

# DEPARTMENT OF HOMELAND SECURITY

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# DEPARTMENT OF HOMELAND SECURITY

## Customs and Border Protection

### Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
<b>Drug Resources by Function</b>			
Intelligence	255.908	277.012	284.953
Interdiction	1,712.618	1,853.850	1,906.991
<b>Total Drug Resources by Function</b>	<b>\$1,968.526</b>	<b>\$2,130.862</b>	<b>\$2,191.944</b>
<b>Drug Resources by Decision Unit</b>			
Salaries and Expenses	1332.636	1,617.820	1,716.744
<i>Border Security &amp; Trade Facilitation at POEs (non-add)</i>	<i>558.147</i>	<i>683.774</i>	<i>681.931</i>
<i>Border Security &amp; Control between POEs (non-add)</i>	<i>341.627</i>	<i>461.285</i>	<i>527.298</i>
<i>HQ Management and Administration (non-add)</i>	<i>274.646</i>	<i>268.695</i>	<i>278.664</i>
<i>Air &amp; Marine Operations—Salaries (non-add)</i>	<i>158.216</i>	<i>204.066</i>	<i>228.851</i>
Air & Marine Operations	541.968	513.042	475.200
Supplemental Funds	93.922		
<b>Total Drug Resources by Decision Unit</b>	<b>\$1,968.526</b>	<b>\$2,130.862</b>	<b>\$2,191.944</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	7,937	8,984	9,972
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$8,186.356	\$9,422.579	\$9,487.169
Drug Resources Percentage	24.05%	22.61%	23.10%

### Program Summary

#### Mission

Titles 18 U.S.C. and 19 U.S.C. authorize U.S. Customs and Border Protection (CBP) to regulate the movement of carriers, persons, and commodities between the U.S. and other nations. It is through this statutory authority that CBP plays a key role in the overall anti-drug effort at the border. CBP's jurisdiction is triggered by the illegal movement of criminal funds, services, or merchandise across our national borders and is applied pursuant to the authority of the Bank Secrecy Act, "USA PATRIOT Act," Money Laundering Control Act, and other CBP laws.

### Methodology

#### Office of Field Operations

The Office of Cargo Conveyance and Security/Non-Intrusive Inspection Division of the Office of Field Operations estimates that, as of September 2007, there were 3,941 CBP Officer positions, or Enforcement Team Officers, that are related to drug enforcement. In August 2003, CBP established a Consolidated National Inspectional Anti-Terrorism Contraband Enforcement Team (A-TCET) Policy. Under A-TCET, the former Contraband Enforcement Team (CET), Manifest Review Unit (MRU), Non-Intrusive Inspection, Canine, and Outbound teams will be united to form a single enforcement team. The A-TCET also works closely with the Passenger Enforcement Rover Team (PERT) and Passenger

Analytical Unit (PAU) teams to coordinate all enforcement activities. Although the primary mission of the A-TCET teams is anti-terrorism, they will also focus on all types of contraband, including narcotics. It is estimated that 69 percent of the A-TCET is devoted to drug enforcement. The smuggling methodologies and their indicators are believed to be similar for both narcotics and anti-terrorism activities.

As of September 2007, there was a total of 583 Canine Enforcement Officers. Included in the total were 271 Narcotics Detection Teams, 10 Currency Detection Teams and 185 Narcotics/Human Smuggling Detection Teams that were nearly 100 percent devoted to smuggling interdiction. Also included in the total, but not scored for narcotics enforcement are 91 Agricultural Teams, and 26 Explosive Detection Teams.

As of September 2007, there was also 13,685 Other CBP Officers that in addition to the interdiction of contraband and illegal drugs enforce hundreds of laws and regulations of many other Federal government agencies. For example, these agencies include the U.S. Fish and Wildlife Service, the Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Bureau of Export Administration among many others. CBP subject matter experts estimate that roughly 30 percent of these officers' time is devoted to drug-related activities.

### **Office of Border Patrol**

There are over 14,900 Border Patrol agents that are assigned the mission of detecting and apprehending illegal entrants between the ports-of-entry along the over 8,000 miles of land and coastal border. These illegal entries include aliens and drug smugglers, potential terrorists, wanted criminals, and persons seeking to avoid inspection at the designated ports of entry. It has been determined that 15 percent of the total agent time nationwide is related to drug interdiction activities. These activities include staffing 34 permanent border traffic checkpoints nationwide including 584 canine units trained in the detection of humans and certain illegal drugs that are concealed within cargo containers, truck trailers, passenger vehicles, and boats. In addition, agents perform line watch functions in targeted border areas that are frequent entry points for the smuggling of drugs and people into the United States.

### **Office of Information Technology**

The Office of Information Technology (OIT) supports the drug enforcement mission through the acquisition, and support and maintenance of technology, such as non-intrusive inspection systems and mission critical targeting software systems. Of OIT's spending, 30 percent of the Enforcement Technology Center's base; 25 percent of Automated Targeting Systems (Passenger, Narcotics, and Anti-Terrorism) systems software costs, 50 percent of the Treasury Enforcement Communications System (TECS); and 10 percent of data center operations costs are estimated in support of the drug mission.

### **CBP Air and Marine (A&M)**

CBP A&M's core competencies are air and marine interdiction, air and marine law enforcement, and air domain security. In this capacity, CBP Air and Marine targets the conveyances that illegally transport narcotics, arms, and aliens across our borders and in the Source, Transit and Arrival Zones. In support of Source and Transit Zone interdiction operations, the CBP Air and Marine P-3 Program has historically dedicated a minimum of 7,200 hours a year in support of Joint Interagency Task Force – South. However, due to maintenance issues for the past year, many of the P-3 aircraft were parked pending repairs. Therefore, A&M was not been able to meet the 7,200 minimum. An extensive Service Life Extension Program (SLEP) is currently underway and all the P-3 aircraft should be fully functional by the 4<sup>th</sup> quarter of fiscal year 2008.

Although 90 percent of the resources that support CBP Air and Marine are considered to be drug-related, since September 11, 2001, Air and Marine has steadily increased its support to counter-terrorism by developing a more cohesive and integrated response to national security needs as well as more emphasis on illegal immigration. Currently, Air and Marine is dedicating assets and personnel in support of Operation HALCON — a US/Mexico interdiction initiative, and support to the Office of Border Patrol in Southwest Border illegal alien intervention.

### **Office of Training and Development**

The Office of Training and Development (OTD) arrived at its estimates by reviewing all courses conducted to determine if the course contained drug enforcement related material. If the course was found to contain drug related material, the funding attributed to the course was

then multiplied by the drug content percentage based on the drug budget methodology. Other resources were attributed to drug enforcement activities at a rate of 31 percent based on the diverse nature of OTD's programs such as anti-terrorism, career development, and transition training of the legacy workforce.

## Budget

In FY 2009, CBP requests \$2,191.9 million in drug-related resources, which is an increase of \$61.1 million from the FY 2008 enacted level. These resources support CBP as America's frontline border agency. CBP employs over 45,000 highly trained personnel to not only prevent terrorists and terrorist weapons from entering the United States, but also to perform its traditional missions, which include stemming the flow of illegal drugs and other contraband. CBP is determined to improve security at and between our ports of entry along the entire length of land and maritime borders, and extend the zone of security beyond the physical borders.

## Salaries and Expenses

### **Total FY 2009 Request: \$1,716.7 million (Includes +\$98.9 million in program changes)**

Salaries and Expenses fund CBP's primary field occupations including CBP Officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. The agency's field organization is comprised of 20 Border Patrol Sectors with 34 permanent border and 69 tactical checkpoints between the ports of entry; 142 stations and substations; and, 20 Field Operations Offices and 326 associated ports of entry, of which 15 are pre-clearance stations. Field personnel use a mix of air and marine assets, non-intrusive technology such as large-scale x-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade.

### **Border Security and Trade Facilitation at the Ports of Entry (POE)**

#### **FY 2009 Request: \$681.9 million (Includes -\$1.8 million in program changes)**

The FY 2008 resources fund border security and trade facilitation at the POEs. Specifically, CBP will use these resources to support its aggressive border enforcement strategies that are designed to interdict and disrupt the flow of narcotics and ill-gotten gains across the Nation's borders and dismantle the related smuggling organiza-

tions. CBP narcotics interdiction strategies are designed to be flexible so that they can successfully counter the constantly shifting narcotics threat at, and between, the ports of entry, as well as in the source and transit zones.

CBP is intent on using resources to develop and implement security programs that safeguard legitimate trade from being used to smuggle implements of terror and other contraband, including narcotics. Under Customs-Trade Partnership Against Terrorism (C-TPAT), CBP works closely with importers, carriers, brokers, freight forwarders, and other industry sectors to develop a seamless, security-conscious trade environment resistant to the threat of international terrorism. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the factory floor to U.S. port of entry. Under C-TPAT, Americas Counter Smuggling Initiative (ACSI), the Carrier Initiative Program (CIP), and the Business Anti-Smuggling Initiative (BASC) remain instrumental in expanding CBP's antinarcotics security programs with trade groups and government throughout the Caribbean, Central and South America, and Mexico.

CBP has implemented the Field Operations Intelligence Program, which provides support to CBP inspection and border enforcement personnel in disrupting the flow of drugs through the collection and analysis of all source information and dissemination of intelligence to the appropriate components. In addition, CBP interdicts undeclared bulk currency, cutting off funds that fuel terrorism, narcotics trafficking, and criminal activities worldwide. CBP officers perform Buckstop Operations, which involves screening outbound travelers and their personal effects. CBP also supports Cashnet Operations that focus on interdicting bulk currency exported in cargo shipments. CBP uses mobile X-ray vans and specially trained currency canine teams to efficiently target individuals, personal effects, conveyances and cargo acting as vehicles for the illicit export of undeclared currency.

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#### **FY 2009 Program Changes (-\$1.8 million)**

The Budget includes a reduction of \$1.8 million in non-recurring costs. The overall funding level will support, in part, program changes to CBP's Western Hemisphere Travel Initiative (WHTI), Traveler Enforcement Communication System (TECS) Modernization, Continued Inspection

Enhancements, Terrorism Prevention System Enhancements (TPSE), US-Visit including 10-print, Passenger screening requirements at land ports of entry, Land Ports of Entry Modernization, Radiation portal monitoring staffing, CBP's regulatory program, NII Imaging Systems and the Automated Targeting System Passenger to begin targeting methodology improvement activities.

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## **Border Security and Control between the POEs**

**FY 2009 Request: \$527.3 million  
(Includes +\$66.0 million in program changes)**

The FY 2008 resources fund border security and control between the POEs. The Border Patrol has primary responsibility for drug interdiction between the land ports-of-entry. In pursuit of drugs, Border Patrol agents engage in surveillance activities supported by computer-monitored electronic ground sensors. Traffic check operations are also conducted along major routes of travel to restrict access to the interior by drug and alien smugglers. Transportation centers are placed under surveillance for the same reason.

In addition, the Border Patrol canine program was implemented in 1986 in response to escalating alien and drug smuggling activities along the Mexican and Canadian borders. The canines are trained at the Border Patrol National Canine Facility in El Paso, Texas, to locate hidden persons, marijuana, heroin and cocaine. The canines are used in nearly every enforcement activity of the Patrol including line watch, traffic check operations, and train and bus checks. The canine program is responsible each year for the detection of record numbers of smuggled aliens and large narcotic loads, including the arrest of the criminals involved in smuggling activities.

The Border Patrol also participates in numerous inter-agency drug task force operations with other federal, state and local law enforcement agencies through Operation Alliance along the southern border. The Border Patrol is also an active participant in the Southwest Border HIDTA in Texas, New Mexico, Arizona and California. To further assist the Border Patrol in this endeavor, all Border Patrol agents receive Drug Enforcement Administration Title 21 cross-designated authority as part of their basic training.

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## **FY 2009 Program Changes (+\$66.0 million)**

The Budget proposes a \$66.0 million increase in the drug-related resources associated with border security and control between the POE's. Specifically, funding will largely be used for Border Patrol Agent and support hiring (including 2,200 new Border Patrol Agents) of which 330 are drug-related Border Patrol Facilities, *SBI<sub>net</sub>* and ground transportation.

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## **Air and Marine Operations-Salaries**

**FY 2009 Request: \$228.9 million  
(Includes +\$24.8 million in program changes)**

The FY 2008 resources fund personnel compensation and benefits related to Air and Marine Operations. If available, resources also cover expenses such as Permanent Change in Station moves, ammunition, firearms, administrative training and travel, and school tuition for dependents of employees in foreign countries.

CBP Air and Marine secures the borders against terrorists, acts of terrorism, drug smuggling, and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers.

CBP Air and Marine partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. In fulfilling the priority mission CBP to protect the borders, CBP Air and Marine's geographical mission has a strong focus along the southern border, with a recent expansion of coverage on the northern border.

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## **FY 2009 Program Changes (+\$24.8 million)**

The Budget proposes a \$24.8 million increase in the drug-related resources associated with CBP's Air and Marine – Salaries. The increase will provide Air & Marine Unmanned Aircraft Systems pilots to provide adequate staffing at the Northern Border/Great Lakes locations as CBP expands support for border security operations.

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## Headquarters Management and Administration

**FY 2009 Request: \$278.7 million**

**(Includes +\$9.97 million in program changes)**

The FY 2008 resources support critical policy and operational direction, mission support, and technical expertise to CBP front-line personnel. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

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### **FY 2009 Program Changes (+\$9.97 million)**

The Budget includes a \$6.4 million increase in the drug-related resources associated with Headquarters Management and Administration. The requested increase will provide for increases to CBP's Intelligence program and Conduct and Integrity Oversight.

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## Air and Marine

**Total FY 2009 Request: \$475.2 million**

**(Includes -\$37.8 million in program changes)**

CBP Air and Marine's interdiction assets are deployed throughout the Western Hemisphere. The Air and Marine Operations Center in Riverside, California, provides command, control, communications, and intelligence for those assets by assimilating information from a wide array of sensors.

CBP Air and Marine P-3 aircraft are the primary U.S. Government aircraft used to fly in and over Colombia in support of this Presidential Determination and Directive. The P-3 Airborne Early Warning (AEW) and slick aircraft are critical to interdiction operations in the source and transit zones because they provide vital radar coverage in regions where mountainous terrain, expansive jungles and large bodies of water limit the effectiveness of ground-based radar. Because the P-3 AEW is the only Detection and Monitoring (D&M) asset solely dedicated to the counter-drug mission, it is a critical component of the *National Drug Control Strategy*.

In the Transit Zone, CBP Air and Marine crews work in conjunction with the law enforcement agencies and military forces of other nations in support of their counter-narcotic programs. CBP is prepared to support counterdrug missions in the Source Zone following a new Presidential Decision Directive granting authorization and completion of training with South American part-

ner nation law enforcement agencies and military forces. Counterdrug missions include detection and monitoring, interceptor support, and coordinated training with military and other law enforcement personnel.

CBP Air and Marine aviation assets include: sensor-equipped, detection and monitoring jet interceptors, long-range trackers, and maritime patrol aircraft; high performance helicopters; and single/multi-engine support aircraft. CBP Air and Marine's range of maritime assets includes interceptor, utility, and blue water-type vessels.

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### **FY 2009 Program Changes (-\$37.8 million)**

The overall funding level will allow CBP to maintain its fleet aircraft. Of particular note, the budget includes an increase of \$20.3 million in resources for Air and Marine Aircraft/Vessels Acquisitions including Multiple Enforcement Aircraft (MEA) and spares, and the acquisition of one complete UAS system, ground control and spares; and acquire marine interceptor vessels.

Also included in the request is \$56.0 million for the P-3 SLEP. This request provides for planning and implementation efforts (service life assessment plans, project planning, etc.) to support the intended service life extension of 16 P-3 long range and AEW aircraft that are part of A&M's aircraft inventory. Service life extension refers to all processes necessary to extend the life of the aircraft.

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# Performance

## Introduction

This section on the FY 2006 performance of the CBP program is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table below includes conclusions from the PART assessment, as well as performance measures, targets and achievements for the latest year for which data are available.

The Office of Field Operations’ drug control efforts were included in the 2005 PART assessment of Border Security, Inspections, and Trade Facilitation (BSITF) at the Ports of Entry program. The program received an overall rating of “Effective.” OFO drug control efforts were not rated separately.

CBP Air and Marine drug efforts were included in the 2006 PART assessment of the CBP Air and Marine program. The program received an overall rating of “Moderately Effective.” The Office of Border Patrol’s drug efforts have not yet been rated through PART.

The FY 2006 Performance and Accountability Report (PAR) highlights the achievements of CBP’s drug control programs—OFO, OBP, and A&M—at the ports of entry as indicated in the table below. CBP currently has performance targets only for OFO. As a result, no aggregate targets are presented in the table.

## Discussion

One of CBP’s Strategic Goals, “Contribute to a safer America by prohibiting the introduction of illicit contraband into the United States,” has as its Performance Objective to “Reduce the importation of all prohibited or illegal drugs and other materials that are harmful to the public or may damage the American economy.” Measures focus on the amounts of cocaine, marijuana, and heroin seized at the ports of entry by or with the participation of CBP officers from passengers, vehicles, commercial and private aircraft, vessels, trucks, cargo and railcars entering the United States.

CBP’s OFO has FY 2006 performance targets and actual results (thousands of pounds at ports of entry) as presented in the DHS FY 2006 PAR: the cocaine seizure target is 34.4 compared to the actual of 53.7; heroin target is 2.4 with an actual of 2.5; and marijuana target is 478 with an actual of 489. The number of narcotics seizures based on their random sampling of incoming vehicles has been decreasing over the last few years indicating that, overall, fewer narcotics are actually entering via vehicles.

CBP OFO targets are forecasted using statistical analysis of trend data—OFO has met all its drug targets in FY 2006. ONDCP is working with CBP to determine the best method of developing targets that will reflect the efforts of all CBP components.

Customs and Border Protection			
PART Review			
<b>Year of Last Review: 2005</b>		<b>Reviewed as part of Border Security Fencing Infrastructure and Technology (BSITF)*</b>	
<b>Year of Last Review: 2006</b>		<b>Reviewed as part of CBP Air and Marine*</b>	
Selected Measures of Performance		FY 2006 Target	FY 2006 Achieved
» Amt of Inspection Narcotics Cocaine Seizures (thousands of pounds).		NA	15.9
» Amt of Inspection Narcotics Marijuana Seizures (thousands of pounds).		NA	1,949.3
» Amt of Inspection Narcotics Heroin Seizures (thousands of pounds).		NA	171.7

\*Drug efforts reviewed as part of larger organizational assessment.

# DEPARTMENT OF HOMELAND SECURITY

## Immigration and Customs Enforcement

### Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
<b>Drug Resources by Function</b>			
Intelligence	3.092	4.537	5.536
International Affairs		4.442	5.168
Investigations*	419.753	403.283	418.163
<b>Total Drug Resources by Function</b>	<b>\$422.845</b>	<b>\$412.262</b>	<b>\$428.867</b>
<b>Drug Resources by Decision Unit</b>			
Salaries and Expenses	422.845	412.262	428.867
<i>Interagency Crime and Drug Enforcement (non-add)</i>	<i>[42.760]</i>	<i>[44.257]</i>	<i>[45.540]</i>
<b>Total Drug Resources by Decision Unit</b>	<b>\$422.845</b>	<b>\$412.262</b>	<b>\$428.867</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	2,372	2,247	2,357
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$4,474.292	\$5,347.717	\$5,363.905
Drug Resources Percentage	9.45%	7.71%	8.00%

\* In FY 2007, ICE established the Office of International Affairs (OIA) as a stand-alone office. In previous submissions, OIA's drug-related resources were included within the Office of Investigations.

### Program Summary

#### Mission

U.S. Immigration and Customs Enforcement (ICE) uses aggressive border enforcement strategies to investigate and disrupt the flow of narcotics and ill-gotten gains across the Nation's borders, and dismantle related smuggling organizations. ICE achieves these objectives by maintaining an aggressive cadre of approximately 1,475 Title 21 cross-designated Special Agents and a multi-disciplined money laundering control program to investigate financial crimes and interdict bulk currency shipments exported out of the United States.

#### Methodology

Immigration and Customs Enforcement (ICE) is a multi-mission bureau, and budget authority is reported pursu-

ant to an approved drug methodology. ICE's methodology is based on investigative case hours recorded in the agency's automated Case Management System Treasury Enforcement Communication System. ICE agents record the type of work they perform in this system. Following the close of the fiscal year, a report is run showing investigative case hours that are coded as general drug cases and money laundering drug cases. A second report is run showing all investigative case hours logged. A percentage is derived by dividing the number of investigative case hours linked to drug control activities by the total number of investigative case hours. This percentage may fluctuate from year to year.

Separate calculations exist for ICE three drug-related components: Office of Investigations (OI), Office of International Affairs (OIA), and Office of Intelligence (Intelligence). In FY 2007, 28.5 percent of case hours were drug-related for OI, 4.1 percent for OIA, and 8.7 percent for Intelligence.

## Budget

In FY 2009, ICE requests \$428.9 million, which is an increase of \$16.6 million from the FY 2008 enacted level.

### Salaries & Expenses

**Total FY 2009 Request: \$428.9 million**

**(Includes +\$16.6 million in program changes)**

Salaries and Expenses (S&E) programs contribute to the ICE mission of bringing a unified and coordinated focus to the enforcement of federal immigration laws and customs laws. S&E resources are used to combat terrorism, illicit drugs, and illegal immigration activities through the investigation, detainment, and prosecution of criminal aliens and other aliens, domestic gangs, as well as those participating in organized criminal activities that are intended to do harm to the infrastructure and/or inhabitants within the United States.

### Investigative Activities

**FY 2009 Request: \$418.2 million**

**(Includes +\$14.9 million in program changes)**

The FY 2008 resources of \$403.3 million support the Office of Investigation's drug-related activities. OI agents are confronted with numerous challenges in the effort to combat drug traffickers and, ultimately, reduce the amount of illegal drugs introduced into the United States. Drug smuggling organizations continue to develop sophisticated methods to smuggle drugs into the United States by developing new techniques, organizing internal conspiracies (i.e., criminals target corrupt personnel within a company or transportation industry to introduce contraband into otherwise legitimate cargo or conveyances), using various transshipment routes, and attempting to corrupt law enforcement officers. Resources and support for investigative efforts are enhanced through increased coordination and cooperation with other Federal, State, local, and foreign law enforcement agencies and through participation in task forces such as the Organized Crime Drug Enforcement Task Force (OCDETF), the High Intensity Drug Trafficking Areas and the High Intensity Financial Crime Area programs.

ICE's membership in OCDETF is an important factor in the agency's success in dismantling drug trafficking organizations. ICE dedicates resources to participate in highly complex OCDETF investigations targeting major drug smuggling organizations such as *Operation Panama Express*, which is a Federally-approved OCDETF investigation targeting Colombian narco-trafficking organizations.

Resources also support ICE's involvement in Border Enforcement Security Task Forces (BESTs). Implemented in FY 2006, through BESTs, DHS law enforcement agencies work cooperatively with other law enforcement entities to develop a comprehensive approach that identifies, disrupts, and dismantles criminal organizations posing significant threats to border security. BEST was developed in response to the increased threat from cross-border smuggling and trafficking organizations operating along our Nation's borders. In FY 2007, ICE created additional BESTs in Texas, California, and Arizona.

In further support of collaborative efforts, funds support ICE as an active participant in the Special Operations Division (SOD), a multi-agency coordination unit consisting of representatives from a several federal agencies that include DEA, FBI, and IRS. The ICE Special Operations Unit (SOU) is part of SOD. The primary mission of SOU is to target the command and control communication devices employed by criminal organizations operating across jurisdictional boundaries on a regional, national, and international level. SOU personnel focus on communications information generated during ICE field investigations and coordinate this information among law enforcement agencies, foreign and domestic, to maximize efforts to disrupt and dismantle targeted organizations.

With regard to financial investigations, ICE resources fund operations that target the systems used by international criminal organizations to launder the proceeds of their criminal activities. The Cornerstone initiative focuses on coordination and cooperation with other domestic and foreign law enforcement agencies and the private sector to eliminate vulnerabilities in U.S. financial systems and disrupt and dismantle alternative financing mechanisms that terrorists and other criminals use to earn, move, and store illicit funds.

Also, the Trade Transparency Unit (TTU) and Money Laundering Coordination Center (MLCC) provide the analytical infrastructure to support financial and trade investigations. The TTU provides the capability to identify and analyze complex trade-based money laundering systems, such as the estimated \$5 billion-per-year drug money-laundering scheme known as the Black Market Peso Exchange (BMPE). The TTU has the unique ability to not only analyze domestic trade and financial data, but also trade and financial data of foreign cooperating partners.

Finally, resources allow ICE to conduct specialized investigative training focused on bulk cash smuggling (BCS) for State and local police officers and Assistant U.S. Attorneys. ICE's investigations and aggressive enforcement activity against BCS stem the flow of funds that fuel narcotics trafficking and criminal activities worldwide.

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**FY 2009 Program Changes (+\$14.9 million)**

The Budget includes an increase of \$14.9 million in resources that support OI activities. The request includes an expansion of ICE participation in critical infrastructure, commercial fraud/intellectual property rights (IPR), and outbound enforcement investigations. This increase also reflects an upward adjustment to the base.

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**Intelligence Activities**

**FY 2009 Request: \$5.5 million**

**(Includes +\$1.0 million in program changes)**

The FY 2008 resources of \$4.5 million support the Office of Intelligence's drug-related operations. Requests for support from our ICE customers through the Intel narcotics unit at headquarters and the anticipated field support will replace the interdiction work performed in FY 2007. Intelligence provides strategic investigative support as requested by all ICE investigative, detention and removal components, as well as many other departmental entities, in disrupting the flow of drugs by collecting and analyzing all source information and disseminating strategic intelligence to the appropriate component.

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**FY 2009 Program Changes (+\$1.0 million)**

The Budget includes an upward adjustment to the base for ICE drug-related Intelligence operations.

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**International Affairs Activities**

**FY 2009 Request: \$5.2 million**

**(Includes +\$0.7 million in program changes)**

The FY 2008 resources of \$4.4 million support the Office of International Affairs (OIA) drug-related operations. OIA works with foreign counterparts in combating transnational crimes including narcotics smuggling. Based on a memorandum of understanding, all foreign narcotics investigations are coordinated with the Drug Enforcement Administration.

The illegal drug market in the U.S. is based on illegal narcotics grown or manufactured in foreign countries and smuggled across our nation's borders. ICE agents enforce a wide range of criminal statutes including Title 18 and Title 19 of the U.S. Code. These statutes address general smuggling issues as well as customs violations. ICE also enforces Title 21, which covers the importation, distribution, manufacture and possession of illegal narcotics.

In FY 2007, ICE established the Office of International Affairs (OIA) as a stand-alone office. In previous submissions, OIA's drug-related resources were included within the Office of Investigations.

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**FY 2009 Program Changes (+\$0.7 million)**

The Budget includes an upward adjustment to the base for Office of International Affairs drug-related operations.

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## Performance

### Introduction

This section on the FY 2007 performance of ICE is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The tables include conclusions from the PART assessment as well as performance measures, targets and achievements for the latest year for which data are available.

ICE has two major foci - investigations and intelligence - pursuing their counterdrug responsibilities within their respective spheres of operation. The Office of International Affairs, previously part of the Investigations program, is now a separate program for which performance measures are being developed. The Office of Intelligence supports ICE investigations but also supports other agency partners and task forces. There is, therefore, some overlap in the seizure amounts shown in the two tables on the following pages.

ICE Office of Investigations			
PART Review			
Year of Last Review: 2004		Reviewed as part of Office of Investigations Programs	
Selected Measures of Performance		FY 2007 Target	FY 2007 Achieved
»	Thousands of pounds of cocaine seized	*	241,750
»	Number of cocaine seizures	*	1,749
»	Thousands of pounds of marijuana seized	*	1,290,397
»	Number of marijuana seizures	*	5,386
»	Thousands of pounds of heroin seized	*	4,296
»	Number of heroin seizures	*	393
»	Thousands of pounds of methamphetamine seized	*	2,916
»	Number of methamphetamine seizures	*	342
»	Percentage of closed investigations (drug and non-drug) that have an enforcement consequence defined as an arrest, indictment, conviction, seizure, or penalty	36.50%	35.80%
»	Percentage of closed drug smuggling investigations that have an enforcement consequence defined as an arrest, indictment, conviction, seizure, or penalty	*	Baseline determined

\*Target values invalidated because of data issues.  
 Note: Seizures include those based on ICE Intelligence.

## Investigations

The ICE Office of Investigations (OI) was rated “Adequate” through the PART process in 2004. However, individual components, such as the drug control functions, were not reviewed separately. Thus, there are no separate findings for the drug control component of OI’s mission.

OI has constructed a new performance measure that will tie drug control efforts to effects on the systems by which drugs and drug money are moved and stored. In addition, it tracks seizures as indicated in the table. The value of currency and monetary instruments seized in FY 2007 from drug operations totaled \$111.7 million. The value of real or other property seized in FY 2007 totaled \$50.6 million.

## Discussion

Through its Cornerstone program, ICE builds partnerships between law enforcement and the private sector to identify and eliminate system vulnerabilities that criminal organizations exploit to fund illegal operations and launder illicit funds. ICE shares intelligence and typologies with financial and trade industries that manage these systems. In return, ICE receives information, “red flags,”

tips, and insights to investigate these complex and sophisticated criminal schemes effectively.

ICE has established Trade Transparency Units (TTU) with countries of concern for drug trafficking and related money laundering. The TTUs analyze trade data of the U.S. and cooperating foreign governments to identify anomalies that may be indicative of trade-based money laundering, such as the Black Market Peso Exchange.

ICE conducts specialized investigative training, focusing on bulk cash smuggling (BCS), for state and local police officers and assistant U.S. attorneys. In addition, ICE conducts comprehensive financial investigations training for foreign law enforcement officers. ICE’s investigations and aggressive enforcement activity against BCS stem the flow of funds that fuel drug trafficking and criminal activities worldwide.

ICE is a primary participant in the 15 Integrated Border Enforcement Teams (IBETs) located across the Northern Border. IBETs are multi-agency international task forces designed to enhance border integrity and security at our shared border with Canada by identifying, investigating, and interdicting persons and organizations that pose a threat to national security or are engaged in other organized criminal activity.

ICE Office of Intelligence		
No PART Assessment Made		
Selected Measures of Performance	FY 2007 Target	FY 2007 Achieved
» Thousands of pounds of cocaine seized	*	49.7
» Number of cocaine seizures	*	9**
» Thousands of pounds of marijuana seized	*	0
» Number of marijuana seizures	*	0
» Thousands of pounds of heroin seized	*	0.017
» Number of heroin seizures	*	1

\*FY 2007 represents a year of residual interdiction support, carried on during the phasedown of the interdiction support mission. There was no formal interdiction target for FY2007.

\*\*A total of 27 tracking events resulted in 9 seizures.

ICE participates in and dedicates resources to the Organized Crime Drug Enforcement Task Forces (OCDETF) investigations targeting major drug smuggling organizations. For instance, ICE participates with DEA and FBI on Operation Panama Express (PANEX). PANEX is an OCDETF investigation targeting Colombian narco-trafficking organizations. These Colombian trafficking organizations are responsible for the importation to and distribution within the U.S. as well as Canada.

## Intelligence

ICE Intelligence has not been reviewed through the PART process. ICE Intelligence is modifying its approach to performance measurement while continuing to monitor drug seizures. The outcome-oriented measures under development will relate to the disruption of trafficking organizations, their smuggling routes, and their methods of operation.

## Discussion

The data in the table represents a conservative estimate. Some drug loads are partially or totally destroyed due to burning or sinking by traffickers. The Intelligence target-and-vector process sometimes results in traffickers fleeing back to their home ports with their loads to avoid capture. Such results of intelligence/interdiction activity cannot be accounted for in seizure statistics.

ICE Intelligence drug enforcement activities function in cooperation with partner agencies, task forces, and other joint endeavors. The Tactical Intelligence Center (TIC), part of the SANDKEY intelligence consortium, was responsible for the cocaine and heroin seizures aggregated in the table. Key examples include the seizure in October 2006 of 157 bales of cocaine weighing 7,770 pounds and the arrest of crewmembers then turned over to Costa Rican authorities—resulting from the collection and dissemination of information by TIC and community partners. Similarly, in late November 2006, 110 bales of cocaine weighing a total of 6,050 pounds were seized west of Tumaco, Colombia as a result of TIC and community partner agency activities.



# DEPARTMENT OF HOMELAND SECURITY

## United States Coast Guard

### Resource Summary

	<i>Budget Authority (in Millions)</i>		
	FY 2007 Final	FY 2008 Enacted	FY 2009 Request
<b>Drug Resources by Function</b>			
Interdiction	1,080.222	1,002.472	1,069.000
Research and Development	0.694	1.871	1.966
<b>Total Drug Resources by Function</b>	<b>\$1,080.916</b>	<b>\$1,004.343</b>	<b>\$1,070.966</b>
<b>Drug Resources by Decision Unit</b>			
Acquisition, Construction and Improvements	336.400 <sup>/1</sup>	212.138	331.695
Operating Expenses	728.162	773.644	722.158
<i>Interagency Crime and Drug Enforcement (non-add)</i>	<i>[0.644]</i>	<i>[0.662]</i>	<i>[0.682]</i>
Research and Development	0.694	1.871	1.966
Reserve Training	15.660	16.690	15.147
<b>Total Drug Resources by Decision Unit</b>	<b>\$1,080.916</b>	<b>\$1,004.343</b>	<b>\$1,070.966</b>
<b>Drug Resources Personnel Summary</b>			
Total FTEs (direct only)	6,159	5,940	5,798
<b>Drug Resources as a Percent of Budget</b>			
Total Agency Budget	\$8,776.250	\$8,897.569	\$9,345.843
Drug Resources Percentage	12.32%	11.29%	11.46%

<sup>/1</sup> Includes \$1.771 million in drug-related supplemental funding.

### Program Summary

#### Mission

The United States Coast Guard (Coast Guard) is America's lead maritime law enforcement agency. It enforces federal laws and international conventions in the transit and arrival zones of the United States through jurisdiction on, under and over U.S. territorial waters and the high seas. As part of its strategic goal in maritime security, the Coast Guard's drug interdiction objective is to reduce the flow of illegal drugs entering the United States by denying smugglers access to their maritime routes.

Coast Guard has developed a ten-year counterdrug strategic plan, Campaign STEEL WEB. This plan is a comprehensive approach to maritime counterdrug law enforcement in the transit and arrival zones. The cornerstones of

this plan are: (1) maintain a strong interdiction presence to deny smugglers access to maritime routes and deter trafficking activity; (2) strengthen ties with sources and transit zone nations to increase their willingness and ability to reduce the production and trafficking of illicit drugs within their sovereign boundaries, including territorial seas; (3) support interagency and international efforts to combat drug smuggling through increased cooperation and coordination; and, (4) promote efforts to reduce illegal drug use in the maritime environment.

Coast Guard primarily conducts counterdrug operations in the transit and arrival zones. In the transit zones (Caribbean and Eastern Pacific), drugs are in their most concentrated form and trafficking activities are highly vulnerable, although most difficult to locate. Coast Guard continues to enhance its presence in both the Caribbean and Eastern Pacific portions of the transit zone

by increasing overall efficiency, reducing cutter days lost during post-seizure operations, and strengthening relationships with transit and source zone countries through combined operations and bilateral/multilateral agreements, including International Maritime Interdiction Support. Based on the continued prevalence of go-fast vessels and the success of Airborne Use of Force (AUF), Coast Guard will continue to seek ways to expand the use of armed helicopters in the transit zone to enhance mission performance.

## Methodology

Coast Guard does not have a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements and acquisitions, reserve training, and research and development activities are funded out of the appropriations specified herein.

Reflecting the multi-mission nature of Coast Guard units, the accounting system is keyed to operating and support facilities, rather than to specific missions. Consistent with that approach, personnel and other costs are administered and tracked along operational and support capability lines requiring sophisticated cost accounting techniques.

Coast Guard uses a Mission Cost Model (MCM) methodology to estimate resources attributed to its drug control mission. The MCM allocates funding by account across Coast Guard missions in the Performance-based Budget (PBB) presentation. The MCM allocates all direct and support costs to mission-performing units (e.g., a 378-foot cutter). Established baselines of operational activity are used to further allocate those costs to the various missions.

### Operating Expenses (OE)

OE funds are used to operate facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain all active duty military and civilian personnel. Budget presentations for current and future years use the most recent OE asset cost data. The MCM systematically allocates all OE costs in the following way:

- **Direct Costs:** Applied directly to the operating assets (high endurance cutter, HC-130 aircraft, 41' utility boat) that perform missions
- **Support Costs:** Applied to assets for which cost variability can be specifically linked to operating assets (based on carefully-developed allocation criteria)
- **Overhead Costs:** Applied to assets based on proportion of labor dollars spent where cost variability cannot be specifically linked to operating assets. This is a standard industry approach to overhead allocation.

Once all Operating Expense costs are fully loaded on mission-performing assets, those costs are further allocated to Coast Guard missions (Drug Enforcement, Search and Rescue, etc.) using actual or baseline projections for operational employment hours.

### Acquisition, Construction and Improvements (ACandI)

The MCM model is used to develop an allocation of costs by mission areas for proposed ACandI projects. For example, if a new asset is being proposed for commissioning through an ACandI project, costs would be applied to missions using the operational profile of a comparable existing asset.

### Research, Development, Test and Evaluation (RDTandE)

The MCM model is used to develop an allocation of costs by mission areas for proposed Research, Development, Test and Evaluation projects. Scoring of drug interdiction funding is accomplished within the zero-based RDTandE decision unit and every line item requested in the RDTandE budget was evaluated for its anticipated contribution to drug interdiction efforts. Generally, each RDTandE project has a discrete driver that is selected to allocate the funding for that project to the various mission areas of Coast Guard. These drivers are based upon experienced professional judgment. Once the unique program driver is determined the program percentage spreads for each of these drivers are extracted from the mission cost model.

### Reserve Training (RT)

A portion of the funds available to the drug control mission areas are included in the RT appropriation. RT funds are used to support Selected Reserve personnel who in turn support and operate facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all operations. In the RT budget, allocating

a share of budget authority using the same methodology used for OE derives the amount allocated to the drug control mission area.

## Budget

The FY 2009 Budget includes initiatives that will enhance the Coast Guard's ability to stop the maritime flow of illegal drugs in the transit and arrival zones. In FY 2009, the Coast Guard requests \$1,071.0 million to fund drug control operations including acquisition, construction and improvements, operating expenses, research and development, and reserve training. This level represents a \$66.6 million increase from the FY 2008 enacted level.

### Acquisition, Construction and Improvements

#### **Total FY 2009 Request: \$331.7 million drug-related (Includes +\$119.6 million in program changes)**

Acquisition, Construction and Improvements finance the acquisition of new capital assets, construction of new facilities and physical improvements to existing facilities and assets. The funds cover Coast Guard-owned and operated vessels, shore facilities and other equipment, such as computer systems.

#### **Integrated Deepwater System**

##### **FY 2009 Request: \$990.4 million (\$222.9 million drug-related) (Includes +\$54.7 million in program changes)**

The FY 2008 enacted level is \$212.1 million. The greatest threat to Coast Guard mission performance continues to be aging and technologically-obsolete aircraft, cutters, boats, sensors, shore facilities and communications systems. The majority of the Coast Guard's operational assets are fast approaching the end of their service life. Increasing operational demands, rising maintenance costs and declining readiness levels due to the condition of aging assets result in a continuing degradation of mission performance and effectiveness.

The IDS acquisition program remains the centerpiece of a more capable, aware, and responsive 21st-century Coast Guard.

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#### **FY 2009 Program Changes (+\$54.7 million)**

The Coast Guard uses a zero-based budget approach in developing its request for ACandI funding. Program changes in the ACandI account may vary significantly from year-to-year depending on the specific platforms or construction projects supported. The \$54.7 million increase is a reflection of the project mix proposed for FY 2009. The FY 2009 Budget provides resources for the acquisition of a number of important assets, some of which are identified below. The budget figures associated with these assets include both drug and non-drug resources.

#### **Maritime Patrol Aircraft (\$86.6 million)**

This request will fund two MPA (HC-144A), as well as the missionization and logistics required logistics to outfit these aircraft for "mission ready" service. Upon delivery, these aircraft will help address Coast Guard's MPA flight hour gap by providing 2,400 additional MPA hours every year.

#### **National Security Cutter (\$353.7 million)**

This request funds production of National Security Cutter (NSC) #4. The NSC is the largest and most sophisticated of the IDS surface assets with vastly improved capabilities over the 378' High Endurance Cutter it replaces. Equipped with advanced sensors and communication equipment, the NSC will provide surveillance, detection, identification, classification and interdiction of drug smuggling vessels in the transit zone.

#### **Fast Response Cutter (\$115.3 million)**

This request funds production of Fast Response Cutter (FRC)—B #3 and #4. The FRC-B will be capable of reaching speeds of approximately 28 knots and providing enhanced response capability for drug interdiction operations in the arrival and transit zones.

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## Operating Expenses

### **Total FY 2009 Request: \$722.2 million drug-related (Includes -\$51.4 million in program changes)**

The FY 2008 resources will support the operation and maintenance of Deepwater assets, including the second National Security Cutter and helicopters armed with AUF. Funding will also support additional flight hours associated with the HC-130J fixed wing aircraft, as well as non-Deepwater enhancements, such as operating funds for the Response Boat Medium, four 87' Coastal Patrol Boats and the Rescue-21 National Distress Response System. FY 2008 resources will also support the continued deployment of AUF assets designed to stop the go-fast boat smuggling threat, and the Coast Guard's extensive participation with the Organized Crime Drug Enforcement Task Force (OCDETF).

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#### **FY 2009 Program Changes (-\$51.4 million)**

The Budget includes a decrease for Coast Guard's drug-related operating expenses representing temporary net mission-hour reductions as legacy aircraft and cutters are removed from service and Deepwater assets become operational. Specific highlights from the FY 2009 budget include (figures represent both drug and non-drug resources):

#### **HC-144A Operations (\$24 million)**

This request provides operation and maintenance funding for 1,200 annual flight hours for each of the four Coast Guard HC-144A aircraft being brought on-line in FY2009. These aircraft will provide an additional 4,800 flight hours in support of drug interdiction and other mission areas.

#### **Armed Helicopter Follow-On (\$0.767 million)**

This request provides funding for the maintenance and upkeep of AUF equipment including Personal Protective Equipment, weapons, mounts and armory support for the LANTAREA Aviation Deployment Center helicopters. In addition, this funding supports the addition of two airframes to the Area Deployment Center, bringing HITRON to a full complement of ten helicopters.

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## Research and Development

### **Total FY 2009 Request: \$2.0 million drug-related (Includes +\$0.1 million in program changes)**

The FY 2008 resources total \$1.9 million. Research, Development, Test and Evaluation (RDTandE) funding allows the Coast Guard to sustain critical missions by the Department of Homeland Security and Department of Defense. The RDTandE funding requested supports all 11 statutorily mandated Coast Guard mission-programs. These mission-programs in turn directly support the Coast Guard's role as the principle Federal agency for ensuring maritime safety, security and environmental stewardship.

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#### **FY 2009 Program Changes (+\$0.1 million)**

The Budget includes an upward adjustment of \$0.1 million. FY 2009 resources will support the development of technologies to improve detection of hidden contraband; improve tactical communications systems to improve interagency coordination, command and control; and develop technologies that give operational commanders a wider range of options to stop fleeing vessels.

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## Reserve Training

### Total FY 2009 Request: \$15.2 million drug-related (Includes -\$1.5 million in program changes)

Reserve Training (RT) supports all 11 Coast Guard mission-programs and is critical to allowing the Coast Guard to protect the vital interests of the United States from internal and external threats. Reserve Training provides trained units and qualified personnel for service in times of war or national emergency. In addition, Coast Guard Reserve may be called upon to provide units and personnel to augment active Coast Guard forces during critical events.

The RT budget funding assumes a drug control allocation equivalent to that of the OE program costs since RT personnel augment OE program functions.

#### FY 2009 Program Changes (-\$1.5 million)

The Budget includes a decrease of \$1.5 million for drug-related Reserve Training.

## Performance

### Introduction

This section on the FY 2007 performance of the USCG program is based on agency GPRA documents and the PART review, discussed earlier in the Executive Summary. The table below includes conclusions from the PART assessment as well as performance measures, targets and achievements for the latest year for which data are available.

The Coast Guard Drug Interdiction program was rated “Adequate” in the 2007 PART review which noted that the required independent evaluation had not been completed in time for inclusion. The Coast Guard has since received the completed independent evaluation conducted by the Center for Naval Analyses (CNA) and has taken action on a number of the recommendations in the report.

US Coast Guard							
PART Review							
<b>Year of Last Review: 2007</b>		<b>Rating Received: Adequate</b>					
<b>Evaluation Area</b>	<b>Score</b>	<b>Review Highlights Below:</b>					
Purpose	100	The program was found to have a clear mission but the independent evaluation was not available in time for consideration. It is now complete.					
Planning	62						
Management	75						
Results	28						
<b>Selected Measures of Performance</b>							
» Non-commercial maritime cocaine removal rate.			<table border="1"> <thead> <tr> <th>FY 2007 Target</th> <th>FY 2007 Achieved</th> </tr> </thead> <tbody> <tr> <td>22.0%</td> <td>April 2007</td> </tr> </tbody> </table>	FY 2007 Target	FY 2007 Achieved	22.0%	April 2007
FY 2007 Target	FY 2007 Achieved						
22.0%	April 2007						

## Discussion

The Coast Guard's drug interdiction Strategic Goal focuses on disrupting the maritime flow of illegal drugs into the United States. This Strategic Goal supports the 2007 National Drug Control Strategy, which set a goal of disrupting 40% of the cocaine bound for the United States in the Transit Zone.

The Cocaine Removal Rate is defined as the amount of cocaine lost to the smuggler (through seizures, burning, jettison, and other non-recoverable events) and is based upon values vetted through the Consolidated Counter-Drug Database (CCDB). This measure records drugs removed in transit, reflecting Coast Guard drug interdiction efforts and results. The FY 2006 removal rate of 25% exceeded that year's target of 22%. FY 2007 non-commercial maritime flow data will not be available until Summer 2008 when the Interagency Assessment of Cocaine Movement (IACM) is published. However, the record amount of cocaine removed in FY 2007 strongly suggests the achievement of the 26 percent cocaine removal rate target.

While FY 2007 performance results are attributable to a host of factors, three stand out as particularly noteworthy. The continued availability of actionable intelligence (i.e., raw intelligence coupled with necessary analytical capabilities) allowed for rapid and thorough sorting of targets and more efficient use of surface and air resources. Second, fielding a force package of flight deck equipped ships with armed helicopters and long range surveillance aircraft, contributed to the surveillance, detection, classification, identification, and prosecution of narcotrafficking threats, including high-speed go-fast vessels. Third, the International Maritime Interdiction Support provisions in several of the U.S. Government's bilateral drug interdiction agreements, coupled with outstanding interagency post-seizure coordination, were instrumental in conveying detainees and evidence to the U.S. for prosecution while keeping assets in theater for continued interdiction.