



GOAL II

*Enforce Federal Laws
and Represent the
Rights and Interests
of the American People*

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GOAL II: ENFORCE FEDERAL LAWS AND REPRESENT THE RIGHTS AND INTERESTS OF THE AMERICAN PEOPLE

The deterrence, investigation, and prosecution of violations of federal laws are inextricably linked. They are the elements of a law enforcement cycle which would be broken if one were missing. Goal Two reflects that cycle, encompassing the activities not only of DOJ components whose employees are responsible for investigating crimes, but for litigators who prosecute suspected criminals, bringing justice to full cycle, and those who otherwise protect America's legal interests in the courtroom.

Goal Two covers the broad area that has traditionally been the heart of our mission. It reflects the Department's concern with violent crimes and criminals, especially against children. It reflects the Department's resolve to combat crimes committed with firearms,

explosives, and fire, particularly when these are committed by organizations bent on violent exploitation of others. It addresses the manufacture, distribution, and abuse of drugs, often linked to criminal behavior. It describes the Department's plans to combat crimes which, although non-violent, can have devastating effects on their victims and society as a whole. It also describes the Department's targeting of threats to the Constitution and individuals' civil rights, whether through crimes of hate or human trafficking.

Finally, Goal Two describes the role of the Department of Justice as the Nation's chief litigator, representing the United States Government in court, enforcing federal civil and criminal statutes, including those protecting civil rights, safeguarding the environment, preserving a competitive market structure, defending the public fisc against unwarranted claims, and preserving the integrity of the Nation's bankruptcy system.

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The Justice components that share responsibility for this strategic goal include the U.S. Attorneys; the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); the Federal Bureau of Investigation (FBI); the Drug Enforcement Administration (DEA); the U.S. Trustee Program, and the Civil, Criminal, Antitrust, Environment, and Tax Divisions.

Strategic Objective 2.1

Reduce the threat, incidence, and prevalence of violent crime, including crimes against children

This objective outlines the Department's strategies in reducing violent crime, particularly violent crime involving the illegal use of guns, explosives, fire, organized criminal enterprises, and illegal trafficking of drugs, alcohol, and tobacco products.

Increasing the quality and number of gun crime prosecutions, both federally and at the state level, is an established priority of the Department. ATF is committed to improving our law enforcement response to gun violence and to assisting communities in addressing evolving violent crime problems through Project Safe Neighborhoods and its Integrated Violence Reduction Strategy. Enhanced enforcement of gun laws across the Nation, including ATF's regulation of the firearms industry, is a means to achieving a reduction in gun violence. Moreover, it sends a clear message to anyone who illegally uses or possesses a gun that there is a unified effort at all levels of government to bring armed vio-

lent offenders to justice. Besides guns, another means for acts of violence by terrorists and organized criminal enterprises is explosives. The Department is committed to protecting the public from the criminal use of explosives through investigations and the effective regulation of the explosives industry by ATF.

Organized criminal enterprises, often associated with violence, consist of both traditional and non-traditional crime groups. While the traditional groups operate with a hierarchical organization, the non-traditional groups have a looser, but evolving, structure. Traditional organized crime syndicates, such as La Cosa Nostra (LCN), focus on making money through illegal activities, including various racketeering crimes, such as narcotics trafficking, fraud, money laundering, extortion, gambling, arson, counterfeiting, and prostitution. Syndicates such as these maintain and enforce power through murder and intimidation.

The threat they pose to American society is two-fold. First is the sheer amount of criminal activity they generate, ranging from drug trafficking to theft, loan-sharking, white collar schemes, and labor and management racketeering. According to law enforcement estimates, annual losses attributable to them are estimated to be more than \$100 billion, much of which is passed on to consumers in higher prices for goods and services. Second is their ability to corrupt public, labor union, and business officials. It is this ability that is one of the defining factors separating "organized

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crime" from violent street gangs and other criminal activity. Corruption provides protection for the organization, shields its leadership from prosecutions, and creates a circle of self-perpetuating criminal activity.

Non-traditional organized crime groups from Russia, Eastern Europe, Asia, Central and South America, Africa, and many other parts of the world have begun to operate effectively and very dangerously in the United States. These groups have flourished in the drug underworld and have employed violent means to establish themselves. They are not as firmly established as the domestic traditional organized crime syndicates, although some of them have emulated the LCN in the way they have structured their operations. Mounting evidence shows that terrorists and organized criminal enterprises are funding their operations through the illegal trafficking of alcohol and tobacco products.

Members of domestic and ethnic street gangs frequently engage in drug trafficking activities and often use firearms in the commission of their crimes. These violent gangs are taking over parts of cities, flooding streets with drugs, and terrorizing and killing innocent people. An emerging problem is gangs comprised of older, more experienced and hardened criminals that have formed networks with counterparts across the Nation. These gangs are more violent than their predecessors and their criminal activities are far more sophisticated.

Violent street gangs often engage in gun trafficking in order to raise money as well as fortify gang members. In order to obtain firearms, gang members engage in robberies, home invasions, and other acts of violence. Gang members acquire false identification in order to purchase firearms. Additionally, gang members recruit associates without criminal records to travel interstate for the purpose of purchasing firearms, using the proceeds from drug trafficking, robberies, and other criminal activity.

In a recent survey on gang activities conducted by the National Drug Intelligence Center (NDIC), 85 percent of the law enforcement agencies responding reported that gangs were active within their jurisdiction. These reporting agencies identified more than 13,700 gangs and 750,000 gang members. According to the National Alliance of Gang Investigators Association National Threat Assessment published in February 2000, there are more than 30,000 gangs and 800,000 gang members. While gang membership is difficult to estimate, experts agree that the numbers are much higher than they were a decade ago.

Among the disturbing trends noted in the survey is the increase in the possession of guns by gang members. Despite the fact that the incidence of gun violence has declined and federal prosecutions for firearms offenses have increased, violence stemming from the illegal use of guns

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remains a serious concern. Although the Brady Act has been effective in denying the sale of guns to more than 500,000 felons, fugitives, and other persons prohibited from possessing firearms, all too often guns are in the wrong hands. Every day in the United States, 93 people die of gunshot wounds either accidentally or intentionally inflicted.

Strategies to Achieve the Objective

Reduce violence stemming from the illegal use of guns in each of the 94 federal judicial districts



In May 2001, the President and Attorney General announced Project Safe Neighborhoods, a nationwide commitment to reduce gun crime in America by networking existing local programs that target gun crime and providing those programs with additional tools necessary to be successful. The effectiveness of Project Safe Neighborhoods is based on the ability of federal, state, and local agencies to cooperate in a unified offensive that is guided by the United States Attorney in

each of the 94 federal judicial districts across America. Through intensive collaboration with federal, state, and local law enforcement, each United States Attorney is implementing the five core elements, described below, of Project Safe Neighborhoods. The elements are being contoured to fit the specific gun crime problems in a given district. To complement the efforts of local gun crimes units, the Department of Justice has created a Firearms Enforcement Assistance Team composed of prosecutors, agents, and analysts experienced in each of the five core elements of this initiative. This team stands ready to assist in the field as needed to consult, advise, and prosecute in districts with problems. The goal is to create safer neighborhoods by reducing gun violence and sustaining the reduction.

1. Partnerships. This initiative requires every United States Attorney to coordinate all gun-related programs at the federal, state, and local law level within the district. Each United States Attorney has established a task force consisting of federal and local officials to review and prepare gun cases for prosecution in the most appropriate forum. Good examples of strong, coordinated partnerships exist nationwide, from Boston, Massachusetts, to Portland, Oregon, to Memphis, Tennessee. The success of these programs is based largely upon the strength of the partnership established between federal and local law enforcement and prosecutors.

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2. Strategic Plan. Of vital importance to the success of any law enforcement partnership is the development of strategic plans to attack gun violence. The strategic plans, like the specific gun violence problems, will vary from one community to another. In one area, an aggressive plan to target violent gangs may be appropriate, while in another area, a plan to target illegal gun possessors may be more effective. Although the means may differ, the goal is the same: to reduce gun violence.

3. Training. Training is essential for officials to keep current on laws and trends that affect law enforcement. In order to maintain an edge in the attack on gun violence, this initiative mandates more expansive and comprehensive training for federal, state, and local law enforcement officers and prosecutors. As part of this initiative, the Justice Department - now including the recently-transferred Bureau of Alcohol, Tobacco, Firearms, and Explosives - has partnered with various law enforcement and prosecutorial entities, including the National District Attorneys Association, to conduct innovative regional cross-training of prosecutors and agents involved in gun crime enforcement. This training addresses firearms identification, safety, federal and state firearms violations and statutes, federal and state search and seizure laws, crime scene and evidence management, and firearms trafficking and tracing.

4. Outreach. Community outreach and public awareness constitute essential components of any successful gun violence reduction plan. By conveying the priorities, message, and results of this enhanced enforcement effort to the media and community members, the United States Attorney can help shape the attitudes of law abiding citizens and those who would otherwise believe they can violate gun laws with impunity.

Strategic networks have been established with new or existing coalitions within each community with the goal of encouraging "ownership" of this initiative. As demonstrated by many successful programs, public outreach increases awareness, develops surrogates, and enhances the deterrent effect of the strategy within the community. Items as simple as bumper stickers, logos, and other promotional materials promote visibility of this initiative within the community.

5. Accountability. A critical component of a comprehensive gun violence reduction plan is understanding the impact of efforts. Traditionally, enforcement efforts have been measured by counting the number of arrests, prosecutions, and convictions ("outputs") rather than the impact these law enforcement efforts have on reducing crime ("outcomes"). This initiative includes resources to assist the United States Attorneys in measuring the long term impact of the programs they implement. Regular reporting to the Department of Justice will be required to assess outcomes, to gauge the success of the meas-

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ures implemented, and to analyze trends. This will help to assess our progress and to instill accountability into our enforcement efforts.

The Department is committing substantial resources to the Project Safe Neighborhoods: more than \$900 million over its first three years. The funding has been used to hire new federal and state prosecutors, to support investigators, provide training, and develop and promote community outreach efforts.

With respect to organized gun trafficking, ATF will identify trafficking patterns from its crime gun trace data and will target and investigate the traffickers as part of its Integrated Violence Reduction Strategy. The FBI, through its Safe Streets Task Forces, targets the organized acquisition, transportation, and distribution of firearms by violent street gang enterprises. This is designed to supplement the arsenal of investigative tools used by task force investigators to target criminal enterprises.

Target specific organized criminal enterprises to eliminate their power and influence in America

The Department will continue to identify, penetrate, and dismantle major criminal enterprises so that real progress is made toward reducing their influence. For well-entrenched international organized crime, our strategy is to identify the most significant organizations operating in the United

States; identify their structure, hierarchy, and operations; and initiate joint investigations designed to curtail their emergence. Addressing the threat posed by the Eurasian Criminal Enterprises (ECEs) requires a dual strategy. First, it involves neutralizing the ECEs that have the potential to engage in complex criminal conspiracies that can inflict substantial harm to American economic interests; second, it involves assisting vulnerable foreign governments to build their own investigative capacity to reduce the number of places within which ECEs can freely operate, or to prevent these criminal organizations from establishing a foothold in the first place. Our strategy regarding Asian Criminal Enterprises is to concentrate on identifying the most significant groups, their leadership, and their scope and territory of criminal activity.

Target, investigate, and prosecute the most violent street gangs in our cities and communities



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The FBI will continue to focus its National Gang Strategy (NGS) on major violent domestic street gangs and drug enterprises that pose significant threats to the integrity of American society. Historically, NGS groups have displayed the ability to be well-organized, innovative, and extremely violent in protecting and securing the organizations' criminal goals. Coupled with the ability to quickly expand nationally, NGS groups are formidable opponents of law enforcement. These organizations have a strong foothold in many rural and urban cities across the country, and therefore need to be targeted and/or monitored proactively through joint federal, state, and local investigative initiatives to neutralize future growth.

The ATF will continue to infiltrate, investigate, and seek prosecution for violent gang members who use firearms in furtherance of their criminal activity. ATF's history of successful investigation and prosecution of Outlaw Motorcycle Organizations, Street Gangs, and Violent Anti-government Groups, often in partnership with state and local law enforcement, is well established.

Certain criminal enterprises pose a significant threat to American society because of their multidivisional or multijurisdictional nature, their propensity for violence, and their rapid proliferation. These enterprises, nearly all of which have numerous factions, include the Bloods, Crips, Folk Nation, People Nation, Mara Salvatrucha, 18th Street Gang, La Raza, Border Brothers, Outlaw Motorcycle Gangs, and Prison Gangs. The ATF and FBI have concentrated resources to counter their expansion

and violent criminal activity by identifying and neutralizing emerging national trends. In responding to the national priorities, the two agencies will identify, prioritize, and target violent street gangs whose activities pose a significant multijurisdictional threat. In areas where no NGS group is present, they will prioritize and target for investigation those violent street gangs deemed to be the most significant and criminally active in that region.

Prevent the criminal use of explosives through investigations and effective regulation of the explosives industry



Violent crime is this Nation's primary public safety and Homeland security issue. The Department, through the Bureau of Alcohol, Tobacco, Firearms and Explosives, will implement a strategy of effective enforcement of explosives laws, coupled with industry regulation (by ensuring safe and secure explosives storage, reporting of explosives thefts and losses, and conducting appropriate background checks of persons who have access to explosives) to assist federal, state, local, and international law enforcement in protecting the public from the criminal use of explosives.

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The Department will utilize the investigative and technical resources of the Bureau of ATF and its training facility at Fort A.P. Hill, Virginia, to provide in-depth training on explosives destruction techniques and post blast investigations to State, local, international and other federal law enforcement agencies to strengthen their ability to respond to terrorist incidents. DOJ will also utilize unique methods and techniques to support State and local preparedness, including the training and deployment of explosives and accelerant detection canines through the ATF Canine Training facility.

Provide effective investigative and technical expertise and training to federal, state, and local law enforcement to ensure that arson crimes are solved and to reduce the impact of crimes involving fire on communities



Crimes of arson can terrorize communities and result in millions of dollars of property damage each year. The Department will use the investigative resources and technical expertise of the Bureau of Alcohol, Tobacco, Firearms, and Explosives to promote law

enforcement readiness and foster innovation where the nature of the fire incident is beyond the investigative jurisdiction or resources of the state and local authorities. The primary resource within ATF for this expertise is its certified fire investigators, who are agents trained as expert witnesses in fire origin and cause. These agents are the only group of fire origin and cause specialists available within the federal sector.

Prevent the illegal trafficking of alcohol and tobacco products that fund terrorist and criminal activities

Recent criminal cases have shown that organized criminal enterprises, including terrorist organizations, are increasingly using the illegal trafficking of alcohol and tobacco products to fund their operations. The Department will devote the effective investigative and technical expertise of the Bureau of Alcohol, Tobacco, Firearms, and Explosives to prevent terrorists and criminal enterprises from funding their activities by the illegal trafficking of these products.

Provide operational enforcement assistance and training to tribal governments

The Department will continue to provide both training and direct investigative and prosecutorial assistance to tribal governments. Accordingly, the U. S. Attorneys have designated Assistant U.S. Attorneys as tribal liaisons to work cooperatively with tribal police, prosecutors, and judges. The FBI, which has primary jurisdiction over major crimes committed by or upon

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Indians within Indian Country, funds training, operational expenses, and equipment purchases for Indian Country law enforcement efforts.

Through its Office of Indian Country Investigations, the FBI assists tribes in the investigation of violent crimes committed in Indian Country. In addition, the Bureau provides a large share of the forensic exams for FBI Indian Country investigations, either directly through its own laboratory or by funding non-FBI labs.

Promote increased cooperation with foreign law enforcement authorities

The Department will continue to build strategic relationships aimed at aligning international cooperation in the fight against terrorism, violent crime, and organized crime. These relationships will be strengthened through enhanced international liaison, training, and technical assistance. DOJ will also strongly support and expand efforts to use Mutual Legal Assistance Treaties as a means to acquire evidence and other assistance from foreign countries, and continue to pursue the arrest and extradition of fugitives aggressively.

Through the U.S. National Central Bureau/International Criminal Police Organization (INTERPOL), the Department will communicate and exchange information, as well as process requests for assistance between domestic and foreign law enforcement agencies, in order to elicit effective cooperation and ensure that the interests of the

United States are accurately represented to our international law enforcement partners.

In order for many foreign countries to cooperate more effectively with the U.S. in the investigation and prosecution of violent and organized crime, DOJ will continue to provide development assistance to countries with weak criminal justice institutions. This involves supporting the enactment of more comprehensive laws and strengthening police, prosecution, court, and correctional institutions to enable them to arrest, prosecute, and incarcerate those who commit violent and organized crime within their borders, and to cooperate with the U.S. and other countries in combating transnational violent and organized crime.

Combat crimes against children

The criminal victimization of children impacts not only the victims but also their families, community, and society at large. Children, because of their legal and social vulnerabilities, may be victimized in a variety of ways involving physical and sexual abuse. Many of the individuals who prey on children are not first-time offenders, but rather serial offenders who target children as a matter of preference and who may have traveled interstate during the commission of multiple criminal offenses. Because of these vulnerabilities and the potential for long-term harm caused by this victimization, society demands that children receive appropriate protection. A rapid and effective response to crimes against children (CAC) incidents could lit-

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erally mean life or death for a victim. Primary areas of the FBI's investigation of CAC involve kidnaping and non-family child abductions; domestic and international parental kidnaping; sexual exploitation of children; and sexual or physical abuse of a minor on a Government reservation.

The Department will continue to provide leadership and technical assistance to ensure that our nationwide ability to respond quickly and effectively to crimes against children is strengthened. The Department has initiated several major programs to combat crimes against children, undertaking efforts in close cooperation with federal, state, and local law enforcement agencies. For example, the FBI's National Crime Information Center (NCIC) system now allows state and local law enforcement agencies to "flag" entries to its computerized system when a child is missing under suspicious circumstances or may be in danger. NCIC promptly relays this information to the National Center for Missing and Exploited Children, a non-federal agency that has done landmark work to help endangered children. The Department also continues to support, coordinate, and manage the National Sex Offender Registry.

Additionally, the Department's Criminal Division serves as the legal advisor to the Internet Crime against Children initiative. Task Forces are being funded by a grant program from the Office of Justice Programs.

KEY CROSSCUTTING PROGRAMS

INTERPOL Notice Programs. Criminal activity has become increasingly more global in scope. Similarly, criminals are more likely to travel internationally to elude arrest. Through the U.S. National Central Bureau/INTERPOL, the Department administers a system of international lookout/advisory notices to assist law enforcement authorities in INTERPOL's 181 member countries in locating and, when appropriate, arresting for the purpose of extradition, fugitives wanted for violent and other types of crimes.

Strategic Objective 2.2

Reduce the threat, trafficking, use, and related violence of illegal drugs



The devastating impact of drug trafficking and the use of illegal drugs is amply illustrated by figures published by the Centers for Disease Control and Prevention (CDC). The CDC estimated that 19,102 people (an average of 52 per day) died in 1999

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as the direct result of drug-induced causes. Additionally, the Office of National Drug Control Policy (ONDCP) in March 2003 reported that the total economic cost to society stemming from illegal drug use in 2000 was an estimated \$160.7 billion, a 57 percent increase from 1992. That economic figure included costs from unnecessary health care, crime, and lost productivity resulting from substance abuse. Illicit drug use hurts families, businesses, and neighborhoods; impedes education; and chokes the criminal justice, health, and social service systems. Three and one-half million Americans are chronic drug users and over one-half million drug-related emergencies occur each year in the U.S.

Sophisticated foreign-based drug trafficking organizations are responsible for supplying the U.S. with most of its illegal drugs and precursor chemicals for large clandestine laboratories. Trafficking of these drugs and precursors is a significant factor in the crime and violence that occurs in our communities. As a result of extensive and effective law enforcement operations in the U.S. and the international arena, the operations of many of the notorious Colombian drug trafficking cartels which controlled the illicit drug trade in the 1980s and early 1990s have been significantly disrupted. Unfortunately, the threats posed by those cartels have been replaced by smaller entrepreneurial drug trafficking organizations based in Colombia, Central America, Mexico, the Caribbean, and elsewhere that transport cocaine, heroin, marijuana, methampheta-

mine, and other synthetic drugs across the southwest border of the United States. Furthermore, there has been a clear nexus established between narcotics trafficking and designated terrorist organizations. The connection is evident from the actions of several organizations, including Al Qaeda, the Revolutionary Armed Forces of Colombia (FARC), the United Self-Defense Groups of Colombia (AUC), and the National Liberation Army (ELN).

As a result of law enforcement activities in the Caribbean and South Florida, Colombian cartels have formed alliances with Mexican smuggling groups to transship large loads of cocaine across the Mexico-United States border. The smuggling groups have evolved into large scale, sophisticated drug trafficking organizations which control the drug trade across the 2,000 mile border. Today, approximately 70 percent of the cocaine entering the U.S. is smuggled across the southwest border. Mexican drug trafficking organizations also engage in substantial acts of violence and public corruption along both sides of the border to support their drug trafficking operations.

Law enforcement strategies targeting the organizations that traffic in illicit drugs and precursors must address a variety of smuggling and production efforts:

- ❖ *Cocaine*, in both powder and crack forms, remains one of the primary drug threats in the United States. Recent supply availability estimates indicate that

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between 260 and 270 pure metric tons of cocaine are currently available to drug users in this country. A majority of the Latin American and Mexican command and control organizations identified on the Attorney General's Consolidated Priority Organization Target (CPOT) list, a unified, multiagency list of the most significant international drug and money laundering organizations, is involved in the large-scale distribution of cocaine.

- ❖ *Methamphetamine* trafficking and abuse dominates the West Coast and much of the Rocky Mountain and Midwest regions of the country. Mexican trafficking groups predominately facilitate the domestic production and wholesale distribution of methamphetamine. "Super labs" (laboratories capable of producing in excess of 10 pounds of methamphetamine in one 24-hour production cycle) are concentrated in Western U.S., but increasing numbers have been established in the Midwest. The street availability of methamphetamine in 2001 was estimated at between 110 and 140 metric tons. The northern border is becoming increasingly vulnerable to the smuggling of Canadian pseudoephedrine - methamphetamine's precursor agent - by Middle Eastern criminal organizations. In the U.S., methamphetamine is transported throughout the country via private vehicle or tractor-trailer over well-established cocaine, marijuana, and heroin distribution routes.
- ❖ *Heroin* is a major drug threat facing the Nation and remains widely available

throughout the U.S., especially in major metropolitan areas. An estimated 13 to 18 metric tons was available for use in America in 2001. Heroin's availability stems from four major areas: South America, Mexico, Southeast Asia, and Southwest Asia. Predominant in the U.S. are South American Colombian heroin, particularly east of the Mississippi, and Mexican heroin west of the Mississippi. A significant quantity of heroin is smuggled across the southwest border by couriers who use commercial airlines or vehicles. Maritime ports are also used as points of entry.

- ❖ *Marijuana* is the most available illicit drug in the United States. Recent estimates indicate that between 10,200 and 24,900 pure metric tons of marijuana are available in the country. The demand for marijuana far exceeds that for any other illicit drug, and the size of the American user population equates to steady profits for traffickers. The availability and popularity of the drug renders it a significant threat to the health and safety of the Nation. The indoor and outdoor cultivation of cannabis in most regions of the country and importation from foreign sources contributes to the pervasiveness of the drug.
- ❖ Both the DEA and epidemiology reports identify methylene dioxy methamphetamine (MDMA), ketamine, and gamma hydroxybutyric acid (GHB), as significant threats. MDMA (popularly known as "*Ecstasy*"), a synthetic drug with both

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stimulant and hallucinogenic properties, is one of the club drugs that has become popular among teens and young adults at dance clubs and all-night parties called "raves." A 2002 national high school survey found that 10.5 percent of high school seniors had used MDMA in the past year. Most MDMA tablets are produced in Western Europe – chiefly the Netherlands and Belgium – and trafficked to the U.S. by air and other methods. Whereas seizures of MDMA by Customs and DEA were under one million tablets per year until the late 1990s, DHS's Bureau Immigration and Customs Enforcement (ICE) and DEA now each seize several million tablets per year. DEA arrests for Ecstasy-related violations have increased every year since 1998.

Law enforcement officials and other sources report that the diversion and abuse of pharmaceutical controlled substances present a serious problem throughout the U.S. These problems demand a different approach because the substances also have a legitimate medical use. Oxycontin, for example, is a narcotic analgesic and is currently a drug of choice for pharmaceutical diversion.

The Department's drug strategy utilizes the collective talent and expertise of all federal law enforcement agencies to identify and target the most significant drug supply organizations and components nationwide, and to attack the financial infrastructure supporting those enterprises, thereby disrupting and ulti-

mately dismantling them. The Organized Crime Drug Enforcement Task Force (OCDETF) Program has been a primary mechanism for bringing together these agencies. The Department also focuses enforcement resources on identifying and eliminating the individual retail-level traffickers who sell drugs on the streets. Over the years, the Department has mounted, and will continue to mount, a comprehensive, multilevel, organizational attack on the drug trafficking and money laundering organizations that pose the greatest threat.

Strategies to Achieve the Objective

Coordinate domestic and foreign strategic drug intelligence information from all sources, including the law enforcement agencies, intelligence community, and financial databases

To leverage its limited drug enforcement resources against the large, well-financed, and sophisticated criminal organizations that are responsible for importing and distributing most illegal drugs in the United States, the Department has placed renewed emphasis upon comprehensive intelligence-gathering and information-sharing. To this end, we are developing advanced technology systems capable of ingesting and analyzing volumes of investigative drug and financial data from multiple sources. This centralized intelligence system enables the Department's drug enforcement components to discover links among disparate drug and money launder-

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ing networks operating nationwide, and permits enforcement to target the elimination of the entire organization, including its suppliers, transporters, and distributors.

Such strategic targeting and coordination of national-level drug investigations and prosecutions is accomplished by the DEA-led Special Operations Division (SOD). The SOD is a multiagency national law enforcement entity comprising agents, analysts, and prosecutors from DEA, ATF, FBI, DOJ Criminal Division, NDIC, IRS, and the Bureau of Immigration and Customs Enforcement at DHS. The mission of SOD is to coordinate and support regional, national, and transnational criminal investigations and prosecutions against the major drug trafficking organizations, now called Priority Target Organizations (PTOs), threatening the United States. While SOD continues to focus on the major transnational criminal drug trafficking organizations operating in Colombia and along either side of the U.S.-Mexico land border, it has extended its efforts to include PTOs in Europe and Asia.

To fulfill its mission, the SOD works closely with the Organized Crime Drug Enforcement Task Force program, the High Intensity Drug Trafficking Area (HIDTA) program, and U.S. Attorney offices across the country. The SOD performs its mission seamlessly across both investigative agency and district jurisdictional boundaries. The NDIC routinely assists SOD by deploying Document and Computer Exploitation teams in support of the highest priority SOD missions. We expect continued expansion in the accomplishments from SOD with the recent inclusion of the

Internal Revenue Service's Criminal Investigative Division and the establishment of a financial investigative section within the division.

Target drug traffickers and their organizations through OCDETF or equally complex investigations, using asset forfeiture as well as other tools when appropriate, and investigate and prosecute the movement of drug proceeds into, within, and out of the United States



The Department's counternarcotics strategy is built around the recognition that the best way to attack sophisticated narcotics trafficking and money laundering organizations and their attendant criminal activity (e.g., corruption, violent crime, organized crime, and tax evasion) is through the use of a coordinated, interagency task force. The Department relies upon the OCDETF Program, with its federal, state, and local partnerships and its focus on coordinated, multiregional investigations against entire drug networks, as a driving force behind its drug strategy. The OCDETF program combines a wide range

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of agency expertise and experience from seven federal law enforcement agencies within the Departments of Justice, Homeland Security, and Treasury, working in concert with the United States Attorneys Offices, the Department's Criminal and Tax Divisions, and state and local counterparts. Key for OCDETF are the international "command and control" organizations identified on the Consolidated Priority Organization Target List.

The OCDETF program encourages and supports investigations into the financial infrastructure of drug organizations in an effort to eliminate the money laundering and other financial systems that allow these trafficking organizations to operate. The Departments of Justice, Treasury, and Homeland Security remain committed to identifying and attacking money laundering through a coordinated national approach targeting specified sectors of the financial system. Coordinating the use of asset forfeiture in our efforts to combat drug trafficking is also critical. Through the appropriate use of asset forfeiture, the Department attacks the economic infrastructure of criminal organizations to take the profit out of drug trafficking and deprive the criminals of the ill-gotten gains which are used to operate and expand their enterprises.

Develop and implement a regional- and district-level drug enforcement strategy under the guidance of each U.S. Attorney

Each of the nine OCDETF regions, under the guidance and direction of the U.S. Attorneys and agency leadership, must submit annual strategic plans to attack the major drug threats and trafficking organizations plaguing their region. As part of this process, the regions identify Regional Priority Organization Targets - organizations whose drug trafficking and money laundering activities have a significant impact in a particular region. Targeting these regional components of drug organizations will prevent smaller, established networks, particularly those aspiring to replace larger networks that have been disrupted or dismantled, from ascending in status. In addition, focusing on these regional organizations will support state and local drug enforcement efforts by cutting off networks supplying local areas.

The harm caused to our cities and towns by local drug trafficking organizations must also be addressed at the community level, however, and the Department, through the U.S. Attorney in each district, leads these efforts as well. Whereas state and local law enforcement officials are likely to have the necessary strategic information and experience on local gangs, federal agents can provide state-of-the-art inves-

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tigative technology, witness security programs, and sophisticated laboratory analysis of evidence.

Prevent, detect and reduce the illegal diversion of controlled pharmaceuticals while ensuring their adequate supply and availability for legitimate medical needs

Licit controlled pharmaceuticals will always be sought by drug abusers and trafficked by criminals as a substitute for illicitly-manufactured drugs. Nonetheless, ensuring an adequate, uninterrupted supply of controlled pharmaceuticals for legitimate medical use is of paramount consideration in developing and implementing diversion control strategies. DEA, in partnership with state and local authorities, investigates and prosecutes violators of controlled substances laws; enforces these laws pertaining to controlled substances manufacture, distribution and dispensing; ensures compliance with the regulated industry in order to prevent diversion; develops internet investigations as a major deterrent to diversion; and develops and coordinates e-commerce initiatives as a further diversion deterrent.

Reduce the domestic production of illegal drugs and the illegal diversion of precursor and essential chemicals

Precursor and/or essential chemicals are crucial for manufacturing most illicit drugs sold on the streets of the United States. For example, the processes used to

refine raw coca into powder cocaine and to produce methamphetamine require a variety of chemicals. Consequently, chemical control strategies continue to be one of the most effective tools employed against drug traffickers. These strategies offer a means of attacking illicit drug production and disrupting the process before the drugs have entered the market. The Department is supporting several domestic and international initiatives to limit the availability of precursor chemicals to drug traffickers.

DEA continues to participate in several international initiatives including: *Operation Purple* which targets the international movement of potassium permanganate, the drug traffickers' chemical of choice for oxidizing cocaine hydrochloride; *Operation Topaz*, aimed at international monitoring of acetic anhydride, a heroin precursor chemical; *Operation Seis Fronteras*, a DEA chemical enforcement initiative now involving eight countries in South America that targets the diversion of illicit chemicals used in the production of cocaine and heroin; and *Project PRISM*, an initiative aimed at assisting governments in developing and implementing operating procedures to more effectively control and monitor trade in precursors.

Domestically, DEA engages in several initiatives. *Operation Velocity* supports investigations of domestic pseudoephedrine and methamphetamine distribution groups and clandestine laboratory operators. Equally important, the Department, along with DEA and the Department of State, is working with Canadian authorities to develop stronger pre-

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cursor regulations which would prevent illicit shipments of pseudoephedrine from entering the U.S. from Canada. These illicit shipments of pseudoephedrine are a critical factor in the production of methamphetamine. Also, the Department, through DEA's Domestic Cannabis Eradication and Suppression Program, enhances the ability of federal, state, and local agencies to suppress cultivation of marijuana and increase crop destruction.

Finally, the Department participates in the ONDCP-funded National Methamphetamine Chemical Initiative, a multiagency working group consisting of representatives from the DEA, FBI, USAOs, NDIC, and state and local law enforcement officials. Representatives of this working group collaborate in the production and dissemination of timely information bulletins focusing on emerging trends related to the production and distribution of methamphetamine.

Support international cooperative efforts to investigate and prosecute Priority Target Organizations and bilateral and multilateral initiatives to mobilize international efforts against illegal drug activities

Unfortunately, the growth of the global economy has made it easier for drug traffickers to move across borders and ship their illegal goods. The Department seeks every opportunity to gain cooperation from other nations in its fight against major drug traffickers through a variety of agreements and treaties, as well as less formal contact. The DEA, with 80 offices in 58 foreign countries, is

responsible for leading drug law enforcement efforts in the international arena. DEA also supports Sensitive Investigative Units (SIUs) in ten countries. These units are composed of carefully screened host nation law enforcement personnel who operate and function under DEA's guidance. One of the most critical international programs, SIU's have been instrumental in disrupting and dismantling the most significant international drug trafficking organizations.

The Department's Bilateral Case Initiative, which began when the DOJ and Colombian law enforcement conducted unprecedented investigation and prosecution efforts against the most significant traffickers in Colombia, has now expanded to other countries in the region. In the past two years, more than twenty high-level foreign traffickers have been charged under this initiative, including Colombian narcoterrorists and numerous CPOT targets.

The Department is pursuing a Bilateral/Multilateral Drug Intelligence Working Group effort in other countries as well. Initiated in 1999, these ongoing bilateral/multilateral meetings continue between DEA and the Canadians (Royal Canadian Mounted Police); the Australians (Australian Federal Police); the British (National Criminal Intelligence Service, Her Majesty's Customs and Excise, and the National Crime Squad); and the Germans (Bundeskriminalamt). The meetings have been successful in creating a cooperative effort that leverages the contacts, information, and justice systems of the bilateral/multilateral partners. The program has

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developed into joint intelligence projects in support of bilateral investigations and into joint targeting collaborations at the multilateral level. DEA continues to explore future additions to the working group such as the National Narcotics Control Commission, People's Republic of China. Additionally, the NDIC has trained Her Majesty's Customs and Excise on the use of RAID (Real-time Analytical Intelligence Database) and document exploitation and, at the request of the Department of State, is providing the same training to law enforcement personnel in Mexico. DOJ also helps build effective international partners through programs such as Plan Colombia, which provides assistance to Colombia in developing special investigation units, training personnel, and enhancing its forensics capacity to investigate and prosecute major drug traffickers.

In its leadership role, DEA administers annual specialized training programs to support International Law Enforcement Academies. In addition, the agency provides basic and specialized drug law enforcement seminars to foreign narcotic counterparts via the Department of State International Narcotics Law Enforcement Affairs. DEA also facilitates several conferences, including the International Drug Enforcement Conference, which brings together senior-level international law enforcement officers from over 50 countries to discuss high-level drug enforcement issues.

KEY CROSSCUTTING PROGRAMS

Organized Crime Strike Force Units. The Department maintains Organized Crime

Strike Force Units in 23 USAOs, staffed by Assistant U.S. Attorneys who are dedicated exclusively to prosecuting LCN/Italian, Eurasian, and Asian organized crime cases. These offices have liaison with representatives of various federal investigative agencies as well as some state and local law enforcement agencies. To ensure that the program is coordinated from a national point of view, the Strike Force Units operate under general operational supervision and oversight of the Organized Crime and Racketeering Section of the Criminal Division.

OCDETF. The DOJ is responsible for the administration of the OCDETF Program, which includes organizations within the Department of Justice (ATF, DEA, Criminal Division, FBI, Tax Division, USMS, and U.S. Attorneys), as well as other federal law enforcement organizations (ICE, IRS, and the U.S. Coast Guard), and state and local law enforcement agencies. Its purpose is to reduce the drug supply by pursuing complex international or multiregional investigations of high-level drug trafficking or money laundering enterprises. The OCDETF Executive Office and the National High Intensity Drug Trafficking Area Director's Office work collaboratively to target these organizations.

HIDTAs. The Anti-Drug Abuse Act of 1988 authorized the Director of the Office of National Drug Control Policy, in consultation with the Attorney General and the Secretary of the Treasury, to designate areas of the United States which exhibit serious drug trafficking problems as High Density Drug Trafficking Areas. The HIDTA program

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improves the efficiency and effectiveness of drug control efforts by facilitating cooperation among federal, state, and local law enforcement and demand reduction agencies. Since 1990, 31 areas within the United States have been designated as HIDTAs.

High Intensity Financial Crimes Areas (HIFCAs). The Departments of Justice and the Treasury have designated the first seven HIFCAs, where high concentrations of money laundering and other related financial crimes exist, and will coordinate federal, state, and local law enforcement resources to identify and target money laundering within the designated areas.

Maritime Drug Smuggling Investigations Program. The Department of Justice and U.S. Coast Guard have worked together to set in place improved procedures that will enhance the prosecution of the maritime drug smuggling cases where United States forces participated in the apprehension of the perpetrators.

NDIC Threat Assessments and Intelligence sharing. NDIC produces strategic intelligence products that provide policy makers with timely information relating to the supply and demand of illicit drugs in the United States. Examples of these products are the annual National Drug Threat Assessment, state and regional assessments, information bulletins, the annual Arrival Zone Threat Assessment, and the Maritime Drug Threat Assessment. NDIC fosters information-sharing among federal, state, and local law enforcement and intelligence agencies through its National Drug Intelligence Library, and by distributing the Counternarcotics Publication Quarterly.

NDIC's technology programs—such as upgrading the RAID database to provide cross-case analysis and internationalization, as well as NDIC's Hashkeeper initiative to improve computer exploitation—will enhance law enforcement's ability to process, analyze, and share information. Furthermore, the NDIC cooperates with, supports, and co-produces joint assessments with the intelligence components of the HIDTA and OCDETF task forces, the DEA, FBI, and the SOD; it also conducts a quarterly multi-agency training course for the benefit of federal, state, and local law enforcement and intelligence personnel.

The El Paso Intelligence Center (EPIC). EPIC is a multiagency intelligence program designed to act as a clearinghouse for tactical drug-related intelligence. The coordination services provided by EPIC are information-based and draw on the expertise of staff from multiple federal agencies. EPIC supports U.S. law enforcement and interdiction components through the timely analysis and dissemination of intelligence on illicit drugs. It also provides an around-the-clock mechanism for real-time dissemination of all-source database information in support of domestic and international tactical law enforcement operations.

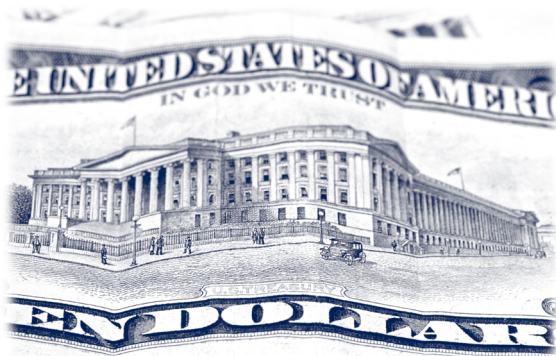
Asset Forfeiture Program. The Department's Asset Forfeiture Program (AFP) is a nationwide law enforcement program that continues to be an effective and powerful weapon in the Department's fight against crime. The primary mission of the AFP is to maximize the effectiveness of forfeiture as a deterrent to crime. Illegal organizations – large and small – are enhanced by the profits and proceeds

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obtained through such illicit activity. The AFP is committed to destroying criminal organizations by means of depriving drug traffickers, racketeers, and other criminal syndicates of their ill-gotten proceeds and the instrumentalities of their trade. The AFP includes training to educate federal, state, and local forfeiture prosecutors and investigators in ways to enhance the expertise needed to integrate forfeiture into every appropriate investigation and prosecution. The Department encourages cooperation among law enforcement organizations by sharing the proceeds of a forfeiture with the foreign government or state or local agency that participates in an investigation which results in a forfeiture.

Strategic Objective 2.3

Combat white collar crime, economic crime, and cybercrime.



The Department recognizes that a strong deterrent capability is necessary to prevent criminals from defrauding and, therefore, weakening the Nation's industries and institutions, eroding the trust of the American public. White Collar Crime (WCC) encompasses illegal acts character-

ized by deceit, concealment, or violations of trust. These acts are generally not dependent on the application or threat of physical force or violence. They are committed by individuals and organizations in order to obtain money, property, and services, or to secure personal or business advantage.

WCC has been conservatively estimated to cost the U.S. billions of dollars annually. Precise financial losses resulting from WCC for consumers, government, and business are unknown since no systematic data collection exists. Only periodic case studies of some aspect of white collar crime, such as personal fraud or health care fraud, have been undertaken. For example, a 1995 National Institute of Justice (NIJ) study entitled "Victimization of Persons by Fraud," estimated that annual losses from personal fraud exceeded \$40 billion. The NIJ study also found that 31 percent of survey respondents reported being a victim of personal fraud in 1995. A more recent National White Collar Crime Center study published in 2000 found that 36 percent of survey respondents said someone in their household had been a victim of fraud in the past 12 months. White collar crime accounted for approximately 13 percent of all cases filed by the Department of Justice in Fiscal Year 2000; financial institution fraud accounted for 36 percent in the same year.

The true cost of WCC is not always measurable in dollars. The corruption of public officials undermines trust in Government, while ecological crimes, such as the illegal dumping of toxic wastes, can result in

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irreparable harm to the environment and endanger public safety. Corporate fraud and some internet fraud schemes, such as market manipulation of certain stocks, can cause massive losses for unwary investors. Other schemes, such as fraudulent online sales of dangerous drugs or bogus medical devices, can create a risk of serious physical harm or death. Unchecked, WCC can have a devastating impact on the Nation's public welfare and economic well-being. The Internet Fraud Complaint Center works to identify and measure internet crime, and a Corporate Fraud Hotline has been established to assist in identifying corporate executives involved in deceptive business practices.

It is often noted that just as the internet and other global network computer systems have transformed the way we conduct business, run governments, educate, and communicate, such networks have also provided a powerful new medium in which to commit unlawful acts. The internet provides con artists, extortionists, vandals, and other criminals with a formidable tool to commit traditional and new crimes. Because end users are spread across the world, a single scheme through the internet can reach a vastly larger pool of potential victims than was possible a decade ago, at a far lower cost and unprecedented speed. The internet also can provide a veil of anonymity that is difficult or impossible to achieve except in cyberspace.

Combating computer crime requires investigators, forensic experts, and prosecutors who must all have technical expertise. Unlike law enforcement agents fighting

traditional crime, these individuals not only need to know how to investigate or prosecute a crime, but must also have specialized skills and training in computers and technology. They must be sufficiently conversant with technology to ensure that evidence is not lost or overlooked.

Forensic experts need to know how to protect evidence and how to recover, analyze, and protect digital evidence that is often perishable and easily damaged. Prosecutors must know more than standard evidentiary and procedural rules; they must understand the specialized language and other complexities of high-technology crimes and be able to translate the evidence in a manner that is technically accurate, but also understandable to judges and juries.

In addition to corruption and cyber-crime, WCC encompasses other criminal economic schemes which vary in scope and complexity. Some of these are summarized in Table 1.

Strategies to Achieve the Objective

Bolster the effectiveness of white collar crime investigations and prosecutions by strengthening coordination among domestic and international law enforcement agencies

Key Department strategies for addressing WCC are developing partnerships with, and fostering coordination among, domestic and international law enforcement and regulatory agencies. The growth of electronic evidence

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TABLE 1. Selected White Collar Crime Categories

Category	Issues
Corporate Fraud	<p>Falsification of financial information, including false accounting entries, bogus trades designed to inflate profits or hide losses, and false transactions designed to evade regulatory oversight.</p> <p>Self-dealing by corporate insiders, including insider trading, kickbacks, misuse of corporate property for personal gain, and individual tax violations related to the self-dealing.</p> <p>Obstruction of justice designed to impede the inquiries of regulatory or other agencies.</p>
Health Care Fraud	<p>Fraudulent billing schemes in health care services rendered, as related to Medicare, Medicaid, government insurers and providers, private insurance companies, home health agencies, etc.</p> <p>Defrauding or misleading patients on quality of care issues.</p> <p>Needless prescriptions for durable medical care equipment in exchange for “kickbacks.”</p>
Financial Institutions, Telemarketing and Other Fraud	<p>Internet fraud.</p> <p>Mortgage and commercial loan fraud.</p> <p>Check and negotiable instrument fraud.</p> <p>Bankruptcy fraud.</p> <p>Securities fraud and abuse in pension plans.</p> <p>Consumer (telemarketing) fraud, particularly cross-border fraud.</p> <p>Fraudulent schemes against the elderly.</p> <p>Money laundering.</p> <p>Identity theft, e.g., illegal credit card use, etc.</p>

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TABLE 1. Selected White Collar Crime Categories *(continued)*

Category	Issues
Public Corruption	<p>Corruption of Government policies and programs.</p> <p>Loss of Government funds due to fraud, kickbacks, bribery, etc.</p> <p>Campaign finance violations in federal elections.</p>
Computer Crime and Theft of Intellectual Property	<p>Computer thefts and intrusions.</p> <p>Economic espionage.</p> <p>Intellectual property crime (e.g., illegal copying, counterfeit goods or services).</p> <p>Internet/Online crime and other fraudulent schemes.</p>

and records, electronic commerce, and globalization magnify impediments that must be overcome in combating WCC and make such coordination indispensable. Because the Department's prosecutorial efforts are reliant upon effective detection and investigation, Justice components have increased their participation on multiagency task forces and collaborative initiatives to maximize opportunities to coordinate detection, investigation, and prosecution efforts. Additionally, the DOJ and FBI currently operate the Internet Fraud Complaint Center, which coordinates domestic and international internet investigations. Moreover, the Corporate Fraud Task Force, formed under Presidential directive and chaired by the Deputy Attorney General, was formed to address the barrage of corporate fraud cases.

Investigate and prosecute high-technology crimes

Given the wide array of cyber threats, a multipronged strategy has been developed to target the most significant of them. Computer intrusions that are driven by terrorist activities are the first priority of the Department and the FBI, followed by foreign government-sponsored operations and criminal operations.

The United States is facing an increasing threat from high-technology crime. Therefore, the Department must increase its efforts to investigate and prosecute such crime and to work with other government agencies to ensure a coordinated response. The Department will develop and support the development of tools, legal approaches, and opera-

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tional strategies to assist law enforcement in investigating criminal activity that increasingly abuses the power of global networks and computers. The Department's Computer Crime and Telecommunications Coordinator (CTC) program, created to address high-technology crimes, has proven to be one of the most effective prosecutive networks in the country. Designated prosecutors in each of the U.S. Attorney's Offices are specially trained to handle computer crime and intellectual property cases. In FY 2002, there were 190 designated CTCs in the U.S. Attorney's Offices. In addition, the Department recently created Computer Hacking and Intellectual Property (CHIP) units in 13 U.S. Attorney's Offices to supplement the CTC program

With the increasing globalization of crime, DOJ will work with its international partners to develop the global infrastructure - legal, technical, and operational - necessary to combat criminal activity involving computers, networks, and intellectual property. The Department also continues to provide training and assistance to federal, state, and local law enforcement. Such assistance has included building virtual and personal networks among law enforcement personnel to facilitate cooperation in the investigation of complex cases. Recognizing that technologies affect public safety, the Department will work with the computer and telecommunications industry to ensure that industry understands the public safety implications of the technology it develops. At the same time, Justice will strive to ensure that law enforcement understands the new technologies that may present threats to public safety.

Deter public corruption by increasing its investigation and prosecution

One way to reduce future corruption is to vigorously investigate and prosecute current corruption and to seek substantial prison terms for persons convicted of these crimes. Aggressive and effective prosecutions, followed by long sentences, send a clear message that these crimes will not be tolerated and that those engaging in them do so at their peril. The Department intends to increase its efforts against corruption in three ways: first, it will increase awareness of public corruption, of the significant harm it causes, and the interest the Department has in combating it at all levels of government; second, it will make public corruption investigations and prosecutions a top priority; and third, it will increase the number and scope of training events for federal prosecutors and investigators that focus on the handling of corruption investigations and prosecutions.

Increase the investigation and prosecution of corporate fraud to restore confidence in the securities economy

The Department has adopted the position that the efficiency and effectiveness of securities markets is substantially enhanced by consistent and successful prosecution of criminal offenses. Working closely with the Securities Exchange Commission, the Commodity Futures Trading Commission, and state regulatory entities, the Department has placed an emphasis on investigating allegations of corporate and security fraud. The Department

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intends to continue addressing this problem by aggressively pursuing prosecution of corporate executives, employees, or their associates who deceive public shareholders and/or illegally enrich themselves at the expense of the public. The Sarbanes-Oxley Act, a recently enacted law which imposes significant new corporate governance and financial statement reporting obligations on public companies, will significantly deter corporate executives from engaging in corporate fraud in the future.

Focus on asset forfeiture and money laundering

All white collar crimes are conducted for profit, and the single largest deterrent to and punishment for such activity is the forfeiture of the ill-gotten assets. Even though prosecutors only recently have had the legal tools to directly forfeit the proceeds of white collar crime, about half of the deposits to the Assets Forfeiture Fund are non-drug related, showing significant efforts toward using this tool in non-drug related crimes for profit. Likewise, money laundering cuts across all white collar crimes, and the need for these criminals to disguise the source of their ill-gotten proceeds is a vulnerability to be exploited.

KEY CROSSCUTTING PROGRAMS

Attorney General's Council on White Collar Crime. The Council, chaired by the Attorney General, was established by order of the Attorney General in July 1995,

replacing its predecessor, the Economic Crime Council, established in 1983. The Council serves as a high-level interagency advisory body to coordinate federal law enforcement efforts and develop new strategies to combat white collar crime. The Council includes senior-level representatives of the Department of Justice; the Department of Treasury; the Environmental Protection Agency; the Securities and Exchange Commission; the U.S. Postal Inspection Service; the Federal Trade Commission; and the President's Council on Integrity and Efficiency. The Council has working-level committees on fraud prevention and consumer protection and subcommittees on identity theft and international white collar crime. It also offers advanced white collar crime training by the Departments of Justice and Treasury. The Council has endorsed and added its support to various economic crime enforcement initiatives, including internet fraud, counterfeit aircraft parts, counterfeit software, identity theft, pension fraud, and bankruptcy fraud.

Internet Fraud Complaint Center. The Internet Fraud Complaint Center (IFCC) was established in 1999 in partnership with the National White Collar Crime Center. IFCC receives complaints regarding a vast array of cybercrime matters, including computer intrusions, identity theft, economic espionage, credit card fraud, child pornography, online extortion, and a growing list of internationally-spawned internet fraud matters. The IFCC received 75,000 complaints in 2002; in 2003, it received

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more than 9,000 complaints per month. That number is expected to increase significantly as the American and international communities become more aware of its mission and capabilities. Later this year, the IFCC will be renamed as the Internet Crime Complaint Center (IC3) to more accurately reflect its mission.

Corporate Fraud Task Force. In response to the corporate fraud scandal, the President instructed the Department to form the Corporate Task Force, whose mission is to reduce and deter corporate fraud by aggressively enforcing the federal criminal laws which outlaw such behavior. Members of the task force include the Deputy Attorney General (Chair), FBI Director, Assistant Attorney Generals of the Department's Criminal and Tax Divisions, several U.S. Attorneys, and several other agency officials.

National Health Care Fraud and Abuse Task Force. Consisting of senior officials of the Departments of Justice and Health and Human Services, as well as state attorney generals and local district attorneys, the task force discusses policy issues and develops directives to member agencies for implementing initiatives to fight common problems affecting federal and state health care programs.

President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency. The President's Council on Integrity and Efficiency and Executive Council on Integrity and Efficiency (PCIE/ECIE) is composed of

Inspectors General (IG) of various agencies of the Executive Branch. Established by a 1996 Executive Order, the Integrity Committee for the PCIE/ECIE handles criminal allegations against IGs and their senior staffs. Investigative procedures for the Integrity Committee were drafted in 1997 with the assistance of the Department. The procedures provide for coordination with the Department in this sensitive area, including initial DOJ review of allegations for possible criminal prosecution.

Asset Forfeiture Program. The Department's Asset Forfeiture Program is a nationwide law enforcement program that continues to be an effective and powerful weapon in the Department's fight against crime. The primary mission of the program is to maximize the effectiveness of forfeiture as a deterrent to crime by depriving the criminals of their ill-gotten proceeds and the instrumentalities of their trade. The Department encourages cooperation between the Federal Government and foreign, state, and local law enforcement by sharing the proceeds of a forfeiture with the foreign government or the state or local law enforcement agency that participates in an investigation that results in a forfeiture.

Strategic Objective 2.4

Uphold the civil and constitutional rights of all Americans and protect vulnerable members of society

The Department of Justice promotes compliance with basic federal civil rights

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protections through a multifaceted program of criminal enforcement (including the trafficking of persons), civil enforcement, public education, and outreach. The Nation's civil rights laws influence a broad spectrum of conduct by individuals as well as public and private institutions. They prohibit discriminatory conduct in such areas as the administration of justice, housing, employment, education, voting, lending, public accommodations, access to services and facilities, activities that receive federal financial assistance, and the treatment of juvenile and adult detainees and residents of public institutions. They also provide safeguards against criminal

actions such as official misconduct and hate crimes. In the wake of the terrorist attacks, the Department pays particular attention to violence and threats of violence against law-abiding Arab-Americans and other Americans of Middle Eastern and South Asian descent.

During the past five years, more than 725 individuals have been charged with federal criminal civil rights crimes, including official misconduct, incidents of racial and religious violence, violations of the Freedom of Access to Clinic Entrances Act, and trafficking and involuntary servitude violations. While some violations may be most appropriately pursued by the Federal Government, others can be addressed by either the Federal Government or by state or local prosecutors. The ultimate goal is to ensure that acts constituting federal criminal civil rights violations are sufficiently remedied, whether prosecuted federally or by local authorities.

Departmental attorneys litigate cases stemming from myriad statutes. For example, the Department enforces the Voting Rights Act of 1965 and other statutes that safeguard the right to vote of all individuals who are eligible, and that prohibit voting practices and procedures that discriminate on the basis of race, color, or membership in a language minority group.

The Department enforces Title VII of the Civil Rights Act of 1964 with respect to state and local government employers. Title VII prohibits discrimination in employment because of race, color, reli-

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gion, sex, or national origin or retaliation against individuals who exercise their rights under the law, such as their right to file a charge of discrimination or to protest a practice that they reasonably believe is unlawful under the statute.

Department attorneys also enforce Title IV of the Civil Rights Act of 1964, which provides for the orderly desegregation of public elementary and secondary schools, and public colleges and universities. The Department's jurisdiction to act is triggered by the receipt of a written complaint from a parent or a student alleging that the student has been denied equal protection of the laws, or in the cases of public colleges, that the student has been denied admission or not permitted to continue to attend the college on the basis of race, color, national origin, sex, or religion.

In addition, the Department enforces the Equal Educational Opportunities Act of 1974, which prohibits discrimination in student and faculty assignment, and faculty and staff employment, and requires that states and school districts take appropriate action to overcome students' language barriers that impede equal participation in the instructional program. Furthermore, the Department has enforcement responsibility, upon receiving a referral from a government agency, to enforce several statutes that prohibit recipients of federal financial assistance from discriminating on the basis of race and national origin, sex, and disability.

The Department enforces federal statutes prohibiting discrimination in housing, consumer credit, and public accommodations. The Fair Housing Amendments Act of 1988 substantially expanded the Department's enforcement authority to combat housing discrimination by enabling it for the first time: (1) to initiate cases referred by the Department of Housing and Urban Development (HUD), on behalf of individuals who have been discriminated against; and (2) to seek actual and punitive damages for aggrieved individuals in both the HUD-referred cases and the pattern or practice cases the Department has had authority to bring since 1968. The Equal Credit Opportunity Act prohibits discrimination in credit transactions on the basis of race, color, religion, national origin, sex, marital status, age, or on the basis that an applicant's income is from public assistance. Title II of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, religion, or national origin in certain public accommodations, such as restaurants, hotels and motels, and places of entertainment.

Finally, the Department enforces the Americans with Disabilities Act (ADA) on behalf of people with disabilities to make the promise of equal access to everyday life a reality. Enforcement responsibilities cover a broad spectrum of potential actions to encourage individuals and entities to comply with ADA requirements, including new construction, removal of physical barriers, provision of auxiliary aids, access to employment, and elimination of discriminatory policies.

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Strategies to Achieve the Objective

Target specific actions as part of a comprehensive strategy to safeguard the civil rights of all persons residing in the United States

The Civil Rights Division intends to achieve its objective by, among other things, (1) developing constructive measures to promote law enforcement integrity and combat official misconduct or other criminal conduct; (2) protecting new immigrants to America by vigorously prosecuting those who exploit their vulnerability through the trafficking in persons; (3) prosecuting vigorously allegations that any American has been excluded unlawfully from polling places or that individuals or organizations have diluted lawful votes by virtue of vote fraud; (4) emphasizing the enforcement of our fair housing laws; and (5) implementing the New Freedom Initiative, a comprehensive set of proposals designed to help increase access for Americans with disabilities to innovative new technologies that will facilitate their more full and active participation in our society, as well as expand their educational opportunities, better integrate them into the workforce, and promote full access to – and involvement in – community life.

Educate the American business community and state and local governments regarding federal civil rights laws and requirements

The strategy of non-adversarial interaction to achieve voluntary change through

education, outreach, and mediation has been important in reducing and deterring civil rights violations. For example, the Civil Rights Division's Technical Assistance Program, mandated under Section 506 of the ADA, provides answers to questions and free publications to businesses, state and local governments, people with disabilities, and the general public.

Combat the criminal trafficking of children and other vulnerable victims



DOJ will increase efforts to combat the criminal trafficking of children and other vulnerable victims, through more intensified efforts and interagency coordination. Strategic targeting of outreach and training will lead to an increase in prosecutions in cases involving human trafficking and will enhance policies that impact on victims.

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The Criminal Section of the Civil Rights Division, which prosecutes cases of involuntary servitude and related offenses, has increased its efforts to investigate and prosecute criminal trafficking cases, to coordinate assistance to victims, and to engage in intensified outreach to community groups and the broader public in order to identify potential trafficking cases. The Division is also increasing its work with foreign governments to combat trafficking, both by training foreign prosecutors and law enforcement officers in handling trafficking cases and in building its contacts with foreign officials with whom the Division can collaborate on specific cases.

KEY CROSSCUTTING PROGRAMS

Generally, the Department's civil rights enforcement and outreach are coordinated with all federal agencies that provide financial assistance to state, local, and nonprofit agencies, and with the other federal agencies with civil rights enforcement responsibilities (e.g., the Departments of Health and Human Services, HUD, Education, Labor, and Transportation). Coordination includes long-standing working relationships, such as jointly developing policy guidelines and handling enforcement cases, and more short-term task forces to address specific problems. Current task forces and agreements include:

Interagency Fair Lending Task Force. The bank regulatory agencies (Federal Reserve Board, Office of Thrift Supervision, Office of the Comptroller of the Currency, and Federal

Deposit Insurance Corporation), HUD, and the Department are members of an interagency fair lending task force that meets regularly to consult on fair lending policy and periodically issues joint policy statements.

Memorandum of Understanding on Housing Rights. The Department's Civil Rights Division and HUD have a Memorandum of Understanding to ensure that criminal interference with housing rights is addressed through the most effective means. HUD refers all forcible interference reports to the Civil Rights Division, which reviews and either pursues or defers back to HUD for further action. This allows instances of provable criminal violations to be addressed through prosecution and then processed for civil remedies through HUD.

National Task Force on Violence Against Health Care Providers. This task force coordinates the investigation and prosecution of violations of the Freedom of Clinic Entrances Act. The Department's Bureau of Alcohol, Tobacco, Firearms, and Explosives and the FBI provide investigators, and the Treasury Department helps to oversee this prosecutorial effort, staffed primarily by prosecutors from DOJ's Civil Rights Division.

Memorandum of Understanding on Low-Income Housing Tax Credit Program. The Departments of Justice, Treasury, and HUD have a Memorandum of Understanding to promote enhanced compliance with the Fair Housing Act in the Low-Income Housing Tax Credit (LIHTC) Program administered by the Internal Revenue Service. Violations of the Fair

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Housing Act could result in a property owner's loss of low-income housing tax credits. The MOU establishes (1) a monitoring and notification process among the three agencies; (2) a commitment to interagency training and technical assistance; (3) a commitment to training for state housing finance agencies and architects; and (4) an agreement for interagency cooperation for research, identification, and removal of unlawful barriers to LIHTC housing.

Trafficking Victims Protection Act. The Criminal Section of the Civil Rights Division works closely with the FBI, the Criminal Division, U.S. Attorneys' Offices, Department of Labor, the Department of Homeland Security, and communities to identify victims, many of whom are women and children, of illegal trafficking, and to investigate and prosecute incidents involving criminal violations of these federal civil rights crimes. The Trafficking Victims Protection Act, enacted into law in 2000, expanded the scope of the federal enforcement authority over trafficking offenses. We are continuing our outreach programs in this area, coordinating trafficking enforcement efforts by training local and federal prosecutors in the techniques of prosecuting trafficking cases and providing expert guidance on the Trafficking Victims Protection Act.

Strategic Objective 2.5

Enforce federal statutes, uphold the rule of law, and vigorously represent the interests of the United States in all matters for which the Department has jurisdiction

The Department of Justice is the Nation's chief litigator. Its attorneys represent the United States Government in court, enforcing federal civil and criminal statutes, including those preserving a competitive market structure, safeguarding the environment, and defending the public fisc against unwarranted claims.

Carrying out these responsibilities is the primary task of the U.S. Attorneys, the Department's litigating divisions, and the Office of the Solicitor General. The USAs serve as the Attorney General's chief law enforcement officers in each of the 94 federal judicial districts, representing the United States in both civil and criminal matters. The litigating divisions are centralized staffs with specialized expertise in particular areas of federal law, including antitrust, environmental, tax, civil justice, and criminal law. The Office of the Solicitor General represents the interests of the United States before the U.S. Supreme Court and authorizes and monitors the

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Government's activities in the Nation's appellate courts. Together, these Justice components ensure that the Federal Government speaks with one voice with respect to the law.

Antitrust

The work of the Antitrust Division is broken down into two broad categories, criminal and civil. On the criminal side, antitrust violations are increasingly complex matters including bid-rigging schemes and price fixing cartels that are highly sophisticated, increasingly international, significant for the large volumes of commerce involved, and extremely broad in terms of the number of businesses and consumers affected.

In civil matters, the Department maintains and promotes competitive markets largely by enforcing federal antitrust laws. These laws affect virtually all industries and apply to every phase of business, including manufacturing, transportation, distribution, and marketing. They prohibit a variety of practices that restrain trade, such as mergers likely to reduce the competitive vigor of particular markets and predatory acts designed to maintain or achieve monopoly power. Successful enforcement of these laws - which both decreases and deters anticompetitive behavior - saves U.S. consumers billions of dollars, allows them to receive goods and services of the highest quality at the lowest price, and enables U.S. businesses to compete on a level playing field nationally and internationally.

Several key trends have impact on the Department's antitrust efforts. The first of these is the globalization of trade. The second is rapid technological change. The third is deregulation. All three trends have ramifications for the Department's antitrust work and workload.

The value of mergers occurring globally is significant, and large cross-border mergers are no longer an anomaly. In our civil non-merger program, as well, the cases we encounter often have global reach. Whether taking more time to coordinate with foreign antitrust counterparts or expending more money to translate foreign documents, the Department's increasingly common investigations with international dimensions are significantly more complex than in previous years.

A number of our most important industries have been characterized recently by unprecedented levels of technological change. The accelerated flow of information means the collection and review of evidence has become more laborious. The greater technological sophistication of the marketplace means the methods to constrain competition have become more sophisticated, as well. New industries are created virtually overnight. The Department must stay on top of all these developments to effectively enforce the antitrust laws.

In recent decades, legislative and regulatory changes in the United States have reversed a generation of pervasive Government regulation and have deregulated such basic industries as telecommunications, energy, financial

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services, and transportation. Competition, with appropriate reliance upon antitrust laws, has again become the norm. This transition has meant an increased role for antitrust – both working with various agencies to find ways to replace regulatory constraints with competitive incentives and effectively following up with necessary enforcement of the broader antitrust laws as may become necessary. Again, the Department is faced with more work that is more complex.

Strategies to Achieve the Objective

Investigate, challenge, and prosecute international price fixing cartels

The Department deters anticompetitive behavior affecting U.S. businesses and consumers by investigating and prosecuting violations of our Nation's antitrust laws. While we remain vigilant in the face of all criminal antitrust activity, we have placed a priority on the successful prosecution of international price fixing cartels. These cartels pose a number of challenges: they are highly sophisticated, significant for the large volumes of commerce involved, and extremely broad in terms of the number of businesses and consumers affected. The Department is committed to meeting these challenges. Successful enforcement of these laws saves U.S. consumers millions of dollars, allows them to receive goods and services of the highest quality at the lowest price, and engenders fair competition for American businesses at home and abroad.

Investigate and litigate business arrangements and practices that encourage anti-competitive behavior and reduce competition

The Department employs two distinct strategies to decrease and deter anticompetitive business behavior and practices. First is our merger enforcement strategy. This strategy focuses on the investigation and litigation of instances in which monopoly power is sought, attained, or maintained through anticompetitive conduct. The Government seeks injunctive relief against mergers and acquisitions that may substantially lessen competition.

Second, our civil non-merger enforcement strategy supports the investigation and prosecution of civil non-merger matters to suspend or deter anticompetitive behavior. Other behavior, such as group boycotts or exclusive dealing arrangements that inappropriately restrain free and open trade or commerce, is illegal under Section 1 of the Sherman Act.

Advance procompetitive national and international laws, regulations, and policies

With a number of activities distinct in form and audience, the Department promotes competition through further improvement of the competitive landscape at all levels: inter- or intra-governmentally, nationally, and internationally. Departmental resources are devoted to participation in interagency regulatory processes, for example, to ensure that business

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practices conform with regulatory rules. In addition, Department officials routinely participate in interagency task forces related to competition issues. At the international level, Department membership in bodies such as the World Trade Organization provides an opportunity for the promotion of "competition-friendly" policies and practices. In all cases, our goal remains the deterrence of anticompetitive behavior.

Guide and educate businesses, consumers, and counterpart agencies about antitrust law to increase their awareness and understanding

Whether through direct contact and targeted communication with specific audiences, or via the development, publication, and distribution of policy guidance, the Department seeks to increase the breadth and depth of awareness of antitrust law. One example of Departmental activity in this area is our Business Review Program, which provides timely information on antitrust law and how it applies under different situations, along with the likely reaction of the Department to a proposed business action or arrangement. Another example is tailored training provided to state antitrust attorneys and investigators. In all instances, by reaching as many individuals, companies, agencies, and other groups as possible, and by providing them with detailed and specific guidance on the law, the Department seeks to promote competitive behavior and deter anticompetitive behavior.

KEY CROSSCUTTING PROGRAM

Antitrust Division and Federal Trade Commission (FTC) Merger Clearance Process. Section 7 of the Clayton Act, as amended, requires certain enterprises that plan to merge or to enter into acquisition transactions to notify the Department's Antitrust Division and the FTC of their intention, and to submit certain information to those authorities. Once pre-merger notification has been made, the Department and the FTC employ a clearance process, based largely on complementary areas of expertise, in order to quickly determine which body will review and/or investigate a particular merger transaction. Following clearance, the transaction is reviewed to determine whether there are any competitive issues at stake. Throughout the clearance process the agencies maintain close communication in order to ensure that competitive concerns are addressed efficiently and effectively and that the process is undertaken without unduly burdening legitimate business interests.

Environment and Natural Resources

As the Nation's chief environmental litigator, the Department enforces federal pollution abatement laws to protect the health and environment of the United States and its citizens. DOJ also defends suits challenging environmental and conservation laws, programs, and activities; represents the United States in all matters concerning the protection, use, and development of the Nation's natural resources and public lands; and litigates on behalf of Indian tribes and individual Indians.

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In performing these functions, the Department seeks to obtain redress of past violations that harm the environment, ensure that those who violate criminal statutes are appropriately punished, establish credible deterrents against future violations of these laws, recoup federal funds spent to abate environmental contamination, and obtain money to restore or replace natural resources damaged through oil spills or the release of hazardous substances into the environment. We also take action to ensure that the Federal Government receives appropriate royalties and income from activities on public lands and waters.

In addition, the Department defends challenges to federal environmental and conservation programs and activities by representing the United States in all matters concerning the protection, use, and development of the Nation's public lands and natural resources. Representing virtually every federal agency, DOJ faces a growing workload in a wide variety of natural resource areas, including litigation over water quality and watersheds, the management of public lands and natural resources, endangered species and sensitive habitats, and land acquisition and exchanges.

A related concern is the trust relationships the United States has with Indians and Indian tribes through numerous treaties, statutes, and Executive Orders. Under these authorities, the Federal Government performs a number of functions on behalf of these tribes, including litigating to establish or defend their rights. These suits include establishing water rights, establishing and protecting hunting and fishing rights, collecting damages for trespass on Indian lands, and establishing reservation boundaries and land rights.

Strategies to Achieve the Objective

Pursue civil enforcement cases against those who violate laws that protect public health, the environment, and natural resources

The Department will represent federal agencies in litigation and assist in the development of effective enforcement

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strategies that seek compliance with, and deter violation of, the Nation's environmental enforcement and conservation laws. The Department strives for the fair and consistent application of these laws throughout the country.

For example, the Department enforces statutes designed to address the cleanup of hazardous waste sites; the management of hazardous wastes and used oil; the pollution of surface waters and the integrity of drinking water; the quality of air and the regulation of chemical substances and mixtures which present a risk to human health and the environment; the regulation of pesticides; claims that wetlands or other U.S. waters have been filled without required Clean Water Act permits; and the regulation of ocean and coastal water.

In these cases, the Department will work to attain economic parity for the vast majority of law-abiding U.S. businesses by assuring that illegal operators do not gain an economic advantage through noncompliance with the Nation's laws. That this approach has been effective is evidenced by the Department's landmark settlements with more than a dozen refineries throughout the country that have agreed to reduce air emissions significantly. Additionally, we will maintain the integrity of our Nation's infrastructure and continue to enforce infractions involving pipeline integrity, leaky storage tanks, endangerment from chemical and manufacturing plants, and threats to public drinking water systems.

Conserve the Superfund

The Superfund law provides funding for the cleanup of contaminated hazardous waste sites and for the reimbursement of cleanup costs by those responsible for the contamination. The Justice Department's recovery litigation returns money to the Superfund that helps to sustain the fund and in turn supports the cleanup of additional dangerous sites. The Department will place a renewed emphasis on recovering cleanup costs from violators to help ensure the continued availability of the Superfund.

Ensure proper payments to the U.S. from income-generating activities on public lands, and pursue claims for natural resource damages

It will take enforcement actions to protect endangered species, sensitive habitats, and natural resources in national parks and marine sanctuaries. DOJ will pursue claims for natural resource damages on behalf of federal agencies that act as trustees of those resources, including the Interior, Agriculture, and Commerce Departments. The Department will seek claims for contribution against private parties for contamination of public lands and recoupment of monies spent by the Coast Guard to clean up oil spills.

In carrying out these responsibilities, DOJ will continue to emphasize the use of Alternative Dispute Resolution (ADR) and other litigation-streamlining techniques to

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achieve faster, more comprehensive, and more cost-effective resolution of these complex cases.

Investigate and prosecute environmental crimes

Prosecution remains a cornerstone of the Department's integrated approach to ensure broad-based environmental compliance. Notably, it is the goal of investigators and prosecutors to discover and prosecute criminals before there has been substantial damage done to the environment, resulting in serious health effects or economic damage to consumers or honest competitors.

The Department enforces criminal statutes designed to punish those who would pollute the Nation's air and water; illegally store, transport and dispose of hazardous wastes; illegally transport hazardous materials; unlawfully deal in ozone-depleting substances; and lie to officials to cover up their criminal conduct.

The deterrent effect of criminal enforcement is difficult to measure, but available research indicates that a strong criminal enforcement program deters violations and thereby protects human health, natural resources, endangered species, and the competitive position of legitimate companies. The Department will enhance its capability to convict and deter environmental crimes through leading law enforcement initiatives such as the Chlorofluorocarbon Phaseout, vessel pollution, laboratory fraud, and hazardous materials transporta-

tion initiatives, training, outreach, and domestic and international cooperation and coordination.

Defend U.S. interests in suits challenging statutes and agency actions

The Department will continue to represent federal agencies, including the Environmental Protection Agency (EPA), the Army Corps of Engineers, the Department of the Interior, and the U.S. Forest Service, in suits challenging the Government's administration of federal environmental, conservation, and land management laws. The Department also will defend claims arising under the Comprehensive Environmental Response, Compensation, and Liability Act that a federal agency is a liable party at a Superfund site and so must share in the costs of cleanup. The Department will continue to represent agencies against allegations that they have taken real property without just compensation, violating the Fifth Amendment.

As defense counsel, the Department represents federal land management agencies in challenges to regulatory and permit activities which impact public lands. The Department will defend decisions to allow oil and gas leasing on public lands, including the National Petroleum Reserve - Alaska, along with other actions the land management agencies take in fulfillment of their multiple use mandates. The Department also will defend the management and planning activities of the National Marine Fisheries Service and Fish and Wildlife Service regarding endangered species and habitats.

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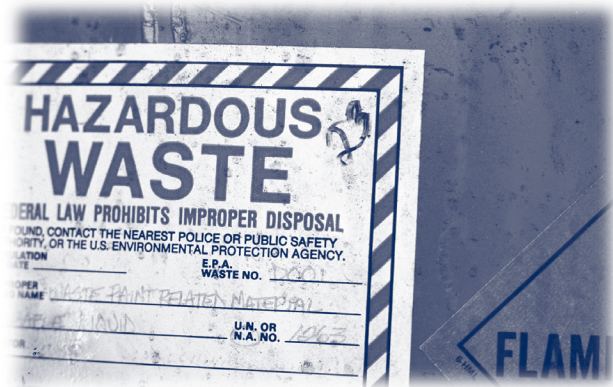
The Department faces a growing caseload in the natural resource areas. Defensive litigation includes representing U.S. interests in general stream adjudications which affect hundreds of thousands of parties and tens of thousands of water claims in western states; lawsuits over the restoration and management of public lands, waters, and natural resources; wildlife protection; and the acquisition of federal property.

Act in accordance with U.S. trust responsibilities to Indian tribes and individual Indians in litigation involving the interests of Indians

The United States has established trust relationships with Indians and Indian tribes through numerous treaties, statutes, and Executive Orders. Under these authorities, the Federal Government is obligated to perform a number of functions on behalf of these tribes, including litigating to establish or defend their rights, as well as protecting more than 56 million acres of land held in trust by the United States. The Department represents the United States in its trust capacity. This work includes development, investigation, and litigation of environmental issues that arise on Indian reservations; and the pursuit of longstanding land and water claims on behalf of Indian tribes. The Department is responsible for protecting treaty-based hunting and fishing rights. The Department is also charged with protecting tribal regulatory, adjudicatory, and tax jurisdiction, including a tribe's sovereignty to exercise jurisdic-

tion in domestic relations cases involving tribal members, and to enforce gaming laws and state compacts.

Develop partnerships with other federal agencies, state and local governments, and interested parties to maximize environmental compliance and improve natural resource management



The Department emphasizes constructive relationships with all involved federal agencies, state and local governments, tribes, and the public. We will continue to make it a priority to work cooperatively with state attorneys general on joint enforcement actions. States are now routinely given the opportunity to join the Department in enforcement cases and, where appropriate, share in any penalties obtained in settlements. Through Supplemental Environmental Projects in civil cases, the public harmed by an illegal activity can be assisted in recovery. Also, Department attorneys have created a potential model for resolving future disputes among tribes, states, and local gov-

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ernments by mediating what is believed to be the first negotiated settlement of a challenge by a state to an Interior Department decision to accept land into trust status.

KEY CROSSCUTTING PROGRAMS

Pipeline Safety. The Department, in conjunction with the Department of Transportation, EPA, and other federal and state agencies, is involved in litigation to ensure the safety of interstate pipelines.

Water Rights Adjudication and Public Land Management. With federal land management agencies, states, tribes, and other interested parties, the Department is involved in a number of complex negotiations over water allocations among various user groups in the western U.S.

Environmental Remediation and Natural Resource Restoration. The Department is representing three federal agencies (EPA, Department of the Interior, and the National Oceanic and Atmospheric Administration) concerning the contamination of the Fox River and Green Bay in northeastern Wisconsin. Working closely with the State of Wisconsin and two Indian tribes, the Department filed suit to address Polychlorinated Biphenyls (PCB) contamination affecting 39 miles of sediment in the Fox Valley, which has the largest concentration of paper mills in the world.

Criminal Jurisdiction on Indian Reservations. The Department is defending a statute that closes a potential loophole in criminal jurisdiction by providing Indian tribes with the jurisdiction to prosecute crimes committed

by non-member Indians within the boundaries of a reservation. The State of Montana has joined the United States in defending this statute, and other states similarly support the assertion of tribal jurisdiction in this context.

Land Acquisition and Everglades Restoration. The Department is working to acquire land in South Florida needed by the Corps of Engineers, the EPA, and other federal and State agencies for implementation of the plan designed to improve water quality and drainage in the Florida Everglades.

Tax Law

The Department strives to enforce the federal tax laws consistently and impartially and to ensure that taxpayers are treated fairly. The Department's Tax Division is unique among Department components



because of the role that it plays in the federal tax system. In this role, the Tax Division works closely with the Internal Revenue Service (IRS), which is responsible for 95% of the revenue collected by the Federal Government annually. In one way

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or another, almost all of the Tax Division's activities are designed to help close the multibillion dollar tax gap—the difference between tax owed and tax collected. Those activities consist principally of:

- ❖ Enforcement of the Nation's criminal tax laws;
- ❖ Representation of the United States in federal civil tax litigation in all state and federal trial courts, except the United States Tax Court; and
- ❖ Representation of the United States in all federal civil tax litigation in the federal circuit courts of appeals and in the state appellate courts.

Criminal Tax Enforcement. Each year, noncompliance with the federal tax laws costs the Government hundreds of billions of dollars. The Tax Division, either on its own or in concert with United States Attorneys' offices, prosecutes a wide variety of tax crimes, including:

- ❖ Tax evasion on income earned through legal sources;
- ❖ Tax evasion using domestic trusts and other abusive tax shelters;
- ❖ Defrauding the IRS by promoting frivolous "tax protest" theories;
- ❖ Secreting assets in foreign countries to evade tax liability; and
- ❖ Tax violations with respect to proceeds of drug violations or fraud.

Civil Tax Enforcement. The Tax Division's civil trial work covers a broad spectrum of litigation in the federal district and bankruptcy courts, the United States Court of Federal Claims, and the state courts.

The work has profound effects on tax administration. Decisions in the Tax Division's civil cases create precedents that can govern millions of taxpayers. One favorable decision can resonate far beyond the parties directly involved and lead to billions of dollars in additional tax collections.

Much of the Division's civil caseload involves defending the United States in litigation brought by others, including:

- ❖ Tax refund suits brought by taxpayers to recover payments made toward contested federal tax liabilities;
- ❖ Bankruptcy litigation raising issues concerning the validity, dischargeability, and priority of federal tax claims and the feasibility of business reorganizations;
- ❖ Suits challenging IRS determinations made following "collection due process" proceedings;
- ❖ Damages suits stemming from tax assessment or collection activity by IRS and other Government officials; and
- ❖ Suits against the IRS under the Freedom of Information and Privacy Acts.

The Tax Division also represents the United States as plaintiff in a panoply of

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actions vital to efficient tax administration and effective tax enforcement, including:

- ❖ Suits to enforce IRS administrative summonses seeking information essential to determine and collect federal tax liabilities;
- ❖ Suits to enforce tax liens and IRS levies, including suits to set aside fraudulent conveyances and to enforce tax liens on assets held by nominees or alter egos; and
- ❖ Suits to establish the immunity of the Federal Government and its instrumentalities from state and local taxes.

Strategies to Achieve the Objective

Identify, investigate and prosecute tax fraud

In addition to its continuing work prosecuting a wide variety of tax crimes, the Division has launched a series of new initiatives to deter noncompliance and help ease the burden of noncompliance on law-abiding taxpayers who pay their fair share of taxes. The Division has redoubled efforts to address tax crime involving income from a legal source—such as the consultant who reports only part of his income, the restaurant owner who skims from the cash register, or the doctor who keeps two sets of bookkeeping records. The IRS estimates that at least \$200 billion in revenue is lost each year through the evasion of taxes on income from legal sources.

The Division also concentrates on several other areas of noncompliance. For example, it focuses on prosecuting promoters of sham trusts and other illegal schemes designed to avoid taxes; illegal tax protesters who engage in tax evasion schemes and those who harass IRS employees; and taxpayers who use tax haven and other offshore countries to evade United States taxes. The Department's tax lawyers also investigate and prosecute tax violations occurring in the course of other criminal conduct, such as narcotics trafficking (supporting the Organized Crime and Drug Enforcement Task Force), corporate fraud, securities fraud, bankruptcy fraud, health care fraud, organized crime, public corruption, and terrorism.

Focus civil enforcement efforts to promote tax compliance

The Tax Division's primary strategy to reduce the tax gap is to litigate, both defensively and affirmatively, federal civil tax cases filed by and against taxpayers in the federal courts. Through this litigation, the Division ensures that the tax laws are properly enforced, often targeting particularly acute tax enforcement problems that threaten to seriously undermine tax administration.

As part of its representation of the Government in the courts, the Tax Division conducts, in each civil tax case, an independent review of the IRS's views and administrative determinations to ensure that the Government's position is consis-

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tent with applicable law and policy. This independence, backed by a willingness to engage in aggressive litigation where appropriate, ensures collection of taxes owed, while also serving as a check against potential abuses in tax administration.

Combat the abuse of tax shelters

The Tax Division combats complex and abusive corporate and individual tax shelters, which cost the Treasury an estimated \$10 billion annually. As the Government's representative in court in tax refund suits and other cases involving these shelters, the Tax Division is instrumental in shutting the shelters down. The stakes in these cases – which regularly involve millions of dollars in tax revenue with respect to the parties in suit and implicate billions more with respect to other shelter purchasers – are often enormous.

The Division has also successfully obtained orders enforcing IRS administrative summonses issued to several major professional services firms believed to promote these shelters and continues to pursue similar orders in ongoing litigation. These orders will assist the IRS in gathering information concerning the promotion of these shelters, help the IRS identify purchasers of the shelters, and enable the IRS to determine whether these firms have complied with the shelter-registration and shelter-investor list maintenance requirements imposed by the Internal Revenue Code.

Combat tax schemes, scams, and protest

Over the last several years, the Division has sued to enjoin dozens of tax-scheme promoters who cost the Treasury billions of dollars each year by providing bogus tax advice (e.g., tax credit for slavery reparations or income earned within United States not subject to federal taxation) over the internet and in the media, and has obtained court orders shutting down several multimillion dollar schemes.

In a complementary effort, the Tax Division's prosecutors have obtained numerous indictments and convictions against abusive scheme promoters in cases involving hundreds of millions of dollars in evaded taxes. The Tax Division also deals with the fallout from the promotions, defending the Government in the hundreds of new cases brought each year that involve frivolous tax-protest claims, many of them the same claims targeted through the Division's injunction suits. Vigorous and successful defense of these cases is essential to preserve public confidence in the tax system and to ensure that honest taxpayers are not discouraged from voluntarily paying their taxes by the perception that those who engage in illegal tax-protest activity have "gotten away with it."

Pursue tax collections and offshore tax evasion

The Tax Division frequently files suits to collect revenue, deter illegal activity, and

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address systematic noncompliance with the tax laws, including suits: (1) to reduce to judgment tax, penalty, and interest assessments made by the IRS; (2) to void fraudulent transfers made by delinquent taxpayers to place their assets out of the reach of the IRS; and (3) to enforce federal tax liens on these and other assets. The Division also represents the Government in more complex, tax-related bankruptcy matters, many of which have significant collection potential.

The Division targets particularly serious collection enforcement problems. In this regard, as part of an IRS initiative aimed at the use of offshore tax havens by taxpayers to hide income and assets, the Tax Division has obtained court orders allowing the IRS to obtain data from three major credit card companies to identify U.S. taxpayers who use credit cards issued by offshore banks in tax haven countries. The Division also helped the IRS obtain records from merchants and retailers to uncover the names of their customers who used these credit cards. Because of the Tax Division's important role, representatives from the Division's criminal and civil sections participate in the IRS steering committee for this enforcement initiative, one of the most important in IRS history. The Division is also handling collections and other enforcement actions against taxpayers identified through the initiative.

Defend the Government's interests through tort defense

The Tax Division also conducts defensive litigation vital to the protection of the IRS agents and officers engaged in tax assessment and collection activity. Specifically, the Division vigorously defends these agents and officers, and the Government itself, against spurious damages suits arising out of that activity. Absent representation of the quality provided by the Division, these suits could cripple or seriously impair effective tax collection and enforcement.

KEY CROSSCUTTING ACTIVITIES

Joint Task Forces. The Tax Division participates in the following joint task forces with other Department components and federal agencies, enabling the Division to help formulate national programs, strategies, and procedures in a coordinated attack on financial crime. Tax Division prosecutors lend their financial expertise to task force prosecutions, and tax fraud charges are frequently an important component of these prosecutions.

Organized Crime Drug Enforcement Task Force (OCDETF). Representatives of the Tax Division are liaison attorneys with the various regions of the OCDETF, are formal members of its policy formation body, and prosecute drug cases.

Corporate Fraud Task Force. The Assistant Attorney General for the Tax Division is a member of the Corporate Fraud Task Force, and Tax Division attorneys assist in prosecuting corporate fraud cases.

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Domestic Terrorism Task Force. The Tax Division is represented on the Domestic Terrorism Task Force chaired by the Terrorism and Violent Crimes Section of the Criminal Division, and Tax Division prosecutors investigate and prosecute domestic groups that funnel money to international terrorists.

Training Revenue Agents to Detect Tax Evasion Schemes. As part of its effort to stop abusive tax scheme promotions, Tax Division attorneys regularly give training presentations to IRS revenue agents and other IRS personnel across the country to educate them about how to develop evidence that will support a suit to shut down a promotion at its source - the promoters and salesmen. These presentations have led to an increase in injunction suits filed by the Department to halt tax evasion promotions on the internet and elsewhere.

Using Parallel Civil and Criminal Proceedings to Stop Tax Evasion Schemes. As part of the same effort, select Tax Division personnel have participated in a joint IRS/DOJ task force to explore the coordinated use of both civil and criminal tools to stop abusive tax scheme promotions.

Protecting Federal Instrumentalities from State and Local Taxation. The Tax Division represents numerous other federal departments, agencies, and instrumentalities in cases involving the immunity of the Federal Government from state and local taxation. Although these representations

often culminate in litigation, the Division has had great success in heading off much litigation through pre-litigation consultations with appropriate state and local officials.

Civil Law

The Department, through its Civil Division and the U.S. Attorneys, each year represents some 200 federal agencies, the U.S. Congress, and the public treasury in litigation arising from federal contracts or alleged Government misconduct. The Division also defends challenges to the laws, policies, and programs of the United States, in particular, those which support the Department's top priority, the war on terrorism.



The Department has experienced a substantial increase in civil litigation targeting the coordinated response to the September 11 attacks and legal challenges to the Administration's counterterrorism policies. Civil attorneys defend against challenges to the constitutionality of counterterrorism laws,

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such as the USA PATRIOT Act, and protect Presidential war powers. Other landmark cases deal with access to immigration hearings in "special interest" cases and defend the holding of detainees in Guantanamo Bay and New York. By upholding the Secretary of State's designations of foreign terrorist organizations and defending the subsequent freeze on their assets, DOJ effectively strips such groups of their ability to fund terrorism.

Most civil suits handled by the Department are defensive in posture and have huge sums of money at risk. Plaintiffs advancing contract claims, allegations of negligence, claims of patent infringement, and the like seek to assign liability to the Government. Most significant has been the emergence of a variety of class actions challenging the Federal Government's actions, such as the handling of Indian Trust Funds, loan-making by farm credit programs, and employment practices. At the same time, Department attorneys are defending massive suits alleging breach of contract in defense procurement, in nuclear waste disposal, and in the savings and loan industry. It is the Department's job to ensure that only meritorious claims are paid.

The laws, programs, and policies of the United States are often attacked in court. Recent litigation involves some of the most probing issues of our time. Examples include the Children's Internet Protection Act, inclusion of the phrase "under God" in the Pledge of Allegiance, use of marijuana for medical purposes, assisted suicide, and "reverse" discrimination. Unlike the major-

ity of civil suits handled by the Department which involve monetary claims, these lawsuits seek remedies that can affect vital aspects of our society and governance - for example, how we respond to terrorism and poverty or the President's authority to wage war.

Other lawsuits take aim at various provisions of our entitlement programs such as Medicare and Food Stamps, and can profoundly affect federal expenditures. Reforms embodied in the Welfare Reform Act of 1996 generated broad class actions seeking millions of dollars in increased federal aid. Any health care reform legislation enacted in the next few years will also be a fertile area for litigation. Likewise, efforts to reform the Social Security Administration's \$58 billion disability benefits program during the next few years will launch numerous substantial broad-based challenges.

Through the implementation of specialized tort compensation systems, the Department has improved access to justice for the Nation's citizens, leading to more efficient and effective resolution of disputes in the areas of occupational disease and vaccine injury. The National Vaccine Injury Compensation Program (NVICP) created an alternative to traditional product liability and medical malpractice litigation for persons alleging injury from vaccinations. Under the NVICP, individuals meeting the statutory criteria are compensated fairly and quickly, and non-meritorious cases are successfully defended, thereby preserving program funds for those

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who are truly entitled to them. Some \$1.5 billion in vaccine compensation has been awarded since 1988. Under the Radiation Exposure Compensation Act (RECA), individuals whose health was put at risk to serve the national security interests of the United States are provided an effective, efficient, non-adversarial forum in which to seek redress. Individuals who contracted certain diseases as a result of their exposure to radiation released during nuclear weapons tests or in the mining, milling, or transport of uranium ore have received over \$650 million in compensation since 1992.

Every year, thousands of aliens go to federal court to oppose orders of detention, expulsion, or exclusion. This immigration caseload increased seven-fold between 1995 and 2002 and shows no sign of abating. The phenomenal increase coincides with intensified enforcement efforts and the emergence of new laws. This caseload has taken on increased importance within the war on terrorism.

Hundreds of millions of dollars are lost to the U.S. Treasury each year as a result of procurement fraud, health care fraud, loan defaults, and bankruptcies. These losses reduce resources vital to a host of federally-funded programs, including Medicare. More than \$11 billion has been recovered in civil fraud cases since the False Claims Act was amended in 1986, including \$6.7 billion in health care fraud. Today's docket includes a number of matters that are massive with respect to potential recoveries, the

size of evidentiary collections, and the complexity of issues that underscore the Government's case. As our adversaries enlist the help of top law firms and consultants, substantial Government resources are required to achieve favorable settlements and judgments on behalf of the United States and victims of crime.

Finally, violations of the Food, Drug and Cosmetic Act, the Consumer Product Safety Act, and the Federal Trade Commission Act pose threats to the health and safety of millions of Americans. When such violations involve major patterns of fraud, illegal conduct, and unfair credit and marketing practices, the Department pursues civil and criminal actions to stop and deter such activity. Success in these cases protects consumers from dangerous or worthless products and exploitive practices. Litigation is often hotly contested, reflecting the very high stakes at issue. For example, major drug manufacturers challenge the Food and Drug Administration's approval of generic versions of some of the most widely used name-brand drugs. Success in these cases fosters the control of health care costs.

Strategies to Achieve the Objective

Vigorously defend the Nation's counterterrorism measures when challenged in court

The successful defense of counterterrorism cases is an essential element in the ongoing efforts to investigate the September 11 attacks and to prevent future attacks. Effective defense

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of the constitutionality of laws passed by Congress, such as the USA PATRIOT Act and the Antiterrorism and Effective Death Penalty Act, enables the Federal Government to use the full power of these laws. Other litigation supports efforts to freeze terrorist assets, a critical aspect in dismantling the complex, global financial networks that support terrorism.

Administer the September 11th Victim Compensation Fund

The September 11th Victim Compensation Fund of 2001 is an unprecedented example of the generosity and compassion of the American people in responding collectively to the tragedy and horror of September 11. The Act is a unique attempt to reach out to those in need – physically injured victims and families of deceased American citizens and foreign nationals who happened to be in the World Trade Center, the Pentagon, or on the airplanes on that fateful day. The program works to assure that all eligible claimants receive compensation from the American people as an expression of their sorrow for the deaths and injuries which occurred on September 11.

Defend the laws, programs, and policies of the United States when challenged in court. Fairly and effectively represent the interests of client agencies while seeking to ensure that the outcomes serve the Government as a whole

Defending the national interests and the many and varied laws, programs, and policies of the United States is a critical role of the Department for maintaining civil law



and order. Many of these civil lawsuits threaten the war on terrorism, our national security, public safety, or affect how sizeable portions of the federal budget are spent.

Assert the interests of the U.S. Treasury, prevailing against unwarranted monetary claims while resolving fairly those claims with merit

Hundreds of millions of dollars are saved annually as a result of the Department's successes in defending national interests in major defensive lawsuits against unwarranted monetary claims on the public fisc. Such defensive

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litigation requires the diligence of Department staff who fight for and guard the financial interests of the United States at trial, at the settlement table, and at the highest levels of judicial review, asserting the Government's interest in major disputes as they proceed through appellate stages.

Implement civil justice reform initiatives to resolve classes of claims for which traditional litigation has proven ineffective

The Department must defend against thousands of plaintiff claims alleging Government neglect or wrongful conduct. Such suits usually involve massive discovery requirements, protracted trial schedules, arcane subject matter, and substantial stakes. When traditional litigation has proven ineffective, Congress has created specialized programs (e.g., National Childhood Vaccine Injury Act, the Radiation Exposure Compensation Act, and the September 11th Victim Compensation Fund). When appropriate, the Department must continue to evaluate cases to determine whether they will benefit from use of Alternative Dispute Resolution (ADR) and, if necessary, engage in such processes to expedite case resolution and reduce costs.

Defend immigration laws and policies, as well as class action suits or immigration judgments involving individuals

The Department's heightened emphasis on immigration enforcement has spurred a rise in its immigration caseload. Litigation ranges from constitutional challenges to immigration laws, to class action suits

against critical features of the Nation's counterterrorism strategy, to individual challenges to federal enforcement actions.

Recover monies owed to the United States and victims as a result of fraud, loan default, and bankruptcy

The Department protects the public fisc through a variety of affirmative litigation actions to fight fraud, loan default, and bankruptcy, focusing on matters involving widespread fraud and the potential for substantial recoveries. We investigate allegations brought forth by "whistle-blowers" and, where appropriate, pursue recoveries and civil penalties available under the False Claims Act. The Department emphasizes health care fraud enforcement through collaborative efforts with other federal and state agencies to recover the billions of dollars lost from Medicare and other federally-funded programs. The Department also actively pursues collection of federal and non-federal restitution and criminal fines.

Enforce consumer protection laws by seeking civil and criminal penalties available under existing statutes

The Department will pursue cases involving fraud perpetrated by manufacturers and distributors of misbranded, adulterated, or defective consumer products - as well as unfair business practices. Activity will be concentrated on matters involving consumer law violations which pose the greatest potential threat to the public.

Enforce Federal Laws and Represent the Rights and Interests of the American People

KEY CROSSCUTTING PROGRAMS

Civil Cases Involving the National Childhood Vaccine Injury Act. The Civil Division will continue to work closely with the Department of Health and Human Services (HHS) and the U.S. Court of Federal Claims in handling cases filed under the National Childhood Vaccine Injury Act. Managers at the respective agencies coordinate matters of policy, budget, case processing, and strategy. At the trial level, medical staff at HHS assist the Department in developing medical evidence and providing expert witness support. In conjunction with the Office of Special Masters at the U.S. Court of Federal Claims, HHS and the Department have striven to ensure just decisions in the thousands of cases filed since the inception of the program in 1988.

Strategic Objective 2.6

Protect the integrity and ensure the effective operation of the Nation's bankruptcy system

The Department, through the U.S. Trustee Program (UST), oversees and administers bankruptcy cases and combats bankruptcy fraud. The UST works to ensure that cases are administered promptly, effectively, and in accordance with the law. Expedient administration of bankruptcy cases is critical to the integrity of the bankruptcy system and the maximum distribution of funds to creditors.

In the United States, federal bankruptcy law allows individuals, businesses, corporations, farmers, and municipalities to file bankruptcy. Filing bankruptcy provides relief from debts owed to creditors through the liquidation of assets, wage-earner repayment plans, or business reorganizations. Since 1996, bankruptcy filings in America have increased at a significant rate. In FY 1996, total bankruptcy filings processed by the UST were 1,060,679. By FY 2002, total filings had increased to 1,470,348. This represents a 39 percent increase in the last six years with the greatest growth attributed to individual filings.

Strategies to Achieve the Objective

Enforce compliance with federal bankruptcy laws and take civil actions against parties who abuse the law or seek to defraud the bankruptcy system

The Program has shifted its focus in response to public concern regarding abuse of the bankruptcy system. UST is more vigorously combating fraud and abuse through the use of civil enforcement remedies. The focus is on identifying and obtaining civil remedies for debtor abuse, as well as providing consumer protection to debtors who are victimized by attorneys and others who prey upon those in dire financial straits. Common actions include dismissal of cases for "substantial abuse" (typically, because a debtor has demonstrated an ability to pay debts); denial of discharge for the concealment of assets; and the disgorgement of fees, fines, and

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injunctive relief against attorneys or non-professionals who defraud debtors (e.g., "credit doctors" or mortgage assistance operations).

In the first six months of FY 2003, the Program took more than 22,000 civil enforcement actions yielding more than \$225 million in debts not discharged, fines, and other remedies.

Pursue violations of federal criminal laws pertaining to bankruptcy by identifying, evaluating, referring, and providing investigative and prosecutorial support of cases

The integrity of the bankruptcy system depends upon debtors to report honestly and accurately all their assets and liabilities when they file for bankruptcy protection. Such disclosure is necessary to resolve disputes and to distribute money and property. The U.S. Trustees have an affirmative duty to refer instances of possible criminal conduct by debtors and third parties to the U.S. Attorney and to assist in prosecutions. The bankruptcy system needs a strong impetus to encourage honest, lawful behavior. Moreover, criminal referrals from the Program show that bankruptcy crimes are often linked to other white collar crimes, such as fraud in obtaining federally guaranteed mortgage loans, money laundering, identity theft, mail fraud, and wire fraud.

In the first six months of FY 2003, the Program made more than 450 criminal referrals to U.S. Attorneys.

Promote the effectiveness of the bankruptcy system by appointing and regulating private trustees who administer bankruptcy cases expeditiously and maximize the return to creditors

The U.S. Trustee appoints and regulates private trustees who administer cases filed under Chapters 7, 12, and 13. In FY 2001, trustees distributed more than \$5.3 billion. The U.S. Trustee monitors the activities of these private trustees to ensure they handle cases effectively and efficiently. This entails maximizing the recovery of assets, promptly administering cases, accurately distributing funds to creditors, and conducting themselves in accordance with high fiduciary standards. The Program trains trustees and evaluates their overall performance, reviews their financial operations, ensures the effective administration of estate assets, and intervenes to prevent loss of estate assets when instances of embezzlement, mismanagement, or other improper activity are uncovered.

Ensure financial accountability, compliance with the Bankruptcy Code, and prompt disposition of Chapter 11 bankruptcy cases

Even though Chapter 11 filings represent less than one percent of all bankruptcy filings, they generally require urgent attention and ongoing oversight. The Program prescribes financial reporting requirements, questions debtor representatives under oath, and evaluates prospects for successful reorganization. U.S. Trustees promptly file a motion either to dismiss or convert a case if the debtor is not complying

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with the Bankruptcy Code or is unable to reorganize. The role of the U.S. Trustee is especially important in smaller Chapter 11 cases in which creditors lack a financial stake to participate actively. The goal of the U.S. Trustee is to ensure Chapter 11 debtors comply with the law, and move promptly to resolve their financial difficulties and confirm a plan of reorganization.

In addition, the Program has addressed many complex Chapter 11 filings by large corporations that have billions of dollars in assets and liabilities, and employ large numbers of workers. Novel legal issues that require intensive scrutiny by Program staff often arise in these cases including review of professional fees in order to prevent dissipation of the bankruptcy estate.

KEY CROSSCUTTING PROGRAMS

National Bankruptcy Fraud Working Group. The UST plays a leading role in the National Bankruptcy Fraud Working Group (NBFWG), comprised of U.S. Attorneys' Offices, DOJ Criminal Division, FBI, IRS-Criminal Investigation, Postal Inspection Service, the Federal Trade Commission, the Housing and Urban Development's Office of Inspector General, Executive Office for U.S. Attorneys, and other agencies. The NBFWG helps coordinate a national response to bankruptcy fraud issues. In addition, the Program participates in the Attorney General's Committee on White Collar Crime, including the Subcommittee on Identity Theft, the Internet Fraud Working Group, and the Health Care Fraud Working Group, which are sponsored by DOJ's Criminal Division.

Electronic Case Filing. Another crosscutting program is electronic case filing, which resulted from the Administrative Office of the U.S. Courts' (AOUSC) requirement that all cases be electronically filed nationwide. The AOUSC developed the Case Management/Electronic Case Filing (ECF) System, which allows attorneys to file petitions and other electronic documents with designated Courts through the internet using a standard web browser. ECF is a major DOJ initiative, since all litigating components will be required to use it. The USTP's need for ECF access is greatest among DOJ components due to its administrative role in moving cases efficiently through the bankruptcy system. The USTP is involved in every case and does not have the discretion to decline them.

FY 2008 OUTCOME GOALS

By FY 2008, the Department will:

- ❖ Dismantle a cumulative total of 139 organized criminal enterprises
- ❖ Shut down a cumulative total of 1,850 child pornography websites or web hosts
- ❖ Ensure that 80% of high-crime cities with an ATF presence demonstrate a reduction in violent firearms crime (2003-2008)
- ❖ Dismantle 110 CPOT-linked drug trafficking organizations
- ❖ Disrupt 140 CPOT-linked drug trafficking organizations

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- ❖ Achieve a 10% reduction in the supply of illegal drugs available for consumption in the U.S. (Using a 2002 baseline)
- ❖ Limit the cumulative value of stolen intellectual property to \$190 billion
- ❖ Neutralize a cumulative total of 35 top-ten internet fraud targets
- ❖ Dismantle a cumulative number of 85 criminal enterprises engaging in white collar crime
- ❖ Favorably resolve 90% of criminal cases (Litigating divisions)
- ❖ Favorably resolve 80% of civil cases (Litigating divisions)
- ❖ Return 54% of assets/funds to creditors in Chapter 7 cases
- ❖ Return 80% of assets/funds to creditors in Chapter 13 cases