

TDS personnel will participate in the Clan Lab safety program. DEA maintains a fleet of specialty vehicles throughout the country to respond to and safely dismantle clandestine laboratories which is funded by the salaries and expenses. Safety equipment on the clan lab trucks must be maintained and replenished in order to keep personnel safe and meet OSHA regulations. However, DEA's Basic Clandestine Laboratory Certification School is the most widely recognized law enforcement-sponsored clandestine laboratory training course meeting OSHA standards. It is available for DEA Special Agents and state and local officers throughout the United States and abroad. DEA also conducts an Advanced Site Safety Officer School for DEA and state and local officers. This request includes \$500,000 for Clan Lab training and equipment for TDS personnel.

#### *Intelligence Support*

DEA requests \$1,363,000 for 11 additional intelligence analyst positions. Seven of these positions will be used to establish a Diversion Strategic Intelligence Unit at headquarters and four of these positions will be sent to domestic field offices to support diversion investigations. Actual placement will be made based on work hour analysis and diversion trends once enhancements are authorized.

This new Diversion Strategic Intelligence Unit will focus on diversion strategic intelligence resources, setting priorities in order to provide strategic intelligence assessments, studies, reports, and estimates in support of the Diversion Control Program. The Unit will conduct reviews and analyze collection efforts in response to validated collection requirements, including collection efforts of Diversion Special Field Intelligence Programs. Specifically, the Unit will support analyses and disseminate intelligence regarding selected drug data that assess drug availability and drug abuse worldwide.

#### *Administrative and Investigative Support*

DEA is requesting \$3,982,000 for 38 administrative and investigative support positions. These positions will support enforcement, regulatory, and administrative activities of the Diversion Control Program and will be stationed in domestic field divisions, DEA Headquarters, and in DEA Laboratories. This request includes 5 attorneys, 4 chemists, and 3 investigative technology specialists.

#### *Pharmaceutical and Chemical Internet Initiative*

DEA requests \$1,219,000 (including \$375,000 in non-personnel funding) and 5 positions for the Chemical and Pharmaceutical Coordination Section (OSI), which coordinates Internet investigations at SOD.

Non-medical use of addictive prescription drugs has been increasing throughout the U.S. at alarming rates. Nationally, the misuse of prescription drugs was second only to marijuana in calendar year 2007. The Internet is at the forefront of these challenges and has become one of the fastest growing methods of diverting controlled pharmaceuticals, with many so-called "pharmacy" sites on the Internet today illegally selling controlled substances. The Internet has allowed drug seekers, unscrupulous doctors, and pharmacists to operate under a cloak of anonymity. DEA investigations have shown that the sheer volume of controlled substances

being illegally dispensed over the Internet contributes significantly to other methods of diversion.

OSI is the initial point of contact for all investigations targeting international, national, state and local chemical and pharmaceutical internet trafficking organizations. OSI provides case coordination and deconfliction of websites, e-mail, telephones, and financial information to ensure that multi-jurisdiction, multi-nation and multi-agency investigations and prosecutions have the greatest disruptive impact on targeted organizations. With emphasis on targeting these online pharmacies, and implementation of the strategies mentioned above, the subsequent increase in investigations is impacting the OSI section at SOD and severely straining existing personnel resources available to support the resulting increase in operations. These initiatives require additional personnel resources to coordinate the increased leads and investigations, gather intelligence and data derived, build and maintain undercover web sites, coordinate with IC on crossovers, provide financial investigative expertise, and also provide training to field personnel in the specialized arena of cyber investigations.

The establishment of the TDSs in every DEA field division will also increase the amount of cyber-related investigations for OSI. The field will experience an increase of demand from the state, and local, authorities, and enforcement programs that lack a unified approach against criminal entities in the pharma-chemical realm. In preparation, field divisions are requesting direct OSI involvement in training and guidance for the TDSs regarding cyber intercept techniques, effective online investigative approaches, and financial investigations.

### **Impact on Performance:**

The mission of DEA's Diversion Control Program is to regulate more than 1.3 million registrants, a population that continues to grow at a rate of between 2 and 2.5 percent per year. The Diversion Control Program also conducts administrative, civil, and criminal investigations associated with the diversion of controlled pharmaceuticals or regulated chemicals. Additionally, the most recent National Survey on Drug Use and Health shows a continual climb in the number of individuals who are using controlled substance pharmaceuticals for non-medical purposes. One of the most significant contributions to this increase in diversion is due to the proliferation of rogue Internet pharmacies. Investigations into these types of criminal schemes have been both challenging and time consuming. Also, in the past year, DEA has been monitoring a resurgence in the number of clandestine methamphetamine lab incidents across the country. This increase has been directly linked to a sharp increase in the diversion of pseudoephedrine and ephedrine products from retail outlets. DEA's ability to assist our state and local counterparts to curtail this resurgence is contingent upon maintaining adequate resources to address this important issue.

In the past, the Diversion Control Program's Regulatory Control and Enforcement Programs have been extremely successful in addressing the diversion of controlled pharmaceuticals. DEA's Distributor Initiative and aggressive regulatory oversight has moved the pharmaceutical industry to install new and enhanced measures to address their responsibilities and due diligence as registrants. Additionally, DEA is moving to establish Tactical Diversion Squads in all domestic divisions and district offices to more appropriately deal with criminal investigations.

The Office of Diversion Control is also reemphasizing the need for more regulatory inspections and regulatory oversight of DEA registrants as an effective means to prevent diversion.

This proposed enhancement supports the Administration's National Drug Control Strategy and DEA's Strategic Plan to control the diversion of controlled substance pharmaceuticals and regulated chemicals and reduce the abuse of these substances. The Diversion Investigator positions are necessary to improve and appropriately address DEA's statutory obligations to regulate the pharmaceutical and chemical industry associated with controlled substances and regulated chemicals. The Special Agent positions are necessary for the Diversion Program since this job series has law enforcement authorities not afforded to Diversion Investigators, (e.g. make arrests, conduct surveillances, execute search warrants, etc).

With the increased emphasis on targeting these organizations, new reporting requirements, and the expansion of the TDSs in the field, OSI staffing resources will need to be enhanced in order to provide effective support to the field as the amount of investigations increase. Plans for expansion of field positions to focus on the illegal distribution of pharmaceutical controlled substances and listed chemicals, as well as DEA's ability to fulfill the reporting requirements implemented under the Ryan Haight Act, needs to take into consideration the impact on SOD resources as the cases require OSI support. Current personnel resources in other sections in SOD are limited and personnel cannot be reallocated from existing SOD sections to cover the increasing staffing needs in OSI.

Furthermore, the technical expertise necessary for developing undercover websites and understanding the complexities of online financial transactions, are not skills routinely developed in DEA personnel and must be contracted. Specifically, the IT engineer would develop/construct undercover sites, maintain the required security parameters for non-infiltration, perform data backups of raw and processed (NetWitness) files crucial to web investigations; design & engineer software for data processing, debugging, patching (which is cost prohibitive if this was outsourced), and monitoring network usage and full scope infrastructure security.

Regarding the financial aspect of cyber investigations, the revenues in this billion dollar industry has been shifted to off shore companies and also financial institutions. In many instances, some of the illegal drugs are not illegal in other countries and the most effective way to obtain cooperation is via money laundering charges. Foreign counterparts are more apt to freeze, then seize monies and conduct enforcement action rather than attempt to change legislation regarding drugs in their own countries. Additionally, the amount of investigations and workload, necessitate the need for additional financial investigative contractors.

In order to accomplish its mission, DEA must have adequate staffing levels in its domestic offices. Without these enhancements, DEA cannot successfully implement its reorganization plan as needed.

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U.S. Department of Justice

# Drug Enforcement Administration

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FY 2012  
Performance Budget  
Congressional Submission



## **National Security Directive**

DEA requests \$900,000 to establish an effective counterintelligence program as directed by the Director of National Intelligence (DNI).

### **Diversion Control Program**

DEA requests 124 positions, including 50 Special Agents, 50 Diversion Investigators, and 9 Intelligence Analysts, and \$30,885,000 to support regulatory and enforcement activities of the Diversion Control Program. This request includes \$9,393,000 in non-personnel funding for rent, task force officer overtime, administrative support, and training for Tactical Diversion Squads (TDS). These resources will support DEA's efforts to fulfill both the regulatory control and enforcement aspects of the Diversion Control Program.

### **Administrative Efficiencies**

The Department is continually evaluating its programs and operations with the goal of achieving across-the-board economies of scale that result in increased efficiencies and cost savings. In FY 2012, the Department is focusing on areas in which savings can be achieved, including printing, publications, travel, conferences, supplies, and general equipment. For DEA, these administrative efficiencies will result in an offset of \$1,537,000. This reduction to administrative items will demonstrate that the Department plans to institute substantive efficiencies without unduly taxing either the people or the missions of DOJ.

### **Extend Tech Refresh**

As desktops and laptops are used primarily for basic office automation applications (e.g., spreadsheets and word processing), replacing this inventory at a slower rate is expected to have minimal impact on Department operations. In FY 2012, the Department is proposing to extend the refresh rate of all desktops and laptops by one year, resulting in an offset of \$1,416,000 for the DEA.

### **Mobile Enforcement Teams**

To better support DEA's mission and fund higher priority initiatives, DEA proposes eliminating the \$39,100,000 Mobile Enforcement Team (MET) program in FY 2012. This offset will reassign the 145 positions associated with MET to fill vacancies within DEA, including the 112 Special Agent positions included in the FY 2011 and FY 2012 Diversion Control Fee Account (DCFA) budget requests.

### **Reduce Physical Footprint**

In FY 2012, the Department is proposing the consolidation of some sub-regional office locations, which will allow components to better utilize existing workspace, as well as enhance information sharing and the ability of regional offices to deconflict efforts and reduce duplicative work. Components will realize savings from the consolidation of facilities and services, including maintenance, shipping, and parking. For DEA, up to 7 sub-regional offices will be consolidated, resulting in an offset of \$395,000. To minimize the impact on components' operational capability, this offset applies only to GSA rent; staffing reductions are not proposed.

- Number of Planned Scheduled Investigations Completed
- Number of Registrations Processed per FTE

Due to the overwhelming number of Type A registrants (compared to Type B registrants), it is important to note that Type A activity contributes the most to the abovementioned performance measures.

### ***Administrative/Civil/Criminal Sanctions***

The DCP operationally defines the disruption and dismantlement of CSA and/or the Chemical Diversion and Trafficking Act of 1988 (CDTA) violators in the following manner:

**Administrative/Civil** - Violators of the CSA and/or CDTA who, after due process, receive Administrative/Civil sanctions. In other words, these violators are temporarily denied access to controlled substances and chemicals. These sanctions may include, but are not limited to civil fines, administrative hearings, Letters of Admonition, suspended registrations, and restricted registrations.

**Criminal** - Violators of the CSA and/or CDTA who, after due process, receive Criminal sanctions. In other words, these violators are permanently denied access to controlled substances and chemicals. These sanctions may include, but are not limited to registrations surrendered for cause, revoked registrations, and registrations denied.

In FY 2009, the Diversion Control Program (DCP) reported 1,557 administrative/civil/criminal sanctions, which is 22.6% above its FY 2009 target of 1,270. In FY 2010, because DCP anticipated that it would meet, but not greatly exceed its FY 2009 actual results, it increased its FY 2010 target to 1,310. This is due in part to an increased level of confidence and experience in forecasting these data. In FY 2010, sanctions totaled 1,310. Furthermore, for FY 2011, the target was increased to 1,717. For FY 2012, the target was increased to 1,802.

It should be noted that as a direct result of DEA's mandate to pursue the assets of traffickers and diverters of controlled substances and levy more serious, permanent administrative/criminal sanctions, the number of dismantlements has dramatically increased. Given the abovementioned mandate, the number of disruptions have also increased, but at a much slower rate. It is anticipated that DCP will continue to meet its annual targets for both disruptions and dismantlements.

### ***PTOs and CPOTs***

As a participant in the PTO program, Diversion is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the Diversion program, CPOT linkages are a rare event. Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement. As Diversion continues to work to fully staff its TDS', PTO performance is expected to increase. In FY 2010, the number of PTO's disrupted was 96 and the number dismantled was 66.

### ***Implementation of the E-Commerce Initiative***

DEA is able to track the impact that the E-Commerce Initiative is having on the registration process. Specifically, DEA can track the reduction in the time required to process new applications and renewals. For example, online access to registration and order forms has significantly reduced the amount of processing time for renewals from 6 weeks to 5 days.

In FY 2005, DEA established the following DCP efficiency measure:

- Number of Registrations Processed per FTE

In FY 2009, the DCP reported 57,359 registrations processed per FTE, which exceeded its target of 50,600. In light of the resultant performance in FY 2009 and in absence of sufficient empirical data to support a more robust methodology for establishing annual targets, the DCP has concluded that the projection of its FY 2009 target may have been underestimated. As a result, the DCP adjusted its targets for FY 2010, FY 2011 and FY 2012 to 53,130, 63,238 and 66,400 respectively, as it continues to identify and evaluate the potential factors that could be used to develop a more robust methodology for projecting its out-year targets. In FY 2010, registrations processed per FTE were 58,869.

### **b. Strategies to Accomplish Outcomes**

DCP's mission is to reduce the illegal use and abuse of pharmaceutical controlled substances and chemicals within the United States, ensure that adequate supplies of pharmaceutical controlled substances and chemicals are available to meet legitimate medical, scientific, and industrial needs, and prevent, detect, and eliminate the diversion of these substances to illicit markets.

To achieve this mission, the DCP does the following:

- Identifies and targets those responsible for the diversion of pharmaceutical controlled substances and chemicals through traditional investigative and cyber crime initiatives; and,
- Supports the DEA DCP registrants with improved technology, including the E-Commerce Initiative.

The following strategies outline DEA's plan to achieve these objectives:

***Investigate and prepare for prosecution, violators of chemical and pharmaceutical controlled substances laws at the international, national, State, and local levels while maintaining cooperation, support, and assistance from the regulated industry.***

### ***Enforcement Activities***

Tactical Diversion Squads (TDS) allow for the unification of separate and sometimes disparate Federal, State, and local information, authorities, and enforcement programs. They work with

other Federal, State and local (S&L) law enforcement authorities in developing more effective enforcement programs against diversion. TDSs also help coordinate with various judicial districts to maximize the effectiveness of multiple investigations and prosecutions of those involved in the diversion of controlled substances and chemicals.

TDSs investigate suspected violations of the CSA and other appropriate Federal or state statutes pertaining to the diversion of licit pharmaceuticals and List I chemicals. These unique groups combine the resources of DEA (both Special Agents and Diversion Investigators) with other Federal and S&L law enforcement agencies in an innovative effort to investigate, disrupt and dismantle those individuals or organizations involved in diversion schemes (e.g., “doctor shoppers,” prescriptions forgers, and prevalent retail-level violators). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDS provides support to a Diversion Group and/or a Diversion Staff where law enforcement authority (LEO) activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants).

The following factors contributed to the increases requested in the DCP’s TDS program in FY 2012:

- The most current National Survey on Drug Use and Health (2009) (NSDUH) indicates that pharmaceutical abuse is second only to the abuse of marijuana. That survey also reflects a 13% increase in the nonmedical abuse of pharmaceuticals in just one year.
- The 2009 NSDUH survey also reflected that more individuals initiate with pharmaceuticals for nonmedical purposes than those who initiate with marijuana.
- A recent study from the University of Washington estimated the economic costs of pharmaceutical abuse for just opioids. That study found that the economic burden to the United States for 2006 was \$53.4 billion.
- Between 2001 and 2009, state and local law enforcement have seen an increase in the number of pharmaceutical cases being submitted to forensic labs. (Increases in cases - methadone: 281%; oxycodone: 330%; hydrocodone: 314%).
- Between 2004 and 2009, emergency room visits attributable to just pharmaceutical abuse increased by 98.4%.
- Between 1998 and 2008, the number of persons seeking treatment for pharmaceutical abuse increased fourfold.
- The President’s 2010 National Drug Control Strategy calls for several action items associated with the abuse of prescription drugs. For example, Assist States to Address Doctor Shopping and Pill Mills; Drive Illegal Internet Pharmacies Out of Business; and Crack down on Rogue Pain Clinics that Do Not Follow Appropriate Prescribing Practices.
- DEA is responsible for regulating and controlling more than 1.3 million registrants through its Diversion Control Program. It does so through the use of Diversion Investigators, Special Agents, Intelligence Analysts, and Task Force Officers. DEA attempts to mitigate its costs by maximizing the use of Task Force groups such as Tactical Diversion Squads (TDS). This concept promotes cohesive working relationships with state and local counterparts while providing manpower for these TDS groups at a



**Item Name:** **Diversion Control Program Regulatory Control and Enforcement Activities**

**Budget Decision Unit:** Diversion Control Fee Account

**Strategic Goal & Objective:** Goal II, Objective 2.4

**Component Ranking of Item:** 1 of 1

**Organizational Program:** Diversion Control Program

**Program Increase:** Positions 124 Agt 50 FTE 62 Dollars \$30,885,000

#### Description of Item

DEA requests 124 positions, including 50 Special Agents, 50 Diversion Investigators, and 9 Intelligence Analysts, and \$30,885,000 to support regulatory and enforcement activities of the Diversion Control Program. This request includes \$9,393,000 in non-personnel funding for rent, task force officer overtime, and administrative support and training for Tactical Diversion Squads (TDSs) task force officers. These resources will support DEA's efforts to fulfill both the regulatory control and enforcement aspects of the Diversion Control Program.

#### Justification

The mission of DEA's Diversion Control Program is to prevent, detect and investigate the diversion of pharmaceutical controlled substances and listed chemicals from legitimate channels while ensuring an adequate and uninterrupted supply of pharmaceutical controlled substances and listed chemicals to meet legitimate medical, commercial and scientific needs. DEA regulates more than 1.3 million registrants, a population that continues to grow at a rate of between 2 and 2.5 percent per year. Over the last several years, national surveys have documented the fact that a significant number of Americans are abusing controlled substance prescription drugs for nonmedical purposes. According to the 2009 National Survey on Drug Use and Health (published in September 2010), 7 million people over the age of 12 used prescription medications for non-medical reasons during the past month. This is a 13 percent increase from 2008. Of those, 5.3 million reported abusing pain relievers. The survey also indicated that the abuse of prescription drugs was second only to marijuana and had the largest number of new initiates.

In 2006 DOJ's Office of the Inspector General reviewed DEA's efforts to control the diversion of controlled pharmaceuticals and recommended that DEA incorporate law enforcement support to assist the program in performing inherently law enforcement activities. To provide additional law enforcement support for diversion control activities, DEA added 160 additional Special Agents to the Diversion Control Program in FY 2006 and FY 2007 through budget requests and reprogramming notifications. DEA has allocated the majority of these new agent positions into Tactical Diversion Squads which combine agents, diversion investigators and state and local task force officers to focus on law enforcement activities of the Diversion Control Program. At the same time, DEA has increased focus on regulatory oversight, to include the modification of

chemical and regulatory work plans to increase the frequency of scheduled investigations and broaden the pool of registrants that are subject to scheduled regulatory investigations. Increasing the frequency of inspections/investigations will ultimately help industry comply with the Controlled Substances Act (CSA) and its implementing regulations, and more easily identify those who are potential avenues for diversion. DEA's FY 2011 budget includes an additional 174 positions to support regulatory, enforcement, and support activities inside of the Diversion Control Program. The resources requested in FY 2012 will continue to build DEA's capacity to accomplish the regulatory and enforcement activities of the Diversion Control Program.

### ***Diversion Regulatory Control Activities***

DEA is requesting \$4,654,000 for 34 diversion investigator positions to enhance existing Diversion Regulatory programs in domestic offices. These positions will support DEA's regulatory oversight efforts by allowing DEA to increase the frequency of registrant inspections. Increasing the frequency of inspections and investigations will ultimately help industry comply with the Controlled Substances Act (CSA) and its implementing regulations and more easily identify potential avenues for diversion. At the end of FY 2007, DEA reprogrammed 108 vacant diversion investigator positions to special agent positions to meet immediate law enforcement needs. Thus the loss of diversion investigator positions and an aggressive regulatory control program requires replenishment and an increase in DI resources. DEA's FY 2011 budget includes 60 new diversion investigator positions, including 23 to support regulatory activities. The FY 2012 increase will bring diversion investigator staffing back up to the pre-reprogramming level.

### ***Diversion Enforcement Activities***

DEA is requesting \$13,972,000 for 50 new special agents and 16 new diversion investigators to solidify existing TDS where state and local personnel are limited and establish 8 new TDSs in areas of significant pharmaceutical diversion. DEA is also requesting \$7,893,000 to cover the cost of 64 new state and local task force officers (TFOs), including overtime, rent, and contract clerical support, and \$1,500,000 to cover training of TDS TFOs. DEA has organized 37 TDSs with at least one in each domestic division. TDSs investigate suspected violations of the CSA and other appropriate Federal or state statutes pertaining to the diversion of licit pharmaceuticals and chemicals. These unique groups allow DEA and its state and local law enforcement partners to leverage resources investigate, disrupt and dismantle those individuals or organizations involved in diversion schemes (e.g., "doctor shoppers," prescriptions forgers, and prevalent retail-level violators). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDSs also provide support to regulatory diversion groups where law enforcement authority activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants).

To support TDSs and other enforcement activities of the Diversion Control Program, DEA is requesting \$1,412,000 for personnel: 3 new chemists to provide evidence analysis; 2 new Telecommunications Specialist positions to support the Office of Investigative Technology's Diversion Internet Intercept Program; 3 computer forensics examiners for the Diversion Digital

Evidence Lab in order to in-source contract forensic examiners; and 1 new Attorney to support case development including Orders to Show Cause and Immediate Suspensions.

### ***Diversions Intelligence***

DEA requests \$1,088,000 for 9 new intelligence analysts. Placement will be made based on work hour analysis and diversion trends once enhancements are authorized. In FY 2006 and FY 2007 the Diversion Control Program added its first 73 intelligence analyst positions and is adding 14 additional analysts in the FY 2011 budget request.

### ***Support Personnel***

DEA is requesting \$366,000 for six clerical and administrative support positions to support the Diversion Control Program in response to the increase in core resources in the domestic program.

### **Impact on Performance**

Data from the Treatment Episode Data Set (TEDS) reveals a 400 percent increase between 1998 and 2008 of substance abuse treatment admissions for those aged 12 and over reporting abuse of prescription pain relievers. Law enforcement data reflects a 265% increase in the number of cases being submitted to state and local laboratories attributable to methadone and hydrocodone between 2001 and 2008. The 2009 National Survey on Drug Use and Health (NSDUH) shows that there are more people abusing pharmaceuticals than those who abuse cocaine, hallucinogens, inhalants and heroin, combined. This study also demonstrates that more Americans initiate with a controlled substance pharmaceutical than those who initiate with marijuana. The Center for Disease Control and Prevention reports a significant increase in the number of deaths associated with controlled substance prescriptions.

To reverse these significant and growing trends, we must take advantage of every law enforcement and regulatory tool that we have at our disposal. The Diversion Control Program is obligated to annually develop, issue and maintain quotas for the manufacturing of various controlled substance pharmaceuticals. In addition, DEA is required to issue and maintain registrations for manufacturing, distribution, dispensing, and importation and exportation of controlled substances. The registrant population consists of more than 1.3 million and continues to grow by 2.5 – 3 percent per year. Fulfilling these duties are not optional but statutory requirements and in compliance with treaty obligations.

Over the past year DEA has been monitoring a resurgence in the number of clandestine methamphetamine lab incidents across the country. This increase has been directly linked to a sharp increase in the diversion of pseudoephedrine and ephedrine products from retail outlets. DEA's ability to assist our state and local counterparts to curtail this resurgence is contingent upon maintaining adequate resources to address this important issue.

With the positions being added to the Diversion Control Program in FY 2011 and FY 2012, DEA is increasing the frequency of regulatory inspections of DEA registrants. This enhanced

regulatory focus will help reduce avenues of diversion and identify potential points of diversion sooner, thereby shutting off the source of supply to illegal distribution operations. DEA also planned to expand its TDSs, which combine the skill sets of Diversion Investigators, Special Agents and other federal, state and local law enforcement agencies to pursue criminal case related to the diversion of controlled substances and listed chemicals. These TDS groups have proven their value by conducting significant investigations that have resulted cutting off the source of millions of dosage units of controlled substances and the seizure of millions of dollars in assets.

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# Drug Enforcement Administration

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***Prevent the diversion of pharmaceutical controlled substances and listed chemicals from legitimate channels, including the Internet, while ensuring an adequate and uninterrupted supply for medical, commercial and scientific needs***

**SUCCESS STORY: National Take Back Initiative**



*DEA began the National Take Back Initiative in September 2010 to give the general public a way to rid their homes of unused, unwanted, or expired medications that were accumulating in their medicine cabinets and elsewhere. The success of these events are due to the cooperative efforts of more than 3,900 Federal, state, local, and tribal law enforcement agencies who sponsored more than 5,000 collection sites across the country. Following the first National Take Back Initiative, there were two subsequent events in April and October of 2011, each more successful than the previous. The amount of unwanted medications collected during the three events totals 995,185 pounds. The fourth National Take Back Initiative is scheduled for April 28, 2012.*

*In October 2010, President Obama signed into law the Secure and Responsible Drug Disposal Act, which supports local efforts to curb prescription drug abuse by providing Americans with safe, environmentally sound ways to dispose of unused, unneeded, or expired prescription drugs found at home. Since that time DEA is continuing to work on regulations that will provide alternatives for the public to dispose of their unused, unwanted and expired medications on a regular basis. This will prevent the accumulation of dangerous pills left in homes that could lead to diversion or death.*

Of all the major drugs of abuse, only marijuana is available as a natural, harvested product. The others, whether they are illicit drugs such as cocaine, heroin, methamphetamine, or legitimately produced pharmaceuticals, must be manufactured. Many problems associated with drug abuse are the result of legitimately made controlled substances being diverted from their lawful purpose into illicit drug traffic. The mission of DEA's Office of Diversion Control is to enforce the provisions of the CSA and the Chemical Diversion and Trafficking Act by preventing, detecting, and investigating the diversion of controlled pharmaceuticals and listed chemicals from legitimate sources. At the same time, they ensure an adequate and uninterrupted supply for legitimate medical, commercial, and scientific needs.

DEA's Tactical Diversion Squads (TDS) are a key element of DEA's enforcement strategy to address the diversion of controlled substances. These teams are solely dedicated to investigating, disrupting, and dismantling individuals and organizations involved in drug diversion schemes. Additionally, they combine the expertise of diversion investigators, special agents, and task force officers from various state and local law enforcement or regulatory agencies. An important purpose of TDS groups is to provide coordination with different judicial districts to maximize the effectiveness of multiple investigations and prosecutions. To date, 40 TDSs are operational, an additional eight squads have been deployed, and ten are planned

for a total 58 squads in 37 states, Puerto Rico, and the District of Columbia. During FY 2011, the TDS groups collectively seized \$50,769,766.

Due to a combination of DEA enforcement activities, increased compliance among wholesalers and distributors, and the passage of the Ryan Haight Online Pharmacy Consumer Protection Act of 2008, there has been a reduction in rogue domestic DEA registered brick and mortar pharmacies that operated or associated with schemes via the Internet. However, DEA continues to identify, target and investigate criminal organizations, both domestically and internationally, which seek to exploit the Internet for the distribution of controlled pharmaceuticals. To combat the diversion of pharmaceutical controlled substances via the Internet, DEA utilizes a combination of enforcement, regulatory, and technological efforts. DEA also coordinates Internet investigations with Federal, state, and local agencies to maximize investigative resources and prosecution and provides training and education to investigators, prosecutors, industry, DEA registrants, and the public regarding online pharmacies.

***Enhance the collection and sharing of intelligence to predict shifts in trafficking trends, to identify all components of the major drug supply organizations, and to support counter-terrorism***

DEA's Intelligence Program is comprised of several components that are responsible for gathering, analyzing, and disseminating domestic and international drug-related intelligence. It also collects and reports national security intelligence encountered during the course of DEA's drug investigations. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based.

Recently, DEA's Intelligence Program has been refocused on the concept of predictive intelligence, which is the use of available intelligence to identify trends and vulnerabilities, followed by the concentration of enforcement resources on those specifically targeted areas. By collecting, collating, analyzing, and disseminating tactical, investigative, and strategic drug intelligence to international and national intelligence and law enforcement agencies, the Intelligence Program significantly impacts the drug threat facing the U.S. ensuring effective law enforcement operations are directed against drug trafficking organizations.

The El Paso Intelligence Center (EPIC) is a key component of DEA's Intelligence Program. This multi-agency national tactical intelligence center focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with particular emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides law enforcement agents, investigators, and analysts with immediate access to participating agencies' databases. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction, and officer safety. EPIC also monitors and tracks criminal trafficking activities along the border through the use of surveillance and uniquely skilled personnel. Timely intelligence is provided directly to Federal, state, and local tactical enforcement elements for immediate use in interdiction operations. Additionally, EPIC supports the Bulk Currency Initiative by maintaining a database of all seized bulk currency in its National Seizure System (NSS), assisting agents in debriefing defendants, coordinating controlled

deliveries, assisting with follow-up investigations, providing guidance on federal prosecution, and assisting with the seizure and forfeiture of currency.

Another important piece of DEA's Intelligence Program is its participation in the Intelligence Community (IC). Through its Office of National Security Intelligence, DEA enhances current operations to ensure that national security information (such as weapons of mass destruction and terrorism) obtained in the course of conducting its drug law enforcement mission is expeditiously shared with the IC.

***Strengthen partnerships with our domestic and foreign law enforcement counterparts to maximize the impact of our worldwide drug investigations and operations***

To effectively accomplish its drug law enforcement mission, DEA works cooperatively with various law enforcement agencies worldwide. DEA participates in and contributes to the investigative efforts of Federal, state, and local law enforcement through direct partnerships, including task forces and information sharing initiatives. DEA also supplies intelligence and information that supports the disruption or dismantlement of drug trafficking organizations and leads to numerous drug seizures and arrests worldwide.

Because of the international nature of drug trafficking, experience has shown that strong partnerships with foreign counterparts are vital in the drug law enforcement arena. Furthermore, DEA is not authorized to operate unilaterally overseas, so cooperation with the U.S. State Department, as well as foreign law enforcement agencies is essential to the DEA mission. To build and nurture these relationships, DEA has 85 offices in 65 countries and more than 700 onboard employees stationed overseas. DEA's cooperative partnerships with foreign nations help them to develop more self-sufficient, effective drug law enforcement programs. As part of this effort, DEA conducts training for host country police agencies at the DEA training facilities in Quantico, Virginia and on-site in the host countries. DEA also works with host nation counterparts to stand up and train vetted units of foreign law enforcement officers with whom DEA works and shares information. In addition, the United States has extradition relationships with many nations and DEA makes use of these arrangements whenever possible. The agency's worldwide partnerships have led to multiple arrests and extraditions of the highest-level drug traffickers and money launderers, narcoterrorists, and international arms dealers.

In addition to international partnerships, DEA also recognizes the need for continued coordination of drug enforcement efforts with Federal, state, and local counterparts across the country. DEA has 226 domestic offices organized in 21 divisions throughout the United States and works closely with state and local partners. Cooperation provides advantages to all participating agencies and provides a federal presence in sparsely populated areas where DEA would not otherwise be represented. As of December 31, 2011, DEA led 218 state and local task forces with an on-board strength of 1,895 DEA special agents and 2,263 state and local task force officers, all of whom are deputized with Title 21 authority and dedicated full time to addressing the drug trafficking problems in their local communities. Additionally, 40 TDSs are operational in the domestic divisions, with a total of 177 of the authorized 314 task force officer positions filled.



### **3. Performance, Resources, and Strategies**

The DCP contributes to DOJ's Strategic Goal 2: "Prevent Crime, Protect the Rights of the American People, and Enforce Federal Law." Within this goal, the resources specifically address DOJ's Strategic Objective 2.3: "Combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs." DCP resources ensure a strong deterrence against the diversion and illegal prescribing of controlled substances and chemicals.

#### **a. Performance Plan and Report for Outcomes**

##### ***Performance Narrative***

##### ***Number of Administrative/Civil/Criminal Sanctions***

DEA can initiate a variety of actions for violations of the CSA or its implementing regulations. The type(s) of action taken is typically driven by the severity of the offense(s) and whether or not a registrant was the subject of any previous actions. The following is a partial listing of potential actions DEA can take against a registrant or diverter:

- Administrative actions are handled by DEA and can include (1) a letter of admonition to advise the registrant of any violations; (2) an order to show cause which initiates revocation or suspension of a DEA registration; and (3) an immediate suspension order against the registrant if there is a finding of imminent threat to public health or safety.
- Civil penalties are typically coordinated with an Assistant United States Attorney or in some instances the local district attorney. Civil violations are typically recordkeeping violations involving controlled substances or listed chemicals. Penalties for civil actions generally include monetary fines.
- Criminal prosecutions are coordinated with an Assistant United States Attorney or local district attorney. Criminal violations include offenses such as the illegal distribution of controlled substances and other related offenses such as health care fraud, tax evasion, and money laundering. Criminal penalties generally include incarceration and fines.

In FY 2011, the DCP reported 2,110 administrative/civil/criminal sanctions, which is 22.9% above its FY 2011 target of 1,717. For FY 2012, the target was increased to 1,802. For FY 2013, the target was increased further to 1,892.

It should be noted that as a direct result of DEA's mandate to pursue the assets of traffickers and diverters of controlled substances, the number of permanent administrative/criminal sanctions levied has dramatically increased.

##### ***Number of Diversion PTOs Disrupted or Dismantled***

As a participant in the PTO program, the DCP is required to report PTOs linked to CPOT and not linked to CPOT. However, with the nature of the DCP, CPOT linkages are a rare event. Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the DCP began focusing on the identification of PTOs and their eventual

- Identify and target those individuals and organizations responsible for the diversion of pharmaceutical controlled substances and/or chemicals through traditional investigations and cyber-crime initiatives
- Support DEA registrants with improved technology (including Ecommerce and customer support), while maintaining cooperation, support, and assistance from the regulated drug/chemical industry
- Educate the public on the dangers of prescription drug abuse and take proactive enforcement measures to combat emerging drug trends
- Ensure an adequate and uninterrupted supply of controlled substances to meet legitimate medical, industrial, scientific, and export needs through the quota process

The following strategies outline DEA's plan to achieve these objectives:

***Investigate and prepare for prosecution of violators of pharmaceutical controlled substance laws at the international, national, state, and local levels.***

### **Tactical Diversion Squads**

The DCP conducts criminal enforcement activities primarily through Tactical Diversion Squads (TDSs). TDSs are comprised of many DEA specialties, including DEA special agents and diversion investigators, and state and local counterparts such as state law enforcement and regulatory personnel. These groups combine varied resources and expertise in order to investigate, disrupt, and dismantle those individuals or organizations involved in diversion schemes (e.g., pill mills, prescription forgery rings, and rogue internet pharmacies). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDS provides support to a Diversion Group and/or a Diversion Staff where law enforcement authority (LEO) activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants). To date, 40 TDSs are operational, an additional eight squads have been deployed, and ten are planned for a total 58 squads in 37 states, Puerto Rico, and the District of Columbia. The establishment of additional TDSs will be accomplished based on diversion trends, budget authority, and funding levels.

### **Chemical Initiatives**

The DCP serves as the Competent National Authority (CNA) for the United States concerning precursor chemicals and international treaties. The DCP works with the international community to identify and seize international shipments of precursor and essential chemicals destined for clandestine laboratories for use in manufacturing controlled substances. Additionally, in cooperation with chemical companies and on a bilateral basis, the DCP urges international partners to take effective action to prevent the diversion of precursor chemicals from legitimate trade. In addition to its other oversight and regulatory responsibilities in this area, the DCP reviews and approves importation requests for List I chemicals and reviews chemical registrant submissions.

**Item Name:** TDS Task Force Officers and Contractors  
**Budget Decision Unit(s):** Diversion Control Fee Account  
**Organizational Program:** DEA-wide  
**Programmatic Adjustment:** Positions 0 Agt/Atty 0 FTE 0 Dollars \$6,198,000

Description of Item

DEA is requesting a base adjustment of \$6,198,000 to add additional state and local task force officers and administrative contractors to Tactical Diversion Squads (TDSs).

Summary Justification

As new TDSs become operational, additional state and local task force officers and administrative contractors supporting TDS will be necessary.

As of January 2012, the DCP has 40 TDSs operational and plans to increase the number of TDSs to 58. The funding requested for FY 2011 and FY 2012 included funding for 128 task force officers and 16 administrative contractors. The requested \$6,198,000 will fund 62 additional task force officers and 16 additional contractors.

Impact on Performance

Without the requested \$6,198,000 increase, DCP would not be able to increase the number of state and local task force officers or administrative contractors supporting new TDSs. This would hinder DCP's ability cooperate with state and local partners and its ability to meet mission goals.

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from legitimate sources. At the same time, they ensure an adequate and uninterrupted supply for legitimate medical, commercial, and scientific needs.

**SUCCESS STORY: The Farmer's Market**

*In April 2012, Federal, state, and international law enforcement authorities arrested eight people who all face federal drug trafficking and money laundering charges stemming from their creation and operation of a "secret" on-line narcotics market place – known as the "The Farmer's Market" – which sold a variety of controlled substances to approximately 3,000 customers in 34 countries and 50 states. The enforcement actions were a result of **Operation Adam Bomb**, a two-year investigation led by the DEA, with significant assistance from the Netherlands Regional Police Force Flevoland, prosecutors from the International Legal Assistance Center North East Netherlands, DOJ's Office of International Affairs, and the United States Postal Service. The arrests of the defendants took place due to the cooperation and assistance of the Scottish Crime and Drug Enforcement Agency, the Colombian Central Directorate of the Judicial Police and Intelligence, Migracion Colombia, the United States Postal Inspection Service, and Federal, state, and local authorities in New York, Iowa, Georgia, Florida, New Hampshire, Pennsylvania, Michigan, and New Jersey. The drug trafficking organization targeted in **Operation Adam Bomb** was distributing dangerous and addictive drugs to every corner of the world, and trying to operate online in secrecy, utilizing the TOR network, IP anonymizers, and covert currency transactions. However, investigators were able to infiltrate the drug trafficking organization and its technology during the course of the investigation.*

DEA's Diversion Control Program is using all criminal and regulatory tools possible to identify and determine who is most likely involved in the illicit distribution of controlled substances, as well as individuals and/or organizations violating the CSA, including shutting down illegal internet pharmacies. For example, DEA is using the Automated Reports and Consolidated Order System (ARCOS) to identify high volume purchasers of narcotic controlled substances. DEA also works with key industry leaders to reduce the availability of Internet access, express shipping, and financial services to rogue online pharmaceutical trafficking organizations. Finally, DEA works to raise awareness of the problem of pharmaceutical diversion via the Internet, promote voluntary efforts to restrict legitimate business services from being used by illicit Internet controlled pharmaceutical traffickers, and identify potential sources of data maintained by businesses that may aid in targeting enforcement efforts against the largest Internet pharmaceutical drug trafficking organizations.

Due to DEA enforcement activities, increased compliance among wholesalers and distributors, and the passage of the Ryan Haight Act, there

has been a reduction in rogue domestic DEA registered brick and mortar pharmacies that operated or associated with schemes via the Internet. DEA continues to identify, target and investigate criminal organizations, both domestically and internationally, that look to exploit the Internet for the distribution of controlled pharmaceuticals.

DEA's Tactical Diversion Squads (TDS) are a key element of DEA's enforcement strategy to address the diversion of controlled substances. These teams are solely dedicated to investigating, disrupting, and dismantling individuals and organizations involved in drug diversion schemes. Additionally, they combine the expertise of diversion investigators, special agents, and task force officers from various state and local law enforcement or regulatory agencies. An important purpose of TDS groups is to provide coordination with different judicial districts to maximize the

effectiveness of multiple investigations and prosecutions. As of September 30, 2012, there are 48 operational Tactical Diversion Squads (TDS) throughout the U.S. During FY 2012, the TDS groups collectively seized \$31,177,687.

***Operation Sin Fronteras*** is DEA's only international initiative dedicated to the investigation of the diversion of legitimate chemical and pharmaceutical products used for the manufacture of illicit drugs. The operation sponsors information sharing and encourages multi-lateral regulatory and enforcement operations among its 12 member nations, including all South American countries, Panama, and the U.S. The success of ***Operation Sin Fronteras*** is not just based on the multi-ton chemical seizures that occur, but also in the training and awareness of chemical control laws that decrease availability of precursor chemicals for illicit drugs.

***Enhance the collection and sharing of intelligence to predict shifts in trafficking trends, to identify all components of the major drug supply organizations, and to support counter-terrorism***

DEA's Intelligence Program is comprised of several components that are responsible for gathering, analyzing, and disseminating domestic and international drug-related intelligence. It also collects and reports national security intelligence encountered during the course of DEA's drug investigations. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based.

Recently, DEA's Intelligence Program has been refocused on the concept of predictive intelligence, which is the use of available intelligence to identify trends and vulnerabilities, followed by the concentration of enforcement resources on those specifically targeted areas. By collecting, collating, analyzing, and disseminating tactical, investigative, and strategic drug intelligence to international and national intelligence and law enforcement agencies, the Intelligence Program significantly impacts the drug threat facing the U.S. ensuring effective law enforcement operations are directed against drug trafficking organizations.

The El Paso Intelligence Center (EPIC) is a key component of DEA's Intelligence Program. This multi-agency national tactical intelligence center focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with particular emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides law enforcement agents, investigators, and analysts with immediate access to participating agencies' databases. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction, and officer safety. EPIC also monitors and tracks criminal trafficking activities along the border through the use of surveillance and uniquely skilled personnel. Timely intelligence is provided directly to Federal, state, and local tactical enforcement elements for immediate use in interdiction operations. Additionally, EPIC supports the Bulk Currency Initiative by entering domestic bulk currency seizures into the National Seizure System (NSS) and assisting field agents by providing investigative support to bulk currency investigations.

Another important piece of DEA's Intelligence Program is DEA's membership in the Intelligence Community (IC). One part of DEA, the Office of National Security Intelligence

with many nations and DEA makes use of these arrangements whenever possible. The agency's worldwide partnerships have led to multiple arrests and extraditions of the highest-level drug traffickers and money launderers, narcoterrorists, and international arms dealers.

In addition to international partnerships, DEA also recognizes the need for continued coordination of drug enforcement efforts with Federal, state, and local counterparts across the country. DEA has 223 domestic offices organized in 21 divisions throughout the United States and works closely with state and local partners. Cooperation provides advantages to all participating agencies and provides a federal presence in sparsely populated areas where DEA would not otherwise be represented. As of September 30, 2012, DEA led 195 state and local task forces with an on-board strength of 1,764 DEA special agents and 2,158 state and local task force officers. Additionally, DEA trained 49,118 state and local officers in FY 2012.

DEA-led task forces act as force multipliers by drawing on the expertise of state and local law enforcement. Additionally, DEA participates in a number of federal interagency efforts, including the Federal Bureau of Investigation's Safe Streets and Safe Trails Task Forces, ATF's Violent Crime Impact Teams and Project Safe Neighborhoods, the DOJ's Weed and Seed Program, and Attorney General's Anti-Gang Coordination Committee. The sharing of DEA intelligence and resources has led to many successful operations and highly effective drug law enforcement.

DEA also provides direct assistance to other law enforcement agencies through its State and Local law enforcement clandestine laboratory training program. At the clandestine lab training facility, DEA trains Federal, state, local, and foreign law enforcement officials on the latest techniques in clandestine laboratory detection, enforcement, and safety. During the first three quarters of FY 2012, the Clandestine Laboratory Training Unit conducted training for a total of 845 state and local law enforcement officers. This includes State and Local Clandestine

**SUCCESS STORY: Operation Munday**

*In December 2012, the DEA New England Field Division (NEFD) Worcester TDS seized 16 kilograms of crystal methamphetamine (ice) in Walpole, Massachusetts, as a result of an ongoing investigation into a Mexican drug trafficking organization with distribution points in southern Massachusetts and Rhode Island. The shipment of meth was secreted inside a hidden compartment in a Jeep Liberty which was shipped on a car carrier from California to Massachusetts. This ice seizure was part of NEFD Worcester TDS' OCDETF **Operation Munday**, which had been targeting a Mexico-based drug trafficking organization that distributed multi-kilogram quantities of crystal meth, cocaine, and thousands of oxycodone tablets in Rhode Island and southern Massachusetts. The investigation involved several DEA offices in the NEFD and Los Angeles Field Division (LAFD), as well as over a dozen state and local agencies on the East and West coasts. The 16 kilograms of ice are a record seizure of crystal meth in New England and the case is indicative of cooperative efforts that occur through collaboration in DEA Task Force settings.*

Laboratory Certification Training, Site Safety Training, Tactical Training, as well as training conducted for the National Guard and the FBI's National Improvised Explosive Familiarization Training.

- *Number of Diversion PTOs Disrupted & Dismantled (Including Linked to CPOTs and Not Linked to CPOTs)*
- *Number of Planned Scheduled Investigations Completed (Overall)*
- *Number of Outreach/Public Education Events Completed (Overall)*

DEA can initiate a variety of actions for violations of the CSA or its implementing regulations. The type(s) of action taken is typically driven by the severity of the offense(s) and whether or not a registrant was the subject of any previous actions. The following is a partial listing of potential actions DEA can take against a registrant or diverter:

- Administrative actions are handled by DEA and can include (1) a letter of admonition to advise the registrant of any violations; (2) memorandum of agreement, an agreement between DEA and a registrant in which the registrant agrees to specify behavior; (3) an order to show cause, which initiates revocation or suspension of a DEA registration; and (4) an immediate suspension order against the registrant if there is a finding of imminent threat to public health or safety.
- Civil penalties are typically coordinated with an Assistant United States Attorney or in some instances the local district attorney. Civil violations are typically recordkeeping violations involving controlled substances or listed chemicals. Penalties for civil actions generally include monetary fines.
- Criminal prosecutions are coordinated with an Assistant United States Attorney or state district attorney. Criminal violations include offenses such as the illegal distribution of controlled substances and other related offenses such as health care fraud, tax evasion, and money laundering. Criminal penalties generally include incarceration and fines.

In FY 2012, the Diversion Control Program (DCP) reported 2,143 administrative/civil/criminal sanctions. All three measures were previously reported as a combined performance measure. Because of unique distinctions between administrative, civil, and criminal actions, DEA will begin reporting these measures separately in FY 2013. Because this is the first year they will be reported separately, DEA will wait to establish a baseline before reporting projections for these three measures.

Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement. Additional TDS staff will provide additional resources for PTO cases; however, the TDSs are not fully staffed yet. In FY 2012, the number of PTOs disrupted was 214 and the number of PTOs dismantled was 156.

DEA conducts numerous outreach and public education events throughout the fiscal year. The various conferences and seminars provide information to our registrants, law enforcement, educators, and the general public. While some outreach events are pre-planned, many are implemented on 'as-needed' basis as outreach and education needs change with the highly dynamic nature of diversion trends. Because this is a new measure, DEA will wait to establish a baseline before reporting projections.



Efficiency Measure:

- *Number of Registrations Processed per FTE*

There are several factors that may significantly impact the targets for this efficiency measure, including the three-year registration cycle, changes in staffing, and technology improvements. The number of registrations is largely out of DEA's control, and many registrations are now processed online. Due to the variable nature of registrations and staffing fluctuations, DEA plans to discontinue use of this measure. The DCP will monitor service levels in order to ensure timely service to its registrants. In FY 2012, registrations processed per FTE were 89,172.

Outcome Measure:

DEA will continue to evaluate potential outcome measures for the DCP.

**b. Strategies to Accomplish Outcomes**

***DOJ Strategic Objective 2.3: "Combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs"***

The DCP's mission is to prevent, detect, and investigate the diversion of controlled pharmaceuticals and listed chemicals from legitimate sources while ensuring an adequate and uninterrupted supply for legitimate medical, commercial, and scientific needs. The following strategies outline DEA's plan to achieve this objective:

***Identify and target those individuals and organizations responsible for the diversion of pharmaceutical controlled substances and/or listed chemicals using traditional and non-traditional investigative methods. Investigate and prepare for prosecution of violators of pharmaceutical controlled substance laws at the international, national, state, and local levels.***

**Tactical Diversion Squads**

The DCP conducts criminal enforcement activities primarily through TDS groups. TDSs are comprised of many DEA specialties, including DEA Special Agents and Diversion Investigators, and state and local counterparts such as state law enforcement and regulatory personnel. These groups combine varied resources and expertise in order to identify, target, investigate, disrupt, and dismantle those individuals or organizations involved in diversion schemes (e.g., pill mills, prescription forgery rings, and rogue internet pharmacies). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDS provides support to a Diversion Group and/or a Diversion Staff where law enforcement authority (LEO) activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants). As of December 19, 2012, 48 TDSs are operational and ten are planned for a total 58 squads in 37 states plus Puerto Rico and the District of Columbia. The establishment of additional TDSs will be accomplished based on diversion trends, budget authority, and funding levels.

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internet pharmacies. For example, DEA is using the Automated Reports and Consolidated Order System (ARCOS) to identify high volume purchasers of narcotic controlled substances. DEA also works with key industry leaders to reduce the availability of Internet access, express shipping, and financial services to rogue online pharmaceutical trafficking organizations. Finally, DEA works to raise awareness of the problem of pharmaceutical diversion via the Internet, promote voluntary efforts to restrict legitimate business services from being used by illicit Internet controlled pharmaceutical traffickers, and identify potential sources of data maintained by businesses that may aid in targeting enforcement efforts against the largest Internet pharmaceutical drug trafficking organizations.

**Success Story: Walgreens Settlement**

***In June 2013, Walgreens Corporation agreed to pay \$80 million in civil penalties for the actions by their distribution center and six Walgreens pharmacies in Florida, which resulted in the diversion of millions of dosage units of oxycodone pain killers. Their actions helped fuel a pain killer epidemic in the State of Florida over several years. Walgreens failure to sufficiently report suspicious orders was a systematic practice that resulted in tens of thousands of violations and allowed Walgreens' retail pharmacies to order and receive at least three times the Florida average for drugs such as oxycodone. Several DEA investigations of rogue pain clinics in Southern Florida resulted in charges against 172 individuals, including 51 doctors and 24 clinic/pharmacy owners, the seizure of approximately 2.5 million dosage units of controlled substances, approximately \$16.6 million, real property and exotic cars. In addition, approximately 42 doctors and 11 pharmacies lost their DEA registrations. Approximately 192 doctors and 68 pharmacies voluntarily surrendered their DEA registrations. Under the settlement agreement, the six Walgreens pharmacies and distributions center will not distribute controlled substances (Schedule II-V) for a two-year period. The Jupiter distribution center suspension expires in September 2014, while the six pharmacies' suspension expires in May 2014. Walgreens also agreed to enhance its training and compliance programs, and to no longer monetarily or otherwise compensate its pharmacists based on the volume of prescriptions filled.***

Due to DEA enforcement activities, increased compliance among wholesalers and distributors, and the passage of the Ryan Haight Act, there has been a reduction in rogue domestic DEA registered brick and mortar pharmacies that operated or associated with schemes via the Internet. DEA continues to identify, target and investigate criminal organizations, both domestically and internationally, that look to exploit the Internet for the distribution of controlled pharmaceuticals.

DEA's Tactical Diversion Squads (TDS) are a key element of DEA's enforcement strategy to address the diversion of controlled substances. These teams are solely dedicated to investigating, disrupting, and dismantling individuals and organizations involved in drug diversion schemes. Additionally, they combine the expertise of diversion investigators, special agents, and task force officers from various state and local law enforcement or regulatory agencies. An important purpose of TDS groups is to provide coordination with different judicial districts to maximize the effectiveness of multiple investigations and prosecutions. As of February 2014, there are 58 operational TDSs throughout the United States, with 8 more being established. DEA will have a

total of 66 squads in 41 states, Puerto Rico and the District of Columbia. During FY 2013, the TDS Groups collectively seized \$60.7 million in assets.

***Operation Sin Fronteras*** is DEA's only international initiative dedicated to the investigation of the diversion of legitimate chemical and pharmaceutical products used for the manufacture of illicit drugs. The operation sponsors information sharing and encourages multi-lateral regulatory and enforcement operations among its 12 member nations, including all South American countries, Panama, and the U.S. The success of ***Operation Sin Fronteras*** is not just based on the multi-ton chemical seizures that occur, but also in the training and awareness of chemical control laws that decrease availability of precursor chemicals for illicit drugs.

***Enhance the collection and sharing of intelligence to predict shifts in trafficking trends, to identify all components of the major drug supply organizations, and to support counter-terrorism***

DEA's Intelligence Program is comprised of several components that are responsible for gathering, analyzing, and disseminating domestic and international drug-related intelligence. It also collects and reports national security intelligence encountered during the course of DEA's drug investigations. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based.

DEA's Intelligence Program focuses on the concept of predictive intelligence, which is the use of available intelligence to identify trends and vulnerabilities, followed by the concentration of enforcement resources on those specifically targeted areas. By collecting, collating, analyzing, and disseminating tactical, investigative, and strategic drug intelligence to international and national intelligence and law enforcement agencies, the Intelligence Program significantly impacts the drug threat facing the U.S. ensuring effective law enforcement operations are directed against drug trafficking organizations.

The El Paso Intelligence Center (EPIC) is a key component of DEA's Intelligence Program. This multi-agency national tactical intelligence center focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with particular emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides law enforcement agents, investigators, and analysts with immediate access to participating agencies' databases. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction, and officer safety. EPIC also monitors and tracks criminal trafficking activities along the border through the use of surveillance and uniquely skilled personnel. Timely intelligence is provided directly to Federal, state, and local tactical enforcement elements for immediate use in interdiction operations. Additionally, EPIC supports the Bulk Currency Initiative by entering domestic bulk currency seizures into the National Seizure System (NSS) and assisting field agents by providing investigative support to bulk currency investigations.

Another important piece of DEA's Intelligence Program is DEA's membership in the Intelligence Community (IC). One part of DEA, the Office of National Security Intelligence

- *Number of Civil Sanctions*
- *Number of Diversion PTOs Disrupted & Dismantled (Including Linked to CPOTs and Not Linked to CPOTs)*
- *Number of Planned Scheduled Investigations Completed (Overall)*
- *Number of Outreach/Public Education Events Completed (Overall)*

DEA can initiate a variety of actions for violations of the CSA or its implementing regulations. The type(s) of action taken is typically driven by the severity of the offense(s) and whether or not a registrant was the subject of any previous actions. The following is a partial listing of potential actions DEA can take against a registrant or diverter:

- Administrative actions are handled by DEA and can include (1) a letter of admonition to advise the registrant of any violations; (2) memorandum of agreement, an agreement between DEA and a registrant in which the registrant agrees to specific behavior; (3) an order to show cause, which initiates revocation or suspension of a DEA registration; and (4) an immediate suspension order against the registrant if there is a finding of imminent threat to public health or safety.
- Civil penalties are typically coordinated with an Assistant United States Attorney. Civil violations are typically recordkeeping violations involving controlled substances or listed chemicals. Penalties for civil actions generally include monetary fines.

In FY 2012, the Diversion Control Program (DCP) reported 2,143 administrative actions or civil fines. Because of unique distinctions between administrative and civil actions, DEA began reporting these measures separately in FY 2013. Because FY 2013 is the first year they will be reported separately, DEA will wait to establish a baseline before reporting projections for these two measures. Administrative actions taken due to the results of criminal investigations will continue to be reported as an administrative action.

Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement. Additional TDS staff will provide additional resources for PTO cases; however, the TDSs are not fully staffed yet. In FY 2012, the number of PTOs disrupted was 219 and the number of PTOs dismantled was 156. In FY 2013, the number of PTOs disrupted was 291 and the number of PTOs dismantled was 172.

The Diversion Control Program work plan anticipates a decrease in the Number of Planned Scheduled Investigations Completed (Overall) in 2014 and 2015, due to a change in the scheduled investigations. While the frequency of investigations for certain classes of registrants (i.e. drug and chemical distributor registrants) will increase, and the number of pharmacies subject to investigation will be broadened, the frequency of investigations for other classes or registrants (i.e. DATA-waived practitioners) will actually decrease. These changes will take effect mid-FY 2014 and be in effect for all of FY 2015.

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### National Prescription Drug Take-Back Days

*Prescription take back days are convenient opportunities for the public to rid their medicine cabinets of unused, unwanted or expired medications by transferring them for safe and proper disposal. Since FY 2011, DEA has conducted eight National Take Back Days. Each take back day provides the public with thousands of sites nationwide to turn in their unwanted or expired prescription drugs safely and securely. On April 26, 2014, the most recent National Take Back Day, 780,158 pounds (390 tons) of prescription medications were collected from members of the public. As a result of all eight National Take Back Days, DEA, in conjunction with its state, local and tribal law enforcement partners, has removed a total of 4.1 million pounds (2,123 tons) of medications from circulation. In addition to its safe disposal objectives, the National Take Back Days give DEA and its state, local and tribal partner's opportunities to educate the public on the dangers of prescription drug abuse. On September 9, 2014, DEA published in the Federal Register the final rule on the Disposal of Controlled Substances which expands options for the disposal of prescription drugs.*



7,272 pounds of prescription drugs collected at the DEA El Paso Office during a Take Back Day

DEA's Diversion Control Program is using all criminal and regulatory tools possible to identify and determine who is most likely involved in the illicit distribution of controlled substances, as well as individuals and/or organizations violating the CSA, including shutting down illegal internet pharmacies. For example, DEA is using the Automated Reports and Consolidated Order System (ARCOS) to identify high volume purchasers of narcotic controlled substances. DEA also works with key industry leaders to reduce the availability of Internet access, express shipping, and financial services to rogue online pharmaceutical trafficking organizations. Finally, DEA works to raise awareness of the problem of pharmaceutical diversion via the Internet, promote voluntary efforts to restrict legitimate business services from being used by illicit Internet controlled pharmaceutical traffickers, and identify potential sources of data maintained by businesses that may aid in targeting enforcement efforts against the largest Internet pharmaceutical drug trafficking organizations.

Due to DEA enforcement activities, increased compliance among wholesalers and distributors, and the passage of the Ryan Haight Act, there has been a reduction in rogue domestic DEA registered brick and mortar pharmacies that operated or were associated with schemes via the Internet. DEA continues to identify, target and investigate criminal organizations, both domestically

and internationally, that look to exploit the Internet for the distribution of controlled pharmaceuticals.

DEA's Tactical Diversion Squads (TDS) are a key element of DEA's enforcement strategy to address the diversion of controlled substances. These teams are solely dedicated to investigating, disrupting, and dismantling individuals and organizations involved in drug diversion schemes.

Additionally, they combine the expertise of diversion investigators, special agents, and task force officers from various state and local law enforcement or regulatory agencies. An important purpose of TDS groups is to coordinate with different judicial districts to maximize the effectiveness of multiple investigations and prosecutions. As of September 2014, there were 66 operational TDSs throughout the United States. During FY 2014, the TDS Groups collectively seized \$51.4 million in assets. In FY 2013, the TDS Groups collectively seized \$60.7 million in assets.

DEA works with international partners to target the drug and chemical trafficking organizations most responsible for the production of methamphetamine, as well as the distribution and diversion of precursor chemicals. On a bilateral basis, DEA's strategy is to deny precursor chemicals (both raw products and chemicals) to drug trafficking organizations, while ensuring an adequate supply for commercial licit markets. Key efforts in this area include DEA's *Operation Sin Fronteras* the International Narcotics Control Board's *Project Prism* and *Project Cohesion*.

***Enhance the collection and sharing of intelligence to predict shifts in trafficking trends, to identify all components of the major drug supply organizations, and to support counter-terrorism***

DEA's Intelligence Program is comprised of several components that are responsible for gathering, analyzing, and disseminating domestic and international drug-related intelligence. It also collects and reports national security intelligence encountered during the course of DEA's drug investigations. This intelligence facilitates DEA seizures and arrests, strengthens investigations and prosecutions of major drug trafficking organizations, and provides policy makers with drug trend information upon which tactical and strategic decisions are based.

DEA's Intelligence Program focuses on the concept of predictive intelligence, which is the use of available intelligence to identify trends and vulnerabilities, followed by the concentration of enforcement resources on those specifically targeted areas. By collecting, collating, analyzing, and disseminating tactical, investigative, and strategic drug intelligence to international and national intelligence and law enforcement agencies, the Intelligence Program confronts the drug threat facing the U.S. by ensuring effective and well-coordinated law enforcement operations are directed against the most significant drug trafficking organizations.

The El Paso Intelligence Center (EPIC) is a key component of DEA's Intelligence Program. This multi-agency national tactical intelligence center focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with particular emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides law enforcement agents, investigators, and analysts with immediate access to participating agencies' databases. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, de-confliction, and officer safety. EPIC also monitors and tracks criminal trafficking activities along the border through the use of surveillance and uniquely skilled personnel. Timely intelligence is provided directly to federal, state, and local tactical enforcement elements for immediate use in interdiction operations. Additionally, EPIC supports the Bulk Currency Initiative by entering domestic bulk currency seizures into the National



### Output Performance Measures:

- *Number of Administrative Sanctions*
- *Number of Civil Sanctions*
- *Number of Diversion PTOs Disrupted & Dismantled (Including Linked to CPOTs and Not Linked to CPOTs)*
- *Number of Planned Scheduled Investigations Completed (Overall)*
- *Number of Outreach/Public Education Events Completed (Overall)*

DEA can initiate a variety of actions for violations of the CSA or its implementing regulations. The type(s) of action taken is typically driven by the severity of the offense(s) and whether or not a registrant was the subject of any previous actions. The following is a partial listing of potential actions DEA can take against a registrant or diverter:

- Administrative actions are handled by DEA and can include (1) a letter of admonition to advise the registrant of any violations; (2) memorandum of agreement, an agreement between DEA and a registrant in which the registrant agrees to specific behavior; (3) an order to show cause, which initiates revocation or suspension of a DEA registration; and (4) an immediate suspension order against the registrant if there is a finding of imminent threat to public health or safety.
- Civil penalties are typically coordinated with an Assistant United States Attorney. Civil violations are typically recordkeeping violations involving controlled substances or listed chemicals. Penalties for civil actions generally include monetary fines.

In FY 2012, DCP reported 2,143 administrative actions or civil fines. Because of unique distinctions between administrative and civil actions, DEA began reporting these measures separately in FY 2013. In FY 2013 and FY 2014, DEA reported 2,268 and 2,392 administrative sanctions, respectively. Correspondingly, DEA reported 87 and 66 Civil Fines in FY 2013 and FY 2014. In the absence of a historical record of empirical data, DEA will wait to establish performance targets for these two measures. Administrative actions taken due to the results of criminal investigations will continue to be reported as an administrative action.

Beginning in FY 2010, with the creation of Tactical Diversion Squads (TDS) in every domestic field division, the Diversion Control Program began focusing on the identification of PTOs and their eventual disruption and dismantlement. Additional TDS staff will provide additional resources for PTO cases; however, the TDSs are not fully staffed yet. In FY 2012, the number of PTOs disrupted was 219 and the number of PTOs dismantled was 156. In FY 2013, the number of PTOs disrupted was 291 and the number of PTOs dismantled was 172. Through 4<sup>th</sup> Quarter FY 2014, DEA reported 363 PTOs disrupted and 235 PTOs dismantled or 165 and 196 percent to FY target, respectively.

## Outcome Measure:

DEA will continue to evaluate potential outcome measures for the DCP.

### **b. Strategies to Accomplish Outcomes**

***DOJ Strategic Objective 2.3:*** “Disrupt and dismantle major drug trafficking organizations to combat the threat, trafficking, and use of illegal drugs and the diversion of licit drugs”

The DCP’s mission is to prevent, detect, and investigate the diversion of controlled pharmaceuticals and listed chemicals from legitimate sources while ensuring an adequate and uninterrupted supply for legitimate medical, commercial, and scientific needs. The following strategies outline DEA’s plan to achieve this objective:

***Identify and target those individuals and organizations responsible for the diversion of pharmaceutical controlled substances and/or listed chemicals using traditional and non-traditional investigative methods. Investigate and prepare for prosecution of violators of pharmaceutical controlled substance laws at the international, national, state, and local levels.***

### **Tactical Diversion Squads**

The DCP conducts criminal enforcement activities primarily through TDS groups. TDSs are comprised of many DEA specialties, including DEA Special Agents and Diversion Investigators, and state and local counterparts such as state law enforcement and regulatory personnel. These groups combine varied resources and expertise in order to identify, target, investigate, disrupt, and dismantle those individuals or organizations involved in diversion schemes (e.g., pill mills, prescription forgery rings, and rogue internet pharmacies). TDSs develop sources of information and disseminate intelligence to appropriate elements for the development of leads and targets. The TDS provides support to a Diversion Group and/or a Diversion Staff where law enforcement authority (LEO) activities are required (e.g., purchase of evidence/purchase of information, conducting surveillance, conducting undercover operations, making arrests, and executing search/seizure warrants). TDSs also play an important role in addressing the growing problem of emerging synthetic designer drugs. TDS groups buy these substances which are analyzed and used to support DEA’s temporary scheduling actions. As of September 30, 2014, DEA has 66 fully operational TDSs throughout the United States, covering 41 states, Puerto Rico, and the District of Columbia.

### **Chemical Initiatives**

The DCP serves as the Competent National Authority (CNA) for the United States concerning precursor chemicals and international treaties. The DCP works with the international community to identify and seize international shipments of precursor and essential chemicals destined for clandestine laboratories for use in manufacturing controlled substances. Additionally, in cooperation with chemical companies and on a bilateral basis, the DCP urges international partners to take effective action to prevent the diversion of precursor chemicals from legitimate trade. In addition to its other oversight and regulatory responsibilities in this area, the DCP