



# Department of Justice

---

**STATEMENT FOR THE RECORD OF**

**MICHELE LEONHART  
ADMINISTRATOR  
DRUG ENFORCEMENT ADMINISTRATION**

**BEFORE THE**

**SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY  
COMMITTEE ON THE JUDICIARY  
U.S. HOUSE OF REPRESENTATIVES**

**ENTITLED**

**“OVERSIGHT OF THE DRUG ENFORCEMENT ADMINISTRATION”**

**JUNE 20, 2012**

**Statement for the Record  
Michele Leonhart  
Administrator  
Drug Enforcement Administration  
U.S. Department of Justice**

**Subcommittee on Crime, Terrorism, and Homeland Security  
Committee on the Judiciary  
U.S. House of Representatives**

**“Oversight of the Drug Enforcement Administration”**

**June 20, 2012**

Chairman Sensenbrenner, Ranking Member Scott, and Members of the Subcommittee: Good morning, and thank you for inviting me to testify regarding oversight of the Drug Enforcement Administration (DEA). I am honored to be appearing before you once again and I am proud to be doing so in my official capacity as DEA’s Administrator. As the leader of DEA, an organization of almost 10,000 employees dedicated to a vital mission, I would like to express our collective appreciation for the support that this Subcommittee has shown us over the years. Furthermore, I welcome the opportunity to continue our partnership and to share DEA’s recent accomplishments with you and the American people.

The mission of the Drug Enforcement Administration is to enforce the controlled substances laws and regulations of the United States and bring to justice those organizations and principal members of organizations, involved in the growing, manufacture, or distribution of controlled substances appearing in or destined for illicit traffic in the United States.

DEA has the largest permanent U.S. investigative law enforcement presence overseas, and since its formation in 1973, has been assigned a global drug enforcement mission that extends far beyond our Nation’s borders. Currently, DEA has 85 offices in 65 countries. Today’s drug traffickers exploit new and evolving technologies to communicate, launder ill-gotten gains, and facilitate the smuggling of drugs and weapons. The nexus between drugs and terrorism is well established, and illicit drug proceeds are the primary source for funding transnational organized crime.

I am happy to report that DEA continues to have significant success disrupting and dismantling the world’s major drug trafficking organizations and I am proud of our many recent accomplishments. Our investigations range from those that target the world’s “Most Wanted” drug traffickers and national security threats who manage sophisticated criminal organizations with operations that span the globe, to those that focus on local or regional traffickers who significantly impact the surrounding community, frequently bringing with them associated gang activity and violence. Due to the very nature of the threat, it is clear that the antidrug mission this agency carries out is an essential element to the national health and security of the U.S. and interests abroad.

DEA has achieved remarkable results on behalf of the American people, and will continue to improve on this success by concentrating our efforts on international enforcement, domestic enforcement, state and local assistance, and diversion control.

## **Domestic Enforcement**

Drug trafficking and abuse exacts a significant toll on the American public. Over 39,000 Americans died in 2009—the latest year for which data are available—as a direct result of drug abuse. In 2010, an estimated 22 million Americans were classified with substance dependence or abuse. Today, more Americans are dying from drug-induced deaths than from any other form of injury death, including traffic crashes and gunshot wounds. Apart from its impact on health and safety, our Nation’s drug problem also continues to place obstacles in the way of economic prosperity. Just last year, the Department of Justice released data that the health, workplace, and criminal justice costs of drug abuse to American society totaled \$193 billion in 2007. Contributing to this immense cost are the millions of drug offenders who are under the supervision of the criminal justice system.

Through effective enforcement efforts and associated support functions, DEA disrupts and dismantles the leadership, command and control, and financial infrastructure of priority target organizations threatening the United States. This strategic focus area contains most of DEA’s resources, including domestic enforcement groups, state and local law enforcement officer training, and other federal, state, and local task forces, intelligence groups, diversion control groups, and demand reduction efforts.

## ***Prescription Drug and Precursor Chemical Diversion***

As highlighted in the President’s *2012 National Drug Control Strategy*, the diversion and abuse of controlled prescription drugs are among the greatest concerns we face today. The latest survey data show that approximately seven million Americans currently abuse prescription drugs. In 2010 alone, 2.4 million Americans aged 12 or older used prescription drugs non-medically for the first time, which equates to nearly 6,600 new users per day. To address these troubling trends, DEA’s Diversion Control Program is tasked with preventing, detecting, and investigating the diversion of pharmaceutical controlled substances and listed chemicals from legitimate channels, while simultaneously ensuring an adequate and uninterrupted supply of these substances is available to meet legitimate medical, commercial, and scientific needs. Through its Diversion Control Program, DEA regulates more than 1.4 million registrants, a population that grows at a rate of more than two percent per year.

In 2010, DEA launched an innovative campaign to address the increased abuse and theft of controlled prescription drugs. On September 25, 2010, DEA, together with more than 3,000 government, community, public health, and law enforcement partners across the country, hosted the first ever nationwide prescription drug “Take-Back” initiative. This campaign addressed a vital public safety and health issue because medicines that languish in homes are highly susceptible to diversion, misuse, and abuse. More than 4,000 sites in all 50 states were established to collect potentially dangerous expired, unused, or unwanted prescription drugs for destruction; the service was free and anonymous.

Since the first “Take-Back” initiative, DEA has hosted three more. The most recent, held on May 3, 2012, collected a record 276 tons. Through these take-back days, we have cumulatively collected and disposed of more than 770 tons of unwanted or expired medications. Most importantly, these take-back days have alerted the public to the important issue of prescription drug abuse. DEA will be holding the next National Prescription Drug Take-Back Day on Friday, September 29, 2012.

I want to thank Congress for its role in recognizing the importance of this effort by passing the Secure and Responsible Drug Disposal Act of 2010. This law is intended to provide Americans with additional safe, environmentally sound ways to dispose of unused or expired prescription drugs. We are working on a rulemaking to implement the Act’s regulatory provisions.

Furthermore, to enhance our diversion control efforts, DEA has expanded the use of Tactical Diversion Squads (TDS), which combine Special Agents, Diversion Investigators, and state and local task force officers to focus on the law enforcement activities of the Diversion Control Program. As of June 1, 2012, DEA has 48 TDSs dispersed among the domestic divisions, with a total of 286 authorized task force officer positions. We are also increasing our focus on regulatory oversight, including the modification of chemical and regulatory work plans to increase the frequency of scheduled investigations and broaden the pool of registrants that are subject to scheduled regulatory investigations.

### ***Working with our State, Local, and Tribal Law Enforcement Counterparts***

DEA supports activities to advise, assist, train, and partner with state, local, and tribal law enforcement and local community groups to ensure a consistent national approach to drug law enforcement. DEA’s assistance to state and local communities includes the Hazardous Waste Program (Clandestine Drug Laboratory Cleanup), State and Local Law Enforcement Clandestine Laboratory Training, and Domestic Cannabis Eradication/Suppression Program (DCE/SP). By teaching and assisting state and local law enforcement officials in these areas, DEA is able to create a cohesive drug enforcement strategy, across the United States.

We work many of our biggest cases hand-in-hand with our state and local counterparts, and we share a portion of this revenue with these partners. In FY 2011 alone, the Department of Justice Equitable Sharing Program shared \$387.5 million in seized assets with state, local, and tribal law enforcement for their participation in joint investigations with DEA.

### **International Enforcement**

A 2011 report by the United Nations Office on Drugs and Crime (UNODC) affirms that the global illicit drug trade is as lucrative as it is poisonous. This global illicit drug trade generates an estimated \$200-\$400 billion a year in revenue, far more than the estimated profits from international human trafficking, arms trafficking, and diamond smuggling combined. To make a significant impact on the drug trade in the United States and internationally, DEA is tracking and targeting illicit drug proceeds back to the sources of supply before they can be used to finance the next production cycle of illegal drugs. DEA’s financial investigations are driven by

strategies designed to inflict permanent damage against Drug Trafficking Organizations (DTOs). By denying DTOs the revenue from the distribution of illegal drugs, the drug traffickers' capability to acquire or produce additional drugs and support their organizations is hampered. DEA's perspective on the money laundering threat is two-fold: first, DEA is focused on proceeds generated by the illegal drug industry; second, DEA is addressing the threat that drug proceeds represent as a means of financing international terrorist organizations.

Some argue that legalization and regulation would strip the traffickers of these enormous profits. Both common sense and history have taught that those who are displaced from the drug trade migrate into other areas of criminality. We face an ongoing effort to mitigate the damage done by criminals who put personal profit above all else. In order to calculate the true cost of this threat, we must go further and examine the impact that drug crime plays in corrupting government institutions, undermining public confidence in the rule of law, fostering violence, and fueling instability. To this end, DEA continues to strengthen partnerships with our foreign law enforcement counterparts to maximize the impact of our worldwide operations.

### *Afghanistan*

There is a clear and direct link between the illicit drug trade and insurgent groups in Afghanistan. The Taliban and other anti-government elements exploit the illicit drug trade to facilitate their financial, logistical, and political objectives and thereby jeopardize the prospect of long-term security and stability, reconstruction, and effective governance. Drug trafficking in Afghanistan has provided over 90 percent of the world's opium, has helped to fuel an insurgency characterized by death and destruction, corrupted public officials, undermined political stability, and diminished respect for the rule of law. Due to the significant role that the trafficking of opium, morphine, heroin, and hashish play in destabilizing Afghanistan, the DEA is in a unique position to assist the Government of the Islamic Republic of Afghanistan (GIRoA), the United States mission in Afghanistan, the entire region, and the international community.

DEA supports the U.S. policy goals in Afghanistan and helps carry out the U.S. Counternarcotics Strategy through close partnerships with the Departments of State and Defense. DEA's presence in Afghanistan helps to reduce the amount of illicit drugs that are trafficked from the country, primarily to Europe; and helps develop and increase the capacity of the Afghans to effectively conduct counterdrug operations. DEA continues to work bilaterally with our Afghan law enforcement counterparts to identify, investigate, and bring to justice the most significant drug traffickers in Afghanistan and the region.

### *Mexico*

Key to DEA's success and efforts along the Southwest border is our close relationship with the Government of Mexico. Without reservation, I would characterize the cooperation between United States and Mexico at an all-time high. In particular, we are grateful for the extradition partnership the United States has developed with Mexico. Extraditions are an important tool that can be used to ensure criminals are brought to justice in this country. In 2010 and 2011, Mexican authorities extradited 94 and 93 individuals, respectively, to the United States,

including several high ranking cartel members. As of June 1, 2012, 43 individuals have been extradited.

The United States and Mexico are committed to cooperative action to reduce the drug threat from which both nations suffer. Drugs are produced and consumed in Mexico and are also transited through Mexico as a result of its strategic location between South America and the United States. The Government of Mexico is confronting the entrenched, cross-border smuggling operations and the diversified, poly-drug, profit-minded DTOs within that country. The single objective of those who ply the drug trade is profit. For these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug trafficking.

### ***Central America***

Central America is a key transit route for cocaine, heroin, and methamphetamine precursors heading to Mexico and the United States, and powerful Mexican cartels battle with one another and local drug traffickers for control over the valuable smuggling corridors along the isthmus. According to 2010 UNODC information, Honduras, Guatemala, Belize, and El Salvador currently rank in the top ten countries with the highest homicide rates in the world. In both Guatemala and El Salvador, the rate of killing is now higher than during their civil wars, and Guatemala's government estimates that at least two-fifths of murders are linked to drug trafficking. The presence of Mexican cartels and DTO facilitators in the region has also undermined much of the political and judicial stability that emerged following the resolution of the region's civil wars, and is known to have increased corruption levels in already shaky criminal justice systems. Additionally, insecurity caused by gangs and cartels also has a negative economic influence. According to an April 2011 report by the World Bank, dealing with crime and violence costs Central America around eight percent of its gross domestic product.

Through DEA's Central America Regional Counternarcotics Attack Strategy we are working with each of the Central American governments to synchronize efforts with the interagency and focus counternarcotics efforts from a regional perspective. This Strategy was created with the Central America Regional Security Initiative (CARSI) and the Central American Integration System (SICA) Initiative in mind, and it puts an emphasis on fiscal responsibility through maximizing each participant's resources. These efforts have laid the groundwork for increased interagency coordination in Central America.

### ***Andean Region***

The world's three largest cocaine producing countries are Peru, Bolivia, and Colombia, all located in the Andean region, which produces the global supply of cocaine. Colombia is also a major regional producer of opium and marijuana. DTOs imported opium poppies to the region in the late 1990s, and have made the region a significant supplier of heroin to the United States. The area's temperate climate, strategic location, abundance of lightly governed territory, and close proximity to major drug consumption countries have contributed to the rise of a major illicit economy centered on the global drug trade.

Although Colombia remains the world's largest cultivator of coca, for the first time in over a decade, the U.S. government estimates that Peru has surpassed Colombia in potential pure cocaine production. Colombia has made great progress in combating the drug trade and improving security and stability throughout the country and the region. Due to aggressive, intelligence-driven investigations of international drug trafficking and money laundering and our extradition relationship with Colombia, never before has U.S. drug law enforcement been better positioned to rapidly and effectively identify, disrupt, and dismantle major DTOs around the globe.

### *Caribbean*

DEA has a unique and challenging problem set in the Caribbean with both foreign and domestic offices covering thousands of square miles with hundreds of islands that speak multiple languages. Given their geographic locations, the Caribbean Islands are extremely vulnerable to drug trafficking. Historically, significant quantities of cocaine destined for the United States transited the Caribbean. Counterdrug successes in the region, coupled with a changing dynamic between Colombian and Mexican DTOs, led traffickers to shift transit routes increasingly toward Mexico and Central America. While the vast majority of drugs destined for the United States still transit Mexico/Central America, enforcement action and rising violence in Mexico have begun to lure some traffickers back to the Caribbean. The illegal drug trade remains a menace to the public welfare and represents a serious threat to the rule of law in many Caribbean island nations.

### *Africa*

DEA investigative efforts and those of other law enforcement agencies have chronicled the significant increase in the use of Africa as a trans-shipment, storage, cultivation, and manufacturing point for narcotics destined for Europe, and, to a lesser extent, other consumer markets, including the U.S. The versatility of transnational criminal organizations is well-known, as is their penchant for finding and exploiting vulnerable regions of the world to further their illicit activities. Unfortunately, Africa is such a place, with its strategic geographic location, and, in many instances, weak governments, endemic corruption, and ill-equipped law enforcement agencies.

The cocaine, heroin, methamphetamine, precursor chemical, money laundering, and narco-terrorism threats in Africa have an impact on the United States, particularly since some of the DTOs that smuggle illicit drugs in the United States are the same as those using Africa as a base of operations for smuggling drugs into Europe and the Middle East. By expanding DEA's operational capabilities into Africa, DTOs will find it increasingly difficult to operate in Africa with continued relative impunity. While DEA is increasing its presence in Africa, a critical part of DEA's overall Africa strategy calls for broad interagency support from U.S. government partners as well as international organizations such as the European Union and the United Nations for assistance in capacity building and mentoring programs with African law enforcement counterparts. In collaboration with the interagency, DEA also is engaging foreign law enforcement agencies and governments in an effort to coordinate counternarcotics strategies

in Africa. DEA will continue to work cooperatively to leverage the resources and expertise of our interagency and international partners.

## **Information Sharing**

Intelligence sharing and cooperation between relevant agencies is the key to combating transnational organized crime. DEA leads and participates in such sharing through a variety of mechanisms. For example, DEA leads the multi-agency El Paso Intelligence Center (EPIC), a national law enforcement intelligence center, currently houses employees from 28 federal, state, local, and foreign agencies, directly supporting the efforts of the Departments of Justice and Homeland Security and the Joint Interagency Task Force-South. EPIC also has information sharing agreements with police agencies in 49 states that give state and local police access to real-time intelligence from 14 databases. Through its 24-hour Watch function, EPIC provides immediate access to participating agencies' databases to law enforcement agents, investigators, and analysts. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction and officer safety. As its customer base has grown over the years, EPIC has experienced significant increases in intelligence contributions, database queries, system users, and on-board staffing commitments from partner agencies.

Another example of DEA's commitment to information sharing is the role played by its Special Operations Division (SOD): a multi-agency operational coordination center with the mission to establish seamless law enforcement strategies and operations aimed at dismantling national and international trafficking organizations by attacking their command and control communications. SOD facilitates coordination, deconfliction, and communication among DEA divisions and over 20 participating agencies identifying overlapping investigations and helping to ensure intelligence is shared between DEA and SOD's participating agencies. SOD has coordinated several of law enforcement's largest strikes against the cartels in recent years, bringing together federal law enforcement agencies, state and local law enforcement, and our foreign law enforcement counterparts to effect massive, coordinated enforcement action against the cartels to deliver maximum impact.

SOD's Counter-Narcoterrorism Operations Center (CNTOC) is the central hub for addressing the increase in narco-terrorism related issues and investigations. The CNTOC also supports SOD's two field enforcement groups on all terrorist-related investigations. The groups have demonstrated unparalleled success in targeting and prosecuting the highest level narco-terrorism targets in the world. These successes have led to the disruption and dismantling of major international narco-terrorism organizations and national security targets.

Furthermore, DEA participates in the OCDETF Fusion Center (OFC), an operational intelligence center that provides federal law enforcement agencies with a complete intelligence picture of targeted DTOs and their financial infrastructure. This intelligence picture includes any links between the targets DTOs and other transnational organized crime groups, including those criminal organizations that are not primarily focused upon drug trafficking. The OFC accomplishes this through enhanced technical capabilities and analysis, working in support of the OCDETF Program and the *Strategy to Combat Transnational Organized Crime*.

## **Summary**

I am extremely proud of our close, cooperative relationships with our foreign counterparts, as well as our Federal, State and Local law enforcement counterparts. We understand the importance of establishing relationships of trust with these partners in order to accomplish our mission, and it is through these collaborative relationships that we have been able to disrupt and dismantle the organizations that profit from the global drug trade and that use those profits to fuel terrorist activity.

The challenges are serious, but as the world's premier drug enforcement organization, we approach them with confidence and with an unwavering commitment to keeping our Nation safe from the harmful effects of dangerous drugs. With your support and the backing of the American people I know we cannot fail.

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the activities of the DEA. I would be pleased to answer any questions you may have.