

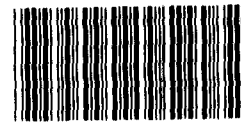
GAO

United States General Accounting Office
Report to Congressional Requesters

September 1991

DRUG CONTROL

Impact of DOD's
Detection and
Monitoring on Cocaine
Flow



144905

RELEASED

RESTRICTED—Not to be released outside the
General Accounting Office unless specifically
approved by the Office of Congressional
Relations.



United States
General Accounting Office
Washington, D.C. 20548

**National Security and
International Affairs Division**

B-242554

September 19, 1991

Congressional Requesters

This report responds to a request from the Chairman, House Committee on Government Operations and the requirements of section 1007 of the fiscal year 1991 National Defense Authorization Act. It addresses (1) how the Department of Defense (DOD) implemented its mission as the lead agency for detecting and monitoring air and maritime drug traffic and (2) the contribution DOD's mission makes to the national goal of reducing drug supplies entering the United States. The addressees are listed at the end of this letter.

We plan no further distribution of this report until 30 days from its issue date, unless you publicly announce its contents earlier. At that time, we will send copies to the Secretary of Defense; the Director, Office of National Drug Control Policy; and other interested parties upon request.

This report was prepared under the direction of Louis J. Rodrigues, Director, Command, Control, Communications, and Intelligence Issues, who may be contacted at (202) 275-4841 if you or your staff have any questions concerning the report. Other major contributors are listed in appendix I.

A handwritten signature in cursive script that reads "Frank C. Conahan".

Frank C. Conahan
Assistant Comptroller General

List of Requesters

The Honorable John Conyers, Jr.
Chairman, Committee on
Government Operations
House of Representatives

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Alfonse M. D'Amato
Co-Chairman, Senate Caucus on
International Narcotics Control
United States Senate

The Honorable Les Aspin
Chairman, Committee on Armed Services
House of Representatives

The Honorable John P. Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
House of Representatives

The Honorable Charles B. Rangel
Chairman, Select Committee on
Narcotics Abuse and Control
House of Representatives

Executive Summary

Purpose

Amid growing concern over the national security threat posed by illegal drugs, the Congress enacted legislation for fiscal year 1989 designating the Department of Defense (DOD) as the lead agency for detecting and monitoring air and maritime shipments of illegal drugs in transit to the United States.

GAO reviewed DOD's implementation of the new mission at the request of the Chairman, House Committee on Government Operations, and in response to requirements of the fiscal year 1991 National Defense Authorization Act. The review focused on DOD's (1) performance in expanding and integrating national detection and monitoring capabilities and (2) contribution to the national goal of reducing the supply of drugs entering the United States.

Background

The National Drug Control Strategy calls for fighting the war against illegal drugs on many fronts. DOD's detection and monitoring mission is part of the supply reduction effort to interdict drug shipments between source countries and the U.S. borders. Cocaine produced in Colombia, Bolivia, and Peru is the main drug threat to U.S. security, according to the strategy, and therefore has been the focus of DOD's efforts. Other supply reduction initiatives include domestic law enforcement and assistance to source countries to disrupt and dismantle operations where coca leaf is grown and cocaine is produced.

Efforts to reduce drug supplies account for \$8.1 billion, or about 70 percent, of the \$11.7 billion federal agencies have requested for combating drugs in fiscal year 1992. Interdiction accounts for \$2.1 billion of the projected supply reduction expenditures, with DOD's detection and monitoring comprising \$892.6 million of that amount. The remaining 30 percent of the total projected 1992 budget is for efforts to reduce consumer demand for drugs in the United States.

DOD had been involved in efforts to reduce cocaine and other drug supplies before fiscal year 1989, primarily by supporting civilian law enforcement agencies' interdiction efforts. However, the fiscal year 1989 National Defense Authorization Act gave DOD leadership of all federal efforts to detect and monitor drugs smuggled by air and sea. The congressional action followed reports of rivalries, fragmentation, and duplication among the civilian interdiction agencies.

DOD's mission is generally restricted to the detection and monitoring phases of interdiction. Two civilian law enforcement agencies, the

U.S. Customs Service and the U.S. Coast Guard, share the overall leadership for air and maritime interdiction. Those agencies participate in detection and monitoring but also conduct the other interdiction phases—interception and apprehensions—that may lead to drug seizures.

Results in Brief

DOD has given detection and monitoring a high priority, adopting a cooperative, pragmatic approach to implementing the mission. Although this approach has allowed DOD to expand national surveillance of drug traffic through its significant commitment of aircraft, radars, and other resources, it has not produced fully integrated detection and monitoring operations.

Moreover, DOD's detection and monitoring efforts have not had a significant impact on the national goal of reducing drug supplies. The estimated cocaine flow into the United States did not decrease in 1989 and 1990. The failure to measurably reduce cocaine supplies is the combined result of (1) the enormous profits that make interdiction losses inconsequential to drug traffickers and (2) the inability of current technology to efficiently find cocaine hidden in containers, large vessels, vehicles, and other conveyances.

Many smugglers will continue to transport cocaine into the United States with impunity, unless (1) better search technology is developed and (2) the profit margin in cocaine trafficking is reduced. Interdiction alone cannot raise cocaine traffickers' costs and risks enough to make a difference, regardless of how well DOD carries out its detection and monitoring mission.

Principal Findings

DOD Has Significantly Expanded but Not Fully Integrated Detection and Monitoring

The addition of DOD's resources has significantly expanded the United States' national capabilities for detecting and monitoring cocaine traffic. Before 1989, the limited surveillance assets of civilian law enforcement agencies allowed only intermittent and sporadic coverage of key transit areas in the Caribbean and the eastern Pacific. DOD's resources have contributed to drug seizures by expanding the coverage and allowing suspects to be detected close to South America, monitored continuously, and handed off to law enforcement agencies near expected arrival zones.

According to DOD officials, their detection and monitoring efforts have led to notable successes against individual shipments. In some situations, their efforts have also been an effective deterrent, forcing suspect traffickers to abort their missions before deliveries could be completed.

DOD has been less successful, however, at integrating its detection and monitoring operations —especially air operations—with those of the civilian agencies. The fiscal year 1989 authorization act did not define DOD's "lead agency" role for detection and monitoring and conveyed no clear authority to allow DOD to control the resources or direct the operations of civilian agencies.

DOD has concluded that it has only "the authority to require consultation" and, therefore, can integrate detection and monitoring operations only with the voluntary cooperation of the other agencies. Although there has been progress at integrating operations, differing military and civilian operating methods have constrained joint planning, causing DOD and the civilian agencies to sometimes plan around each other's operations. At the time of GAO's visit, in March 1991, DOD officials, in the heavily trafficked Caribbean region, had largely settled for separate military and civilian planning, coordinated only to the extent necessary to avoid conflicting operations. In July 1991, however, DOD officials at the headquarters level reported progress during the previous few months in achieving better integrated operations. The main change cited for the reported improvement was a new interagency planning process that incorporates, for the first time, agreement on the cocaine threat.

DOD's Contribution to Supply Reduction Goals Has Been Negligible

The National Drug Control Strategy has established increasingly optimistic supply reduction goals since DOD assumed its detection and monitoring role in 1989. According to Defense Intelligence Agency officials, however, the intelligence community estimated that the cocaine flow into the United States did not decrease in 1989 or 1990.

Interdiction and other supply reduction efforts are intended to raise the operating costs of drug trafficking, thereby reducing profits. However, the enormous profits in cocaine trafficking makes interdiction losses relatively inconsequential, especially in light of evidence that smuggling costs are relatively low, and most of the price growth occurs after cocaine enters the country.

Traffickers consistently defeat interdiction efforts through two known smuggling methods. They fly cocaine into Mexico—the primary transshipment point for cocaine entering the United States, according to the National Drug Control Strategy—and then transport it by various means across the U.S.-Mexican land border. Traffickers also transport cocaine in shipping containers and in the numerous hiding places aboard large vessels. Without improved search technology at U.S. ports and border crossings, traffickers can continue to ship cocaine via these methods with impunity, regardless of how well DOD detects and monitors suspect vessels and aircraft.

Matters for Congressional Consideration

Changing DOD's authority to control the assets and direct the operations of civilian law enforcement agencies for detection and monitoring is unlikely to significantly reduce the flow of cocaine entering the country. Therefore, if the Congress plans to increase funding for supply reduction initiatives, it may wish to consider other alternatives discussed in the National Drug Control Strategy, such as research and development for technology to aid law enforcement agencies in finding concealed cocaine.

Agency Comments

As requested, GAO did not obtain written agency comments on this report. It did discuss the report with officials at DOD and the Office of National Drug Control Policy and incorporated their comments where appropriate.

Contents

Executive Summary		4
Chapter 1		10
Introduction	Cocaine Is the Primary Threat	10
	National Strategy Mandates Drug War on Several Fronts	11
	Roles of DOD and Law Enforcement Agencies Overlap	15
	DOD's Mission Emphasizes Expanded Surveillance and Integrated Operations	15
	Objective, Scope, and Methodology	16
Chapter 2		19
DOD Has Significantly Increased National Detection and Monitoring Capability	Drug Mission Given High Priority	19
	DOD Resources Have Increased Surveillance Capabilities	19
	Some Progress but Integration Goal Remains Unfulfilled	20
	Conclusions	22
Chapter 3		24
DOD's Impact on Supply Reduction Goals Has Been Negligible	DOD's Contribution Must Be Assessed Against Realistic Goals	24
	Drug Flow Undiminished	25
	Drug Profits Make Interdiction Success Doubtful	26
	Smuggling Methods Elude Interdiction	28
	National Strategy Focuses on Dismantling Drug Organizations	29
	Conclusions	29
	Matters for Congressional Consideration	30
Appendix	Appendix I: Major Contributors to This Report	32
Table	Table 2.1: DOD's Aircraft Flying Hours and Ship Steaming Days Committed to Counternarcotics	20
Figures	Figure 1.1: Primary Cocaine Smuggling Routes	11
	Figure 1.2: Fiscal Year 1992 Budget Request for the War on Drugs	13
	Figure 1.3: Air and Maritime Interdiction Phases	14
	Figure 3.1: Price Growth of Cocaine	27

Contents

Abbreviations

DIA Defense Intelligence Agency
DOD Department of Defense
GAO General Accounting Office

Introduction

The nation's concern over the menace of illegal drugs mounted throughout the 1980s. As the situation worsened, the President declared drug use and trafficking a threat to the security of the United States. In response to this threat, the Congress enacted legislation giving the Department of Defense (DOD) increased responsibilities in the war on drugs.

The National Defense Authorization Act for Fiscal Year 1989 (P.L. 100-456) designated DOD as "the single lead agency" of the federal government for detecting and monitoring air and maritime shipments of illegal drugs in transit to the United States. It also required DOD to establish a communications network and authorized increasing its support to state governments. However, it was the new detection and monitoring role that made DOD a major participant in the drug war. Funding for DOD's counternarcotics activities began at \$300 million in fiscal year 1989 and grew to \$1.08 billion in 1991; the proposed 1992 budget is \$1.16 billion.

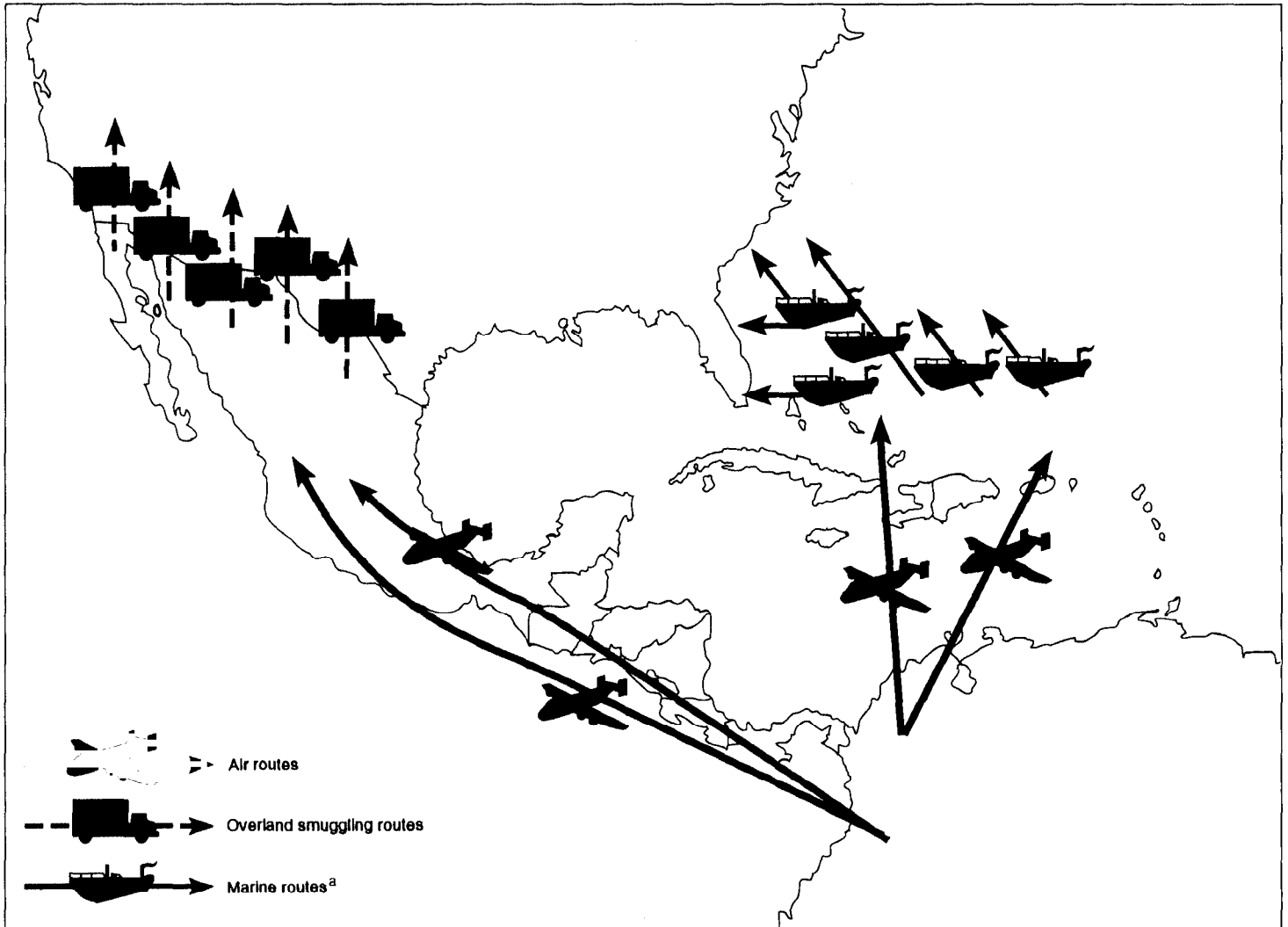
DOD had previously provided equipment, training, and other support to civilian law enforcement agencies, but the fiscal year 1989 legislation altered both the level and nature of DOD's role in the war on drugs. In carrying out its lead agency mandate, DOD was expected not only to expand its detection and monitoring efforts but also to coordinate the detection and monitoring efforts of civilian agencies.

Cocaine Is the Primary Threat

The war on illegal drugs encompasses a variety of substances and sources, from heroin produced in the Far East to marijuana grown domestically. The National Drug Control Strategy has identified cocaine as the foreign drug posing the greatest threat to the United States, and Colombia, Bolivia, and Peru as the principal cocaine producing countries.

As shown in figure 1.1, the main routes that South American traffickers use in transporting cocaine to the United States are (1) through the Caribbean, where favored tactics include airdrops to high-speed boats that take the drugs ashore and (2) air routes into Mexico and then across the U.S. land border in vehicles and other conveyances. The 1991 National Drug Control Strategy reported that Mexico is the primary transit point for cocaine entering the United States.

Figure 1.1: Primary Cocaine Smuggling Routes



^aFlights into the Caribbean often culminate in air drops to marine vessels. The vessels then make deliveries into the United States or Caribbean island nations.

Source: Department of Defense and Drug Enforcement Administration.

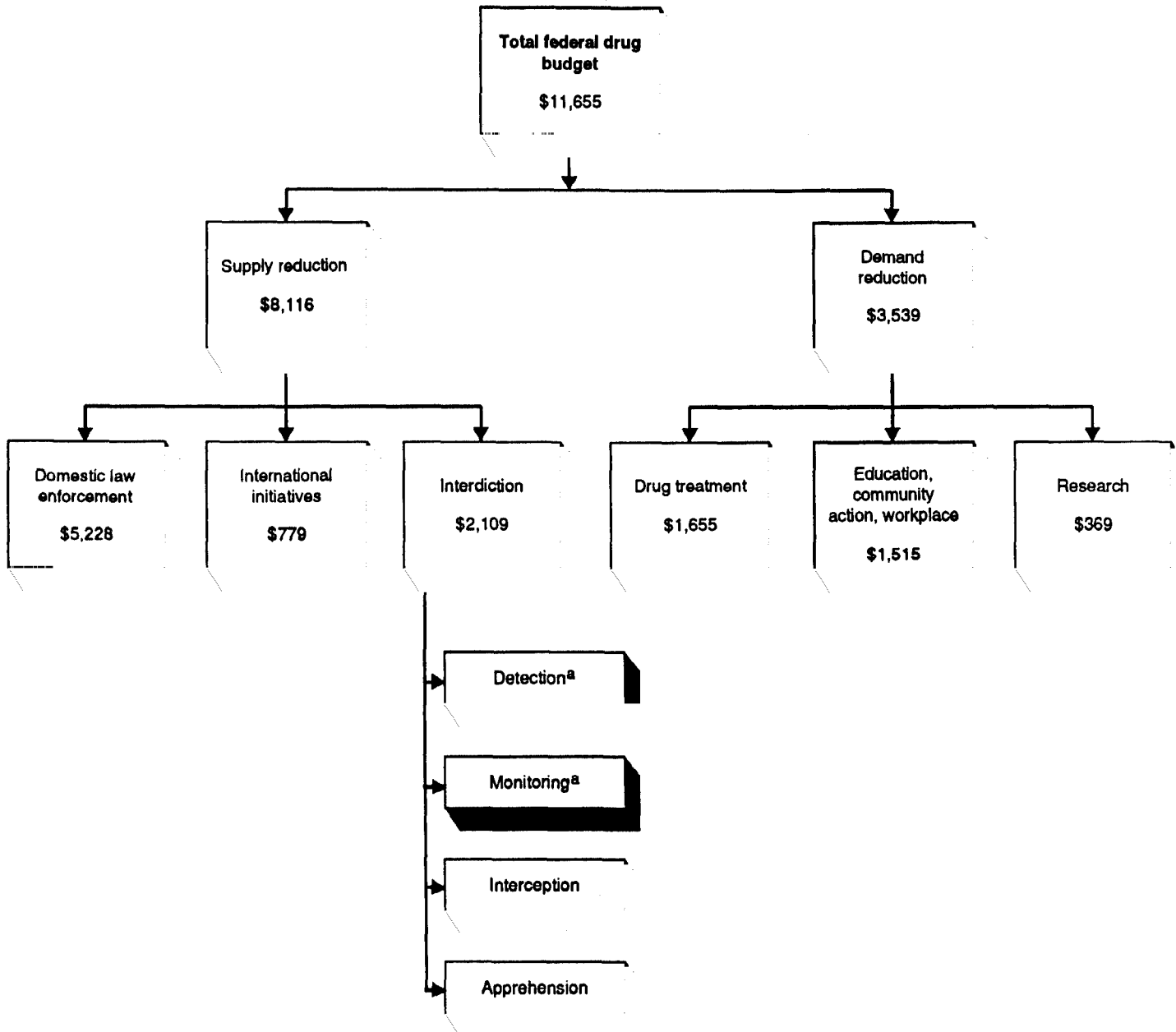
National Strategy Mandates Drug War on Several Fronts

The national strategy calls for fighting the drug war through a combination of efforts. These efforts are usually categorized as either supply reduction or demand reduction. Supply reduction is comprised of domestic law enforcement, interdiction of shipments in transit, and international initiatives aimed at disrupting and dismantling operations

in source countries. Demand reduction includes initiatives in drug education, testing, and treatment.

Federal agencies have proposed an \$11.7 billion budget to combat illegal drugs in fiscal year 1992. Supply reduction efforts account for about \$8.1 billion, or about 70 percent, of the proposed budget. The other 30 percent is for efforts to reduce consumer demand for drugs in the United States. About 26 percent (\$2.1 billion) of the supply reduction amount is designated for interdiction. (See fig. 1.2.)

Figure 1.2: Fiscal Year 1992 Budget Request for the War on Drugs

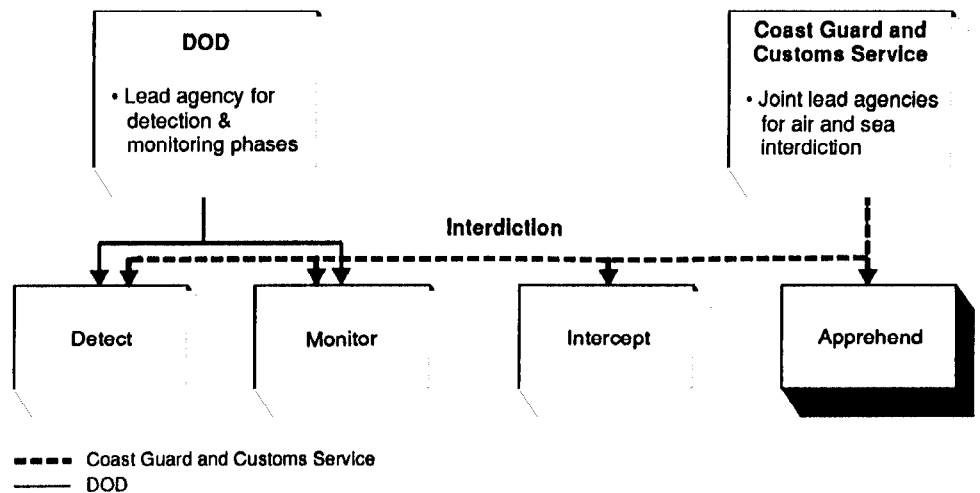


^aDOD's fiscal year 1992 budget request for all counternarcotics activities (including demand reduction) is \$1.16 billion; \$902.3 million (78 percent) is designated for detection and monitoring (\$892.6 million) and related command, control, communications, and intelligence integration (\$9.7 million).

Source: National Drug Control Strategy.

DOD's detection and monitoring mission is a part of supply reduction initiatives aimed at interdicting drug shipments between source countries and U.S. borders. As shown in figure 1.3, the interdiction process encompasses several phases. The number of phases may vary during actual operations but, typically, suspect aircraft or vessels are first detected by radar, possibly in conjunction with information obtained from informants or other intelligence sources. The suspects are then monitored in transit until they can be intercepted, identified, and their activities observed. The successful interdiction will then culminate, ideally, with the arrest of the smugglers and seizure of their drugs and aircraft or vessel.

Figure 1.3: Air and Maritime Interdiction Phases



Source: Department of Defense.

Specifically, DOD detection and monitoring activities include, among other things,

- using E-3 airborne warning and control aircraft to gather radar data on drug trafficking routes;
- creating a joint DOD and Coast Guard task force group in the Caribbean to detect smugglers departing source countries and monitor them in transit to the United States; and
- using land-based aerostats—large tethered balloons outfitted with radar beacons—to detect low-flying drug trafficking aircraft.

Roles of DOD and Law Enforcement Agencies Overlap

DOD and the two civilian law enforcement agencies have overlapping leadership and support roles in the interdiction process. The National Drug Control Strategy has designated the U.S. Customs Service and U.S. Coast Guard as the lead agencies for air and maritime interdiction. Those two agencies participate in all interdiction phases, including detection and monitoring, as shown in figure 1.3. DOD serves as the lead agency for detection and monitoring but does so in support of the Customs Service's and Coast Guard's overall interdiction leadership.

The Customs Service and the Coast Guard had been responsible for detection and monitoring, as well as the other interdiction phases, before DOD was given its lead agency mandate. However, congressional hearings and reports revealed that interdiction efforts had been restricted by continuing interagency rivalries, fragmentation, and duplication.

The fiscal year 1989 authorization act restricted DOD's lead agency role to the detection and monitoring phases, effectively leaving the overall air and maritime interdiction leadership with the Customs Service and the Coast Guard. The Posse Comitatus Act (18 U.S.C. 1385) of 1878, as amended, precludes federal troops from enforcing civilian laws but does not preclude military assistance to civilian law enforcement. The fiscal year 1990 National Defense Authorization Act reaffirmed the mission designated for DOD the year before but also allowed DOD limited participation in the interception phase. The 1990 legislation stipulated that, consistent with its lead agency role for detection and monitoring, DOD could operate equipment to intercept vessels or aircraft detected outside the land area of the United States for the following purposes:

- to identify and communicate with the vessels or aircraft and
- direct the vessels or aircraft to proceed to locations designated by appropriate civilian officials.

However, the 1990 legislation continued the restriction on military personnel participating in law enforcement activities, such as search and seizure.

DOD's Mission Emphasizes Expanded Surveillance and Integrated Operations

Although the 1989 legislation assigned DOD responsibility for detection and monitoring, it did not clearly reveal the intent of the Congress. However, the conference report indicated that the Congress expected DOD to achieve at least two objectives. The first was an expansion of surveillance efforts. DOD was considered particularly well suited for the task because of the agency's vast detection and monitoring resources, such as

airborne and seaborne radar. The second objective was to coordinate the government's fragmented detection and monitoring capabilities. The rationale was that having a single agency in charge would lead to better coordination of detection and monitoring efforts.

DOD began implementing the congressional mandate by giving the mission a high priority and directing its commanders "to focus initially on fully integrating military detection and monitoring efforts with those of the [law enforcement agencies]." DOD further clarified its interpretation of the coordination objective in a 1989 memorandum of understanding with the Customs Service and the Coast Guard. In that document, the two civilian agencies agreed that although they would "provide detection and monitoring assets...[and] play a major role in determining...requirements," DOD has "the responsibility...to coordinate and integrate the multiagency effort."

Objective, Scope, and Methodology

On June 12, 1991, we issued the first in a series of reports to the House Committee on Government Operations on DOD's implementation of its new counternarcotics mission.¹ That report provided an overview of DOD's organization, intelligence and communications networks, and budgeting and funding. Based on the audit work that led to that report, the Chairman of the Committee requested that we perform detailed reviews of each of the above areas.

Subsequently, section 1007 of the fiscal year 1991 authorization act directed us to review defense spending for counternarcotics activities and report to the congressional defense committees, the Senate Caucus on International Narcotics Control, and the House Select Committee on Narcotics Abuse and Control. Because the legislative requirement closely paralleled the Chairman's request, this report and each of the follow-on reports are being addressed to the Chairman, the Caucus, and the cognizant select and defense committees.

This report addresses DOD's performance in implementing the lead agency mandate to detect and monitor drug smugglers and assesses how well DOD is integrating its efforts with the civilian agencies. It also addresses a particular interest of the Chairman, House Committee on Government Operations, regarding the contribution that DOD's performance makes to the overall goal of reduced drug supplies.

¹Drug Control: Status Report on DOD Support to Counternarcotics Activities (GAO/NSIAD-91-117, June 12, 1991).

We gathered data from the Office of National Drug Control Policy; the Drug Enforcement Administration; the Office of the Secretary of Defense (the DOD Drug Coordinator for Drug Enforcement Policy and Support); Joint Staff; Defense Advanced Research Projects Agency; Defense Intelligence Agency (DIA); Commanders in Chief of the Atlantic and North American Aerospace Defense Commands; and joint task forces established specifically for counternarcotics in Key West, Florida, and Alameda, California; Customs Service and Coast Guard headquarters and their regional facilities in Alameda and Riverside, California, and Miami and Richmond Heights, Florida.

Our work focused on DOD's performance in implementing its detection and monitoring mission, which is only a portion of the nation's total drug control efforts. We did not independently assess the drug flow into the United States or the effectiveness of other supply and demand reduction initiatives. However, we reviewed both government and nongovernment reports and attended presentations by experts in various areas of drug control. We also interviewed federal officials to gain an understanding of (1) the interrelated roles other interdiction agencies and other drug-war efforts have in the National Drug Control Strategy and (2) estimates of the cocaine flow into the United States. We obtained information on various drugs but concentrated on cocaine—the drug posing the primary threat to U.S. security and the focus of DOD's efforts. We relied on an estimate of cocaine flow developed by DIA. DIA officials told us that estimate was the consensus of the intelligence agencies and was used in the classified national cocaine threat assessment issued by the Office of National Drug Control Policy in May 1991.

In June 1991, the Office of National Drug Control Policy released a technical paper prepared by a contractor that conflicted with the estimate given to us by DIA. We considered but did not accept the Office's estimate of cocaine supplies for three reasons. First, officials in the National Drug Control Office emphasized that they had presented the technical paper, not as a definitive estimate of cocaine flow, but to demonstrate the reconciliation of demand and supply data that they believe is essential for accurate estimates of cocaine availability. Second, both the technical paper and an accompanying cover letter heavily qualified the accuracy and completeness of the data used in the Office's assessment. Third, the estimate was based only on unclassified sources and was inconsistent with information from other government sources. The Office's assessment relied, for example, on unclassified coca leaf and cocaine production estimates that were substantially lower than classified production estimates in the national threat assessment.

As requested, we did not obtain written agency comments on this report, but we did discuss the report with officials at DOD and the Office of National Drug Control Policy and incorporated their comments where appropriate.

We conducted our work between September 1990 and July 1991 in accordance with generally accepted government auditing standards.

DOD Has Significantly Increased National Detection and Monitoring Capability

DOD has given detection and monitoring a high priority, adopting a cooperative, pragmatic approach in implementing the mission. Although this approach has allowed DOD to expand national surveillance of drug traffic through its significant commitment of aircraft, radars, and other resources, it has not produced the fully integrated detection and monitoring operations that DOD expected to achieve.

Drug Mission Given High Priority

In September 1989, the Secretary of Defense designated the countering of drugs a high-priority national security mission. The Secretary also tasked five commanders in chief to develop and implement the mission within their respective regions. These actions elevated DOD's emphasis on the counternarcotics mission and were designed to allow swift implementation of the National Drug Control Strategy within DOD.

The mission has been given exceptional attention at the highest command levels, according to DOD officials. The Secretary of Defense receives monthly briefings on the mission. The Assistant Secretary of Defense who serves as the DOD Coordinator for Drug Enforcement Policy and Support receives weekly briefings. The Director of Operations for the Joint Chiefs of Staff receives thrice-weekly briefings on counternarcotics operations and, before Operation Desert Storm, received daily briefings. No other peacetime mission receives similar attention.

DOD Resources Have Increased Surveillance Capabilities

Both military and civilian officials told us that before DOD was designated as the lead agency, detection and monitoring of drug traffic was sporadic, usually in the form of intermittent or random operations in drug trafficking lanes. The civilian agencies lacked the aircraft and ships needed for continuous surveillance.

DOD provided the resources needed to conduct almost continuous surveillance over primary smuggling routes, especially nearer source countries. DOD's approach has been to layer fixed and mobile radars as close as possible to South American source countries. Ground-based and aerostat (tethered balloon) radars, along with airborne early warning aircraft and radar-equipped ships, have helped detect suspects as they leave source countries. The suspects are then monitored until their tracks can be passed to the civilian agencies responsible for interception and apprehension.

The critical factor in implementing this approach is DOD's capability to provide detection and monitoring assets to an extent previously unavailable. Table 2.1 shows DOD's increases in asset commitments.

Table 2.1: DOD's Aircraft Flying Hours and Ship Steaming Days Committed to Counternarcotics

	Fiscal year		
	1986-1988 (average)	1989	1990
Flying hours	4,594	18,436	48,025
Steaming days	937	2,081	3,830

Source: Department of Defense.

Beyond the volume of resources it has supplied, DOD's commitment of scarce and highly demanded assets has been impressive. For example, in fiscal year 1990, over 40 percent of all available E-3 Airborne Warning and Control System aircraft hours were allocated to counternarcotics operations. The allocation actually reached 59 percent in May 1990 and would have been higher, according to DOD officials, if Operations Desert Shield and Desert Storm had not required that aircraft.

According to DOD officials, their detection and monitoring efforts have led to notable interdiction successes against individual shipments. In some situations, their efforts have also been an effective deterrent, forcing suspect aircraft to abort their missions before deliveries could be completed. DOD officials told us that their efforts have also significantly increased the information available on drug smuggling routes, methods, and quantities. They pointed out that data DOD obtained through its detection and monitoring efforts were essential in confirming routes through Mexico as a conduit for cocaine entering the United States. The routes had been suspected, but it was expanded DOD surveillance that confirmed considerable unidentified air traffic leaving South America via the eastern Pacific.

Some Progress but Integration Goal Remains Unfulfilled

DOD has not yet achieved the goal of a fully integrated effort among the agencies responsible for detecting and monitoring drug smugglers, especially for air operations. DOD has faced a number of problems in attempting to integrate detection and monitoring operations. Prominent among these problems has been a lack of authority and difference in military and civilian operating methods. Even though DOD participates in a number of interagency coordination groups at the headquarters level, we found that those efforts had not translated into effective joint planning in the heavily trafficked Caribbean region. It was not until May

1991 that DOD and the civilian agencies agreed on an essential element for effective joint planning: a consensus definition of the drug threat that the agencies are attempting to counter.

At the time of our March 1991 visit to the task force in Key West, DOD had resorted to planning around civilian air operations in the Caribbean region. Some DOD and civilian officials told us that joint planning in the region had evolved into “de-conflicting” military and civilian air operations. In effect, they were only keeping each other informed of their respective operations rather than developing fully integrated detection and monitoring plans.

Several Problems Have Hindered Integration

At the outset, the lead agency mission was a radical departure from DOD’s traditional military role and was accompanied by social and legal questions regarding the proper role of the armed forces in a democratic society. Moreover, the mission required that DOD “lead” the detection and monitoring efforts of civilian agencies, while only “supporting” the interdiction leadership of those same agencies.

The fiscal year 1989 authorization act neither defined the term “lead agency” nor conveyed any clear authority to DOD to control the assets or direct the operations of civilian agencies. DOD has concluded that it has only the “authority to require consultation” with other agencies. This definition is consistent with the DOD Coordinator’s view that his agency cannot achieve an integrated detection and monitoring force by exercising authority but, rather, can do so only by winning the cooperation of the civilian agencies. However, cooperation is hindered by the inherent conflict between military and civilian methods of operation. For example, DOD’s long-range plans are based on firm resource commitments, according to DOD and civilian agency officials. Conversely, the civilian agency officials consider DOD’s planning inflexible and insist that their agencies are often unable to irrevocably commit their multimission assets to long-term surveillance, since they never know when more urgent requirements for another mission may arise.

According to some DOD officials, this impasse has been to some degree overcome by the military’s heavy commitment of surveillance assets. As DOD began providing more ships and airplanes to the critical, heavily trafficked region encompassing the Caribbean and eastern Pacific, use of civilian assets for detection and monitoring operations in areas nearer South America became less important.

In effect, the Caribbean region was divided into zones, including departure or "deep" zones near source countries, transit areas through the Caribbean or eastern Pacific, and arrival areas in or near the United States or Caribbean island nations. DOD detects smugglers in the deep zones and monitors them continuously through the transit areas. When suspects venture closer to arrival areas, DOD passes their tracks to civilian agencies for additional monitoring and potential interception and apprehension.

Some Progress Made Toward Integration

DOD has made some progress toward integrating interagency plans and operations. According to DOD officials, the creation of a joint DOD and Coast Guard task group in the Caribbean, commanded by a flag officer aboard one of the vessels, has raised the intensity of detection and monitoring in the region and substantially improved flexibility and effectiveness in deploying assets.

Also, in May 1991, DOD, Customs, the Coast Guard, and other civilian agencies implemented the National Counter-Drug Planning Process. Through this process, all agencies have agreed for the first time to a single assessment of the smuggling threat which, according to DOD officials, will be used to develop operational plans at the national and regional levels. Adoption of a universally accepted threat assessment is a critical first step toward integrated plans, but the success of the new planning process will depend on resolving the problems that have hindered other attempts.

In July 1991, DOD officials in Washington told us that integration has improved in recent months. They cited the benefits of the new National Counter-Drug Planning Process but also said the progress was a continuation of what has been and will continue to be a gradual, complicated process. The officials further stated that much of the important work in integrating interagency operations—e.g., operations involving other countries—may not technically be within the narrow definition of DOD's detection and monitoring mission but unquestionably aids that mission.

Conclusions

DOD has given its detection and monitoring mission a high priority. It has expanded the nation's detection and monitoring capabilities as evidenced by the significant resources it has committed to the mission. However, it has not achieved its goal of fully integrated military and civilian detection and monitoring operations.

Chapter 2
DOD Has Significantly Increased National
Detection and Monitoring Capability

Some progress has been made in coordinating and integrating inter-agency operation. Given DOD's lack of authority and the difference in military and civilian operating methods, some lesser degree of coordination may prove inevitable. If so, the pragmatic "de-confliction" arrangement—made possible by the heavy commitment of military assets—that DOD has worked out with the civilian agencies may be reasonable.

With more authority, DOD may come closer to achieving fully integrated operations, but, because of the conditions discussed in chapter 3, we believe any such change would not significantly affect DOD's contribution to supply reduction goals.

DOD's Impact on Supply Reduction Goals Has Been Negligible

Despite the significant resources DOD has committed to carrying out its detection and monitoring mission, its impact on the national goal of reduced cocaine supplies has been negligible. The estimated volume of cocaine entering the United States did not decrease in 1989 or 1990, even with the enhanced detection and monitoring capability. The high profits and low smuggling costs in cocaine trafficking, along with effective smuggling methods, make it doubtful that interdiction can have much effect on cocaine supplies, regardless of how well DOD carries out its mission.

DOD's Contribution Must Be Assessed Against Realistic Goals

An important distinction must be made between DOD's performance in carrying out its detection and monitoring mission and its effectiveness in the war on drugs. DOD's detection and monitoring performance should be assessed, as the DOD Coordinator has suggested, against its "specific and very important, but limited support" mission. But, in our view, the contribution that DOD's performance makes to the war on drugs must be assessed against national goals that transcend DOD's limited mission.

As the DOD Coordinator noted in his May 1991 report to the Congress, the relative effectiveness of various programs to reduce supply and demand is essential information the Congress needs to make resource allocation decisions. Although the Drug Coordinator rejects attempts to measure the effectiveness of DOD's detection and monitoring performance against such statistics as number of arrests and pounds of drugs seized, he agrees that DOD's performance should be evaluated. He wants performance to be measured against realistic standards, such as (1) success in detecting and monitoring aerial and maritime drug traffickers and (2) civilian law enforcement agency assessments of DOD's support.

The Coordinator's May 1991 report cited statistics on (1) flying hours, (2) steaming days, and (3) successes in detection and monitoring. For example, he reported that DOD detected 6,729 potential drug trafficking aircraft in fiscal year 1990. Law enforcement agencies successfully interdicted 49 of the 661 aircraft they attempted to interdict. Another 24 aircraft aborted their flights due to DOD or law enforcement agency presence. The report also included law enforcement agency responses to a questionnaire initiated by the Drug Coordinator's Office. Generally, the responses on DOD's performance were positive.

Based on these measures, the DOD Drug Coordinator concluded that DOD has made a major and successful contribution to implementation of the National Strategy's demand reduction goals. This conclusion was based

on the Coordinator's assumption that although DOD activities were concentrated primarily on supply reduction programs, these activities also "had an important, radiating effect on demand, as well, because they [made] the purchase of certain imported drugs more difficult—and therefore less likely."

Given the interrelationship of supply and demand reduction initiatives, we agree that DOD's efforts may have had an effect on the National Strategy's demand reduction goals. But DOD's detection and monitoring mission is a supply reduction initiative, and therefore the supply of cocaine (the focus of DOD's mission) is a more important indicator of DOD's ultimate contribution to the war on drugs.

Drug Flow Undiminished

Since 1989, the year that DOD began its lead agency mission, the National Drug Control Strategy has established increasingly ambitious goals for reducing drug supplies. The first strategy, published by the Office of National Drug Control Policy in September 1989, acknowledged that the estimated supply of drugs entering the United States had actually increased despite interdiction having disrupted traffic patterns. Nevertheless, this initial strategy established goals of reducing estimated drug supplies by 10 percent in 2 years and by 50 percent after 10 years.

The 1990 strategy did not report a decrease in estimated drug supplies but revised upward the 2-year and 10-year goals to 15 percent and 60 percent, respectively. Similarly, the most recent strategy, published in February 1991, again increased the goals to 20 percent for 2 years and 65 percent for 10 years. However, it reported that data was not available to assess progress toward the goal of reduced drug availability. The strategy did cite "strong secondary evidence," such as higher cocaine prices and lower cocaine purity, that "drug availability" in the United States—not the supply of drugs entering the country—had declined. Differences in "drug supplies" and "drug availability" may be attributable to various factors, such as traffickers temporarily stockpiling drugs instead of immediately releasing them for sale.

In any event, other government data indicates that the promising secondary evidence of declining drug availability cited in the strategy was short lived. By the end of 1990, according to the Drug Enforcement Administration, "cocaine was once again reported to be readily available." Moreover, the intelligence community has reached a similarly pessimistic conclusion regarding cocaine supplies entering the country.

According to Defense Intelligence Agency officials, the intelligence agencies responsible for preparing the national threat assessment agree that the estimated volume of drugs entering the country during 1989 and 1990 did not decline.

Drug Profits Make Interdiction Success Doubtful

"The ultimate goal of interdiction," according to the National Drug Control Strategy, is to deter drug smuggling by intercepting and seizing shipments in transit to the United States. However, the high profits in drug trafficking make it doubtful that interdiction—and thus DOD's detection and monitoring mission—can achieve the success needed to reach that goal.

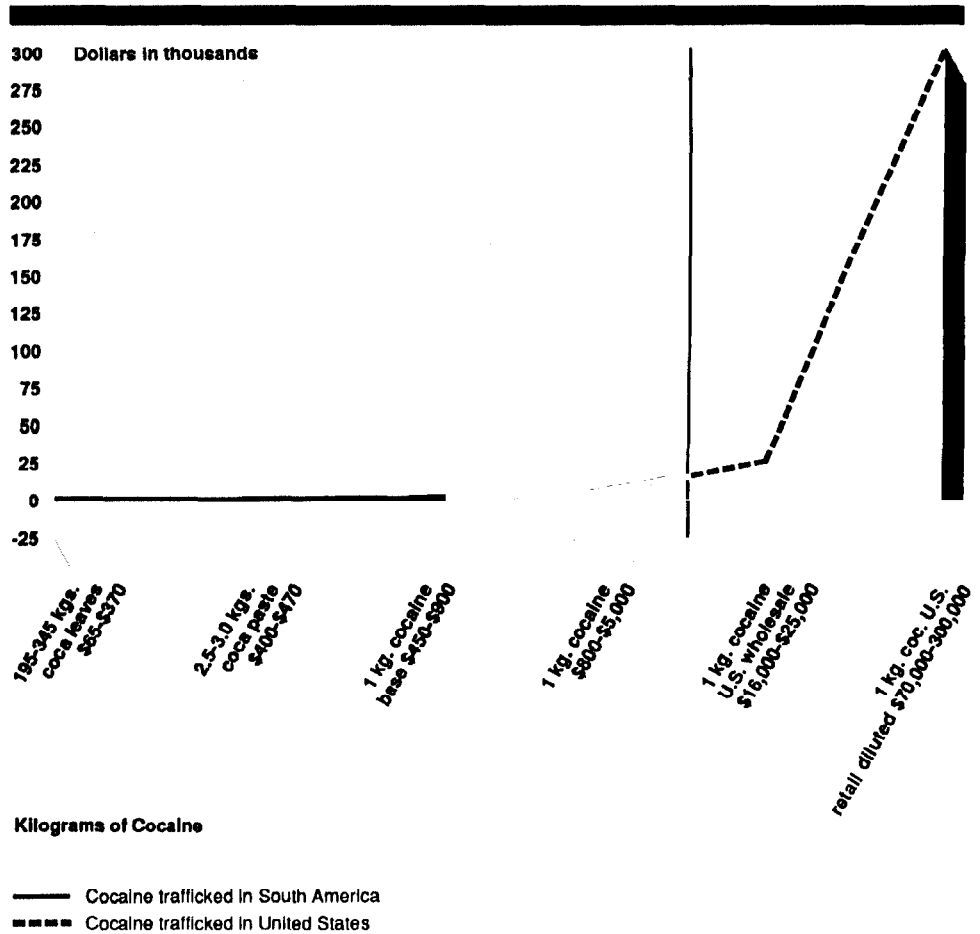
According to the strategy, interdiction provides both symbolic and real value. Symbolic value is reflected in the demonstration of our national will to oppose drug smugglers, to defend our borders, and to protect the security and well-being of U.S. citizens. Real value is derived from the disruption of trafficking operations that increases the chances of apprehending traffickers and their agents and "raises the traffickers' cost of doing business by forcing them to take expensive countermeasures..."

Interdiction may well raise traffickers' operating costs, but it is doubtful whether it can raise costs to an extent that would affect trafficking operations. Drug profits are so high that smugglers can afford to absorb sizable losses to interdiction. In 1988, the RAND Corporation reported that only 10 percent of the final cocaine price comes from smuggling costs.¹ The real price growth occurs after cocaine crosses U.S. borders.

As shown in figure 2.1, the price for enough coca leaf to produce one kilogram (2.2 pounds) of cocaine is between \$65 and \$370. The finished product that enters the United States is diluted and eventually culminates in a selling price for the dealer on the street that would equate to between \$70,000 and \$300,000 a kilogram.

¹Peter Reuter, Gordon Crawford, Jonathan Cave, et al., *Sealing the Borders: The Effects of Increased Military Participation in Drug Interdiction*. The RAND Corporation, (Jan. 1988.)

Figure 3.1: Price Growth of Cocaine



Note: Selling prices are for the equivalent of 1 kilogram of cocaine at successive stages of trafficking.
Source: Drug Enforcement Administration.

Both the 1988 RAND report and a June 1991 Report of the Inter-American Commission on Drug Policy² concluded that, with most of the profit in cocaine occurring after the drug enters the United States, interdiction is not a cost-deterrent to traffickers. The Inter-American Commission recommended that interdiction funding be redirected to other, more promising efforts to reduce demand in the United States and to curtail supplies at their source.

²Inter-American Commission on Drug Policy, Seizing Opportunities: Report of the Inter-American Commission on Drug Policy, (June 1991).

Smuggling Methods Elude Interdiction

Two tactics employed by traffickers have so far proven relatively immune to the deterrent threat of interdiction. One is the shipment of drugs in containers or in the numerous hiding places aboard large vessels, both of which are exceedingly difficult and time-consuming to search manually or with existing technology. The other is the cocaine air route into Mexico where the drugs are moved across the land border in cars, trucks, containers, and various other conveyances.

The air route into Mexico presents a double problem. First, since part of the shipment occurs in foreign airspace and on foreign soil, the cooperation of other governments is essential if the cocaine is to be interdicted beyond the U.S. borders. Second, consistently finding the cocaine (without impeding commerce) among the many vehicles and other conveyances that cross the border daily is extremely difficult with currently available search technology, according to law enforcement officials.

DOD's detection and monitoring performance is not the problem in countering these tactics. The problem is the little likelihood that smugglers will be intercepted and arrested or their drugs and equipment confiscated. DOD consistently detects and monitors suspect aircraft flying the main cocaine air corridor toward Mexico, for example. But without a high probability of being caught, the smugglers can complete their deliveries with impunity.

A 1987 study by the Office of Technology Assessment also noted severe limitations on the effectiveness of interdiction efforts.³ The study found that in the previous 5 years federal expenditures on interdiction had doubled but that, nevertheless, the supply of cocaine and drugs smuggled into the country was greater than ever. Thus, the Office concluded that there is no clear correlation between interdiction expenditures or effort and the long-term supply of illegal drugs in the United States.

The national strategy acknowledges the importance of better technology for finding concealed drugs at U.S. seaports, airports, and border crossings. "The highest priorities of ongoing Federal drug-related science and technology research," according to the strategy, "include...improved detection capability at ports of entry."

³The Border War On Drugs, Office of Technology Assessment, OTA-O-336, (Washington, D.C., Mar. 1987).

National Strategy Focuses on Dismantling Drug Organizations

The principal objective of supply reduction efforts is "the dismantling of major drug trafficking organizations," according to the National Drug Control Strategy. Although the strategy acknowledges the contribution that interdiction can make to the objective, it notes that ultimately "success depends upon identifying and destroying those parts of the organization that are most vulnerable: key personnel, communications, transportation, finances, and essential supplies and equipment." The strategy further notes that experience has shown that a point where the drug trade is most susceptible to disruption is "its organizational center of gravity—the traffickers' home country base of operations."

Officials in the Office of National Drug Control Policy point out that interdiction must be viewed, not in isolation, but as merely one of the fronts on which the drug war is being simultaneously waged. They further contend that interdiction success, not by itself, but coupled with pressures exerted on trafficking operations through all of the other drug-war initiatives, will be a key to making the costs and risks too great for traffickers to sustain current levels of business. These other cost- and risk-raising initiatives include various forms of assistance to source countries aimed at disrupting and dismantling operations where coca leaf is grown and cocaine is produced.

Fiscal year 1992 funding proposed for efforts to interdict drugs at and beyond U.S. borders (\$2.1 billion) far exceeds the amount proposed for source country and other international initiatives (\$.8 billion). The national strategy notes that the proposed 1992 budget will only maintain the present level of interdiction, with most of the funds going to maintain equipment and systems already procured. The strategy also states that this arrangement will continue for the foreseeable future, with overall interdiction resources being held at about their current level, adjusted for inflation and minor improvements.

Conclusions

DOD's detection and monitoring efforts have not had a significant impact on the national goal of reduced drug supplies. The failure to reduce estimated cocaine supplies is the combined result of (1) the enormous profits that make interdiction losses inconsequential to drug traffickers and (2) the inability to efficiently find cocaine hidden in containers, large vessels, vehicles, and other conveyances.

Many smugglers will continue transporting cocaine into the United States with impunity, unless (1) better search technology is developed and (2) the profit margin in cocaine is reduced. Interdiction alone cannot

raise cocaine traffickers' costs and risks enough to make a difference, regardless of how well DOD carries out its detection and monitoring mission.

**Matters for
Congressional
Consideration**

Changing DOD's authority to control the assets and direct the operations of civilian law enforcement agencies for detection and monitoring is unlikely to significantly reduce the flow of cocaine entering the country. Therefore, if the Congress plans to increase funding for supply reduction initiatives, it may wish to consider other alternatives discussed in the National Drug Control Strategy, such as research and development for technology to aid law enforcement agencies in finding concealed cocaine.

Major Contributors to This Report

**National Security and
International Affairs
Division,
Washington, D.C.**

Gary K. Weeter, Assistant Director
Robert J. Stolba, Assignment Manager

**Norfolk Regional
Office**

Edward W. States, Regional Management Representative
James B. Marshall, Evaluator-in-Charge
John H. Pendleton, Site Senior
Tracy M. Whitaker, Evaluator

Ordering Information

The first five copies of each GAO report are free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20877

Orders may also be placed by calling (202) 275-6241.

