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EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION
WASHINGTON, D. C. 20506

January 16, 1970

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: Overseas Organization of the Federal Government to Deal
with Traffic in Narcotics

Your office has asked the Council to deal with the difference of opinion between the Treasury and Justice Departments as to the responsibility for dealing with international traffic in narcotics. We have considered this question with the knowledge that legislation and executive actions over the years have added investigative and other functions which are changing the concept of the Justice Department as the attorney for the federal establishment.

We have reservations about a concentration of investigative power in the Department of Justice and our considerations on the issue treated in this memorandum should not be construed as an endorsement of such concentration. We are examining the longer range implications of keeping the Bureau of Narcotics and Dangerous Drugs in the Justice Department. Since the present situation demands immediate action, however, we recommend that the proposals made in this paper be adopted forthwith.

Treasury's Customs Bureau and Justice's Bureau of Narcotics and Dangerous Drugs (BNDD) both have an interest in international traffic in narcotics--Customs because among its functions is the prevention of smuggling, and BNDD because it is charged with enforcing laws against production, transportation, sale, and use of narcotics. The interest of Customs is represented by 14 overseas agents, that of BNDD by 30. Their disagreement ultimately involves more than these 44 men as each bureau plans to increase its foreign activities.

The missions of Narcotics' overseas personnel are:

- a. to work with officials of foreign governments to eliminate the growth, processing, and shipment of harmful narcotics from their countries to the United States; and
- b. to assist the 1,200 personnel of BNDD by supplying timely intelligence on narcotics traffic.

The missions of Customs' overseas personnel are:

- a. to collect information on the value of merchandise shipped to the United States;
- b. to represent American Customs interests to foreign governments; and
- c. to assist the 3,500 Customs border guards interdict smugglers by supplying timely intelligence.

In 1962 the Assistant Secretary of Treasury for Law Enforcement, James A. Reed, relieved Customs of that part of the job of collecting overseas intelligence on traffic in narcotics that it had been performing and assigned this function to the Bureau of Narcotics, then also a part of the Treasury Department. In June of 1969, the Assistant Secretary of the Treasury for Law Enforcement, Eugene Rossides, instructed Customs overseas agents to begin supplying their bureau with intelligence on traffic in narcotics. BNDD, now part of the Justice Department as the result of Reorganization Act Number 1 of 1968, objected to the Rossides instruction. The Department of State has delayed transmission of the instruction to Customs overseas agents pending clarification of the overseas role of each bureau.

We asked the Justice and Treasury Departments to give us their views on the proper organization of the federal narcotics effort overseas. Each submitted a memorandum and in mid-December Deputy Attorney General Richard Kleindienst and Assistant Treasury Secretary Eugene Rossides, each with several aides, met jointly with us to discuss the problem.

To provide additional background, our staff interviewed more than forty persons in Washington, New York, Miami, Chicago, New Orleans, Dallas, Paris, Marseilles, Rome, Istanbul, and Ankara, including the Commissioner and ranking officials of the Bureau of Customs; the Director and ranking officials of BNDD; foreign and domestic agents of each bureau; officials of State, CIA, Secret Service, and Immigration and Naturalization; United States Attorneys, and others.

Customs believes its 3,500 border personnel could be more effective guardians against narcotics smuggling if they were supplied with information secured by overseas Customs agents either from foreign police officials or as a result of their own investigations. The Bureau believes its access to ports, travel offices, importing and exporting firms, and the contacts it has in these places can be of use in combating narcotics traffic. It also believes that the art of smuggling can as easily have as its object the illegal movement of heroin as of diamonds or watch parts and that the expertise and contacts acquired in the course of policing one can be employed to good effect against traffic in the other.

In addition, Customs argues that BNDD has not made effective use of its capabilities against narcotics traffic, as BNDD has failed to supply Customs with needed intelligence. Therefore, Customs seeks to authorize its overseas agents to secure information on narcotics smuggling from foreign police officials and from other sources. Customs also believes that if two agencies operate in the overseas narcotics area the agents of one will observe those of the other, thus reducing the risk of corruption.

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BNDD opposes Customs' request for overseas narcotics agents arguing that if two agents deal with foreign governments on narcotics questions neither will be as effective as one can be. This is so, BNDD believes, because there will be breakdowns in communication between the two agencies and the United States will relate to foreign authorities in an uncoordinated fashion. As a result foreign governments will do less than they otherwise might to assist us in combating traffic in narcotics. BNDD also argues that if Customs is authorized to collect intelligence on narcotics smuggling, it will use the information to make smuggling cases even though it might be put to a better use. Because it has overall narcotics law enforcement responsibility, BNDD feels that it can best decide when to give information to Customs personnel at the border so they can make a seizure and when to withhold that information in the interest of a broader objective, e.g., disrupting an underworld organization. Therefore, BNDD believes its effectiveness will be reduced if two agencies operate in the overseas narcotics area, and argues that agents are kept sound by effective supervision rather than by competition from another agency.

Based on a thorough review of the overseas activities of each agency we conclude:

1. One goal of the United States Government is greatly to reduce drug abuse in this country. This goal may in part be achieved by reducing the illicit flow of drugs into the United States.
2. Reducing the illicit flow of drugs is often better achieved by attacking a total narcotics supply network than by interdicting particular narcotics shipments.
3. To control this flow much depends on information received from overseas operations. Both Customs and BNDD have a sizeable network of overseas informants and other sources of intelligence.
4. Though each is able to work in harmony with other agencies such as the CIA, Defense, and the like, Customs and BNDD have generally failed to work together. We attribute this failure primarily to confusion as to their respective roles in reducing drug abuse in this country. This has led to severe inter-personal conflict which has not been contained for years by agency leadership.
5. The federal effort against narcotics traffic within and to the United States should be closely related because the traffic results from interconnected efforts of underworld entrepreneurs and their agents.

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6. The drug abuse system is not static. New growing areas spring up, heroin laboratories move, technology develops new drugs, narcotics are supplied by shifting networks and consumed by different groups in the population. Therefore, we must constantly update our information on traffic in narcotics and, as necessary, reexamine and modify our strategy for dealing with it. These actions require a thoroughly integrated organizational effort.
7. The federal effort against narcotics traffic is one aspect of a broader federal effort that must be related to the goal of greatly reducing drug abuse and related crime.

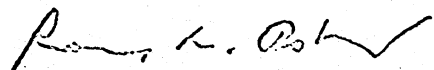
These conclusions lead us to recommend that:

1. Representatives of BNDD should continue to be accredited to represent the United States Government in dealing with foreign law enforcement officials on narcotics questions. Customs should not represent the United States in this area, except when authorized by BNDD.
2. BNDD should be designated the agency to control the narcotics area. Customs should support BNDD's efforts to reduce and eliminate the flow of narcotics into the United States and its intelligence network should be used to assist in the overall effort.
3. Consistent with the recommendations made in this paper, the Attorney General should be designated to pass on disagreements that cannot be resolved by the bureaus concerned.

It is unfortunate, Mr. President, that this matter has gone unresolved for so many years. Neither the arrangement we propose nor any other approach will solve the problem at hand without the will to make it work, and a genuinely cooperative spirit on the part of all concerned.

On behalf of the Council,

Respectfully submitted,



Roy L. Ash
Chairman

President's Advisory Council
on Executive Organization

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