



honor validates the hard work at all levels that takes place daily in the Houston HIDTA. This report will detail some of their efforts.

Traffic in and abuse of illegal drugs affects virtually every component of our society. The HIDTA Program is designed to significantly disrupt the market for these illicit activities. Every time law-enforcement officials seize illegal drugs and associated drug assets, the marketplace for illegal drugs suffers a setback. With every arrest, and every time a DTO is disrupted or dismantled, traffickers must modify their methods of operation and expend resources on something other than business as usual. Every time a DTO changes its operations it creates potential weaknesses for law-enforcement agencies to exploit. These law-enforcement actions hit drug trafficking organizations hard, affecting their profitability, and frequently their survival. By disturbing the drug supply chain, particularly at the multi-state or international level, law enforcement affects the drug flow before it reaches the individual user. During this past reporting period, Houston HIDTA Initiatives disrupted the market for illegal drugs through disruption and immobilization of DTOs, arrests of their principals, seizures of drugs and assets. They did so in a cost-effective manner using innovative technical advances and through cooperative efforts without an increase in budget. The static budget (no increase since 1997) represents a loss of more than \$2.3 million in real dollars. An analysis of cost-effectiveness of Enforcement Initiatives showed improvements over 2005 in drug and asset seizures, Return on Investment, arrests, average cost per arrest and arrest per investigator (See Appendix F). The following highlights illustrate this success:

- To maximize results, the Houston HIDTA facilitates cooperation and collaboration among different law-enforcement organizations. About 536 representatives from 34 federal, state and local law-enforcement agencies participate in the Houston HIDTA Initiatives and task forces. With support from the Houston Intelligence Support Center, the Texas Narcotic Information System, and the Narcotics Operations Control Center, the Houston HIDTA continues to identify, dismantle or disrupt some of the world's most dangerous and prolific DTOs, drug dealers, money launderers, weapons traffickers, and violent criminals.
- Some of the interagency cooperation and some of the increased efficiency and effectiveness stem from technical advances that the HIDTA Program brings to the law-enforcement arena. These innovations are beyond the missions and scope of the individual agencies and likely would not have happened without the HIDTA Program.
  - Because the Houston HIDTA and the South Texas HIDTA have many common interests, the two have joined forces in intelligence sharing, Initiative evaluations, event deconflictions, and electronic communications. The South Texas HIDTA has joined the Houston HIDTA's Wide Area Network (WAN) which enables the two to share information through a secure electronic system. Wire intercepts

from South Texas can be monitored in Houston using this system, saving thousands of dollars.

- A sophisticated camera system at Border Patrol checkpoints in Falfurrias and Laredo, Texas provides real-time and historical information via the WAN regarding vehicles and their passengers. The information includes date-stamped photographs of vehicles, tag numbers, and occupants. This system, installed in 2005 and planned for other locations in 2007, has spawned many successful law-enforcement operations including help in kidnapping and murder cases, identification of load vehicles, tail vehicles, DTO members, and corroboration of witness statements. Intelligence sources report that traffickers are changing their transportation methods as a result. Such changes undoubtedly will create new vulnerabilities that law-enforcement agencies can exploit. The Houston HIDTA bought enough electronic memory in 2006 to ensure that a photograph of every vehicle that crosses these checkpoints in either direction will be maintained electronically for years. These records will include most tag numbers and photographs of most drivers. In 2006, a live feed from these cameras was available to all Initiatives on the WAN. Law-enforcement agencies and contractors from across the country have visited the Houston HIDTA to study and emulate this system. The South Texas HIDTA shares in the funding of this project.

As a result of *Operation Tampico Blue Runner* by the Texas Coastal Corridor Initiative, the Houston HIDTA received supplemental interdiction funding in 2006 to create a similar camera system at Padre Island National Seashore. The Executive Board expects it to create major changes in drug and alien smuggling patterns there, creating new vulnerabilities that law-enforcement agencies can exploit.

- A sophisticated airborne surveillance system known as Helinet provides capabilities to all agencies that no one agency could afford. This system resulted in intelligence, drug seizures, and arrests that might not have taken place otherwise. This and other joint intelligence projects save thousands of dollars in avoiding investigative duplication of efforts and diminish prosecutorial time and expenditures.
- Most Houston HIDTA electronic intercepts are conducted at the DEA facility. In 2006, the Houston HIDTA helped reconfigure and update the DEA wire room to a state-of-the art facility available to not only HIDTA Initiatives, but also all law-enforcement agencies.
- Illicit drugs are extremely profitable for the organizations that traffic in them. Removing DTOs' profits significantly disrupts their operations and activities. During CY 2006, Houston HIDTA Initiatives removed more than \$177 million in illicit drug

profits from DTO balance sheets. This would be a serious financial blow to even the largest legitimate corporation. Its impact on DTOs is greater yet, and represents the potential for a sizeable reduction in illicit drug availability.

- Fighting the battle against illicit drug trafficking costs money. Taxpayer and legislative concern may be allayed however, by the fact that every Houston HIDTA budget dollar spent on law enforcement and intelligence support activities contributed to the removal of \$17.25 in illicit drugs from the wholesale market and seizure of \$2.93 of drug-related assets. Thus, Houston HIDTA Initiatives achieved a combined Return on Investment (ROI) of more than \$20.00 for every \$1.00 of Houston HIDTA funds invested. This is a substantial increase over 2005 figures.

HIDTAs exist to disrupt and dismantle DTOs. Disrupting or dismantling an organization requires significant actions by law-enforcement authorities. By the end of 2006, Houston HIDTA Initiatives had identified 390 DTOs and Money Laundering Organizations (MLO) or nearly 7 percent of the total identified by HIDTAs nationwide. In 2004, during the 2006 planning process, HIDTA Initiatives had planned to disrupt or dismantle 113 of the identified DTOs. By the end of 2006, they had disrupted 65, or about 58 percent of the 113 targeted DTOs. The nature of most ongoing Houston HIDTA investigations is such that frequently, agencies will disrupt a DTO or its cells several times during the course of an investigation. Specific disruptions may target individuals that investigators hope to use as witnesses, specific loads of drugs, or specific money transactions. Thus, while they disrupted 65 DTOs, well over a hundred of disruptions took place. In some instances, it takes multiple disruptions to fully dismantle an organization. In that vein, an additional 20 DTOs were totally dismantled, a significant achievement, given the high level of traffickers in the Houston HIDTA. In total, Houston HIDTA Initiatives dismantled or disrupted three-quarters of the DTOs they had predicted.

Because of its role as a distribution and transit center affecting the rest of the country, and because of the sheer numbers it has to deal with, the Houston HIDTA strives to immobilize larger, more complex DTOs where the greatest positive impact can be achieved. Some of these are among the most significant traffickers in the world. Disrupting or dismantling such organizations may take years and may entail multiple enforcement actions, but doing so can substantially reduce the drugs in the illicit marketplace. As illustrated by the statistical measures contained throughout this Annual Report, during CY 2006, the Houston HIDTA Initiatives targeted complex cases involving large DTOs. Of the 85 DTOs/MLOs disrupted or dismantled, 50 (more than 59 percent) were international in scope. Another 10 (12 percent) were multi-state operations. Thus, in keeping with the HIDTA Program mission, about 71 percent of the DTOs that the Houston HIDTA agencies dismantled or disrupted affected areas outside the Houston HIDTA. These figures are slightly higher than the 2005 percentages,

indicating that Houston HIDTA Initiatives continue to work effectively against the highest levels of traffic despite a static budget.

Consolidated Priority Organization Targets (CPOT), Regional Priority Organization Targets (RPOT) and Organized Crime Drug Enforcement Task Force (OCDETF) targets are by definition significant. CPOTs are among the world's most significant. In 2006, Houston HIDTA Initiatives initiated 6 CPOT, 2 RPOT and 6 OCDETF-related cases, bringing the total of such cases under investigation in 2006 to 31, 12, and 41 respectively. Additionally, most of these cases involved collaboration among HIDTA Initiatives. In their monthly reports to the Director, Initiatives report 169 instances of such collaboration on these cases. In some cases, an Initiative will target a mid-level cell of a major organization and then pass the case on to another Initiative as the case progresses to a higher level. Such collaboration is one of the hallmarks of Houston HIDTA operations.

Major investigations require major investments of time and resources. It is normal for Houston HIDTA cases to take years to complete and to require significant expenditures from multiple jurisdictions. *Operation White Onyx*, for example, began in 2005. By the end of 2006, multiple Houston HIDTA participants were collaborating with about sixteen other agencies in four states and the District of Columbia. In August 2006, the first wave of indictments began. By then, the investigation had resulted in the seizure of about 150 kilograms of cocaine; 1 kilogram of black tar heroin; more than \$2 million in U.S. currency; and approximately \$260,000 in assets, and 15 arrests which included two RPOTs and the head of the organization. Federal prosecutions are pending in the Eastern District of Texas, District of Maryland, District of Columbia, and the Eastern District of Missouri. Because of the significance of this disruption, the Houston HIDTA Executive Board nominated the case for ONDCP's Outstanding Investigative Effort award. Investigators are preparing for a second indictment, along with a case initiation investigating the Mexican source of supply operating in Texas.

- Spin-off cases such as the one being initiated above are the norm. A 2002 CPOT case, *Operation Enlightenment*, has given rise to at least four other cases at the highest levels including *Operation Pure Ice* and *Operation Molson Ice*. These cases have entailed investigative efforts in dozens of jurisdictions and resulted in multiple disruptions including seizures of tons of drugs, multiple millions of dollars and the arrests of at least a hundred people. A spin-off of *Operation Pure Ice* has identified a small business that laundered more than \$127 million through just one of its accounts. It is just one of many businesses identified in the investigation. Analysis of telephone and financial records has identified connections to hundreds of DEA, FBI, and Ice investigations. This case will be submitted as an OCDETF Investigation in 2007 and will likely generate many of its own spin-offs.
- Highly complex money laundering investigations constitute an effective means of disrupting DTOs. Nearly all DTOs launder their illegal proceeds in some way and

the Houston Money Laundering Initiative (HMLI) works closely with others initiatives, other HIDTA, and non-HIDTA jurisdictions investigating the financial aspects of some of the most sophisticated and significant criminal organizations in the world. Houston HIDTA initiatives seized more than \$25 million in illegal proceeds in 2006 and caused the seizure of many more millions elsewhere. HMLI investigations of Money Laundering Organizations are by nature lengthy and complex. One such case, *Operation Back Breaker*, a CPOT/RPOT/OCDETF investigation targets a group moving the proceeds of 600-800 kg of cocaine per month. 2006 seizures alone approach \$3 million. To date, investigators have conducted six wire intercepts and 30 pen registers that have led to seven spin-off investigations of CPOT/RPOT/OCDETF targets and resulted in the seizure of many millions of dollars, tons of drugs, and arrests in many parts of the U.S.

The number and significance of the DTOs operating in the Houston HIDTA make collaboration among Initiatives and with other jurisdictions a critical aspect of Houston HIDTA operations. Houston HIDTA Initiatives shared thousands of investigative leads with jurisdictions in nearly every state and in several countries.

- A prime example of information sharing across jurisdictions is the Truck, Air, Rail, and Port (TARP) Initiative which is an interdiction initiative that turns drug and money seizures into investigations. In furtherance of this effort, TARP conducted 69 controlled deliveries in 2006, with 45 resulting in arrests. These controlled deliveries of illegal contraband have disrupted distribution cells throughout the United States and have led to the enhancement of other jurisdictional investigations. Several of the controlled deliveries involved subjects of OCDETF and CPOT cases in other states. One case provided information to the U.K. and resulted in an ICE investigation in Nigeria. Another important tool in the strategy to combat drug trafficking and the proceeds obtained from drug transactions is the criminal charge of "Money Laundering." TARP investigators disrupted the flow of monetary proceeds to various DTOs by initiating asset seizure proceedings on more than \$3.7 million dollars. TARP investigations led to the filing of 11 money laundering charges through the Harris County District Attorney's Office. A coordinated effort resulted in formal training and a change of philosophy by the District Attorney's office that is now making State charges of money laundering a feasible expectation of the investigative process. The Harris County District Attorney's Office is now teaching the investigative requisites for criminal money laundering charges to area law enforcement on the state and local level. This change is a direct outcome of aggressive action by the Police Department and a willingness to explore new prosecutorial avenues by a collaborative District Attorney's Office both of which are represented on the Houston HIDTA Executive Board. The Houston Police department named the TARP commander as HPD's manager of the Year for 2006.

- TARP officers interdicted two suspects attempting to travel by Greyhound bus from Houston, Texas to Memphis, Tennessee carrying 40 pounds (approximately 26,000 dosage units) of Hydrocodone. Ancillary to this investigation, TARP officers also discovered homeless people being transported from Atlanta, Georgia by individuals known as “crew leaders” to visit Houston’s many “pain management clinics” in order to obtain and resell pharmaceutical drugs into the illicit drug market. These and similar investigations validate Houston’s suspected emergence as a center for the distribution of pharmaceutical drugs. In an effort to combat this trend, a content expert in the field of pharmaceutical investigations has been transferred to the TARP Initiative. This investigator will be the nucleus of a new investigative effort within the TARP to better address the diversion of pharmaceutical drugs into the illicit drug market.
- Part of the mission of the Texas Coastal Corridor Initiative (TCCI) is to convert drug seizures to drug investigations that affect other jurisdictions. Two of the many 2006 TCCI cases exemplify the importance of collaborating with others. One started with a Border Patrol Checkpoint arrest of a person in possession of 71 pounds of methamphetamine. A TCCI investigation revealed that he was a member of an organization distributing methamphetamine throughout the United States. The DEA Ft. Myers Florida Resident Office linked this seizure to an on-going Title III investigation with ties to the Brownsville, Texas area. TCCI coordinated investigative efforts with multi-state Federal, State, and local law-enforcement entities resulting in the seizure of \$800,000 by the DEA Brownsville Resident Office.

Another case, *Operation Tampico Blue Runner*, began in 2004 with a series of drug seizures on Padre Island National Seashore (PINS), a remote barrier island that is the longest in the world. Drug and alien smugglers were dropping their cargos with relative impunity. Aggressive investigation resulted in an OCDETF investigation that has dismantled three distinct DTOs with direct ties to the infamous Gulf Cartel. Agents have seized about 4,674 kilograms of marijuana, 30 kilograms of cocaine, about \$100,000 in cash, six shark boats, two motor homes and several vehicles. Additionally, the investigation has resulted in the arrest/indictment of 32 members of these DTOs. These DTOs were transporting drugs from Tampico, Mexico to Mississippi, Tennessee, Florida, Michigan, New Jersey as well as Houston and Dallas, Texas. Authorities in New Orleans, Louisiana and Gulfport, Mississippi have developed a separate OCDETF investigation targeting another DTO using the PINS, and TCCI is working closely with them. The main target of this investigation has ties to an FBI investigation in Jackson, Tennessee. The FBI investigation pertains to an intricate vehicle theft/fraud organization. This case spurred the ONDCP award of \$125,000 for creation of a camera system similar to the one at the border patrol checkpoints. It will capture vehicles entering or leaving the PINS and transmit the data to the Corpus Christi Police Department and the Houston HIDTA WAN. Authorities expect a major impact upon trafficking patterns. The Houston HIDTA

Executive Board nominated this case for an ONDCP Outstanding Interdiction Effort Award.

- The Houston HIDTA has a significant local distribution and violent gang problem. Of the 390 DTOs identified, 187 were local in scope, but many of the gangs in the Houston HIDTA are multi-state or even international. For example, the Gangs and Non-traditional Gangs Squad (GANGS) disrupted one international and one multi-state DTO in 2006. Initiatives disrupted or dismantled 24 local DTOs in 2006.

Recognizing the impact of gangs on society, the Houston Police Department created a Gang Division in 2005. Of the gangs operating in Houston, 149 also qualify as DTOs and GANGS targeted fifteen of them in 2006. GANGS worked with other agencies and Initiatives to develop cases against gang members of MS-13, the Latin Kings, and other significant DTOs. After several years of investigation, GANGS effectively dismantled, at least for a time, the Latin Kings in Texas by arresting 28 high-ranking members. Charges include murder, murder for hire, engaging in organized crime, drug conspiracy, the sale of cocaine, marijuana, and methamphetamine, felonies in possession of firearms, and the possession, use, and sale of prohibited and stolen weapons. The Houston Chief of Police recognized participants in the case through a Chief of Police Commendation, and the Houston HIDTA Executive Board nominated it for an ONDCP Outstanding Investigative Effort Award. The 100 Club, a citizen's group that supports local police and firefighters, will present in 2007 a special award to two HPD officers who worked on this case.

- The Targeted Narcotics Enforcement Team (TNET) usually works mid to upper-level DTOs. In support of the GANGS Initiative, TNET targeted three cells of the *Zetas*, the paramilitary enforcement arm of the infamous Gulf Cartel, that were operating in Houston. Results to date include a dozen arrests and seizures of 37 kg cocaine, 21,000 lbs marijuana, \$215,000, a tractor/trailer and seven other vehicles. TNET is working with the Texas Rangers and Ft. Bend County on three murders linked to the *Zetas*. One of the TNET supervisors was named the Houston Police Department's Supervisor of the Year.

One of the TNET squads conducts Long Term Abatement Projects (LTAP) which target chronic, often violent, crime trends in areas where community-level drug dealing created an environment where families/children feared victimization by the criminal element. Although the squad targets neighborhoods or specific problems rather than DTOs, immobilization of a DTO often may be the by-product of its efforts. These are locations where the end products of the DTOs become very real to the public. In addressing the concerns, TNET used its experience from the HIDTA environment in launching the full-spectrum LTAP attack against the criminals on behalf the community using a diverse approach including code enforcement, traditional law enforcement, and community activism. In addressing the concerns, TNET spearheaded efforts to address areas burdened by the influx of drug dealers

from New Orleans after hurricane Katrina. One of the projects, called the Southwest Initiative, focused on 24 problem apartment properties that experienced a dramatic increase in crime because of drug dealing. The effort resulted in 185 felony and 124 misdemeanor arrests (not included in TNET or Houston HIDTA arrest statistics) with the TNET Forfeiture and Abatement Support Team (FAST) initiating 29 nuisance investigations leading to three lawsuits targeting uncooperative properties, 14 Nuisance Abatement Plans, and an additional seven meetings pending. The second LTAP project is addressing crime problems and nuisance locations in the Dyna Road area. The DYNA LTAP is currently underway and targets 12 locations that are negatively affecting the quality of life in the area because of drug activity on the community level.

In earlier years, TNET was responsible for the virtual elimination of Rave Parties (Raves) as a drug problem in Houston. As a continuation of TNET's commitment to addressing Club Drugs in a maintenance environment, TNET/FAST conducted 65 club assessments that lead to five full-scale club enforcement actions. These actions resulted in a total of 29 felony and 216 misdemeanor arrests (not included in TNET or Houston HIDTA arrest statistics) for drugs, liquor, and municipal violations. TNET/FAST initiated legal action against nine after-hours clubs and subsequently all nine clubs have ceased to operate. The communities surrounding these club locations have been vigorous in expressing their appreciation, including highly favorable press coverage, for the excellent work and the resulting improvement in the quality of life in their neighborhoods.

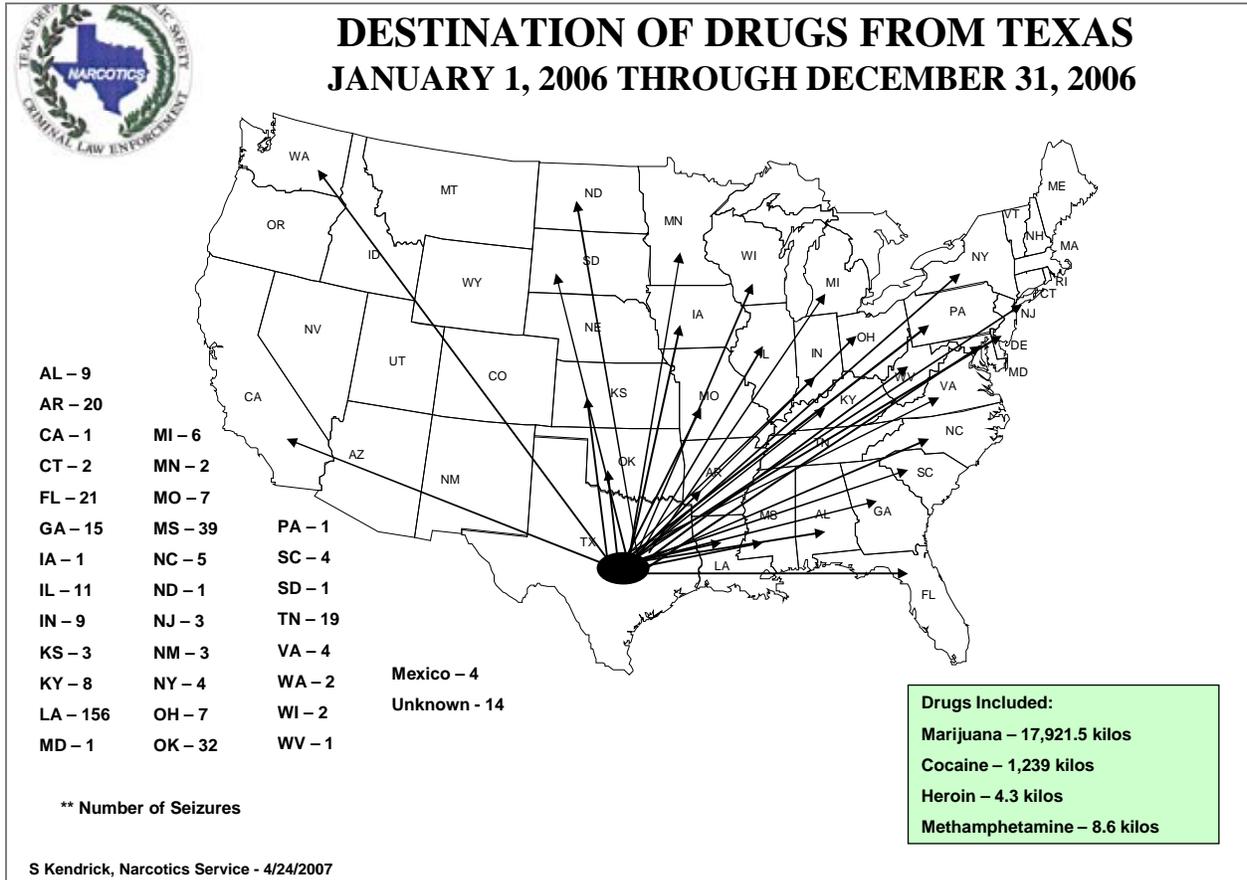
- Ft. Bend County is a large suburban and rural county adjacent to Houston. Traditionally, open-air drug markets have been a major problem, but the Ft. Bend Enforcement Team (FBET) has largely forced them out of business. Accordingly, the FBET raised its focus in 2006 and disrupted one DTO and dismantled one. It also supported other Initiatives working in their area and initiated a long-term case against a significant multi-state DTO operating from Ft. Bend County.

The Houston HIDTA continues to play a leading role in assisting the law enforcement and investigative support Initiatives with their information sharing and training needs. Information sharing and training support form the "glue" that binds these Initiatives together by promoting and facilitating greater efficiency and effectiveness. A secure wide-area network (WAN), electronically connecting all Initiatives, allows them to share software and sensitive information which improves efficiency and saves money. Event, case, and subject deconfliction has enhanced officer safety and diminished duplication of investigative effort. In 2006, the Narcotics Operation Control Center (NOCC) reported deconflicting 8,695 events. Of these, about 1,500 were potential conflicts. No officer or civilian has been injured as a result of a failure to deconflict an event through the NOCC.

- In Operation Pi`Pe, a cooperating defendant in a North Carolina drug case was referred to TNET resulting in the seizure of 22 kilograms of cocaine and the identification of a significant DTO operating in the Houston HIDTA. According to a seized computerized ledger corroborated by debriefings, this DTO had distributed more than 200 kg in the previous two months with cash flow of more than \$1.5 million per month. Case and subject deconfliction through the Houston Intelligence Support Center (HISC) linked the case to another DTO targeted by HIDTA MDS. TNET combined forces with the MDS and as a result, have identified and targeted several other cells. In 2005, the joint investigation resulted in the seizure of more than 100 kilograms of cocaine and about \$500,000. In 2006, TNET agents seized \$180,000, 135 kilograms of cocaine, and four vehicles from this group. Members of one cell were found to be in possession of fully automatic weapons and bulletproof vests.
- The HISC conducted more than 6,000 case and subject deconflictions in 2006, serving as a conduit between agencies that allowed them to avoid duplication of effort and potential hazard to investigators, and to share investigative information. TNIS conducted another 5,744. The HISC was the HIDTA Program's ISC of the Year in 2004 and continued its outstanding support in 2006. Its proactive squad develops targets and passes cases to other Initiatives. It did so 45 times in 2006, many of which have resulted in significant cases. In addition to tactical and analytical support, the HISC provided eight strategic documents in 2006. The first, the annual Threat Assessment identified intelligence gaps in gang reporting. As a result, the HISC prepared six regional gang threat assessments for parts of the HIDTA, then prepared an overall Gang Threat Assessment covering the entire HIDTA. This report provided important information that the Executive Board and member agencies needed to grasp the complexity of the problem. The GANGS Initiative hosted a nationwide gang conference and used the Threat Assessment as an example of a good strategic product.
- The Houston HIDTA joins the other Texas HIDTAs in support of the Texas Department of Public Safety-led intelligence Initiative in Austin, the Texas Narcotics Information System (TNIS). TNIS' various units provide the full gamut of intelligence support to all the Texas HIDTAs and law-enforcement agencies across the state. In 2006, TNIS provided more than 59,000 leads to investigative agencies and supported ten Title III wire intercepts and 70 dialed number recorders.
- On the proactive side, TNIS personnel notify out-of-state authorities each week regarding DPS seizures made involving vehicles or subjects from the different states. These account for a large number of investigative leads being sent out to both HIDTA and non-HIDTA investigative groups for whatever follow-up action the recipients deem appropriate. The following chart illustrates 2006 highway drug seizures by DPS alone. Each of these seizures might generate multiple

investigative leads. TNIS also provides a quarterly list of trucking companies believed to be involved in drug trafficking to enforcement personnel across the country.

Figure 2—Texas Drug Interdiction Seizures



- Another widely acclaimed TNIS publication is *The PSAT Perspective*. It is a monthly news bulletin highlighting significant seizures, officer safety issues, concealment and trafficking trends, training, and more. Recipients have heralded it as the best document of its kind in publication.

Figure 3—Sample Cover of *The PSAT Perspective*

**H.I.D.T.A  
INITIATIVE**



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## The PSAT Perspective

Published by the Post Seizure Analysis Team with HIDTA funds

Austin, Texas

**Message from the Management –**

The November issue of *The PSAT Perspective* introduced a new project implemented by the Narcotics Service entitled *Texas Priority Organization Target List (TPO)*. The following table identifies seven *Gatekeepers* that currently control specific geographic areas along the Texas/Mexico border area.

Gatekeeper	Geographic Areas
Alejo ESCAJEDA	El Paso, Fabens, Tornillo, Fort Hancock
Sergio ARANDA-Rodriguez	Presidio
Juan Luis SANCHEZ-Arredondo	Del Rio
Martin ROMO-Lopez	Eagle Pass
Miguel TREVINO-Morales	Laredo
Gregorio SAUCEDA-Gamboa	McAllen
Antonio Ezequiel GAARDENAS-Guillen	Brownsville

The role of a *Gatekeeper* is to tax and protect contraband loads for the cartels as they pass from Mexico into the United States. These individuals have established diverse and complex transportation and financial infrastructures. Success and longevity of the *Gatekeeper* is dependant on his good standing with the cartel and his ability to cultivate and maintain political, social, family, and law enforcement connections. In most instances, the *Gatekeeper* facilitates the smuggling operations through bribery, intimidation, extortion, beatings, and murder. The southwest border region is especially vulnerable to this type of organized activity due to the direct and immediate availability to road, air, maritime, and rail access by the traffickers upon entry into the US. In Texas, law enforcement officials, citizens, and visitors are unduly affected by these criminal organizations and their tactics along our shared 1,951-mile border.

The *Gatekeepers* located along the Mexico border and the states of Arizona, New Mexico, and California, utilize Interstate 40, dubbed the "I-40 corridor," as a pass-through to destination cities located in mid-central and eastern states. The map to the right depicts the I-40 corridor as it passes through the Texas panhandle and shows the major points of entry along the Texas/Mexico border.



An organizational structure for each of the *Gatekeepers* listed in the table above, is posted on *Criminal Law Enforcement Online (CLEO)*. If, after reviewing the information contained on CLEO, you see any discrepancies or have additional information, please contact Texas DPS Narcotics Analyst Kate Jones at (512) 424-2666. [For information on how to become a member of CLEO, please see the back page of this publication.]

**Lee Ann Groves, Lieutenant**  
Texas DPS Narcotics Service

– Disseminate to Law Enforcement Only –

New ideas fuel success. The HIDTA Program and the Houston HIDTA encourage innovative approaches to counter the increasingly sophisticated measures that traffickers use to avoid detection. The sharing plan with the South Texas HIDTA, the WAN, and the checkpoint camera system are but a few of the innovations that are helping participating agencies achieve their missions. The Executive Board has approved a pilot project for 2007 that may have a lasting impact on the investigative use of telephone information. The Board also expects that a camera system scheduled for installation on Padre Island will force drug and alien smugglers to change the way they operate in that part of the Houston HIDTA.

## II. INTRODUCTION

This Annual Report documents Houston HIDTA activity during the last calendar year. To fully appreciate the Houston HIDTA's achievements, it is important to understand how each HIDTA is structured and why it exists. The Director, Office of National Drug Control Policy (ONDCP), designates regions with critical drug trafficking problems adversely impacting the United States as High Intensity Drug Trafficking Areas (HIDTAs). By design, HIDTA offices are located in these areas. Thus, the national HIDTA program, composed of 28 individual HIDTAs spread throughout the nation, is uniquely situated to counteract this illicit activity. HIDTAs play a significant role in addressing real world drug and drug-related problems, and offering real world solutions that agencies on their own would not be equipped to implement. The innovations, such as the Wide Area Network or checkpoint camera system, that the HIDTA system brings to the counter drug arena transcends the missions of the individual agencies and their budgets. The Houston HIDTA has fostered cooperative and effective working relationships with more than 34 federal, state, and local agencies in its quest to disrupt or dismantle DTOs. These working relationships are embodied in the Houston HIDTA Initiatives. A description of each Initiative is appended to this document.

Houston HIDTA law-enforcement Initiatives have established priorities that focus on immobilizing DTOs including violent gangs. There is also a determined effort to counter drug movement into and through the region, and to arrest those who conceal the proceeds from illegal drug sales. One Initiative has focused on clandestine methamphetamine laboratories for the past few years. Changes in trafficking patterns dictate that this initiative must elevate its focus to DTOs as well.

To achieve meaningful results, each HIDTA needs clear goals (the HIDTA program goals); a recognition of the challenges faced (a Threat Assessment); a plan to get there (a Strategy with quantifiable performance targets); and a way to document achievements (an Annual Report). The overall HIDTA mission is embodied by the National Program Mission Statement.

**National HIDTA  
Program Mission Statement**

The mission of the High Intensity Drug Trafficking Areas (HIDTA) Program is to disrupt the market for illegal drugs in the United States by assisting federal, state, and local law-enforcement entities participating in the HIDTA program to dismantle and disrupt drug trafficking organizations, with particular emphasis on drug trafficking regions that have harmful effects on other parts of the United States.

The Houston HIDTA Director and Executive Board have worked with law-enforcement agencies and local HIDTA staff to develop a vision of the future which clearly reflects what outcomes HIDTA Initiatives seek to achieve.

**Houston HIDTA  
Vision Statement**

To integrate all agencies within the geographic boundaries of the Houston HIDTA into the systematic use of its event, case, and subject deconfliction services.

Houston HIDTA success is measured in part by its ability to facilitate greater efficiency, effectiveness, and cooperation among participating agencies at the local, state and federal level, thus yielding tangible, measurable results. Collocation of different law-enforcement agencies to facilitate and enhance resource sharing is a key element of the strategy. The extent of information sharing and interagency cooperation fostered by the Houston HIDTA approach proves that separate law-enforcement Initiatives are working together effectively and efficiently.

The Houston HIDTA recognizes that without a clear mission, the law enforcement, intelligence, and prosecution communities cannot work in concert toward mutual objectives and success cannot be quantified or measured. The Houston HIDTA fully embraces the following mission in conjunction with the national program objectives.

**Houston HIDTA  
Mission Statement**

The mission of the Houston HIDTA is to disrupt the drug market through the creation and nurture of intelligence-driven task forces targeting major drug trafficking organizations, money laundering organizations, and drug gangs. Further, the Houston HIDTA will enhance and help coordinate efforts among federal, state, and local law-enforcement agencies.

**A. REPORTING PERIOD**

This Annual Report covers the reporting period January 1, 2006 to December 31, 2006.

**B. BUDGET ALLOCATION**

During this reporting period, ONDCP allocated an \$8,878,815 budget for Houston HIDTA operations. Houston HIDTA strives to minimize any expenditure that does not directly address achieving its primary objectives. Accordingly, the Houston HIDTA allocates 91 percent of its allocation directly to its family of Initiatives and their operational support costs. Throughout this Annual Report, the Houston HIDTA reports significant success in achieving its mission and its performance is trending

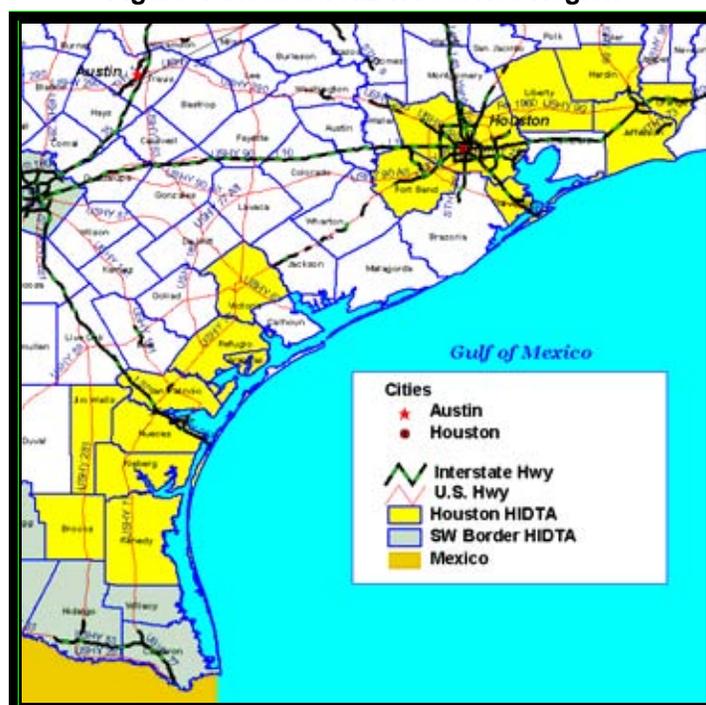
positive for the future. HIDTA dollars are well spent inasmuch as they are yielding precisely the desired effects.

### C. GEOGRAPHIC AREA OF RESPONSIBILITY

The Houston HIDTA encompasses most of the Texas Gulf Coast. Its geographic area of responsibility now comprises 16 Texas counties: Aransas, Brooks, Fort Bend, Galveston, Hardin, Harris, Jefferson, Jim Wells, Kenedy, Kleberg, Liberty, Nueces, Orange, Refugio, San Patricio, and Victoria. The capital of Texas and the headquarters for Texas Department of Public Safety are in Austin, in Travis County, outside of all four of the Texas HIDTAs.

The Houston metropolitan area is centered in Harris County.

**Figure 4—Houston HIDTA Service Region**



Houston is the nation's fourth largest city, and with its proximity to Mexico, one of the major drug distribution points in the U.S. The area's transportation infrastructure, racial and ethnic diversity, and international trade continue to make the Houston HIDTA region a primary drug distribution hub as well as a conduit and staging area for the movement of illegal proceeds to drug source countries. Many of the most notorious and profitable international drug trafficking organizations use the Houston HIDTA as a transportation and distribution hub of their U.S. operations. Houston-based cells receive shipments and orders, directly or indirectly, through these cartels. Targets considered by the Department of Justice (DOJ) as the most significant in the world operate from the Houston HIDTA. The southern part of the

HIDTA is a major transshipment point both by land and sea. The HIDTA Initiative in Corpus Christi, Texas spends much of its resources tracing drug seizures to their sources and to their destinations.

### III. NATIONAL HIDTA GOALS

HIDTAs nationally have adopted two specific goals to be achieved in meeting the drug challenge. These two national goals guide all HIDTA Initiatives and activities throughout the United States. The Houston HIDTA demonstrates these national HIDTA program goals plus concise summaries of its Threat Assessment for 2006 and resultant Strategy in the following sections. The Houston HIDTA has fashioned an individual strategy to meet local drug threats according to its individual needs in conjunction with the national objectives:

#### NATIONAL HIDTA GOALS

**Goal 1:** Disrupt the market for illegal drugs by dismantling or disrupting drug trafficking and/or money laundering organizations; and

**Goal 2:** Improve the efficiency and effectiveness of HIDTA Initiatives.

The HIDTA Goals represent clear targets for Houston HIDTA Initiatives. They also provide the foundation for performance planning and outcome measurement. As the Houston HIDTA develops budget proposals, each Houston HIDTA Initiative must present programmatic and fiscal justifications that are based on the Threat Assessment; must articulate how the Initiative's funding request directly addresses the threat; must set realistic performance measures; and must eventually provide specific information on how the funding has allowed the Houston HIDTA to meet its desired outcomes. Houston HIDTA Initiatives are developed within clear national guidelines governing all HIDTA activities and expenditures.

The Houston HIDTA Executive Board is significantly involved in all aspects of the Houston HIDTA Intelligence, Investigation, and Interdiction activities. The ONDCP Program Review Team commended the Board in three Observations in the report of its 2006 Program Review. Observations are notes of positive activities that should be considered best practices. The Board provides a forum to share important trends in drug trafficking, gathers information on which drugs are being distributed throughout the region, and sets priorities for the HIDTA. The Board also addresses important administrative issues in its oversight capacity. Houston HIDTA success is measured by results, and each Initiative is fully accountable for its success or failure in meeting its objectives.

#### IV. SUMMARY OF THREAT ASSESSMENT FOR BUDGET YEAR 2006

Recognizing how important it is to maximize operational effectiveness and to ensure that our citizens get the greatest return for their tax dollars, each year the Houston HIDTA establishes a sound strategic plan and realistic resource requests which emanate from its well-researched and thorough Threat Assessment. *The Houston HIDTA Threat Assessment for Budget Year 2006* provides details on the threats identified. The following summarizes the threat:

- The Houston HIDTA is a national-level distribution center for most illicit drugs, primarily cocaine, marijuana, and Mexican “Ice” methamphetamine due to its proximity to the U.S.-Mexico border and its multifaceted transportation and financial infrastructures.
- Houston has emerged as potentially the most significant cocaine distribution center in the United States. From 2002 to 2005, more cocaine was seized domestically on highways, railways, and at airports originating from Houston than from any other U.S. City. Cocaine seizure data shows that wholesale quantities of cocaine are distributed from Houston to numerous significant drug markets in most regions of the country including Atlanta, Chicago, Detroit, Kansas City, Miami, St. Louis and New York.
- Mexican DTOs pose the greatest criminal threat to the Houston HIDTA. These organizations use familial ties and long-established relationships to maintain control over transportation and distribution groups. They are among the most significant DTOs in the world.
- Mexican DTOs and criminal groups are the dominant transporters and wholesale distributors of illicit drugs into, through, and from the Houston area. Mexican DTOs and criminal groups serve as transporters and wholesale distributors of cocaine, marijuana, heroin, and methamphetamine available in the HIDTA.
- Asian DTOs are heavily involved in the distribution of Ecstasy and Canadian marijuana.
- Traffic in pharmaceutical drugs is on the rise.
- Street gangs and prison gangs dominate retail distribution of illicit drugs in the Houston HIDTA. Much of the violent and property crime in Houston can be attributed to the street gang activities including drug trafficking.

## V. HIDTA STRATEGY SUMMARY

The reader is referred to *The Houston HIDTA 2006 Strategy* for details on the Houston HIDTA Initiatives. The following summarizes the Strategy:

- Cooperative, collaborative, collocated, and commingled task forces involving federal, state, and local law-enforcement officers;
- Intelligence-driven investigations;
- Investigative priorities;
- Innovative approaches; and,
- Accountability and oversight.

All Houston HIDTA Initiatives save one are multi-agency. The exception is the event deconfliction initiative (NOCC) run by the Houston Police Department that provides computerized event deconfliction services to all. It does not require the participation of other agencies.

Two Intelligence initiatives, the Houston Intelligence Support Center and the Texas Narcotics Information System in Austin (TNIS), provide the full range of intelligence services. TNIS' services are shared across the entire state. TNIS also shares highway interdiction information nationally and enjoys a cooperative relationship with the BLOC/HIDTA Watch Center of the Gulf Coast HIDTA. All four Texas HIDTAs help fund TNIS activities. The Case Development Team at HISC and the Post Seizure Analysis Team at TNIS actively provide intelligence that can be used to initiate cases to law-enforcement agencies. The ONDCP Program Review commended the Houston HIDTA for its "outstanding intelligence program."

In 2004 the Executive Board set the first priority in the Houston HIDTA as cases of national significance, i.e., CPOT, RPOT, OCDETF, and cases with clear potential to fall into these categories. The target-rich environment in the Houston HIDTA makes this the best approach, and the one that best supports the needs of the country. It remained the first priority in 2006.

Major traffickers notwithstanding, Initiatives must address the local threat as well. Since so many drugs transit the Houston HIDTA, Initiatives must work transportation cases, and their impetus is to turn drug seizures into drug investigations especially when a seizure relates to primary targets. Several national and international gang sets operate in the Houston HIDTA and many local gangs terrorize neighborhoods. Even in these contexts, the Executive Board expects HIDTA Initiatives to pursue investigations to the highest level that they can and to pass investigations to other Initiatives when

appropriate. In 2006, the GANGS Initiative made federal cases against the Latin Kings and MS-13. TNET disrupted cells of the Zetas, the enforcement arm of the Gulf Cartel. The Executive Board evaluates each Initiative to ensure that the majority focus on the first priority.

HIDTA Initiatives combine time-tested methods of operation with innovative approaches like the WAN which allows agencies to share information and software economically and efficiently; the checkpoint camera system; the shared DEA wire room; and the aerial surveillance platform. These projects transcend the scope of any one agency's mission. Thus, resources provided by HIDTA funds and expertise improve the efficiency and effectiveness of all participating agencies. The Executive Board enthusiastically considers proposals for pilot projects or specialized task forces as agencies develop them.

Finally, the Executive Board has developed an Initiative Review Process that requires continuous evaluation of Initiatives' performance through monthly reports that the Initiatives prepare and site visits by the Director and his staff. Site visits include compliance reviews, fiscal desk audits, and effectiveness evaluations. The Board meets bimonthly and discusses Initiatives that have been reviewed since the last meeting. The Board is thus able to deal with problems as they arise and to reallocate resources as they become available or the need becomes apparent. This approach was validated in 2006 when an ONDCP-led team conducted a Program Review of the Houston HIDTA which entailed an in-depth analysis of every aspect of HIDTA operations. The team found no serious deficiencies and issued eleven Observations, or positive comments regarding the Executive Board, the HIDTA management team, and the Initiatives.

In an increasingly competitive policy and budget environment, it is critical for the Houston HIDTA to develop strategies and resource requests that will produce positive regional outcomes consistent with the two HIDTA goals. The Houston HIDTA funded 13 Initiatives in CY 2006 distributed as follows:

NO. OF PROGRAMS	DESCRIPTION
5	Investigative DTO Focus (included interdiction)
1	Investigative Money Laundering Focus
1	Investigative Methamphetamine
1	Gang (drug) Focus
3	Intelligence Focus (includes event deconfliction)
1	Management Operations Focus
1	Training Initiative (no funding)

(Note - A description of each Initiative can be found in Appendix E.)

During the course of 2005, the methamphetamine group changed its focus from small clandestine laboratories to DTOs and planned to merge with the Major Drug Squads. The merge was postponed, so the MIG continued to operate with funds left over from previous years. The City of Houston added another attorney to TNET at no cost to the HIDTA to add to its highly successful nuisance abatement efforts. In recognition of the growing pharmaceutical problem, TARP has added specialists in pharmaceutical investigations and the Training Initiative sponsored a pharmaceutical investigations training session. These actions demonstrate the flexibility of the HIDTA program. If an Initiative fulfills its function, or fails to do so, or if trafficking patterns warrant change, then the Executive Board will make the appropriate adjustments.

## VI. HIDTA PERFORMANCE MEASURES

Working hard does not always equal working smart. HIDTAs across the country have instituted procedures aimed at ensuring that HIDTA-sponsored Initiatives work both hard and smart. Flat budgets amid rising costs dictate that they must. Performance measures introduce a capability to quantify and track HIDTA targets and monitor HIDTA results. With application of the Performance Management Process, the Houston HIDTA Annual Report functions as a report card; a barometer of HIDTA efficiency and effectiveness; a source for comparison with previous year efforts; and most importantly, a beacon for future action. The next series of tables and charts present specific outputs and efficiency measures organized in HIDTA Program Goal order. These measurable results reflect a continuing increase in efficiency and effectiveness at lower programmatic costs of about \$2.3 million. More is being accomplished with less...an admirable trend:

### A. PERFORMANCE MEASURES FOR GOAL 1

**Table 1–DTOs and MLOs Disrupted or Dismantled**

Scope	#DTOs & MLOs Identified	# DTOs & MLOs to be Disrupted or Dismantled	# DTOs & MLOs Disrupted	% Disrupted	# DTOs & MLOs Dismantled	% Dismantled	Total Disrupted or Dismantled	Total % Disrupted or Dismantled
International	155	71	36	51%	14	20%	50	70%
Multi-state	48	24	9	43%	1	5%	10	48%
Local	187	24	20	95%	5	24%	25	119%
Total	390	113	65	58%	20	18%	85	75%

Illicit drug trafficking, left unchecked, cuts deeply into the social fabric of our society. Tables 1 through 4 reflect the remarkable impact Houston HIDTA Initiatives had on DTOs, not only within the Houston HIDTA region itself, but also nationally and internationally. At the beginning of each year, Houston HIDTA Initiatives are hard at work investigating DTOs that have been previously identified, many of which will also have been specifically targeted for disruption or total dismantlement. During the year, investigators identify more DTOs and target some of them. The ability to target a DTO is a direct function of the availability of resources. Houston HIDTA cases

tend to be long-term, and resources tend to remain stable, so numerical projections are not always met. Table 1 shows that the Houston HIDTA identified 390 DTOs and targeted 113 for either disruption or dismantlement. By the end of calendar year 2006, Houston HIDTA initiatives had disrupted 65 and dismantled 20 DTOs. This is an outcome of more than 75% efficiency.

**Table 2—Percentage of DTOs Disrupted or Dismantled by Scope**

Scope	#DTOs & MLOs Identified	# DTOs & MLOs Under Investigation	# DTOs & MLOs Disrupted	% Disrupted	# DTOs & MLOs Dismantled	% Dismantled	Total Disrupted or Dismantled	Total % Disrupted or Dismantled
International	155	151	36	24%	14	9%	50	33%
Multi-state	48	41	9	22%	1	2%	10	24%
Local	187	57	20	35%	5	9%	25	44%
Total	390	249	65	26%	20	8%	85	34%

Table 2 explains Houston HIDTA success in terms of the operational scope of the DTOs identified and targeted in calendar year 2006. Of the 390 DTOs identified, 203, or more than half, operated beyond the Houston HIDTA region in multiple states, or were involved in international operations. Houston HIDTA Initiatives targeted 192 of these major operations, disrupting 45 and totally dismantling 15 of the larger targeted DTOs. Fifty international DTOs were either dismantled or disrupted. In many cases, different enforcement actions may disrupt a DTO several times during the year which these statistics would not reflect. Through its focus on the more sophisticated targets, the Houston HIDTA has a greater impact on the drug market in the rest of the country.

Table 2 also demonstrates the Houston HIDTA's commitment to reduce retail drug sales by disrupting or dismantling 25 local DTOs. Attacking local DTOs in conjunction with the larger targets has a ripple effect in the drug supply chain. Immobilizing a local DTO, even though the drug quantity seized may be small, affects the ability of international and multi-state DTOs to get their drugs into the hands of drug users, thus helping to reduce the efficiency and effectiveness of this black market industry. By making it more difficult and time consuming for drug buyers to score a local connection, thus making it more difficult for street level dealers to sell their drugs, the local drug markets are not able to move the same volume of drugs with the ease they experienced in prior years. Likewise, every arrest has a disruptive effect on the market. Time after time, a relatively low-level arrest has resulted in the identification and immobilization of higher-level DTOs. One such Houston HIDTA case, Operation Enlightenment, began as a street-level case involving the purchase of a small amount of drugs. Aggressive follow-up identified an international cartel with connections in Asia and Canada which led to a CPOT investigation. It has since spun off to a money laundering investigation and three separate OCDEF cases. Dozens of people have been arrested and millions of dollars in drugs and assets have been seized, with more in the planning stages.

It is an accepted premise that most crime is related in some way to drug traffic. Also, most crime is committed by a relatively small number of offenders. Thus, the disruption of local DTOs tends to have a broad effect on the local community and local crime rates. Further, every time a local DTO is disrupted or dismantled, the traffickers remaining at large must modify their methods of operations, rendering them more vulnerable to law-enforcement operations. Houston HIDTA Initiatives arrested 2,489 people in 2006. Hundreds of others were arrested on a variety of misdemeanor charges that are not included in Houston HIDTA statistics.

**Table 3—Percentage of Money Laundering Organizations Disrupted or Dismantled by Scope**

Scope	# MLOs Identified	# MLOs to be Disrupted or Dismantled	# MLOs Disrupted	% Disrupted	# MLOs Dismantled	% Dismantled	Total Disrupted or Dismantled	Total % Disrupted or Dismantled
International	26	19	6	32%	0	0%	6	32%
Multi-state	5	0	0	0%	0	0%	0	0%
Local	4	0	2	0%	0	0%	2	0%
Total	35	19	8	42%	0	0%	8	42%

The drug trade, for the most part, is based on cash sales. Taking the profit out of drug dealing, therefore, is a constructive approach to disrupting the drug market. One way to decrease profits is to identify and target those DTOs engaging predominately in drug money laundering. While most DTOs launder money routinely, cases against MLOs are extremely complex, time consuming, and confusing to juries. As a result, prosecutions of MLOs frequently consist of charges related to the predicate offense of drug trafficking. As reflected in Table 3, Houston HIDTA Initiatives identified 35 money-laundering DTOs and targeted 19 in CY 2006. Of these, eight were disrupted. The Houston Money Laundering Initiative accounted for 32 arrests; cash and asset seizures valued at about \$9.3 million; and drug seizures valued at more than \$18 million. This represented a return on investment of about \$18 to \$1. The profit margins of several DTOs suffered as a result of these enforcement actions.

**Tables 4 & 4a—Operational Scope of all DTO Cases Initiated**

<b>Table 4: CPOT, RPOT, and OCDEF Cases (by Operational Scope) Initiated in 2006, at Houston HIDTA</b>			
<b>Scope</b>	<b># CPOT Cases</b>	<b># RPOT Cases</b>	<b># OCDEF Cases</b>
<b>International</b>	<b>6</b>	<b>2</b>	<b>6</b>
<b>Multi-state</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Local</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>6</b>	<b>2</b>	<b>6</b>

<b>Table 4a: All Active CPOT, RPOT, and OCDEF Cases (by Operational Scope) in 2006, at Houston HIDTA</b>			
<b>Scope</b>	<b># CPOT Cases</b>	<b># RPOT Cases</b>	<b># OCDEF Cases</b>
<b>International</b>	<b>31</b>	<b>7</b>	<b>37</b>
<b>Multi-state</b>	<b>0</b>	<b>5</b>	<b>2</b>
<b>Local</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Total</b>	<b>31</b>	<b>12</b>	<b>41</b>

The Houston HIDTA strategy requires Initiatives to develop cases that have the potential to qualify for OCDEF, RPOT or CPOT designation. Of the new DTOs targeted in 2006, 6, 2 and 6 respectively received CPOT, RPOT or OCDEF designation. Added to the existing targets being actively investigated at the beginning of the year, the total is 31, 12, and 41 respectively, clearly demonstrating the Houston HIDTA's focus on major investigations.

The above tables reflect the nature of the Houston HIDTA's enforcement efforts. The following four tables highlight the impact that the Houston HIDTA has on the drug market.

Table 5—Drugs Removed From the Marketplace

Drugs Seized (kg or D.U.)	Amount Seized (kg or D.U.)	Wholesale Value
Heroin kg	34.231	\$2,481,747
Cocaine HCL kg	2,326.516	\$40,132,401
Crack cocaine kg	0.733	\$12,461
Marijuana kg	86,824.366	\$101,869,505
Marijuana plants and grows	0	\$0
Methamphetamine kg	74.382	\$1,881,864
Methamphetamine ice kg	0	\$0
Ecstasy(MDMA)(D.U.s)	316,924.510	\$4,753,867
Cannabis	1.489	\$1,965
Carisoprodol	0.230	\$0
Codeine	67.932	\$135
Codeine preparations - 200 mg/100 ml or 100 gm	1.660	\$3,320
Diazepam	114.000	\$228
Hashish	0.057	\$570
Heroin, Mexican Black Tar	0.024	\$1,080
Heroin, Mexican Brown	0.816	\$28,560
Hydrocodone	42614.000	\$213,070
Lortab	820.000	\$2,460
LSD	59.874	\$299
OxyContin	0.010	\$0
PCP	5001.028	\$75,015
Soma	99.000	\$148
Vicodin	3712.000	\$18,560
Xanax	7647.004	\$22,941
<b>Total Wholesale Value</b>		<b>\$151,500,202</b>

\*SOURCE – NDIC NATIONAL ILLICIT DRUG PRICES DECEMBER 2006 (mid point between high and low estimates)

Seizing drugs from a DTO is like eliminating inventories from a corporate sales department, leaving it with nothing to market. During CY 2006, the Houston HIDTA had a significant impact on the region's drug trade through its drug seizures. Table 5 lists the **wholesale** values of the respective drugs seized, thus giving a true depiction of the

economic impact of removing these drugs from the marketplace. In this fashion, achieving the Houston HIDTA goals is more clearly shown in terms of real dollar outcomes. It should be noted, however, that many of the drugs seized were destined for other parts of the U.S. where the wholesale values are much higher. Thus, the \$65 million price tag is most likely an underestimate.

**Table 6—Return on Investment (ROI) for Drugs Removed from the Marketplace by Law-enforcement Initiatives by Year—Wholesale Value**

Year	Budget	Baseline Drug Wholesale Value	Expected Drug ROI	Drug Wholesale Value Removed From Market	Actual Drug ROI
2004	\$8,872,420	\$90,343,363	\$11.00	\$130,342,061	\$14.69
2005	\$8,800,643	\$90,343,363	\$7.00	\$65,434,977	\$7.43
2006	\$8,778,815	\$90,343,363	\$8.00	\$151,500,202	\$17.25

**Table 7—Return on Investment (ROI) for Assets Removed from the Marketplace by Law-enforcement Initiatives by Year—Asset Value**

Year	Budget	Baseline Value of Drug Assets	Expected Asset ROI	Value of Drug Assets Removed from Market			Actual Asset ROI
				Cash	Other Assets	Total	
2004	\$8,872,420	\$17,519,318	\$2.00	\$0	\$26,298,441	\$26,298,441	\$2.96
2005	\$8,800,643	\$17,519,318	\$1.00	\$17,587,644	\$4,641,799	\$22,229,443	\$2.52
2006	\$8,778,815	\$17,519,318	\$3.00	\$15,506,111	\$10,276,217	\$25,782,328	\$2.93

Houston HIDTA Initiatives seized almost \$26,000,000 in drug assets during CY 2006, thereby reducing availability and subsequent use in the illicit economy. This yields an ROI of \$2.93 for every \$1.00 of HIDTA funding invested in Houston HIDTA law-enforcement and intelligence Initiatives. It is well recognized, of course, that additional law-enforcement dollars from agencies outside HIDTA for such expenses as officer salaries, police overhead and so forth, also contribute to seizures. Tables 5, 6 and 7 do not attempt to calibrate such outside expenses, but focus directly on what HIDTA spends.

A modern business corporation is hurt by a reduction in its bottom line profits. A DTO is crippled the same way. Tables 5, 6 and 7 demonstrate the efficiency of the Houston HIDTA insofar as removing illicit drugs and drug profits from the DTOs.

**Table 8—Total Return on Investment (ROI) for Drugs and Assets Removed from the Marketplace by Law-enforcement Initiatives by Year**

Year	Budget	Drugs and Assets Baseline	Expected Total ROI	Drugs and Assets Removed from Market	Actual Total ROI
2004	\$8,872,420	\$107,862,681	\$13.00	\$156,640,502	\$17.65
2005	\$8,800,643	\$107,862,681	\$8.00	\$87,664,420	\$9.96
2006	\$8,778,815	\$107,862,681	\$11.00	\$177,282,530	\$20.19

In all, the Houston HIDTA permanently removed \$152 million in illicit drugs and \$25 million in drug profits from the marketplace. When examined in budget terms, these results yield an impressive rate of return (ROI) of \$20.19 for every \$1.00 of HIDTA funding invested in Houston HIDTA law-enforcement and intelligence Initiatives. These rates of return compare favorably to the best run businesses in the private sector. Significant benefits were achieved at low cost.

**Table 9—Value of Clandestine Methamphetamine Laboratories Dismantled by Size**

Meth Cost Per Ounce		\$1,150.00		
Lab Size	ID/Targeted	Dismantled	Value of Labs Dismantled	
A. Less than 2 Oz	1	12	\$27,600.00	
B. 2 - 8 Oz	1	2	\$11,500.00	
C. 9 - 31 Oz	1	0	\$0.00	
D. 32 - 159 Oz	1	0	\$0.00	
E. 10 - 20 Lbs	1	0	\$0.00	
F. Over 20 Lbs	0	0	\$0.00	
<b>Total</b>	<b>5</b>	<b>14</b>	<b>\$39,100.00</b>	

Fortunately, new legislation in Texas makes it difficult for potential methamphetamine producers to acquire the necessary precursor materials, and to set up the labs required to achieve their illegal objectives. Table 10 shows that the MIG dismantled fourteen methamphetamine drug laboratories of various sizes. At a local selling price of \$1,150 per ounce on the street, it conservatively stopped the production of more than \$39,000 worth of raw methamphetamine. These figures are conservatively based on an assumption that each laboratory would have conducted only one production run. This represents a continuing trend of decreasing local production. The MIG intends to focus

more on mid-level methamphetamine traffickers in 2007 to respond to the increase in Mexican methamphetamine.

**Table 10—HIDTA Clandestine Laboratory Activities for Year**

	Baseline	# Projected	# Identified	% Identified
Laboratory Dump Sites Seized	0	0	0	0%
Chemical/Glassware Equipment Seizures	0	0	0	0%
Children Affected	0	0	0	0%

Dump site and glassware seizures are rare in the Houston HIDTA. Nearly all of the clandestine lab activity takes place with easily obtainable kitchen equipment, so the first two rows of Table 10 do not apply to the Houston HIDTA. Fortunately, the MIG did not refer any children to Child Protective Services in 2006, so row three is also blank.

## B. PERFORMANCE MEASURES FOR GOAL 2

**Table 11—Houston HIDTA Training Efficiency by Year and Type of Training**

Type of Training	# Students Expected for Training		# Students Actually Trained		# Training Hours Actually Provided		Total Training Cost		Training Cost Per Hour		
	2004	2006	2004	2006	2004	2006	2004	2006	2004	2006	% Change 2004-2006
Analytical/Computer	0	306	542	125	9,073	1,641	\$55,822	\$24,216	\$6.15	\$14.76	140%
Investigative/Interdiction	0	795	2,344	302	21,069	5,800	\$7,779	\$13,875	\$0.37	\$2.39	546%
Management/Administrative	0	170	28	26	206	329	\$395	\$3,338	\$1.92	\$10.15	429%
Meeting / Conference	0	288	0	0	0	0	\$0	\$0	\$0.00	\$0.00	0%
Total	0	1,559	2,914	453	30,348	7,770	\$63,996	\$41,429	\$2.10	\$5.33	154%

Training is essential in improving both the efficiency and effectiveness of Houston HIDTA operations. The Houston HIDTA coordinated or funded training for 2,914 students in 2006 for a total of 13,332 classroom hours. The training was designed to improve their computer and analytical skills, bolster their investigative knowledge and develop their managerial abilities. Most of this training was provided free of charge to

Houston HIDTA assigned and participating agency investigators. Some specialized training involved travel or expensive tuition resulting in a cost per training hour of about \$5.00, a considerable bargain. Most of the training was at no cost to the HIDTA.

Training also offers a special way for officers to network. It is common for classmates to contact one another on investigative matters which also increases their effectiveness and efficiency.

**Table 12—Percentage of Event and Case Deconflictions Submitted**

Year	Baseline # Deconflictions Submitted	# Deconfliction Submissions Expected	# Event Deconflictions Submitted	# Case/Subject Deconflictions Submitted	Total Deconflictions Submitted	% Deconflictions Submitted
2004	14973	0	8,277	21,369	29,646	0%
2005	14973	28,077	7,204	8,939	16,143	57%
2006	14973	29,077	8,695	12,328	21,023	72%
2007	14973	25,739	0	0	0	0%
2008	14973	0	0	0	0	0%

Separate law-enforcement Initiatives or groups, while aggressively pursuing suspects or covering an event, can easily cross paths in the field. This can be dangerous if either party is unaware of the other. At worst, it could cost an officer or bystander his or her life in a dangerous encounter. It could also result in inefficient duplication of effort. Thus, information which can serve to deconflict such potential encounters is vital to well coordinated policing. The Houston HIDTA provides such information through its Intelligence Initiatives to any law-enforcement agency that wishes to participate in the process, regardless of HIDTA affiliation. These services promote officer safety, conserve resources, and help to coordinate investigations. All of the Houston HIDTA Initiatives eligible to use Houston HIDTA deconfliction services did so. Tables 13 and 14 depict how well Houston HIDTA Initiatives and participating agencies used these services. The Initiatives greatly overestimated the number of deconflictions they would conduct in 2006 because of a misunderstanding of definitions during the planning cycle. Nevertheless, the total number increased by about 8 percent over baseline figures. The figures also represent case or subject deconflictions conducted through TNIS which supports the entire state. Thus, some of the deconflictions were not related to Houston HIDTA investigations.

**Table 13—Percentage of Cases Provided Analytical Support**

Year	Baseline # Cases Receiving Analytical Support	# Cases Expected for Analytical Support	# Cases Provided Analytical Support	% Expected Cases Supported
2004	235	175	235	134%
2005	235	175	370	211%
2006	235	175	522	298%
2007	235	280	0	0%
2008	235	0	0	0%

The role of the Intelligence Analyst in major investigations is well established in drug law enforcement. Some of the most significant prosecutions in the world have hinged upon the connections and overt acts that analysts have been able to document through research, telephone analyses, or debriefings of cooperating individuals. The Houston HIDTA has long recognized the importance of intelligence support, so the dramatic increase in cases supported is probably the result of better reporting as opposed to dramatically increased activity. Because of TNIS' role in supporting all the Texas HIDTAs and other law enforcement, not all of the above cases were Houston HIDTA cases. Nevertheless, the commitment is apparent, as are the results.

**Table 14—Percentage of HIDTA Initiative Cases Referred to Other HIDTAs and Other Agencies**

Year	Total HIDTA Initiative Cases	# Initiative Cases Expected for Referral	# HIDTA Initiative Cases Referred to Other HIDTAs	# HIDTA Initiative Cases Referred to Other Agencies	Total Initiative Cases Referred	% Expected Initiative Cases Referred
2004	0	105	32	98	130	123%
2005	1840	289	153	289	442	152%
2006	391	78	6059	54067	60126	77084%
2007	0	180	0	0	0	0%
2008	0	38	0	0	0	0%

Table 14 depicts the positive outcome achieved by Houston HIDTA Initiatives in sharing intelligence with others. Although this activity has always been central to the Executive Board philosophy, it was only recently that the Houston HIDTA began measuring it. As in Table 13, the sharp increase is more likely due to better measurement than dramatically increased activity. For example, TNIS has always passed thousands of investigative leads resulting from interdiction activities to other agencies. TARP, TNET,

and MDS have always coordinated activities with other jurisdictions. These activities, which are well over projections, are essential to the Houston HIDTA goal of improving efficiency and effectiveness through information sharing and coordinated intelligence.

## VII. CONCLUSIONS

CY 2006 is only the third year that the Houston HIDTA reported Initiative operational targets and subsequent outcomes using the Performance Management Process (PMP) efficiency and effectiveness performance measurement tables spread throughout this Annual Report. As in any new project, productivity estimates may be off in the early years, but improve in time. The Houston HIDTA overestimated its DTO productivity and underestimated intelligence sharing. Other measures were surprisingly accurate. The results are nevertheless impressive by any standard. Clear evidence of successful Initiative productivity is present throughout the report, and one must conclude the inescapable . . . DTOs are being disrupted or dismantled (Goal 1), and these accomplishments are being done efficiently, effectively, and at less budgetary cost through HIDTA sponsored training and information sharing (Goal 2).

Cheaper, of course, is not necessarily better. Merely because an Initiative improves its performance without increased funding does not prove efficiency or effectiveness by itself. Positive outcomes can also be illustrated by positive behavioral changes exhibited by Houston HIDTA program participants. Key questions to be asked: Are law-enforcement agencies working together better and more effectively? Is information reaching the people who need it? Have traditional barriers among different law-enforcement agencies been eroded sufficiently that these entities can find a common ground to pursue common goals? Are we making **real** progress in addressing illicit drug trafficking? Has the Houston HIDTA contributed to achieving these outcomes? The results set forth in this CY 2006 Annual Report confirm that all these questions can be answered affirmatively in qualitative and quantitative terms.

Historically, diverse law-enforcement entities were reluctant to share strategic or operational information except on a case-by-case basis. Many agencies feared a breach of security or confidentiality if they permitted “outsiders” to look at sensitive files. Naturally, this foreclosed many opportunities to avoid duplication of effort, and one can only speculate how many drug and other violent crimes remain unsolved because information held by one department or agency was not shared with another. Fortunately, in the years that the Houston HIDTA has been in existence, interagency collaboration and cooperation have steadily increased as demonstrated by the number of queries or data elements shared through the Houston HIDTA infrastructure, number of interactions between law-enforcement and intelligence activities, and a significant increase in cooperative, efficient, and effective interagency effort. Bottom line . . . interagency barriers are minimal in the Houston HIDTA. Technology has facilitated this behavioral transition. Disparate database files that could not be connected in the past can now be shared over high-speed computer networks to facilitate joint law-

enforcement and intelligence Initiatives, not only in the Houston HIDTA, but across the country.

With support from the Houston HIDTA intelligence Initiatives, law-enforcement Initiatives continue to progress in identifying, investigating and dismantling some of the most dangerous and prolific drug dealers and money launderers operating in the world. As the tables and charts presented throughout this report clearly attest, Houston HIDTA Initiatives have achieved their primary Goal 1 objectives.

Illicit drug availability has been reduced. Some highlights include seizing 34 kilograms of heroin, more than a metric ton of cocaine HCL, nearly 87,000 kilograms of marijuana, approximately 74 kilograms of methamphetamine, plus huge quantities of miscellaneous other drugs. These seizures equated to more than \$151,500,000 in wholesale value—a staggering amount removed from the market place. Had the drugs been allowed to reach their final destinations, where drug prices are always higher, the figures would be even more impressive. These seizures, coupled with drug asset seizures exceeding \$25 million have put a major crimp in DTO activities. These DTOs have trafficked in many tons of drugs in the past; they will be unable to do so in the future. The potential impact staggers the imagination. Eighty-five DTOs were either severely disrupted or totally put out of business. Overall, the cost of doing business for the Houston HIDTA DTOs has been dramatically increased. All of this was accomplished with a static budget since 1997, representing a \$2.3 million cut in spending power.

Houston HIDTA is pleased that its Initiatives comply fully with the precepts of Goals 1 and 2. They have been efficient and effective in achieving their results to date, and continue to improve. CY 2006 marked a positive point in the Houston HIDTA history of fighting illicit drug activities.

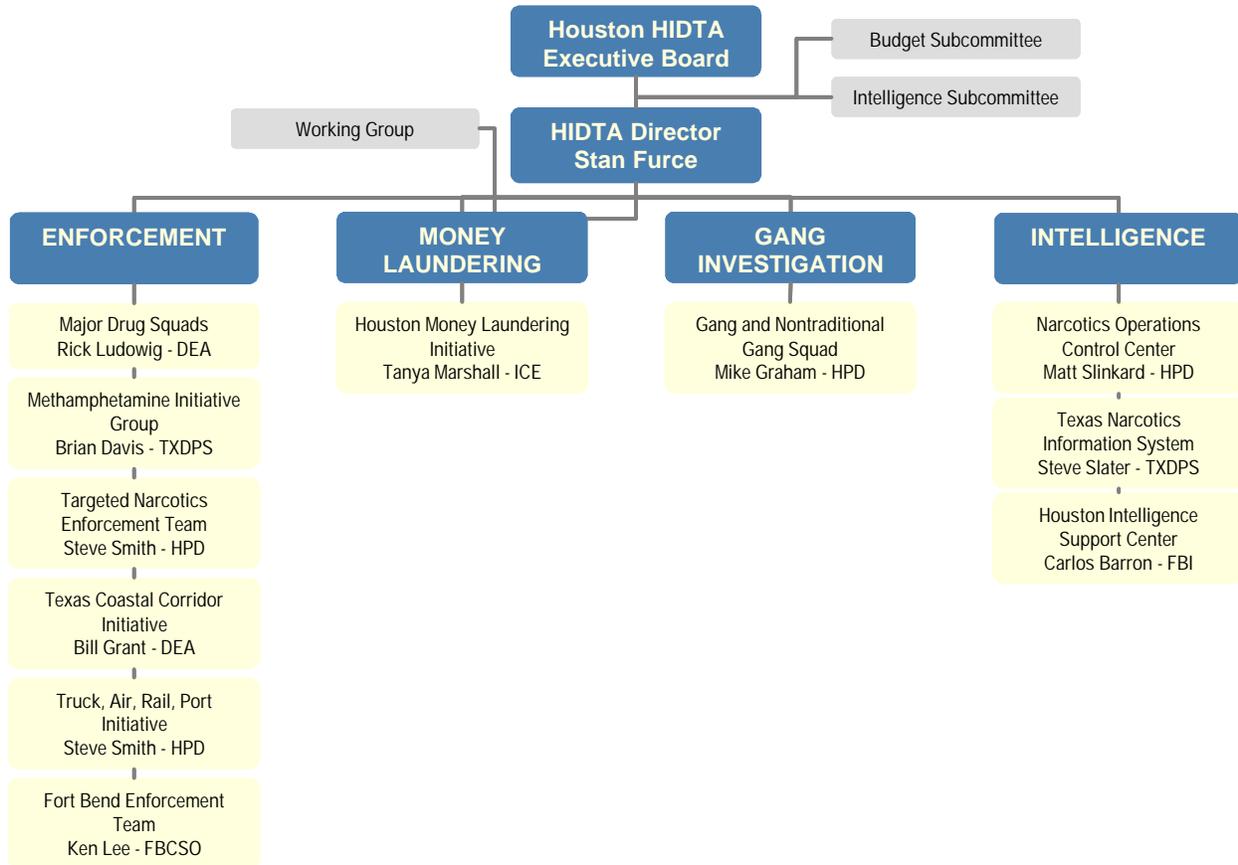
For several years the Houston HIDTA has been developing the necessary technology and expertise to facilitate strategic planning to maximize its operational results. During CY 2004, the Houston HIDTA Mission was refined, and the organization developed a clear vision of where it wanted to be, and what it wanted to accomplish for the foreseeable future. 2006 marked progress toward that vision. A shift in the organizational paradigm has taken place based on recognizing that operational effectiveness can and should be measured and held up to the light of accountability.

“Measurable results for each federal dollar spent” this principle has been adopted as a key component of the Houston HIDTA focus on meaningful outcomes. This is one of the principles that guide how every Houston HIDTA Initiative approaches its effort to reduce drug trafficking. Thirty-five federal, state, and local agencies in the Houston HIDTA region participate in the Houston HIDTA law enforcement, investigative support, and training Initiatives. Proactive, innovative thinking is also the touchstone of Houston HIDTA local support as staff strives to foster efficiency and effectiveness among the

Initiatives under its guidance, through interagency cooperation, collaboration, and information sharing.

## VIII. APPENDICES

### A. TABLE OF ORGANIZATION FOR THE HIDTA



**B. TABLE LISTING COMPOSITION OF EXECUTIVE BOARD SHOWING LOCAL, STATE AND FEDERAL AFFILIATION**

AFFILIATION	NAME	TITLE
FEDERAL	Bryan Best	Chief Narcotics Unit, USAO
	Roderick Beverly	Special Agent in Charge, FBI
	Don Carter	Special Agent in Charge, ATF
	Jackie Collins	Special Agent in Charge, IRS
	James Craig	Special Agent in Charge, DEA
	Ruben Monzon	U.S. Marshal
	Bob Rutt	Special Agent in Charge, ICE
LOCAL	Jack Fry	Assistant Chief of Police, PPD
	Juan Jorge	Major, Detective Bureau, HCSO
	Daniel Perales	Assistant Chief of Police, HPD
	Bryan Smith	Chief of Police, CCPD
	Ted Wilson	Chief, Special Crimes Bureau, HCDA
	Mitch Woods	Sheriff, JCSO
	Milton Wright	Sheriff, FBCSO
STATE	James Brubaker	Commander Narcotics, DPS

**C. LIST OF PARTICIPATING AGENCIES**

FEDERAL	LOCAL
Drug Enforcement Administration	City of Baytown
Federal Bureau of Investigation	Corpus Christi Police Department
Immigration and Customs Enforcement	Ft. Bend County District Attorney's Office
United States Marshal Service	Ft. Bend County Sheriff's Office
United States Secret Service	Harris County District Attorney's Office
Internal Revenue Service	Harris County Sheriffs Office
Bureau of Alcohol Tobacco and Firearms	Houston City Attorney's Office
United States Coast Guard	Houston City Attorney's Office
United States Attorney's Office, SDTx	Houston Fire Department
United States Park Service	Houston Police Department
	Houston Public Works and Engineering Department
	Jefferson County Sheriff's Department
	Kingsville Police Department
	Meadows Place Police Department
	Missouri City Police Department
	Nueces County Sheriff's Office
	Pasadena Police Department
	Richmond Police Department
	Rosenberg Police Department
	Sugarland Police Department

STATE
Texas Department of Public Safety
Texas Attorney General's Office
Texas National Guard
Sam Houston State University

**D. HIDTA PMP MATRIX**

See attached file title 06\_HoustonPMPMatrix

## **E. HIDTA INITIATIVES**

### *Major Drug Squads (MDS)*

A collocated, commingled, multi-jurisdictional task force, conducting complex investigations of DTOs operating at regional, national and international levels, to disrupt and dismantle those DTOs at their highest levels. The MDS promotes enhanced and coordinated drug control efforts with other local, state and federal entities. All intelligence developed in pursuit of these targets is shared with the major Federal databases, EPIC, TNIS and the HISC.

#### Participants:

- Drug Enforcement Administration
- Federal Bureau of Investigation
- Harris County Sheriffs Office
- Houston Police Department
- ICE
- Internal Revenue Service
- Pasadena Police Department
- Sam Houston State University
- Texas Department of Public Safety
- Texas National Guard
- United States Marshal Service
- United States Secret Service

### *Truck, Air, Rail and Port (TARP)*

TARP is the evolution of an entity formed in FY/97 as the Currency-Narcotic Transportation Initiative (CNTI). This collocated, multi-agency Initiative attempts to interdict illegal drugs and currency and the traffickers thereof, through investigative enforcement at hubs of distribution, i.e., airports, seaports, rail stations, bus stations, express mail couriers, and at hotels and motels known to be used by traffickers. Follow-up investigations target DTOs. Supports other Initiatives and conducts controlled deliveries.

#### Participants:

- Houston Police Department
- Drug Enforcement Administration
- Harris County Sheriffs Office
- ICE
- Texas Department of Public Safety

*Targeted Narcotics Enforcement Team (TNET)*

Restructured and renamed in April 2001, this Initiative was formerly known as the Targeted Offenders Group (TOG). The unit addresses mid-level DTOs, “Club Drugs”, stash houses and informant development. This Initiative enjoys a very close relationship with Major Drug Squads and the Houston Intelligence Support Center. One of this Initiative’s squads employs a multi-jurisdictional approach to recapture neighborhoods that includes State and Federal prosecution, building code violations, and the varied enforcement authorities of Federal, State and Local agencies.

## Participants:

- Houston Police Department
- Federal Bureau of Investigation
- BATF
- Houston City Attorney’s Office
- Houston Fire Department
- Houston Public Works & Engineering Dept.
- ICE
- Texas Department of Public Safety

*The Texas Coastal Corridor Initiative (TCCI)*

Nine Texas counties in and around the City of Corpus Christi were authorized by Congress in April 1997 to become part of the Houston HIDTA. Law-enforcement leaders in the area were able to demonstrate that this particular corridor between the United Mexican States and the Houston metropolitan community plays a vital role in the drug threat. This collocated, multi-agency task force effort focuses on three fronts: 1) Identification and targeting of drug trafficking organizations operating in the area; 2) Collection and dissemination of intelligence data acquired from arrestees at the Border Patrol checkpoints located in their area and developing drug investigations from that information; 3) Collection, dissemination and coordination of investigation information emanating from money seizures in the area.

The Padre Island National Seashore has developed as a major threat in recent years and the Initiative expends considerable effort investigating DTOs using the PINS.

## Participants:

- Corpus Christi Police Department
- Drug Enforcement Administration
- ICE
- Internal Revenue Service
- Kingsville Police Department
- BATF

- Nueces County Sheriffs Office
- Texas National Guard
- Sam Houston State University
- U.S. Coast Guard
- U.S. Park Service

#### *The Methamphetamine Initiative Group (MIG)*

This Initiative was created in 2002 in response to the developing threat of increased trafficking and manufacture of methamphetamine in the Houston HIDTA area. A reallocation and shifting of HIDTA resources was required to initiate this group due to the flat-line nature of the budget. The DPS led squad, formerly assigned to the MDS, was removed and became the basis of the new initiative. As the threat changed from small, local clandestine labs to importation of Mexican methamphetamine, the Initiative changed its focus on mid-level methamphetamine DTOs. It will respond to local labs as well. No 2006 funds were expended for this Initiative.

#### Participants:

- Texas Department of Public Safety
- Drug Enforcement Administration
- Harris County Sheriffs Department
- Houston Police Department
- Sam Houston State University

#### *Ft. Bend Enforcement Team*

Formed in 2002 to deal with traffickers in Ft. Bend County, which is a large suburban and rural county adjacent and part of the Houston Metropolitan area. This is the only formal drug law enforcement in Ft. Bend County. Initially, the Initiative dealt largely with open-air drug markets. As the open-air markets have gone underground, the Initiative has enlarged its focus to include DTOs.

#### Participants:

- Ft. Bend County Sheriff's Office
- Sugarland Police Department
- Missouri City Police Department
- Meadows Place Police Department
- Richmond Police Department
- Rosenberg Police Department
- Drug Enforcement Administration
- Ft. Bend County District Attorney's Office
- Bureau of Alcohol, Tobacco, Firearms, and Explosives

### *Houston Money Laundering Initiative (HMLI)*

A collocated, multi-jurisdictional task force established to intercept drug trafficking profits through the identification, arrest and prosecution of money launderers and their organizations. This unit has a dual function of analyzing intelligence data to reveal new trends and methods of money laundering to constantly and effectively readjust its investigative efforts. HMLI was reorganized in January 2002 to include the addition of a Suspicious Activity Report Review Team and an additional ICE investigative group. The HMLI shares its data with all of the major Federal databases, and with NDIC, FINCEN, EPIC, TNIS and the HISC.

#### Participants:

- Immigration and Customs Enforcement
- Harris County Sheriffs Office
- Houston Police Department
- Internal Revenue Service
- Pasadena Police Department
- Texas Attorney General's Office
- EOAF

### *Gangs and Non-traditional Gang Squad (GANGS)*

Identify, monitor, disrupt and dismantle the activities and membership of traditional and non-traditional criminal/drug gangs in the greater Houston area. In 2005, Houston P.D. created a Gang Division to deal with this growing problem. Gangs with multi-state operations are a major focus. The linked utilization of a specifically designed software program, the Gang Tracker, is central to their operation.

#### Participants:

- Drug Enforcement Administration
- BATF
- FBI
- ICE
- Harris County Sheriffs Office
- Houston Police Department
- Sam Houston State University

### *Houston Intelligence Support Center (HISC)*

Organized to deliver accurate and timely strategic, organizational, and tactical intelligence on drug related criminal activity within the Houston HIDTA that is consistent with the goals and objectives of the National Drug Control Strategy, responds to the Houston HIDTA Threat Assessment and provides for the effective

and efficient use of counter-drug resources. The HISC is the focal point of all intelligence developed by the other Houston HIDTA Initiatives.

Participants:

- Federal Bureau of Investigation
- Drug Enforcement Administration
- Harris County Sheriffs Office
- Houston Police Department
- ICE
- Internal Revenue Service
- Texas Department of Public Safety
- Texas National Guard
- United States Coast Guard
- City of Baytown
- Sam Houston State University
- Texas Office of the Attorney General

*Narcotics Operation Control Center (NOCC)*

A deconfliction unit established to coordinate narcotic operations for all agencies involved in drug law enforcement in the Houston area, to promote officer safety and prevent agency overlap or conflict in investigations.

Participants

- Houston Police Department (ONDCP has consistently granted a program policy exemption to this initiative.)

*Texas Narcotic Information System (TNIS)*

TNIS includes two former separate entities reported and funded as the Texas Narcotic Information System (TNIS), the Narcotics Analytical Team (NAT), and the Post Seizure Analysis Team (PSAT). The 2002 reorganization and consolidation of the two Initiatives into one created four components making it the *System*. NAT provides tactical case support and assistance to interested local, state, and federal law-enforcement agencies. Case support includes, but is not limited to, background checks of intelligence data on trafficking suspects and organizations, timelines, charts, pen register and toll analysis, wire intercept analysis, and case support books. NAT analysts supporting drug trafficking investigations write reports into the Criminal Law Enforcement Reporting and Information System (CLERIS). CLERIS data is available to registered system users. PSAT, among other functions, collects, analyzes and disseminates data from drug and currency seizures. The maintenance and population of this seizure database in CLERIS enhances efforts to develop conspiracy cases by PSAT personnel and other law-enforcement groups. PSAT also assists drug enforcement personnel by responding to requests for assistance in

seizure-related matters, by producing and distributing intelligence briefs, and by supporting special programs concerning drug interdiction, domestic marijuana eradication, drug package markings, and the tracking of clandestine laboratories. The Support Service Center (SSC) is the technical staff that installs, maintains, trains and promotes the use of CLERIS. The fourth segment of the TNIS is the Texas Narcotics Information Network (TNIN), which is the technology (software, hardware, and dedicated computer networks of data lines) that comprise CLERIS.

Participants:

- Texas Department of Public Safety
- Drug Enforcement Administration
- FinCen
- ICE
- Texas National Guard

*Administration Initiative (Includes a separate Training Initiative):*

The Director's office supports the management of grant funds destined to maintain the administrative office of the Houston HIDTA, coordinates intelligence and training efforts for the HIDTA, and provides IT support for the HIDTA.

Participants:

- City of Baytown
- Drug Enforcement Administration

**F. HOUSTON HIDTA ENFORCEMENT PRODUCTIVITY**

	2005	2006	% INC/DEC
Enforcement Initiative Budgets	\$ 6,366,137	\$ 6,933,842	á 9%
Value of drugs removed	\$ 65,434,977	\$ 151,500,202	á 132%
Value of Assets removed	\$ 20,711,188	\$ 25,782,328	á 25%
Value of drugs & assets	\$ 86,146,165	\$ 177,282,530	á 106%
Total return on investment (ROI)	\$ 13.60 <sup>1</sup>	\$ 25.57	á 88%
ROI without TCCI	\$ 9.90	\$ 15.52	á 57%
DTOs disrupted or dismantled	168	85	â 51%
Average Cost per DTO	\$ 37,715	\$ 83,540	á 122%
Arrests	2,068	2,489	á 20%
Average Cost per arrest	\$ 3,064	\$ 2,786	â 9%
Average arrest per FT person assigned to an Initiative <sup>2</sup>	6.8	7.9	á 16%
APP w/o GANGS	3.8	4.1	á 8%
Cost per arrest w/o GANGS	\$ 5,799	\$ 5,536	â 5%
People assigned to Enforcement Initiatives	304	315	á 4%
Average cost per FT person assigned to an Initiative	\$ 20,941	\$ 22,012	á 5%

<sup>1</sup> TCCI skews the ROI. If TCCI is eliminated, the ROI is \$15.52. This does not consider Intelligence or Admin.

<sup>2</sup> Skewed by GANGS. If GANGS were eliminated, the average would be 4.1.

Improvements highlighted in red

Negative variations highlighted in blue

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**X. ENDNOTES—SOURCES OF ESSENTIAL INFORMATION REFERENCED IN THIS REPORT**

Bulk Cash Transportation Threat assessment, NDIC, March 2006

Houston Drug Money Laundering: Methods and Organizations Threat Assessment, NDIC, April 2006

Houston HIDTA Gang Assessments, August 2006

Houston HIDTA Initiatives' Annual Reports

Houston HIDTA Initiatives' Monthly Reports

Houston HIDTA Strategy for 2006

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National Illicit Drug Prices, NDIC, December 2006

Southwest Region Drug Threat Assessment, NDIC, June 2006



