings are usually held when it is discovered that several offices are investigating the same organization in various geographic locations. SOD officials provided us with examples of coordination meetings that discuss cases with an international scope. For example, we were provided evidence of one coordination meeting in Europe that involved the SOD, DOJ, two domestic DEA offices, five foreign DEA offices, and representatives from two foreign counterpart agencies.

According to DEA foreign and domestic personnel whom we interviewed, the SOD's activities are critical to the DEA attacking the command and control structures of major drug trafficking organizations. Additionally, foreign counterpart officials commented on the benefit SOD provided international investigations.

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<sup>51</sup> A hit refers to a number entered in the system that is found to match a number already existing in the database.

*El Paso Intelligence Center*

EPIC was established in 1974 to improve coordination among agencies addressing law enforcement matters related to the Southwest Border. EPIC brings together representatives from many agencies including the FBI, the U.S. Marshals Service (USMS), and the Department of Homeland Security's Bureau of Immigration and Customs Enforcement (ICE), who work together on various matters related to drug-trafficking and immigration. DEA foreign offices support EPIC by submitting case information to EPIC, which enables analysts at EPIC to access the information for identification of related cases. Several foreign DEA officials interviewed indicated EPIC was useful in their investigative activity, particularly in providing intelligence on drug trafficker movements and in maritime interdiction efforts.

**Other U.S. Law Enforcement Agencies**

Other U.S. law enforcement agencies that maintain an overseas presence include the FBI; the USMS; the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); ICE; and the U.S. Secret Service.<sup>52</sup> The DEA coordinates with other U.S. law enforcement representatives in international cases and may jointly work with these other law enforcement agencies to investigate the same target. We spoke with representatives from the various U.S. law enforcement agencies who work with the DEA in the countries we visited and, except for one instance identified below, found the DEA to have good working relationships with them.

The one exception was the relationship between the DEA and ICE offices in Colombia, both of which acknowledged that there was a contentious relationship between the two agencies and that coordination needed much improvement. ICE officials in Colombia did not believe the DEA coordinated any of its activities with them, and the DEA Regional Director also voiced discontent with the relationship between the two agencies. We were informed of instances in which the safety of DEA, ICE, and Colombian law enforcement personnel was put at risk due to the lack of coordination.

At our audit close-out meeting, the DEA told us that its relationship with ICE in Colombia changed since we conducted our fieldwork in April 2006. Subsequently, we discussed the matter with the DEA Regional Director and ICE Country Attaché in Colombia and both stated that the relationship between the agencies has improved. Additionally, we were

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<sup>52</sup> For a complete listing of the agencies with which we met during this review, see Appendix V.

provided evidence of DEA efforts to enhance coordination with ICE in Colombia.

**Foreign Counterpart Agencies**

The DEA's relationships with its foreign counterparts rely heavily on individual personalities, cultural traditions, and the openness to communication between the parties. We were told that as a result of cultural attitudes in many countries, personal bonds first need to be developed and are significant in fostering a professional working relationship. In the countries we visited, DEA personnel commented that the social culture makes it very important for a foreign counterpart representative to accept and trust an individual on a personal basis. Once this connection is established, a positive professional partnership can develop that will assist the DEA in obtaining the information it requires. Further, DEA personnel commented that a good relationship with their foreign counterparts often resulted in more timely cooperation in response to DEA requests for information. DEA officials told us that they spend a great deal of effort developing relationships with their counterparts.

During our fieldwork, we met with 31 individuals from foreign counterpart agencies (shown in the following exhibit) to discuss their relationships with the DEA.

**List of Foreign Agencies Consulted During Review**

COUNTRY	FOREIGN AGENCY
<b>Colombia</b>	Armada Nacional Cuerpo Técnico de Investigación Departamento Administrativo de Seguridad Policía Nacional de Colombia
<b>Italy</b>	Direzione Centrale Servizi Anti-Droga Guardia di Finanza Polizia di Stato
<b>Mexico</b>	Agencia Federal de Investigaciones Instituto Nacional de Migración Seguridad Pública de Guadalajara Secretaría de Seguridad Pública
<b>Thailand</b>	Royal Thai Police Office of the Narcotics Control Board
<b>Turkey</b>	Turkish Gendarmerie Turkish Customs Turkish National Police

Source: OIG interviews with Drug Enforcement Administration foreign counterparts

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The consensus of the foreign officials we interviewed was that the DEA aided their law enforcement efforts, particularly in building international partnerships, providing training opportunities, and supplying useful investigative equipment. For instance, an Italian law enforcement manager commented that the DEA's international partnerships provided the international law enforcement community with the capability to coordinate multi-nation investigative operations against international drug trafficking organizations. Similarly, a Colombian law enforcement representative told us that the DEA makes the cooperation between the investigative and prosecutorial components of the Colombian government more effective. According to this representative, the communication between these two entities would be deficient without the DEA acting as a facilitator.

An official from one law enforcement agency in Thailand attributed its current level of professionalism and specialization to the assistance received from the DEA. A representative from another Thai agency stated that working with the DEA provides a greater opportunity for obtaining drug-related intelligence that will help to combat illegal drug activities in their country.

During our fieldwork in Turkey, a foreign official told us that DEA-provided intelligence helps to speed up local investigations. Turkish officials also told us about recent operations for which the DEA had provided invaluable assistance. For example, a foreign official spoke of a case in which a DEA-paid informant provided information about a heroin shipment, resulting in the seizure of several tons of heroin. In another instance, foreign officials in Turkey were aware of a Turkish shipment of 41 kilograms of cocaine from Bolivia to Iran, but the smugglers were not going to take the narcotics through Turkey. The vessel used for the shipment was from Denmark, and the DEA assisted in the seizure of the narcotics by facilitating communication between Turkey and Denmark officials.

The DEA's partnership with agencies abroad has also resulted in other agencies sending officials to DEA offices in the United States. For example, the United Kingdom has personnel from Her Majesty's Custom and Excise National Investigative Service working in the DEA's SOD. Also, Italy's Direzione Centrale Servizi Anti-Droga has an agent stationed in the DEA Miami office.

We observed the interaction between the DEA and foreign counterpart personnel during our fieldwork, and we generally perceived these relationships to be positive. For example, we observed DEA agents in Guadalajara, Mexico, having frequent contact with foreign counterpart personnel regarding local law enforcement matters. In our interviews with them, several foreign officials in Guadalajara spoke appreciatively about

their personal and professional relationships with two particular DEA Special Agents and in a large part attributed the success of the interaction between the two agencies to these relations. Similarly, personnel from Colombian counterpart agencies with whom we met in Bogotá and Cartagena expressed satisfaction regarding the interaction between their agencies and the DEA.

### **Conclusion**

The relationships the DEA maintains with all its counterparts – both domestic and foreign – are essential to its mission abroad. We found that the DEA has established effective partnerships with its foreign counterparts.

## CHAPTER 5: ADMINISTRATIVE FUNCTIONS

Our review included an evaluation of certain administrative functions for the DEA's international operations in selected foreign offices, including an assessment of the DEA's administration of its imprest funds and its practices and records related to security and firearms. We found deficiencies in these areas, which we believe were caused by weak management oversight and poor adherence to established rules and procedures.

### Imprest Funds

Imprest funds are fixed or petty-cash funds held in the form of currency and coins that are advanced to designated cashiers, who in turn advance the funds to employees for mission-related expenses. Agencies use imprest funds to make a variety of payments to many types of recipients, including reimbursing employees for investigative expenses, for making small purchases and limited emergency non-investigative payments, [SENSITIVE INFORMATION REDACTED]. According to records at DEA headquarters, the total amount of imprest funds held by the DEA's foreign offices amounts to \$2,786,000.<sup>53</sup> Additionally, the DEA offices in Thailand maintained imprest funds in Thailand's national currency.<sup>54</sup> Therefore, the total amount of imprest funds in the DEA foreign offices was approximately \$3.18 million.

Eight of the 10 foreign offices we visited had imprest funds.<sup>55</sup> We reviewed imprest funds for seven of these eight offices, which were accountable for nearly \$1 million dollars.<sup>56</sup> A breakdown for each office is shown in the following table:

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<sup>53</sup> The DEA determines the dollar amount of each imprest fund in each office by reassessing annually the amount of investigative expenses used by an office.

<sup>54</sup> These funds valued at \$394,000 are advanced by the State Department and are identified in the State Department's general ledger.

<sup>55</sup> The Milan and Rome, Italy, offices did not have imprest funds.

<sup>56</sup> We were unable to fully review the imprest fund in Mazatlán, Mexico, because the imprest fund cashier was not in the office at the time of our fieldwork and DEA regulations prohibit other employees from accessing the fund in the absence of the designated cashier.

**DEA Imprest Fund Levels at Sites Reviewed**

<b>LOCATION</b>	<b>AMOUNT</b>
Ankara, Turkey	\$ 65,000
Bangkok, Thailand <sup>57</sup>	273,000
Bogotá, Colombia	310,000
Cartagena, Colombia	100,000
Guadalajara, Mexico	75,000
Istanbul, Turkey	40,000
Mexico City, Mexico	100,000
<b>Total</b>	<b>\$ 963,000</b>

Source: Drug Enforcement Administration

In addition to its own imprest fund policies and procedures, the DEA must abide by imprest fund regulations established by the Department of Treasury (Treasury Department) and the State Department. These regulations include Chapter 8 of the *DEA Financial Management and Policy Handbook*, the Treasury Department's *Manual of Procedures and Instructions for Cashiers*, as well as the State Department's *Financial Affairs Manual, Volume 4*, and its *Financial Management Procedures Handbook*.

During our fieldwork, we interviewed imprest fund cashiers about their responsibilities, observed a count of the respective offices' imprest fund, and tested a sample of transactions.

*Imprest Fund Cash Counts*

At seven DEA offices, we observed a cash count of the office's imprest fund that was conducted by the principal cashier, alternate cashier, or acting supervisor who handled the funds and performed the actual count.<sup>58</sup> All of the cash, expenditure documents, and reimbursement checks equaled the total authorized amount of the imprest fund allotted to each office, except for the DEA office in Bangkok.

While in Bangkok, we observed imprest fund cash counts on two separate occasions. On one occasion, the cashier discovered a \$1 overage

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<sup>57</sup> DEA's Bangkok office kept its imprest fund of \$273,000 in two currencies: \$88,000 in U.S. Dollars (USD) and 7.4 million in Thai Baht. The 7.4 million Thai Baht was considered by the State Department to be held at a constant 40.00 Baht exchange rate equating to \$185,000.

<sup>58</sup> A principal cashier is the primary cashier who has been designated and authorized to advance cash and carry out the cash operations, and who is personally liable for any loss or shortage of funds. An alternate cashier disburses funds during short absences of the primary cashier.

in the U.S. fund. On another occasion, the cashier found that the Thai Baht fund was short 24,000 Baht, an equivalent of \$600 USD.<sup>59</sup> As a result, we asked the cashier to review the imprest fund accounting ledgers and relevant documents to ensure that all transactions had been posted and that everything had been calculated correctly, and we invited the cashier's immediate supervisor to count the funds. More than 2 hours later, after multiple viewings of the count conducted by the cashier and the cashier's supervisor, the cashier found the missing Thai Baht outside the cash box within the safe that houses the imprest funds.

#### *DEA Audits of Imprest Funds*

DEA imprest funds are required to have quarterly unannounced audits and an annual audit of the primary and alternate imprest funds as well as an audit whenever a change in cashier duties occurs. These audits must be performed by individuals not associated with imprest fund activities, including supervisors of the imprest fund cashier. We tested the audits for FYs 2005 and 2006 for the locations we reviewed with imprest funds. We found that in Mexico City, Mexico, the DEA did not always conduct audits of the alternate imprest fund, and the DEA office in Bogotá, Colombia, omitted an audit of the primary imprest fund for one of the quarters we reviewed. Further, we found quarterly audits were occasionally performed by persons having supervisory responsibility over the imprest fund.

#### *Imprest Fund Transactions Reviewed*

We selected and reviewed a judgmental sample of FYs 2005 and 2006 imprest fund transactions at the seven foreign offices. We selected a sample of 233 transactions out of a universe of 3,266. We reviewed the supporting documentation to determine if the transactions were allowable, supported, properly classified, and accurately recorded. We also determined if imprest fund advances [SENSITIVE INFORMATION REDACTED] were cleared within authorized time limits. Finally, we determined if the imprest payments were made only to DEA employees (not others such as Foreign Service Nationals) as required by DEA's *Financial Management and Policy Handbook*.

Based on our testing, we identified numerous discrepancies relating to a lack of supporting documentation, timeliness of clearing cash advances and returning flashroll monies, missing signatures, and funds issued to improper

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<sup>59</sup> The U.S. Dollar equivalent was calculated using the State Department's constant exchange rate for this imprest fund of 40.00 Baht to the U.S. Dollar.

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recipients.<sup>60</sup> The following table displays for each location the number of transactions in our universe and testing sample, as well as the type and number of discrepancies noted during our testing.

**DEA Foreign Imprest Fund Transactions Tested  
Type and Number of Exceptions Found**

Type of Exception	Ankara	Bangkok	Bogotá	Cartagena	Guadalajara	Istanbul	Mexico City	TOTALS
<b>Transaction Universe</b>	87	694	1,051	939	189	85	221	<b>3,266</b>
<b>Transaction Sample</b>	11	50	50	58	29	10	25	<b>233</b>
<b>Insufficient supporting documentation</b>	1	7	2	0	0	0	0	<b>10</b>
<b>Receipts for advances not cleared timely</b>	0	9	7	2	0	0	3	<b>21</b>
<b>Missing signatures</b>	0	28	10	44	19	0	19	<b>120</b>
<b>Funds issued to improper recipients<sup>61</sup></b>	1	11	0	1	0	0	1	<b>14</b>
<b>Flashroll not returned timely<sup>62</sup></b>	-	2	-	-	-	-	-	<b>2</b>
<b>TOTAL EXCEPTIONS<sup>63</sup></b>	<b>2</b>	<b>57</b>	<b>19</b>	<b>47</b>	<b>19</b>	<b>0</b>	<b>23</b>	<b>167</b>

Source: OIG analysis of DEA imprest funds' transaction documentation

<sup>60</sup> A flashroll is a temporary advance issued to a Special Agent during the course of an investigation and used as "show money" to procure evidence.

<sup>61</sup> The DEA's *Financial Management and Policy Handbook* states that imprest funds should only be issued to DEA employees. DEA headquarters personnel stated that FSNs were not considered eligible recipients of imprest fund cash. Following our audit close-out meeting the DEA stated that it was currently revising its policy to explicitly prohibit FSNs from receiving cash from the imprest fund. Our testing included the identification of imprest fund disbursements issued to non-DEA employees, including FSNs.

<sup>62</sup> In addition to the two incidents in Bangkok in which the flashroll was not returned timely, the cashier was not counting the currency upon return of the flashroll bags. The DEA's *Financial Management and Policy Handbook* states that cashiers should verify the amount of cash in the flashroll when it is returned. Our transaction sample did not include any flashroll advances for the remaining offices. The transaction universe and transaction sample noted in the table do not include the flashroll transactions we tested in Bangkok.

<sup>63</sup> For some transactions tested we identified multiple deficiencies. Therefore, a single transaction may have more than one deficiency noted in the table.

In our opinion, the weaknesses we identified occurred due to weak management oversight in the field and poor adherence to established protocols. The DEA has established policies and procedures that if adhered to should provide adequate controls over most imprest fund operations and sufficient documentation to support individual transactions. In addition, DEA headquarters has established a system of auditing DEA field office imprest funds and addressing identified deficiencies with the appropriate offices on a quarterly basis.

### **Operational Accounts**

In locations without imprest funds, the DEA allows Special Agents to maintain reimbursable accounts called operational advances to be used for [SENSITIVE INFORMATION REDACTED] and for small, appropriate office expenses. The two DEA offices in Italy supplied each of three agents – one in Milan and two in Rome – with \$3,000 operational advance accounts. According to the *DEA Financial Management and Policy Handbook*, agents must obtain approval from a supervisor before expending funds from an operational account. We selected a sample of 14 transactions in total from these three accounts. We found no evidence that the agents obtained the required authorization to incur the expense for 10 of the 14 transactions sampled.

### **Security Matters**

The DEA foreign offices are physically located in U.S. Embassies, Consulates, or stand-alone locations. In these offices, the security of space, equipment, documentation, and intelligence is vitally important to the protection of the DEA's personnel and operations. The DEA is responsible for abiding by all location-specific policies, including those promulgated by the State Department's Chief of Mission. Within an Embassy or Consulate, the Regional Security Officer (RSO) administers and manages the U.S. diplomatic mission security programs that include protection of personnel, facilities, sensitive information, and U.S. citizens working or visiting the region.

We interviewed the RSO for each location we visited about the respective DEA office's security practices. Additionally, we interviewed DEA employees assigned the collateral duty of "security officer" for DEA foreign offices in which we conducted fieldwork.<sup>64</sup> While on-site, we also conducted

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<sup>64</sup> The DEA security officer is responsible for ensuring the DEA foreign office follows DEA security regulations, as well as Chief of Mission policies. The Chief of Mission is the title given to the principal U.S. government representative to a country, usually the U.S. Ambassador.

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observational walk-throughs of DEA work space, observed office and personnel security practices, reviewed secure safe and door combination-change records, and examined firearms storage practices. We identified certain deficient security practices in each of these areas.

### *Controlled Access Areas*

The DEA offices we visited were either located entirely or partially in a controlled access area (CAA), or had access to a portion of CAA space. CAAs are specifically designated areas within a building where classified information may be handled, stored, discussed, or processed. DEA offices we visited in Mexico (Mexico City), Colombia (Bogotá and Cartagena), Thailand (Bangkok), and Turkey (Istanbul) were completely located in CAA space. Conversely, DEA offices in Italy (Milan and Rome), Mexico (Guadalajara and Mazatlán), and Turkey (Ankara) had a designated CAA within the office or in an area outside the office for working with classified information.

The State Department's *Foreign Affairs Manual* states that the use of cellular phones is prohibited in CAA space. Our review noted no security violations regarding cellular phone usage in CAA space, except in the DEA offices in Mexico City, Mexico, and Bogotá, Colombia.

According to the RSO in Mexico City, on one occasion a security sweep identified 30 cellular phones in the DEA's CAA space. The RSO also stated that DEA personnel were seen talking on cellular phones in the CAA on several other occasions. During our fieldwork in Mexico City, we observed several personnel who were in possession of their cellular phones within the CAA space, and in one instance we witnessed a DEA employee using a cellular phone in the CAA. In Bogotá, on at least one occasion we observed a DEA employee carrying a cellular phone within the office's CAA.

We were told that the Deputy Chief of Mission spoke to the Mexico City Regional Director around May 2005 about the DEA's increasing number of security violations identified during periodic RSO security checks. As a result, DEA management in Mexico City reminded all personnel of proper security procedures and implemented a nightly security checklist protocol for the office. This checklist was designed to verify that all documents and material were appropriately secured at the end of each day. The Deputy Chief of Mission and the RSO told us that the number of security violations

decreased significantly following the implementation of the end-of-day security checklist.<sup>65</sup>

In the other offices we visited, the RSOs did not indicate concern over DEA CAA security, and we did not observe violations of security protocol.

#### *Safe and Door Combination Locks*

The DEA utilizes combination safes and door locks to guard its CAA areas that contain items such as sensitive documents, firearms, and imprest fund cash. The *DOJ Security Program Operating Manual* and the *DEA Planning and Inspections Manual* require that combinations be changed when the equipment is placed into initial use, whenever a person knowing the combination no longer requires access to it, and whenever a combination has been subject to possible compromise. The State Department's *Foreign Affairs Manual* requires that the RSO change combinations at least every 12 months. In addition, good internal controls require that the DEA ensure that its space and information are properly secured, which includes assuring combinations are changed appropriately.

For 8 of the 10 DEA foreign offices in which we conducted fieldwork, we examined whether: (1) safe and door combinations were changed at least every 12 months, and (2) the DEA maintained an accurate inventory of the safes and secure door locks within its workspace, including current combinations.<sup>66</sup> We also attempted to verify the DEA's records against the RSO's inventory records of door and safe combinations.

Our review at these DEA foreign offices revealed that the DEA was not adequately securing its offices in Mexico and Colombia because combinations were not tracked and changed as required. In Mexico City, the DEA provided an inventory showing the office maintained 78 safe and door combination locks. However, we conducted a count of combination locks with DEA personnel and found that there were only 54 combination locks in

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<sup>65</sup> However, our review of the completed checklists covering a 4-week period revealed a weakness with the security checks. A primary purpose of the checklists was to document the final security review of the day after all employees had left for the night. We observed that some checklists clearly indicated that DEA personnel were still in the office when the checklist was being completed. Therefore, the individual performing the security sweep could not confirm that all safes and doors were locked and computers were turned off. DEA management in Mexico City agreed with our assessment and provided evidence that it instructed its staff immediately following our visit on the proper practices regarding security sweep duties.

<sup>66</sup> We did not conduct testing of safe and door lock inventories and combination change dates in Guadalajara and Mazatlán, Mexico.

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the DEA Mexico City office. Additionally, the DEA office in Cartagena, Colombia, provided an inventory list noting 20 safe and door combination locks were located within DEA space. However, our physical count revealed that two locks (on two separate safes) were missing from the inventory.

When records allowed us to test combination change dates, we identified a significant number of instances in which the DEA had not changed combinations in over 12 months. The following table details our testing and related findings in this area.

<b>Number of Overdue Combination Changes in DEA Foreign Offices</b>	
<b>Location</b>	<b>Over 12 Months Since Combination Last Changed</b>
<b>Colombia</b>	
Bogotá	87
Cartagena	0
<b>Italy</b>	
Rome	0
Milan	0
<b>Mexico</b>	
Mexico City	42
<b>Thailand</b>	
Bangkok	0
<b>Turkey</b>	
Ankara	0
Istanbul	1

Source: OIG analysis of Drug Enforcement Administration combination lock change practices

Our analysis of the Istanbul records showed that the combination to the lock on the DEA’s office entry door had not been changed since 2003. In our analysis of 52 combination change cards in Mexico City, we found that 42 of them had not been changed in over 12 months. The only centralized combination records available in Bogotá were maintained by the RSO, and our analysis of these records revealed that combinations had not been changed in the past year for 87 of 89 locks.

Although the State Department has the responsibility for changing the combinations of safes and door locks, the DEA must ensure the security of its space and information. Therefore, we believe the DEA should confirm that combinations are changed in accordance with all applicable regulations. To do so, DEA offices must have a reliable inventory of secure devices requiring combination changes. The DEA does not currently require such

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records. We recommend the DEA establish a policy for its foreign offices to maintain a complete and accurate record of its safe and door lock combinations, including the dates each combination was last changed.

### *Safe Security Observations*

In the DEA offices in Mexico City and Bogotá, we observed DEA personnel leaving safes open and unattended. For instance, a DEA alternate imprest fund cashier in Mexico City kept \$5,000 in imprest fund cash in a safe next to his desk, and we observed this safe open and unattended on two separate occasions. In the DEA Bogotá office, we viewed multiple safes unlocked with the drawers open while the responsible DEA personnel could not be located in the office area. Our discussions with DEA personnel and observations of safe contents indicated that safes contained sensitive information, and at times an agent's weapon.

Although these safes were located in CAA space, we observed non-DEA personnel frequently entering the DEA office. We believe that DEA personnel in these offices need to be more diligent and follow security protocols more closely. Additionally, any safe holding weapons or imprest fund cash should be secured at all times when not in direct use.

### *Firearms Security, Safety, and Storage*

The *DEA Agents Manual* states that all Special Agents assigned to DEA foreign offices should follow DEA policy unless modified by host-country or Chief of Mission policy. The manual further states that, when unattended, each firearm must be made safe and inoperable by one or more of the following methods: (1) remove and separate the source of ammunition, (2) install an issued gun safety lock, or (3) place the weapon in a commercially available lock box. We did not observe any exceptions to DEA or Chief of Mission policies for storage of weapons in our visits to [SENSITIVE INFORMATION REDACTED], but we did find minor violations in the other countries we visited.

For example, the Chief of Mission protocol for the U.S. Embassy in Bangkok, Thailand, stated that all weapons should be cleared using a proper clearing tube. However, we observed an agent clearing his weapon in a safe near his desk before presenting the firearm for our inspection.

### **Firearms Qualification**

According to the *DEA Agents Manual*, all Special Agents (except those assigned to headquarters staff positions) must qualify semi-annually with

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their DEA-issued handguns and any approved personally owned handguns they seek to have authorization to carry. In foreign offices, the DEA general firearms policy is modified, if necessary, to conform with the requirements of the host-country law or policy and Chief of Mission policy. DEA regulations further state that if there are no appropriate firearms facilities nearby, then the employee, when on official continental U.S. assignment (e.g., home leave or temporary duty assignment), should make arrangements to qualify at the nearest DEA office or at the DEA Training Academy facility in Quantico, Virginia.

Additionally, the *DEA Agents Manual* states that the original record of qualification should be maintained in a file within the office to which the agent is assigned. Primary firearms instructors are responsible for maintaining records of qualification in each agent's file, which should follow the agent from post to post. Our initial review of DEA firearms files in foreign offices revealed that a number of files were not presently maintained in the respective DEA foreign office, as required. Additionally, several files available for review were incomplete while other files showed that many agents had not certified their weapons proficiency in over a year.

We also contacted the DEA Training Division and requested firearms qualification information for all agents assigned to a foreign office. The listing provided to us on February 3, 2006, contained information for 379 employees, including the dates each agent last qualified. We compared this list to our sample of field personnel and found that 10 of the 122 sampled employees were not on the list provided by the Training Division. As a result of the incomplete state of firearms records for DEA foreign personnel, we were unable to complete our testing in this area. Further, we identified the following three conditions related to weapons qualifications that pose serious liability risks to the DEA foreign offices.

- In Italy, the five DEA agents authorized to carry weapons in-country had not completed firearms qualification since their arrival at post, which was between 17 months and 4 years prior to our fieldwork.<sup>67</sup> Agents attributed this to the lack of an available firing range and the absence of a primary firearms instructor in the region. Additionally, the agents in the DEA office in Milan had not had their firearms files forwarded to their current post.

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<sup>67</sup> Two additional agents were stationed in Italy at the time of our fieldwork in April 2006. However, these individuals had recently arrived and had not yet received host-country approval to carry their weapons.

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[SENSITIVE INFORMATION REDACTED]

- DEA regulations state that agents transferred to a foreign office may be required to store their weapons in the United States for the period that they are stationed abroad. In these situations the agent is issued a weapon from the office's available stock upon arrival to post. As a result, it is possible for a DEA agent to arrive at post and be issued a DEA-owned weapon and to have never qualified on that particular firearm. For example, we found DEA agents in Milan, Italy, had never qualified on the weapons they received at post. These agents had been stationed in Italy for 2 to 4 years. Additionally, at least one agent overdue for weapons qualification that we interviewed stated that he did not re-certify his weapons proficiency when last in the United States.

DEA policy states that agents are exempt from firearms qualification requirements while stationed at a foreign post in the event host-country or U.S. Mission policies prevent compliance with the regulations, or if there is a lack of training facilities. However, the overall state of the firearms qualification for DEA personnel stationed in foreign offices, including the general poor documentation at the DEA Training Division and in the DEA foreign offices we visited, evidenced the lack of emphasis that the DEA placed on firearms proficiency for its personnel located overseas. The DEA informed us at the audit close-out meeting that it recognized a need for improvement in this area and planned to better enforce its policy requiring employees to qualify when on official or personal travel in the United States, including any approved home leave. However, we believe that this requirement still allows for the possibility of agents not certifying proficiency on a weapon issued in a foreign office if they are not required to travel to the United States on an operational matter and choose to spend their home leave outside the United States. We suggest the DEA explore other alternatives and develop procedures to address this policy gap. Also, we encourage the DEA to consider requiring agents to qualify on the same make and model of the weapon they will be issued by their foreign office before being allowed to report to their foreign post, especially for those agents reporting to a country that does not have a firearms testing facility compliant with DEA qualification standards.

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### *Foreign Service Nationals*

We noted in certain DEA offices that foreign service nationals (FSN) were allowed to carry weapons while on official duty for the DEA.<sup>68</sup> The DEA offices in [SENSITIVE INFORMATION REDACTED] employed FSNs as Investigative Assistants. [SENSITIVE INFORMATION REDACTED].

An FSN [SENSITIVE INFORMATION REDACTED] informed us that he practiced firing his weapon at a local law enforcement firing range, but that the DEA did not test him for proficiency or maintain a qualification file for him. [SENSITIVE INFORMATION REDACTED], an FSN who carried a weapon while on duty with the DEA informed us that the agency tested his weapons proficiency, but did not maintain a record of his scores.

FSNs have been issued DEA-owned weapons and at least one has been carrying a weapon with the DEA's tacit consent for more than 20 years. Allowing an FSN to carry a weapon without determining whether the individual is proficient could represent a significant liability for the agency. The DEA stated that it recognized the same vulnerability, which prompted the agency to develop a policy addressing FSNs carrying firearms during official DEA duty. The DEA promulgated this policy in July 2006, and we were provided this policy subsequent to our audit close-out meeting. Our review of the policy identified the same gap as identified in our review of the DEA firearms qualification policy for agents stationed in foreign countries. Specifically, the policy allows for an FSN stationed in a country without a DEA-approved firearms facility to be exempt from qualification standards.

Additionally, we followed up with the DEA regarding how the policy applied specifically to FSNs carrying personally owned firearms during official duty, as was the situation [SENSITIVE INFORMATION REDACTED]. The DEA responded that FSNs are prohibited from carrying personally owned firearms while on official DEA duty. Moreover, the DEA also stated that the intent of the policy was for firearms and ammunition to only be issued to FSNs on a day-to-day basis, unless the Regional Director specifically approves an exemption and allows the FSN to carry the DEA-issued weapon on a 24-hour basis. We believe the DEA should review its policy and ensure that this temporary authorization element and the prohibition of carrying personally owned firearms are addressed in the agency's FSN firearms policy.

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<sup>68</sup> The DEA stated that FSNs may carry firearms only if it complies with host nation law and only after being authorized by the host nation government.

## **Administrative Cost Determinations**

The State Department initiated the Interagency Consolidated Administrative Support Services (ICASS) program in October 1997 to provide and share the cost of common administrative support functions at U.S. government posts abroad. Examples of the services provided through ICASS are vehicle maintenance, travel services, mail and messenger services, information management, purchasing and contracting, non-residential security guard services, and building operations. Some services are mandatory and most are voluntary. Agencies, for the most part, are able to choose the services in which their office will participate.

For FY 2005, the ICASS Service Center reported that the DEA contributed approximately \$17.5 million for ICASS administrative services. The following table shows the FY 2005 final ICASS costs for the DEA in the five countries that we visited.

**Fiscal Year 2005 ICASS Costs for  
DEA Offices in Countries Reviewed**

<b>Country</b>	<b>ICASS Cost</b>
Mexico	1,412,157
Colombia	\$ 762,111
Turkey	629,474
Thailand	618,852
Italy	578,361
<b>TOTAL</b>	<b>\$ 4,000,955</b>

Source: State Department ICASS Service Center

During our fieldwork, we discussed with DEA foreign office managers their use and consideration of ICASS and whether they thought it was the best method for procuring goods and services. In addition, DEA foreign office managers evaluated ICASS services in their annual review of administrative office needs. In some cases, the DEA determined that it was more cost effective to go outside ICASS for certain services. For instance, the DEA office in Bogotá, Colombia, does not participate in the Embassy's motor pool because DEA management determined that it is more cost-effective to perform this function internally. Additionally, regional management in Rome, Italy, and Ankara, Turkey, informed us that they do not utilize ICASS for vehicle maintenance, as a better cost and quality of service can be obtained through local vendors.

## **Conclusion**

During our review of DEA foreign offices, we found that the agency needed to improve certain aspects of its cash management, recordkeeping, and security. For instance, we found 165 deficiencies in our testing of 233 imprest fund transactions.<sup>69</sup> Valued at over \$3 million, the DEA's foreign office imprest funds represent a significant amount of money that is at increased risk for loss if established procedures are not followed.

Additionally, DEA foreign offices in Mexico (Mexico City) and Colombia (Bogotá and Cartagena) could not provide complete and accurate records for safe and door combination-locks. We also observed DEA personnel in Mexico City talking on cellular phones within CAA space, a violation of U.S. Embassy security policy.

Of particular concern is that DEA Special Agents could arrive in foreign offices and be issued a weapon for which they had never qualified. In addition, our review of FSNs hired as Investigative Assistants revealed that the agency allowed FSNs to carry weapons but never certified their proficiency in firing the weapons. The DEA has recently promulgated policy addressing FSNs carrying firearms on official DEA duty, but we believe this policy needs refinement and clarification. Inadequate weapons certification for DEA employees, combined with generally poor evidence of weapons qualification practices for employees in foreign offices, present liabilities to the DEA and to the safety of its agents that we believe should be remedied.

## **Recommendations**

We recommend that the Drug Enforcement Administration:

15. Re-emphasize to DEA foreign managers and personnel that:
  - a. audits of imprest funds should be performed and documented according to regulations, and
  - b. it is important to maintain adequate supporting documentation, clear advances of funds in a timely manner or obtain and document extensions, count flashroll monies when returned to a cashier, ensure all required signatures are obtained, and limit payments to eligible recipients of imprest funds.

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<sup>69</sup> We also found 2 deficiencies related to the untimely return of flashrolls, which were not included in our 233 transaction sample.

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16. Re-emphasize to agents with operational advances the importance of receiving authorization from a supervisor before expending funds from these accounts and retaining documentation of this approval for their records.
17. Ensure all DEA personnel understand and adhere to proper security protocols in foreign offices by:
  - a. reiterating to foreign offices the DEA and State Department policies on proper cell phone practices and the proper care of safes, and
  - b. immediately changing safe and door combinations that have not been changed in the last 12 months and ensuring that all safe and door combinations are changed and recorded at least annually.
18. Direct firearms coordinators to forward employee files for those who are no longer at post to their next post of duty or the Firearms Training Unit, and instruct foreign field offices to make current the firearms qualification files for their personnel and to provide notice to headquarters when completed.
19. Revise the firearms qualification policy to address the situation where a DEA agent is located in a country without an available firearms testing facility that is compliant with DEA qualification standards and who does not officially or personally travel to the United States during a foreign post tenure.
20. Determine why 10 of 122 sampled DEA Special Agents who were carrying firearms in foreign countries were not on the DEA Training Division's centralized list of foreign DEA personnel certified to carry a weapon, and update the Training Division's database accordingly.
21. Refine its FSNs firearms policy, including:
  - a. addressing the possibility of FSNs that are unable to certify weapons proficiency because there is no available firearms testing facility compliant with DEA qualification standards, and
  - b. clarifying that FSNs are prohibited from carrying personal firearms during official DEA duty and that FSNs are to be issued weapons and ammunition on a day-to-day basis unless specifically authorized by the Regional Director to carry a DEA-issued firearm on a permanent basis.

## **CHAPTER 6: INTERNATIONAL TRAINING**

The DEA's success overseas, as discussed in Chapter 4, often relies on the quality of its relationships with foreign counterpart agencies and the investigative capabilities of these foreign partners. The DEA views training as an important means for building international partnerships and enhancing the technical ability of foreign law enforcement. Additionally, the DEA must ensure it is properly training its personnel for duties and responsibilities in foreign offices.

Our review found that the DEA provided extensive training opportunities to foreign counterparts, and these counterparts complimented the DEA on the training received and noted the DEA as an important source for drug enforcement knowledge and expertise. However, we found room for improvement in the DEA's coordination of its international training, particularly between the DEA and other agencies that provide similar opportunities for training. Additionally, we determined that DEA personnel stationed in foreign offices did not receive appropriate training on certain administrative functions important to the effective maintenance of DEA foreign office operations, specifically on imprest fund administration.

### **International Training Section**

The DEA's Training Division includes the International Training Section, which is responsible for managing DEA foreign-related training endeavors. According to the DEA, it has offered counternarcotics training to its foreign counterparts since its inception, providing instruction internationally and in the United States, usually at the DEA Training Academy located in Quantico, Virginia. DEA officials further stated that the DEA currently trains approximately 2,500 foreign law enforcement officers each year. The intent of DEA international training is to develop lasting working relationships between countries and to build institutional infrastructure within foreign law enforcement agencies and judicial systems. The DEA's International Training Section identified five objectives for its international training:

- upgrade the drug law enforcement capabilities of foreign law enforcement agencies;
- encourage and assist key countries in developing self-sufficient drug investigation training programs;
- increase cooperation and communication between foreign law enforcement personnel and the DEA in international drug trafficking intelligence and operations;

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- provide foreign officials with motivation, as well as the necessary skills and knowledge, required to initiate and continue high-level international drug investigations; and
- develop regional cooperation between countries and encourage long-range strategic planning to enhance enforcement and intelligence operations.

The International Training Section provides training to foreign counterpart agencies through three instructional teams specializing in different types of training. As of June 2006, the three units, named Mobile Team A, Mobile Team B, and Mobile Team C, had 20 authorized positions, of which 18 personnel were on board and 2 Special Agent positions were vacant. These figures represent a decrease in personnel resources allocated to international training endeavors. In FY 1995, a total of 30 positions were allocated to five mobile training teams. DEA Training Division representatives stated that the DEA is providing more instruction with its three mobile teams than it did with the previous five instructional teams, even though they are operating with a third fewer positions. The five teams put on about 35 classes per year, whereas the three teams now provide about 70 classes.

### *Mobile Team A*

The International Training Section's Mobile Team A provides training for foreign law enforcement officials who are part of the DEA's Sensitive Investigative Unit (SIU) Program.<sup>70</sup> SIU Basic Training, the unit's 5-week class held at the DEA's Training Academy, typically includes instruction in interviewing, raid planning, first aid, technical training, wire intercept, and computer training, among other topics. When a specific need arises, the DEA also provides specialized training to its SIUs, usually in the host country. Examples of these subject-focused classes include training on topics such as asset forfeiture, money laundering, and intelligence collection and analysis methods.

When possible, the SIU Basic Training course is composed of participants from a single country. In other cases, the DEA may combine SIUs, or portions of SIUs, from the same country or from different countries. For example, the DEA presented a concurrent SIU Basic Training course to SIU members from Guatemala and Mexico. The DEA reports to have trained over 1,600 foreign personnel in its SIU Basic Training course between October 1996 and June 2006.

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<sup>70</sup> We discussed the DEA's SIU Program in Chapter 3.

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During our fieldwork at DEA foreign offices, we met with SIU personnel who attended the SIU Basic Training course. Overall, these representatives generally indicated that the training was beneficial and important to professional and technical development. However, although most SIU commanders in Mexico and Colombia noted that the training instilled professionalism and motivation in their units, a few SIU members we interviewed believed the SIU training could be improved. For example, some SIU commanders in Mexico and Colombia stated that their units would benefit from training in sophisticated investigative techniques. An SIU commander in Colombia commented that he relayed his sentiments to DEA Training Division management, and he felt comfortable that his suggestions would be considered. International Training Section management commented to us that each SIU Basic Training class is specially designed according to the SIU's needs and country environment in an effort to alleviate unnecessary instruction. Also, each participant completes a course evaluation form and the course instructor prepares an after-action report. Adjustments are made incrementally to the course content based on the feedback provided in these reporting mechanisms. Further, the International Training Section conducts a curriculum conference every 2 years to review all course curriculum and to make changes to course content as necessary.

### *Mobile Team B*

International training unit Mobile Team B is mainly responsible for providing training at the State Department's International Law Enforcement Academies (ILEAs) located in: (1) Bangkok, Thailand; (2) Budapest, Hungary; (3) Gaborone, Botswana; and (4) San Salvador, El Salvador.<sup>71</sup> The leadership of these ILEAs is shared among participating U.S. agencies. The DEA holds the Directorship post at ILEA Bangkok and the Deputy Director position at ILEA San Salvador. As of March 2005, the State Department reported that the ILEAs trained over 13,000 officials from 68 countries in Africa, Asia, Europe, and Latin America.

During our fieldwork, we toured the ILEA Bangkok facility and interviewed the DEA Program Director. In his opinion, being heavily involved in ILEA Bangkok raises the DEA's profile and provides the agency with useful contacts, while the foreign governments receive needed training from the DEA. According to the Program Director, the facility was staffed by 37 persons and had an annual operating budget of about \$3 million,

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<sup>71</sup> The State Department developed the ILEA Program and opened the first ILEA in Budapest, Hungary, in 1995. A fifth ILEA is located in Roswell, New Mexico, which is a "graduate school" for ILEA participants. The total ILEA budget averages approximately \$16 million annually.

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provided by the State Department and the DEA, to cover the costs of equipment, supplies, and trainer and trainee travel-related expenses.<sup>72</sup> The government of Thailand provided land for the facility and supports the ILEA by paying for its vehicles, guard service, and facility maintenance. We were informed that the government of Thailand also plans to provide \$2 million to construct dormitories for ILEA training participants.

Mobile Team B also provides training outside the ILEAs in its International Narcotics Enforcement Management Seminar, a 3-week course that stresses narcotics enforcement principles and techniques for the management level. The seminar has been provided since 1969 to high-level managers of foreign operational anti-narcotic units. Country officials in attendance are expected to present a synopsis of the narcotics situation in their home country. According to DEA officials, the seminar is held in the United States and was held several times per year when there were five mobile teams. Now, with three mobile teams, the International Training Section conducts the seminar once a year. The 84<sup>th</sup> International Narcotics Enforcement Management Seminar was recently held in Hawaii and was co-sponsored by the Department of Defense's Joint Interagency Task Force (JIATF) West. It was attended by 19 foreign representatives from 16 countries.<sup>73</sup>

### *Mobile Team C*

Mobile Team C is responsible for providing training for the International Money Laundering and Asset Forfeiture Program, which is funded by the State Department. The DEA, the U.S. Marshals Service, attorneys from the DOJ's Asset Forfeiture and Money Laundering Section, and occasionally representatives from other agencies present courses in money laundering and asset forfeiture to foreign governments and their personnel. Each year, Mobile Team C participates in 25 to 30 courses around the world. In FY 2006, Team C provided seminars on advanced international asset forfeitures in the Netherlands, Brazil, Singapore, and South Korea.

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<sup>72</sup> The DEA Program Director stated that this ILEA does not maintain a full-time set of instructors at the site because there is not enough work between courses to keep a team occupied on a permanent basis.

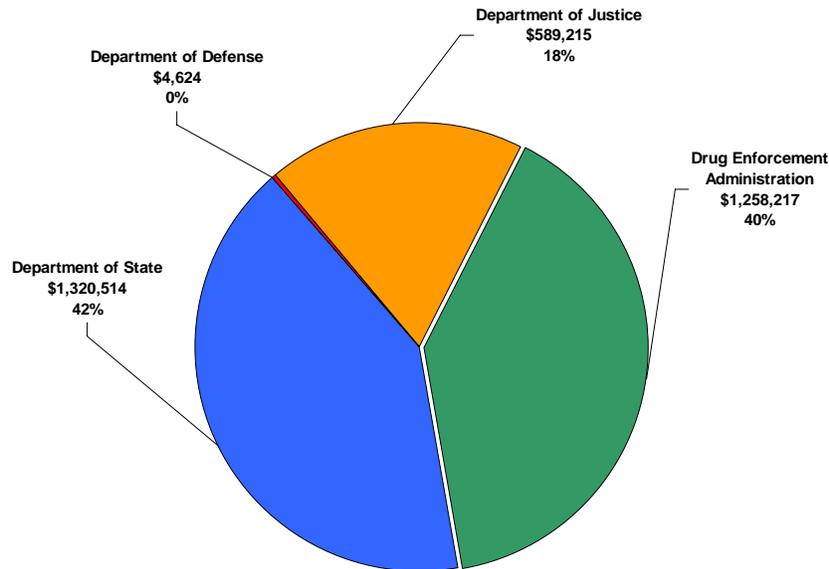
<sup>73</sup> JIATF West was formed in 1989 to provide support to U.S. counter-drug efforts by conducting operations to detect, disrupt, and dismantle drug-related transnational threats in Asia and the Pacific by providing interagency intelligence fusion and supporting U.S. law enforcement abroad.

*Funding International Training*

Funding for the DEA's international training comes from both internal and external sources. Internally, the DEA supports international training by: (1) allocating a portion of its budget to the International Training Section, and (2) allowing DEA foreign offices to use their discretionary funds for training-related purposes. Externally, the DEA receives resources for training from the U.S. Departments of Justice, State, and Defense (DOD). For example, DOJ provides funding for the international asset forfeiture seminars and SIU basic classes, while the State Department supplies funding used for DEA training at the ILEAs and for basic and advanced drug enforcement seminars.

We attempted to determine the total amount of funds (from all sources) the DEA expended on international training each fiscal year. However, the DEA informed us that it may not completely capture all the training that it provided or arranged to be provided to its foreign counterparts because of the decentralized fashion in which other agencies distribute funding for international training opportunities. For instance, the State Department recently changed its practice of providing training funding in a lump sum to the DEA International Training Section and now allocates this funding to international field components of the State Department's Bureau for International Narcotics and Law Enforcement Affairs (INL), which in turn directly supports training at the field level through its Narcotics Affairs Section (NAS). According to the data provided, the DEA expended approximately \$3.2 million to supply training to foreign government personnel in FY 2005. The DEA's portion of this funding amounted to 40 percent and DOJ provided 18 percent. External sources such as DOD and the State Department provided the remaining 42 percent, as shown in the following exhibit.

### SOURCES OF INTERNATIONAL TRAINING FUNDS FY 2005



Source: OIG analysis of the Drug Enforcement Administration’s International Training Section budget data

Including DEA funding, DOJ provides 58 percent of the financial support for DEA foreign training. The State Department provides most of the remaining funding. However, State Department headquarters representatives informed us that budget rescissions will severely limit the resources it will be able to provide the DEA in the future. For example, we were told that the U.S. Ambassador to Turkey called the State Department asking for additional training funding for the DEA and his request was denied because of budget shortages.

#### *Coordinating International Training*

According to a June 2005 memorandum, the DEA Administrator directed all international training conducted by DEA worldwide to be coordinated with the International Training Section, which plans in advance the courses it will provide using its mobile training units. DEA foreign offices wanting to use their discretionary funds to provide training to foreign counterparts are required to submit to the International Training Section a memorandum showing the date of the proposed training, the course curriculum, and a professional biography of instructors and their subject matter expertise. According to Training Division officials, they review the curriculum and instructor credentials and either approve or deny the field-developed training courses.

To examine the DEA's coordination on training matters, we met with personnel from the Training Division, the DEA foreign offices we visited, and applicable components in the State Department's INL. As a result of our inquiries, INL surveyed its NAS components on their relationships overseas with the DEA. INL representatives reported that they received six responses from offices other than those we visited, and none commented on any discontent with the DEA. A NAS entity was in three of the five countries that we visited: Colombia, Mexico, and Thailand. We evaluated the relationship between NAS components and the DEA foreign offices in these countries and generally found that good communication and coordination existed. However, NAS personnel in Colombia informed us that their office had resources to provide additional anti-narcotic and law enforcement-related training to foreign counterparts, but the DEA had not approached the NAS office regarding such possibilities. DEA personnel in Colombia told us that they were in need of additional training resources.

In each foreign office, one DEA employee is assigned the collateral duty of training coordinator. This individual is responsible for arranging training opportunities for foreign counterparts and coordinating with the International Training Section on such matters. The success of DEA training coordinators will become even more important if overall U.S. government funds for international training are reduced, as mentioned by the State Department officials with whom we spoke. Thus, locating alternative funding sources will be crucial to the DEA achieving its international training objectives. DEA foreign office managers must also ensure training coordinators consult with the International Training Section on courses being planned, supported, or performed by a DEA foreign office and its personnel.

### **Other International Initiatives**

In addition to its instructional training to foreign counterparts, the DEA seeks to improve international drug enforcement capabilities by sponsoring information-sharing opportunities. One such initiative is the annual International Drug Enforcement Conference (IDEC), which the DEA founded, co-sponsors, and coordinates. The first IDEC was held in 1983 in Panama City, Panama. During that first conference, fewer than 10 countries participated. Subsequent conferences have been held annually in various countries such as Bolivia, Colombia, Mexico, the United States, and Canada, which hosted 76 countries at *IDEC XXIV* in May 2006. The DEA Administrator serves as the permanent IDEC co-President. The DEA requires foreign attendees to be in policy-making positions for drug regulation and enforcement within their countries. The IDEC's agenda is centered on working group sessions where country officials discuss common targets as well as regional and global attack strategies.

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In addition to the annual IDEC conference, DEA headquarters developed the International Visitors Program. This initiative sponsors the delivery of briefings to foreign officials and U.S. diplomats on drug-trafficking trends and worldwide anti-drug activities. According to the DEA's records, 4,517 officials had participated in the program as of June 2006, including over 800 U.S. officials working overseas.

Another DEA initiative is the Training Division's Executive Observation Program. Representatives from other countries interested in starting training facilities similar to the DEA's Training Academy are invited to visit the school. The DEA estimates that it hosts about 125 foreign visitors each year, who observe the workings of the Training Academy.

### **Preparatory Training for Foreign Assignments**

Upon selection for an overseas position, DEA personnel must participate in certain training programs before reporting to a foreign post. Principally, these programs involve foreign language instruction and an orientation to working internationally.

#### *Foreign Language Training*

To work in most DEA foreign offices, Special Agents, Intelligence Research Specialists, and Diversion Investigators are required to have a basic fluency rating in the native language of the country in which they are stationed. Some personnel already have such proficiency and require no training. However, many employees do not have the requisite fluency and must participate in one-on-one language training courses, which cost the DEA, on average, around \$65,000 per employee. The DEA considers one-on-one language training an effective method of instruction for learning a foreign language. We received no negative feedback regarding language training for operational personnel, and during our fieldwork we observed DEA operational personnel successfully engaged in one-on-one conversations in the host-country national language in Mexico, Colombia, and Italy.

#### *Foreign Orientation Program*

All individuals selected for overseas positions are required to participate in the DEA's 1-week Foreign Orientation Program, which costs the DEA about \$3,000 per person. Unless there are significant budget constraints, as there were in FY 2005, spouses of DEA employees are also invited to attend the program at the DEA's expense. For FY 2006, the DEA planned to provide one orientation course every 3 months and more would be added if necessary. The orientation courses incorporate 3 days of

DEA-provided instruction, including an introduction to living in another country, a discussion on DEA benefits and allowances, and briefings by different DEA components that support international functions. The remainder of the instruction includes the State Department's Security Abroad for Families and Employees (SAFE) School, which provides instruction in such topics as personal safety, weapons of mass destruction, and terrorism. All U.S. government employees in permanent foreign assignments must attend the SAFE School at least every 5 years.

### **Training on Foreign Administrative Functions**

Often, DEA Special Agents, Intelligence Research Specialists, and support staff stationed in foreign offices are assigned collateral duties, such as administering an imprest fund or accounting for equipment and maintaining inventories. In some cases, these personnel had never previously performed these tasks. Therefore, a certain amount of training is required for the duty to be fulfilled in accordance with policy and regulations. Based on our fieldwork, we observed that DEA foreign personnel would benefit from training in certain administrative functions.

#### *Imprest Funds*

As we discussed in Chapter 5, we found several compliance issues involving the administration and management of the DEA's imprest funds. As previously noted, imprest funds are administered by one or more employees within an office who are formally designated as cashiers, and who are ultimately accountable for these funds. Imprest funds are used to make a variety of payments to various recipients and are typically used for operational expenses, to make small purchases, and to pay informants. Both DEA personnel responsible for the office imprest fund (or alternate imprest fund) and DEA foreign office managers commented that training on imprest fund policy and procedures was greatly needed. For the first time in nearly 5 years, the DEA provided imprest fund training to foreign imprest fund cashiers in February 2006. We encourage the DEA to continue providing training to all imprest fund cashiers to ensure foreign personnel are being instructed on sound cash management practices.

#### *Accountable Property Management*

In addition to imprest fund training, DEA foreign managers and operational personnel commented that training was needed on accountable property management. In several foreign offices, DEA staff charged with maintaining accountable property inventories stated that they had not

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received training in inventorying property or instruction on how to use the DEA's centralized accountable property database system.

Headquarters staff informed us that the DEA used to present a course entitled "Administrative Training" that presented policy information through workshop instruction methods and included the participation of both foreign administrative staff and foreign office managers. Although DEA officials stated that they intended to provide this course every 2 years, it has not been offered since FY 2003. We were told that this administrative training symposium is provided only when funding is left after all necessary language training and Foreign Orientation Program costs have been obligated.

Although we agree that operational training is a higher priority, administrative training is also important. The DEA's lean administrative staff sizes in foreign offices, compounded by the intricacies of the foreign working environment, make training in administrative duties a necessary element in the DEA's management of its international operations. We encourage the DEA to provide its Administrative Training course more regularly and ensure that the course properly trains its staff who are given collateral administrative duties.

### **Recommendation**

We recommend that the Drug Enforcement Administration:

22. Ensure that personnel assigned collateral administrative duties receive training necessary to correctly perform these functions, particularly in the areas of imprest fund administration and accountable property management.

## OBJECTIVES, SCOPE, AND METHODOLOGY

### Objectives

The primary objectives of this audit of the DEA's international operations were to:

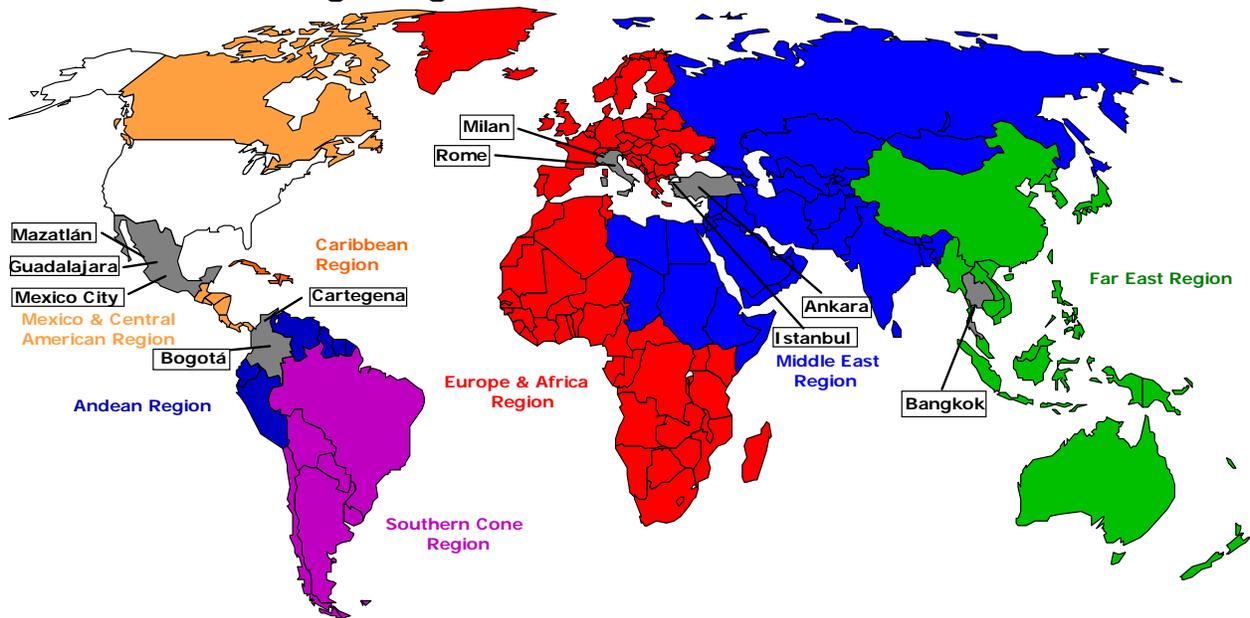
- review the DEA's foreign office performance, including its efforts to track operational activity and its internal mechanisms for evaluating the performance of its foreign operations;
- examine the DEA's involvement and management of international investigative activity;
- assess the DEA's relationships with its law enforcement counterparts abroad, including its liaison associations and the exchange of information;
- analyze the DEA's processes and controls over foreign administrative functions, including those related to security, firearms, property management, and fiscal matters; and
- review the training provided or coordinated by the DEA to its foreign counterparts and DEA personnel stationed abroad.

### Scope and Methodology

We performed our audit in accordance with the *Government Auditing Standards*, and included such tests of the records and procedures that we considered necessary to accomplish the objectives of the audit. Generally, the scope of our review focused on the period between FY 2000 and July 2006, although our testing and inquiry extended beyond this period in certain instances. We performed testing of the DEA's compliance with certain internal controls in the accomplishment of our audit objectives and include discussion on such in the finding and recommendation sections of our report. The objectives of our audit did not require that we perform testing of the DEA's compliance with laws and regulations.

We conducted work at DEA headquarters and other U.S. government agency headquarters, and we judgmentally selected five countries in which the DEA operated to perform fieldwork at its foreign offices. Our methodology involved selecting locations that would provide a broad overall perspective of the DEA's international operations, including diverse geographic location, jurisdiction, operational activity, and personnel composition. We visited the 10 DEA foreign offices (noted with boxed text) on the following map.

DEA Foreign Regions and Locations of OIG Fieldwork



To accomplish our objectives we interviewed DEA personnel at its headquarters, foreign offices, and selected domestic field divisions. We also interviewed other U.S. government agency officials stationed in the United States and abroad, and met with law enforcement personnel from foreign government agencies who work with the DEA internationally. Additionally, we performed tests of administration of its imprest funds, management of its Sensitive Investigative Unit (SIU) Program, and adherence to security and firearms protocols. Our audit also involved the review of DEA documents, policies, and procedures, as well as analyses of empirical DEA data.

*Interviews*

Our review included interviews with officials from various U.S. and foreign government agencies. These discussions and the documents obtained during these interviews provided perspective on the DEA's activity abroad. In total, we conducted interviews with 417 persons during this review.

Domestically, we met with 106 DEA officials at its headquarters in Arlington, Virginia; at the DEA Training Academy in Quantico, Virginia; the Special Operations Division in Chantilly, Virginia; and the El Paso Intelligence Center in El Paso, Texas. Our interviews included the Chief of Operations and chiefs for other DEA headquarters components, including the Office of International Programs, the Office of Enforcement Operations, and the Office of Management Operations, as well as numerous other managers and staff.

We also interviewed 17 DEA personnel at the domestic field divisions in Chicago, Illinois; El Paso, Texas; and Washington, D.C. Our audit included interviews with 42 headquarters representatives from other U.S. government agencies. Appendix V contains a complete listing of the components with which we met during our review.

During our fieldwork at the 10 DEA foreign offices, we interviewed 114 DEA personnel. We also met with 107 representatives from other U.S. agencies stationed overseas, as well as 31 officials from foreign counterpart agencies with which the DEA works. The table in Appendix V lists the agencies contacted at each fieldwork location.

### *Data Analysis*

We obtained and analyzed available DEA data related to its foreign operational activity. This included information from its systems that track activity on priority targets and investigative resource utilization. The information we obtained and reviewed covered the period of FY 2000 through July 14, 2006.<sup>74</sup>

### *Testing*

At the DEA foreign offices in which we conducted fieldwork, we performed tests related to the DEA's SIU Program, its imprest funds, its security over space and information, and its practices for storing firearms and recording weapons proficiency qualifications.

SIU Program Testing – The DEA operated SIUs in three of the five countries in which we conducted fieldwork: Mexico, Colombia, and Thailand. In these countries, the DEA provided us with a listing of active SIU members. We judgmentally selected a sample of 106 SIU members: 32 in Mexico, 44 in Colombia, and 30 in Thailand. We attempted to verify dates of vetting procedures for each of the sample SIU members, including background checks, polygraph examinations, and urinalysis tests. As stated in the report, records of these security screening mechanisms were inadequate and impacted the comprehensiveness of our review.

Imprest Fund Testing – The DEA maintained imprest funds in 8 of the 10 foreign offices that we reviewed. We did not perform testing at one of these offices (Mazatlán, Mexico) because the imprest fund cashier was not present during our fieldwork in this location. The seven locations in which

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<sup>74</sup> Because we have no recommendations related to the results of our data analysis, we did not test the reliability of these information systems.

we did perform testing are noted in the table below. At these offices, we observed counts of imprest funds and alternate imprest funds.

Additionally, we selected a sample of transactions testing for compliance with applicable DEA, Treasury, and State Department guidelines for administering imprest funds in DEA foreign offices. We limited our testing to transactions occurring in FYs 2005 and 2006. Our methodology for selecting the sample for each fund tested included: (1) determining the total transaction universe for our testing period, and (2) generally selecting 10 percent, or a maximum of 50 transactions, of the total transactions for testing. One-half of our sample included the highest dollar transactions during our testing period and the remaining half was judgmentally selected from those transactions remaining. We selected additional transactions for testing where we deemed it appropriate.

**Testing of DEA Imprest Funds<sup>75</sup>**

Location	Universe of Transactions	Sample Size
Ankara, Turkey	87	11
Bangkok, Thailand	694	50
Bogotá, Colombia	1,051	50
Cartagena, Colombia	939	58
Guadalajara, Mexico	189	29
Istanbul, Turkey	85	10
Mexico City, Mexico	221	25
<b>Total</b>	<b>3,266</b>	<b>233</b>

Source: OIG review and testing of imprest funds

Operational Accounts Testing – The DEA offices in Italy (Rome and Milan) did not maintain imprest funds. In its place, agents were authorized to use official reimbursable accounts, or operational advances. Three agents in Italy (one in Milan and two in Rome) had operational advances of \$3,000 each. We reviewed the ledgers for these accounts and selected a sample of transactions for testing. In Rome, the universe consisted of a total of 34 transactions for both accounts. We selected 10 transactions for our testing, choosing the 5 highest dollar transactions, and judgmentally selecting the other 5. The operational advance in Milan had only four transactions and we tested all of them. We used the DEA's *Financial Management and Policy Handbook*, Chapter 8, "Operational Advances" section for our testing criteria. Primarily, we tested transactions to verify

<sup>75</sup> The total number of transactions includes FYs 2005 and 2006 primary cashier and alternate cashier imprest fund transactions.

proper use of funds, appropriate and timely authorization for expenditures, and accurate reimbursement.

Security Testing – In 8 of the 10 DEA foreign offices that we visited, we conducted testing of DEA’s compliance with established protocol for changing safe and door lock combinations. At each location, with DEA personnel, we conducted a physical count of the number of safe and door combination locks within DEA space. Where the availability of records allowed, we verified the DEA and State Department inventories of DEA safe and door combination locks that matched our physical count of such for each office, and we reviewed the last date of combination changes indicated on combination change forms.

Additionally, we conducted observational security sweeps of DEA CAAs, and noted exceptions to DEA and State Department security protocols.

## COUNTRY PROFILES OF FIELDWORK LOCATIONS

### Republic of Colombia

Colombia is the third most populous country in Central and South America, behind Brazil and Mexico, with an estimated population of over 45 million.<sup>76</sup> It is bordered by Panama and the Caribbean Sea to the northeast; the North Pacific Ocean to the west; Venezuela to the east; Brazil to the southeast; and Peru and Ecuador to the southwest. According to the International Monetary Fund, the Colombian Gross Domestic Product (GDP) as of FY 2005 was \$122 billion.

The 2005 International Narcotics Control Strategy Report (INCSR) states that Colombian drug syndicates cultivate over 70 percent of the world's coca and refine roughly 90 percent of the cocaine on the international market.<sup>77</sup> The INCSR also states that, Colombia supplies more than 90 percent of the cocaine and a significant amount of the heroin to the U.S. market, is a leading user of precursor chemicals, and is a major money-laundering country. The U.S. government spends more than \$462 million annually on counternarcotics efforts in Colombia.



### *DEA in Colombia*

The DEA currently operates two offices in Colombia, in Bogotá and Cartagena. The U.S. government opened a counternarcotics office in Bogotá, in 1972, which the DEA inherited upon its creation in 1973. The DEA opened an office in Barranquilla, Colombia, in 1982. This office was transferred to Cartagena in 2002. Presently, the DEA is authorized to have 109 personnel in its offices in Colombia, which is the DEA's largest personnel

<sup>76</sup> Projected population made by the United Nations Population Division.

<sup>77</sup> The 2006 International Narcotics Control Strategy Report (INCSR) is an annual report to Congress prepared by the State Department in accordance with the Foreign Assistance Act.

allocation to any one country. The Colombian offices account for 15 percent of all DEA authorized personnel in foreign offices. As of May 2006, the Colombian offices were authorized the following personnel:

<b>Total DEA Personnel in Colombia Fiscal Year 2006</b>	
<b>Location</b>	<b>Authorized Personnel</b>
Bogotá	66
Cartagena	43
<b>TOTAL</b>	<b>109</b>

Source: Drug Enforcement Administration

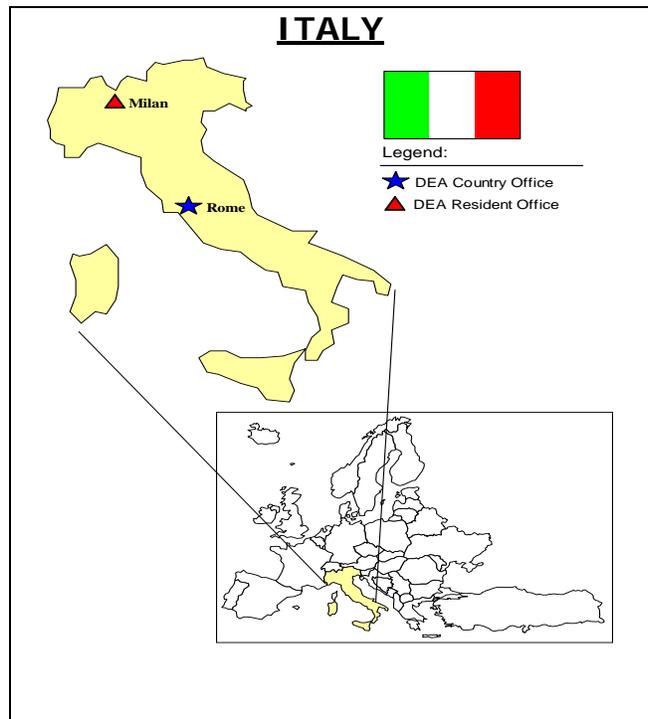
The DEA office in Bogotá, Colombia, is the regional hub for the DEA's Andean Region. The Regional Director stationed in this office has responsibility for the DEA offices located mainly along the Andean Mountain range in South America, including both offices in Colombia, and the DEA offices in Caracas, Venezuela; Guayaquil and Quito, Ecuador; and Lima, Peru.

The Colombia offices oversee the DEA's largest and oldest Sensitive Investigative Unit (SIU) Program. Colombia was one of the four original SIU Program countries in 1997. As of July 2006, the DEA reported that there were 203 Colombian law enforcement officers operating in its SIUs. These personnel were from the Policía Nacional de Colombia, Direccion de Policía Judicial Investigacion, and the Cuerpo Técnico de Investigacion.

**Italian Republic**

As of 2005, Italy had an estimated population of 58 million. The country is a peninsula between the Mediterranean and Adriatic Seas, and shares borders with France to the northwest; Switzerland and Austria to the north; and Slovenia to the northeast. According to the International Monetary Fund, the Italian GDP as of 2005 was nearly \$1.8 trillion.

The 2006 INCSR states that Italy is a major transit point for heroin coming from Southwest Asia through the Balkans en route to Western and Central Europe. Almost all cocaine trafficked in and through Italy comes from Colombia and other South American criminal organizations. Additionally, the INCSR states that Italy fights methylenedioxymethamphetamine (MDMA) (commonly referred to as Ecstasy) from the Netherlands and hashish from Morocco. According to the INCSR the Italian authorities from January to October 2005 had arrested more than 18,000 suspects on narcotics-related offenses and seized approximately 27,000 kilograms of various narcotics.



*DEA in Italy*

The U.S. government opened a drug trafficking office in Rome in 1951, which was the first U.S. office opened abroad historically to concentrate on counternarcotics. When it was established in 1973, the DEA inherited this office. The Italian offices account for 2 percent of the DEA’s foreign authorized workforce. As of FY 2006, the DEA offices in Italy had the following personnel positions:

Total DEA Personnel in Italy Fiscal Year 2006	
Location	Authorized Personnel
Milan	4
Rome	9
<b>TOTAL</b>	<b>13</b>

Source: Drug Enforcement Administration

The DEA office in Rome is the regional leadership for the DEA's European Region, overseeing the activities of its office in Milan, as well as Vienna, Austria; Brussels, Belgium; Copenhagen, Denmark; London, England; Paris, France; Frankfurt, Germany; The Hague, Netherlands; Lagos, Nigeria; Warsaw, Poland; Pretoria, South Africa; Madrid, Spain; and Bern, Switzerland.

**United Mexican States**

Mexico had an estimated population of over 106 million people, as of 2005. It is located between the Pacific Ocean and the Gulf of Mexico, and bordered to the southeast by Guatemala and Belize, and to the north by the United States, with which it shares a nearly 2,000-mile border. The International Monetary Fund stated that Mexico's GDP in 2005 was over \$768 billion.

According to the 2006 INCSR, Mexican law enforcement seized 30 metric tons of cocaine, 1,760 metric tons of marijuana, 330 kilograms of heroin, 280 kilograms of opium gum, and 887 kilograms of methamphetamine in 2005. Mexican authorities have also seized 1,643 vehicles, six maritime vessels, eight aircraft, and recovered over \$18 million of illicit proceeds associated with drug trafficking, and have arrested over 50,000 drug traffickers in the past 5 years.



*DEA in Mexico*

The U.S. government opened an office in Mexico City in 1963 to help coordinate efforts against drug trafficking. At its inception in 1973, the DEA inherited this office which makes it one of the oldest of the DEA foreign offices. As of June 2006, the DEA had eight offices in Mexico, and it was awaiting approval from the government of Mexico to open three additional, congressionally approved offices on the Mexican side of the U.S.-Mexican border.

The DEA Mexico City office is also the location of the regional leadership for the DEA's Mexico/Central America Region. The Regional Director has responsibility over the activities of the offices in Mexico, as well as the DEA offices in Central America, which are located in the following locations: Belize City, Belize; Guatemala City, Guatemala; Managua,

Nicaragua; Panama City, Panama; San José, Costa Rica; Tegucigalpa, Honduras; and San Salvador, El Salvador. This region also includes the DEA offices in Ottawa and Vancouver, Canada.

The eight open offices in Mexico constitute the most DEA foreign offices in a country. [SENSITIVE INFORMATION REDACTED]

[SENSITIVE INFORMATION REDACTED]<sup>78</sup>

The DEA Mexico office, like Colombia, has been part of the SIU Program since its inception in 1997. All SIU members in Mexico are from the Agencia Federal de Investigación (AFI) headquartered in Mexico City. According to the DEA, AFI headquarters centrally manages the SIU teams operating in Mexico as of June 2006.

An estimated 70 to 90 percent of all cocaine originating from South America destined for the U.S. transits through Mexico. Additionally, Mexico is the number one foreign supplier of marijuana to the U.S. and a major supplier of heroin.<sup>79</sup> Mexico is a major source for methamphetamine that is imported into the United States. Drug cartels inside Mexico continue to be the major suppliers of methamphetamine to the United States, and seizures

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<sup>78</sup> [SENSITIVE INFORMATION REDACTED]

<sup>79</sup> Department of State. *2006 International Narcotics Control Strategy Report*, March 2006.

of methamphetamine at the U.S. border have increased every year since 2001. Mexican drug traffickers have built several clandestine methamphetamine production labs along the U.S. southern border.

Additionally, Mexico is a source country for pharmaceutical drugs like Ketamine, OxyContin<sup>®</sup>, Rohypnol<sup>®</sup>, and anabolic steroids destined for the United States.

## Kingdom of Thailand

Thailand had an estimated population of 65 million people in 2005, and is bordered by Burma and the Andaman Sea to the west, Laos to the northeast, Cambodia to the southeast, and Malaysia and the Gulf of Thailand to the south. According to the International Monetary Fund, Thailand's 2005 GDP was approximately \$169 billion.

Thailand is a major transit route for heroin, opium, and methamphetamine, according to the 2006 INCSR. Thailand is also permeated by methamphetamine, commonly known as "Ya Ba", or crazy drug. In addition, millions of tablets of prescription drugs and steroids are sold over the Internet by Thai criminal organizations. In 2005, Thai authorities seized 889 kilograms of heroin, 13.4 million tablets of methamphetamine, 32,438 Ecstasy tablets, 5,737 kilograms of opium, 9,997 kilograms of marijuana, 44 kilograms of Ketamine, 2.6 kilograms of cocaine, and 669 kilograms of codeine.



### *DEA in Thailand*

The U.S. government opened an anti-drug office in Bangkok in 1963. The DEA inherited this office upon its creation in 1973 and currently maintains this office as well as offices in Chiang Mai and Udon. The DEA recently closed an office in the southern Thai city of Songkhla. The three DEA offices in Thailand comprise 6 percent of the DEA's foreign workforce, making it the DEA's fourth largest country presence in terms of allocated personnel. As of FY 2006, DEA Thailand offices were authorized a total of 47 personnel.

<b>Total DEA Personnel in Thailand Fiscal Year 2006</b>	
<b>Location</b>	<b>Authorized Personnel</b>
Bangkok	35
Chiang Mai	9
Udorn	3
<b>TOTAL</b>	<b>47</b>

Source: Drug Enforcement Administration

The DEA office in Bangkok hosts the Regional Director for the DEA's Far East Region. Besides the offices in Thailand, the DEA offices in this region are: Beijing, China; Canberra, Australia; Hanoi, Vietnam; Hong Kong, China; Kuala Lumpur, Malaysia; Manila, Philippines; Rangoon, Burma; Seoul, South Korea; Singapore, Singapore; Tokyo, Japan; and Vientiane, Laos.

The DEA extended the SIU Program in 1998 to its operations in Thailand. SIUs in Thailand are predominantly comprised of vetted members from the Royal Thai Police with some members from Thailand's Office of the Narcotics Control Board.

**Republic of Turkey**

In 2005 Turkey had an estimated population of 70 million. According to the International Monetary Fund, in April 2006, the Turkish GDP was \$362 billion. Turkey is bordered by Greece and Bulgaria to the northwest; the Black Sea to the north; Georgia, Armenia, Azerbaijan, and Iran to the west; Syria, Iraq, and the Mediterranean Sea to the south; and the Aegean Sea to the west.

Turkey is split between the Middle East and Europe, making it a strategic location for trafficking drugs into Western Europe. According to the 2006 INCSR, Turkey is a major transshipment and production area for illicit drugs, and it is also a base of operations for international narcotics traffickers and associates trafficking opium, morphine base, precursor chemicals, and other drugs.

The majority of the opiates that originate in Afghanistan are ultimately trafficked to Western Europe through Turkey. A smaller but significant amount of heroin is trafficked to the United States via Turkey. The INCSR states that Turkish authorities seized 7,760 kilograms of heroin, 409 kilograms of morphine, 7.6 million dosages of synthetic drugs, 10,671 kilograms of hashish, and 25 kilograms of cocaine in 2005.

*DEA in Turkey*



The third U.S. government drug-trafficking office was opened in Istanbul in 1961, and another office was opened in Ankara in 1971. When it was created in 1973, the DEA inherited these two offices. These Turkish offices account for three percent of the DEA's authorized foreign workforce. As of June 2006, Turkish DEA offices were authorized the following personnel:

<b>Total DEA Personnel in Turkey Fiscal Year 2006</b>	
<b>Location</b>	<b>Authorized Personnel</b>
Ankara	12
Istanbul	8
<b>TOTAL</b>	<b>20</b>

Source: Drug Enforcement Administration

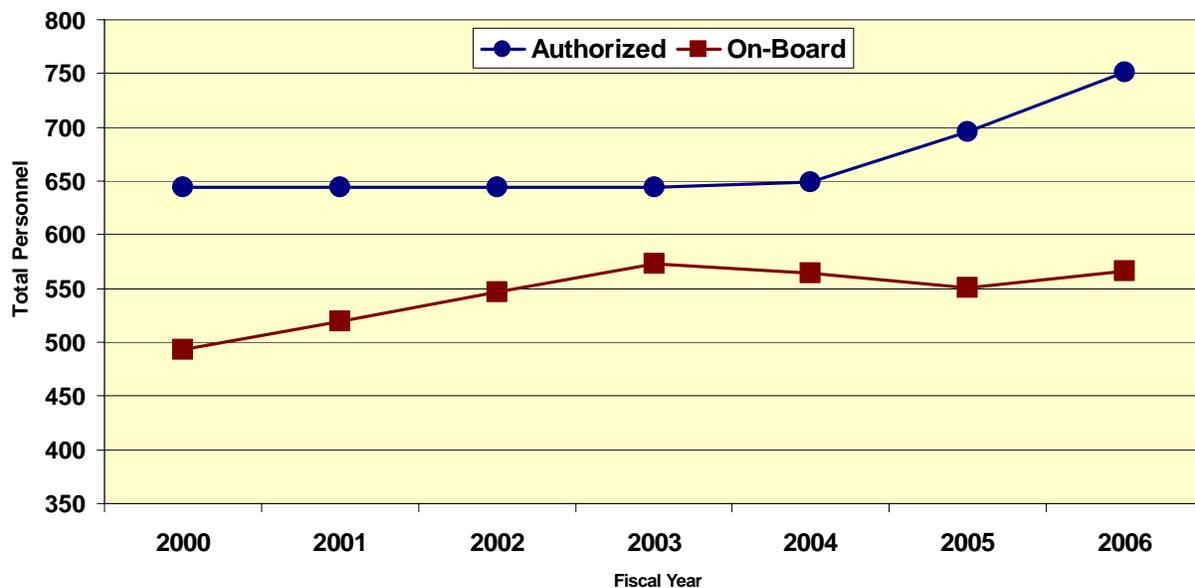
The Regional Director for the DEA’s Middle East Region is located at the DEA office in Ankara. Besides overseeing the other Turkish office in Istanbul, the Regional Director is also responsible for the DEA offices in Athens, Greece; Cairo, Egypt; Islamabad and Peshawar, Pakistan; Kabul, Afghanistan; Moscow, Russia; New Delhi, India; Nicosia, Cyprus; and Tashkent, Uzbekistan. The DEA is in the process of adding three offices to this region in Bishkek, Kyrgyzstan; Dubai, United Arab Emirates; and Dushanbe, Tajikistan.

**DEA PERSONNEL IN FOREIGN OFFICES**

The following five exhibits provide graphical representation of total and specific types of authorized and on-board DEA personnel in foreign offices for FYs 2000 through 2006.<sup>80</sup> They are provided in the following order:

- Total Personnel (All Types)
- Special Agents
- Intelligence Research Specialists
- Diversion Investigators
- Professional, Administrative, Technical, and Clerical Personnel

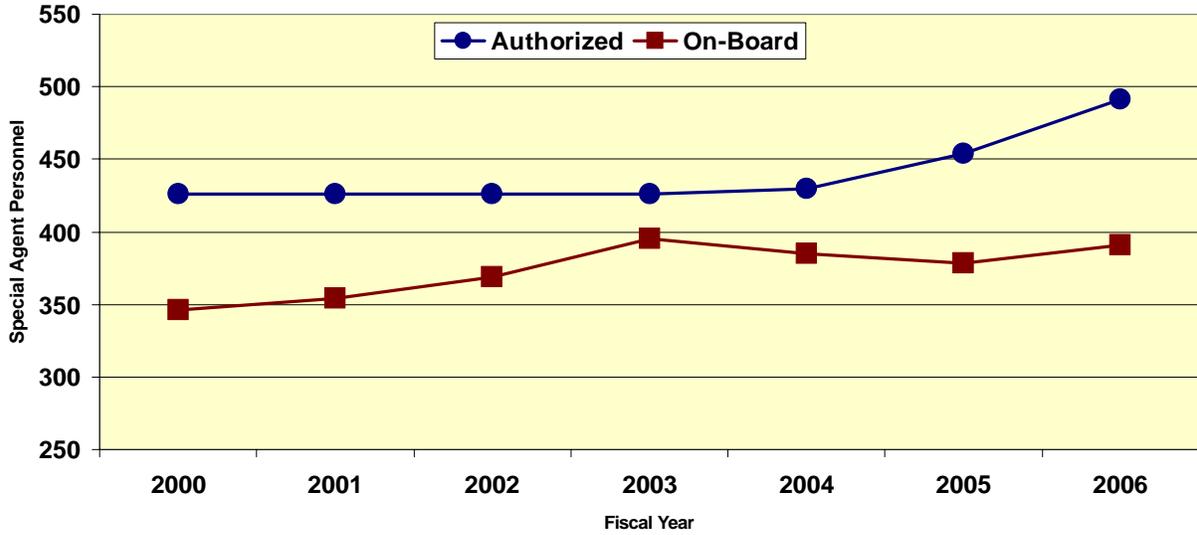
**Total Authorized and On-board  
DEA Personnel Positions in Foreign Offices  
Fiscal Years 2000 – 2006**



Source: Drug Enforcement Administration

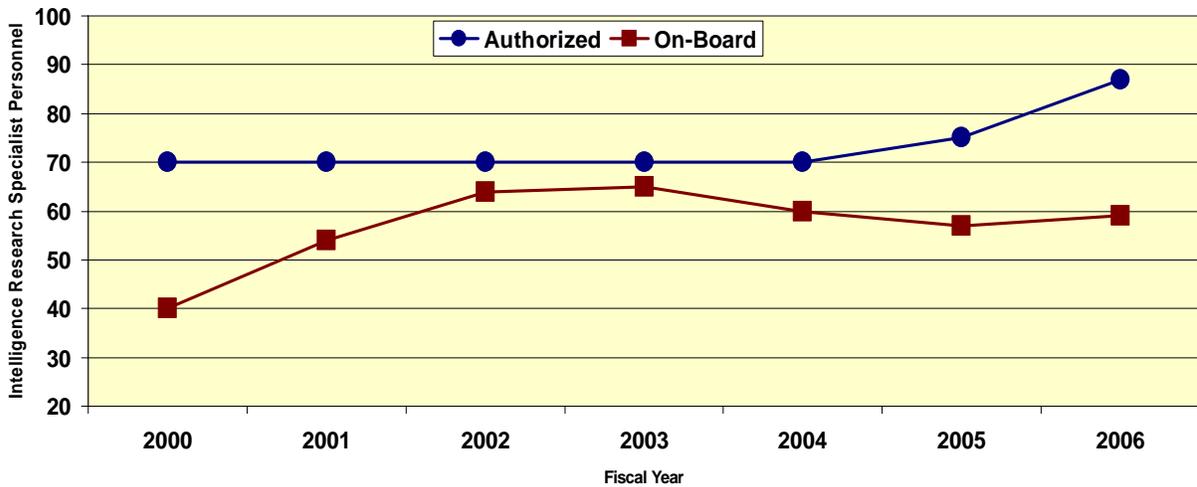
<sup>80</sup> The FY 2006 figures represent the authorized and on-board staffing of DEA foreign offices as of May 27, 2006.

DEA Authorized and On-board  
Special Agent Personnel in Foreign Offices  
Fiscal Years 2000 – 2006



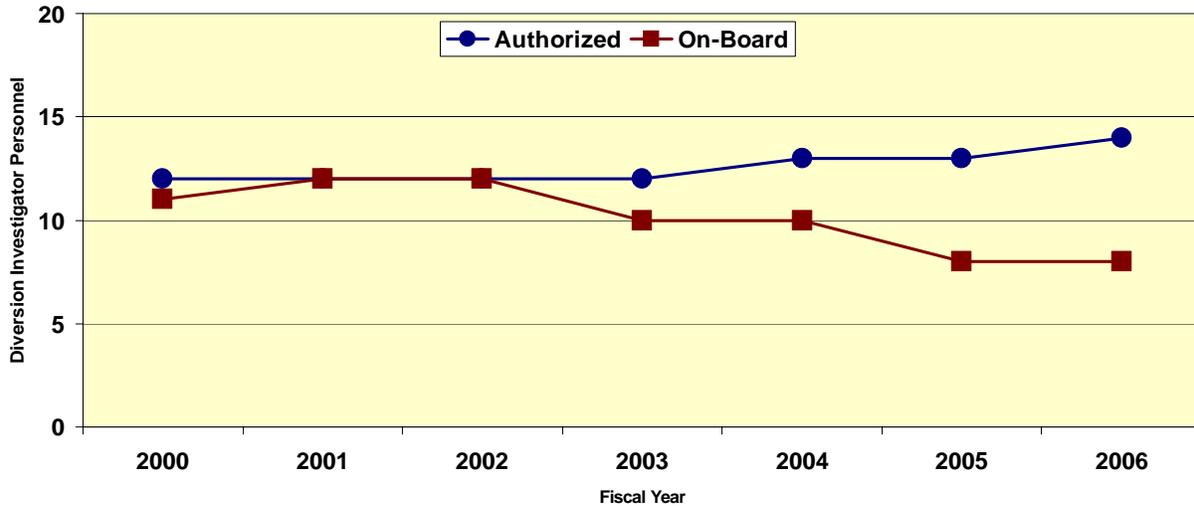
Source: Drug Enforcement Administration

DEA Authorized and On-board  
Intelligence Research Specialist Personnel in Foreign Offices  
Fiscal Years 2000 – 2006



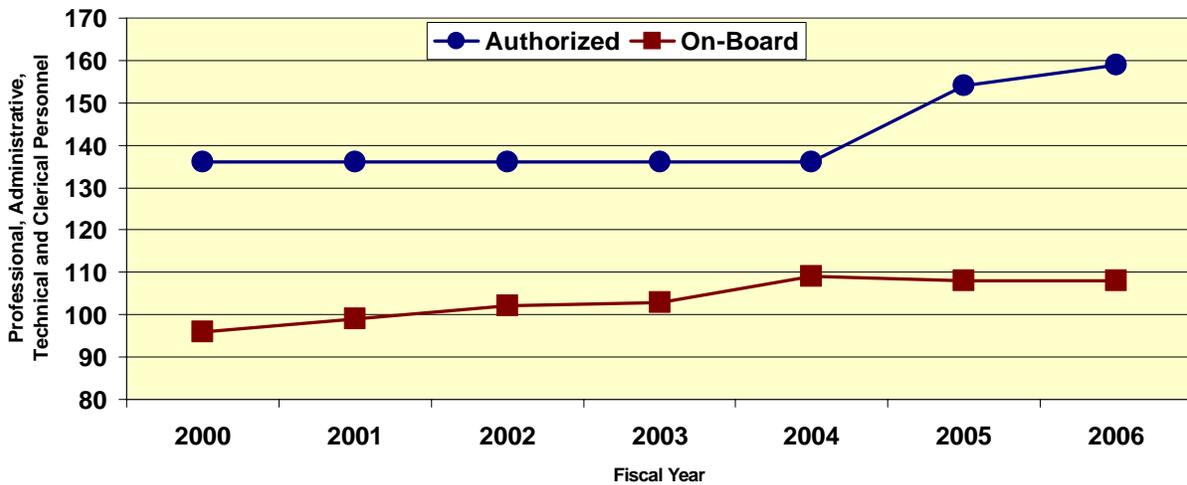
Source: Drug Enforcement Administration

DEA Authorized and On-board  
Diversion Investigator Personnel in Foreign Offices  
Fiscal Years 2000 – 2006



Source: Drug Enforcement Administration

DEA Authorized and On-board  
Professional, Administrative, Technical, and Clerical Personnel in Foreign Offices  
Fiscal Years 2000 – 2006



Source: Drug Enforcement Administration

**TIMELINE OF DEA FOREIGN OFFICE ESTABLISHMENT**

U.S. Government Foreign Anti-Drug Offices Inherited by the DEA at its Inception in 1973				
<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
Rome	Italy	1951		
Beirut	Lebanon	1954		
		1958	Beirut	Lebanon
Paris	France	1959		
Beirut	Lebanon			
Marseilles	France	1961		
Istanbul	Turkey			
Hong Kong	China	1963		
Mexico City	Mexico			
Monterrey	Mexico			
Singapore	Singapore			
Bangkok	Thailand			
Lima	Peru	1966		
Seoul	South Korea			
Montreal	Canada	1969		
Guadalajara	Mexico			
Saigon	Vietnam			
Buenos Aires	Argentina	1970		
Santiago	Chile			
London	England			
Frankfurt	West Germany			
Tokyo	Japan			
Kuala Lumpur	Malaysia			
Madrid	Spain			
			Singapore	Singapore
			Seoul	South Korea

<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
Kabul	Afghanistan	1971		
Brasília	Brazil			
Milan	Italy			
Hermosillo	Mexico			
Panama City	Panama			
Asunción	Paraguay			
Manila	Philippines			
Singapore	Singapore			
Barcelona	Spain			
Chiang Mai	Thailand			
Ankara	Turkey			
Izmir	Turkey			
Caracas	Venezuela			
Munich	West Germany			
Brussels	Belgium	1972		
La Paz	Bolivia			
Vancouver	Canada			
Bogotá	Colombia			
Quito	Ecuador			
Bonn	West Germany			
New Delhi	India			
Tehran	Iran			
Okinawa (Naha)	Japan			
Rabat	Morocco			
Islamabad	Pakistan			
Peshawar	Pakistan			

**DEA Foreign Offices Opened and Closed Since 1973**

<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
		1973	Rabat	Morocco
Ottawa	Canada			
Mazatlán	Mexico			
Seoul	South Korea			
Montevideo	Uruguay			
Hamburg	West Germany			

<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
Vienna	Austria	1974		
Toronto	Canada			
San José	Costa Rica			
Guayaquil	Ecuador			
Genoa	Italy			
Kingston	Jamaica			
The Hague	Netherlands			
Karachi	Pakistan			
Songkhla	Thailand			
		1975	Saigon	Vietnam
Rio de Janeiro	Brazil			
São Paulo	Brazil			
Copenhagen	Denmark			
Nice	France			
Guatemala City	Guatemala			
Jakarta	Indonesia			
Rabat	Morocco			
Taipei	Taiwan			
		1976	Okinawa (Naha)	Japan
			Beirut	Lebanon
Mérida	Mexico			
		1977	Rio de Janeiro	Brazil
			Genoa	Italy
			Barcelona	Spain
Cairo	Egypt			
Lahore	Pakistan			
		1978	Brasília	Brazil
			Vancouver	Canada
			Nice	France
			Taipei	Taiwan
			Izmir	Turkey
		1979	Kabul	Afghanistan
			Toronto	Canada
			Tehran	Iran
Nassau	Bahamas			

<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
		1980	São Paulo	Brazil
Brasília	Brazil			
		1981	Asunción	Paraguay
			Ankara	Turkey
Cali	Colombia			
Medellin	Colombia			
Athens	Greece			
Tegucigalpa	Honduras			
		1982	Hamburg	West Germany
			Munich	West Germany
Barranquilla	Colombia			
Nicosia	Cyprus			
Santo Domingo	Dominican Republic			
Curaçao	Netherlands Antilles			
		1983	Tegucigalpa	Honduras
		1984	Cali	Colombia
			Medellin	Colombia
Santa Cruz	Bolivia			
Bern	Switzerland			
No offices opened		1985	No offices closed	
		1986	Jakarta	Indonesia
Cochabamba	Bolivia			
Bombay	India			
Canberra	Australia	1987		
Port-au-Prince	Haiti			
Lagos	Nigeria			
Asunción	Paraguay			
Ankara	Turkey			
Tegucigalpa	Honduras	1988		
No offices opened		1989	No offices closed	
Freeport	Bahamas	1990		
Rangoon	Burma			
Udon	Thailand			
No offices opened		1991	No offices closed	
Belize City	Belize	1992		
San Salvador	El Salvador			
Maracaibo	Venezuela			

<u>Foreign Office Openings</u>			<u>Foreign Office Closures</u>	
City	Country	Year	City	Country
		1993	Marseilles	France
			Maracaibo	Venezuela
No offices opened		1994	No offices closed	
		1995	Montreal	Canada
			Rabat	Morocco
			Montevideo	Uruguay
		1996	Bombay	India
São Paulo	Brazil	1997		
Vientiane	Laos			
Managua	Nicaragua			
Moscow	Russia			
Pretoria	South Africa			
		1998	Bonn	Germany
Bridgetown	Barbados			
Trinidad	Bolivia			
Beijing	China			
Berlin	Germany			
Ciudad Juárez	Mexico			
Tijuana	Mexico			
Port-of-Spain	Trinidad			
		1999	Karachi	Pakistan
			Lahore	Pakistan
Hanoi	Vietnam	2000		
Tashkent	Uzbekistan	2001		
		2002	Barranquilla	Colombia
Kabul	Afghanistan			
Cartagena	Colombia			
Vancouver	Canada	2003		
No offices opened		2004	No offices closed	
		2005	Songkhla	Thailand
		2006	Berlin	Germany
Warsaw	Poland			
Paramaribo	Suriname			
Dubai	United Arab Emirates	2007	<i>Opening Soon</i>	
Dushanbe	Tajikistan		<i>Opening Soon</i>	
Matamoros	Mexico		<i>Pending Approval from Mexico</i>	
Nogales	Mexico		<i>Pending Approval from Mexico</i>	
Nuevo Laredo	Mexico		<i>Pending Approval from Mexico</i>	
Bishkek	Kyrgystan		<i>Opening date to be determined</i>	

**RECORD OF INTERVIEWS CONDUCTED**

**Interviews with DEA Headquarters Personnel**

<b>Component</b>	<b>Number of Personnel Interviewed</b>
<b>Chief Financial Officer</b>	1
<b>Financial Management Division</b>	12
<b>Human Resources Division</b>	
Headquarters Personnel	6
Office of Training	6
<b>Inspections Division</b>	13
<b>Intelligence Division</b>	
Chief	1
Headquarters Personnel	3
El Paso Intelligence Center	4
<b>Office of General Counsel</b>	1
<b>Operations Division</b>	
Chief	1
Office of Diversion Control	1
Office of Enforcement Operations	12
Office of Financial Operations	6
Office of International Programs	14
Office of Operations Management	7
<b>Operations Support Division</b>	4
<b>Special Operations Division</b>	14
<b>Total</b>	<b>106</b>

**Interviews with DEA Domestic Offices**

<b>Office</b>	<b>Number of Personnel Interviewed</b>
Chicago Division	4
El Paso Division	5
Washington Division	8
<b>Total</b>	<b>17</b>

**Interviews with Other U.S. Agency Headquarters Personnel**

<b>Department</b>	<b>Number of Personnel Interviewed</b>
<b>Department of Defense</b>	6
Office of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, Counternarcotics	
<b>Department of Homeland Security</b>	7
Bureau of Immigration and Customs Enforcement	
<b>Department of Justice</b>	16
Federal Bureau of Investigation	
Narcotics and Dangerous Drugs Section	
Justice Management Division	
Office of International Affairs	
Organized Crime and Drug Enforcement Task Force	
<b>Department of State</b>	11
Bureau for International Narcotics and Law Enforcement Affairs	
Inter-agency Consolidated Administrative Support Services	
Office of the Inspector General	
Office of Rightsizing	
<b>Executive Office of the President of the United States</b>	2
Office of National Drug Control Policy	
<b>Total</b>	<b>42</b>

Interviews During Fieldwork in Bogotá, Colombia

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	28
<b>Department of Defense</b>	3
<b>Department of Homeland Security</b>	2
Bureau of Immigration and Customs Enforcement	
<b>Department of Justice (excluding DEA)</b>	5
Bureau of Alcohol, Tobacco, Firearms and Explosives	
Federal Bureau of Investigation	
Judicial Attaché	
<b>Department of State</b>	10
Ambassador	
Deputy Chief of Mission	
Engineering Security Office	
Financial Management Office	
General Service Office	
Narcotics Affairs Section	
Regional Security Office	
<b><u>COLOMBIAN AGENCIES</u></b>	5
Cuerpo Técnico de Investigaciones	
Departamento Administrativo de Seguridad	
Policía Nacional de Colombia	
<b>Total</b>	<b>53</b>

Interviews During Fieldwork in Cartagena, Colombia

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	7
<b>Department of State</b>	1
General Service Office	
<b>Department of Defense</b>	1
<b><u>COLOMBIAN AGENCIES</u></b>	6
Armada Nacional	
Departamento Administrativo de Seguridad	
Policía Nacional de Colombia	
<b>TOTAL</b>	<b>15</b>

Interviews During Fieldwork in Rome, Italy

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	7
<b>Department of Homeland Security</b>	2
Bureau of Immigration and Customs Enforcement	
Secret Service	
<b>Department of Justice (excluding DEA)</b>	2
Federal Bureau of Investigation	
Judicial Attaché	
<b>Department of State</b>	8
Deputy Chief of Mission	
Financial Management Office	
General Service Office	
Political Office	
Regional Security Office	
<b><u>ITALIAN AGENCIES</u></b>	1
Direzione Centrale Servizi Anti-Droga	
<b>Total</b>	<b>20</b>

Interviews During Fieldwork in Milan, Italy

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	5
<b>Department of Homeland Security</b>	1
U.S. Secret Service	
<b>Department of Justice (excluding DEA)</b>	1
Federal Bureau of Investigation	
<b>Department of State</b>	3
Consul General	
General Service Office	
Regional Security Office	
<b><u>ITALIAN AGENCIES</u></b>	2
Guardia di Finanza	
Polizia di Stato	
<b>Total</b>	<b>12</b>

Interviews During Fieldwork in Mexico City, Mexico

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
Drug Enforcement Administration	17
Department of Defense	1
Department of Homeland Security	3
Bureau of Customs and Border Patrol	
Bureau of Immigration and Customs Enforcement	
Department of Justice (excluding DEA)	5
Bureau of Alcohol, Tobacco, Firearms and Explosives	
Federal Bureau of Investigation	
Judicial Attaché	
U.S. Marshals Service	
Department of State	11
Deputy Chief of Mission	
Financial Management Office	
General Service Office	
Narcotics Affairs Section	
Regional Security Office	
<b><u>MEXICAN AGENCIES</u></b>	2
Agencia Federal de Investigación	
<b>Total</b>	<b>39</b>

Interviews During Fieldwork in Guadalajara, Mexico

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
Drug Enforcement Administration	8
Department of Homeland Security	2
Bureau of Immigration and Customs Enforcement	
Department of Justice (excluding DEA)	1
Federal Bureau of Investigation	
Department of State	3
Consul General	
General Service Office	
Regional Security Office	
<b><u>MEXICAN AGENCIES</u></b>	5
Agencia Federal de Investigación	
Secretaría de Seguridad Pública	
Seguridad Pública de Guadalajara	
<b>Total</b>	<b>19</b>

Interviews During Fieldwork in Mazatlán, Mexico

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	5
<b>Department of State</b>	1
Consular Representative	
<b><u>MEXICAN AGENCIES</u></b>	2
Agencia Federal de Investigación	
Instituto National de Migración	
<b>Total</b>	<b>8</b>

Interviews During Fieldwork in Bangkok, Thailand

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	18
<b>Department of Defense</b>	5
<b>Department of Homeland Security</b>	3
Immigration and Customs Enforcement	
Secret Service	
Transportation Security Administration	
<b>Department of Justice</b>	4
Federal Bureau of Investigation	
Judicial Attaché	
<b>Department of State</b>	13
Deputy Chief of Mission	
Financial Management Center	
General Service Office	
Narcotics Affairs Section	
Regional Security Office	
U.S. Disbursing Office	
<b><u>THAI AGENCIES</u></b>	3
Royal Thai Police	
Office of the Narcotics Control Board	
<b>Total</b>	<b>46</b>

Interviews During Fieldwork in Ankara, Turkey

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	10
<b>Department of Justice</b>	1
Federal Bureau of Investigation	
<b>Department of State</b>	
Acting Deputy Chief of Mission	9
Economics Affairs	
Financial Management Office	
General Service Office	
Regional Security Office	
<b><u>TURKISH AGENCIES</u></b>	3
Turkish Customs	
Turkish National Police	
<b>Total</b>	<b>23</b>

Interviews During Fieldwork in Istanbul, Turkey

Department	Number of Personnel Interviewed
<b><u>U.S. AGENCIES</u></b>	
<b>Drug Enforcement Administration</b>	9
<b>Department of Justice</b>	1
Federal Bureau of Investigation	
<b>Department of State</b>	
Consul General	5
General Service Office	
Regional Security Office	
<b><u>TURKISH AGENCIES</u></b>	2
Turkish Gendarmerie	
Turkish National Police	
<b>Total</b>	<b>17</b>

**DRUG ENFORCEMENT ADMINISTRATION RESPONSE**



U. S. Department of Justice  
Drug Enforcement Administration

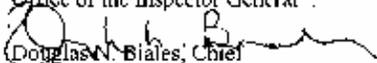
www.dea.gov

Washington, D.C. 20537

NOV 29 2006

MEMORANDUM

TO: Guy K. Zimmerman  
Assistant Inspector General for Audit  
Office of the Inspector General

FROM:   
Douglas N. Biales, Chief  
Executive Policy and Strategic Planning Staff  
Office of the Deputy Administrator

SUBJECT: DEA's Response to the OIG's Draft Report: *Audit of the Drug Enforcement Administration's International Operations*

The Drug Enforcement Administration (DEA) appreciates the time and investment of the Office of the Inspector General (OIG) in the one-year audit of DEA's International Operations. Inspector General Glenn A. Fine's memorandum dated September 19, 2005, included the audit objective to assess "the outcomes and accomplishments of foreign operations." Additionally, the first objective of the Working Draft Report was to "review the performance and strategic success of the DEA's foreign activities and offices..." Furthermore, the first objective of the Draft Audit Report was to "review the DEA's foreign office performance." However, DEA has reviewed the Draft Audit Report, and notes that it focuses primarily on administrative as opposed to operational issues.

Unfortunately, with its limited focus on foreign office enforcement accomplishments, the OIG did not provide an accurate assessment of DEA's international operations and instead conducted an audit of administrative performance.

Report's Focus and Primary Objective

The DEA expressed concern at the exit conference on September 27, 2006, that the OIG Working Draft Report lacked an adequate review of DEA's international operations. Consequently, the OIG requested a comprehensive analysis of DEA's international activities (Attachment #1), but issued the Draft Audit Report prior to receiving DEA's analysis.

The attached comprehensive analysis reflects DEA's foreign office performance accomplishments and operational activities. It includes examples of Consolidated Priority Target (CPOT) investigations; the disruption and dismantlement of Priority Target Organizations (PTOs); the impact

of foreign operations; institution building in Afghanistan, Mexico, and Colombia; counterterrorism efforts; financial investigations; precursor chemical initiatives; on-line pharmacy investigations; intelligence collection and sharing; multi-lateral collaboration; and extradition successes. Each of these accomplishments is directly linked to the goals and objectives in DEA's Strategic Plan, DOJ's Strategic Objective to "*Reduce the Threat, Trafficking, Use and Related Violence of Illegal Drugs*" and supports the President's National Drug Control Strategy, which seeks to reduce illegal drug use by implementing Priority III, "*Disrupt the Market.*" Highlights include the following:

- Increased by 22 percent PTO investigations linked to terrorist organizations from 82 active investigations in FY 2005 to 100 active investigations in FY 2006.
- Denied total revenue of \$1.6 billion from drug trafficking and money laundering organizations through asset and drug seizures in FY 2006.
- Sustained DEA's focus on DOJ's CPOT List.
- Successfully contributed to the reduction in drug use.
- Sustained focus on DEA's successful programs in Afghanistan and took additional measures to focus attention on the counternarcotics threat in that country.
- Continued to lead and expand enforcement efforts involving Operation Containment, a DEA-led multi-national law enforcement initiative designed to reduce the flow of Afghanistan heroin into world markets, prevent the country from becoming a major heroin supplier to the United States, and disrupt drug-related terrorist activities that could hamper the long-term stabilization of the Afghanistan Government.
- In October 2005, in part due to DEA's negotiations with the Afghan Minister of Interior, the Government of Afghanistan extradited CPOT Haji Baz MOHAMMED to the United States, which marked the first extradition in history between the two countries. MOHAMMED and his associates were responsible for manufacturing and transporting hundreds of kilograms of Southwest Asian heroin from Afghanistan and Pakistan into the United States.
- Collected and shared intelligence with U.S. military and coalition partners in Afghanistan, which directly averted hostile acts against U.S. personnel and interests inside of Afghanistan.
- Developed and implemented the successful multi-agency International Drug Flow Prevention Strategy known as *Operation All Inclusive*. This multi-lateral strategy is designed to cause major disruption to the flow of drugs, money, and chemicals between source zones and the United States through the execution of joint enforcement operations that attack the chokeholds in the main transportation zone arteries and support infrastructure nodes of the drug trade.
- Developed a joint strategy with Mexico to target those who traffic in and produce methamphetamine and the chemicals utilized for its manufacture.

- Expanded DEA’s intelligence program and assumed new intelligence responsibilities and functions in 2006 to support the global war on terror.
- In 2006, DEA achieved the appointment of a DEA representative to the National Security Council Office of Combating Terrorism, which is part of the IC. As a result, DEA is now better positioned to advance the counter-drug agenda and to support national security and homeland defense.
- Conducted *Operation Cyber Chase*, which concluded with the April 2006 conviction of Akhil BANSAL, and the dismantlement of his international pharmaceutical controlled substance trafficking organization. *Operation Cyber Chase* resulted in 25 arrests in 4 countries and the seizure of 10 million dosage units of pharmaceutical controlled substances, 231 pounds of Ketamine, and \$8.5 million in assets. This organization was responsible for the illegal distribution of 2.5 million dosage units of controlled substances per month to more than 100,000 customers without a medical evaluation.
- Coordinated significant investigations, arrests, indictments, extraditions and convictions which resulted in the disruption and dismantlement of the most significant drug trafficking organizations around the world.
- Coordinated the OCDETF investigation that led to CPOTs Miguel and Gilberto RODRIGUEZ-OREJUELAS’ guilty plea and agreement to forfeit \$2.1 billion on September 26, 2006. The RODRIGUEZ-OREJUELA brothers ran the Cali Cartel in Colombia that was responsible for importing more than 200 tons of cocaine into the United States over the last two decades.
- Facilitated the arrest of CPOT Francisco Javier ARELLANO Felix on August 14, 2006, by United States Coast Guard authorities. The Tijuana, Mexico-based organization, run by ARELLANO Felix, was one of the most powerful and violent trafficking groups in Mexico, responsible for the importation of tons of cocaine, heroin, methamphetamine, and marijuana into the United States and more than 100 drug-related murders in the United States and Mexico.
- Participated in an unprecedented OCDETF Strike Force investigation that culminated in the indictment of 50 leaders of the FARC narco-terrorist organization in Colombia, which was responsible for supplying more than half of the world’s cocaine.

Annual Performance Plans

On page viii in the Executive Summary of the Draft Audit Report, the OIG stated that DEA did not have current procedures for developing annual performance plans for its foreign offices because it has been rewriting the plan since FY 2004. As a result, the OIG concluded that DEA has not developed foreign field strategies and operational objectives to complement its organization-wide strategic plan.

During the audit and again at the exit conference, the OIG was informed that DEA’s Executive Policy and Strategic Planning Staff (ADS) had prepared Foreign Region Management Plan (FRMP) guidelines; however, ADS representatives were not interviewed about the development or distribution of the plan. Instead, after providing a copy of the plan to the OIG after the exit conference, the OIG amended the language in its Draft Audit Report and acknowledged the existence of a “sound performance planning instrument.” Also, the OIG went on to criticize DEA by stating that an executive manager acknowledged that its new regional planning instrument would still be deficient because it had not yet established practices for developing performance plans at the country office level. Even after informing the OIG that the region plan was composed of individual country office plans and that ADS could not identify the manager who allegedly stated that the planning protocol was deficient, the OIG did not change the inaccurate language in their report. In summary, because the OIG did not interview appropriate personnel about DEA’s performance planning instruments, some of the information in their report remains inaccurate.

Principal Objectives for Working with Foreign Counterpart Agencies

On page iii in the Executive Summary of the Draft Audit Report, the OIG identifies DEA's five principal objectives for working with foreign counterpart agencies; (1) participate in bilateral investigations, (2) cultivate and maintain quality liaison relations, (3) promote and contribute to foreign institution building, (4) support intelligence gathering and sharing efforts, and (5) provide training opportunities. In their review, the OIG did not address DEA's foreign institution building or intelligence efforts, both critical parts of DEA's international mission. The lack of attention to these principal objectives contributed to an administratively focused audit report which does not adequately address DEA’s foreign office performance.

Sensitive Investigative Units (SIUs)

Prior to the OIG audit of DEA International Operations, the DEA Office of International Programs (OI) conducted a self-imposed SIU Program-wide review. During this review, OI identified several areas in need of attention. During the OIG entrance interview and thereafter, information was provided to OIG regarding this internal assessment as well as our findings, many of which were re-characterized as recommendations by the OIG as areas in need of improvement. The mission of the SIU Program is to cooperatively train, equip, and support specialized units within host nation police and military forces, with law enforcement authority, to develop and share intelligence-driven targeting in order to disrupt and dismantle major international drug trafficking organizations. While the OIG did recognize the critical nature of the operations conducted with the SIUs, the OIG failed to properly recognize the SIU program as a successful and critical foreign institution building effort.

Personnel Utilization Data /Investigative Work Hours

On page vii in the Executive Summary of the Draft Audit Report, the OIG stated that in their discussions with DEA Headquarters management on tools used to evaluate foreign office operational activity, personnel utilization data was not noted as a measure used in such assessments. According to DEA’s Chief of Operations (OC), who evaluates foreign office performance, many executive

level managers use this important data to determine how DEA's foreign office personnel spend their time on CPOT, PTO, financial and other types of investigative activity.

### Imprest Fund Transactions

The OIG reviewed a sample of 233 imprest fund transactions that allegedly contain numerous discrepancies including missing supporting documentation, omitted signatures, and untimely clearing of advanced funds. At the exit conference, the DEA requested that the OIG provide copies of the fiscal documents to validate the accuracy of the OIG's findings. The OIG subsequently issued their Draft Audit Report before providing the requested documents. When a portion of the documents were finally received, the DEA found that OIG auditors had incorrectly interpreted policy, assessed documents, and cited deficiencies. As a result, many of the issues identified by the OIG are not errors and should be eliminated or reduced, and technical changes need to be made to the language in the report (see Attachment 2 - Specific Editorial Comments). In addition, OIG auditors stated that DEA Agents failed to get proper authorization for 10 out of 12 operational advances sampled. The DEA has not been provided the requested documents; therefore, DEA cannot validate the accuracy of this finding.

### Summary

It is critical for the OIG to work closely with DEA while conducting audits in order to ensure that appropriate personnel are interviewed, policy is properly interpreted and assessed, accurate and comprehensive information is obtained and reviewed, and issues such as the ones discussed above are resolved prior to the issuance of the Draft Audit Report. It is also important that a report not be issued until all information requested by the DEA and/or OIG is provided and reviewed. The OIG and DEA working together with a common goal of conducting an accurate assessment of the agency's programs will greatly facilitate the preparation of future reports that are balanced, thorough, and objective.

DEA has achieved noteworthy success by impacting the command and control of major international drug/chemical trafficking and money laundering organizations, reducing the supply of illicit drugs, and contributing to counterterrorism efforts throughout the United States and around the world. This success can be attributed to the many operations and initiatives carried out by DEA's international offices. Due to the importance of its foreign program, DEA respectfully requests that appropriate consideration be given to the comments provided in this memorandum and to the attached analysis of the agency's international operations and specific editorial comments.

### Attachments

- 1 - Analysis of DEA's International Operations
- 2 - DEA Editorial Comments
- 3 - DEA Action Plan
- 4 - CFO Bulletin 2006-13

## OIG'S AUDIT OF DEA'S INTERNATIONAL OPERATIONS Performance Accomplishments and Operational Activities

### Performance Accomplishments

At the core of DEA's strategic performance is the disruption and dismantlement of drug trafficking organizations operating at the international, national and local levels. DEA has achieved noteworthy success impacting the command and control of these major international drug/chemical trafficking and money laundering organizations, reducing the supply of illicit drugs and contributing to counterterrorism efforts throughout the United States and around the world. This success can be attributed, in part, to the many operations and initiatives carried out by DEA's international offices. The cornerstone of DEA's overall strategy is an international focus that targets the major drug trafficking and money laundering organizations responsible for this nation's illegal drug supply. During the past year, DEA, working in conjunction with our foreign counterparts, aggressively focused its efforts on priority targets linked to the DOJ's Consolidated Priority Target List (CPOTs). The Department measures effectiveness in accomplishing its goal to reduce the availability of drugs partly by tracking the number of organizations disrupted or dismantled. The performance accomplishments and operational activities outlined below demonstrate some of DEA's successes and are directly linked to the DEA Administrator's Vision and DOJ's Strategic Objective to "*Reduce the Threat, Trafficking, Use and Related Violence of Illegal Drugs.*" DEA's accomplishments also support the President's National Drug Control Strategy, which seeks to reduce illegal drug use, by implementing Priority III, "*Disrupt the Market.*"

**Increased the agency's total Priority Target Organization (PTO) disruptions and dismantlements, surpassing past year records.** Of the 5,238 total PTO investigations historically recorded as of September 13, 2006, 1,413 have been dismantled, a 40 percent increase when compared to the 1,007 total PTOs historically dismantled at the close of FY 2005. Additionally, a total of 1,076 PTOs have been disrupted, a 43 percent increase when compared to the 753 total PTOs historically disrupted at the close of FY 2005. (DOJ I, II; DEA 1, 2, 3, 6)

**Increased PTO investigations linked to terrorist organizations by 22 percent, from 82 active investigations during FY 2005 to 100 active investigations during FY 2006.** In FY 2006, seven PTOs linked to terrorism were disrupted and 8 PTOs were dismantled. Additionally, DEA helped link 37 percent (17) of FY 2006 Consolidated Priority Organization Targets (CPOTs) to terrorist organizations and contributed to the successful indictment of 94 percent of those terrorist-linked CPOTs. (DOJ I, II; DEA 1, 2, 3, 6)

**Sustained DEA's focus on CPOTs.** DEA's participation in the CPOT initiative has led to the indictment of 39 of the 46 CPOTs (85 percent), the arrest of 17 (37 percent), and the placement in custody of 15 (31 percent). As of June 30, 2006, 44 of the 46 organizations on the FY 2006 CPOT list (96 percent) had active PTO investigations directed at or linked to them. Of the 2,227 active PTO investigations currently approved, 458 are directly linked to CPOTs (21 percent). (DOJ I, II; DEA 1, 2, 3, 6)

**Denied total revenue of \$1.6 billion from drug trafficking and money laundering organizations through asset and drug seizures in FY 2006.** DEA established a five-year plan to take \$3 billion from drug trafficking organizations by FY 2009. The asset seizures in FY 2006 reflect seizures only through August 2006, and already exceed the FY 2006 goal by \$100 million. This plan is based on the concept that taking the profit out of the drug trafficking industry will reduce the availability of drugs worldwide. (DOJ I, II; DEA 1, 2, 3, 6)

**Increased financial PTO investigations from 117 active cases in FY 2005 to 154 active cases in FY 2006, a 32 percent increase.** There was a 10 percent increase in cases initiated (from 69 in FY 2005 to 76 in FY 2006); 78 percent increase in cases disrupted (from 9 in FY 2005 to 16 in FY 2006); and 75 percent increase in cases dismantled (from 8 in 2005 to 14 in FY 2006).

**Continued to attack the financing of the illegal drug trade through implementation of the DEA Money Trail Initiative.** This financial crime strategy focuses on identifying and disrupting the flow of money back to the sources of drug supply, thereby crippling the ability of criminals to operate. The successes of the *Money Trail Initiative* include *Operations Choque, Moneyclip, Roadtrip, Goldmine, Frontera, Imperial Emperor, and Three Stars*. As of July 10, 2006, the Money Trail Initiative has resulted in 418 arrests and the seizure of 9,749 kilograms of cocaine, 59,646 kilograms of marijuana, 9 kilograms of heroin, 279 pounds of methamphetamine, 60 dosage units of MDMA, 249 vehicles, 77 weapons, \$65,416,100 in U.S. currency, and \$14,592,000 in other assets. (DOJ I, II; DEA 1, 2, 3, 6)

**Sustained focus on DEA’s successful programs in Afghanistan and took additional measures to focus attention on the counter-narcotics threat in that country. Some examples include:**

In April 2005, DEA established the Foreign-deployed Advisory Support Team (FAST) as a key tool for DEA to advance its workforce and capabilities in Afghanistan and to partner with and train the newly created Afghanistan National Interdiction Unit to identify, target, investigate, and disrupt or dismantle Drug Trafficking Organizations. Since the FAST program was implemented, significant accomplishments have been achieved. Additionally, due to FAST efforts, arrests and the seizure of narcotics and precursor chemicals have substantially increased. On February 10, 2006, the Afghanistan National Interdiction Unit (NIU), assisted by a DEA FAST, executed the first-ever residential search warrant authorized by the Afghanistan Counter-Narcotics Drug Tribunal.

Compared to the 18 month period before the FAST deployed, seizures rose exponentially as follows: (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)

- Opium – 61 percent increase (from 27.6 to 44.4 metric tons)
- Heroin – 129 percent increase (from 2.8 to 6.4 metric tons)
- Chemicals – 48 percent increase (from 7.7 to 11.4 metric tons)
- Clandestine Conversion Labs – 919 percent increase (from 27 to 275)
- Morphine Base – 640 percent increase (from 30 to 222 kilograms)
- Arrested/Detained – 54 percent increase (from 69 to 106 arrests)

- Worked with the Counter Narcotics Police-Afghanistan (CNP-A) and the Department of Defense (DOD) to enhance the DEA-established Afghanistan National Interdiction Unit (NIU) program. Currently, there are 125 NIU officers operationally deployed and working bi-laterally with DEA's FAST teams. Of the 125 NIU officers, 14 are women. The DOD is currently constructing a FAST and NIU base camp in Afghanistan with expected completion during the first quarter of FY 2007. This facility will provide housing and mission support for the FAST and NIU. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Established an aviation presence in Afghanistan. As a result of DEA's efforts, DOD is providing the Afghan Ministry of Interior with eight MI-17 helicopters dedicated to counter-narcotics efforts in Afghanistan, which will also provide mobility for DEA FAST personnel. Further, the DOD is funding the construction of the NIU training facility, the purchase of equipment and training for Afghan counter-narcotics officers, the construction of hangars for DEA and Afghan aviation assets, and other support. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- DEA has affected the Afghanistan Intelligence architecture. Through interaction with the Deputy Assistant Secretary of Defense for Counter Narcotics, DEA redirected resources from the Joint Narcotics Analysis Center (JNAC) in London to refine and refocus intelligence collection and analysis efforts in theatre at the International Operations Coordination Center (IOCC) and the Intelligence Fusion Center (IFC) in Kabul. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Conducted the investigation that led to CPOT Haji Baz MOHAMMED's July 11, 2006, guilty plea to conspiracy to import heroin into the United States. In October 2005, in part due to DEA's negotiations with the Afghan Minister of Interior, the Government of Afghanistan extradited MOHAMMED to the United States, which marked the first extradition in history between the two countries. From 1990 to 2005, MOHAMMED and his associates were responsible for manufacturing and transporting hundreds of kilograms of Southwest Asian heroin from Afghanistan and Pakistan into the United States. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Conducted the investigation and arrest of an Afghanistan terrorist involved in the deaths of two narcotics officers from Afghanistan. On December 1, 2005, Abdul KHALIQ, a member of a Taliban anti-coalition militia, was arrested by the Afghan National Directorate of Security in Helmand Province, Afghanistan, for his participation in the kidnapping and murder of two CNP-A NIU officers. The officers were murdered on August 11, 2005, while they were on a drug intelligence gathering mission in Helmand Province, Afghanistan regarding an opium stockpiling organization. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Conducted the investigation that led to the first significant trial and conviction in the Afghan Central Narcotics Tribunal. On April 23, 2006, defendants Misri KHAN, Haji BAHRAM, and Noor ULLAH were found guilty of heroin trafficking offenses in Kabul, Afghanistan by the Kabul, Afghanistan Central Narcotics Tribunal. The tribunal sentenced each man to 17 years imprisonment. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)

- Conducted the arrest of Afghanistan heroin trafficker Jaji Aziz RAHMAN pursuant to a first-ever arrest warrant authorized by the Afghanistan Central Narcotics Tribunal. RAHMAN was one of the most influential drug traffickers in Nangarhar Province. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
  
- Collected and shared intelligence with U.S. military and coalition partners in Afghanistan, which directly averted hostile acts against U.S. personnel and interests inside of Afghanistan. Within the past year, as a result of DEA’s intelligence, high-value targets have been apprehended, weapons caches seized, and an attempt on the life of a high-level public official was prevented. In addition, DEA’s intelligence thwarted a rocket attack targeting another high level public official, and revealed the location of Improvised Explosive Devices planted to attack U.S. military forces. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
  
- Continued to lead and expand enforcement efforts involving *Operation Containment*, a DEA-led multi-national law enforcement initiative designed to reduce the flow of Afghanistan heroin into world markets, prevent the country from becoming a major heroin supplier to the United States, and disrupt drug-related terrorist activities that could hamper the long-term stabilization of the Afghanistan government. Nineteen countries in Central Asia, the Caucasus, the Middle East, Europe, and Russia participate in *Operation Containment*, and, for the first time ever, those nations partnered, at the urging of DEA, to jointly identify and target the heads of five significant international drug trafficking organizations whose activities have a sustained impact throughout the region. As a result of enforcement successes directed by DEA, two of the five organization heads, Afghan nationals Haji Bashir NOORZAI and Haji Baz MOHAMMED, were arrested in the past year. As part of *Operation Containment*, DEA increased its permanent positions in Afghanistan for seven Special Agents, three Intelligence Research Specialists, and two support staff. Additionally, one Special Agent is assigned to the IOCC and three Special Agents are pilots in the region. As an additional result of *Operation Containment*, there have been record-breaking seizures of narcotics and precursor chemicals in the region. Prior to the initiation of *Operation Containment* in 2002, only 407 kilograms of heroin had been seized. From October 2003 through June 2006 the following seizures and arrests occurred: (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
  - 31.6 tons of heroin
  - 54.4 metric tons of opium
  - 249.5 metric tons of cannabis
  - 286 laboratories
  - 19 metric tons of precursor chemicals
  - 9.1 metric tons of morphine base
  - 1,389 arrests

**Developed a joint strategy with Mexico to target those who traffic in and produce methamphetamine and the chemicals utilized for its manufacture. DEA’s successes involving methamphetamine are as follows:**

- Led the effort to develop and coordinate a Department-wide methamphetamine strategy. Recognized the need for a tailored strategy to combat the current methamphetamine threat and provided the framework for such a strategy to Department leadership. DEA’s piece of the strategy outlined comprehensive integrated steps designed to curb the supply of methamphetamine, using a five-pronged approach combining enforcement, intelligence, legislation, demand reduction, and cooperative efforts with other stakeholders. The Methamphetamine Strategy implements and builds upon the existing National Synthetic Drug Action Plan and is designed to achieve the President’s goals to reduce the use of drugs, specifically methamphetamine. (PMA 5; DOJ III; DEA 6)
- DEA established a new partnership with the Government of Mexico (GOM) to combat methamphetamine that resulted in the first joint Mexican-U.S. Attorney General announcement at the National Methamphetamine and Chemicals Initiative Strategy Conference in Dallas, Texas on May 17-18, 2006. Together, both countries agreed to a number of DEA-developed anti-methamphetamine initiatives including: creation of specialized methamphetamine enforcement teams on both sides of the border; jointly targeting a “Most Wanted List” of chemical and methamphetamine traffickers; donating eight DEA trucks used in clandestine laboratory enforcement operations to the GOM; designating a DEA Clandestine Laboratory Coordinator for Mexico; training 1,000 Mexican police officers on a variety of enforcement and regulatory issues; and jointly exchanging personnel from DEA’s Office of Diversion Control and Mexico’s chemical regulatory agency. (PMA 1; DOJ II; DEA 1, 2, 3, 6)
- Continued to focus the agency’s efforts on CPOTs and PTOs involved in methamphetamine trafficking. Eight of the 46 organizations on the FY 2006 CPOT list (17 percent) are involved in methamphetamine trafficking. There was an 11 percent increase in active PTO cases involving methamphetamine (from 294 in FY 2005 to 327 in FY 2006); a 15 percent increase in PTOs disrupted (from 55 in FY 2005 to 63 in FY 2006); and a 13 percent increase in PTOs dismantled (from 70 in FY 2005 to 79 in FY 2006). (DOJ II; DEA 1, 2, 3, 6)
- Reduced “super lab” seizures in the United States by 86 percent through increased enforcement efforts, from 244 in calendar year (CY) 2001 to 35 in CY 2005. The total number of clandestine methamphetamine laboratories seized nationally also decreased, from 10,212 in CY 2003 (the highest total from 2001 to 2005) to 5,840 in CY 2005 (43 percent). Of the 2,134 clandestine methamphetamine laboratories seized nationally so far in CY 2006, only 17 are classified as “super labs.” Seizures of methamphetamine along the Southwest Border of the United States and Mexico have increased 129 percent, from 1,170 kilograms in CY 2001 to 2,679 kilograms in CY 2005. (DOJ II; DEA 1, 2, 3, 6)

- Led the introduction of a resolution, “Strengthening Systems for Control of Precursor Chemicals Used in the Manufacture of Synthetic Drugs,” at the 49th Commission on Narcotic Drugs in Vienna, Austria on March 8-18, 2006. The resolution, which passed, requests that participating countries provide the International Narcotics Control Board (INCB) with data regarding the movement of ATS precursor chemicals. (PMA 1; DOJ II; DEA 1, 2, 3, 6)
- Redirected the focus of DEA’s Clandestine Laboratory Enforcement Teams (CLETs) to better address current methamphetamine trafficking trends. These teams target Mexican methamphetamine trafficking organizations by tracing chemicals, finished methamphetamine, and proceeds to organizational leaders in the U.S. and Mexico, rather than merely locating and cleaning up labs. An additional focus of these teams is to identify and dismantle U.S.-based transportation and distribution cells. (PMA 1; DOJ II; DEA 1, 2, 3, 6)
- Conducted clandestine laboratory training for 1,427 DEA employees and state and local officers throughout the United States and abroad in FY 2006. Conducted the first ever clandestine methamphetamine laboratory safety training class for Mexican law enforcement officers at the DEA Training Academy in Quantico, Virginia on September 7, 2006. (PMA 1; DOJ II; DEA 1, 2, 3, 6)
- Initiated and led successful efforts focusing on methamphetamine and precursor chemicals, working jointly with national and international partners. One example of DEA’s success resulted in the dismantlement of the David PHAM pseudoephedrine trafficking organization on March 28, 2006. From 1996 until July 2005, the PHAM organization was responsible for the importation of approximately five million pseudoephedrine tablets per year from Asia into Southern California. This 20-month Organized Crime Drug Enforcement Task Force (OCDETF) investigation, dubbed *Operation Phat Rides*, has resulted in the arrest of 12 individuals, including PHAM, and the seizure of approximately one million pseudoephedrine tablets, 4 pounds of methamphetamine, \$559,000 in U.S. currency, and 11 firearms. (DOJ II; DEA 1, 2, 3, 6)

**Expanded DEA’s intelligence program and assumed new intelligence responsibilities and functions in 2006 to support the global war on terror.**

- On February 6, 2006, the Attorney General and Director of National Intelligence jointly designated DEA’s Office of National Security Intelligence as a member of the Intelligence Community. Further, in 2006, DEA also achieved the appointment of a DEA representative to the National Security Council Office of Combating Terrorism, which is part of the IC. As a result, DEA is now better positioned to advance the counter-drug agenda and to support national security and homeland defense. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Led the effort to create the Anti-Drug Intelligence Community Team (ADICT). DEA and the Director of CIA’s Crime and Narcotics Center co-chair this group. DEA directed the initiation of two projects: an interagency analysis of Mexican methamphetamine trafficking and an in-depth analysis of the linkages between Colombian and Mexican

drug trafficking organizations. As a result of these efforts, Mexican/Colombian methamphetamine trafficking counter-drug issues have been elevated and reported to the highest levels of the Administration through the President’s Daily Briefings and the Senior Executive Intelligence Brief. (DOJ I, II; DEA 1, 2, 3, 6)

**Concentrated on the increasing violence along the Southwest Border.** DEA participated in *Operation Border Unity* with the Government of Mexico, a bilateral, multi-agency operation. During the course of this operation, DEA reported the seizure of 10 weapons, 4,500 rounds of ammunition, 13 hand grenades, approximately 4 tons of marijuana, and 5 kilograms of methamphetamine.

**Coordinated significant investigations, arrests, indictments, extraditions and convictions, too numerous to list here, which resulted in the disruption and dismantlement of the most significant drug trafficking organizations around the world. The following are some examples:** (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)

- Developed and implemented the successful multi-agency International Drug Flow Prevention Strategy known as Operation All Inclusive. This multilateral strategy is designed to cause major disruption to the flow of drugs, money, and chemicals between source zones and the United States through the execution of joint enforcement operations that attack the chokeholds in the main arteries and support infrastructure nodes of the drug trade. In October 2005 and April 2006, DEA concluded the first two phases under the strategy focused on Central America. Successes during the first phase included 346 arrests and the seizure of nearly 47 metric tons of cocaine, which equates to 5 to 10 percent of the estimated quantity of cocaine that was transported through the transit zones to the United States during all of 2005. In addition, the average price per pure gram for cocaine purchases made by DEA increased 58 percent (from \$25.23 to \$39.76), compared to the 65-day period prior to the operation. Successes during the second phase included 131 arrests, over \$4 million in currency and the seizure of 19.65 metric tons of marijuana, 92.6 metric tons of precursor chemicals and 43.77 metric tons of cocaine, which equates to 5 to 10 percent of the estimated quantity of cocaine that was transported through the transit zones to the U.S. based on 2005 estimates. As a result of both operations, drug trafficking organizations were forced to delay or suspend their drug operations, divert their routes, change their modes of transportation, and jettison loads. The success of these multi-agency, multi-jurisdictional, and bilateral operations exemplified the cooperation among law enforcement entities throughout the United States, Latin America, and Central America. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)
- Coordinated the OCDETF investigation that led to CPOTs Miguel and Gilberto RODRIGUEZ-OREJUELAS’ guilty plea and agreement to forfeit \$2.1 billion on September 26, 2006. The RODRIGUEZ-OREJUELA brothers ran the Cali Cartel in Colombia that was responsible for importing more than 200 tons of cocaine into the United States over the last two decades.
- Facilitated the arrest of CPOT Francisco Javier ARELLANO Felix on August 14, 2006, by United States Coast Guard authorities. The Tijuana, Mexico-based organization, run

by ARELLANO Felix, was one of the most powerful and violent trafficking groups in Mexico, responsible for the importation of tons of cocaine, heroin, methamphetamine, and marijuana into the United States and more than 100 drug-related murders in the United States and Mexico.

- Coordinated Operation Twin Oceans, an OCDETF investigation that led to the arrest by Brazilian Federal Police of CPOT Pablo RAYO Montano in Sao Paulo, Brazil on May 16, 2006. In the last four years, the RAYO Montano organization has been responsible for transporting 15 tons of cocaine per month from South America to the United States and Europe. This investigation resulted in 138 arrests and the seizure of 47,550 kilograms of cocaine, 700 pounds of marijuana, ten kilograms of heroin, \$1.6 million dollars in U.S. currency, and other assets with a total estimated value of \$47 million, including three islands near the coast of Panama.
- Coordinated the investigation that led to the arrests of financial CPOT Ricardo Mauricio BERNAL and his brother Juan BERNAL in Colombia on March 2, 2006. The arrests resulted from a 2-year OCDETF investigation conducted by the DEA, which has documented in excess of \$300 million laundered by the BERNAL organization through U.S. bank accounts held by casa de cambio Ribadeo and casa de cambio Catorce, another Mexican money exchange.
- Conducted an OCDETF investigation that led to the arrest, extradition, and conviction of 21-year-old William RODRIGUEZ Abadia, son of CPOT Miguel RODRIGUEZ Orejuela, former head of the Cali Cartel. RODRIGUEZ Abadia was sentenced to 262 months imprisonment for his involvement in a cocaine importation conspiracy that existed from 1990 to July 2002. Since the arrest of his father in 1995, RODRIGUEZ Abadia has been responsible for managing his father's portion of the RODRIGUEZ Orejuela family pharmaceutical business, through which the family's drug profits were laundered.
- Led a joint U.S.-Mexico operation that captured CPOT Oscar Arturo ARRIOLA-Marquez, the head of an international cocaine trafficking and money laundering organization. During the past several years, DEA agents have seized nearly 2,000 kilograms of cocaine and over \$11 million in drug proceeds from ARRIOLA-Marquez organization members in the United States. The Government of Mexico has seized in excess of \$37 million in assets. Oscar ARRIOLA-Marquez is also a designated Foreign Narcotics Kingpin.
- Directed the investigation that led to the arrest of CPOT Augustin HARO-Rodriguez in Nogales, Arizona on October 2, 2005, on cocaine trafficking charges. The indictment resulted from an 8-month OCDETF investigation conducted by the DEA Newark, New Jersey Division Office. Since March 2004, the HARO-Rodriguez organization was responsible for the distribution of 1,000 pounds of cocaine per month from Mexico to distribution cells throughout the United States. This investigation resulted in disruption of the HARO-Rodriguez organization, the arrest of 31 individuals, and the seizure of 1,318 pounds of cocaine and \$12.1 million in U.S. currency

- Participated in an unprecedented OCEDEF Strike Force investigation that culminated in the indictment of 50 leaders of the FARC narco-terrorist organization in Colombia, which was responsible for supplying more than half of the world's cocaine. These FARC leaders, four of whom are CPOTs, were indicted in March 2006 on charges of importing more than \$25 billion worth of cocaine into the United States and other countries over a 20-year period. The FARC supplies more than 50 percent of the world's cocaine and more than 60 percent of the cocaine that enters the United States.
- Based on an indictment from a DEA investigation, Francisco Rafael ARELLANO Felix, brother of CPOT Francisco Javier ARELLANO Felix, was extradited from Mexico to the United States on September 16, 2006, for possession of and conspiracy to distribute cocaine. Throughout the 1980s and early 1990s, ARELLANO Felix was involved in marijuana and opium poppy cultivation in Mexico, and the smuggling of multi-ton quantities of marijuana into the United States.
- As a result of a DEA investigation, CPOT Manuel SALAZAR Espinosa was extradited from Colombia to the United States on August 22, 2006. From 2002 to 2005, the SALAZAR organization smuggled more than 5,000 kilograms of cocaine worth \$100 million into the United States. This 18-month OCEDEF investigation has resulted in the seizure of 1,555 kilograms of cocaine and 15 kilograms of heroin.
- As a result of a DEA investigation, financial CPOT Gabriel PUERTA-Parra was extradited on May 23, 2006, from Colombia to the United States to face Racketeer Influenced and Corrupt Organization (RICO) Act charges, as well as conspiracy, cocaine trafficking, and money laundering charges. PUERTA-Parra was a key counselor and advisor to the Norte Valle Cartel since the 1980s, and an attorney for former Medellín Cartel leader Pablo ESCOBAR. PUERTA-Parra utilized a large range of legitimate businesses, including investment and real estate companies, agricultural enterprises, and currency exchanges to launder drug proceeds. DEA investigations also resulted in the extraditions of Norte Valle Cartel leaders Jairo APARICIO-Lenis and Julio Cesar LOPEZ Pena, in October 2005 and March 2006, respectively. Since 1990, the Norte Del Valle Cartel has sent approximately 550 tons of cocaine to the United States via Mexico and has laundered millions of dollars in drug proceeds. This investigation has resulted in 24 arrests and the seizure of 5.5 tons of cocaine and \$528 million in assets.
- Facilitated the Nicaraguan government expulsion of Autodefensas Unidas de Colombia (AUC) paramilitary leader Luis Angel GONZALEZ Largo on April 19, 2006, to the United States to face drug charges. GONZALEZ Largo was indicted for importing cocaine to the United States. As a member of the AUC, GONZALEZ Largo was involved in trading multi-hundred kilograms of cocaine for weapons.
- Coordinated an investigation that led to the extradition of CPOT Zeev ROSENSTEIN to the United States on March 6, 2006, to face charges of conspiracy to distribute MDMA. ROSENSTEIN was the leader of an Israeli criminal organization responsible for financing, coordinating and smuggling multi-million tablet shipments of MDMA from Belgium and Holland to Israel, Europe, and the United States. Between 2002 and 2006, the ROSENSTEIN organization imported millions of MDMA tablets per month into the

United States. This OCDETF investigation has resulted in 95 arrests and the seizure of 4.8 million MDMA tablets, 45.5 kilograms of cocaine, 17 weapons, and \$2.6 million in assets.

- Arrested three high-level members of the Guatemalan Anti-Narcotics Service (SAIA) for cocaine trafficking on November 16, 2005. Adan CASTILLO-Lopez, Jorge AGUILAR-Garcia, and Rubilio Orlando PALACIOS were indicted in the District of Columbia for conspiracy to distribute cocaine, intending that it would be imported into the United States. As Chief of the SAIA, CASTILLO- Lopez was the highest ranking anti-drug agent in Guatemala. AGUILAR-Garcia was second in command to CASTILLO-Lopez.

**Worked aggressively to identify and apprehend those individuals and organizations that utilize the Internet to facilitate drug trafficking through increased enforcement efforts and investigations and improved technologies.**

- Conducted *Operation Cyber Chase*, which concluded with the April 2006 conviction of Akhil BANSAL, and the dismantlement of his international pharmaceutical controlled substance trafficking organization. *Operation Cyber Chase* resulted in 25 arrests in 4 countries and the seizure of 10 million dosage units of pharmaceutical controlled substances, 231 pounds of Ketamine, and \$8.5 million in assets. This organization was responsible for the illegal distribution of 2.5 million dosage units of controlled substances per month to more than 100,000 customers without a medical evaluation. (DOJ II; DEA 1, 2, 3, 6)
- Conducted the largest steroid enforcement operation in U.S. history. On December 14, 2005, *Operation Gear Grinder* resulted in the arrest of five individuals who were responsible for importing anabolic steroids into the United States. This international investigation targeted the eight largest anabolic steroid manufacturing companies in Mexico, including three of the world’s largest that conducted their sales via the Internet. Nearly 82 percent of the steroids seized and analyzed in 2003 were of Mexican origin and the majority of this 82 percent originated from the eight companies charged in *Operation Gear Grinder*. (DOJ II; DEA 1, 2, 3, 6)

**Encouraged international precursor chemical control collaboration to increase the efficiency of intelligence sharing and enforcement activities.** DEA participated with the INCB and United Nations Office of Drugs and Crime (UNODC) in *Operation Transshipment* in July 2006, which targeted the smuggling of Acetic Anhydride consignments at key interdiction “choke points” in Central Asia. (DOJ II; DEA 1, 2, 3, 6)

**Conducted a Significant Investigation Impact Measurement System (SIIMS) assessment of *Operation All Inclusive (OAI) 2005-1* to capture the impact of the case following dismantlement.** SIIMS provides the first opportunity for DEA to measure its enforcement efforts against illicit drug availability in the United States. *OAI* targeted trafficker vulnerabilities in the areas of maritime, land, and air smuggling of drugs, as well as drug profits. The assessment of *OIA I-2005* was conducted in conjunction with the Defense Intelligence Agency for the period beginning on August 5, 2005 and ending October 8, 2005. The assessment identified significant impact as a result of *OIA I-2005*. For example, nearly 47 metric tons of

cocaine was seized, which equates to 5 to 10 percent of the estimated quantity of cocaine that was transported through the transit zones to the United States during all of 2005. During the 65-day period of the operation, total cocaine seizures in the Mexico/Central American and Caribbean Corridors increased 119 percent compared to the 65-day period preceding the operation, from 36 metric tons to 79 metric tons. At the same time, cocaine seizures by DEA domestic offices decreased 29 percent compared to the 65-day period prior to the operation, from 31,789 kilograms to 22,669 kilograms. (PMA 5; DOJ II, III; DEA 1, 2, 3, 4, 6)

**Pledged international support to Russia in the war against illegal worldwide drug trafficking.** On November 2, 2005, DEA and the Russian Federation Director of the Federal Drug Control Service signed an historic Memorandum of Mutual Understanding to enhance bilateral coordination and cooperation on operational and information sharing matters. The agreement addresses intelligence sharing, training, and assistance in disrupting and dismantling large criminal organizations that affect the drug trade in both the United States and Russia. (PMA 1; DOJ I, II; DEA 1, 2, 3, 6)

**Deterred the smuggling of illicit drugs into the United States through cross-border tunnels.** DEA has committed resources to support *Operation Alliance Joint Task Force*, a multi-agency law enforcement effort established to confront this underground threat. Following are examples of DEA's success:

- Discovered the largest and most sophisticated cross-border tunnel along the United States and Mexico border, which had been utilized to smuggle marijuana. The tunnel extended north approximately 1,262 yards and exited at a building in San Diego, California. Approximately two tons of marijuana was seized from within the tunnel on the Mexican side and approximately 200 pounds of marijuana was seized on the California side. On July 17, 2006, Carlos CARDENAS Calvillo pled guilty to conspiracy to possess marijuana as a result of the case. (DOJ II; DEA 1, 2, 3, 4, 6)
- Facilitated the sentencing of Francis RAJ, Timothy WOO, and Jonathan VALENZUELA on July 14, 2006, to nine years in prison for conspiracy to import marijuana into the United States. In July 2005, DEA arrested the Canadian citizens after the discovery of an underground tunnel they built on the United States and Canadian border near the town of Lynden, Washington. It was the first cross-border tunnel found on the United States northern international border and DEA provided oversight of its destruction. (DOJ II; DEA 1, 2, 3, 4, 6)

**Oversaw the arrest of Tier One Colombian money broker German Alejandro GONZALEZ-Bayona through the DEA-sponsored Colombian Sensitive Investigative Unit on November 6, 2006.** In April 2005, GONZALEZ-Bayona was indicted for money laundering as a result of *Operation Mallorca*. He was one of four Colombian-based money brokers targeted and was responsible for laundering \$12 million in illicit drug proceeds through the Colombian Black Market Peso Exchange, a system where drug traffickers sell drug proceeds in U.S. dollars to brokers for pesos. (DOJ I, II; DEA 1, 2, 3, 6)

**Provided International Law Enforcement Academy (ILEA) training programs in** Budapest, Hungary; Gaborone, Botswana; Bangkok, Thailand; and San Salvador, El Salvador.

DEA's International Training program consists of SIU Training, International Asset Forfeiture/Money Laundering Training, International Narcotics Enforcement Management Seminar Training, Airport Interdiction Seminar, and DEA's Basic Intelligence Seminar. During FY 2006, DEA trained approximately 2,800 participants. (PMA 1; DOJ II, III; DEA 6, 7)

**Ensured that resources are deployed to the highest priority overseas locations to maximize the agency's impact on the global narcotics trade.** Through the Rightsizing initiative, DEA requested and received the reallocation of 65 domestic positions to overseas locations in FY 2004 and FY 2005. For FY 2006, DEA received \$29,729,000 and 38 positions, including 23 Special Agents for overseas operations. (PMA 1, 5; DOJ I, II; DEA 1, 2, 3, 6)

- Overseas Rightsizing Reprogramming Funds were appropriated for recurring costs associated with the FY 2004 - 2006 reallocation of resources. DEA received resources to open seven new country offices in high priority countries. This funding will also be used to create an additional heroin task force and maritime enforcement group in Cartagena, Colombia; establish an additional money laundering task force and a heroin task force in Mexico City, Mexico; and complete unfinished space in the Lima, Peru U.S. Embassy in a cooperative effort with the Department of State to alleviate crowding. Previously approved, the Warsaw, Poland location opened in August 2006.
- Other Funding – Permanent funding for *Operation Containment* was provided, as well as operational funding for an existing SIU in Uzbekistan and a planned SIU in Tajikistan. Continuing support was provided for recurring costs associated with DEA's FAST program in Afghanistan. Also, funding was provided to enhance DEA's presence in Central Asia, the Middle East, and the Kabul Country Office. Further, Congress directed DEA to establish a presence in Dubai, United Arab Emirates, whereby DEA is coordinating this requirement with the Department of State (scheduled to open in 2007). For this effort, Congress added seven positions (including four Special Agents) to the DEA 2006 budget.

**Received \$9.2 million to combat drug trafficking organizations in Afghanistan** and \$5 million to create a National Security Section within DEA's intelligence program as part of a bill appropriating \$94.5 billion in emergency supplemental funding. (PMA 1, 5; DOJ I, II; DEA 1, 2, 3, 6)

**Seizure of 738 Kilograms of Cocaine and Disruption of a Cocaine Trafficking Organization in Buenos Aires Province, Argentina**

On December 31, 2005, as the result of a two-year investigation conducted by the DEA Buenos Aires, Argentina Country Office, the Argentina Gendarmeria Nacional seized 738 kilograms of cocaine at a residence in Buenos Aires Province, Argentina. The cocaine was hidden inside bags of charcoal. Nine Argentine Nationals, including leader Alejandrino MOTOK, and one Bolivian National were arrested, resulting in the disruption of a cocaine trafficking organization responsible for the transportation of multi-hundred kilogram shipments of cocaine to Buenos Aires for distribution in Europe and the United States.

***Joint British Military and Drug Enforcement Administration Foreign-deployed Advisory and Support Team Operation Resulted in Seizure of 700 Kilograms of Opium in Afghanistan***

On January 5, 2006, a DEA Foreign-deployed Advisory Support Team assisted the British Military and the British-led Afghan National Security Forces with counter-drug operations on several pre-determined target locations in Aachin Valley, Nangarhar Province, Afghanistan. The operations resulted in the destruction of several heroin processing laboratories and the seizure of 700 kilograms of opium and 7 kilograms of heroin.

***Seizure of 257 Kilograms of Cocaine and the Dismantlement of a Cocaine Trafficking Organization in Spain and Paraguay***

On December 19, 2005, officials in Asuncion, Paraguay seized 257 kilograms of cocaine and arrested a total of 11 traffickers in Paraguay and Spain, including Edmund CHLADEK, the head of this trafficking organization. The seizure and arrests resulted in the dismantlement of a cocaine trafficking organization that, since 2000, was responsible for the transportation of multi-hundred kilogram shipments of cocaine from South America to Europe. This investigation was conducted by the DEA Asuncion, Paraguay and Guayaquil, Ecuador Country Offices, the Paraguayan National Anti-Drug Agency, and the Spanish National Police.

***Investigation Resulted in the Seizure of 5.7 Tons of Cocaine in the Eastern Pacific Ocean***

On January 7, 2006, information provided by the DEA El Paso Intelligence Center (EPIC) resulted in the seizure by the Mexican Navy of 5.7 tons of cocaine from two vessels in the Eastern Pacific Ocean near Colima, Mexico. Two support vessels also were intercepted. Nine Mexican national crew members were detained by Mexican authorities for possible prosecution in Mexico. This investigation was conducted with DEA offices in Mexico City and Mazatlan, Mexico.

***Operation Panama Express - Seizures of 45,270 Kilograms of Cocaine***

January through September 2006, the United States Coast Guard seized 45,274 kilograms of cocaine and made 109 arrests in 15 separate events as part of *Operation Panama Express a maritime interdiction operation targeting transportation vessels and routes into the U.S.*. These seizures and arrests were based on information provided by the DEA to Coast Guard authorities. These investigations were conducted with the DEA, Colombian, Panama and Royal Bahamian authorities as part of *Operation Panama Express*. Since its inception in February 2000, *Operation Panama Express* has resulted in the seizure of more than 389 tons of cocaine and the arrest of 1,083 individuals.

***Former Salvadoran Congressman Sentenced to 20 Years in Prison***

On January 18, 2006, William Eliu MARTINEZ was sentenced in U.S. District Court for the District of Columbia to 29 years in prison for conspiracy to distribute cocaine and conspiracy to import cocaine. MARTINEZ, a Salvadoran congressman from 1999 to 2002, was indicted

in October 2003 and arrested in November 2003. From 1998 to 2002, MARTINEZ managed an organization that utilized go-fast boats to transport a total of 12 tons of cocaine from Colombia through El Salvador to the United States for the CPOT Otto Roberto HERRERA-Garcia organization. This investigation was conducted by the DEA Special Operations Division (SOD) in conjunction with DEA offices in San Salvador, El Salvador, Guatemala City, Guatemala, and Panama City, Panama.

***70 Kilograms of Heroin Seized in Istanbul, Turkey***

On January 19, 2006, the Turkish National Police seized 70 kilograms of heroin in Istanbul, Turkey as the result of a joint investigation with the DEA. Four members of an Istanbul-based heroin trafficking organization, including leader Sadik KAYA, were arrested while preparing the heroin for transportation to the Netherlands. This investigation was being conducted by the DEA Ankara, Turkey Regional Office, the Istanbul, Turkey Resident Office, and the Turkish National Police.

***40 Kilograms of Heroin Seized in Sofia, Bulgaria***

On January 15, 2006, the Bulgarian National Service for Combating Organized Crime (NSCOC) seized 40 kilograms of heroin and arrested one individual in Sofia, Bulgaria as the result of a joint investigation with the DEA. The heroin was smuggled by Mehmet Burmus CINCIK from Turkey into Bulgaria via an automobile. CINCIK was arrested while preparing the heroin for transportation to Western Europe. This investigation is being conducted by the DEA Istanbul, Turkey Resident Office, the Bulgarian NSCOC, and the Turkish National Police.

***77 Pounds of Heroin Seized in Karachi, Pakistan***

On January 24, 2006, the Pakistani Anti-Narcotics Force (ANF) seized 77 pounds of heroin and arrested four individuals in Karachi, Pakistan following a joint investigation with the DEA. The heroin was smuggled from Afghanistan and was destined for the United Kingdom. The ANF arrested two Pakistani nationals and two United Kingdom/Pakistani dual-citizens. This investigation was being conducted by the DEA Islamabad, Pakistan Country Office, the DEA Peshawar, Pakistan Resident Office, the Pakistani ANF, and the Pakistani Sensitive Investigative Cell.

***United States and Mexican Agents Discovered a Cross-Border Tunnel Containing More Than Two Tons of Marijuana***

On January 25, 2006, agents of the DEA Tijuana, Mexico Resident Office discovered a cross-border tunnel that had been utilized to smuggle marijuana from Mexico into the United States. In a joint investigation with Mexican authorities, police officials seized approximately two tons of marijuana from within the tunnel on the Mexican side and approximately 300 pounds of marijuana from within the tunnel on the California side. The tunnel, believed to be the largest and most sophisticated ever discovered along the border, extends north approximately 1,262 yards, and exits at a vacant warehouse in San Diego, California. This investigation was

conducted with the DEA San Ysidro, California Resident Office, the Bureau of Immigration and Customs Enforcement (ICE), the U.S. Border Patrol, the Joint Interagency Task Force-North, and the Mexican Policia Federal Preventiva.

***International Heroin Trafficking Organization Dismantled in a Priority Target Organization Investigation***

On January 25, 2006, agents from the DEA New York Division Office, along with local authorities and Panamanian federal officials, arrested 16 individuals, resulting in the dismantlement of an international heroin trafficking organization. Nine individuals, including organization leader Silverio GUZMAN, were arrested in New York. The remaining seven defendants, including two of the organization’s suppliers, were arrested in Panama. Since August 2004, the GUZMAN organization used internal couriers to smuggle approximately eight kilograms of heroin per month from Panama to New York. To date, this nine-month PTO investigation, dubbed *Operation Bronx Tale*, has resulted in the arrest of 21 individuals and the seizure of 2 kilograms of heroin, \$12,000 in United States currency, and 2 firearms. This investigation was supported by the DEA Special Operations Division and conducted with the DEA Panama City, Panama Country Office, ICE, the New York City Police Department, the New York City Special Narcotics Prosecutor’s Office, the Panamanian Judicial Police Sensitive Investigations Unit, and the Office of the Panamanian Prosecutor.

***26 Kilograms of Heroin Seized in Yuksekova, Turkey***

On January 28, 2006, the Turkish National Police seized 26 kilograms of heroin in Yuksekova, Turkey as the result of a DEA PTO investigation. Ten members of a Turkey-based heroin trafficking organization were arrested in Yuksekova and Istanbul, Turkey in connection with the seizure. This investigation resulted in 22 arrests and the seizure of 188 kilograms of cocaine. This investigation was conducted by the DEA Ankara, Turkey Regional Office, the Istanbul, Turkey Resident Office, and the Turkish National Police.

***22 Members of an International Heroin Smuggling Ring Arrested as a Result of an Organized Crime and Drug Enforcement Task Force Investigation***

On February 1, 2006, the DEA New York Division Office announced the arrest of 22 Colombian nationals responsible for the smuggling of 24 kilograms of heroin into the United States in a 20-month period. Eight of the individuals were arrested in Colombia on provisional arrest warrants and are in custody pending their extradition to the United States. The Medellin-based smuggling organization used various smuggling methods, including surgically implanting heroin packets into puppies that were seemingly bred for that purpose. This two-year OCDEF investigation, dubbed *Operation Liquid Heroin*, was supported by the DEA SOD and was conducted by the DEA New York, Miami, Florida, and Atlanta, Georgia Division Offices, the Bogotá, Colombia Country Office, the Colombian National Police Heroin Task Force, the Johnston County (North Carolina) Sheriff’s Department, and the U.S. Attorney’s Office for the Eastern District of New York.

*Arrest of CPOT Oscar ARRIOLA-Marquez in Mexico*

On February 2, 2006, officers of the DEA-sponsored sensitive investigative unit of the *Agencia Federal de Investigaciones* arrested CPOT Oscar Arturo ARRIOLA-Marquez in Torreon, Coahuila State, Mexico pursuant to the U.S. request for his provisional arrest. A grand jury sitting in the U.S. District Court for the District of Colorado indicted ARRIOLA-Marquez and several others in December 2003 for drug trafficking. Oscar ARRIOLA-Marquez is the head of a major cocaine trafficking and money laundering organization. During the past several years, agents of DEA have seized nearly 2,000 kilograms of cocaine and over \$11 million in drug proceeds from ARRIOLA-Marquez organization members in the United States. The Government of Mexico has seized in excess of \$37 million in assets from the ARRIOLA-Marquez organization. Additionally, on June 1, 2005, Oscar ARRIOLA-Marquez was identified by President Bush as a Foreign Narcotics Kingpin under the Foreign Narcotics Kingpin Designation Act.

*Investigation Resulted in the Seizure of 2,500 Kilograms of Cocaine in the Eastern Pacific Ocean*

On February 7, 2006, information provided by the DEA EPIC resulted in the seizure by the U.S. Coast Guard of 2,500 kilograms of cocaine from a Peruvian-flagged fishing vessel in the Eastern Pacific Ocean, west of Chimbote, Peru. Three Peruvian and four Ecuadorian nationals were arrested. This investigation was conducted with DEA Lima, Peru Country Office and the Joint Interagency Task Force-South.

*942 Kilograms of Cocaine Seized in Colon, Panama*

On February 8, 2006, the Panama Judicial Police (PTJ) seized 942 kilograms of cocaine in Colon, Panama following a joint investigation with DEA. The cocaine was seized from a cargo container and was being prepared for transportation on an ocean freighter to the Netherlands. No arrests were made. This investigation is being conducted by the DEA Panama City, Panama Country Office and the PTJ.

*Former CPOT Zalmai IBRAHIMI and His Associates Sentenced to Lengthy Imprisonment*

On February 15, Muzaffar KHAN-AFRIDI and Alamdar KHAN-AFRIDI were sentenced in the District of Maryland to life imprisonment and 30 years imprisonment, respectively, for trafficking in heroin and hashish. The men were responsible for smuggling hundreds of kilograms of heroin and hashish from Southeast and Southwest Asia into the United States, Canada, Africa, and Europe. Former CPOT Zalmai IBRAHIMI was a member of the organization and was sentenced to 78 months in prison after testifying against the KHAN-AFRIDIs. In August 2003, the KHAN-AFRIDIs and IBRAHIMI were arrested in Thailand after a grand jury in the District of Maryland returned a 22-count indictment against them and eight associates for trafficking in heroin and hashish. During the investigation, more than 27 kilograms of heroin were seized from the KHAN-AFRIDI organization. This was a joint investigation between the DEA Washington Division Office and the Federal Bureau of Investigation (FBI). Other DEA offices that participated in this investigation were the New

York and San Francisco Division Offices, and the Bangkok, Thailand, the Islamabad, Pakistan, the London, England, the Ottawa, Canada, and the Rome, Italy Country Offices.

***Seizure of 1,628 Kilograms of Cocaine and \$293,000 in Panama in an Organized Crime and Drug Enforcement Task Force Investigation***

On February 17, 2006, the Panama Judicial Police arrested nine individuals and seized 1,628 kilograms of cocaine and \$293,000 in U.S. currency in La Chorrera, Panama, following a joint investigation with the DEA. The cocaine was destined for Mexico. This OCDETF investigation was supported by the DEA SOD and conducted by the DEA Panama City, Panama Country Office, and the DEA Houston, Texas Division Office.

***272 Kilograms of Opium Seized in Uzbekistan***

On February 19, 2006, the Uzbek National Police SIU seized 272 kilograms of opium in Surkhandarya, Uzbekistan, following a joint investigation with the DEA Tashkent Country Office. The opium was destined for Russia and Kazakhstan. Three Uzbek nationals were arrested.

***Extradition of CPOT target Zeev ROSENSTEIN***

On February 16, 2006, Israeli Justice Minister Tzipi Livni signed an order requiring the extradition of CPOT Zeev ROSENSTEIN to the United States to face charges of conspiracy to distribute MDMA. In December 2004, a grand jury sitting in the U.S. District Court for the Southern District of Florida indicted ROSENSTEIN on charges of conspiracy to import MDMA into the United States and conspiracy to distribute MDMA. ROSENSTEIN was arrested in Israel in November 2004. ROSENSTEIN was the leader of an Israeli criminal organization responsible for financing, coordinating and smuggling multi-million tablet shipments of MDMA from Belgium and Holland to the United States, Israel and Europe. Between 2002 and 2006, the ROSENSTEIN organization imported millions of MDMA tablets per month into the United States. This OCDETF investigation was conducted by the Miami Division Office and resulted in 95 arrests, and the seizure of 4.8 million MDMA tablets, 45.5 kilograms of cocaine, 17 weapons, and \$2,606,155 million in assets.

***CPOT Top Lieutenants Sentenced to Lengthy Imprisonment***

On February 27, 2006, Juan Carlos MONTOYA-Sanchez and Carlos Felipe TORO-Sanchez were sentenced in the Southern District of Florida to 22 and 19 years imprisonment, respectively, for conspiracy to import cocaine into the United States. MONTOYA-Sanchez is the brother, and TORO-Sanchez the cousin, of CPOT Diego Leon MONTOYA-Sanchez, leader of the North Valley Cartel and one of the most powerful cocaine traffickers in Colombia. During the period from 1995 until 2003, Juan Carlos MONTOYA-Sanchez and TORO-Sanchez were responsible for the production and shipment of 30,000 kilograms of cocaine to the United States. A grand jury sitting in the U.S. District Court for the Southern District of Florida indicted Juan Carlos MONTOYA-Sanchez and TORO-Sanchez in January 2004 following an OCDETF investigation conducted by the Miami Division Office and the

FBI. They were arrested in Colombia in December 2003, extradited to the United States in 2005, and pleaded guilty on November 18, 2005.

***Airline Chief of Security Pleaded Guilty to Cocaine Smuggling Charges***

On February 28, 2006 Stephanie AMBROISE, former director of security for American Airlines at the Port-au-Prince Airport in Haiti, pleaded guilty in the Southern District of Florida to conspiracy to import cocaine into the United States. AMBROISE was associated with several drug traffickers and used her security director position at the Port-au-Prince airport to bypass security. Specifically, AMBROISE handed cocaine-laden bags to baggage handlers without going through the normal inspection process. During the period from 2001 until 2003, AMBROISE was responsible for the shipment of more than 1,300 pounds of cocaine from Haiti to the United States per month and received \$2,000 in payment for each kilogram of cocaine smuggled. AMBROISE was arrested in October 2004 as the result of an OCDETF investigation conducted by the Miami Division Office. The investigation was conducted with ICE, the FBI, and the Internal Revenue Service (IRS).

***Belizean Cocaine Trafficker Convicted for Threatening to Kill Federal Agents and Trafficking in Cocaine***

On March 1, 2006, Belizean national Robert James HERTULAR was convicted in the Southern District of New York on charges of threatening to kill federal agents and conspiracy to import ton-quantities of cocaine into the United States. In May 2001, HERTULAR was arrested in Belize by Belizean authorities after they seized more than one ton of Colombian cocaine that HERTULAR was attempting to send to the United States. In December 2003, while out on bail, HERTULAR told DEA agents he would hire “Colombian hit men” to kill them if they continued the investigation against him. Prior to his arrest, HERTULAR was responsible for four cocaine shipments to the United States of more than one ton each. HERTULAR was extradited to the United States in June 2004, and faces a sentence of between ten years imprisonment to life imprisonment upon sentencing. This investigation was conducted by the New York Division Office, the Belize Country Office, the Belize Police Department, and the Belize Department of Public Prosecutions.

***Financial CPOT Ricardo Mauricio BERNAL Palacios Arrested in Colombia***

On March 2, 2006, the Colombian National Police arrested Financial CPOT Ricardo Mauricio BERNAL and his brother Juan BERNAL in Colombia. The arrests were pursuant to provisional arrest warrants that resulted from a two-year long OCDETF investigation conducted by the Miami Division Office. In February 2006, a grand jury sitting in the U.S. District Court for the Southern District of Florida indicted the BERNAL brothers on 48 counts of money laundering and one count of conspiracy to distribute cocaine. BERNAL utilized the Mexican casa de cambio Ribadeo to launder his and other drug traffickers’ bulk currency drug proceeds, which were then sold via the Colombian Black Market Peso Exchange to money brokers in Colombia. In addition, the BERNAL organization arranged the transportation of cocaine for his own organization for distribution in Spain as well as for Mexican drug trafficking organizations for distribution in the United States. Spanish authorities seized 2,000

kilograms of cocaine and 16.7 million euros (approximately \$22 million in U.S. currency) belonging to BERNAL. The investigation documented in excess of \$300 million laundered by the BERNAL organization through U.S. bank accounts held by casa de cambio Ribadeo, and casa de cambio Catorce, another Mexican money exchange. Also participating in this investigation were the Bogotá, Colombia, Madrid, Spain, and Mexico City Country Offices.

#### ***Seizure of 6.1 Tons of Cocaine in Ecuador***

On March 9, 2006, the Ecuadorian National Police (ENP) seized 5,562 kilograms of cocaine from a shipping container in Guayaquil, Ecuador, following a joint investigation with the DEA Guayaquil, Ecuador Resident Office. The cocaine originated from Buenaventura, Colombia and was destined for Panama. The ENP arrested the president and manager of the company responsible for shipping the container.

#### ***Julio Cesar LOPEZ Pena, Top Lieutenant in the Norte Valle Cartel, Extradited to the United States***

On March 15, 2006, Julio Cesar LOPEZ Pena, a top lieutenant for Colombian Norte Valle Cartel leader Wilmer Alirio VARELA, was extradited from Colombia to the United States to face racketeering (RICO) charges in the Southern District of New York. The indictment alleges that from 1990 through May 2004, the Norte Valle Cartel was responsible for the importation of approximately 500 metric tons of cocaine, valued at more than \$10 billion, into the United States. Since at least 1998, LOPEZ Pena was responsible for the production of hundreds of kilograms of cocaine each week, most of which was destined for the United States. If convicted, LOPEZ Pena faces a minimum mandatory sentence of ten years imprisonment and a maximum sentence of life imprisonment. The indictment also seeks forfeiture of \$100 million in illicit proceeds. This investigation was conducted by the New York Organized Crime and Drug Enforcement Strike Force, which is comprised of representatives from the DEA, the FBI, ICE, the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), the IRS, the U.S. Marshals Service, the New York State Police, and the New York City Police Department.

#### ***Operation Firewall Seizure of 3.3 Tons of Cocaine and \$5.8 Million***

During March, May and August 2006, based on information from the DEA Cartagena, Colombia Resident Office, the U.S. Coast Guard seized 3.3 tons of cocaine and \$5.8 million from merchant ships near Honduras and Colombia. Nine crew members from Ecuador, Guatemala, and Mexico were arrested and will be prosecuted in the United States. The seizure and arrests were the result of DEA's *Operation Firewall*, an ongoing multi-agency cocaine interdiction program designed to stem the flow of cocaine from the northern coast of Colombia. Since its inception in July 2003, *Operation Firewall* personnel have seized more than 33.3 tons of cocaine and have assisted in the seizure of more than 71 additional tons of cocaine.

***International Cocaine Smuggling Ring Dismantled as a Result of an OCDETF Investigation***

On March 30, 2006, the DEA New York Division Office arrested 11 individuals, resulting in the dismantlement of an organization that smuggled 200 kilograms of cocaine per month into the United States over the last five years. The Mexico-based organization used various smuggling methods, including concealing cocaine inside tombstones and religious statues of the Virgin Mary. To date, this one-year OCDETF investigation, dubbed *Operation Omni Presence*, has resulted in the seizure of 194 kilograms of cocaine and \$475,000 in U.S. currency. This international investigation was supported by SOD and was conducted by the New York Division Office and the Mexico City Country Office, and the Police Departments of New York City and Nassau County (New York).

***Investigation Resulted in the Seizure of 2.75 Tons of Cocaine in the Eastern Pacific Ocean***

On April 1, 2006, information provided by the DEA EPIC resulted in the seizure by the U.S. Coast Guard of 2.75 tons of cocaine from a go-fast vessel in the Eastern Pacific Ocean near the Galapagos Islands, Ecuador. A second go-fast vessel also was intercepted; however the crew jettisoned a cargo of cocaine that was estimated to be equal in volume to the amount seized. Three Mexican national crew members were detained for possible prosecution. This investigation was conducted with the DEA Guayaquil, Colombia and Mazatlan, Mexico Resident Offices, the DEA Tampa, Florida District Office, and the Joint Interagency Task Force-South.

***OCDETF Investigation Resulted in the Arrest of Weapons Suppliers with Possible Ties to a Colombian Terrorist Organization***

On April 5, 2006, Panamanian authorities arrested Harol SUAREZ Garcia, Dario CASTRO, and Carlos BARRETO Sierra for conspiracy to trade cocaine for weapons that they claimed were to be supplied to the *Autodefensas Unidas de Colombia* (AUC). The charges resulted from an OCDETF investigation conducted by the DEA Las Vegas, Nevada District and Nicaragua Country Offices. SUAREZ Garcia, CASTRO, and BARRETO negotiated to provide 700 - 1,000 kilograms of cocaine in exchange for military weapons, including assault rifles and grenade launchers. This investigation was supported by SOD and conducted with the DEA Miami and New York Division Offices, the DEA Panama City, Panama and Kingston, Jamaica Country Offices, and the DEA Cartagena, Colombia Resident Office.

***Investigation Resulted in the Arrest of Nine Current or Former Members of the Colombian National Police and the Seizure of 1,832 Kilograms of Cocaine***

Between April 3 - 5, 2006, the Policia Nacional de Colombia Direccion de la Policia Judicial y Investigaciones de Cali, in conjunction with the DEA Bogotá Country Office, arrested nine current or former members of the Colombian National Police and seized 1,832 kilograms of cocaine. Seven of the nine arrested individuals were arrested on Provisional Arrest Warrants issued out of the Southern District of New York, where they were indicted on charges that include possession with intent to distribute, conspiracy to possess with intent to distribute, and importation to the United States. The arrested individuals assisted the Norte Valle Cartel, and

during October 2005, were responsible for the transportation of 409 kilograms of cocaine from Bogotá to Mexico, where the cocaine was seized by Mexican authorities. To date, this seven-month investigation has resulted in the seizure of 2,241 kilograms of cocaine. This international investigation was supported by SOD and was conducted by the DEA Bogotá Country Office with the DEA New York Division Office, ICE, and the Colombian National Police.

***Mexican Citizen Extradited from Mexico to the United States to Face Cocaine and Methamphetamine Conspiracy Charges***

On April 5, 2006, Santiago GOICOCHEA Diaz, a Mexican citizen and leader of a cocaine and methamphetamine trafficking organization, was extradited from Mexico to the United States to face cocaine and methamphetamine conspiracy charges as well as charges of money laundering. In May 2004, the Mexican Agencia Federal de Investigaciones (AFI) arrested GOICOCHEA Diaz in Acapulco, Mexico on a Provisional Arrest Warrant issued out of the District of Oregon. GOICOCHEA Diaz and five other individuals were indicted in January 2000 in the District of Oregon as the result of a four-year OCDETF investigation led by the DEA Portland, Oregon District Office. Between 1994 and 1998, GOICOCHEA Diaz was responsible for the distribution of cocaine and methamphetamine in California, Oregon, Oklahoma, and Arkansas, as well as the laundering of the drug profits. To date, this investigation has resulted in 39 arrests and the seizure of nearly ten kilograms of cocaine. This investigation was conducted with the IRS and the Clatsop County (Oregon) Sheriff's Department.

***Internet Pharmaceutical Trafficker Convicted of Operating a Continuing Criminal Enterprise***

On April 17, 2006, a jury in the U.S. District Court for the Eastern District of Pennsylvania found Akhil BANSAL guilty of operating a continuing criminal enterprise. The jury also found BANSAL and a co-defendant guilty of conspiracy and money laundering. BANSAL was the leader of an international pharmaceutical distribution organization that used rogue Internet pharmacies to dispense controlled substances directly to customers without a medical evaluation by a physician. Between July 2003 and April 2005, the BANSAL organization was responsible for the distribution of more than 2.5 million dosage units of Schedule II through IV pharmaceutical controlled substances per month. BANSAL supplied ten separate drug organizations that together operated over 200 websites. In April 2005, DEA arrested BANSAL and 19 other members of his organization as the result of *Operation Cyber Chase*, a one-year OCDETF investigation that resulted in the dismantlement of the BANSAL organization, the arrest of 24 individuals, and the seizure of more than 9 million dosage units of Schedule II – IV controlled substances; 231 pounds of Ketamine; and \$8.6 million U.S. currency. This investigation was coordinated by the DEA SOD and conducted by DEA offices in Philadelphia, New York City, Rochester, New York, New Delhi, India, Vienna, Austria, Canberra, Australia, and San Jose, Costa Rica. Other agencies participating in this cooperative investigation included the FBI, ICE, the U.S. Food and Drug Administration, the U.S. Postal Inspections Service, the IRS, the Australian Federal Police, the Narcotics Control Board of

India, the Costa Rican Judicial Police, Drug Control Police, and Drug Institute, and numerous U.S. state and local law enforcement agencies.

***Expulsion of Member of Colombian Para-Military Drug Trafficking Organization from Nicaragua to the United States to Face Drug Charges***

On April 19, 2006, the Nicaraguan government expelled Colombian national Luis Angel GONZALEZ Largo to the United States, to face drug charges in U.S. District Court, District of Columbia. On April 13, 2004, Nicaraguan National Police arrested GONZALEZ Largo and seized \$746,000 in U.S. currency that GONZALEZ Largo intended to use to purchase arms for the Autodefensas Unidas de Colombia (AUC) para-military organization. He also was arranging to ship cocaine to Mexico as payment for the weapons. On December 20, 2006, a Federal Grand Jury in the District of Columbia indicted GONZALEZ Largo for intent to import cocaine to the United States and intentionally importing cocaine to the United States. The indictment was the result of *Operation Mountain Mist*, a two-year SOD supported investigation targeting the AUC and its leaders, CPOT Hernan GIRALDO Serna, Rodrigo TOVAR Pupo. The AUC utilizes violence to control drug trafficking and transportation in the area of Colombia's North Coast. As a member of the AUC, GONZALEZ Largo was involved in trading multi-hundred kilograms of cocaine for weapons. During the previous two to three years, GONZALEZ Largo was involved in the transportation of more than 2,500 AK-47 assault rifles from Nicaragua to Colombia for the AUC and was involved in smuggling millions of dollars in drug proceeds from Texas to Guatemala. This investigation was conducted by DEA offices in Cartagena, Colombia, Managua, Nicaragua, Panama City, Panama, Kingston, Jamaica, Miami, New York, Las Vegas, and SOD.

***285 Pounds of Heroin Seized in Uzbekistan***

On April 19, 2006, the DEA-sponsored Uzbekistan Sensitive Investigative Unit (SIU) seized 285 pounds of heroin and arrested one individual in Sarosiyo District, Surkhandarya Region, Uzbekistan. This was the largest ever heroin seizure conducted by the Uzbekistan SIU, which was established in March 2003. The heroin was smuggled from Afghanistan and was destined for St. Petersburg, Russia. This investigation was conducted by the DEA Uzbekistan Country Office and the Uzbekistan SIU.

***Afghanistan Heroin Traffickers Convicted and Sentenced by Afghanistan Tribunal***

On April 23, 2006, defendants Misri KHAN, Haji BAHRAM, and Noor ULLAH were found guilty of heroin trafficking offenses in Kabul, Afghanistan by the Kabul, Afghanistan Central Narcotics Tribunal. The tribunal sentenced each man to 17 years imprisonment. Their conviction was the result of a four-month investigation conducted with the DEA Kabul Country Office. KHAN was the leader, and BAHRAM and ULLAH were members, of an organization that manufactured and exported large shipments of heroin from Afghanistan and Pakistan to the United States, Asia, and Europe. In September 2004, a grand jury in the Southern District of New York indicted the three men for conspiracy to import 440 pounds of heroin into the United States. Removal of the three men from Afghanistan to the United States was stayed by Afghan President Hamid Karzai pending the outcome of the tribunal

proceedings. This was the first significant trial and conviction in the Afghan Central Narcotics Tribunal.

***First-Ever Crack Cocaine Seizure in Chile***

On April 18, 2006, the Policia De Investigaciones De Chile seized 27 kilograms of crack cocaine and arrested three Chilean nationals in Arica, Chile. The seizure, which resulted from an investigation conducted by the DEA Santiago, Chile Country Office, is the first-ever seizure of crack cocaine in Chile. The seizure was linked to a crack cocaine trafficking organization that is responsible for the transportation of 90 kilograms of crack cocaine per month from Peru into Chile. This investigation is being conducted with the DEA Lima, Peru Country Office and the Policia De Investigaciones De Chile.

***Marijuana Trafficking Organization Dismantled in an OCDETF Investigation***

On April 22, 2006, the DEA Anchorage, Alaska District Office arrested six individuals, resulting in the dismantlement of the Thomas RANES marijuana trafficking organization. During the past five years, the RANES organization was responsible for the distribution of approximately 350 pounds of high-potency marijuana per month in Alaska. Also during that time, the RANES organization laundered between \$4 and \$6 million per year in Alaska, Washington, Alabama, Canada, and Ukraine. This six-month OCDETF investigation has resulted in the arrest of 6 individuals, including RANES, and the seizure of 347 pounds of marijuana, real property valued at \$1.5 million, \$90,700 in U.S. currency, more than 30 vehicles, and 18 firearms, including a fully automatic assault rifle. This investigation was conducted with ICE, Customs and Border Protection, the IRS Criminal Investigation Division, the FBI, ATF, the Alaska State Police, the Anchorage Police Department, and the Royal Canadian Mounted Police.

***International Cocaine Transportation Organization Dismantled in Ecuador***

On May 13 - 16, 2006, the Ecuadorian National Police, in conjunction with agents from the DEA Guayaquil Resident Office, arrested 68 individuals and seized ten fishing vessels, resulting in the dismantlement of the Carlos CELI maritime cocaine trafficking organization. Since March 2005, the CELI organization was responsible for the transportation of 4 - 5 tons of cocaine per month through Ecuador and on to Mexico and the United States. In 2005, the U.S. Coast Guard seized cocaine loads from seven Ecuadorian-flagged fishing vessels operated by the CELI organization in the Eastern Pacific Ocean. Those seized drug shipments ranged from two to seven metric tons. Among those arrested was Nestor GOMEZ Estupinan, a Colombian National and former member of the Autodefensas Unidas de Colombia (AUC) paramilitary organization, who provided security for the CELI organization. GOMEZ Estupinan is wanted in Colombia for drug trafficking charges. To date, this two-year investigation has resulted in the arrest of more than 100 individuals, including CELI, and the seizure of approximately 34 metric tons of cocaine. DEA offices in Ecuador, Colombia, Tampa, Key West and Key Largo, Florida conducted this investigation with the U.S. Coast Guard, the Joint Inter-Agency Task Force-South (JIATF-South), and the Ecuadorian National Police.

***CPOT Pablo RAYO Montano Arrested and His Organization Dismantled***

On May 16, 2006, the Brazilian Federal Police arrested CPOT Pablo RAYO Montano in Sao Paulo, Brazil, and in an operation coordinated by DEA, law enforcement teams in four U.S. cities and five foreign countries arrested 52 individuals, resulting in the dismantlement of the RAYO Montano cocaine trafficking organization. RAYO Montano started in the narcotics business as a transporter in Buenaventura, Colombia approximately 20 years ago. In the last four years alone, the RAYO Montano organization has been responsible for the transportation of 15 tons of cocaine per month from South America to the United States and Europe. RAYO Montano has been linked to the notorious Norte del Valle Cartel, the Autodefensas Unidas de Colombia (AUC) paramilitary organization, the Fuerzas Armadas Revolucionarias de Colombia (FARC) terrorist organization, and corrupt high-level officials in the Colombian government. On February 22 and March 3, 2006, federal grand juries in the District of Columbia and the Southern District of Florida, respectively, indicted RAYO Montano on money laundering and cocaine trafficking charges. The indictments were the result of *Operation Twin Oceans*, a three-year OCDETF investigation supported by the DEA SOD. *Operation Twin Oceans* resulted in 138 arrests and the seizure of 47,550 kilograms of cocaine, 700 pounds of marijuana, ten kilograms of heroin, \$1.6 million dollars in U.S. currency, and other assets with a total estimated value of \$47 million, including three islands near the coast of Panama. *Operation Twin Oceans* was conducted by DEA offices in Cartagena, Colombia, Panama City, Panama, Sao Paulo, Brazil, Mexico City, Mexico, Guayaquil, Ecuador, Caracas, Venezuela, Madrid, Spain, Miami, Florida, New York, New York, Chicago and Danville, Illinois, and the SOD. DEA conducted *Operation Twin Oceans* with national police in Colombia, Panama, Brazil, Ecuador, Spain, and Her Majesties Revenue and Customs.

***Extradition of Financial CPOT Gabriel PUERTA-Parra***

On May 23, 2006, Colombia extradited former financial CPOT Gabriel PUERTA-Parra to the United States to face charges that include violation of the RICO Act, conspiracy, cocaine trafficking, and money laundering. PUERTA-Parra was arraigned in U.S. District Court for the Southern District of Florida the following day. PUERTA-Parra, a former attorney for the Departamento Administrativo de Seguridad, the Colombian equivalent to the FBI, was a key counselor and advisor to the North Valley Cartel since the 1980s, and an attorney for former Medellín Cartel leader Pablo ESCOBAR. PUERTA-Parra utilized a large range of legitimate businesses, including investment and real estate companies, agricultural enterprises, and currency exchanges to launder drug proceeds through the United States, Mexico, Colombia, Ecuador, and Vanuatu.

***Colombian Heroin Kingpin Sentenced to 40 Years in Prison***

On May 31, 2006, United States District Judge Robert P. Patterson, Southern District of New York, sentenced Ramiro LOPEZ Imitola to 40 years imprisonment for importing cocaine into the United States. Judge Patterson also ordered LOPEZ Imitola to forfeit \$200 million in assets. The charges were the result of a three-year OCDETF investigation conducted by the DEA New York Division Office and the DEA Caracas, Venezuela Country Office. LOPEZ Imitola was the leader of a Cucuta, Colombia and Caracas, Venezuela-based heroin trafficking organization that from 1997 – 2003 imported more than 2,000 kilograms of heroin, worth an

estimated \$200 million, into the United States. LOPEZ Imitola used more than 250 human couriers recruited in both Venezuela and the United States to smuggle Colombian heroin into the U.S. from Venezuela by ingesting pellets of heroin or transporting heroin-laden suitcases. Colombian authorities arrested LOPEZ Imitola in April 2003 and extradited him to the United States in February 2004. LOPEZ Imitola pleaded guilty on March 15, 2005. This investigation resulted in the arrest of 17 members of the LOPEZ Imitola organization, and the seizure of more than 50 kilograms of heroin. DEA conducted this investigation with ICE, the New York State Police, the New York City, Miami Beach and Coral Gables, Florida Police Departments, the Venezuelan Judicial Police, and the Colombian National Police.

***International Money Laundering and MDMA Trafficking Organization Dismantled in an OCDETF Investigation***

On June 1, 2006, DEA agents arrested four individuals in the United States and Dutch authorities arrested five individuals in The Netherlands, resulting in the dismantlement of the Alexandre De BASSEVILLE money laundering and MDMA trafficking organization. The De BASSEVILLE organization imported MDMA into the United States and laundered drug proceeds through Limelight Films, Inc., a Hollywood, California-based movie studio. Among those arrested were the chief executive officer of Limelight Films, an executive with Los Angeles-based Bank of America, and a supplier of MDMA based in The Netherlands. This two-year OCDETF investigation also resulted in the seizure of 10,000 MDMA tablets. This investigation was supported by the DEA SOD and conducted by DEA offices in Washington, D.C., Los Angeles, California, Bern, Switzerland, and The Hague. DEA conducted this investigation with the IRS, the FBI, the ATF, and the Arlington, Virginia Police Department.

***First-Ever Judicial Wire Intercept in Thailand Resulted in Three Arrests***

On June 1, 2006, Thailand authorities arrested Henry SICHONE, Andrew SARPONG, and Yahuza YAKUBU in Bangkok, Thailand. The arrests were the result of a joint investigation between the DEA Bangkok Country Office and Thailand authorities that included the first-ever judicial wire intercept in Thailand. SICHONE and SARPONG were arrested pursuant to Provisional Arrest Warrants issued by the Southern District of New York on March 28, 2006. YAKUBU was arrested as a result of selling heroin and cocaine to a DEA undercover agent. The investigation was part of *Operation Ivory Triangle*, a 30-month multi-jurisdictional OCDETF investigation targeting West African heroin and money laundering organizations responsible for sending multi-kilogram quantities of heroin from Pakistan and Thailand to the United States, Europe, and Asia. *Operation Ivory Triangle*, which was coordinated by the DEA SOD, resulted in the arrests of 205 individuals and the seizures of approximately 91 kilograms of heroin, 22 kilograms of cocaine, seven kilograms of marijuana, 10,667 MDMA tablets, 24 vehicles, one vessel, and approximately \$2.5 million in U.S. currency.

***International Heroin Trafficking Organization Dismantled in an OCDETF Investigation***

On June 14 – 15, 2006, DEA agents arrested 12 individuals in Las Vegas, Nevada, Palm Springs, California, Caguas, Puerto Rico, and New York City, resulting in the dismantlement of the Javier MONROY heroin trafficking organization. Since 2004, the MONROY organization has been responsible for importing more than 200 kilograms of heroin into the

United States. MONROY is a former Bogotá, Colombia police officer. The MONROY organization used couriers to smuggle heroin from several foreign countries, including Ecuador, Venezuela, Trinidad and Tobago, Colombia, Brazil, and Mexico, to New York for distribution. The organization employed more than a dozen drug couriers, many of whom made multiple drug trips and most of whom were based in the Las Vegas area. Typically, the drug couriers smuggled between three to five kilograms of heroin per trip concealed within the lining of clothes. This 10-month OCDETF resulted in the arrest of 22 individuals, including MONROY, and the seizure of 28 kilograms of heroin and \$220,000 in U.S. currency. DEA offices in New York and Las Vegas conducted this investigation with ICE, the Counter Drug-Crime Task Force of the Ministry of National Security of the Republic of Trinidad and Tobago, and the Ecuadorian National Police.

***PTO Bernardo Armando De La CERRA Extradited to the United States***

On June 14, 2006, the Mexican Government extradited Bernardo Armando De La CERRA from Mexico to San Diego, California. Since 1995, De La CERRA was the leader of a cocaine trafficking organization that imported approximately 100 kilograms of cocaine per month from Mexico into the United States. The De La CERRA organization has been linked to murders in Los Angeles and Tijuana, Mexico and operated an underground tunnel connecting Tijuana, Mexico and San Diego discovered in 2003. In 1997, a grand jury in the Southern District of California indicted De La CERRA for conspiracy to distribute cocaine after an 18-month OCDETF investigation conducted by the DEA San Diego, California Division Office. On June 11, 2006, Mexican authorities arrested De La CERRA in Tijuana, Mexico. This investigation resulted in the dismantlement of the De La CERRA organization, 39 arrests, and the seizure of more than 250 kilograms of cocaine and \$550,000 in U.S. currency.

***Cocaine and Heroin Trafficking Organization Dismantled in Colombia***

On June 22, 2006, the Colombian National Police arrested 20 individuals, resulting in the dismantlement of the Jorge William ARIAS Vera cocaine and heroin trafficking organization. The defendants were charged with drug trafficking in the Colombian judicial system based on an eight-month PTO investigation conducted by the DEA Cartagena Resident Office and the CNP-SIU. During the past year, the ARIAS Vera organization was responsible for smuggling 200 kilograms of cocaine and 15 kilograms of heroin from Pereira, Colombia to the United States and Europe through Venezuela and Mexico. The ARIAS Vera organization utilized couriers to transport cocaine and heroin on commercial flights from Colombia to the United States and Madrid, Spain and go-fast boats to transport the drugs from Colombia's North Coast to Venezuela. Once in Venezuela, commercial carriers and private aircraft were used to send the drugs through Caribbean transit countries and Mexico to the United States and Europe. In addition to the arrests, which included ARIAS Vera, this investigation resulted in the seizure of approximately 100 kilograms of cocaine and 15 kilograms of heroin by Colombian authorities.

***Seizure of 2 Million Pseudoephedrine Tablets in Mexico***

On June 24, 2006, the Agencia Federal de Investigaciones (Mexican Federal Police) seized two million tablets of pseudoephedrine at the Mexico City Airport. The shipment was identified and located as the result of an ongoing investigation conducted by the DEA Brussels, Belgium

and Mexico City Country Offices. The tablets were sent by a Brussels pharmaceutical manufacturer for delivery to a company in Mexico that does not have a license to import pseudoephedrine. No arrests were made. If converted, the seized pseudoephedrine could have produced 75 kilograms of methamphetamine.

***Former Member of Colombian Senate Convicted of Conspiracy to Unlawfully Import Cocaine into the United States***

On June 27, 2006, an investigation conducted by the CNP with the assistance of the DEA Cartagena, Colombia Resident Office resulted in the federal conviction of Samuel Santander LOPESIERRA, for conspiracy to unlawfully import cocaine into the United States. LOPESIERRA, a former Colombian Senator from 1993 to 1996, was arrested in October 2002 in Maicao, Colombia and was extradited in August 2003 to the United States. From 1999 to 2002, LOPESIERRA and his associates were responsible for smuggling shipments of hundreds of kilograms of cocaine from the north coast of Colombia to the United States, and for laundering the proceeds so they could be repatriated through Puerto Rico, New York, and Miami back to Colombia. LOPESIERRA, along with 12 other Colombian nationals, were indicted in September 2002, following a 2-year PTO investigation called *Operation Conquista*, which resulted in the seizure of more than 650 kilograms of cocaine and more than \$1.5 million in United States currency. With one exception, all of the defendants extradited in this case have been convicted. LOPESIERRA, who is facing a mandatory minimum sentence of ten years and fines up to \$4 million, is scheduled to be sentenced on October 27, 2006. This investigation was coordinated by the DEA SOD, and conducted by DEA offices in New York, New York; Miami, Florida; San Juan, Puerto Rico; Caracas, Venezuela; Curaçao; and the Colombian National Police.

***Former Mexican Federal Judicial Police Commandante Arrested For His Role in the Kidnapping and Murder of DEA Special Agent Enrique “Kiki” Camarena***

On June 26, 2006, the Mexican Agencia Federal de Investigaciones arrested former Mexican Federal Judicial Police (MFJP) Comandante Jorge Armando PAVON Reyes in Mexico City based on U.S. charges related to the 1985 abduction, torture, and murder of DEA Special Agent Enrique “Kiki” Camarena. On February 7, 1985, members of the Guadalajara Cartel kidnapped DEA Special Agent Camarena and tortured him at a house in Guadalajara, Mexico for one and a half days before murdering him. Special Agent Camarena was assigned to the DEA Guadalajara Resident Office and had been investigating the Cartel’s marijuana trafficking activities at the time of his kidnapping. PAVON Reyes, an MFJP Commandante in charge of the marijuana eradication program in the Guadalajara area at the time, was present in the house while Special Agent Camarena was held captive, and used his position to help Cartel leaders flee Guadalajara two days after the kidnapping. In July 1993, a grand jury in the Central District of California indicted PAVON Reyes for racketeering, kidnapping of a federal agent, and accessory to murder charges. The indictment was the result of a three-year investigation conducted by the DEA Los Angeles Division Office and the U.S. Attorney’s Office for the Central District of California.

***“Operation Cyber Chase” Internet Pharmaceutical Trafficker Convicted of Conspiracy to Import and Distribute Controlled Substances and Money Laundering in the U.S. District Court for the Eastern District of Pennsylvania***

On July 17, 2006, after a trial, Sanseev SRIVASTAN was convicted of conspiracy to import and distribute controlled substances and money laundering. SRIVASTAN oversaw the Internet distribution of pharmaceutical controlled substances for an international organization that used rogue Internet pharmacies to dispense controlled substances directly to customers without a medical evaluation by a physician. Between July 2003 and April 2005, SRIVASTAN and his co-conspirators distributed more than 2.5 million dosage units of Schedule II, III, and IV pharmaceutical controlled substances per month. In April 2005, DEA agents arrested SRIVASTAN and 19 other members of the organization following a one-year OCDETF investigation that resulted in the dismantlement of the organization, the arrest of 26 individuals, and the seizure of more than 9 million dosage units of Schedule II, III, and IV controlled substances, 231 pounds of Ketamine, and \$8.6 million in U.S. currency. This investigation was coordinated by the DEA SOD and conducted by DEA offices in Philadelphia, New York City, Rochester, New York, New Delhi, India, Vienna, Austria, Canberra, Australia, and San Jose, Costa Rica. Other agencies participating in this cooperative investigation included the FBI, ICE, the U.S. Food and Drug Administration, the U.S. Postal Inspections Service, the IRS, the Australian Federal Police, the Narcotics Control Board of India, the Costa Rican Judicial Police, Drug Control Police, and Drug Institute, and numerous U.S. state and local law enforcement agencies.

***International Khat Trafficking Organization Dismantled in an OCDETF Investigation***

On July 26, 2006, DEA agents in ten U.S. cities arrested 48 individuals, resulting in the dismantlement of the Bashi MUSE international khat trafficking organization. Between December 2004 and July 2006, the MUSE organization smuggled more than 25 tons of khat, with a street value of more than \$10 million, from Kenya and Ethiopia into the United States. Khat is a plant cultivated in the Horn of Africa. Among the active ingredients in khat are cathinone, a Schedule I controlled substance, and cathine, a Schedule IV controlled substance. The MUSE organization imported khat into the United States by utilizing couriers on commercial airlines from London and by sending packages through commercial express mail services from various countries in Western Europe. The organization transferred khat proceeds through money remitters and banks in the United States, to accounts in Dubai, United Arab Emirates, Europe, and Africa. Federal grand juries in the Southern District of New York and the District of Washington indicted 44 members of the MUSE organization on money laundering and khat importation and trafficking charges. This is the largest khat-trafficking prosecution in United States history. The indictments were the result of *Operation Somalia Express*, an 18-month OCDETF investigation supported by the DEA SOD. To date, *Operation Somalia Express* has resulted in the arrest of 52 individuals, including MUSE, and the seizure of five tons of khat, worth more than \$2 million. The DEA New York Strike Force conducted this investigation with the FBI, the New York State Police, the IRS, the Department of Homeland Security (DHS), ICE, the New York City Police Department, the U.S.

Marshals Service, Customs and Border Protection, the Nassau County Police Department, and the Hennepin County Sheriff's Department in Minnesota.

***210 Kilograms of Heroin Seized in Istanbul, Turkey***

On July 22, 2006, the Turkish National Police seized 210 kilograms of heroin in Istanbul, Turkey as the result of a joint investigation with the DEA. Five members of an Istanbul-based heroin trafficking organization, including leader Riza POLAT, were arrested while preparing the heroin for transportation to Holland. This investigation is being conducted by the DEA Istanbul, Turkey Resident Office and the Turkish National Police.

***MDMA Trafficking Organization Dismantled in an OCDETF Investigation***

On August 10, 2006, agents from the DEA Oakland, California Resident Office arrested five individuals, resulting in the dismantlement of the Johnson MAI MDMA trafficking organization. During the past two years, the MAI organization was responsible for the distribution of 50,000 MDMA tablets per month in the San Francisco Bay area. The MAI organization transported MDMA tablets from their point of manufacture in the Netherlands to San Francisco inside leather sofas, pianos, and automobile transmissions. In addition, the MAI organization used drug proceeds laundered through Hong Kong and United States bank accounts to purchase San Francisco Bay area homes. This investigation was part of Operation Sweet Tooth, a 2-year OCDETF investigation coordinated by the DEA SOD. Operation Sweet Tooth resulted in the arrest of 322 individuals, including MAI, who was charged with operating a continuing criminal enterprise and the seizure of more than 1 million MDMA tablets and \$11 million in U.S. currency. This investigation was led by DEA offices in Atlanta, Georgia; Los Angeles, San Diego, Fresno, San Jose, Sacramento, and Riverside California; Chicago, Illinois; Houston, Dallas, San Antonio, and Austin, Texas; Denver, Colorado; New Orleans, Louisiana; Seattle, Washington; Indianapolis, Indiana; Jacksonville, Tampa, Pensacola, and Orlando, Florida; Charlotte, North Carolina; Columbus, Ohio; Mobile, Alabama; Gulfport, Mississippi; Albuquerque, New Mexico; Vancouver and Ottawa, Canada; and Hanoi, Vietnam. DEA conducted this investigation with ICE, DHS, the IRS, the Royal Canadian Mounted Police, and the California Bureau of Narcotics.

***Internet Pharmaceutical Trafficking Organization Dismantled in an OCDETF Investigation***

On July 25-26, 2006, agents from the DEA, ICE, and the Brazilian Federal Police arrested eight individuals, resulting in the dismantlement of the Mauro FILETO Internet pharmaceutical drug trafficking organization. Since June 2005, the FILETO organization distributed more than 7,800 dosage units per month of Schedule II and IV pharmaceutical controlled substances to customers without medical evaluations through rogue Internet pharmacies. The websites advertised that pharmaceuticals could be shipped anywhere in the world without a prescription and gave specific instructions on how to evade law enforcement and circumvent Customs detection. Illegal proceeds for the pharmaceuticals were sent from Sao Paolo, Brazil to the United States into multiple bank accounts held by FILETO in Georgia and were then transferred into domestic companies and foreign bank accounts. In addition to the arrests, which included FILETO, this six-month OCDETF investigation resulted in the seizure of 7,000

Oxycontin tablets and \$2.3 million from six bank accounts. This investigation was coordinated by the DEA SOD, led by the Houston Division Office and conducted with the DEA Sao Paulo, Brazil Country Office, ICE and the United States Postal Service.

***Seizure of Methamphetamine Super Lab in Mexico***

On August 1, 2006, DEA-trained officers from the Jalisco, Mexico State Police seized an operational methamphetamine “Super-Lab” in Tlajomulco de Zuniga, Jalisco, Mexico. Approximately 100 kilograms of finished methamphetamine, more than 3,000 liters of various solvents and chemicals, four barrels of iodine, laboratory equipment, and a large quantity of pseudoephedrine pills were seized. The Jalisco State Police arrested four individuals who will be prosecuted in Mexico. The members of the Jalisco State Police unit who made the seizure participated in a DEA-sponsored clandestine laboratory seminar, which is part of the program designed to familiarize 1,000 Mexican state and local police officers with precursor chemicals, methods of production and manufacturing, local laws, regional trends, methods of diversion, and international chemical control. The DEA Guadalajara Resident Office coordinated with the Mexican *Agencia Federal de Investigaciones* (AFI) Clandestine Laboratory Unit and the *Subprocuraduria De Investigaciones Especializada de Delincuencia Organizada* (SIEDO) prosecutors and arranged for them to respond to the scene. The Mexican military also assisted in this operation.

***Agustin VASQUEZ Mendoza Convicted of Murdering DEA Agent***

On August 8, 2006, a jury in Maricopa County, Arizona convicted Agustin VASQUEZ Mendoza of the first-degree murder of DEA Special Agent Richard E. Fass. Special Agent Fass was murdered in Glendale, Arizona in June 1994, while working undercover during a DEA investigation of VASQUEZ Mendoza’s methamphetamine trafficking organization. VASQUEZ Mendoza was arrested in Mexico in July 2000, with the assistance of DEA. In January 2005, the GOM extradited VASQUEZ Mendoza to the United States. Three associates of VASQUEZ Mendoza were also convicted for their roles in the killing and are currently incarcerated. VASQUEZ Mendoza was sentenced to 71 years in prison for the first degree murder of SA Fass. DEA conducted this investigation with the FBI, ICE, the U.S. Marshals Service, the Maricopa County Attorney’s Office, the Maricopa County Sheriff’s Office, and the Phoenix and Glendale, Arizona Police Departments.

***Colombian Attorney General’s Office Seized \$150 Million in Drug Trafficker Assets***

From August 23 to 30, 2006, the Colombian Attorney General’s Investigative Unit executed 89 seizure warrants for properties linked directly to the drug trafficking activities of Alberto GRAJALES-Lemos. GRAJALES is associated with CPOT Carlos Alberto RENTERIA-Mantilla, who is responsible for multi-ton shipments of cocaine to the United States. Eleven individuals were arrested and \$150 million worth of properties, which include businesses, residences, farms, and parcels of land located in Bogotá, Cali, Cartagena, and San Andres, Colombia, were seized. This twelve-month investigation was

conducted by the DEA Bogotá Country Office, in conjunction with the Office of Foreign Asset Control and the DEA Jacksonville, Florida District Office.

***Two Guatemalan Officials Plead Guilty in Washington DC District Court***

On September 7, 2006, the former Chief and second in command of the Guatemalan lead drug enforcement agency, Adan CASTILLO Aguillar and Jorge AGUILLAR Garcia, respectively, pled guilty to conspiracy to manufacture, distribute and knowingly import into the United States five kilograms or more of cocaine. In November 2005, CASTILLO and AGUILLAR met with DEA cooperating sources and accepted \$25,000 as a down payment to protect a large shipment of cocaine. The two defendants were later arrested in the United States.

***DEA Provides Information About Weapons Cache in Afghanistan***

On September 3, 2006, agents from the DEA Kabul, Afghanistan Country Office received information regarding a weapons cache in the province of Nangarhar, Afghanistan. The U.S. Military subsequently raided the site and recovered seven 82mm mortars, two rocket propelled grenades and eight cases of 12.75mm heavy machinegun ammunition. The weapons cache had been moved to a secluded cave within the last week, suggesting its intended use for an impending attack. No documents were recovered and it is not yet known to whom the weapons belonged.

***United States Agents Discover a Cross-Border Tunnel***

On September 15, 2006, agents from the DEA San Diego Division Office discovered a 400-foot tunnel extending from a residence in Calexico, California to one in Mexicali, Mexico. The tunnel was discovered as a result of an investigation into a marijuana trafficking organization. As a result of this investigation, one individual was arrested and 1,000 pounds of marijuana were seized. The tunnel, which took eight months to build, was operational since July and was used to smuggle eight tons of marijuana for distribution to Los Angeles, California, North and South Carolina and New York. This ongoing DEA investigation was conducted with ICE, the United States Border Patrol and the Calexico, California Police Department.

***MDMA Trafficking Organization Dismantled in an OCDETF Investigation***

On September 17, 2006, agents from the DEA New York, Philadelphia, and Washington Division Offices arrested 19 individuals in New York, Pennsylvania, and Maryland resulting in the dismantlement of the Thuong Tri TANG MDMA trafficking organization. The TANG organization imported more than 25,000 dosage units of MDMA per month from Canada for distribution to the United States Eastern Seaboard. This 18-month OCDETF investigation resulted in 27 arrests, including TANG, and the seizure of more than 125,000 MDMA tablets, over \$100,000 in U.S. currency, and three firearms. The DEA conducted this investigation with ICE, the FBI, the City of New York Police Department, and the Royal Canadian Mounted Police.

***OCDETF Investigation Resulted in the Dismantlement of a Regional PTO***

On September 21, 2006, agents from the DEA Anchorage District Office arrested 18 individuals, resulting in the dismantlement of the Azim LIMANI cocaine trafficking organization. During the past ten years, the LIMANI organization distributed five kilograms of cocaine per month in the Anchorage area and outlying regions of Alaska. To date, this 5-year OCDETF investigation has resulted in the arrest of 27 individuals, including Regional PTO LIMANI, and the seizure of three kilograms of cocaine, \$83,681 in U.S. currency and five firearms. The DEA conducted this investigation with the FBI, the IRS, ICE and the Anchorage, Alaska Police Department.

***CPOTs Miguel and Gilberto RODRIGUEZ-OREJUELA Plead Guilty and Agree to a \$2.1 Billion Money Judgment***

On September 26, 2006, CPOTs Miguel and Gilberto RODRIGUEZ-OREJUELA pled guilty in U.S. District Court for the Southern District of Florida to conspiracy to import cocaine, and agreed to plead guilty in the Southern District of New York to conspiracy to commit money laundering. Each brother was sentenced to thirty years in prison. The brothers also agreed to the entry of a \$2.1 billion judgment of forfeiture, and the forfeiture of 287 properties. Twenty-eight family members have also agreed to these forfeitures. The RODRIGUEZ-OREJUELA brothers ran the Cali Cartel in Colombia, and since 1990 imported and distributed more than 200,000 kilograms of cocaine from Colombia to the United States. This investigation was conducted by the DEA New York and Miami Divisions, the DEA Bogotá Country Office, and the Office of Foreign Asset Control.

Guy K. Zimmerman, Assistant Inspector General for Audit

**SPECIFIC EDITORIAL COMMENTS**

The following comments are provided for clarification on individual findings:

**FINANCIAL OPERATION ENDEAVORS**

**Page 55, first paragraph under the heading “Imprest Funds”**

DEA is authorized to hold \$2,786,000 as cash outside of the U.S. Treasury; this amount matches the amount reported on the DEA Standard General Ledger. However, the OIG report continues to show that the imprest fund balance is 3.18 M. The report should reflect that DEA’s imprest fund was accurately reported at \$2,786,000. The difference of \$394,000 reflects funds advanced by the Department of State (DOS). These funds are identified in the DOS’s general ledger.

**Page 57, first paragraph under the heading “DEA Audits of Imprest Funds”**

This paragraph concludes that audits of imprest funds were occasionally conducted by persons having supervisor responsibility over the imprest fund. According to DOJ OIG records this happened on six occasions in FY 2004 and FY 2005, with the last occurrence on September 30, 2005. However, a DEA review of the audits identified that four of the six exceptions were incorrectly cited by the OIG. Specifically, DEA’s policy to prohibit an individual who is in the cashier’s chain of command from conducting an imprest fund audit became effective on December 16, 2005. Two of the audits were conducted prior to this date (November 10, 2004 and November 22, 2004) and should not be cited as exceptions. The OIG also cited an audit conducted on August 19, 2005, which was performed by the Acting RAC. However, according to an inquiry made to the Acting RAC back in October 2005, the cashier was not in this person’s chain of command. Documentation is available regarding this issue.

Another audit cited by the OIG was conducted on September 30, 2005. This is an announced audit that occurs on the last work day of each fiscal year to meet financial statement reporting requirements. While DEA acknowledges that this occasionally occurred back in FY 2004 and FY 2005, FNO began conducting comprehensive post audit reviews of all imprest fund audits in the 3<sup>rd</sup> quarter of FY 2005. Any deficiencies identified as a result of the post audit review are conveyed to the Office Head for corrective action. As a result of this increased oversight, DEA had only 18 exceptions to this policy out of 1,880 performed quarterly audits in FY 2006, which represents .009%. Corrective action for these minimal exceptions has been taken at each appropriate location.

**Page 59, first paragraph top of the page**

DEA requests that this paragraph be reorganized to present the DOJ OIG opinion first, DEA established policies and procedures second, and DEA’s established system for auditing field office imprest funds as the closing sentence to the paragraph. Presenting the DOJ OIG opinion as the closing

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sentence implies that DEA has not corrected this issue, when in fact a review of the monitoring program results shows a significant decrease in the number of imprest fund audit issues since the program was put in place in FY 2005.

**Page 58 Chart**

**Foreign Imprest Fund Transactions Tested  
Type and number of Exceptions Found**

**Insufficient Supporting Documentation**

The Bogotá Office was inspected by the DEA Office of Inspections after the DOJ OIG Audit. Additionally, as part of the independent audit of DEA’s FY 2006 financial statements, the Bogotá Office was audited by KPMG after the DOJ OIG Audit. Neither group reported any findings related to the operation of the imprest fund.

**Receipts for Advances Not Cleared Timely**

The original final draft report cited 28 exceptions in this category. That number was reduced to 21 after DEA was given the opportunity to review the supporting documentation. DEA policy requires advances to be cleared within two business days; however, the OIG auditors incorrectly equated this with a 48 hour time frame. As a result, DEA was cited for not clearing advances on weekends and holidays.

**Missing Signatures**

While DEA acknowledges that this was an issue in FY 2005, FNO contacted each cashier and reminded them of their requirement to sign the DEA 12 as witnesses. In order to ensure compliance with this policy, FNO began judgmental sampling of the DEA 12s in August 2005. Any non-compliance of this policy was reported to the cashier and office head for corrective action. These offices were again sampled to ensure that corrective action had been taken. As a result of these efforts, DEA’s external auditors found only one exception to this policy in FY 2006. The exception was cited as an isolated incident.

**Funds Issued to Improper Recipients**

DEA has addressed issuing funds to improper recipients by publishing Chief Financial Officer’s Bulletin 2006-13. A copy of the bulletin is attached.

**INTERNATIONAL TRAINING ENDEAVORS**

p. xvii (Executive Summary) and again on p. 71 – “... we found room for improvement in the DEA’s coordination of its international training with other agencies that provide similar training...”

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As the Office of Training indicated previously to OIG, DEA efforts to coordinate its international training is extensive and far beyond what most other agencies do. DEA also coordinates on a frequent and as needed basis with the Department of Defense, NATO, Europol, and foreign police services regarding International Training. In fact, other agencies frequently seek guidance from DEA regarding how to conduct cooperative training.

DEA is the only agency to provide counter-drug training on behalf of the USG to foreign countries. Nevertheless, DEA participates in six regularly scheduled meetings annually to coordinate International Training Activities with the following agencies:

- Department of State, INL
- Immigration and Customs Enforcement
- United States Secret Service
- Federal Law Enforcement Training Center (FLETC)
- Internal Revenue Service
- FINCEN
- Customs and Border Protection
- Alcohol, Tobacco, Firearms, and Explosives (ATF)
- ICITAP
- United States Department of Justice, Tax Division
- Federal Bureau of Investigation
- John Jay College of Criminal Justice
- Department of Treasury
- Office of Overseas Prosecutorial Development, Assistance, and Training (OPDAT)
- United States Marshals Service
- Diplomatic Security Service
- Narcotics Affairs Section

Additionally, in the entire OIG report, only one of the 86 foreign DEA offices (Colombia) yielded a response that the DEA Bogotá Country Office had not approached Colombia NAS regarding funding possibilities for training. This is indicative of the responsibility of one foreign office and should not account for the statement by OIG that improvement is needed by International Training.

**p. xvii (Executive Summary) and again on p.71 and p. 80 – “DEA personnel stationed in foreign offices did not receive appropriate training on certain administrative functions important to the maintenance of DEA foreign office operations, such as on imprest fund administration and on accountable property management.”**

The International Training Section is tasked with providing foreign police officials with training relative to counter-drug enforcement activities and is NOT responsible for administrative training for DEA employees. Refer to TRI Mission Statement on p. 71. The statement **“DEA personnel stationed in foreign offices did not receive appropriate training on certain administrative functions important to the maintenance of DEA foreign office operations, such as on imprest fund administration and on accountable property management”** should be placed under Chapter 5-

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Administrative Functions. This statement does not belong under the International Training Section, which specifically addresses DEA’s delivery of international counternarcotics drug training. It was agreed at the OIG review conference that this comment, while accurate, should not be included in the International Training section, but rather under Chapter 5 – Administrative Function. This would include recommendation #22 listed on page 80 of the report.

**p. 72 “Some SIU commanders in Mexico and Colombia stated that they wanted the training to include more sophisticated investigative techniques, such as pen registers and advanced wire intercepts.”**

DEA, as well as any other USG entity, is regulated in regards to the level of sophisticated training that can be provided to foreign nations by the “Arms Export Control Act,” and in many cases cannot and should not provide the training that a foreign country is requesting regarding wire intercept capabilities and technologies.

There is no reference that DEA is in compliance with these regulations in the draft report; rather it appears that there is a training shortfall that needs to be addressed because a few SIU commanders are requesting training that is beyond the scope of our authority. Additionally, the level of training provided to foreign counterparts is often determined by the amount of cooperation they afford, or do not afford to DEA, a fact that was not considered by the OIG. Annual curriculum development conferences do address and allow for the training to be adjusted and advanced routinely as much as possible in compliance with the law.

#### INTERNATIONAL OPERATIONS ENDEAVORS

**On page 88** it states that Rome opened in 1951, and was the **third** U.S. office opened historically to concentrate on counternarcotics. However, in Chapter 1: Introduction, at the bottom of Page 1, the reports states Rome was the **first** foreign office the U.S. opened in 1951. Page 88 needs to be revised to correctly reflect that Rome was, in fact, the **first** foreign office opened in 1951 by the U.S.

**Page 89** The report incorrectly includes the Ottawa and Vancouver offices under the Mexico and North America Region and Cairo under the Middle East Region area of responsibility. These offices should be removed.

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>1. Implement a standardized system for foreign offices to use in tracking and prioritizing investigative leads and assistance requests received from other DEA offices and foreign counterparts.</p>	<p><b>Concur:</b> DEA will meet with all Regional Directors (RDs) to discuss the implementation of a standardized system to track investigative leads. At this meeting, a manual non-networked system format and protocol will be developed for implementation in foreign country offices by April 2007. Strong consideration will be given to the format used by the Bogotá Country Office which was identified by OIG as a best business practice during the review.</p>	<p>April 2007</p>
<p>2. Implement performance planning instructions and guidelines for DEA Regional Directors to use in developing specific objectives and goals for the region, and develop a planning instrument for DEA Regional Directors to use in generating Country Office performance plans to complement the regional work plans.</p>	<p><b>Concur:</b> As stated on page viii of the OIG’s Audit Report, DEA has prepared a Foreign Regional Management Plan (FRMP) which will be implemented in FY 2007. According to the OIG, the review of the FRMP was found to be a sound performance planning instrument. DEA will distribute the FRMPs to all RDs by December 12, 2006. In turn, each RD will provide a copy of the FMP to every Country Office within their area of responsibility, instructing them to complete the FRMP at the Country Office level for inclusion in a consolidated regional response to DEA Headquarters. A copy of the FRMP and instruction to complete the plan will be provided to the OIG upon distribution.</p>	<p>December 2006</p>
<p>3. Annually review foreign office performance plans to assess achievement against goals and objectives, and make revisions as needed.</p>	<p><b>Concur:</b> On an annual basis the RD, Chief of the Operations Division (OC), Chief of Enforcement Operations (OE), and Chief of International Programs, (OI) will review the FRMPs to monitor office</p>	<p>April 2007</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
	performance and ensure that country office performance is contributing to the goals and objectives of DEA’s five-year Strategic Plan and the Administrator’s vision and priorities.	
4. Require DEA Regional Directors and appropriate DEA headquarters management to routinely evaluate work hour data in monitoring foreign office performance against established regional priorities and office goals.	<b>Concur:</b> On a quarterly basis, beginning the 2 <sup>nd</sup> quarter FY 2007, the Office of Operations Management will prepare and distribute to the Chiefs of OC, OE, and OI a quarterly foreign office work hour statistical report. The Chief of OI will, in turn, distribute the report to all RDs to facilitate the monitoring of foreign office performance against established regional priorities and office goals.	April 2007
5. Through the annual rightsizing reviews and formal inspection process, assess the impact that added regional responsibilities placed on foreign offices, both administratively and operationally, and develop a plan to resolve areas in need of improvement.	<b>Concur:</b> DEA will continue to utilize the annual rightsizing reviews in addition to self inspections, on-site inspections, performance reviews, management reviews, and external audits to assess the impact of regional responsibilities and address areas that may require improvement. DEA will provide the OIG with a copy of its next annual rightsizing report in April 2007.	April 2007
6. Identify performance measurements and implement a methodology to track and evaluate the activities and accomplishments of its SIU Program.	<b>Non-concur:</b> The SIU program is an enforcement strategy that combines DEA and host country counterpart investigators working together to accomplish a drug law enforcement mission. Due to the nature and success of the program over the years, various elements of the program have, in essence, crept	

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
	<p>into the majority of investigations conducted in those offices that have established SIU units. Therefore, to isolate and evaluate SIU activity in individual investigations would not be appropriate, nor would it aid local management in prioritizing the use of resources or in evaluating office accomplishments. In fact, it could lead to inter-office competition, rather than encouraging cooperation. Since DEA does not act unilaterally in any foreign country, the success of those country offices with SIU units should continue to be based on the totality of the shared investigative efforts of DEA in conjunction with host nation law enforcement counterparts.</p>	
<p>7. [SENSITIVE INFORMATION REDACTED]:</p> <p>a. [SENSITIVE INFORMATION REDACTED].</p> <p>b. [SENSITIVE INFORMATION REDACTED].</p>	<p><u>Concur:</u> A directive addressing this matter was issued on September 22, 2005, by the Chief of Operations. All country offices are to report to the Chief of International Programs by November 15, 2006, on the status of this directive.</p> <p><u>Concur:</u></p> <p>[SENSITIVE INFORMATION REDACTED]</p>	<p>April 2007</p> <p>April 2007</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>c. [SENSITIVE INFORMATION REDACTED].</p>	<p>[SENSITIVE INFORMATION REDACTED]</p> <p><u>Concur:</u></p> <p>[SENSITIVE INFORMATION REDACTED]</p>	<p>April 2007</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
8. [SENSITIVE INFORMATION REDACTED].	<p><u>Non-concur:</u></p> <p>[SENSITIVE INFORMATION REDACTED]</p>	
9. Enforce the policy for foreign offices to maintain a record of equipment issued to SIU teams, including a history of inventories conducted and the current condition and location of the equipment. These records should include equipment purchased by the DEA directly and indirectly using DEA funds funneled through another agency such as NAS.	<p><u>Concur:</u> Established DEA SIU guidelines already require foreign offices to maintain a record of equipment issued to SIU teams. To ensure compliance with this policy, the Chief of OI will draft and issue procedures that require country offices that participate in the SIU program to submit annual certifications of equipment inventories.</p>	October 2007
10. Revise SIU guidelines and controls for supplying salary supplement payments to SIU members to account for those circumstances where the SIUs are in remote operating environments and the DEA is unable to utilize electronic payments or observe cash payments to	<p><u>Concur:</u> DEA is in the process of revising current SIU guidelines that will address controls for supplying supplement payments to unit members. The revised guidelines are expected to be completed, vetted, approved, and issued by October 2007.</p>	October 2007

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Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>SIU members. This policy should include obtaining signed receipts and conducting periodic comparisons of the signatures on signed receipts to signature examples obtained from each SIU member.</p>		
<p>11. Ensure that the span of control for managing SIUs in Bolivia, Colombia, Mexico, Pakistan, and Peru is appropriate and complies with DEA guidelines.</p>	<p><u>Concur:</u> DEA’s SIU program guidelines currently address the span of control for managing SIUs; however, in certain countries, an opportunity exists to increase SIU membership and contributions to DEA’s drug law enforcement mission. In these instances, it is beneficial for DEA to have this force multiplier and additional collection and intelligence capabilities, despite the established ratios for span of control. In those countries that exceed the established ratios, the RD will request an exception from the policy until such time as DEA’s staff can be increased to meet the guidelines.</p>	<p>October 2007</p>
<p>12. Determine if all SIU members received SIU basic training. If not, ensure all current members receive the Basic Training course.</p>	<p><u>Concur:</u> The Chief of OI issued a directive requiring RDs to provide by November 15, 2006, a list of SIU members who have not received the required SIU basic training. This list will be reconciled with records at the Office of Training. Those members who have not been trained will be scheduled to attend the SIU basic course during FY 2007. Information relative to the current number of SIUs who have not been trained will be provided to the OIG.</p>	<p>April 2007</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>13. Ensure that foreign offices perform required exit briefings of departing SIU members and submit semi-annual reports to DEA headquarters.</p>	<p><b>Concur:</b> DEA’s Chief of Operations will issue a DEA teletype to all foreign offices re-emphasizing the importance of complying with DEA policy to conduct exit briefings of departing SIU members and submit semi-annual reports to DEA headquarters.</p>	<p>October 2007</p>
<p>14. Issue guidance to assist foreign office management in creating and operating non-SIU foreign vetted units, including a requirement to [SENSITIVE INFORMATION REDACTED].</p>	<p><b>Concur:</b> DEA’s Chief of Operations will issue a DEA teletype to all foreign offices providing guidance to assist foreign office management in creating and operating non-SIU foreign vetted units, including a requirement to [SENSITIVE INFORMATION REDACTED].</p>	<p>April 2007</p>
<p>15. Re-emphasize to DEA foreign managers and personnel that:</p> <ul style="list-style-type: none"> <li>a. audits of imprest funds should be performed and documented according to regulations, and</li> <li>b. it is important to maintain adequate supporting documentation, clear advances of funds in a timely manner or obtain document extensions, count flash roll monies when returned to a cashier, ensure all required signatures are obtained, and limit payments to eligible recipients of imprest funds.</li> </ul>	<p><b>Concur:</b> DEA has developed an Imprest Fund Quarterly Audit Review Program to ensure compliance with imprest fund audit instructions. The use of the review program began in Fiscal Year 2005. This program provides for a comprehensive review of imprest fund audit reporting for DEA. Audit deficiencies are reported to the appropriate office head, the individuals who conducted the audit, the cashier and the Administrative Officer (if applicable). The Office Head is responsible for taking corrective action. DEA will continue to follow-up with offices identified as having imprest fund audit deficiencies to ensure corrective action.</p> <p>DEA’s Chief Financial Officer will issue a DEA teletype</p>	<p>April 2007</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
	<p>reminding all offices having imprest funds to strictly adhere to published imprest fund audit guidance.</p> <p>DEA issued guidance to all imprest fund cashiers via email on August 31, 2005, to reinforce the importance of signing the “witnessed by” block at the bottom of the DEA 12. DEA will continue to monitor compliance of this policy. The DEA imprest fund audit program will be modified to include an additional requirement of sampling the DEA-12s to ensure the cashier is signing as witness.</p> <p>DEA has issued CFO Bulletin 05-03 Revisions to Imprest Fund Audit Documents dated August 18, 2005, which included a revised imprest fund form DEA-153 and instructions for completing the new form; and CFO Bulletin 06-13 Advancing Funds to Foreign Service Nationals dated October 23, 2006, which reinforces that DEA imprest funds can only be advanced to DEA employees.</p> <p>The CFO will also issue a reminder to all cashiers on the need to maintain all appropriate supporting documentation and to comply with all policies and procedures identified in the cash management chapter of the Financial Manual and Policy Handbook.</p>	

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>16. Re-emphasize to agents with operational advances the importance of receiving authorization from a supervisor before expending funds from these accounts and retaining documentation of this approval for their records.</p>	<p>DEA has requested the supporting documentation to support the finding that 10 out of the 14 items sampled did not have the appropriate authorization. Upon receipt of the supporting documentation, DEA will perform a detailed analysis to identify which offices were not following established policy and notify the offices to take immediate corrective action.</p> <p>DEA will issue a reminder to all operational advance holders that they must comply with established fund control policies and procedures as identified in the Financial Manual and Policy Handbook which requires advance approval and proper obligation of funds prior to incurring an expense. DEA will remind all operational advance holders that the cash is not within their procurement authority.</p>	<p>April 2007</p>
<p>17. Ensure all DEA personnel understand and adhere to proper security protocols in foreign offices by:</p> <p>a. reiterating to foreign offices the DEA and State Department policies on proper cell phone practices and the proper care of safes, and</p>	<p><b>Concur:</b> DEA’s Chief of Operations will issue a DEA teletype to all foreign offices to re-emphasize the importance of the proper procedures in complying with current Department of State, Department of Justice, and Regional Security Office security practices and protocols in foreign offices to include all phone usage, the care and use of safes, and the changing of safe and door combinations.</p>	<p>April 2007</p>

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Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>b. immediately changing safe and door combinations that have not been changed in the last 12 months and ensuring that all safe and door combinations are changed and recorded at least annually.</p>		
<p>18. Direct firearms coordinators to forward employee files for those who are no longer at post to their next post of duty or the Firearms Training Unit, and instruct foreign field offices to make current the firearms qualification files for their personnel and to provide notice to headquarters when completed.</p>	<p><u>Concur:</u> The Office of Training (TR) will issue a teletype to all foreign office firearms coordinators reinforcing the requirement to forward an employee’s firearm file to the employee’s next post of duty and also requiring foreign field offices to ensure that firearms qualification files for existing agents are current.</p>	<p>December 2006</p>
<p>19. Revise the firearms qualification policy to address the situation where a DEA agent is located in a country without an available firearms testing facility that is compliant with DEA qualification standards and who does not officially or personally travel to the United States during a foreign post tensure.</p>	<p><u>Concur:</u> TR will issue a teletype reinforcing and/or amending policies for ensuring that firearms qualification standards are maintained while in a foreign post.</p>	<p>December 2006</p>
<p>20. Determine why 30 of 122 sampled DEA Special Agents who were carrying firearms in foreign countries were not on the DEA Training Division’s centralized list of foreign DEA personnel certified to carry a weapon, and update the Training Division’s database accordingly.</p>	<p>TR will review the OIG sample data and determine what procedural or policy adjustments need to be made to ensure that this information is provided on a timely and accurate basis to the DEA Training Division.</p>	<p>60 days following receipt of the sample information from the OIG.</p>

ACTION PLAN

Audit of the Drug Enforcement Administration’s International Operations

Recommendations	Action Planned	Projected Completion Date
<p>21. Refine its FSNs firearms policy, including:</p> <ul style="list-style-type: none"> <li>a. addressing the possibility of FSNs that are unable to certify weapons proficiency because there is no available firearms testing facility compliant with DEA qualification standards, and</li> <li>b. clarifying that FSNs are prohibited from carrying personal firearms during official DEA duty and that FSNs are to be issued weapons and ammunition on a day-to-day basis unless specifically authorized by the Regional Director to carry a DEA-issued firearm on a permanent basis.</li> </ul>	<p><b><u>Concur:</u></b> DEA will update the DEA Agents Manual section (6122.72) to clarify qualification responsibilities for FSNs. The updated policy will require RDs to ensure that FSNs qualify on a semi-annual basis, in the same manner as any Special Agent.</p> <p><b><u>Non-Concur:</u></b> The newly revised DEA Agents Manual section (6122.71-3) addresses these issues and clarifies DEA “Procedures for Arming FSN Employees”. FSNs are not prohibited from carrying personal firearms as long as they follow the detailed requirements listed in the DEA manual. FSN qualifications, weapons, and ammunition are all clearly detailed in the policy.</p>	<p>October 2007</p>
<p>22. Ensure that personnel assigned collateral administrative duties receive training necessary to correctly perform these functions, particularly in the areas of imprest fund administration and accountable property management.</p>	<p><b><u>Concur:</u></b> DEA’s Chief of Operations will issue a DEA teletype to all foreign offices to ensure that personnel assigned collateral administrative duties receive the necessary training.</p>	<p>April 2007</p>

# CFO Bulletin



DRUG ENFORCEMENT ADMINISTRATION/FINANCIAL MANAGEMENT DIVISION

CFO No. 06-13

OCT 23 2008

**SUBJECT: Advancing Funds to Foreign Service Nationals**

Advancing funds to foreign service nationals (FSNs) has been the subject of repeated discussion between the Office of Finance and the foreign offices. There is no existent DEA policy allowing such advances and the Financial Management and Policy Handbook (FMPH) clearly states that cashiers should ensure that advances are made only to DEA employees (Chapter 8, Section 8a.6.1). However, in past actual practice some FSNs at foreign posts have been advanced funds directly or have been transferred funds from a DEA employee who originally withdrew the cash from an imprest fund or operational advance.

Based on recent guidance from the Office of Chief Counsel, FSNs cannot be directly advanced funds. Government funds may only be disbursed to individuals deemed responsible or accountable government employees and officers. Because in this context FSNs are not considered responsible or accountable for the funds under the applicable statutes and regulations, they cannot be held responsible for the loss of funds under 31 U.S.C. 3527.

Government employees who transfer funds to FSNs do so at their own risk. Any loss of funds, regardless of fault, which occurs while in the possession of an FSN, will be the full responsibility of the government employee who was originally advanced the funds. This applies to funds withdrawn from the imprest fund or his/her operational advance.

If you have any questions regarding this matter please contact Bradley J. Honkus, Chief, Financial Integrity Section at (202) 307-7082.

Frank M. Kalder  
 Chief Financial Officer  
 Financial Management Division

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**OFFICE OF THE INSPECTOR GENERAL  
ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO  
CLOSE THE REPORT**

In response to our audit report, the DEA concurred with the majority of our recommendations and discussed the actions it has already taken and others it will implement in response to our findings. However, the DEA also took issue with various aspects of the report and claimed it did not provide an accurate assessment of the DEA's international operations. Before addressing the DEA's response to each of the OIG recommendations and the actions necessary to close those recommendations, we provide the following comments on the DEA's response to the draft report.

The DEA contends that our audit focused primarily on "administrative" as opposed to "operational" issues. We disagree. Our report dedicates significant discussion to DEA investigative strategies and policies regarding DEA international operations, as well as DEA foreign office performance planning and measurement. Throughout our audit and at the audit close-out meeting, DEA officials stated that the primary means of evaluating overall agency performance is through an assessment of the number of significant drug trafficking organizations that the agency disrupts and dismantles. Internally, the DEA identifies these organizations as Priority Target Organizations (PTO). Our report includes data on PTO disruption and dismantlement data for DEA foreign offices, as well as an analysis of the percentage of DEA foreign personnel work hours spent on PTO investigations.

We also included a summary of DEA accomplishments related to Consolidated Priority Organization Targets (CPOT) and terrorist organizations. In addition, we report on the DEA's SIU Program, which was cited by many DEA personnel as a critical investigative tool in its international operations. Another chapter of the report discusses the operational relationships the DEA maintains abroad, and we also provide information on the DEA's efforts to provide training to its foreign partners.

However, the DEA did not collect or provide additional data to assess the results of its international operations. We analyzed and reported on the data provided to us by the DEA during the audit. Subsequently, as part of its formal response to our audit, the DEA attached a 32-page document entitled *Analysis of DEA's International Operations*, which summarizes highlights from various cases and large operations. But the information provided contains virtually no analytical elements or data to assess the DEA's performance. Generally, the DEA does not appear to have objectively

analyzed the collective impact its international activities have had on the illicit drug trade in the United States.

Moreover, we found significant problems in the management of DEA international operations. The DEA labels these issues as “administrative deficiencies.” Yet, we believe that these findings are important issues that directly affect the DEA’s international operations. For example, we found deficiencies in the DEA’s SIU Program [SENSITIVE INFORMATION REDACTED].

The DEA’s response also provides comments on a variety of specific matters. We address these comments in turn.

### **Report’s Focus and Primary Objective**

The DEA correctly stated in its response that the OIG requested to be provided with documents related to any comprehensive analyses performed of DEA’s international activities. Specifically, the OIG requested that the DEA provide: “any DEA internal, comprehensive analysis of the DEA’s international activities and the impact on the illegal drug trade in the United States.” The DEA acknowledged during our audit work that it did not have such an assessment. However, after receiving our draft report and in discussions following the audit close-out meeting DEA officials stated that they were compiling information from multiple sources to fulfill our request.

Subsequently, as part of its formal response to our audit, the DEA attached the 32-page document entitled: *Analysis of DEA’s International Operations*. As noted above, this document principally provides insight into the type and level of drug trafficking organizations the DEA is targeting, and summarizes highlights from various cases and large operations. But again, this document contains virtually no analysis or data to assess the DEA’s overall performance in its international operations.

Further, in its response to the OIG audit, which is attached to this audit report, the DEA highlights certain items from the 32-page document. However, several of the items are already noted in our report, such as PTO investigations linked to terrorist organizations, the DEA’s focus on the CPOT list, and its implementation of the International Drug Flow Prevention Strategy. Many of the remaining examples are simply listings or highlights of particular cases or descriptions of activities within specific countries, and the DEA does not connect these events with an impact on the illicit drug trade within the United States. For example, the DEA’s response to our report states that the DEA has “successfully contributed to the reduction in

drug use.” However, nowhere in its response or in its 32-page attachment does the DEA provide data to validate that assertion.

### **Annual Performance Plan**

Our audit found that the DEA operated without a performance planning instrument for DEA foreign offices for fiscal years (FY) 2004 through 2006. In June 2006, during our audit work, we were told that the DEA was circulating a draft foreign office planning instrument through its Regional Directors and DEA headquarters management and that we could obtain a copy once the document was finalized. At the audit close-out meeting, the DEA again informed us that its Foreign Region Management Plan was not yet finalized and that DEA executive management would have to approve our review of this document in draft form. Subsequent to the close-out meeting, we were provided with a copy of the plan and, as a result, we were able to comment on the draft plan in our report.

The DEA states that it informed the OIG that its Foreign Region Management Plan would be composed of individual country plans. The DEA also states in its response that information in our report related to the DEA’s performance planning is inaccurate. Both of these statements are misleading. Following issuance of the draft audit report, a senior DEA official explained to the audit team that individual, documented country office plans would not be required by DEA headquarters, as we recommend in our report. Instead, we were told that it would be obvious to Regional Directors that they should hold discussions with their various Country Attachés and they would consider these discussions when developing the official, documented plan for the region. Following lengthy discussions with the audit team on the matter, this DEA executive informed the OIG that the DEA would agree to augment the instructions for its Foreign Region Management Plan to include an instruction to its Regional Directors to have its country offices submit annual country plans for consolidation into an overall region plan. We told this DEA official that we would consider this action sufficient to resolve our recommendation to implement performance planning instructions and guidelines at both the region and country office-level, and we instructed the DEA to include these actions in the DEA’s official response to our report. Therefore, the DEA’s Corrective Action Plan states that it will require its Regional Directors to perform annual performance planning in the manner discussed above.

The DEA also contends that the OIG did not interview appropriate personnel about the agency’s performance planning instruments and that some of the information in our report about this topic is inaccurate. We believe that all information related to DEA foreign performance planning in

our report is accurate and supported. We also note that during the audit we interviewed the DEA officials who were identified as knowledgeable on the issues by other senior DEA officials. In this audit, we made it clear to DEA officials that we were reviewing the agency's performance evaluation activities, and we were directed to certain individuals, all of whom we interviewed at length about the subject. Additionally, we provided the DEA's Executive Policy and Strategic Planning Staff ample opportunity in discussions following the audit close-out meeting to present its perspective on the performance planning efforts of the DEA's foreign offices.

### **Principal Objectives for Working with Foreign Counterpart Agencies**

The DEA states in its response that the OIG identified the DEA's five principal objectives for working with foreign counterpart agencies, and the DEA response states that the report did not address its objectives on foreign institution building and the gathering and sharing of intelligence.

While the focus of our audit was not on the DEA's "institution building," our report does include elements related to DEA's intelligence sharing and institution building in foreign countries. For example, our discussion on the DEA's efforts with foreign counterparts to create and maintain working relationships, to provide opportunities for training, and to effectively operate its SIU Program addresses aspects of the DEA's intelligence sharing and institution building efforts.

### **Sensitive Investigative Units (SIUs)**

Our report contains significant discussion on the DEA's vetted unit concept and its SIU Program specifically. We reported that the DEA performed an internal assessment of its SIU Program in FY 2005 and, as a result of this review, promulgated revisions to the DEA SIU operating protocol. We also note that we included these policy changes in the criteria we used in our evaluation of the SIU Program. Although the DEA performed an internal assessment in 2005 and promulgated revisions to its SIU operating protocol, our review identified ongoing deficiencies with the management of the program and its practices that were either not corrected by the prior review or were not identified in the DEA's internal assessment.

The DEA response also states that the OIG failed to properly recognize the SIU Program as a successful and critical foreign institution building effort. We noted in our report that DEA believes vetted units are critical to its foreign activities and we identified operational highlights of its SIU Program in Colombia, Mexico, and Thailand. However, our ability to further report on the accomplishments of the SIU Program was hindered by the fact

that the DEA does not collect data of the results directly attributable to the efforts of its SIUs. As a result, we recommend in our report that the DEA “identify performance measurements and implement a methodology to track and evaluate the activities and accomplishments of its SIU Program.”

However, the DEA responded in its Corrective Action Plan that it did not concur with this recommendation. The DEA dedicates about \$18 million each year to its SIU Program, not including the DEA personnel resources it spends on SIU-related activities in foreign countries. Also, in its FY 2007 budget request, the DEA requested an additional \$11 million to expand the SIU Program to four additional countries. We believe the DEA is remiss in not collecting data to analyze the accomplishments specific to a program it considers critical to its international success and to which it dedicates substantial resources each year. We also found it troubling that the DEA touts the success of the program, and criticizes the OIG audit for not confirming these successes, when the DEA declines to collect data that would accurately measure the impact of the program.

### **Personnel Utilization Data and Investigative Work Hours**

In its response, the DEA disputes the OIG’s reporting that DEA management stated that it does not use personnel utilization data as a measure to evaluate foreign office activity. In response, the DEA comments that the DEA Chief of Operations states that many high-level managers use personnel utilization data to assess how DEA foreign office personnel spend their time on different types of investigative activity. Yet, the DEA official’s comment is contrary to what several DEA personnel told us directly. In addition, other DEA officials did not mention this type of analysis when commenting on the evaluation techniques they used to assess performance. During our audit, DEA headquarters personnel also gave conflicting accounts on the use of such data and only two of five foreign Regional Directors indicated to us that they actually used personnel utilization data to identify the focal areas of investigative activity in their region.

Additionally, the DEA notes in its Corrective Action Plan that in the second quarter of FY 2007, the agency will begin to prepare and distribute quarterly office work-hour statistical reports to appropriate DEA headquarters management and to Regional Directors “to facilitate the monitoring of foreign office performance against established regional priorities and office goals.” By stating that it will begin this process in the second quarter of FY 2007, the DEA indicates that it was not performing such reviews previous to our recommendation.

## Imprest Fund Transactions

At the audit close-out meeting we agreed to provide samples of our imprest fund findings to assist the DEA in resolving identified deficiencies. We later forwarded the sample documents to the appropriate DEA headquarters personnel, and the audit team worked extensively with DEA personnel to clarify the exceptions noted during our review. Additionally, the audit team agreed with the DEA's decision to make further inquiries of the foreign offices to resolve the deficiencies that we identified during our fieldwork.

As a result, after the audit close-out meeting we received and reviewed additional DEA documentation that had not been provided to us during our fieldwork in two foreign offices. In one of the two offices, some of the documents were apparently obtained from a secondary filing system that we were not informed of during our field testing.

However, contrary to the DEA's response, the overall finding in our report about the weaknesses in the DEA's management of imprest funds in foreign offices remains accurate and troubling. In total, we identified 165 exceptions in the 233 imprest fund transactions that we tested, and we reviewed each of these exceptions with DEA financial personnel prior to the issuance of our final report.<sup>81</sup>

The DEA also commented in its response that it wished to review documentation related to operational advance account transactions that we identified as exceptions. We explained to DEA headquarters personnel on several occasions that for the majority of these expenditures our finding related to a lack of documentation and therefore we could not provide documentation that was not available to us. We also reiterated to DEA headquarters personnel that this finding was discussed with the appropriate DEA foreign office management who agreed with our results. As a result, we were told by the Chief of the DEA's Financial Operations Section that DEA headquarters personnel did not need to view information related to our operational account findings.

However, if the DEA has reversed its position and now wishes to obtain such information, the OIG will work with the appropriate DEA headquarters personnel and provide available information to assist the DEA in resolving this issue.

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<sup>81</sup> For some transactions tested, more than one exception was noted. Additionally, the 165 exceptions do not include 2 findings related to flash rolls returned in an untimely manner.

## Summary

We believe that the OIG's report on the DEA's international operations is an objective, independent representation of the work performed, and is in accordance with the audit's stated objectives. It contains accurate and supported information. We appreciate the DEA's attention to our findings and recommendations and, where appropriate, have made changes to our report based on its comments. We look forward to working with the DEA to improve its international operations through the resolution and closure of each of the 22 recommendations in our report.

## Editorial Comments

The DEA also provided an attachment containing numerous editorial comments on the draft report. We considered these comments and, where appropriate, made minor adjustments to our report language. These adjustments related to the DEA's imprest fund activities, the specificity of the types of sophisticated training requested by foreign counterpart agencies, and the organization of DEA's foreign offices. These adjustments were technical in nature and do not affect the validity of our findings and recommendations.

## Status of Recommendations

1. **Resolved.** In its response to the draft report, the DEA concurred with our recommendation to implement a standardized system for foreign offices to use in tracking and prioritizing investigative leads and assistance requests received by these offices. The DEA stated that in an upcoming meeting with its Regional Directors it will develop a system and protocol to address this need.

As stated in our report, we determined the Milan Resident Office (not the Bogotá Country Office as erroneously noted by the DEA in its response) had the most comprehensive system for tracking and prioritizing leads and assistance requests, and we suggested the DEA review this system for possible use in the development of an agency-wide model.

To close this recommendation, please provide us with a template of the tracking system format and the associated protocol. In addition, please forward examples of the use of this tracking system covering a 3-month period from the following country offices: Mexico City, Bogotá, and Bangkok.

2. **Resolved.** The DEA concurred with our recommendation to implement performance planning instructions and guidelines for DEA Regional Directors to use in developing performance plans for its foreign regions and Country Offices. The DEA also indicated that it would require each Regional Director to provide a copy of the Foreign Region Management Plan (FRMP) to every Country Office within their area of responsibility, instructing them to complete the FRMP at the Country Office level for inclusion in a consolidated regional response to DEA headquarters.

To close this recommendation, please provide the finalized FRMP containing instructions for executing Country Office performance planning, a completed planning packet for one DEA foreign region (including the final regional plan and all associated country plans), and certification that all foreign regions complied with the planning requirements.

3. **Resolved.** The DEA concurred with our recommendation and stated that appropriate headquarters executive management and Regional Directors will annually review the FRMPs to monitor foreign office performance against DEA's goals and priorities. To close this

recommendation, please provide us with evidence of this review by DEA headquarters management and by the Regional Directors.

4. **Resolved.** The DEA concurred with our recommendation for DEA headquarters and foreign regional managers to routinely monitor work-hour data in evaluating foreign office performance against established regional and office goals. The DEA stated that beginning with the second quarter of FY 2007, DEA headquarters will generate quarterly foreign office work-hour statistical reports for review by executive management and distribute these reports to Regional Directors.

To close this recommendation, please provide us with the foreign office work-hour statistical reports for the second, third, and fourth quarters of FY 2007, as well as evidence that the reports were distributed to appropriate headquarters personnel and to the Regional Directors.

5. **Resolved.** The DEA concurred with our recommendation to incorporate in DEA internal reviews (such as its annual “rightsizing” review and routine on-site inspections) an assessment of the impact that increased regional responsibilities place on foreign offices. The DEA also indicated that it would forward to the OIG a copy of its next annual rightsizing report in April 2007.

To close this recommendation, please provide us with a copy of the upcoming rightsizing report, along with the instructions that have been added to its internal review processes to address the impact of added regional responsibilities.

6. **Unresolved.** The DEA does not concur with our recommendation to identify performance measurements and implement a methodology to track and evaluate the activities and accomplishments of its SIU Program. The DEA contends that the SIU Program is an enforcement strategy and that evaluating SIU activity would not aid DEA local management in prioritizing the use of resources or evaluating office accomplishments. We agree that the vetting of foreign personnel is a strategy, but the use of SIUs and the policies governing SIU management and activity is programmatic. Additionally, Congress has provided the DEA with significant funding specifically tied to the SIU Program. Currently, the SIU Program receives over \$18 million each year, and in its FY 2007 budget request the DEA asked Congress to increase funding by over 50 percent to expand the SIU Program to four new countries. In our opinion, the DEA needs to produce an objective assessment of the SIU Program because it receives

substantial resources and the DEA considers it critical to its work overseas.

To resolve this recommendation, please provide us with further information about how the DEA can objectively identify and evaluate the activities and accomplishments of its SIU Program.

- 7. **Resolved.** The DEA concurred with our recommendation to implement improvements in the vetting of SIU members.

a.

[SENSITIVE INFORMATION REDACTED]

b.

[SENSITIVE INFORMATION REDACTED]

C.

[SENSITIVE INFORMATION REDACTED]

8. **Resolved.**

[SENSITIVE INFORMATION REDACTED]

9. **Resolved.** The DEA concurred with our recommendation for foreign offices to maintain a record of equipment issued to SIU teams. The DEA stated that to ensure compliance with its policy, it will draft and issue procedures requiring country offices that participate in the SIU Program to submit annual certifications of equipment inventories. To close this recommendation, please provide us with the instructions issued to the field offices and evidence of the annual certifications of equipment inventories when completed.

10. **Resolved.** The DEA concurred with our recommendation and is in the process of revising its SIU guidelines and controls for supplying salary supplement payments to unit members. To close this recommendation, please provide the OIG with the revised guidelines that are expected to be issued by October 2007. We believe these guidelines should include a requirement to obtain signed receipts and conduct periodic comparisons of the signatures on signed receipts to signature examples obtained from each SIU member.
11. **Resolved.** The DEA concurred with our recommendation to ensure that the span-of-control ratios for managing SIUs in Bolivia, Colombia, Mexico, Pakistan, and Peru are in compliance with DEA guidelines. The DEA also stated that some Regional Directors may request an exception to this policy until the DEA can increase foreign staff to comply with the guidelines.

To close this recommendation, please provide us details of the SIU participants, advisors, and span of control ratios for each named country as of March 31 and September 30, 2007, as well as documentation of any requests and approvals for an exception to the stated policy. We believe that any exceptions granted to the DEA foreign offices in regards to this policy should include a justification for the reprieve and an assessment of risk associated with operating the SIU with an elevated span of control ratio.

12. **Resolved.** The DEA concurred with our recommendation to determine if all SIU members received the basic training course. The DEA indicated that it issued a directive requiring the Regional Directors to provide by November 15, 2006, a listing of SIU members who have not received basic training. This list will then be reconciled to the Office of Training's records, and any members who have not received basic training will be scheduled to attend a class during FY 2007. To close this recommendation, please provide us with a copy of the directive that was issued to the Regional Directors, evidence of the results of the reconciliation with the Office of Training's records, the listing of SIU members who have not attended basic training, and confirmation that these individuals have completed the training.
13. **Resolved.** The DEA concurred with our recommendation and said it plans to issue a teletype to all foreign offices re-emphasizing the importance of complying with DEA policy to conduct exit briefings of departing SIU members and to submit semi-annual reports of this activity to DEA headquarters. To close this recommendation, please

provide us with a copy of the issued teletype and the following two semi-annual report submissions.

14. **Resolved.** The DEA concurred with our recommendation to issue guidance to assist foreign office management in creating and operating non-SIU foreign vetted units, [SENSITIVE INFORMATION REDACTED]. To close this recommendation, please provide us with a copy of the teletype issued to all foreign offices providing the guidance discussed.
  
15. **Resolved.** The DEA concurred with this recommendation and included in its comments several additional planned actions as follows. First, the DEA said it plans to issue a teletype reminding all offices having imprest funds to strictly adhere to published imprest fund guidance. Second, the imprest fund audit program will be modified to include an additional requirement to sample the DEA-12s to ensure the cashier is signing as a witness. Third, the CFO will issue a reminder to all cashiers to maintain all appropriate supporting documentation and to comply with all policies and procedures identified in the cash management chapter of the DEA's *Financial Manual and Policy Handbook*. To close this recommendation, please provide us: (1) the reminder teletype, (2) the modified imprest fund audit program, and (3) the CFO reminder to imprest fund cashiers.
  
16. **Resolved.** The DEA did not concur with this recommendation, but said that it will issue a reminder to all operational advance holders of policies and procedures in the DEA's *Financial Manual and Policy Handbook*, which requires obtaining prior approval before incurring expenses. We believe this action satisfies the intent of our recommendation and we therefore consider this recommendation resolved. To close this recommendation, please provide us with a copy of the DEA's reminder to operational advance holders on proper fund control policies and procedures.

The DEA also commented in its response that the DEA asked the OIG to review documentation related to operational advance account transaction exceptions noted in the report. In discussions with DEA headquarters personnel, we explained that for many of these transactions there was no documentation available. We also informed DEA headquarters personnel that these exceptions were discussed with the appropriate DEA foreign office management who agreed with our findings. As a result, DEA headquarters personnel told us that they did not want to view documentation related to these transactions. However, if the DEA now wants to obtain and review such information, the OIG will provide all available transaction information to the DEA.

17. **Resolved.** The DEA concurred with our recommendation and agreed to issue a teletype to all foreign offices reiterating the DEA and State Department policies on proper cell phone practices, the care and use of safes, and the changing of safe and door combinations. To close this recommendation, please provide us: (1) a copy of the issued teletype, and (2) certification (including the applicable Regional Security Officer's signature) that safe and door lock combinations noted in the report as being overdue for a combination change have been addressed.
  
18. **Resolved.** The DEA concurred with our recommendation to direct firearms coordinators to forward an employee's firearms file to their next post of duty or the Firearms Training Unit, and to ensure that firearms qualification files for existing agents are current. The DEA stated that its Office of Training would issue a teletype reinforcing these requirements. To close this recommendation, please provide us a copy of the issued teletype.
  
19. **Resolved.** The DEA concurred with our recommendation to revise its firearms qualification policy to address situations where a DEA agent is located in a country without a compliant firearms testing facility and who does not travel to the United States during his or her tenure at a foreign post. The DEA stated that the Office of Training will issue a teletype reinforcing or amending policies for ensuring that firearms qualification standards are maintained while in the foreign post. To close this recommendation, please provide us with a copy of the teletype along with any revisions to the DEA firearms policy.
  
20. **Resolved.** The DEA does not indicate its concurrence with our recommendation for the DEA to determine why agents carrying firearms in foreign countries were not included on the DEA Training Division's centralized list of foreign DEA personnel certified to carry weapons in foreign countries. Instead, the DEA states that it will review our sample data and determine the necessary procedural or policy adjustments to ensure information is provided to the Training Division on a timely and accurate basis. We believe this plan is sufficient to resolve this recommendation and, under separate cover we will forward to the DEA Training Division the names of the sampled DEA Special Agents carrying firearms in foreign offices who were not included on the DEA Training Division's centralized list.

To close this recommendation, please provide us verification that the DEA has developed procedures to ensure that the DEA Training

Division maintains accurate and current records of DEA foreign personnel weapons proficiency certifications. Additionally, we request that the DEA please forward a complete listing of DEA personnel carrying firearms in foreign offices, including the latest dates of their firearms qualification.

21. **Unresolved.** The DEA's response indicates that the agency concurs with the first half of our recommendation, but does not concur with the remainder.
- a. The DEA agreed to clarify its policy of firearms qualification requirements pertaining to foreign service nationals (FSN), stating it will require FSNs to qualify on a semi-annual basis. To close this portion of the recommendation, please forward a copy of the revised policy once it is finalized.
  - b. The DEA does not concur with our recommendation to clarify that FSNs are prohibited from carrying personal firearms during official DEA duty and that FSNs are to be issued weapons and ammunition on a day-to-day basis unless specifically authorized by a Regional Director to carry a DEA-issued firearm on a permanent basis. The DEA stated in its response that its policy allows FSNs to carry personally owned weapons and appears to infer that FSNs can carry DEA-issued firearms on a permanent basis.

Following the audit close-out meeting, we were provided a copy of the DEA FSN firearms policy. During our review of this policy we submitted the following inquiry through official DEA channels:

*Is the policy's intent to apply to FSNs carrying personally owned firearms, as well as DEA-issued weapons?*

The DEA replied with an answer from its Training Division, which oversees the DEA's Firearms Training Unit:

*The intent of this policy is for that FSN to have a DEA weapon and ammunition temporarily issued to the FSN on a daily basis. After the day is done the weapon and ammunition is returned to DEA. Unless the RD [Regional Director] specifically authorizes the FSN to carry the weapon on a 24 hour basis the FSN has to return the weapon and ammunition. No personally owned weapons are allowed. (emphasis added)*

Comparing this response from the DEA Training Division to the DEA's response on the draft report shows obvious conflict within the DEA on the interpretation of its FSN firearms policy. To resolve this recommendation, the DEA needs to develop a consistent position on its policy on FSNs carrying personal firearms during official DEA duty and also spell out the DEA's position regarding the issuance of weapons to FSNs. In addition, the DEA needs to provide its plan for clarifying its FSN firearms policy so that it clearly addresses its intentions and to publicize its position to all employees. To resolve this portion of the recommendation, please forward us with additional comments on DEA's final position on its policy on FSNs carrying personal firearms during official DEA duty.

22. **Resolved.** The DEA concurred with our recommendation to ensure that personnel assigned collateral administrative duties receive the necessary training to correctly perform these functions. According to the DEA's comments, it will issue a teletype to all foreign offices to ensure that applicable personnel receive the necessary training. To close this recommendation, please provide us with a copy of the teletype and evidence that training was provided and will continue to be offered as necessary to foreign office personnel with assigned collateral duties.